Annual Report

Providing a Shortcut to Value

2024

Contents

About the Report

The Annual Report of Fix Price Group PLC (hereinafter also referred to as Fix Price, the Company or, together with its subsidiaries, the Group) for 2024 was prepared based on the information available to Fix Price Group PLC and its subsidiaries as of 31 December 2024, unless otherwise implied by the meaning or content of the information provided.

This Annual Report is addressed to a wide range of stakeholders and reflects the key performance results of Fix Price for 2024 in such matters as strategic and corporate governance as well as financial and operating results. The Annual Report was prepared in accordance with the requirements of the applicable laws.

Forward-looking Statements

This report may contain forward-looking statements regarding the Company's strategy, operations, and financial outlook. These statements are based on current assumptions and expectations and are subject to risks and uncertainties beyond Fix Price's control. Actual results may differ materially. Fix Price undertakes no obligation to publicly update or revise any forward-looking statements.

Company Overview

Discover the scale and operating model that enables us to consistently deliver value to our customers. Fix Price's unique competitive advantages and value proposition enable it to be our customer's shortcut to value across a number of countries, regions, and product categories.

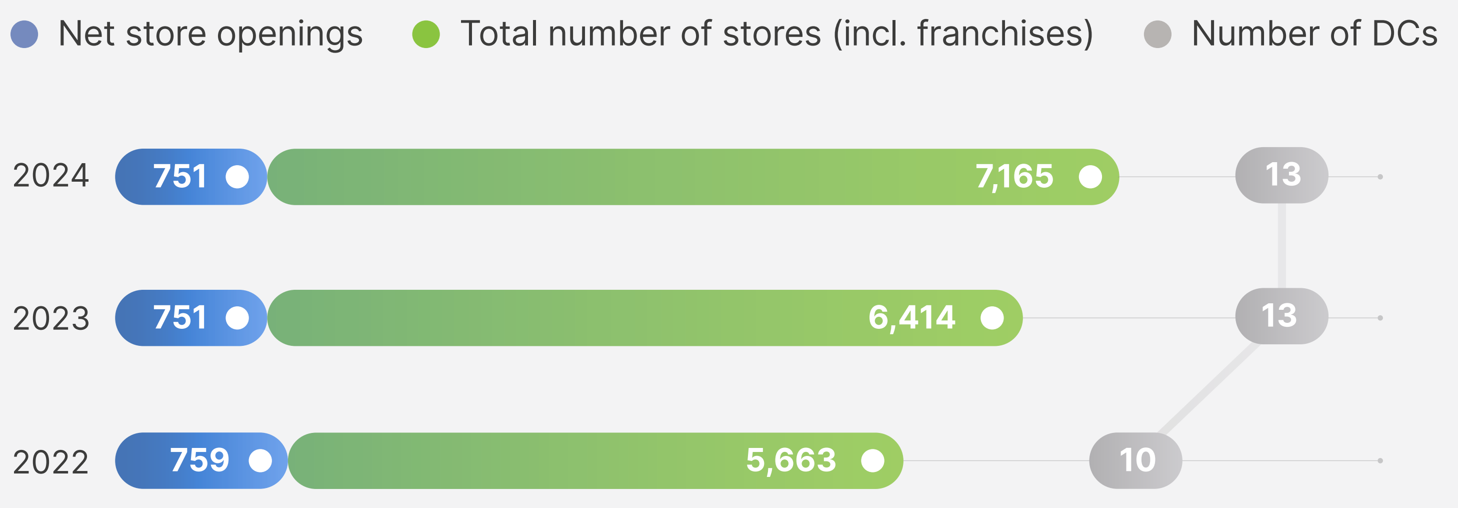
7,165
Number of stores

10
Countries of presence

45,176
Number of employees

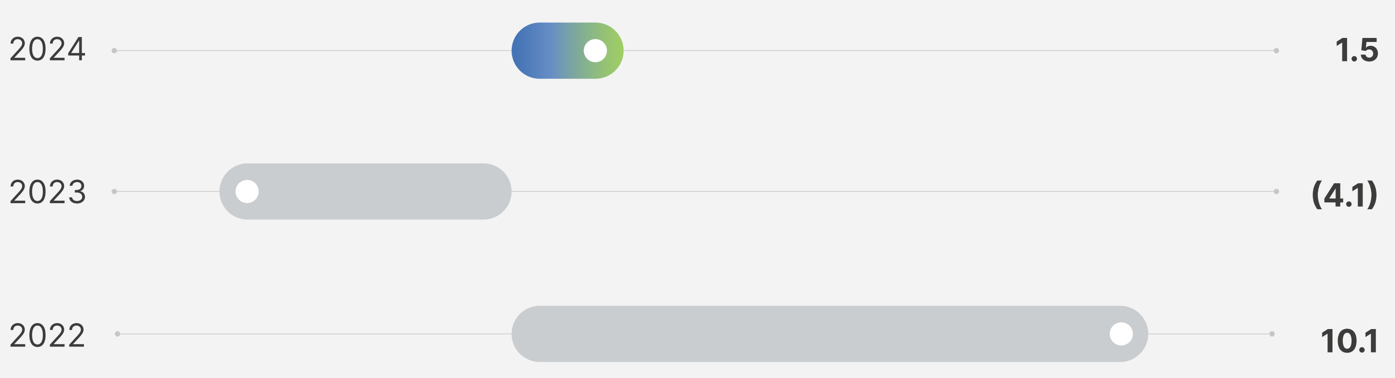
Key Figures
(Operational)

Total number of stores (incl. franchises), Number of DC [1], Net store openings



Total selling space, thousand sq. m

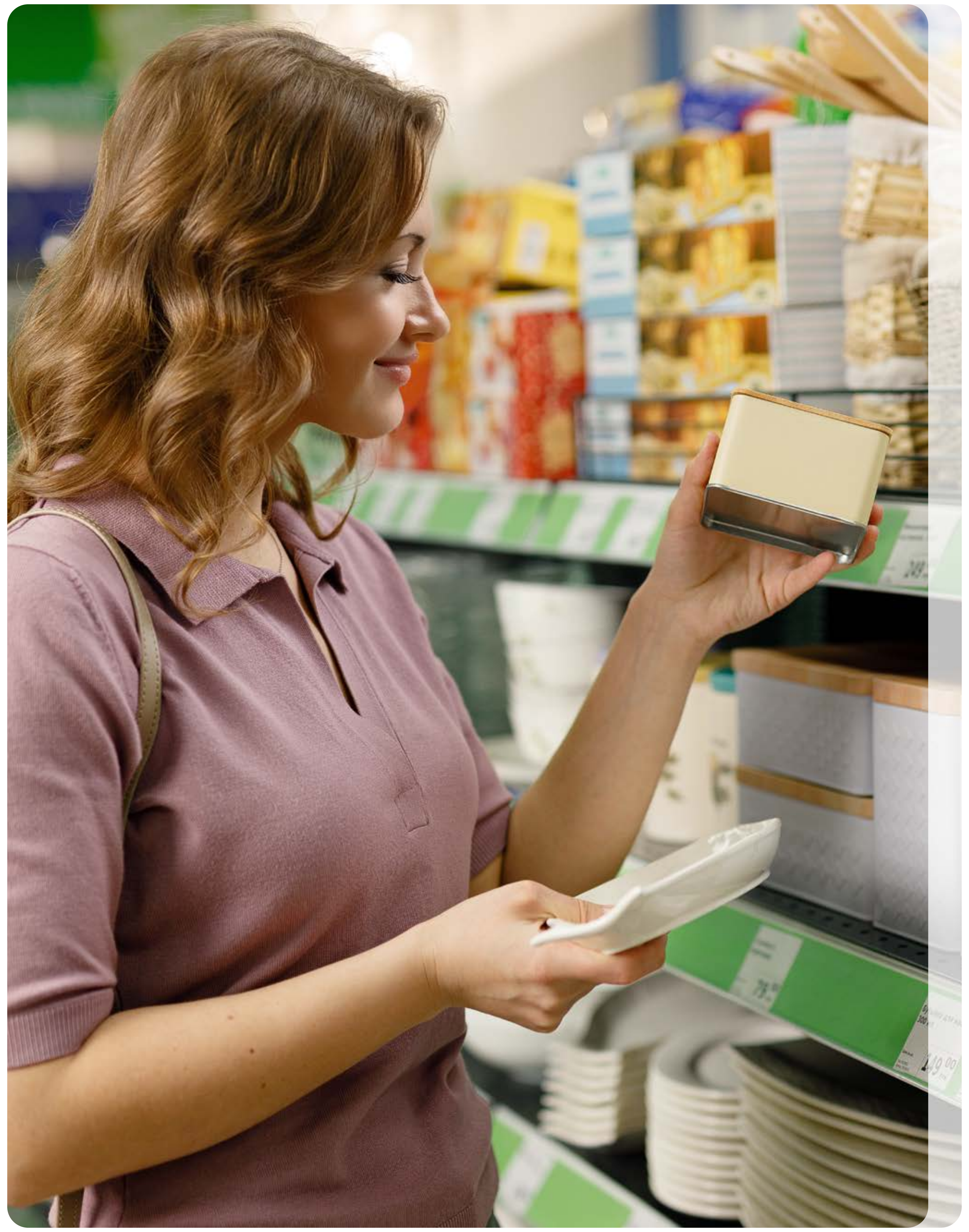
LFL performance [2], %



Retail revenue, RUB billion

Net Promoter Score (NPS) [3], %

Loyalty cardholders in Russia, thousand



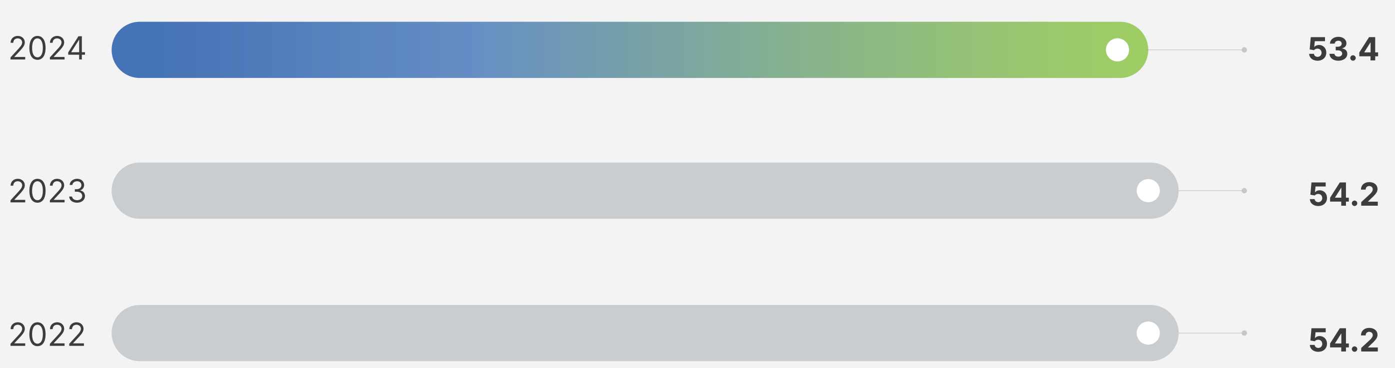
(1) Distribution centres
(2) Here and hereinafter, like-for-like (LFL) sales, average ticket, and number of tickets are calculated based on the results of stores operated by Fix Price and that were open for at least 12 full calendar months preceding the reporting date. LFL sales and average ticket are calculated based on retail sales including VAT
(3) Source: Market research run by Vector in spring and autumn 2024, spring and autumn of 2023, and autumn 2022

Key Figures
(Financial)

Revenue, RUB billion

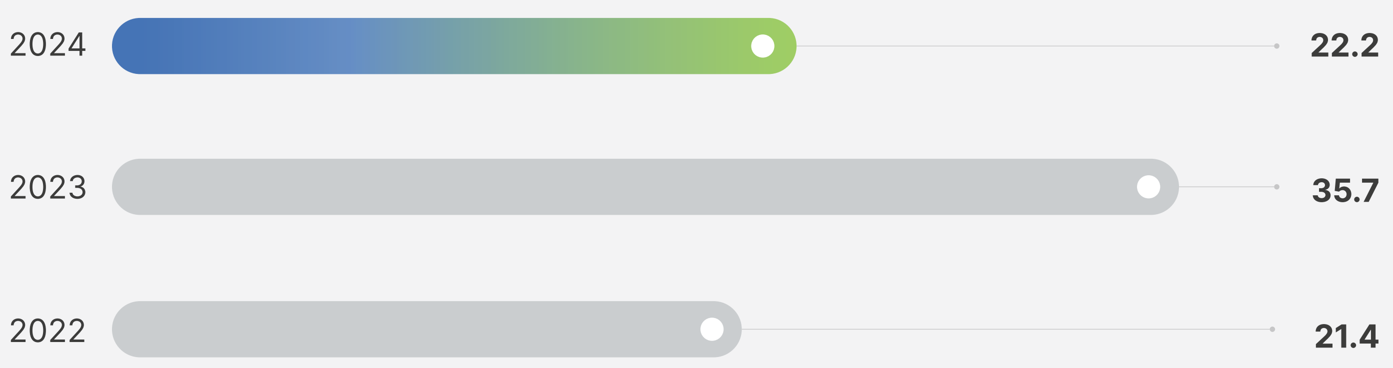
Gross margin, %

Adjusted EBITDA [(1)], RUB billion

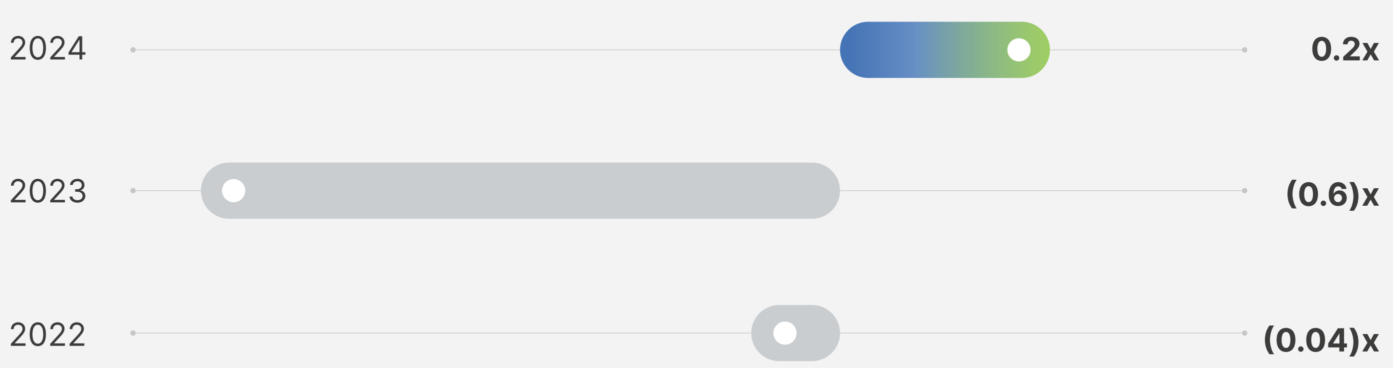


Adjusted EBITDA margin, %

Net profit, RUB billion



Adj. net (cash)/debt to EBITDA under IAS 17



(1) EBITDA adjusted for LTIP (long-term incentive programme) expenses. EBITDA is calculated as profit for the given period before income tax, net interest income/(expenses), depreciation and amortisation, and foreign exchange gain/(loss)

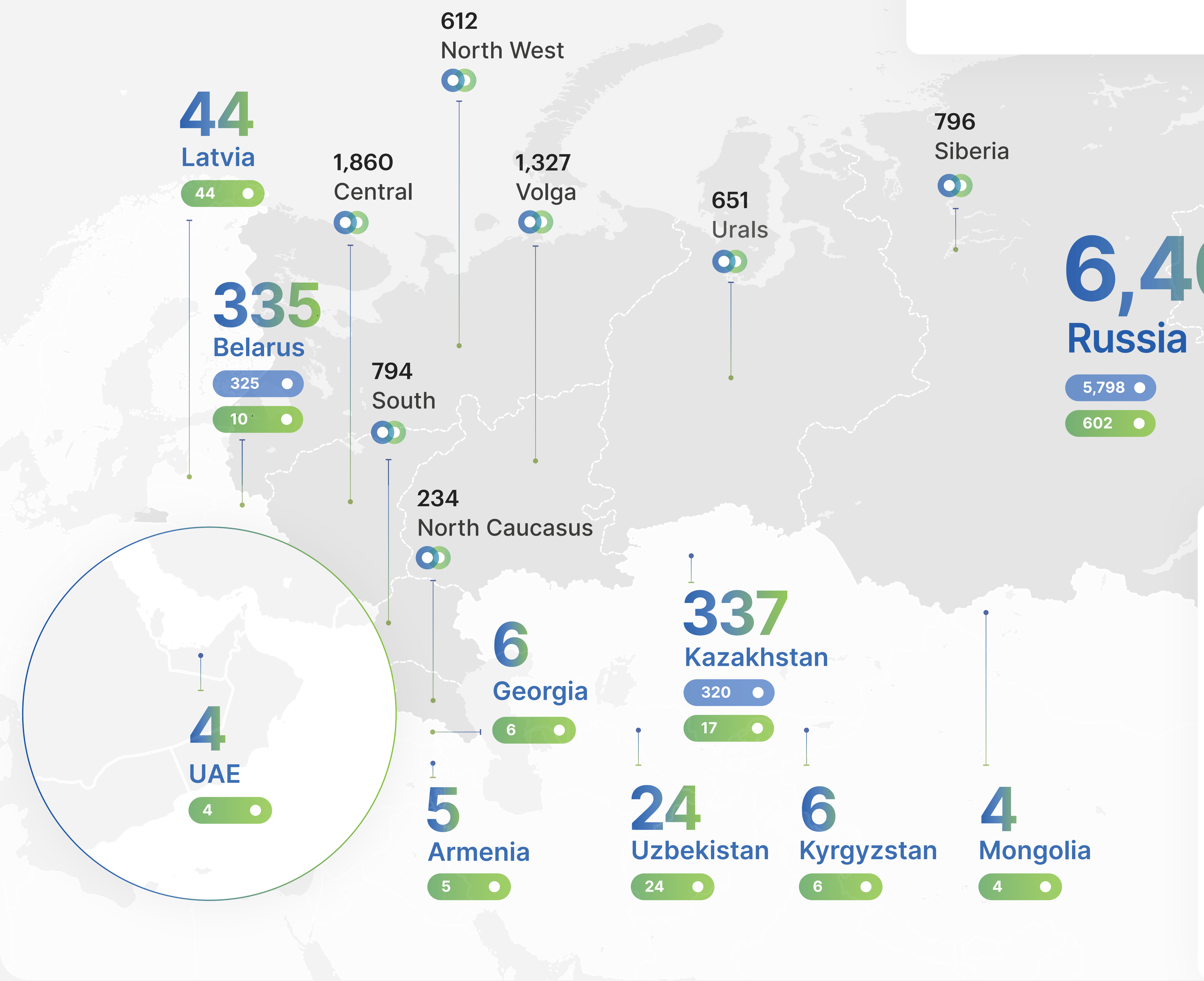
Our Geographical Presence

7,165 International stores

- 6,443 Company-operated stores
- 722 Franchise stores

~1,551,000 Total selling space (sq. m)

- 1,389,973 Company-operated stores
- 160,586 Franchise stores



Russian stores by region

Region	Company-operated stores	Franchise stores	Total	% of total [1]
Central	1,848	12	1,860	29.1%
Volga	1,312	15	1,327	20.7%
Siberia	660	136	796	12.4%
South	769	25	794	12.4%
Urals	538	113	651	10.2%
North West	459	153	612	9.6%
North Caucasus	212	22	234	3.7%
Far East	0	126	126	2.0%

● Company-operated stores ● Franchise stores

6,400
Russian stores

765
Stores in other countries

+732 net openings
of Company-operated stores

10
countries of presence

13
Distribution centres

292 sq. m
average total store size

216 sq. m
average store selling space

(1) Total may not be equal to the sum of the components due to rounding

Value Creation Model

Key Business Drivers

~45,000 employees
Highly experienced and qualified management team

7,165 stores
across
10 countries
with a total selling space of
~1,551,000 sq. m

Scalable store format with low CAPEX requirements

~600 suppliers

13 DCs
with a total area of
~483,000 sq. m

Our Value Chain

1 Raw Material
2 Factory
3 Supplier
4 Distribution
5 Stores
6 Customers

Value Proposition: More than just Low Prices

Customers
>30 million
registered loyalty cardholders
+11.5%
y-o-y

Product mix
66%
of retail sales come from regularly rotated merchandise

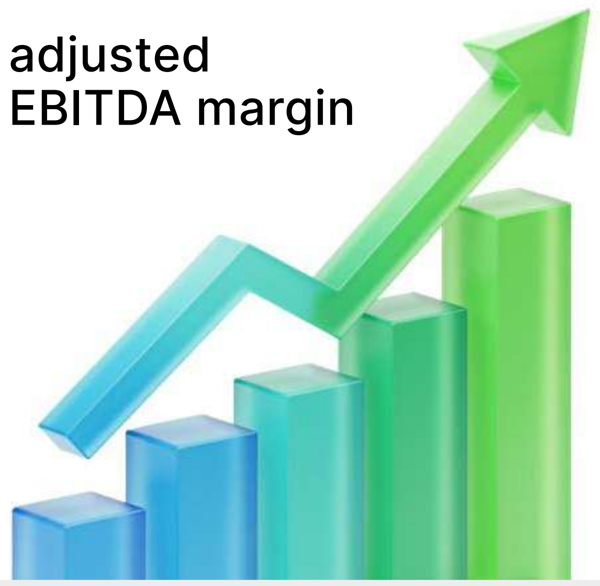
No.1
in the Russian variety value retail market

Revenue
RUB **285** billion
Retail revenue

RUB **30** billion
Wholesale revenue

Industry-leading margins
33.9%
gross margin

Robust EBITDA performance
17.0%
adjusted EBITDA margin



Delivering Value to Stakeholders

Customers

65%
NPS

We sell
~85%
of our goods for no more than RUB 199

Employees

156% increase
in training hours per FTE [1]

21% y-o-y increase
in financial support to employees

Shareholders

Redomiciliation from Cyprus to Kazakhstan completed in 2024

The Group initiated corporate changes to ensure protection of the rights and interests of its shareholders

Record dividends approved in 2024 in the amount of
RUB **9.84** per share/GDR
and RUB **35.3137** per share/GDR [2]

Partners

77% share
of Russian suppliers in procurement

176
franchise programme participants

Local communities

~ RUB 68 million
spent by the Company on its social initiatives

~6,000 trees
planted

[1] Full-time equivalent
[2] Interim dividends for 2022, 2023 and 2024

Investment Case

Providing a Shortcut to Value

Our strategic approach – providing outstanding value in convenient stores, expanding our reach, and enhancing the customer experience – positions Fix Price as a great shortcut to value. This strategy not only drives customer satisfaction but also helps generate substantial shareholder returns by leveraging our competitive advantages.

Competitive advantages

Unique CVP [1]

Unmatched affordability:

Ten fixed price points under RUB **399**

Dynamic assortment rotation:

~60 new products per week

Rewarded loyalty:

Loyalty cardholders spend almost **twice** as much as non-holders

Responsive supply chain

Transparent procurement and significant scale which enable us to:

- Offer customers compelling value at affordable prices
- Support suppliers in manufacturing unique products in predictable volumes

End-to-end product oversight:

In-depth involvement in the design and A-to-Z production cycle of products

Agile decision-making

Optimised store development strategy

Whitespace potential:

18,600 stores[2] opportunity

Rapid ROI:

11-month payback for new stores

Low investment threshold:

Average net new outlet investment of RUB **5** million

Standardised store format

Disciplined cost management

Capital-efficient expansion:

Efficiency through store standardisation and extensive automation

CAPEX-light model:

Utilising **2.8%** of revenue

Optimising flexible lease terms

Integrated technology infrastructure

Unified network management:

Process standardisation and automation allow **central management** of the network by a modestly sized head-office team

Seamless business integration:

Enabled by an **enterprise resource planning** (ERP) system

Data-driven operational optimisation:

Technology **innovations**, AI, and expertise accumulated over 18 years are leveraged to enhance processes

[1] CVP = Customer Value Proposition
[2] Source: INFOLine

Our Approach to ESG

In our ESG activities we are guided by our four strategic sustainability pillars, the 4Ps: Product, People, Partners, and Planet.

Primary targeted UN Sustainable Development Goals (SDGs)

SDG 8
Decent work and economic growth

SDG 12
Responsible consumption and production

SDG 13
Climate action

Learn more about this in the Sustainability Review

Product

We strive to source and offer products that are safe, quality tested, and sustainably procured

>4,000
product quality tests

People

We prioritise the wellbeing and development of our employees and the wider communities, while fostering an inclusive and supportive environment for all

+21% y-o-y increase
in financial support to employees

Partners

We collaborate with our suppliers and partners who share our commitment to ethical and sustainable practices throughout the value chain

0 major breaches
identified by private-label supplier audits

Planet

We strive to reduce our environmental footprint and contribute to a healthier planet through responsible resource management

+11% y-o-y increase
in the amount of waste sent for recycling

Highlights from the Year

Brand Recognition

This year we have achieved significant recognition for product quality and private label excellence, with a number of our products receiving quality diplomas. Two products have received diplomas in the **Quality Guarantee Competition**: Mexican Wheat Tortillas 'Tortillas' (Original Flavor) and Green Peas 'Pickles & Jams'.

At the **SobMaExpo awards**, our Hupper Dupper private label won **'Best Private Label 'Children's Products'**, and our BonHome private label was awarded **'Best Private Label in the Economy Segment'**, showcasing our successful development of diverse, high-value product lines.

Additionally, Fix Price received recognition at two major industry events in Russia. At the debut **'Koshelek Awards'** in Moscow, the Company won an award category for furniture, home goods, and DIY products.

Positive Social Impact Initiatives

Fix Price continued to contribute to social welfare and environmental stewardship in 2024 through several key initiatives.

Our long-standing 'Good Deeds' initiative, active since 2014, returned after a brief pause and expanded into Kazakhstan and Belarus. During the year, 30 initiatives were carried out, including two major tree-planting campaigns organised together with our partner and supplier Grass and impactful summer campaigns focused on waste collection and support for social institutions.

Starting in August, Fix Price also partnered with VK Dobro to support six charitable foundations, while continuing to provide targeted humanitarian assistance throughout the year. Each foundation received financial support to implement initiatives aimed at helping children and adults with developmental disabilities, low-income families, people experiencing homelessness, and elderly individuals living alone.

The 'Kindness Backpack' and 'Mother's Day' campaigns with Foodbank Rus successfully engaged communities, collecting over 320kg of supplies across 1,200 aid packages for families in difficult life situations.

42

charitable and social projects organised in 2024

Strategic Capital and Listing Adjustments

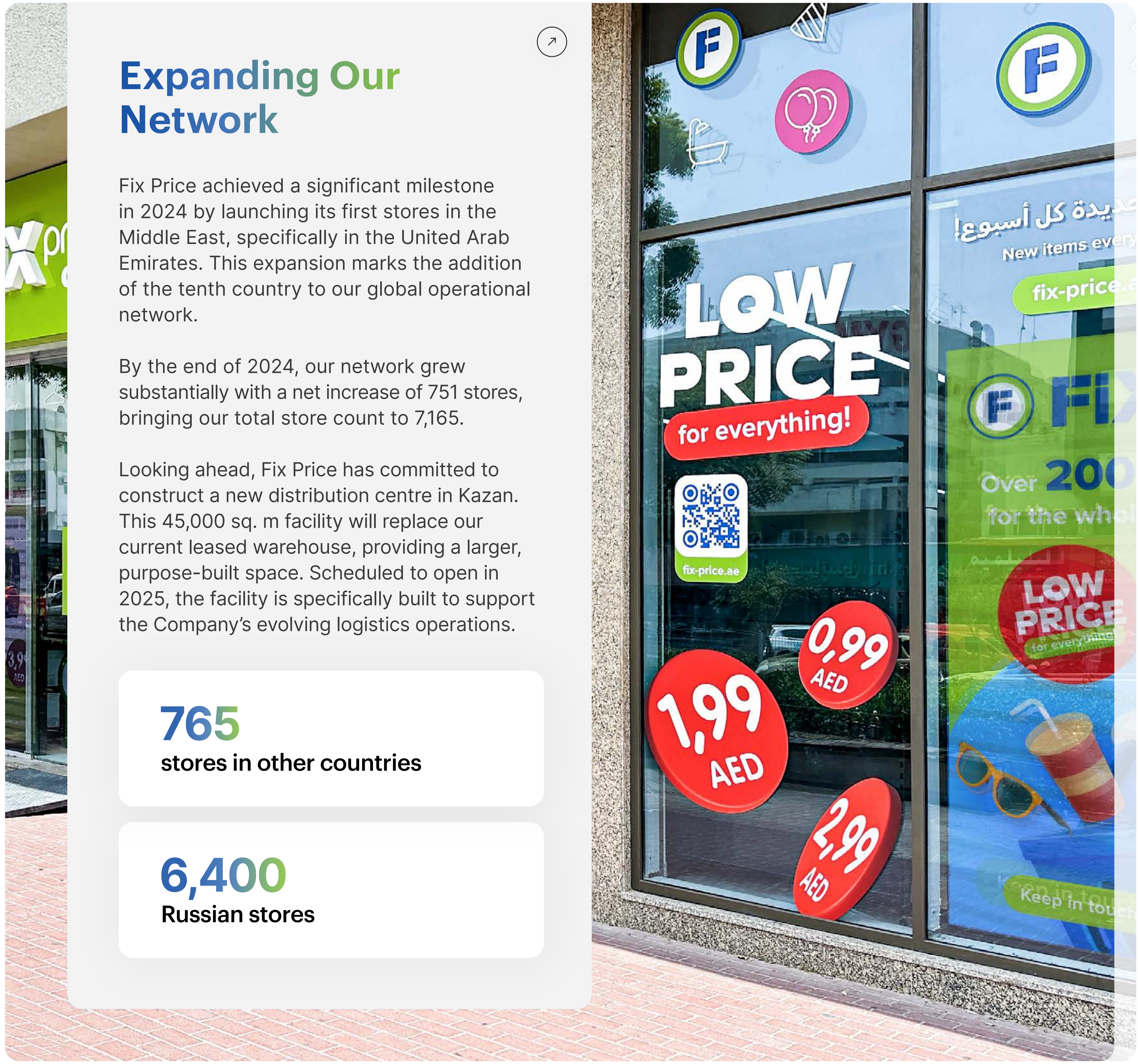
During the year, Fix Price Group PLC successfully completed its redomiciliation to the Astana International Financial Centre (AIFC) in Kazakhstan, marking a significant milestone in the Company's strategic repositioning. As part of this process, the Company transitioned its primary listing to the Astana International Exchange (AIX) and appointed a new depositary bank to support its Global Depositary Receipts (GDR) programme.

In a demonstration of our strong commitment to shareholder returns, the Board of Directors approved two dividend payments during the year. The first covered interim dividends for 2023 and 2024, while the second included a separate interim dividend for 2022, 2023, and 2024. These payments totalled RUB 8.4 billion and RUB 30.0 billion, respectively, reflecting our solid financial performance and strategic capital allocation.

RUB **38.4** billion

dividends announced in 2024

Operational Highlights



Expanding Our Network

Fix Price achieved a significant milestone in 2024 by launching its first stores in the Middle East, specifically in the United Arab Emirates. This expansion marks the addition of the tenth country to our global operational network.

By the end of 2024, our network grew substantially with a net increase of 751 stores, bringing our total store count to 7,165.

Looking ahead, Fix Price has committed to construct a new distribution centre in Kazan. This 45,000 sq. m facility will replace our current leased warehouse, providing a larger, purpose-built space. Scheduled to open in 2025, the facility is specifically built to support the Company's evolving logistics operations.

765
stores in other countries

6,400
Russian stores

Expanding Our Product Selection

As part of our continued focus on product innovation, Fix Price expanded its private label portfolio in 2024 with several new launches across key non-food categories.

45
new SKUs under the Prank Bank brand were developed throughout 2024

Under the Homestar brand, two new products were introduced, including a range of toilet rims and a pipe cleaner. The Dentallbril brand added a new SKU of toothbrushes, while BUTY introduced two variations of enzyme face powder.

During the year, Fix Price relaunched 'Refine', its popular private label for household chemicals, adding seven new products to the line. This brand offers laundry products at highly affordable prices, maintaining our commitment to providing value.

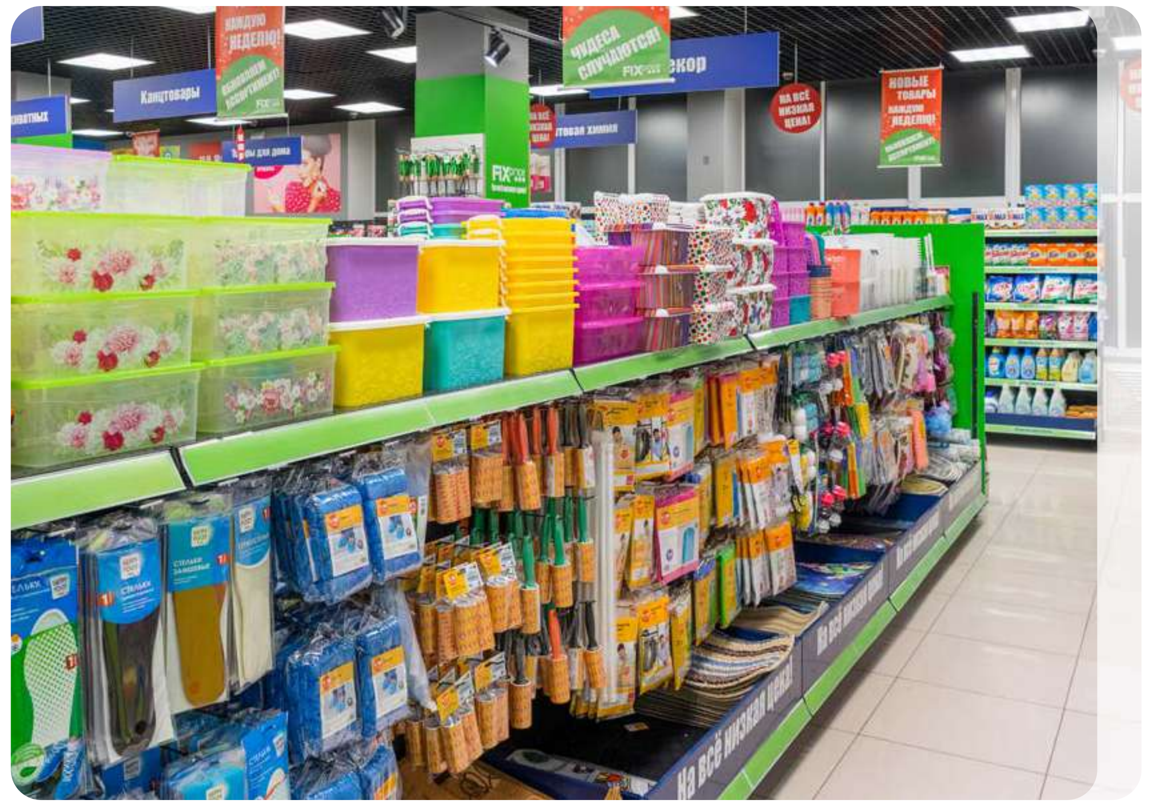
Additionally, the Instyle (Bijouterie) jewellery category was developed, with the first collection launched before the New Year and announced on 16 December 2024. Looking ahead, 45 new SKUs under the Prank Bank brand were developed throughout 2024, scheduled for release in 2025.

Technology and IT

Video Analytics for Enhanced Store Monitoring

We implemented an upgraded video analytics system, incorporating computer vision technology to enhance store management.

This system now monitors shopping areas for empty shelves, floor conditions, and aisle obstructions, in addition to queue detection. Additional testing is currently underway in 300 stores to optimise operational efficiency and the customer experience.



Expanding Self-Service and Biometric Payment Options

To streamline the checkout process and enhance customer convenience, we installed over 3,200 self-service checkouts (SSCs) in more than 1,600 Company-operated stores in Russia during 2024. This expansion brought the total number of SSCs to over 5,800, equipping more than 2,900 outlets.

Furthermore, we introduced a biometric payment technology, enabling 'smile-to-pay' functionality across all Company-operated stores in Russia, marking a significant step in modernising payment solutions.

AI-Powered Recruitment Efficiency

In order to address the Company's recruitment needs in a rapidly expanding market, an AI-powered robot recruiter was deployed. This system has resulted in the selection of 23% of candidates for frontline positions within one year, demonstrating high performance with rapid application response times, utilising chat communication for candidate interaction.

Automating Internal IT Request Processing with AI

Additionally, this year we initiated an AI pilot project to automate the processing of internal IT requests. The system created categorises requests, reducing processing times and improving efficiency. Approximately 100,000 requests have been processed since implementation.

~100,000

requests have been processed since implementation

Strategic Report

Explore the value that Fix Price delivers across both our varied product mix, as well as our continuously improving customer experience. Our customer-first strategy, which leverages technology and innovation, constantly seeks to develop the value that our customers unlock when they choose to shop with us.

>2,000
SKUs

60
Private label brands

90%
market share in Russia

CEO's Statement

Resilient Growth in a Dynamic Market

2024 was a year of continued progress and focused delivery for Fix Price. We navigated a complex macroeconomic environment with discipline, expanded our store network with pace and precision, and reinforced our market leadership by staying true to what sets us apart. We provided a curated and evolving assortment at affordable prices, supported by operational consistency and deep customer insight.

Throughout the year, we remained guided by our long-term strategy while adapting decisively to external volatility. High interest rates, inflationary pressure, and shifting consumer behaviour continued to shape the retail landscape across our markets. At the same time, acute labour shortages, wage inflation, and elevated logistics costs presented tangible challenges. Despite these obstacles, we delivered solid financial and operational performance, reinforced our competitive advantages, and further enhanced our value proposition to customers and shareholders.

Gross margin in 2024

33.9%

Strategic Expansion, Executed at Scale

Network expansion remained a key driver of growth. We opened 751 net new stores in 2024, reaching a total of 7,165 across 10 countries. Nearly 40% of our stores have been operating for less than three years, underscoring the scalability of our model. We strengthened our footprint in Russia while expanding our presence across neighbouring markets, including Kazakhstan and Belarus. Notably, we launched our first stores in the United Arab Emirates, marking our entry into the MENA region.

This growth was underpinned by a disciplined approach to site selection and capital efficiency. With an average lead time of 30 days from lease signing to opening, and a payback period of about one year, our standardised store format and data-led location strategy continue to deliver strong returns. We plan to keep growing our network at a sustainable pace of approximately net 700 openings in 2025, aligning expansion with the growth potential of each country we operate in.

Retail revenue grew by 10.0% year-on-year to RUB 284.9 billion, while total revenue reached RUB 314.9 billion. We maintained a stable gross margin of 33.9%, despite elevated transportation and wage costs, thanks to strong assortment management, pricing discipline, and a contribution of higher-margin product categories.

> **2024 was a year of continued progress and focused delivery for Fix Price. We provided a curated and evolving assortment at affordable prices, supported by operational consistency and deep customer insight.**
>
> **Dmitry Kirsanov,**
> CEO

CEO’s Statement

Adapting to Changing Consumer Behaviour

Consumer sentiment continued to evolve throughout the year, shaped by economic uncertainty, inflation expectations, and high deposit interest rates. We observed caution around discretionary spending, with customers prioritising either low-cost essentials or high-value, durable non-food purchases.

Our ability to respond to these shifts through agile category management and assortment evolution remains a key strength. In 2024, non-food categories accounted for nearly 50% of retail sales, led by the strong performance of our seasonal assortment, household goods, toys, and party supplies. Food’s share of retail sales grew to 27%, supported by the introduction of high-turnover traffic drivers such as ice cream, cereals, and shelf-stable items.

We also continued to broaden our offering of mid- and high-price-point products to match demand for perceived value. Items priced above RUB 99 represented 62% of retail sales, compared to 46% just a year earlier. Imported products made up 24% of retail sales, with growing demand for Asian-sourced items reinforcing our global sourcing advantage.

Seasonal assortments and private label innovation were key features of our year-end performance. Holiday collections that blended tradition with contemporary design proved especially popular. Meanwhile, new private label lines in jewellery, travel accessories, and household chemicals helped attract traffic and reinforced our value positioning.

Technology-Driven Efficiency and Customer Experience

We see technology as a strategic asset that enhances productivity, supports our workforce, and elevates the customer experience. In 2024, we installed over 3,200 self-service checkouts bringing the total network to more than 5,800 across 2,900 Company-operated stores. These solutions now serve a growing share of transactions, improving throughput and helping to ease operational pressure in a tight labour market.

Beyond checkout automation, we expanded our internal mobile apps and analytics tools. These now provide store managers with real-time visibility into performance metrics such as traffic, loyalty penetration, and planogram compliance. We also accelerated the use of video analytics, voice assistants, and digital monitoring systems. These support queue management, shelf stock visibility, and store upkeep while assisting staff and reducing operational errors.

Our back-office digitalisation also advanced significantly. AI-enabled recruitment tools screened over 1,000 CVs daily and facilitated more than 50,000 interviews. Digital onboarding and HR automation now cover core workflows, from shift management to document submission. These efforts helped reduce manual workload and ensured continuity amid widespread staffing shortages.

As a result of these initiatives, we maintained an adjusted EBITDA margin of 17% for the year and achieved over 20% margin in the fourth quarter. These results are among the strongest in the sector and reflect the resilience of our operating model.

> **We are building a more resilient business that delivers an evolving product mix, adapts to change, performs consistently, and creates long-term value. This is what makes Fix Price a true shortcut to value.**

5,800
Self-service checkouts across
2,900
Company-operated stores

Items priced above
RUB **99**
represented
~62%
of retail sales

CEO's Statement

Growing workforce of over

45,000

Financial support to employees increased by

21%

Record dividend payout in 2024

Investing in People and Supporting Our Communities

Our people remain central to our performance. With a growing workforce of over 45,000 across stores, distribution centres, and corporate teams, we have continued to build a supportive and inclusive working environment. In 2024, financial support to employees increased by 21%, while healthcare programme coverage expanded by 27%. Training hours per employee rose by 156% year-on-year, reflecting our continued investment in capability-building.

Our long-term incentive programme, launched in 2022, has been extended to 2028 and broadened to include a wider group of key contributors. This programme has strengthened retention, rewarded performance, and supported alignment with our strategic goals.

At the community level, our "Good Deeds" initiative returned with greater impact. We expanded the campaign for the first time beyond Russia, into Kazakhstan and Belarus, with 30 initiatives focused on social support and environmental awareness.

Furthermore, we provided direct support to foundations, continued to raise customer awareness, and assisted various social groups in line with our priorities: helping children, the elderly, and families facing difficult life circumstances. Throughout the year, the Company contributed a total of RUB 68 million to charitable causes across various initiatives.

Creating Value for Shareholders

We remain committed to protecting our investors' interests and ensuring transparent access to capital markets. In 2024, we completed the transfer of our global depositary receipts programme to a new successor depositary, ensuring continued investor access and preserving our primary listing on the Astana International Exchange.

We also delivered on our commitment to shareholder returns. In Q1 2024, we distributed dividends of RUB 9.84 per share or GDR. In December, the Board approved a record dividend payout of RUB 30 billion, equivalent to RUB 35.3137 per share or GDR. This total payout reflected the strong financial foundation of the business and our responsible approach to capital allocation from 2022 through 2024.

We are also exploring additional mechanisms to enhance investor access. One option under review is the potential listing of our key operating subsidiary, which would allow minority shareholders to transition to direct ownership on this level. These discussions are ongoing, and we remain committed to transparency and proactive dialogue with all stakeholder groups.

Looking Ahead

As we move into 2025, the broader macroeconomic environment remains complex. Global and regional factors, including intense labour market pressure, a competitive environment and shifting consumer sentiment, are expected to continue affecting the retail landscape. However, we believe that our business is well positioned to respond and remain committed to our approach of combining disciplined growth with strong cost control, real-time data, and the flexibility to adapt to changing conditions.

Despite ongoing challenges, we remain focused on our top priorities. As before, we see significant opportunities for further growth and estimate the market potential across Russia, Kazakhstan and Belarus at 18,600 stores which supports our ongoing strategic expansion. We will continue to enhance our unique value proposition and pricing architecture. And we will invest in the technology and people that enable our model to scale with consistency and control.

I would like to sincerely thank all our employees for their hard work and dedication. I also extend my appreciation to our suppliers and partners for their collaboration, to our customers for their trust, and to our shareholders for their continued confidence in us. Finally, I would like to thank the Board of Directors and our executive management team for their strategic guidance and support.

Together, we are building a more resilient business that delivers an evolving product mix, adapts to change, performs consistently, and creates long-term value. This is what makes Fix Price a true shortcut to value.

Dmitry Kirsanov,
CEO

Market Overview

Leading the Russian variety value retail (VVR) market with a top team, Fix Price's success is built upon a unique customer value proposition, operational excellence via strong logistics and direct imports, and substantial growth potential with high profitability.

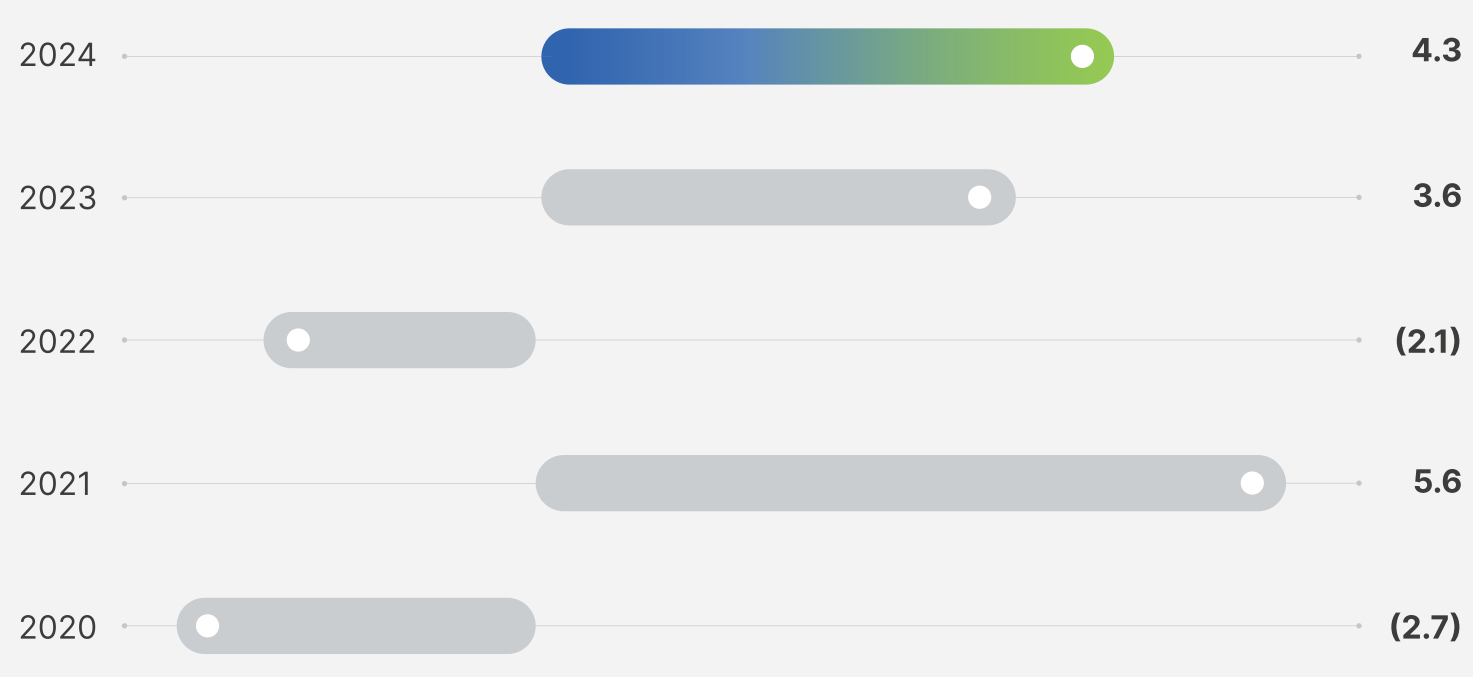
Macroeconomic Overview [1]

2024 presented a complex picture for the Russian economy. While inflationary pressures remained significant, the economy demonstrated resilience with notable growth. External and domestic economic tailwinds led to a 4.1% increase in real GDP in 2024, a figure later revised to 4.3%. However, the annual inflation rate in December 2024 stood at 9.5%, higher than the 7.4% recorded a year before.

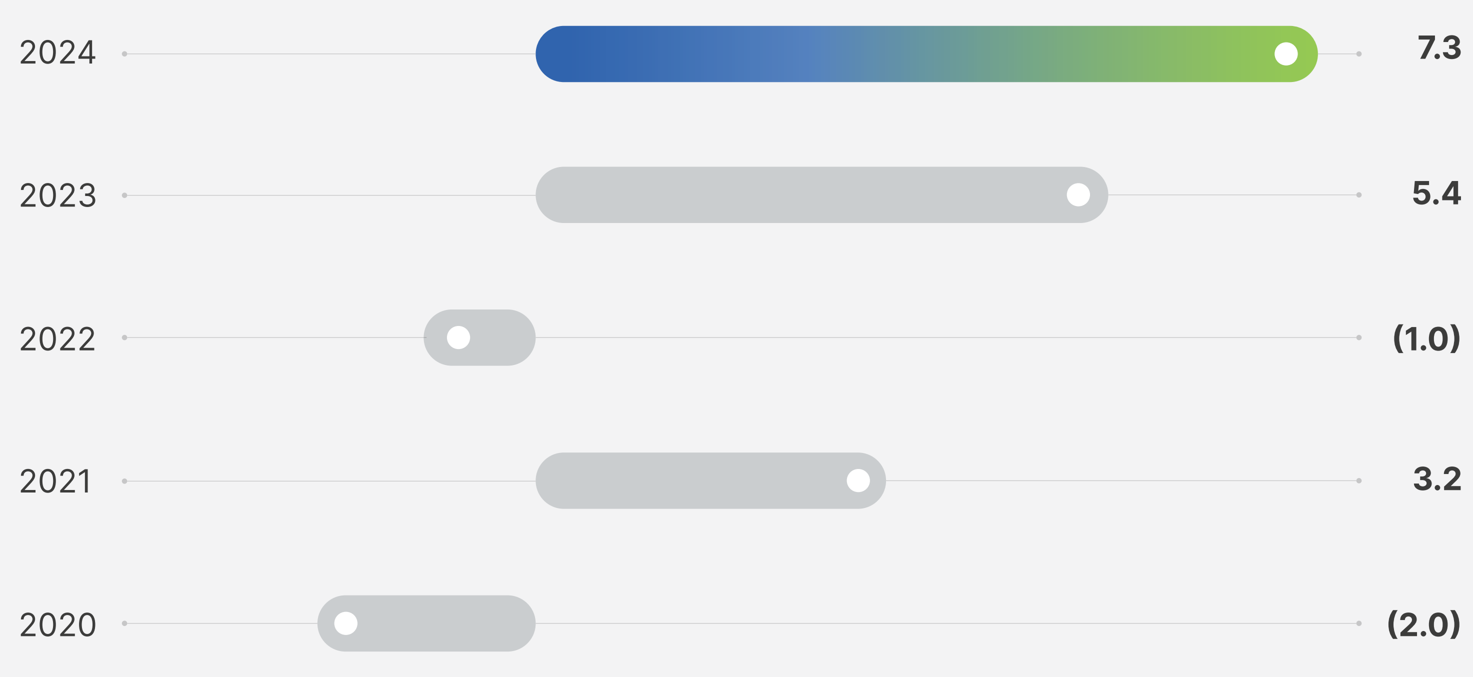
Domestic demand continued to be a key driver, supported by rising real wages and government spending, but somewhat curbed by high interest rates and a slowdown in lending. For 2024, both food and non-food CPI experienced a significant surge, with food CPI rising to 11.1% in December from 8.2% in December 2023 and non-food CPI increasing to 6.1% from 6.0% over the same period. This notable acceleration was largely driven by increased government spending, significant labour shortages leading to wage increases, and a weakening rouble making imports more expensive.

The national currency remained volatile, and the average annual USD/RUB exchange rate in 2024 was likely higher than the 85.2 recorded in 2023, with estimates suggesting an average around 92.6 RUB/USD.

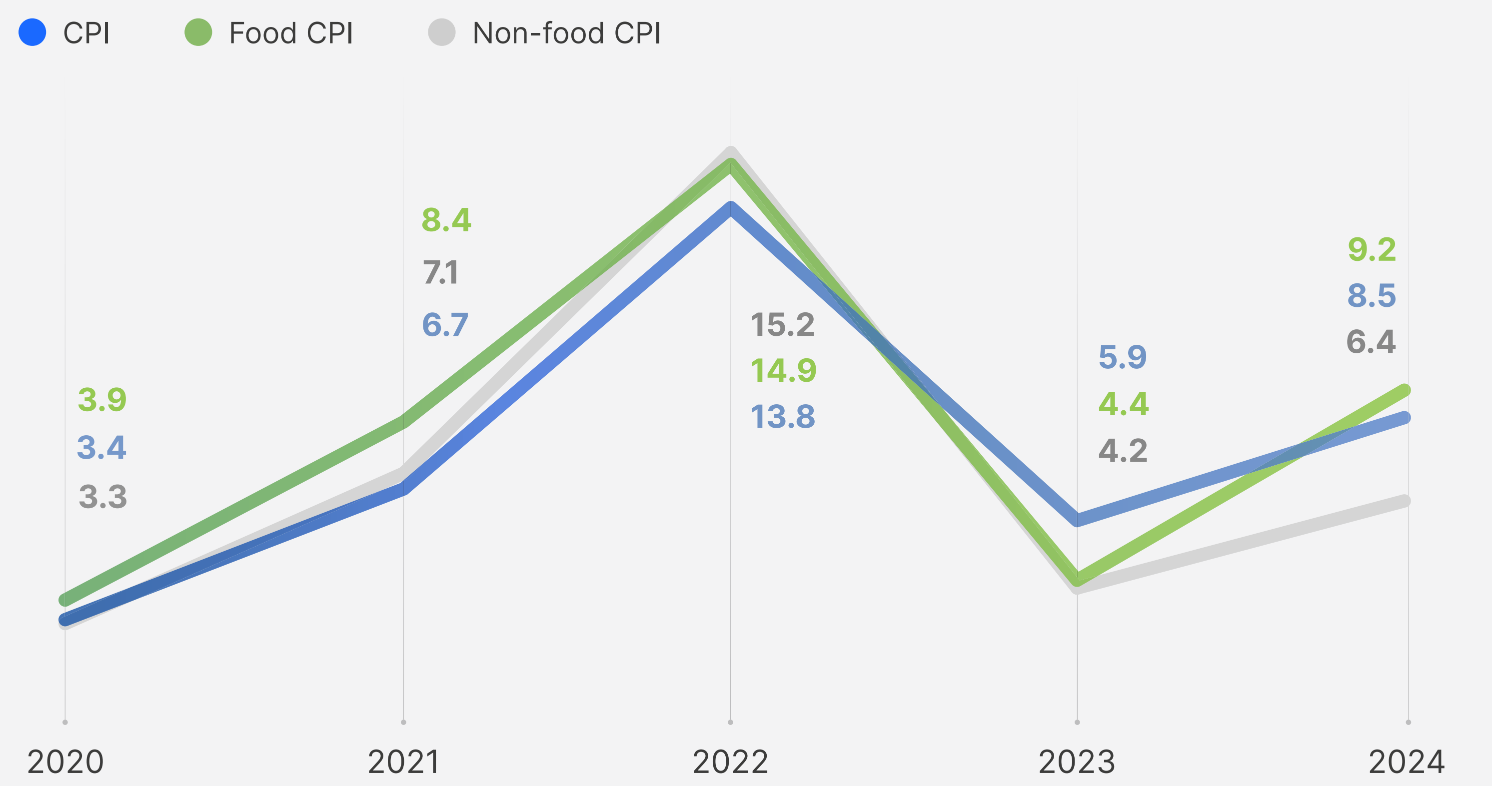
Dynamics of Russia's real GDP in 2020–2024, %



Dynamics of real disposable income in Russia in 2020–2024, %



Consumer Price Index (CPI) change in Russia in 2020-2024 [3], %



(1) All figures in this section are based on Russian official data published by the Federal State Statistics Service (Rosstat) as of the date of this Report, unless otherwise noted
(2) Source: INFOLine, 2024
(3) Consumer Price Index, average for the year

Market Overview

In 2024, consumer spending in Russia remained elevated, with continued strong demand for relatively expensive durable goods such as appliances, electronics, computer equipment, apparel, footwear, building materials, furniture, and car accessories. This trend was supported by rising real wages and a shift in spending habits amid currency volatility and limited foreign travel. However, unlike in 2023, the pace of growth began to slow in the second half of the year due to tightening monetary policy and inflationary pressures.

In 2024, the share of food products in retail sales fell slightly from 47.8% to 47.6% amid the recovering demand for non-foods, with their proportion up to 52.4% from 52.2% in 2023.

Unemployment in Russia continued to hover around historic lows, reaching 2.5% in 2024 compared to 3.2% in 2023 amid fierce competition in the labour market and higher wages. Real disposable income was up by 7.3%, reflecting the lower supply in the labour market.

Retail trade turnover in Russia in 2024 amounted to RUB 55.589 trillion, an increase of 15.4% compared to 2023. Despite inflationary risks and rouble volatility, consumer demand was growing, supported by steadily rising household income.

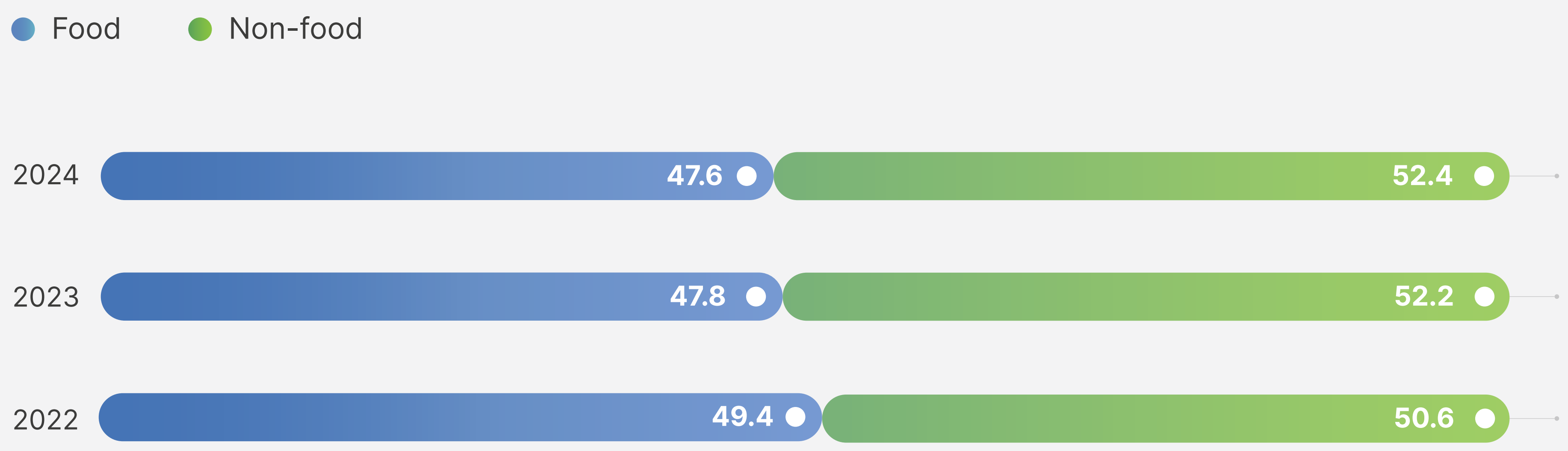
Retail trade turnover in Russia in 2024

RUB **55.6** trn

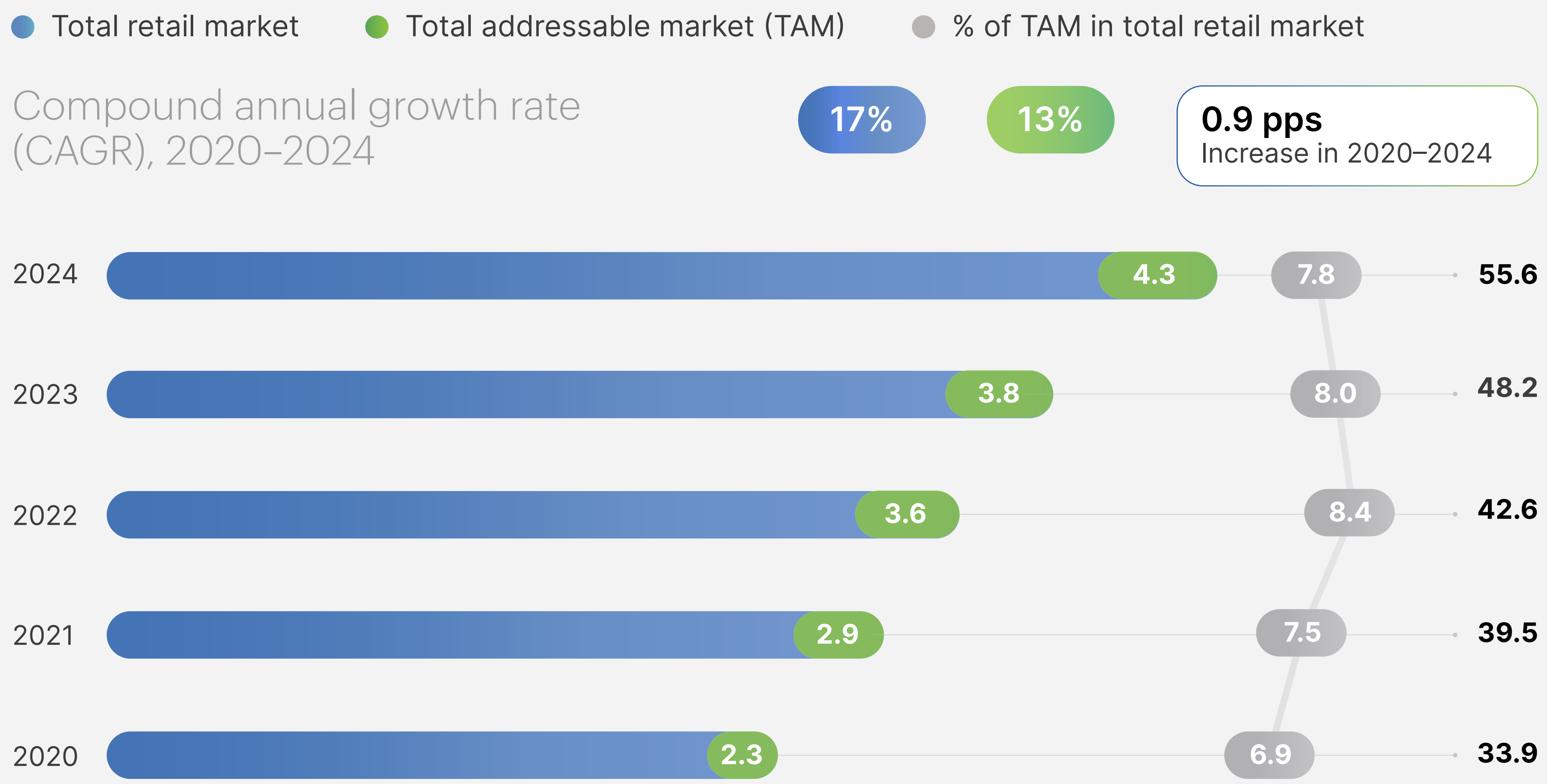
Retail trade turnover growth in Russia in 2024

15.4%

Russian retail market structure in 2022–2024, %



Russian total retail market and total addressable market (TAM) [1] in 2020–2024, RUB trn



[1] The total addressable market consists of retail products that have a similar price and assortment to VVR products but are currently available through various retail channels. Source: INFOLine

Market Overview

Total Addressable Market (TAM) information [1]

The total addressable market consists of retail products that have a similar price and assortment to VVR products but are currently available through various retail channels. In 2024, the total addressable market was estimated at RUB 4.3 trillion, or 7.8% of the total retail market in Russia, with the non-food categories consistently making up more than half of the TAM size.

The sales channel mix has also shifted in recent years, with convenience and variety value stores further gaining ground, while traditional trade has seen a decline in its market share.

Diligent approach to TAM estimation for 2024 [2]

1

Total retail market

Total retail market including all channels, categories (food and non-food segments), and regions.

2

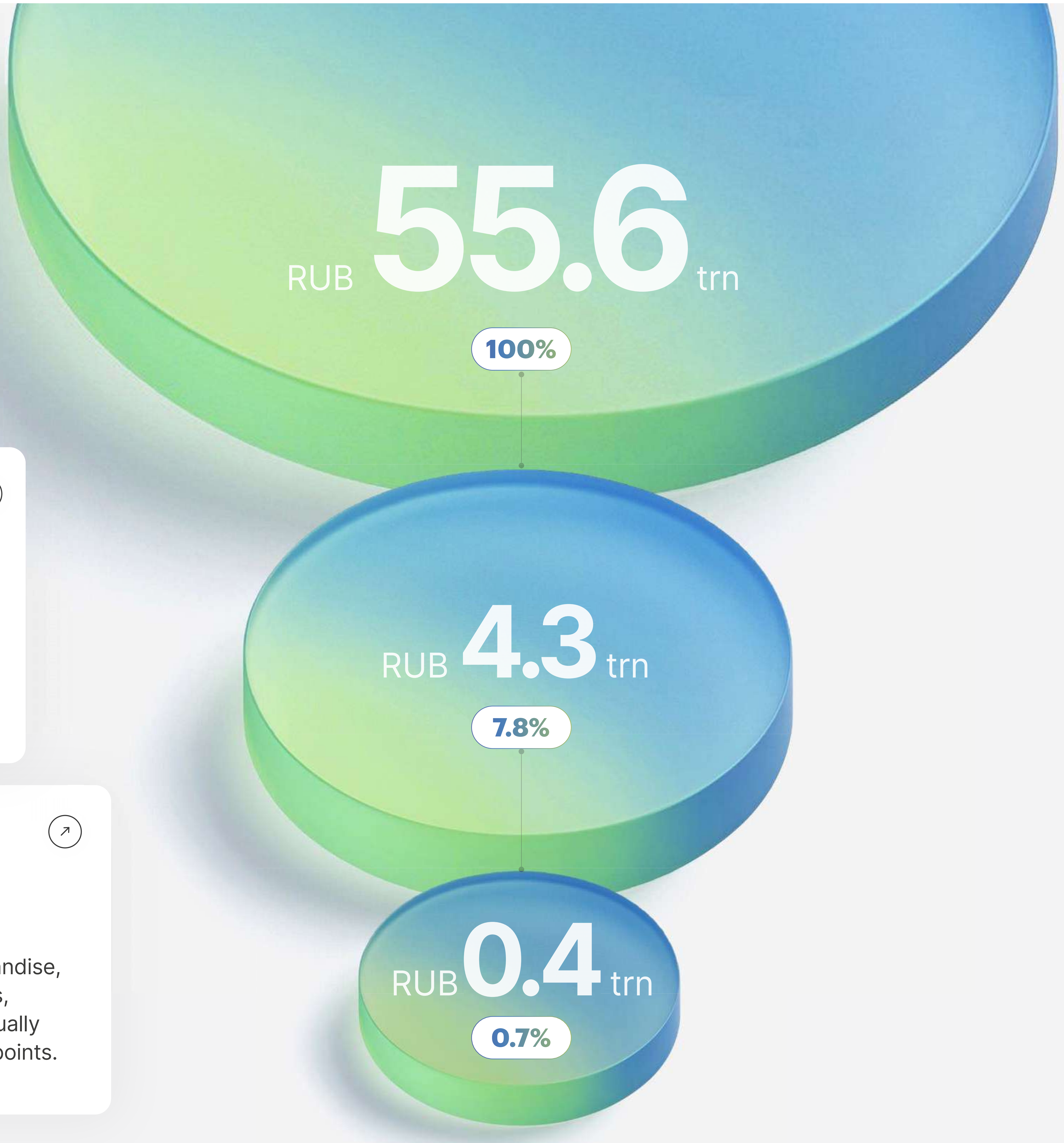
Total addressable market

Goods that are relevant for a variety value retail chain in price terms given the profile of VVR customers and a product mix limited by average store space and relevant categories.

3

Variety value retail market

The VVR market covers retail stores that sell general merchandise, such as apparel, car accessories, non-perishable foods, toys, hardware, household goods, and a selection of groceries usually at discounted prices, sometimes at one or more fixed price points.



[1] All figures in this section are based on INFOLine data unless otherwise noted

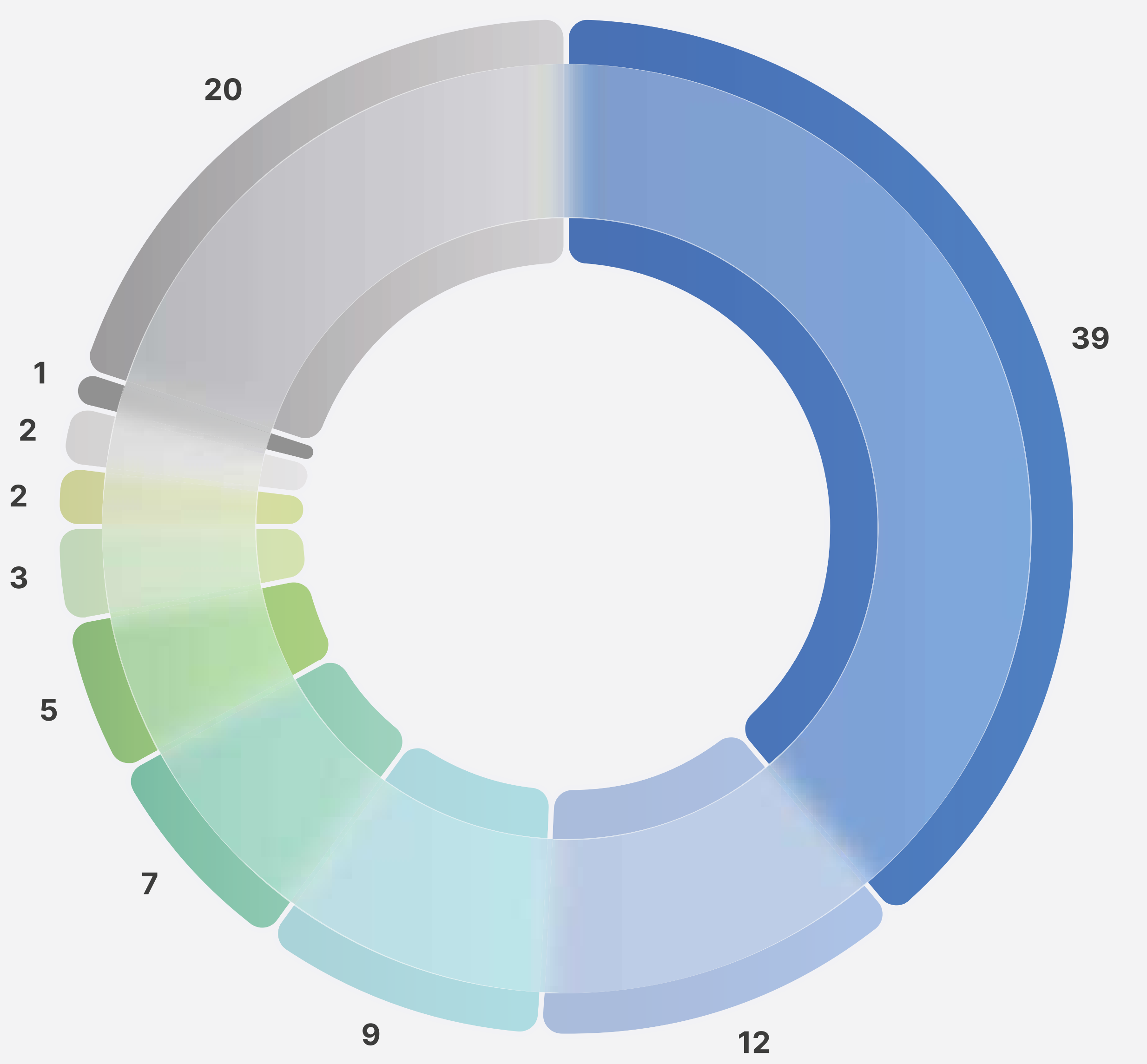
[2] Including VAT

Market Overview

TAM relevant products across categories

TAM relevant products across categories [1], % per category

Structure of TAM [2], %



Sustainable growth of the TAM and VVR markets, 2020–2024, RUB billion

The share of VVR stores in TAM is about 9%. The VVR market is projected to become one of the largest segments by market share, while traditional formats will be under pressure [3].

(1) Calculated as Total Addressable Market for the specific category divided by the respective category value in the total retail market
(2) Due to rounding, the sum may not be equal to 100%. Source: INFOLine
(3) Source: INFOLine

Market Overview

General variety retail sector overview

Fix Price opened its first Russian store in 2007. Over 18 years, the VVR market grew substantially, but it still remains small compared to the overall market. As leaders expanded, some smaller retailers exited. By 2024, VVR sales were 0.7% of total retail, with strong growth potential.

>60%

of Russian population resort to one or another cost-saving strategy [7]

Fix Price is the market leader in the Russian variety value retail

Company	Number of stores at year-end		Market share [1], %		Year of market entry
	2017	2024	2019	2024	
Fix Price	2,477	6,400 [2]	89	90	2007
Галамарт (магазин постоянных распродаж) [3], МПР [3]	181	921 [2]	9 [4]	10 [4]	2009

[1] Based on sales data, including VAT
[2] Number of Fix Price and Galamart stores in Russia
[3] Two separate store formats of Galacentre Group: Galamart and PMR (a Russian abbreviation standing for Permanent Sale Store)
[4] Market share as estimated by INFOLine based on the product assortment corresponding to the VVR TAM. Source: INFOLine
[5] World Bank data as at 2023, including Fix Price's current countries of operation: Russia, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Mongolia, Uzbekistan and the UAE
[6] Referring to population earning $600 or less, Rosstat as of 2024, converted at 31 December 2024 exchange rate of 101.68 RUB/USD
[7] Nilsen survey on the results of 2024 and market trends, for February 2025
[8] World Bank as of 2023; Includes the CIS countries (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan and Uzbekistan), Georgia, Latvia, Mongolia and the UAE

239+ mln

population in Russia and other core countries of operation [5]

~70%

of Russian population are immediate target customers [6]

269+ mln

population in the CIS and neighbouring countries of operations [8]

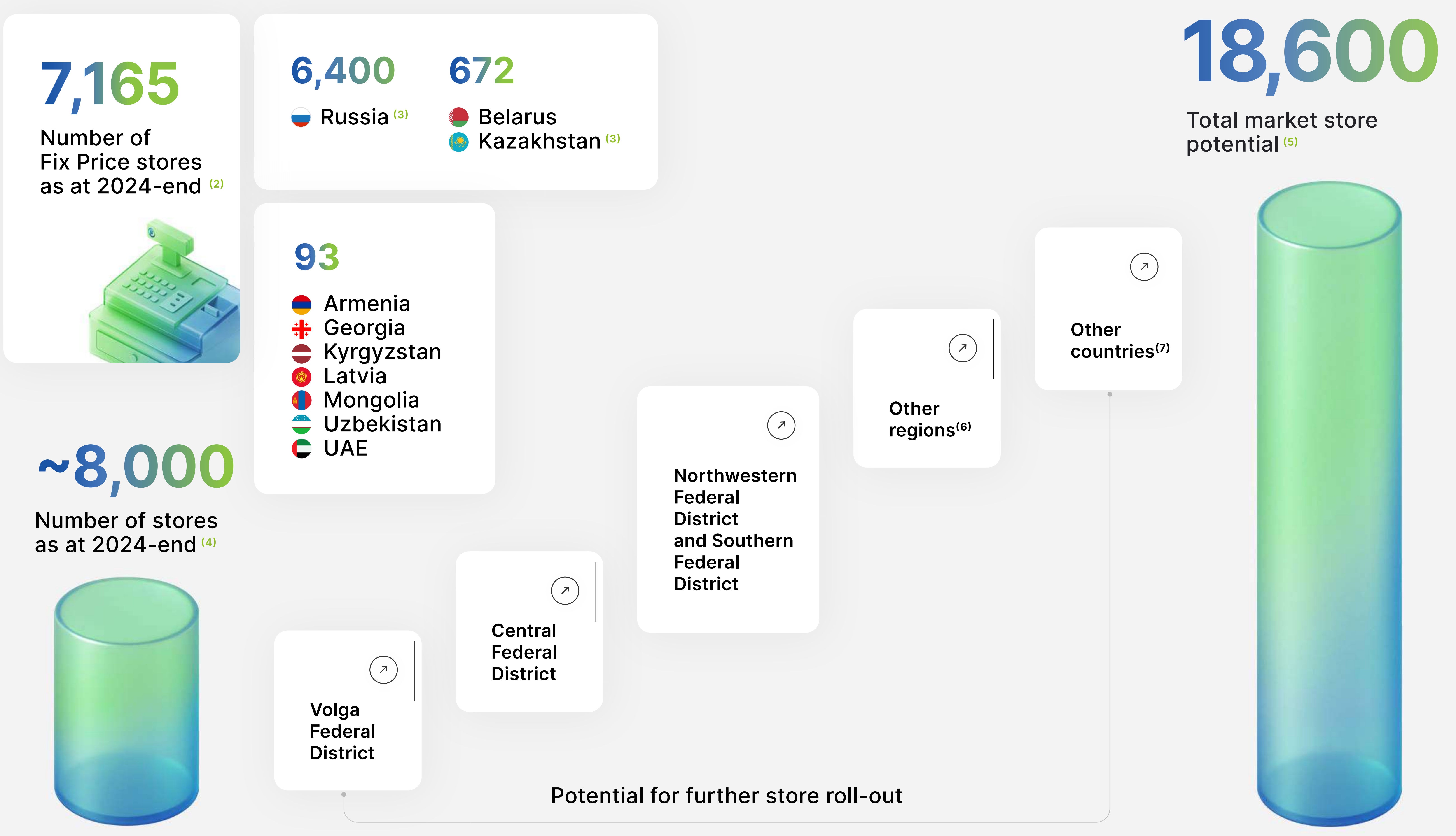
Market Overview

Opportunities for Expansion

According to INFOLine, the number of VVR outlets operating in Russia, Kazakhstan, and Belarus can almost triple to 18,600 stores. New players are unlikely to enter this segment. A major VVR chain would find it hard to enter the market due to considerable upfront investments that would be needed to achieve the economies of scale, as well as high risks when building supply chains to offer attractive prices for high-quality non-food products.

In the future, Fix Price intends to keep enhancing its leadership in the variety value retail market. We will focus our efforts on driving synergies by expanding our regional footprint in new and existing markets, boosting CVP, and offering better customer experience.

Potential of VVR stores in Russia and neighbouring countries [1]



[1] Neighbouring countries include Kazakhstan and Belarus
[2] Number of Fix Price stores as at 31 December 2024
[3] 7,072 stores in the selected Fix Price countries of operation (Russia, Belarus and Kazakhstan)
[4] Current number of VVR stores in Russia, Belarus, and Kazakhstan. Source: INFOLine
[5] Total store potential for Russia, Belarus, and Kazakhstan (for Fix Price and competitors, including existing stores)
[6] Siberian, Urals, Far East, and North Caucasus regions
[7] Belarus and Kazakhstan

Providing Unique Value

Unique Product Assortment and Categories

In 2024, Fix Price enhanced its unique assortment by working with existing partners, seeking new suppliers, and actively developing new products. The Company offers around 2,000 SKUs across 20 categories, including household goods, cosmetics, stationery, clothing, toys, household chemicals, and shelf-stable food and drinks, featuring private labels, major brands, and no-name products. By leveraging its scale, expertise, and production involvement, Fix Price offers highly competitive prices, keeping customers engaged.

Regular products account for about one-third of Fix Price's retail sales, with the rest coming from a constantly rotated assortment. The Company aims to offer the best prices across all categories and SKUs, ensuring outstanding value at ten competitive anchor price points. A basket of goods at Fix Price is typically much cheaper than at other Russian retailers.

Customers benefit from diverse, great-value products, frequent assortment updates, and a well-balanced mix. The loyalty programme helps cardholders save and optimise daily spending with attractive benefits.

Fix Price continued to strengthen its product offering in 2024, with a clear focus on traffic drivers in food and categories that drive higher margins and brand differentiation in non-food. This was achieved through careful assortment management and sourcing from Russia and China.

Kitchenware, DIY, party and celebration items, and household products consistently led category sales across all quarters, demonstrating a strong demand year-to-year. Food sales increased slightly from the previous year, while demand for key drogerie categories (cosmetics, household chemicals, and hygiene) remained stable, with their share in retail sales unchanged year-on-year.

Fix Price is famously known for its treasure-hunt shopping experience

~2,000 SKUs

across

20 different categories

Product portfolio by brand type in 2024, % of retail sales

Private-label products

23%

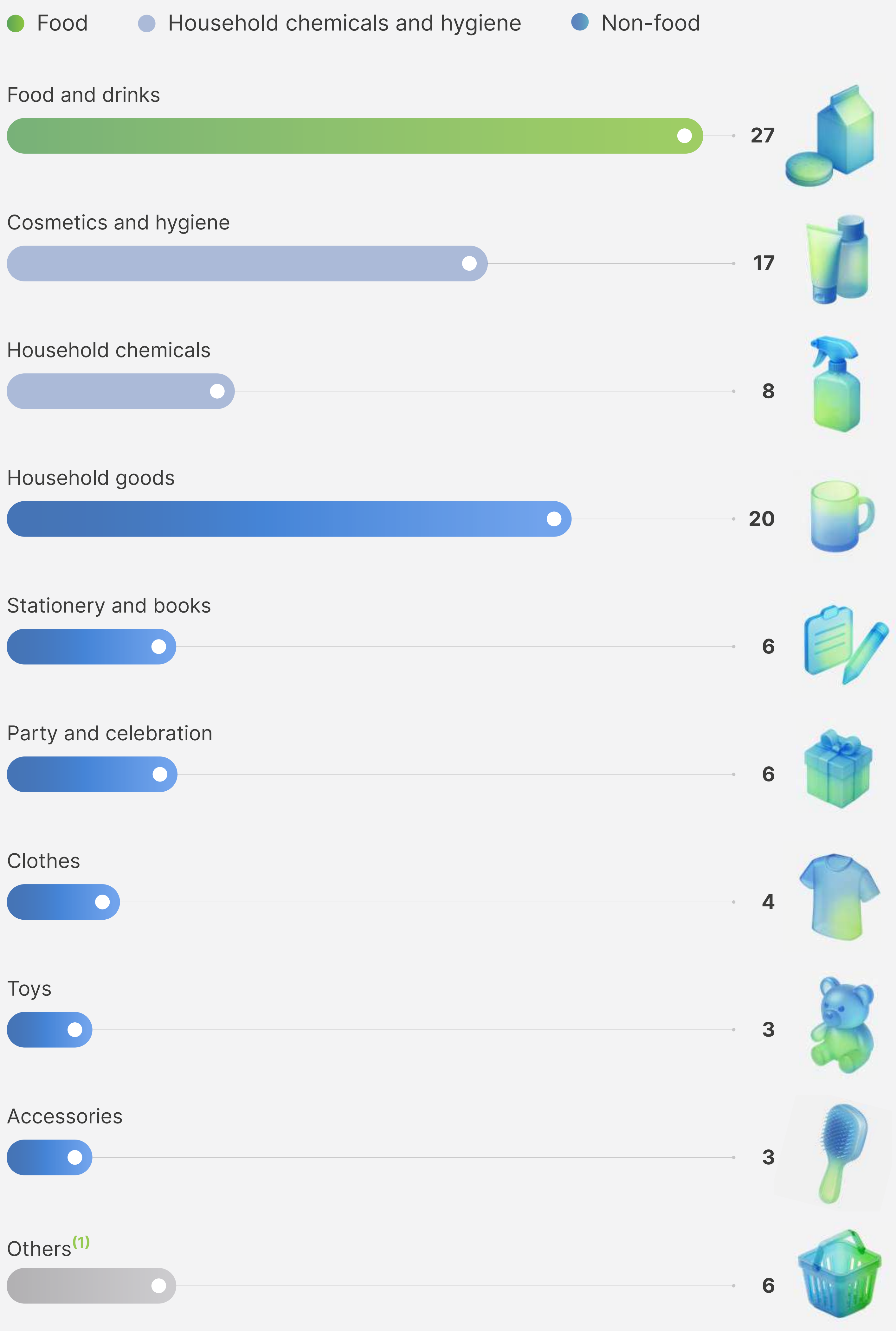
No-name brands

56%

Major brands

21%

Category mix in 2024, % of retail sales



(1) Others include electronics, healthy lifestyle, car accessories, pet supplies, and other general merchandise

Providing Unique Value

Dynamic and Diversified Product Assortment

We offer

~60 new products every week,

with roughly

66% of retail sales

coming from our rotating assortment that we update up to six times a year

The remaining

34% of retail sales

are generated by staple items such as toilet paper, aluminium foil, and garbage bags, which remain part of our permanent assortment due to consistent, recurring demand

Fix Price's retail sales mix by rotation type, %

Regular assortment

34% in the retail sales mix

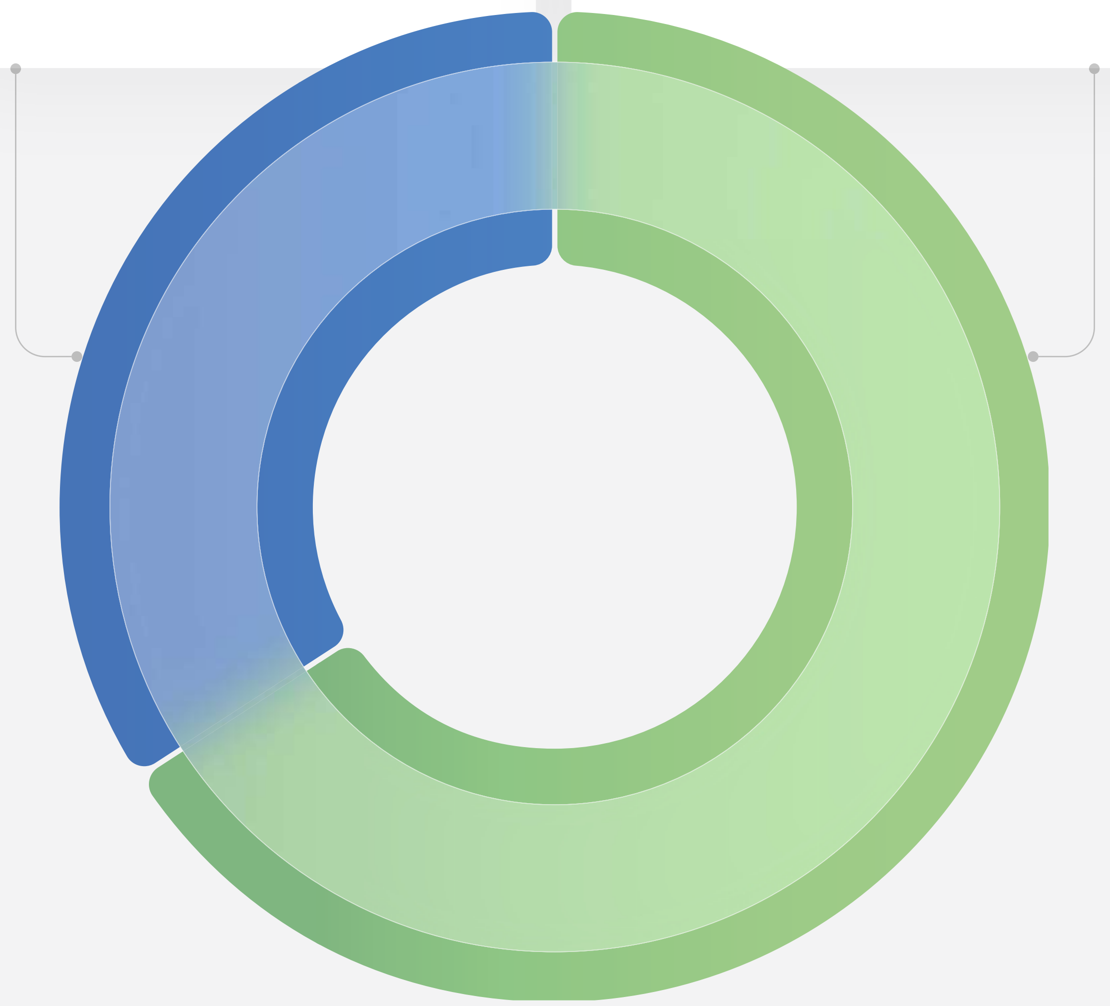
- Household goods

Rotating assortment

66% in the retail sales mix

- Stationery and books
- Clothing
- Party and celebration
- Toys
- Accessories

- Food products [1]
- Cosmetics and hygiene products
- Household chemicals



Seasonal Collections and Product Rotation

Fix Price launches around eight seasonal collections each year tied to major Russian holidays such as New Year, Christmas, Valentine's Day, and Easter. Gardening products are also featured seasonally. This frequent rotation supports the treasure-hunt shopping model, encouraging repeat visits and customer loyalty.

New products are selected based on sales performance, market trends, and customer insights, ensuring fast turnover and relevance. A streamlined approval process enables quick rollout of new items to stores.

Most food items do not need refrigeration, allowing for a single temperature zone in distribution centres. Products requiring special storage are delivered directly to stores to maintain efficiency.

Product Categories

In 2024, we continued to refine our approach to assortment management, relying heavily on customer feedback. Regular research into consumer preferences helped improve the quality and diversity of our product lineup. In addition, we actively engaged in testing new SKUs on our store shelves, leading to a 66% share of rotating assortment as part of retail sales.

No-Name Brands

Fix Price uses no-name brands to test demand and update its product assortment. This works well as suppliers have no long-term obligations to the Company to manufacture these products on a regular basis. By placing previously unknown and unique products on the shelves to match current consumer trends, we aim to further add to the high appeal of the Fix Price brand.

Private Labels

In 2024, Fix Price expanded its private label portfolio with the launch of three new collections in jewellery, travel accessories and household chemicals, all developed under its existing brands. This strategic move enables the Company to offer affordable alternatives while maintaining quality.

Unique private-label products make the Company stand out from competitors and allow us to offer a wide range of products to our customers. Fix Price's private-label products include more than 60 brands offering consistently high quality, on par with products of better-known third-party brands.

[1] Including non-perishable foods, confectionery, drinks, and snacks

Providing Unique Value

Value for our Customers

Brands and private labels

Major brands continue to play an important role in our assortment, especially in food as well as cosmetics and hygiene products. Leveraging our leading position in the VVR market and significant purchasing power, Fix Price works closely with its suppliers to customise third-party branded products, adapting features such as packaging, size, design, taste, and weight. This ability to tailor products at scale enables us to offer more attractive prices to our customers while maintaining brand appeal.

Fix Price's private label strategy is jointly managed by the Category Management and Marketing departments, ensuring effective product selection, development, and promotion. This collaboration helps optimise the product mix and align branding with customer demand.

To boost visibility and appeal, Fix Price uses dedicated marketing tools, including unique brand designs, brand websites, and targeted campaigns. Popular private labels are regularly rebranded to reflect changing customer preferences and highlight key benefits, strengthening brand recognition and loyalty.

Private Label Customer Favourites

The most popular private-label brands in 2024:

Cosmetics and hygiene/household products/chemicals

Cotte
HOMESTAR
Kitchen
FLARX

Toys/children's

Play the Game
Kid's Fantasy

Party and celebration

GREENART
With Love
СНЕЖНОЕ КРУЖЕВО

Value-based Pricing

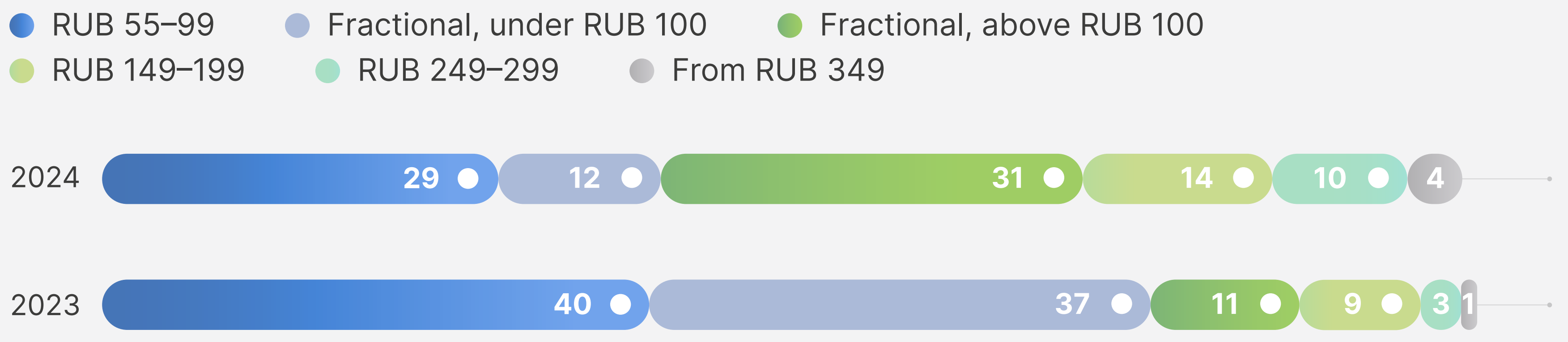
Fix Price is strongly focused on retaining its spot as the first-choice destination for shoppers keen on value and a treasure-hunt experience. To achieve this we pay special attention to pricing, aiming to provide a true shortcut to value for our customers in the FMCG market.

In 2024, approximately 85% of all SKUs in our stores were priced at or below RUB 199. Fix Price also sells products at higher price points (RUB 249, RUB 299, RUB 349 and RUB 399), such as large packs of household chemicals, household goods, children's apparel, toys, and home decor. While not part of the essential goods category, these items deliver a "Wow" factor and are typically priced below comparable products from other retailers and online platforms, helping to drive sales.

In 2024, Fix Price stores sold products across ten anchor price points[1] as well as at fractional prices. Fractionally priced items create an extra advantage in terms of cost management as well as assortment management by enabling us to introduce additional SKUs in our stores.

We maintain strong margins while delivering value to our customers through a flexible pricing strategy and data-driven assortment management. Our diverse price mix allows us to adapt quickly to market trends by adjusting price points, moving products between price points, or optimising costs.

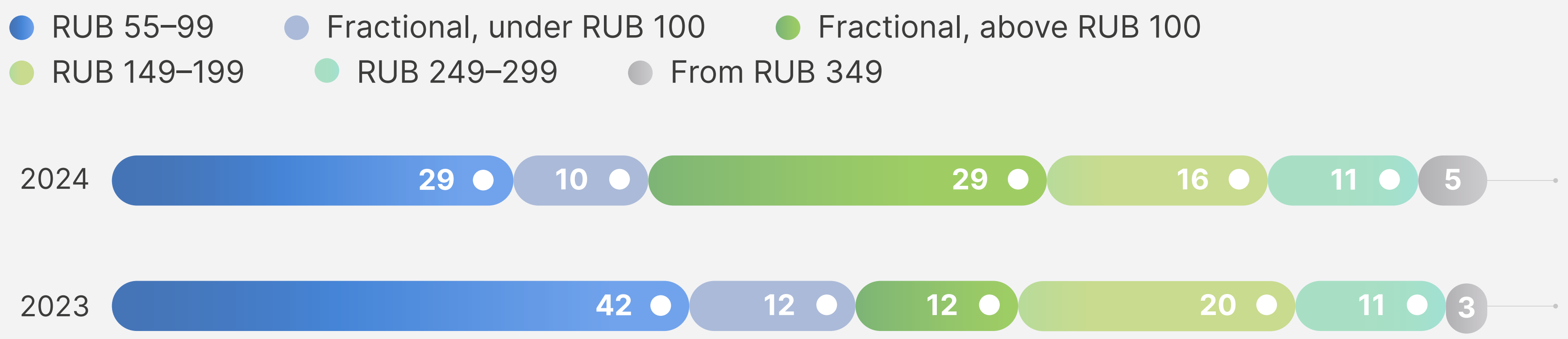
Fix Price's price points as % of SKUs in 2023–2024[2]



[1] The Company is now testing the following price points: RUB 35, RUB 229 and RUB 279
[2] Due to rounding, the sum of components may not equal 100%

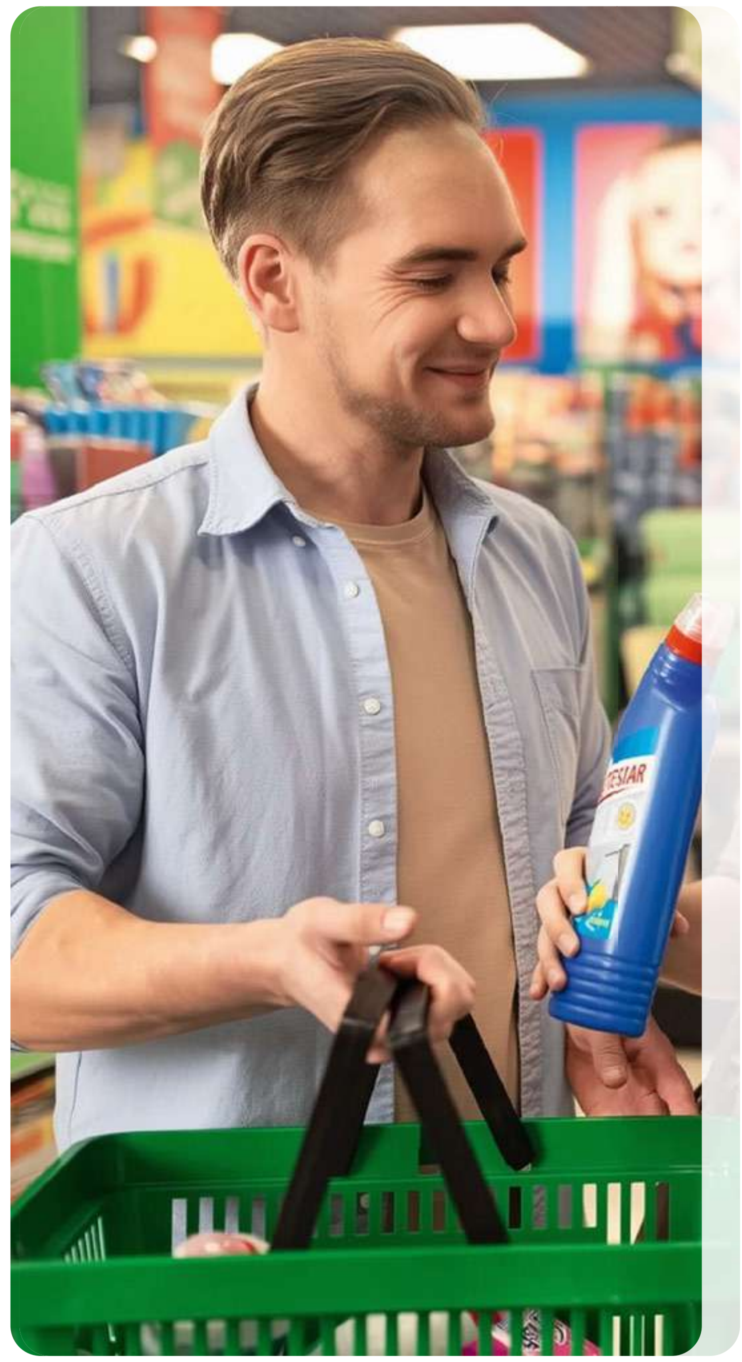
Providing Unique Value

Fix Price's price points as % of retail sales in 2023–2024[1]



When an SKU's margin falls short, we either introduce a similar product at a higher price point or reduce its cost base, typically by adjusting packaging or quantity, without compromising quality. Our expertise in product management enables us to combine these strategies to support fast inventory turnover and regular assortment updates.

Assortment decisions are guided by a comprehensive database built on years of sales data, customer feedback, and market trend analysis. This enables high forecasting accuracy and timely product launches. Our pricing is set based on category margin targets and market conditions, while efficient supplier management and logistics infrastructure help us keep prices competitive across the board. All these factors are crucial in our ability to provide our customers with the shortcut to value for which Fix Price is known.



Customer Shopping Experience and Loyalty Programme

Fix Price prioritises customer needs, ensuring a pleasant shopping experience through conveniently located stores, real-time footfall monitoring, and high service standards. The 2024 Vector Market Research[2] surveys reported a high Net Promoter Score (NPS) of 65% (63% a year ago), with 91% of respondents satisfied with the store format and high ratings for service and cleanliness.

Fix Price's robust loyalty programme helps customers optimise spending while providing valuable feedback. By 2024-end, loyalty cardholders exceeded 30 million in countries of operation, including 28.8 million in Russia. Targeted marketing campaigns drove increases of 3 million users in Russia (+12%) and 323,000 in Kazakhstan (+57%). Purchases by loyal customers account for c. 60% of retail sales[3], with 41% classified as active users.

+12% y-o-y

increase in the number of loyalty cardholders in Russia

+57% y-o-y

increase in the number of loyalty cardholders in Kazakhstan

Net Promoter Score

65%

91%

of respondents are satisfied with our store formats[4]

Registered cardholders in our countries of operation

>30 million

Loyalty cardholders' average ticket is

1.9x higher

than that of other customers

Share of retail sales generated by loyalty cardholders

~60%

(1) Due to rounding, the sum of components may not equal 100%
(2) Source: Market research run by Vector in autumn and spring of 2024
(3) Here and hereinafter, loyalty programme data is calculated for Fix Price stores operating in Russia, unless stated otherwise
(4) Guided brand awareness, according to a Vector surveys in autumn and spring of 2024

Customer-First Approach

Fix Price's key priority is to meet customer needs for a diverse range of quality goods at the most attractive prices. We pay particular attention to creating a unique value proposition and improving the level of service and customer experience at our stores.

Target Market and Consumer Trends

The typical Fix Price store primarily targets families with children and middle- to low-income customers. Its value proposition resonates most with those earning under RUB 60,000, about 70%[(1)] of the Russian population. In 2024, Fix Price expanded its higher-priced assortment and introduced additional "Wow" products to attract higher-income shoppers. As a result, the share of customers earning over RUB 40,000 grew by 6 percentage points from 2023[(2)].

The Fix Price customer base includes office and government workers, blue-collar employees, pensioners, and students.

In 2024, the share of customers in white-collar occupations was up by 3 percentage points to 59%, while the share of blue-collar workers increased by 1 percentage point to 32%. The shares of middle managers and business owners stood at 6% and 2%, respectively.

Our focus on the customer, along with attractive prices and a wide, frequently updated product mix, cements our place among the most popular retailers in the market. To further improve customer convenience, we are working on introducing additional online services.

According to surveys conducted by Vector in 2024, 79% of customers choose Fix Price stores when looking to purchase a wide range of products at low prices. Convenient locations (66%), good value for money (50%), and a wide assortment (47%) remain the key drivers of customer preference. Additionally, 41% of respondents highlight our low prices as a standout factor.

These findings confirm that our value-focused model and strategic store positioning continue to resonate strongly with consumers.

Fix Price customers by gender in 2024

Women

67%

Men

33%

~50%

of female audience

- Married
- Aged 25–55
- With one or two children[(2)]

Customers by occupation in 2024

59%	32%	6%	2%
White-collar workers	Blue-collar workers	Middle managers	Business owners

Russian consumer behaviour in 2024

63% of Russian customers prefer products made in Russia[(3)]

62% of customers resort to one or another cost-saving strategy even against the backdrop of growing disposable income[(4)]

Our audience

79% of customers choose Fix Price stores when they need to purchase various product categories at low prices

47% of customers choose Fix Price for its wide assortment at low prices

41% of customers believe Fix Price is beating the competition hands down when it comes to pricing

(1) According to Rosstat

(2) Unless stated otherwise, customers' data is based on Vector Market Research as of autumn 2024 and Vector market research as of autumn 2023

(3) All-Russian Public Opinion Research Center (VCIOM) study for 2024

(4) Nilsen survey on the results of 2024 and market trends for 2025

Customer-First Approach

Quality Control

Fix Price is committed to offering safe, high-quality products from trusted manufacturers. To uphold its standards across the supply chain, the Company has established a rigorous quality management system (QMS) that is continuously updated and upgraded.

This system covers supplier selection criteria, quality checks at production lines, distribution centres, and in-store, with particular focus on facilities producing private label goods. It also includes comprehensive product control procedures, regular audits of private label suppliers, as well as mechanisms for gathering and addressing customer feedback.

Fix Price's quality control measures include:

- Monitoring supplier production facilities and process compliance
- Laboratory testing
- Product tasting
- Prompt investigation of customer queries

These measures help us to maintain high levels of customer confidence and ensure the timely removal of sub-standard products from shelves

Our Priorities at a Glance

Customer Experience – Consistently improving satisfaction across touchpoints

Product Safety – Ensuring safe conditions throughout production and sales process

Quality Compliance – Meeting and exceeding internal standards

Fix Price continuously aims to improve its customer feedback mechanisms through a dedicated complaint and remediation system that ensures quality-related issues prompt timely and thorough reviews in collaboration with suppliers.

The main communication channels include our hotline, website and mobile app feedback forms, which provide convenient ways for customers to reach out, allowing us to monitor concerns closely and respond effectively.

Customer queries in 2024:

408,859 queries

submitted through all communication channels

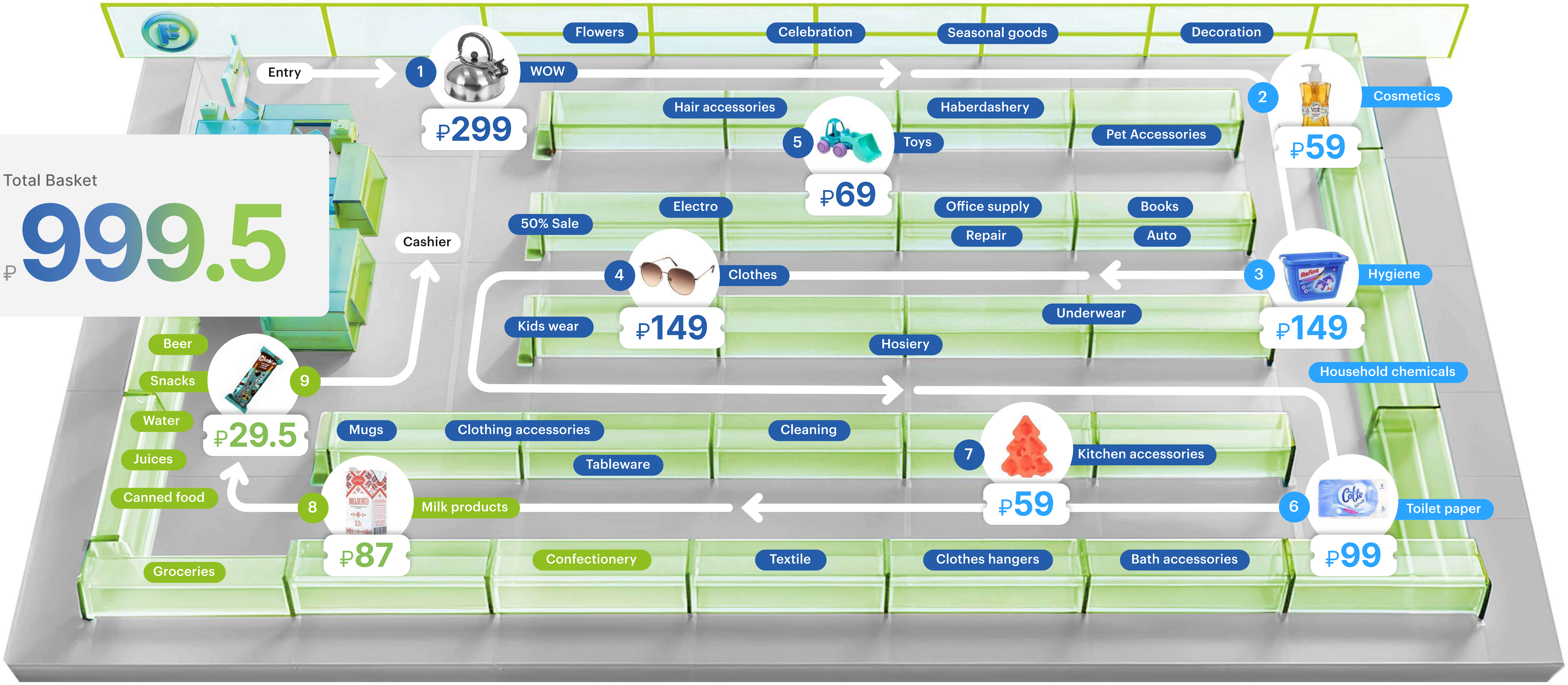
2,305 queries

related to product quality

No more than **3%** of quality-related queries

required inspections

Overview of a Typical Fix Price Store Layout



Total Basket

₽ 999.5

Non-food   Food   Drogerie

(1) Considering toilet paper at ₽79 and soap at ₽39.5

Customer-First Approach

Store Layout

Fix Price uses a standardised store layout with an open-plan design, well-lit interiors, and clear signage for a comfortable shopping experience. Products are organised into easily accessible zones, including food, non-food, household chemicals, toys, and home décor, following a consistent pattern across the network.

Store displays are designed to be both functional and visually appealing, supporting cross-selling and enhancing the “treasure-hunt” shopping experience. Dedicated “Wow” shelves showcase high-demand items at attractive prices, encouraging impulse purchases.

To maximise store navigation and exposure to the full assortment, essential goods are positioned at the back, guiding customers through multiple product zones. The main standard layout includes 75 display shelf stands, ensuring efficient merchandising and a consistent shopping experience across the network.

Improving Checkout Efficiency

We remain committed to enhancing the checkout process for our customers through the use of technology and innovation.

Since 2022, newly opened stores have been equipped with self-service checkouts which have helped shorten checkout queues, process payments faster, and reduce staff workload during peak hours. In 2024, we expanded self-service checkouts to over 5,800 units across more than 2,900 Company-operated stores, significantly reducing queue times and improving customer flow.

Furthermore, we introduced biometric payment technology, enabling ‘smile-to-pay’ functionality across all Company-operated stores in Russia, marking a significant step in streamlining the paying experience.

Self-service checkouts

>5,800

across

2,900

Company-operated stores in Russia

Marketing, Advertising, and E-commerce Development

In 2024, we utilised several marketing strategies, focused on the most appropriate communication channels to reach our target audience. The Company’s efficiently managed in-house advertising and promotional production enables us to run multiple promotions simultaneously and quickly launch extra activities within just 1 to 5 days when needed.

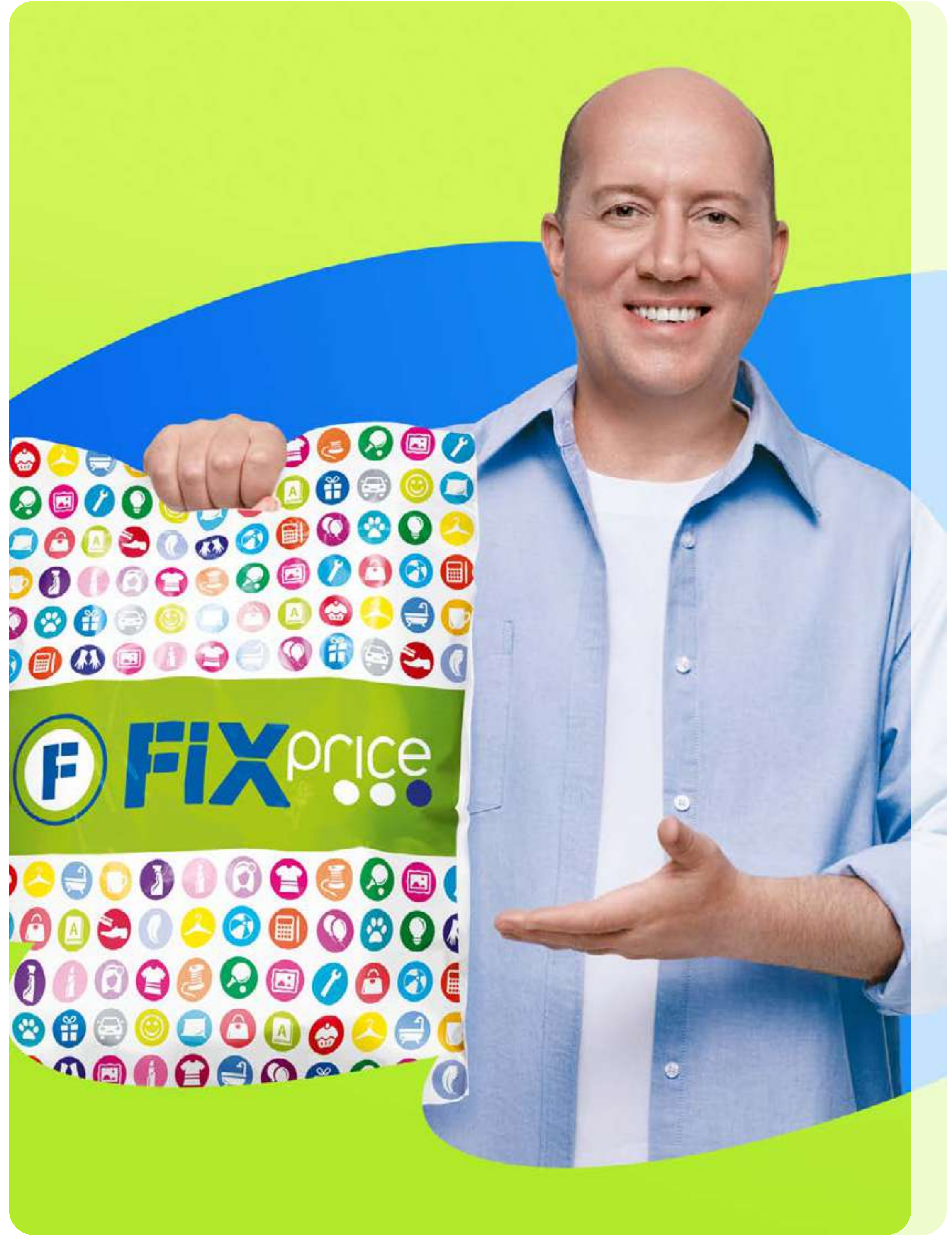
To further strengthen brand recognition and enhance customer engagement, Fix Price continues to integrate brand ambassadors and a corporate mascot, Fippy the hedgehog, into its advertising campaigns in 2024. Introduced in 2023, the mascot remains a key element of the Company’s visual identity and is actively featured in advertising and POS materials (in other geographies), informing customers about new promotions, loyalty programme benefits, and assortment updates.

Following the successful introduction of popular actor and TV presenter Sergey Burunov, Fix Price continues its nationwide campaign featuring him across major TV channels, social media, and digital platforms.

Fix Price maintains an active digital presence through official channels on the most popular social media platforms, enabling continuous dialogue with followers and cost-effective promotion of the brand’s unique value proposition. Our online engagement strategy focuses on reaching a wider audience, particularly younger consumers and higher-income segments.

Fix Price’s audience in social networks at the end of 2024

4.3 mln followers



Customer-First Approach

In 2024, we continued to further improve our mobile app, ramping up traffic by

24% y-o-y

to

>25 million users

To expand our reach, strengthen brand recognition, and foster loyalty, we continue to enhance our marketing approach through:

- collaborations with social media influencers
- the use of emerging marketing channels
- improved visual content across products and packaging
- personalised marketing initiatives tailored to customer preferences

In 2024, we continued to focus on automating marketing content management and streamlining ad-placement processes. A key area of development remains in the need to enhance the adoption of advanced marketing tools, including the use of a customer data platform (CDP) to personalise promotions and deliver targeted communications via email, push notifications, and SMS. These tools support re-engagement campaigns aimed at less active customers.

We are also expanding the use of our specialised online builder, which allows for the quick creation of landing pages on the fix-price.com website to promote featured products. Following successful seasonal campaigns, such as those for New Year merchandise, these landing pages will be used throughout the year to support key promotions and events.

Enhancing the Digital Experience

Customer Journey – Web storefronts upgraded for a smoother, more intuitive shopping experience

Loyalty Integration – Broader use of loyalty cards for online transactions

Promotional Tools – New promo code discounts available on both the website and mobile app

E-Commerce Development

To reach a broader audience and better appeal to more affluent customers, Fix Price continues to explore new ways to enhance the shopping experience. In 2024, we significantly expanded our presence on major online marketplaces, including Kuper, Yandex Eats, and Yandex Market.

By the end of the year, nearly 3,600[1] Fix Price stores were integrated with Yandex platforms, and around 3,000 stores were connected to Kuper, increasing accessibility and convenience for a wider customer base.

Fix Price offers customers the convenience of a buy online, pick-up in-store, which continues to gain popularity. Interest in our online service has grown steadily in recent years, with particularly strong results this year. In 2024, customers placed over 2.8 million orders online, up 126% year-on-year, highlighting the rising demand for convenient and digitally enabled shopping experiences.

Customers can place orders through the Fix Price website, mobile app, or partner marketplaces, with flexible delivery options including home delivery via partners or in-store pick-up. The mobile app also serves as a key communication channel, allowing users to browse products and earn loyalty points. In 2024, the app's user base grew by 4.8 million, reaching 25.1 million users.

[1] Reflects data for partnership in Russia and Kazakhstan

Business Overview

Uncover how Fix Price's robust supply chain, steady expansion, and cutting-edge IT infrastructure create significant opportunities for both our customers and suppliers, connecting them to a dynamic market filled with exceptionally valued products. This approach supports our growth, helping provide a shortcut to value for all our stakeholders.

>30 mln
Loyalty cardholders

751
Net new stores

~600
Number of suppliers

Operating review

Despite continued macroeconomic uncertainty throughout the year, the Company built upon its leading position in variety value retail by expanding both in Russia and neighbouring countries, as well as entering new markets such as UAE.

Key achievements in FY 2024:

Net store openings

751

Revenue growth

7.9% y-o-y

Loyal customer base growth [1]

11.9% y-o-y

FY 2024 Revenue and LFL Sales Performance

In 2024, our total revenue grew by 7.9% year-on-year [2] to RUB 314.9 billion, primarily driven by organic expansion and LFL sales improvement. Retail revenue was up 10.0% year-on-year to RUB 284.9 billion, while wholesale revenue was equal to RUB 30.1 billion.

The 1.5% year-on-year growth in the LFL sales [3] at Fix Price stores was driven by 4.2% LFL average ticket increase amid smart assortment and price point management that offset 2.5% LFL traffic contraction.

In 2024, the Company delivered resilient performance despite ongoing macroeconomic challenges and shifting consumer behaviour. LFL sales saw moderate growth, supported by a higher average ticket, while LFL traffic remained under pressure due to economic uncertainty and evolving spending patterns. Consumers prioritised essential food and big-ticket non-food purchases over discretionary items, particularly amid record deposit interest rates and inflationary concerns.

Throughout the year, category management initiatives, including the introduction of new SKUs and a strategic shift towards mid- and higher-priced items, helped drive sales. Seasonal assortment and expanded traffic-driving product categories, such as ice cream and shelf-stable foods, supported LFL performance. Strong holiday season demand in Q4 further contributed to improved sales momentum.

LFL sales in Russian Company-operated stores showed a moderate 0.8% increase y-o-y, while Kazakhstan and Belarus performed well in national currencies that positively contributed to the Group's results in rouble terms due to currency conversion effects. In Belarus, traffic and average ticket growth reflected strengthening of the Company's competitive edge and assortment matrix expansion after lifting some of the government-imposed restrictions, while Kazakhstan saw stable demand supported by effective marketing campaigns. Across all markets, the Company's flexible business model and commitment to value ensured adaptability to shifting consumer needs.

Revenue and LFL sales, y-o-y change, Q1–Q4 2024 [4], %

	Q1	Q2	Q3	Q4
Revenue	8.8	9.9	5.7	7.4
LFL sales	0.4	3.2	0.1	2.3

(1) Hereinafter, all loyalty programme data are calculated for Fix Price stores operating in Russia, unless stated otherwise
(2) Unless stated otherwise, all changes in the indicators in this section of the Report are year-on-year
(3) Like-for-like (LFL) sales, average ticket, and number of tickets are calculated based on the performance of Fix Price-operated stores that have been operational for at least 12 full calendar months preceding the reporting date. LFL sales and average ticket are calculated based on retail revenue inclusive of VAT
(4) The dynamics calculated in comparison with the same period of the previous year

Operating review

LFL sales, traffic, and average ticket, dynamics year-on-year, FY 2022–2024, %

Assortment and Category Mix

In 2024, the Company continued to refine its product assortment to align with consumer preferences and shifting economic conditions. A growing focus on non-food categories drove an increase in their share of total retail sales to 48.6%, up from 48.1% in 2023 mainly due to strong LFL sales of seasonal assortment, household goods, toys, and party supplies.

Meanwhile, the share of food products in retail sales slightly increased to 27.1% compared to 26.4% in 2023, as the introduction of in-demand traffic-driving products helped sustain demand. Cosmetics, hygiene, and household chemicals saw a slight decline in share, reflecting normalisation after an exceptionally high base in the previous year.

The Company also continued its strategic shift towards mid- and higher price points. The share of items priced above RUB 99 as part of retail sales grew significantly to 61.6% from 45.9% a year earlier, while the retail sales split for products priced above RUB 199 rose to 16.8% versus 14.4% in 2023. This transition was supported by the introduction of trendy, higher-value items across various categories.

Imported goods accounted for 24.4% of total retail sales in 2024, up from 23.2% in the previous year, supported in part by a slightly higher share of non-food products and increased interest in Asian products. The Company's ongoing commitment to price accessibility and assortment expansion contributed to a steady increase in average ticket size on all Company-operated stores, which reached RUB 351, marking a 4.6% year-on-year growth.

4.6% y-o-y

Average ticket growth on all Company-operated stores

~85% of total SKUs

Represented by price points below RUB 199 in 2024

Network Expansion

Fix Price continued to expand its extensive store network, strengthening its presence across key markets. By the end of 2024, the Company operated 7,165 stores across ten countries, including 722 franchise outlets.

~40%

existing Fix Price stores have been in operation for less than three years

+751

stores

+11.7%

store network growth in 2024

Despite external challenges, Fix Price kept up its double-digit growth in new store openings, successfully advancing its expansion strategy in Russia and neighbouring countries, while also entering the MENA market through the UAE.

With a well-established business model, we remain focused on sustainable growth, targeting approximately 700 net new openings in 2025. Drawing on our operational expertise, Fix Price continues to deliver strong margins across diverse locations, from major urban centres to smaller, less affluent communities.

In 2024, we maintained our expansion beyond Russia, with a strong focus on growth in other countries. Nearby countries accounted for approximately 14.2 percent of net new openings during the year, bringing the share of stores in other countries to 10.7 percent of the total network.

In Q2 2024, Fix Price reached a key milestones by opening its 300th stores in Belarus and in Kazakhstan. The Company also made its debut in the UAE market, launching its first store in Dubai and expanding to four locations by the end of the year.

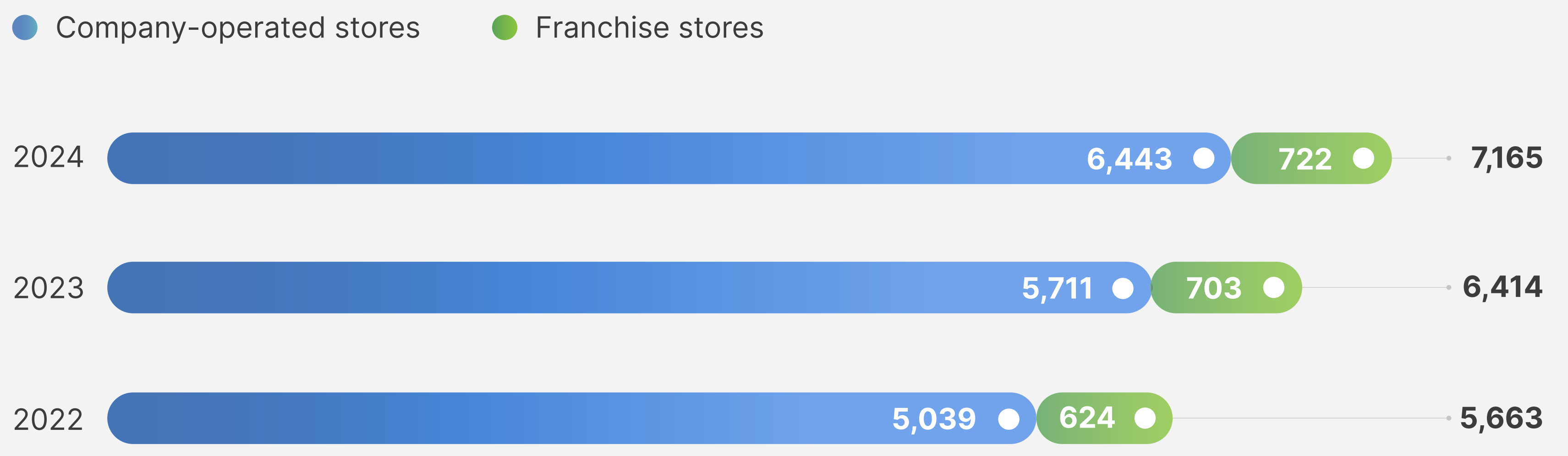
722

franchise stores within the Fix Price network spanning

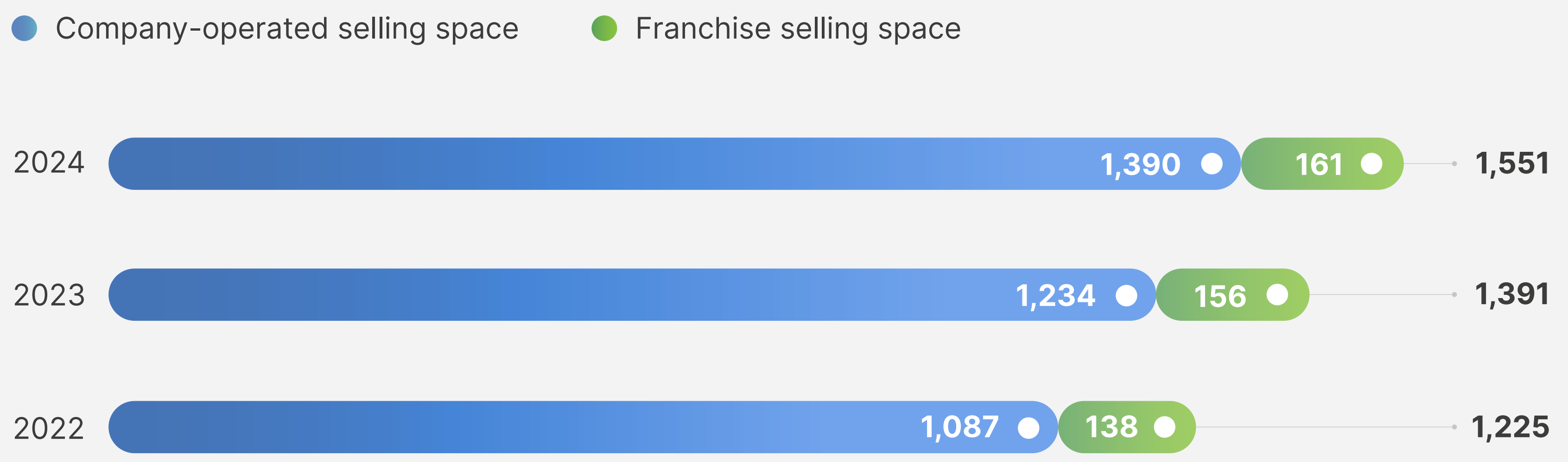
10

countries

Fix Price total stores



Fix Price selling space expansion[1], thousand sq. m



(1) The total may not equal the sum of the components due to rounding

New Store Site Selection

Fix Price's Store Management Department employs a robust evaluation system, powered by advanced IT solutions, to assess the potential success of new store openings. This comprehensive approach ensures that site selection is guided by an in-depth analysis of commercial, technical, and physical factors.

Once a location is identified, a feasibility study is conducted to evaluate rental conditions, repair costs, and equipment acquisition expenses. Based on these insights, a final decision is made to proceed with a particular store opening.

Site selection

Fix Price carefully selects its store locations. We leverage cutting-edge IT solutions to explore the untapped growth potential of each location.

We also consider the performance of existing stores and a range of important factors, including economic, strategic, commercial, technical, and physical aspects.

Our location selection criteria:

- Population over 5,000
- High footfall
- Convenient access to transportation

~36%

of analysed sites pass the initial approval stage and progress to further review

Decision-making process

The Company's decision-making process assesses the project's financial metrics and the current condition of the potential location through site visits.

Once a site clears the feasibility study, we enter rental negotiations, adjusting our CAPEX projections as needed. If costs remain within the target range, we finalise the lease agreement.

From there, we focus on preparing the store by completing the fit-out, hiring staff, equipping the space, stocking inventory, and launching local marketing efforts.

We evaluate:

- the quality of the property
- the scope to implement our standard layout and access for deliveries

Financial appraisal covers:

- revenue and EBITDA
- payback period
- NPV

Landlord negotiations seek:

- RUB-denominated rent for Russian stores
- revenue-linked, variable rate lease contracts to provide more flexibility
- part of necessary repairs to be carried out at the expense of the landlord

~15%

of analysed sites result in a store opening

~30

days standard lead time for a new opening

Store monitoring

In line with Fix Price's push towards the automation of all in-store operations, we have developed and constantly update a range of user-friendly mobile solutions for our staff.

We monitor store operations using video cameras and proprietary IT solutions, including through mobile apps. Store managers and directors can check the business performance of their outlets via tablets or smartphone apps in real-time. All stores regularly undergo audits to ensure they meet the necessary requirements.

Our daily monitored KPIs include:

- revenue vs budget
- LFL dynamics (incl. traffic and average ticket)
- loyalty card sales
- audit results
- whole network and sub-group store ranking

Store audits assess:

- assortment and stock levels
- trading floor cleanliness
- employee compliance with service standards
- uninterrupted equipment operation
- no misleading price tags or advertising materials
- no expired products
- planogram compliance
- availability of necessary documents and compliance with applicable requirements

Store maintenance

We maintain strict compliance with building, sanitary, and safety regulations while ensuring a consistent customer experience across all stores.

Ongoing renovations enhance navigation and product displays, with updates to lighting and equipment as needed.

As part of the ongoing automation and digitalisation efforts, in 2024 the Company installed over 3,200 self-service checkouts (SSCs) in more than 1,600 Company-operated stores in Russia.

Total number of self-service checkouts

>5,800 across **2,900** outlets

RUB **3.1** million

average complex refurbishment capital expenditure per Company-operated store in Russia

Supply Chain Management

Fix Price's robust sourcing and distribution network plays a key role in supporting geographic expansion, sustaining low prices, and ensuring efficient stock turnover at the store level.

A strong supply chain remains a cornerstone of our business model and a major competitive advantage. In 2024, we continued to enhance its resilience by expanding our distribution centres, optimising logistics, and strengthening partnerships with suppliers.

Fix Price supports local suppliers, sourcing approximately

77%

of its product costs domestically to ensure a resilient and reliable supply chain

Suppliers

Sourcing

Fix Price has built an effective system of searching for new suppliers and building partnerships with manufacturers who have been reliable partners for the Company for many years. We maintain mutually beneficial relations with all suppliers, driven by transparency, trust, and respect.

Our business scale, fast decision-making processes, and continuously growing and predictable volume of purchases help us obtain attractive propositions for manufacturing unique products for our stores, while our suppliers, in turn, ramp up their market share and grow together with the Company.

Key focus areas in assortment management:

- Attracting new suppliers both in the Russian and other markets, primarily in China
- Strengthening relations with local producers
- Optimising the cost of goods manufacturing without compromising quality through an in-depth analysis of the production cycle together with suppliers
- Improving or modifying products together with manufacturers to offer the best proposition in the market
- Actively testing new SKUs to identify the most popular categories

Fix Price strives to follow a transparent procurement model. We search for new suppliers both via an open platform for submitting commercial offers on the Fix Price website and through bidding procedures held by a team of category managers between the manufacturers that we are interested in. We utilise an electronic trading system (CISLINK) to obtain favourable supply terms through the bidding procedures.

When making decisions, we pay particular attention to the ability to manufacture and customise the products on a scale that we need as well as to offer the best price for customers compared to available alternatives. As a result, Fix Price is able to offer in-demand products across different price points and ensure fast assortment rotation and our unique treasure hunt customer experience.

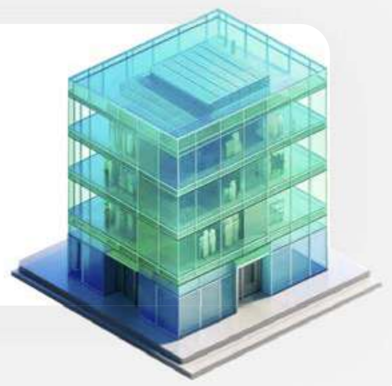
We work closely together with suppliers throughout the entire production cycle. This starts from ideation for product development and its customisation right up to reaching store shelves. Fix Price negotiates customisable features of our products with suppliers, including packaging, taste, design, weight, and other characteristics, leveraging our market position and scale to obtain the best purchase price.

Our competitive edge

- An extensive network of stores with a wide product range and high growth rates
- Mature and sustainable supply chain
- In-depth understanding of customer behaviour
- Transparent and fast decision-making process

Our supply chain includes:

Suppliers



Direct import capabilities

Warehouse and distribution centres

Product deliveries

Supply Chain Management

Our Category Management Department is responsible for managing the product range at the Company. The Department is divided into 11 teams, each acting as a full-cycle commercial unit for its respective product category. This flat organisational structure provides fast decision-making and substantial flexibility around product mix management. The Department's functions include:

- selecting SKUs and negotiating supplier agreements
- managing Fix Price's private labels
- handling returns and interacting with the Marketing Department
- managing inventories at distribution centres
- preparing shipment documents and delivering necessary products to stores

When ordering products in a category, our teams make decisions based on historical data, LFL sales in previous periods, and changes in customer behaviour. Our category managers also thoroughly analyse top industry trends while screening social networks for relevant themes and actively visiting international supplier exhibitions.

Fix Price takes a responsible approach to selecting its partners, relying on rules and guidelines set out in the following corporate regulations:

- Business Ethics Policy (Code of Conduct)
- Modern Anti-Slavery and Human Trafficking Policy
- Anti-Bribery and Corruption Policy

We require our suppliers to comply with all applicable laws and the Company's internal policies

Supplier Base

Fix Price has a large, predominantly Russian supplier base. In 2024, the number of our active suppliers grew to 599 compared to 560 in 2023. This growth was the result of our strategic efforts to onboard new manufacturers and strengthen ties with existing suppliers.

In 2024, our top ten suppliers accounted for around 34% of the Company's cost of goods sold (COGS). The top-five suppliers continued to be primarily Chinese agents that work directly with hundreds of manufacturers in China. At the same time, we continue to work closely with our small and medium-sized local manufacturers.

In 2024, approximately 77% of our COGS were from locally sourced products, decreasing slightly from 2023. Food, cosmetics, and apparel are largely sourced in Russia, while toys, kitchenware, household goods, and accessories are mostly imported.

We intend to maintain and diversify our range of SKUs as well as ensure low prices. Our plans for 2025 include:

- Strengthening our relations with existing suppliers and expanding partnerships with domestic producers and suppliers from other countries, including China, India, Vietnam, and Turkey
- Increasing the share of products in our product mix at our new price point of RUB 399, primarily in categories such as home decor, and kitchenware
- Expanding our seasonal assortment and the range of holiday-themed items
- Developing the line of locally produced goods, including private labels
- Ensuring rotation of products while maintaining our universal product range across the whole network
- Running themed campaigns for the New Year, Christmas, Valentine's Day, etc.

~2,000

counter-parties have passed the reliability scoring assessment in 2024

Supplier Engagement

Prior to entering partnerships, we conduct counter-party due diligence using a reliability scoring tool to assess any risks of partnering with the counterparty. Automatic counter-party due diligence is managed by a tool that integrates our accounting system to the data of the counter-party due diligence service.

We analyse data from more than 30 official sources such as the Federal Tax Service of Russia, the Arbitration Case Database, and the Single Federal Register of Insolvencies. Over 80 parameters are considered, with a weight assigned to each metric.

The system rates counterparties on a 100-point scale, with the score reflecting their reliability.

Additionally, we request that all suppliers fill out a self-assessment form that seeks to verify the following:

- No discrimination in employment
- No use of child labour
- Freedom of association and the right to collective bargaining
- Living wage salaries
- No excessive working hours
- Legally binding employment relationship
- Compliance assurance

Supply Chain Management

Supplier Audits

We ensure compliance with our quality and safety standards by monitoring manufacturing conditions and conducting audits of private label suppliers and foreign production facilities.

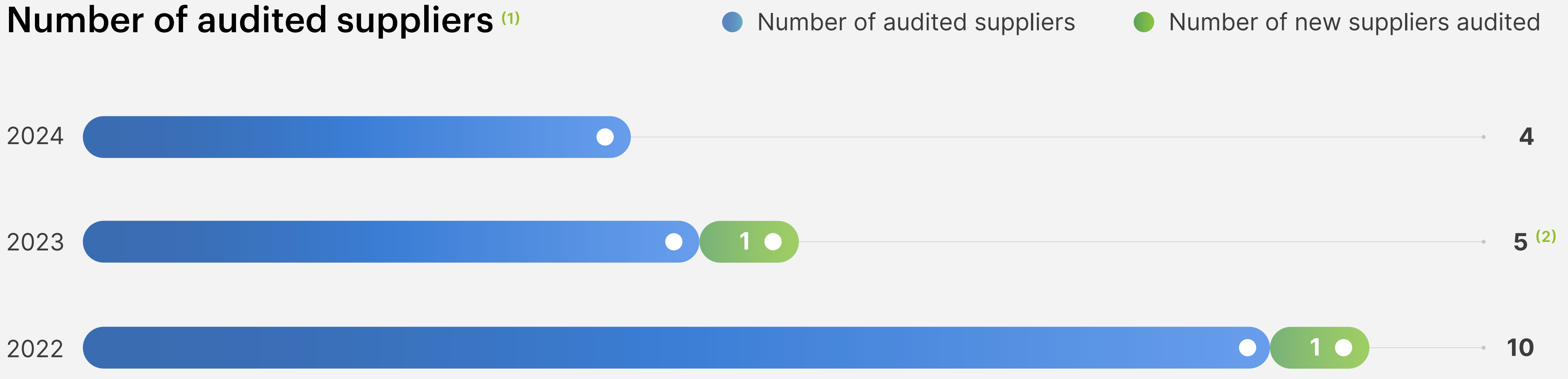
Russian Supplier Audits

We audit Russian private label producers according to the Company's quality assurance regulations. Fix Price's quality control experts are authorised to perform audits prior to or after a supply contract is executed. Regular supplier audits are conducted once every two years, or more where necessary.

A supplier passes the audit if its production facility receives at least a score of

90%

Number of audited suppliers [1]



[1] The data relate to Russian private label suppliers
[2] The lower number of audits is due to a decline in the number of private-label products

Foreign Supplier Audits

When working with foreign suppliers, Fix Price engages local agents who play a key role in establishing and maintaining reliable partnerships with new and existing producers. They search for goods and new production facilities, liaising with the current manufacturers, thoroughly supervising merchandise production and quality, and checking the accompanying documentation.

The agents arrange audits of producers of imported goods, which are carried out by specialist organisations and laboratories accredited in their respective countries.

The reports they prepare following these inspections contain data on the suppliers, processes and quality management, certification, product streams, and more. The audit results are used to assess all necessary aspects and to make a go or no-go decision.

Principal Supply Terms and Conditions

We embrace the principle of full transparency in our business relationships with partners. All our suppliers are aware of our pricing policy and approach to procurement. Our requirements and sample contracts are publicly available on a dedicated website for tender procedures and order placement. All this supports mutual understanding and trust, contributing to long-term productive partnerships.

When ordering products from abroad, Fix Price requests product samples from suppliers, which then undergo product certification by independent agencies. If the product fails certification due to product defects or other reasons, the order is subsequently cancelled.

Distribution Centres

As of end of 2024, the Company operated 13 modern distribution centres (DCs) with a total space of 483,290 sq. m. Our DCs are strategically located across our retail chain's footprint in Russia and other countries.

Nearly all of the Company's stock is delivered directly from suppliers to our DCs for onward transportation to stores. Some SKUs are transported directly to stores (e.g., ice cream which requires certain storage temperatures).

In October 2024, Fix Price unveiled plans to construct a new 45,000 sq. m distribution centre in Kazan, designed to meet the Company's specific operational needs. Developed as a built-to-suit (BTS) facility, the centre is expected to become operational by late 2025.

Implementing IT solutions

Fix Price operates a centralised monitoring, control, and change management system across its distribution centres in collaboration with LogistiX Group. Powered by the LEAD WMS system, this solution features a modern, user-friendly interface, streamlining warehouse logistics management. The centralised approach has significantly improved efficiency, accelerating document processing across all distribution centres.

Fix Price introduced a Product Information Management (PIM) system to automate product data collection and storage for its online store. This system consolidates all product information into a single database, streamlines data entry, and enables direct supplier uploads, reducing errors and delays. By simplifying data management and integration, the PIM system enhances efficiency and accelerates product listings.

We used this system to automate product data collection and storage for the

fix-price.com

online store

Supply Chain Management

Fix Price DCs as at 31 December 2024

Location	Total storage area (sq. m)	Owned/leased	Lease expiry date
Pushkino, Moscow Region	27,774	Owned	–
Vnukovo, Moscow Region	27,840	Owned	–
Yekaterinburg	22,061	Owned	–
Novosibirsk	44,117	Leased	June 2025
Saint Petersburg	35,581	Owned	–
Kazan	32,865	Leased	March 2027
Krasnodar	67,272	Owned	–
Voronezh	27,971	Leased	December 2027
Samara	37,162	Leased	March 2032
Novosibirsk	23,387	Owned	–
Domodedovo	66,925	Owned	–
Yekaterinburg	67,083	Owned	–
Astana	3,252	Leased	December 2025
Total	**483,290**		

Transportation

All of Fix Price's transportation needs for product delivery services are outsourced to a number of third-party logistics companies. Usually, Fix Price enters into open-ended contracts with these outsourcing companies that allow us to run regular tenders and offer performance incentives. The performance, pricing, and selection of these outsourcing companies are periodically reviewed to ensure a high level of delivery service at an optimal cost.

When Fix Price imports products, it engages a variety of land and sea transportation operators or other agents involved in transportation from overseas to Russian ports and to our DCs. All imported goods receive customs clearance, with the process overseen by customs brokers.

In 2024, we continued to stabilise our logistics and prioritise optimal transportation routes. As a result of testing done in previous years, delivery prices and lead times have become more predictable. However, we are still continuously monitoring alternative supply chains and expanding our pool of shipping partners.

Supply Chain Achievements in 2024

- Proactive efforts by our Logistics Department meant there were no substantive delays or significant difficulties in sourcing key products, including seasonal items.
- Our trusted shipping agents were able to make deliveries on time, across various reliable transportation routes.
- We continued testing new onshore and offshore routes, primarily engaging logistics companies from China and Turkey, aimed at increasing our robustness and risk management.
- Despite occasional challenges in ensuring timely shipping agent payouts, these cases were handled on an individual basis, including making advance payments to ensure timely deliveries.
- About 30% of imported products were delivered by rail.

IT Infrastructure

To drive growth and enhance the resilience of our business processes, we prioritise integration of advanced technologies across electronic document management, remote store monitoring, supply chain tracking, and HR management.

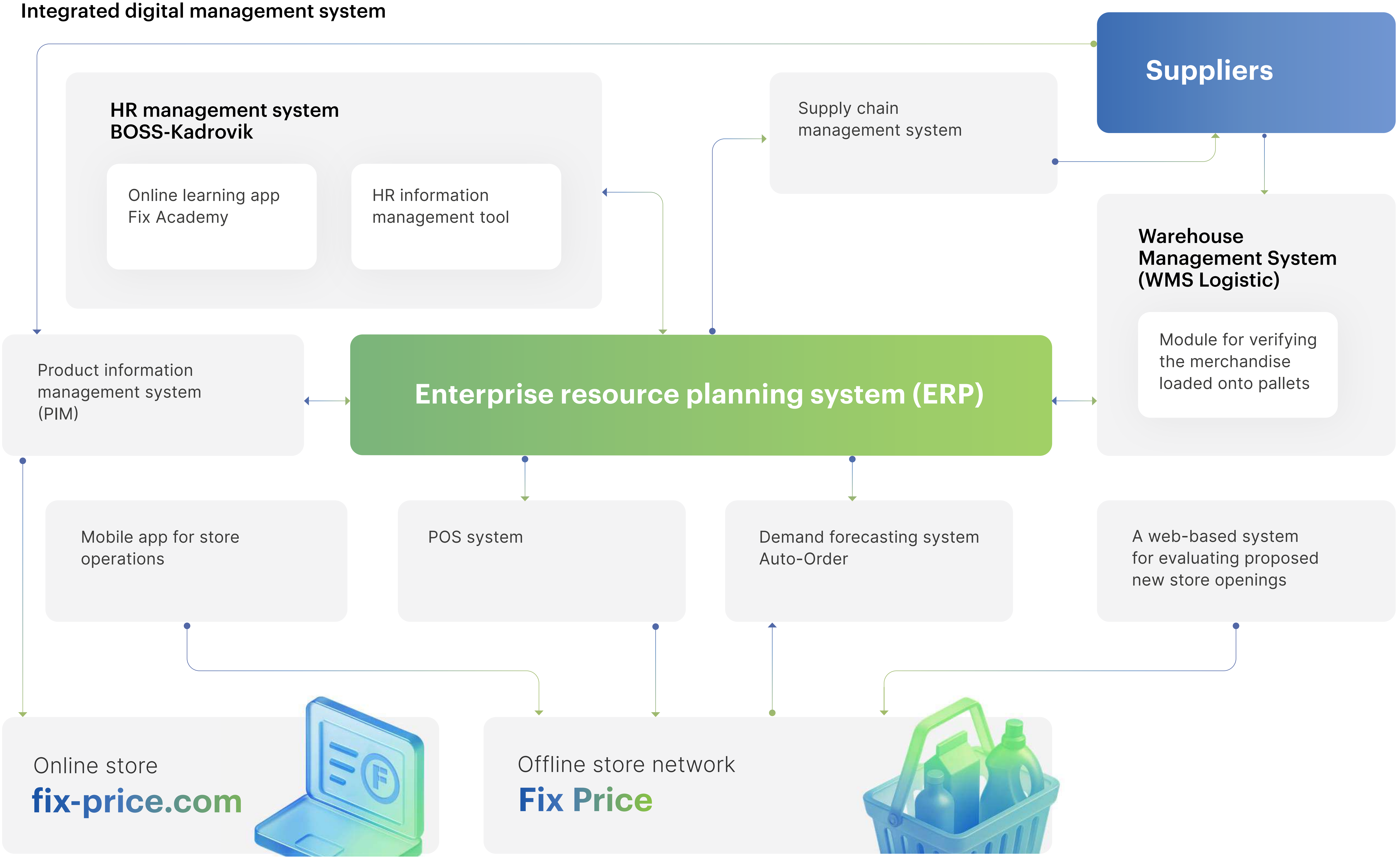
Digital solutions are enabling rapid scaling and supporting our future growth, while optimising costs and improving operational efficiency in our fast-evolving market.

Along with standard digital systems supporting financial and transactional accounting, the Company leverages a number of proprietary IT solutions that are tailored to its specific operating model while also driving model efficiency.

Enterprise Resource Planning System

Fix Price's enterprise resource planning (ERP) system forms the cornerstone our complex IT infrastructure, serving as a centralised platform for managing key business processes. It supports monetary funds, goods, and materials management, oversees procurement and pricing, while also integrating internal systems across stores and the head office, including HR and Finance. The ERP system enables seamless control over inventory turnover, financial flows, and accounting at every stage of operations.

Integrated digital management system



IT Infrastructure

Information Management Tool

Our electronic document management system provides a tool to promptly create, approve, forward, and archive documents thus eliminating paperwork. This system is fully integrated with the ERP, exchanging key information to streamline processes. Employees across all units have online access to the electronic document management system which greatly accelerates approvals and gives us full control over internal corporate communications.

Visualisation Module

The Company employs QlikView as the embedded KPI visualisation module to promptly collate business analytics data into formats that support rapid decision making. This tool automatically draws all the necessary data from various sources, including from the ERP, into a single application. This enables the Fix Price management team to track operational performance and business risks in real time.

Store Management

To drive operational efficiency and cost savings, Fix Price has implemented several advanced IT solutions across its store network. These technologies enhance real-time monitoring, automate processes, and streamline operations.

Mobile Solutions for Store Operations
An Android app automates store management tasks, allowing managers to monitor premises, track orders, generate reports, and handle maintenance remotely via tablets or smartphones.

Demand Forecasting System
The Auto-Order system automates restocking orders, improving inventory management efficiency across all stores.

POS System
A comprehensive POS system captures real-time transaction data, feeding it into the centralised ERP system to optimise product management and support daily operations.

Web System to Streamline New Store Openings
A web-based system automates real-estate data collection and evaluates the feasibility of new store openings, simplifying the process and saving employee time.

HR Management

To further leverage advanced IT solutions, Fix Price spends considerable effort to streamline and automate HR processes, driving efficiency and reducing manual workload across its operations.

BOSS-Kadrovik HR Management System
This integrated analytics system automates routine HR tasks such as timesheet tracking and salary calculations across all stores and distribution centres.

HR Information Management Tool
A new electronic HR document management system was introduced in 2023 to automate the creation, signing, and approval of HR documents, reducing errors and boosting performance.

Fix Academy
The Fix Academy remote learning app is consistently updated to offer employees easy access to up-to-date courses and qualification tests.

Utilising AI for HR Efficiency

AI-Powered Recruitment Efficiency

To address the Company's recruitment needs in a rapidly expanding market, an AI-powered robot recruiter was deployed. This system has resulted in the selection of 23% of candidates for frontline positions within one year, demonstrating high performance with rapid application response times, utilising chat communication for candidate interaction.

Automating Internal IT Request Processing with AI

Additionally, this year we initiated an AI pilot project to automate the processing of internal IT requests. The system created categorises requests, reducing processing times and improving efficiency. Approximately 100,000 requests have been processed since implementation.

IT Infrastructure

Improving the Customer Experience

Fix Price's business is built around providing superior service to customers. To elevate this experience, while enhancing our operations and cutting costs, Fix Price is integrating cutting-edge technologies into its operations. These innovations are designed to streamline processes, improve convenience, and build stronger customer loyalty, helping us stay ahead in a competitive retail landscape.

Video Analytics for Enhanced Store Monitoring

In 2024, we continued to search for IT upgrades to our existing solutions, resulting in an improved video analytics system, incorporating computer vision technology to enhance store management.

This system now monitors shopping areas for empty shelves, floor conditions, and aisle obstructions, in addition to queue detection. Additional testing is currently underway in 300 stores to optimise operational efficiency and the customer experience.

Self-Service Checkouts
Introduced in all new stores since 2022, self-checkouts reduce staff workloads and alleviate long queues, speeding up payment processing. By 2024, the total number of SSCs increased to over 5,800, with more than 2,900 outlets equipped.

QR Payments
Fix Price supports QR code payments via the Bank of Russia's Faster Payment System (SBP), allowing customers to make instant, fee-free payments using their mobile banking apps. This feature eliminates the need for bank cards and makes the checkout process faster and more convenient.

Biometric Payment Options
Furthermore, this year we introduced Sberbank's biometric payment technology, enabling 'smile-to-pay' functionality across all Company-operated stores in Russia, marking a significant step in modernising payment solutions.

E-Receipts
We continued the transition to paperless receipts in 2024, allowing customers to track purchases digitally while contributing to sustainability by reducing paper waste. The shift also reduces costs and enhances the reliability of cash registers across our store network.

Mobile App for Customers
The Fix Price mobile app, available on Android, iOS, and Huawei's AppGallery, enables online ordering for home delivery or in-store pickup, enhancing convenience for customers who prefer digital shopping. The app was introduced in 2018 and continues to evolve with new features to meet the needs of our tech-savvy shoppers.

SET Mark System
The SET Mark Centrum system helps track labelled products at checkout, preventing human error, theft, and the sale of counterfeit goods.

LED Panels in Stores
In 2023, we piloted LED panels in stores to showcase product ranges, promotions, and job vacancies. The rollout in 2024 will further enhance the shopping experience by enabling centralised content management and targeted messaging for specific store needs.

SET Loyalty Service (SLS)
SLS, deployed across all stores, efficiently processes a wide range of coupons, ensuring fast and reliable transactions for customers. This system enhances the overall customer experience by simplifying the use of promotions.

IT Infrastructure

Data Privacy and Cyber Security

Fix Price is committed to safeguarding both customer data and the integrity of its IT infrastructure against an increasingly complex and severe landscape of cyber threats. To ensure the highest levels of security and privacy, we have implemented a comprehensive set of measures across various domains.

Our anti-fraud system protects potential customers from fraudulent pages and websites that mimic our retail chain. This system is designed to identify and neutralise phishing websites, fraudulent web pages, and social media accounts posing as Fix Price. Additionally, our DDoS-protection system is continuously enhanced, and a new, off-the-shelf monitoring system has been deployed to detect and respond to internal security threats.

To ensure robust protection of customer data, the Company has integrated a Cloudflare solution, reinforcing protection against various types of cyber-attacks while keeping data confidential. The Company complies with Roskomnadzor requirements, including enabling personal data deletion functionality and sending notifications to contractors to delete personal data when necessary.

To further secure online transactions, our acquiring page has been enhanced with digital certificates from the Ministry of Digital Development, Communications, and Mass Media.

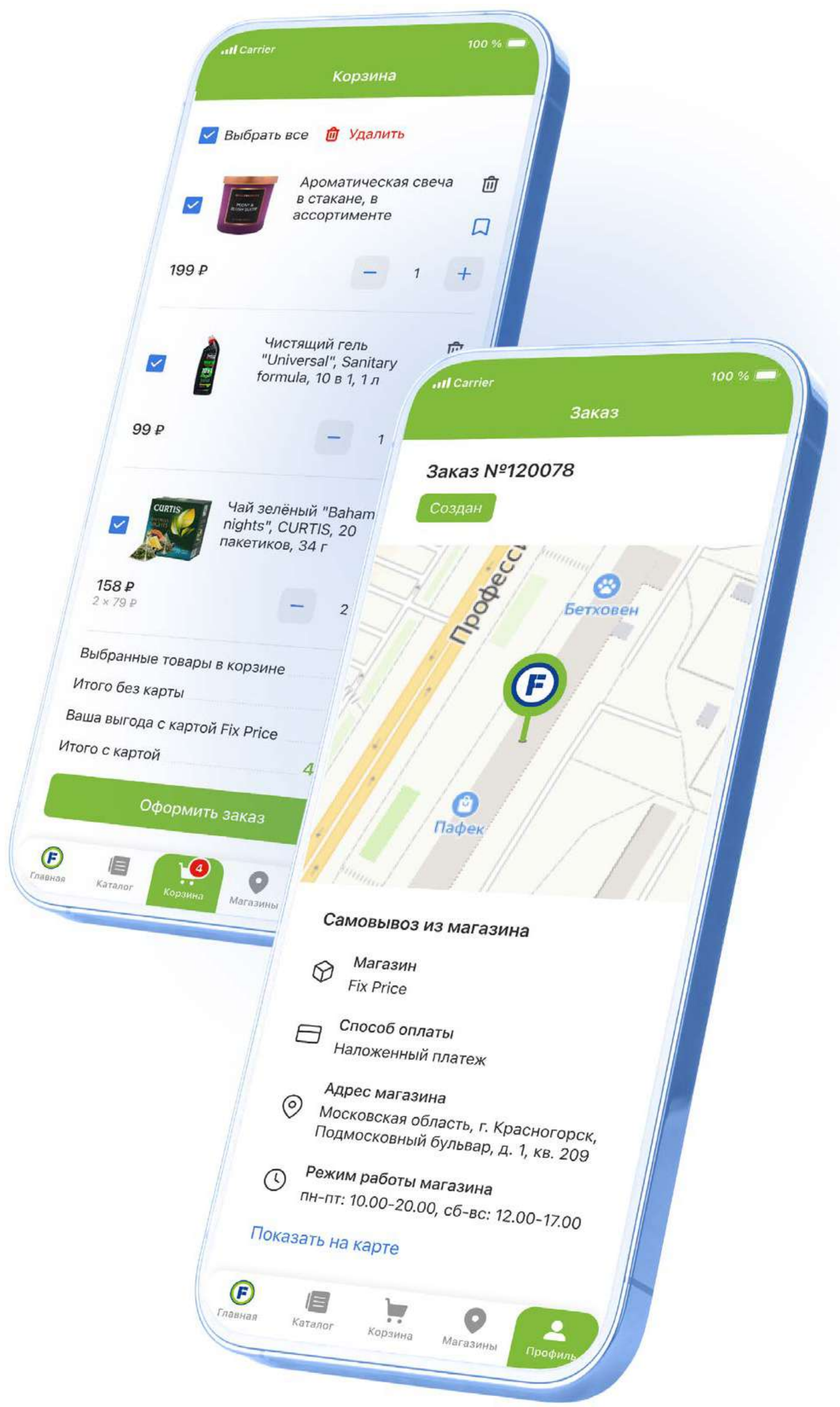
Transparency in data collection is a priority. We have added checkboxes for users to consent to the processing of their personal data on our website and mobile app, ensuring customers are fully informed. Additionally, we have implemented cookie management improvements and updated password display logic to limit the number of attempts allowed for enhanced security.

The Company conducts regular internal and external audits to assess the security of corporate resources, identifying vulnerabilities and eliminating them promptly. Furthermore, we have developed and implemented tools, standards, and processes for analysing code to ensure the security of our corporate software products.

Fix Price remains vigilant in its ongoing efforts to protect customer data, secure its IT infrastructure, and prevent cyber threats, maintaining the highest standards of data privacy and security.

Fix Price's Data Security System

- An automated system identifies and addresses critical vulnerabilities in the server and network infrastructure by fixing software flaws, installing missing patches, and detecting malware and misconfigurations across various operating systems, devices, and applications.
- A specialised data-protection system creates comprehensive backups of entire servers and provides access to virtualisation systems, significantly reducing system recovery time in the event of a failure.
- The smart Data Leak Protection (DLP) system detects and counters the unauthorised dissemination of confidential information, as well as the misuse and illegal access of Company resources.
- The Identity Management System (IDM) enables centralised management of user accounts and access rights in corporate systems.
- On-site proxy server and firewall ensures protection against attacks, filters unwanted traffic, and prevents unauthorised access to Company systems and data.



Financial Review[1]

Throughout 2024, Fix Price revenue growth was primarily driven by new store openings and LFL sales improvement. The gross profit margin remained stable for the year, and Fix Price continued to hold its industry-leading adjusted EBITDA margin[2] of 17.0%.

The Group saw a technical decrease in its net profit dropping back down to the levels seen in 2022 as a result of the substantial dividends paid out during the year and the respective withholding tax expenses on intra-group dividends.

Revenue

RUB **314.9** bln

Adj. EBITDA margin

17.0%

Key financial indicators between 2022–2024, RUB billion

	2022	2023	2024	Change y-o-y, 2024/2023
Revenue	277.6	291.9	**314.9**	7.9%
Gross profit	92.0	99.2	**106.7**	7.6%
Gross profit margin, %	33.1	34.0	**33.9**	(8) bps
Selling, general and administrative expenses (SG&A) excluding LTIP and depreciation and amortisation (D&A) expenses	(39.1)	(45.6)	**(53.9)**	18.3%
As % of revenue	14.1	15.6	**17.1**	150 bps
Adj. EBITDA	54.2	54.2	**53.4**	(1.5)%
Adj. EBITDA margin, %	19.5	18.6	**17.0**	(162) bps
Net profit	21.4	35.7	**22.2**	(37.8)%
Net profit margin, %	7.7	12.2	**7.0**	(519) bps
Adj. net (cash)/debt under IAS 17	(1.7)	(22.6)	**6.8**	n/a
Adj. net (cash)/debt to EBITDA under IAS 17	(0.04)x	(0.6)x	**0.2x**	n/a
CAPEX	12.0	6.6	**8.8**	33.6%
As % of revenue	4.3	2.2	**2.8**	54 bps

(1) All financial data in this section are presented in accordance with IFRS 16, unless otherwise stated. The Company has been using this standard since 2019. At the same time, the Company continues to disclose some metrics in accordance with IAS 17. Any discrepancies in calculations are due to rounding

(2) EBITDA adjusted for long-term incentive programme (LTIP) expense. EBITDA is calculated as profit for the given period before income tax, net interest income/(expenses), depreciation and amortisation, and foreign exchange gain/(loss)

Financial Review

P&L Highlights

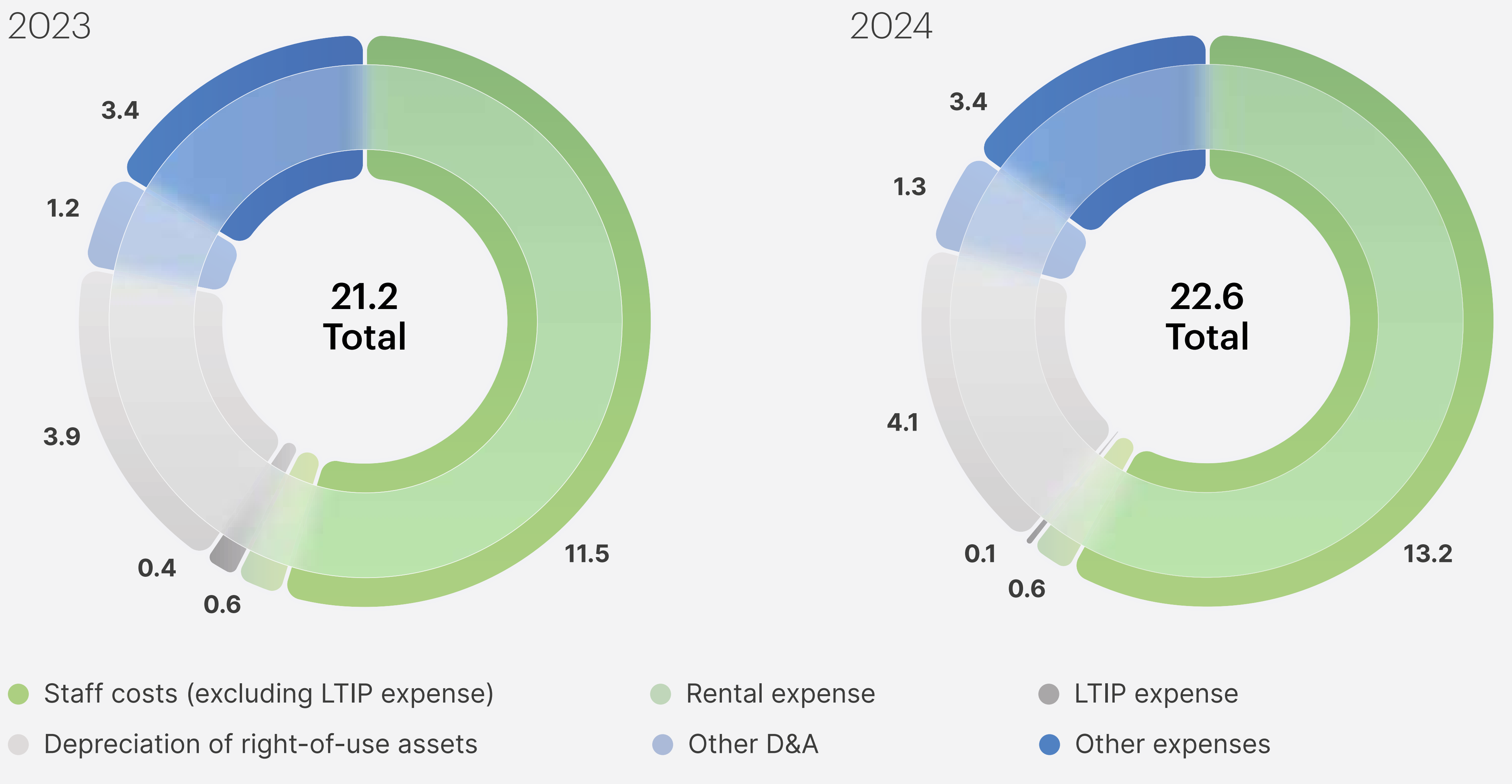
In 2024, Fix Price's revenue rose by 7.9% to RUB 314.9 billion on the back of retail revenue growth by 10.0% year-on-year. Retail revenue of RUB 284.9 billion was driven by LFL sales growth of 1.5% year-on-year and Company-operated stores expansion, with 732 net new stores opened during the reporting period.

Wholesale revenue reached RUB 30.1 billion, supported by new franchise store openings (+19 net new stores in 2024). The share of wholesale revenue in Fix Price's total revenue fell to 9.6% from 11.3% as a result of faster retail revenue growth and a slowdown in frachise stores sales.

Gross profit rose by 7.6% to RUB 106.7 billion, with gross margin largely stable, reducing slightly by 8 bps to still impressive 33.9% in 2024. During the year, in the face of increased transportation costs and the devaluation of the rouble, gross margin stability was supported by efficient assortment and category-mix management, as well as a higher share of non-food products in retail sales.

In 2024, selling, general and administrative expenses (SG&A) increased by 15.1% to RUB 71.2 billion, compared to RUB 61.9 billion in 2023.

SG&A breakdown in 2023–2024 [(1)], % of revenue



SG&A expenses as a percentage of revenue were up by 140 bps year-on-year to 22.6% mainly due to increased staff costs (excluding LTIP expense) as a result of a highly competitive labour market, alongside other expenses.

Utilities, additional expenses, including depreciation and amortisation, advertising costs, repair, maintenance, and other expenses increased moderately since 2023.

These increases however, were partially offset by efficiencies gained in rental expenses and security services, as well as improved cost management in bank expenses.

Staff costs (excluding LTIP expense) were up by 161 bps year-on-year to 13.2%, of mostly due to salary indexation, market-wide labour shortages, and an increased Company headcount growth from distribution centres opening. However, LTIP expenses reduced by 69.4% over the previous year due to reversal of previously accrued charges.

In 2024, rental expense under IFRS 16 remained stable, decreasing by 2 bps year-on-year to 0.6% of revenue on the back of a decline in the share of the variable component in the lease payment structure due to softer revenue growth.

At the same time, rental expense under IAS 17 grew by 24 bps year-on-year to 5.2% of revenue, primarily due to the negative operating leverage effect of both fixed-rate contracts and variable contracts with fixed rental expense components.

(1) Total may not be equal the sum of the components due to rounding

D&A expense increased by 18 bps year-on-year from 5.1% of revenue in 2023 to 5.4% in 2024. The share of depreciation of right-of-use assets was up by 11 bps year-on-year to 4.1% of revenue due to assets growth on the back of store network expansion. The share of other depreciation and amortisation expense rose by 7 bps year-on-year to 1.3% of revenue.

Bank charges decreased by 27 bps year-on-year down to 0.9% of revenue, reflecting reduced acquiring fees on bank card payments thanks to improved commercial terms with banks and payment systems, as well as a higher share of payments through the Faster Payment System and cards with lower fees.

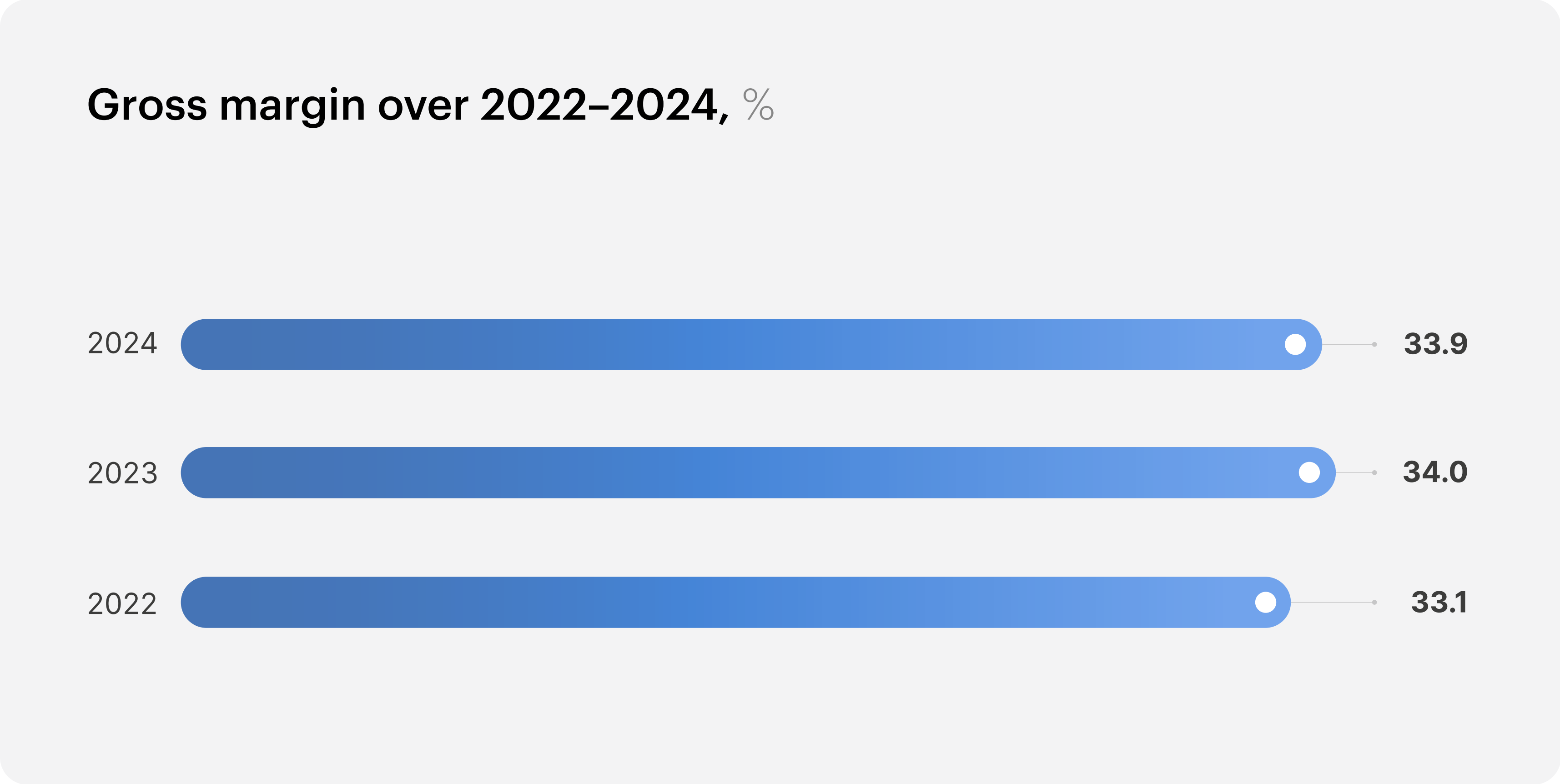
Advertising costs remained stable, up by 3 bps year-on-year, staying at 0.3% of revenue. Meanwhile costs for repair, maintenance and utilities, also remained flat year-on-year at 0.4% and 0.3% of revenue, respectively.

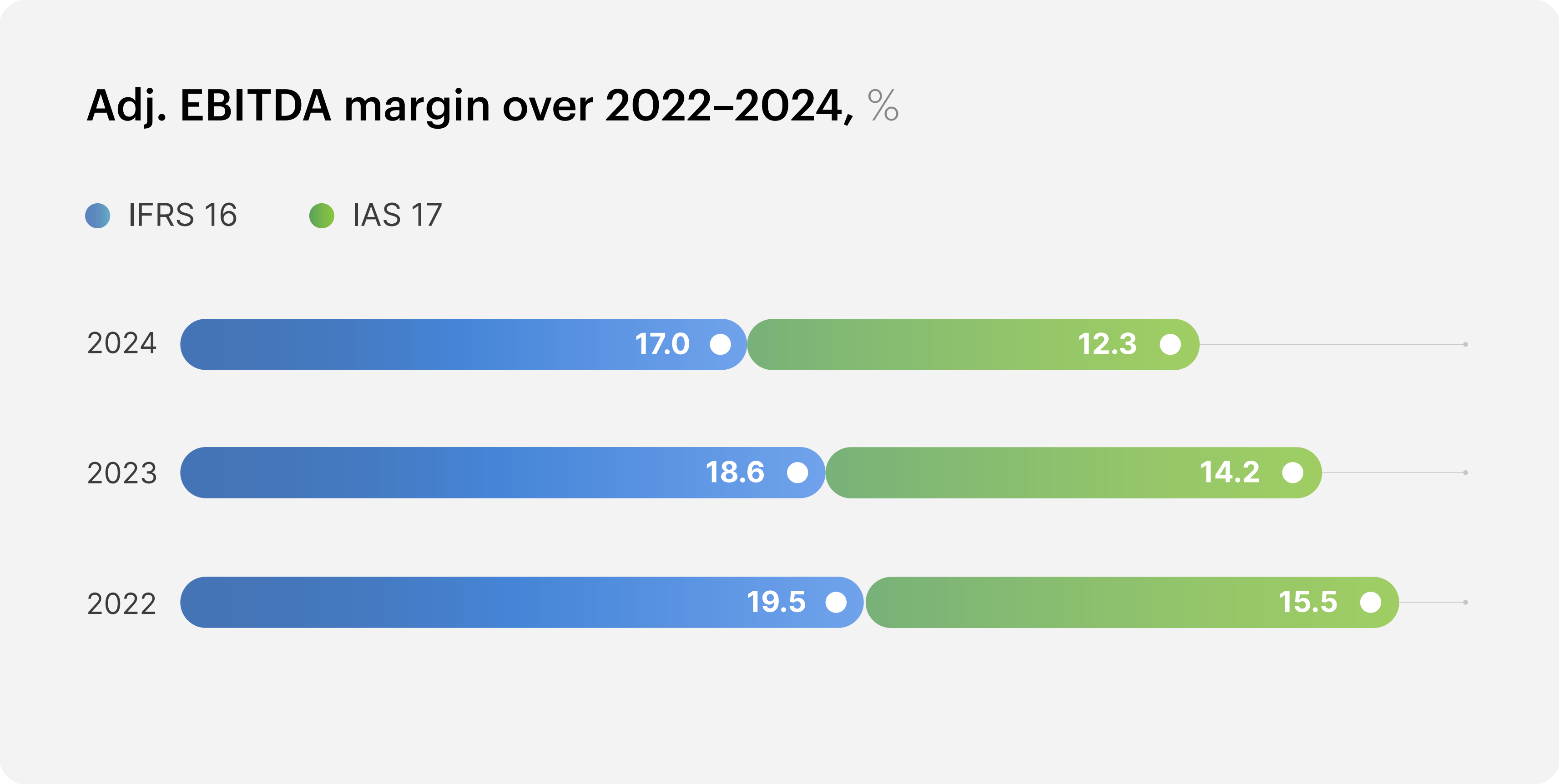
Security service expenses decreased by 7 bps down to 0.6% of revenue, compared to 0.7% in 2023, owing to Company optimisation efforts despite a difficult labour market.

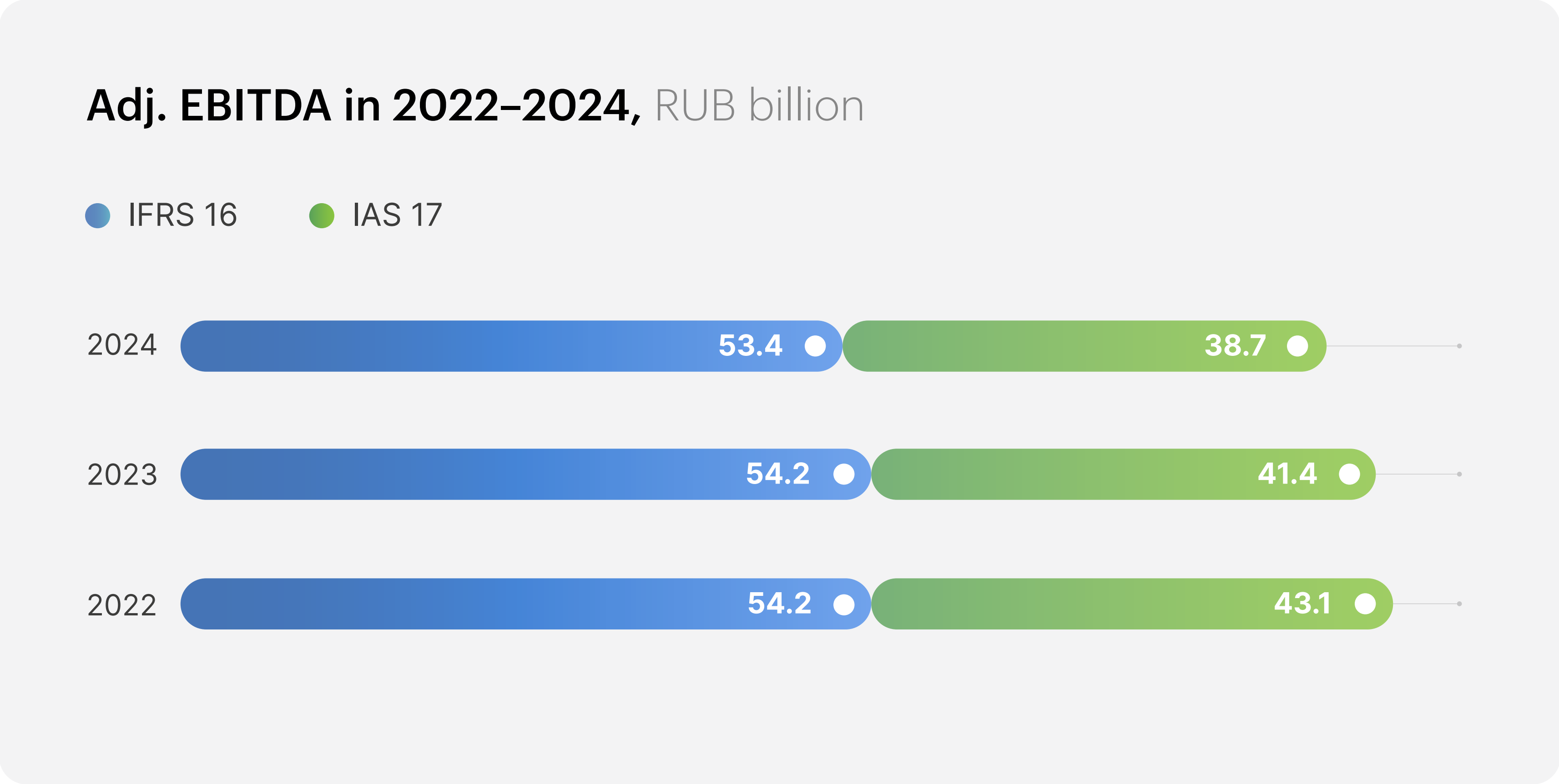
Other operating income and the share of profit of associates also decreased slightly by 3 bps year-on-year to 0.2% of revenue. Other expenses increased by 18 bps to 0.7% of revenue, up from 0.5% in 2023.

In the light of increased expenses, particularly regarding staffing costs (excluding LTIP), adjusted EBITDA was down by 1.5% year-on-year to RUB 53.4 billion. At the same time, adjusted EBITDA margin moved down to 17.0%, as the stable gross margin was impacted by higher share of SG&A expenses.

Financial Review







Net finance costs increased by 144.2% from RUB 439 million in 2023 to RUB 1.07 billion in 2024 due to increased interest rates, reflecting market dynamics, and an increase in lease liabilities from store network expansion. These impacts were partially offset by interest income from the Group's deposits.

In 2024, the Group recorded a net FX gain of RUB 216 million, compared to a gain of RUB 550 million in 2023. This change was driven by rouble depreciation and subsequent gains from the revaluation of the Group's deposits and bank accounts denominated in foreign currencies, as well as the revaluation of rouble-denominated intra-group accounts payable from the Group's international entities. These gains were partially offset by a loss on the revaluation of trade accounts payable and the revaluation of forward contracts.

The Group's total income tax expense increased to RUB 13.1 billion in 2024 from RUB 2.3 billion in 2023 when the Group enjoyed a low base effect thanks to the release of previously accrued income tax provision. The tax expense year-over-year increase in 2024 was also impacted by the withholding of tax expenses on intra-group dividends and changes in deferred taxes stemming from tax reform in Russia.

As a result, Fix Price's net profit in 2024 decreased by 37.8% to RUB 22.2 billion, with a net profit margin of 7.0% on the back of high effective tax rate driven mainly by intra-group withholding tax on record dividends.

Financial Review

Financial Position and Cash Flow Highlights

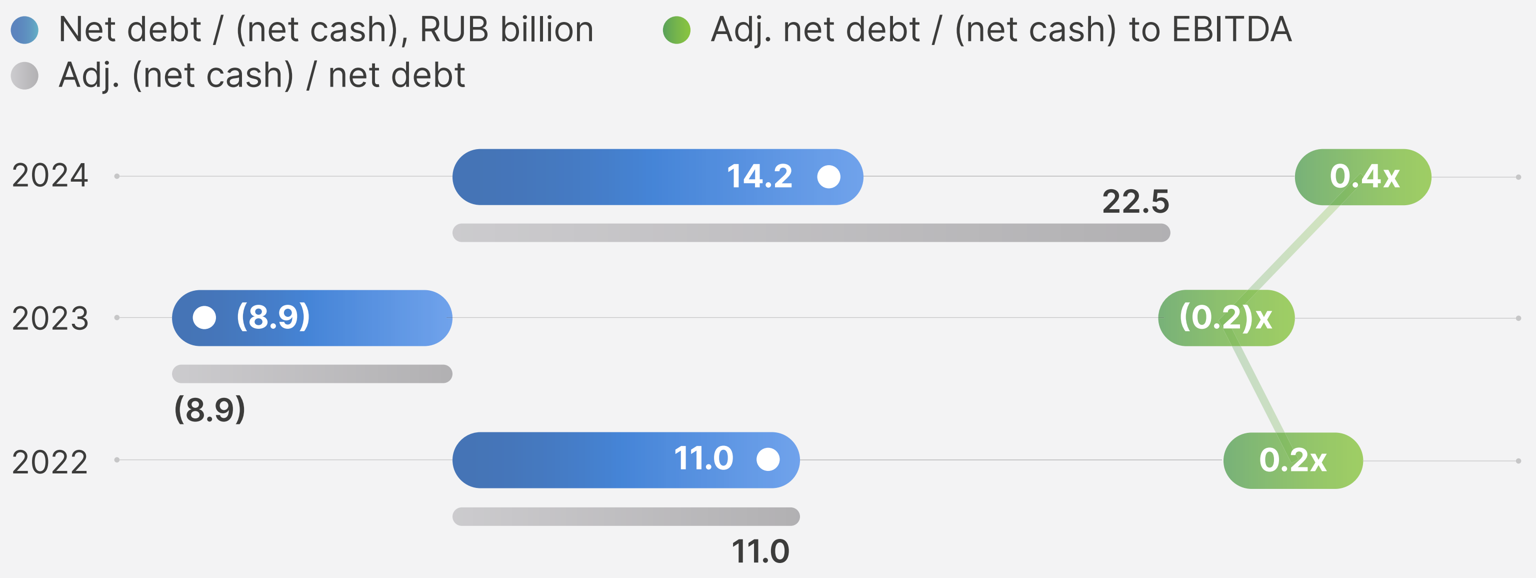
Fix Price maintained a disciplined approach to its financial position in 2024, balancing strategic investments and dividend payments while ensuring an optimal cash position and a conservative leverage ratio.

Current loans and borrowings increased by RUB 5.0 billion during the year to RUB 15.1 billion, as the Company aimed to maintain an optimal cash position. Non-current loans and borrowings amounted to RUB 3.0 billion, down RUB 1.7 billion from the beginning of the year.

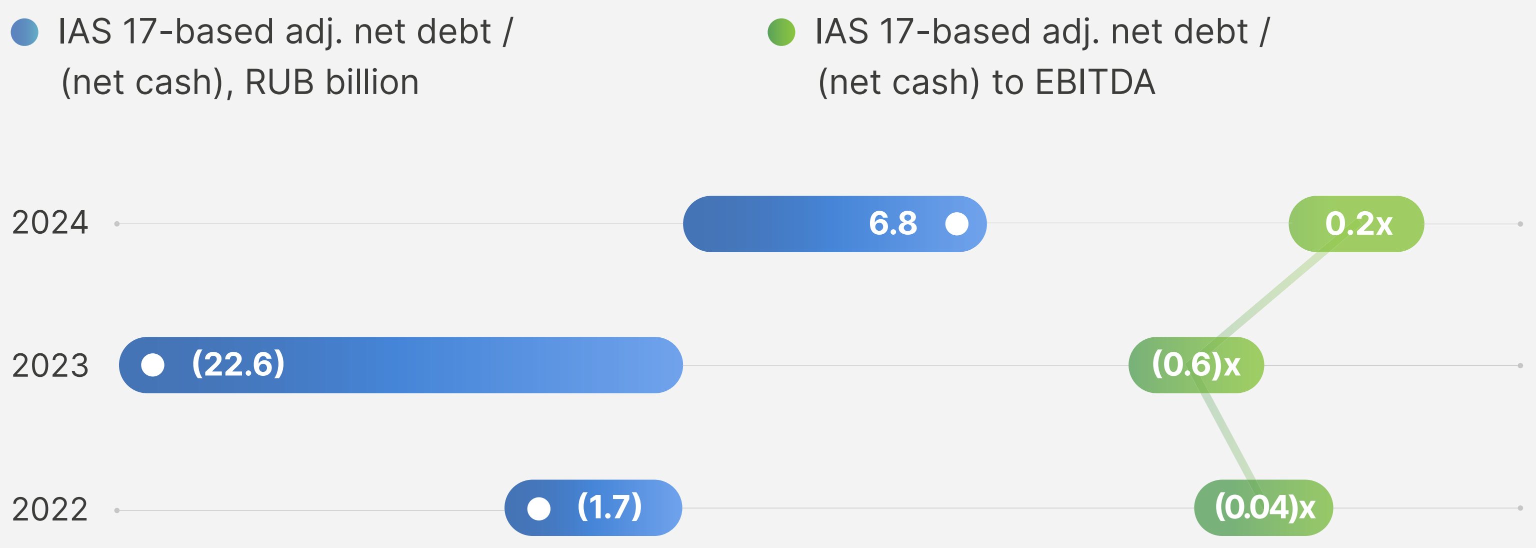
Total loans and borrowings stood at RUB 18.1 billion, compared to RUB 14.7 billion as of 31 December 2023. Lease liabilities rose to RUB 15.7 billion, in comparison with RUB 13.8 billion at the beginning of the year. As a result, total loans, borrowings and lease liabilities amounted to RUB 33.7 billion, up by 18.5% from the beginning of 2024.

The Company's IAS 17-based adjusted net debt position stood at RUB 6.8 billion, versus an IAS 17-based adjusted net cash position of RUB 22.6 billion as of 31 December 2023, due to dividend payments in 2024. The IAS 17-based adjusted net debt to EBITDA ratio stood at a conservative level of 0.2x, compared to an IAS 17-based adjusted net cash position of 0.6x as of 31 December 2023.

Net debt / (net cash) and adj. net debt / (net cash) [1] to EBITDA under IFRS 16 in 2022–2024

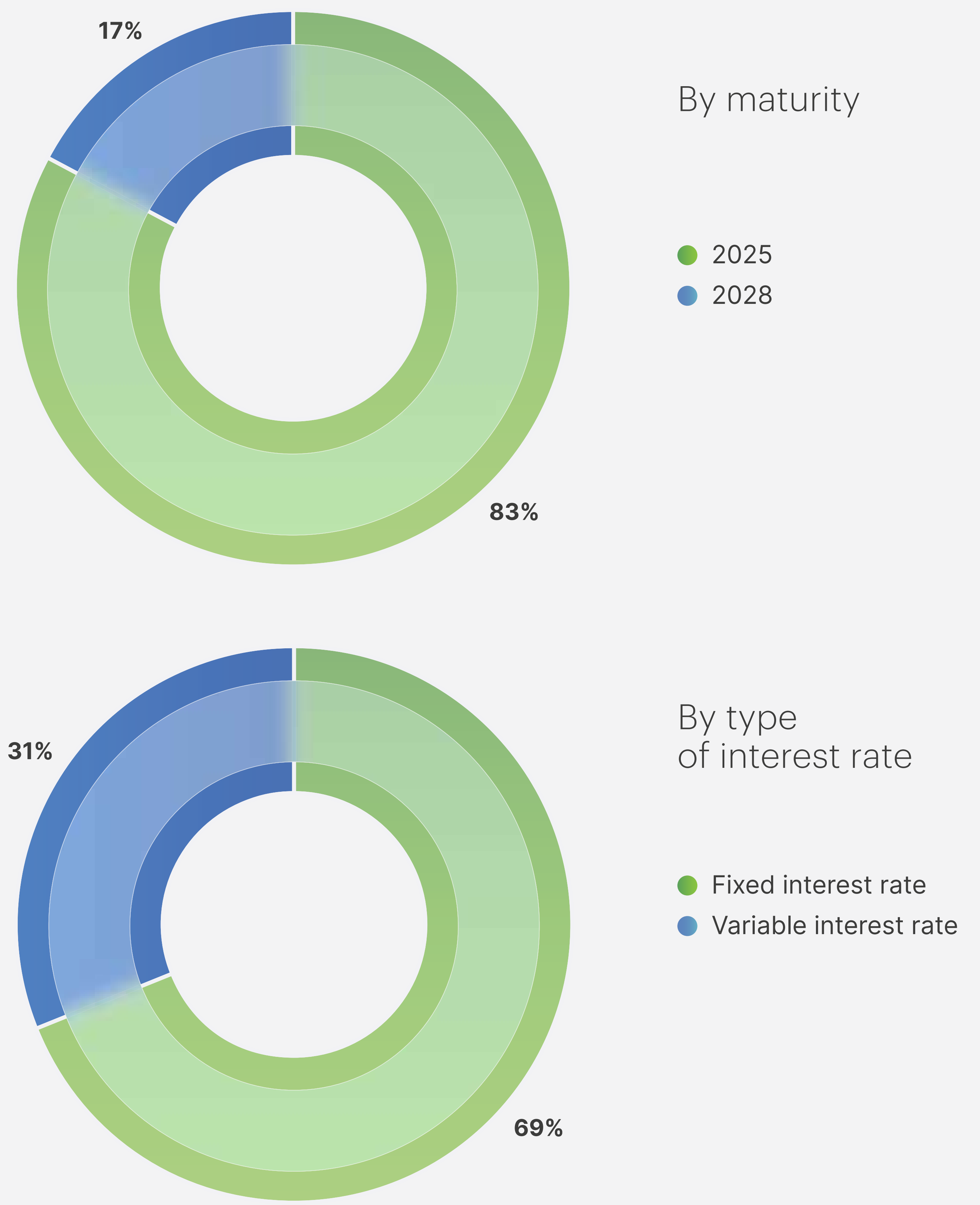


Adj. net debt / (net cash) and adj. net debt / (net cash) to EBITDA under IAS 17 in 2022–2024



Loans and borrowings as at 31 December 2024

100% of loans and borrowings are denominated in roubles



[1] Net debt / (net cash) adjusted for dividends payable

Financial Review

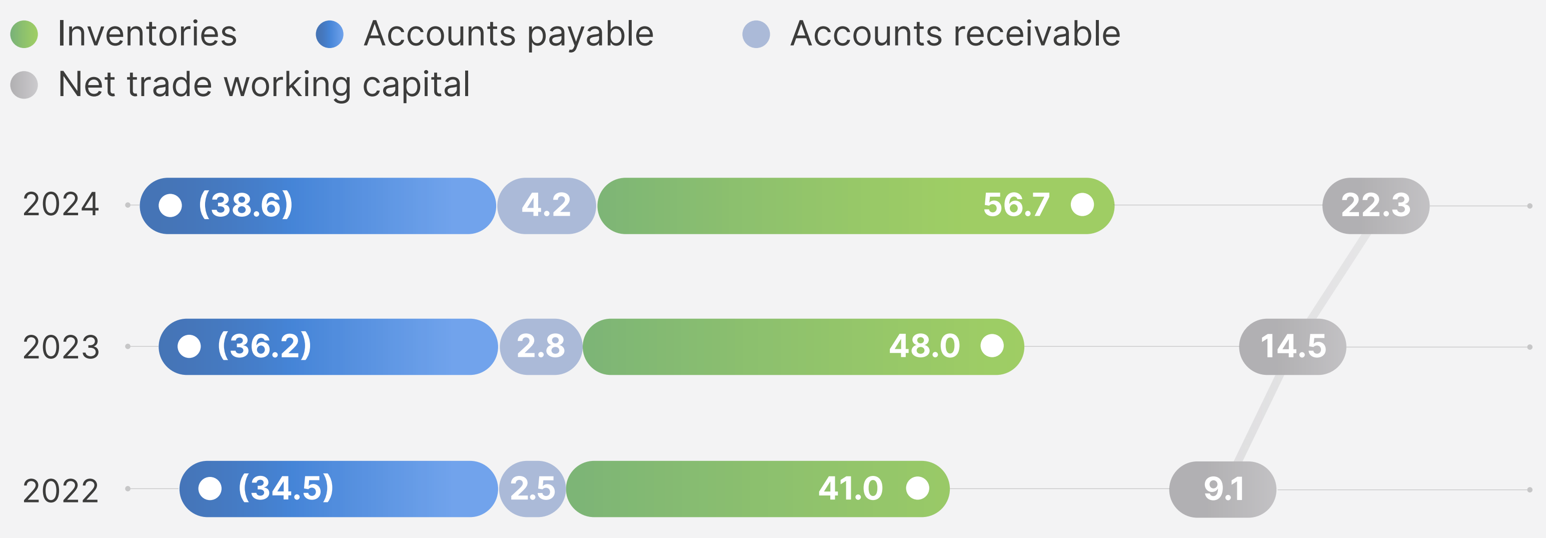
Considering its strong liquidity cushion, the Company purchased additional inventory to maintain sufficient stock of traffic-driving essentials and seasonal items in order to support LFL sales. Due to this, net trade working capital reached RUB 22.3 billion, representing 7.1% of revenue as of 31 December 2024, compared to RUB 14.5 billion (5.0% of revenue) as of 31 December 2023.

CAPEX amounted to RUB 8.8 billion in 2024, compared to RUB 6.6 billion in 2023, driven by investment in new stores openings and the construction of a new distribution centre in Kazan. As a result, CAPEX as a percentage of revenue increased from 2.2% to 2.8% year-on-year.

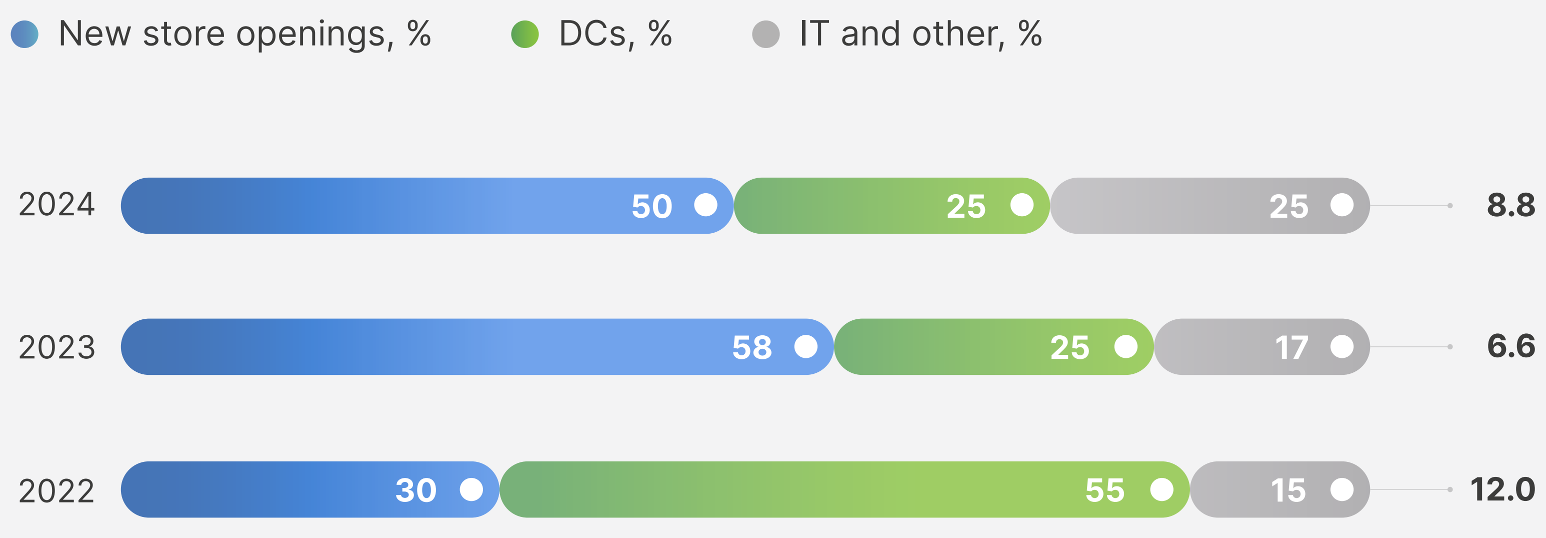
In 2024, CAPEX amounted to

RUB **8.8** bln

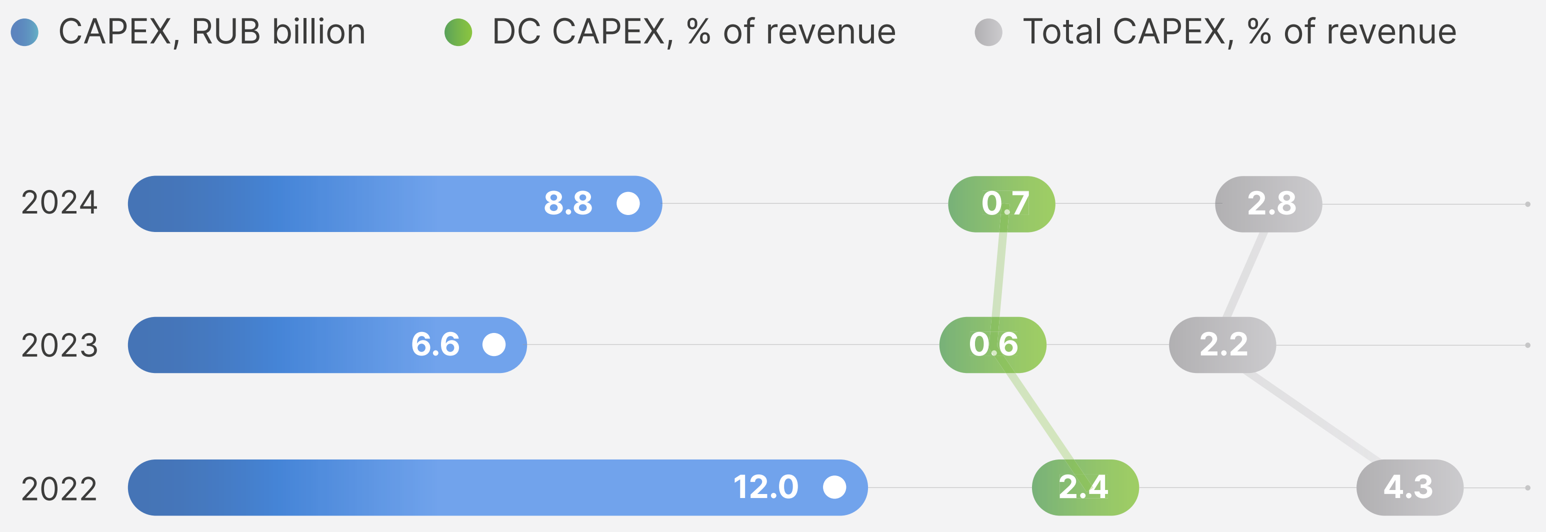
Net trade working capital [1] **over 2022–2024,** RUB billion



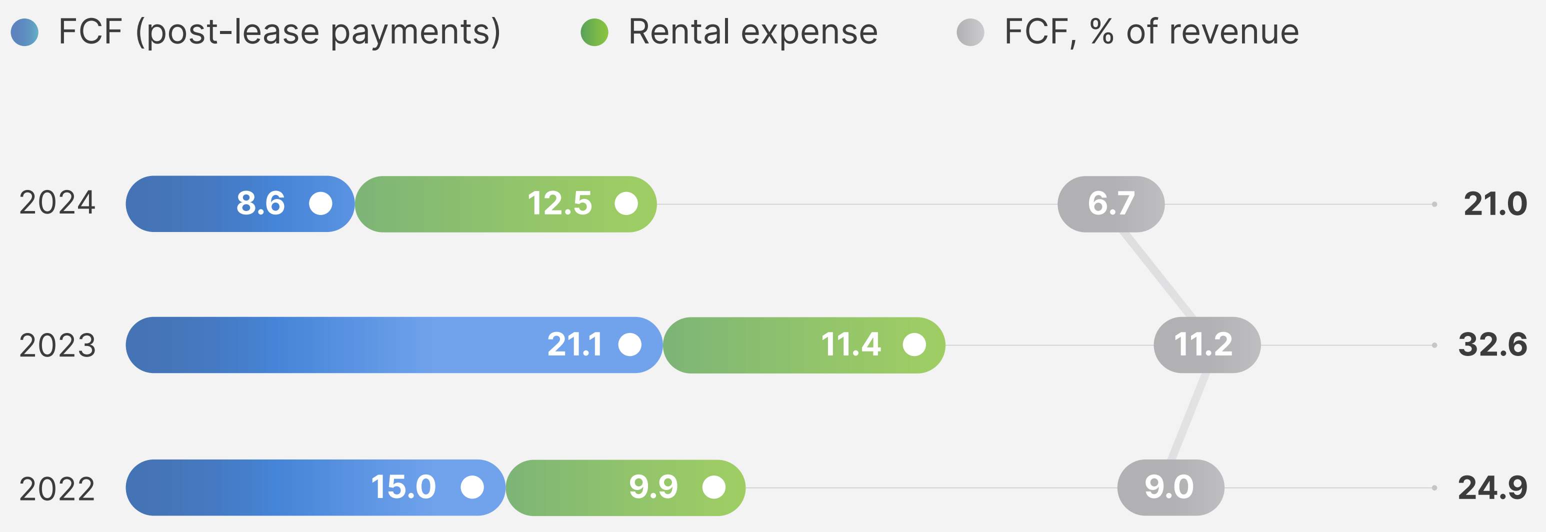
CAPEX [2] **structure, 2022–2024,** RUB billion



CAPEX over 2022–2024



FCF [3] **over 2022–2024,** RUB billion



(1) Net trade working capital is calculated as inventories plus receivables and other financial assets less payables and other financial liabilities
(2) Capital expenditure is calculated as cash flow related to the purchases of property, plant and equipment and intangible assets for the relevant period
(3) Free cash flow is calculated as net cash flows generated from operating activities less net capital expenditures (calculated as the purchases of property, plant and equipment and intangible assets less proceeds from sale of property, plant and equipment)

Sustainability Review

Discover how Fix Price drives sustainable value for all our stakeholders through an unwavering commitment to product safety and quality, constant employee development, and contribution to our local communities.

>4,000
Product quality tests

50%
Women in management

169
Number of average training hours per FTE

Implementing Sustainable Practices

We understand the value of ESG, and its gradual integration supports our goals of risk reduction and sustainable long-term growth.

We focus our sustainability efforts on the following four pillars, which form the basis to our sustainability agenda approach (the 4Ps):

Product

We strive to source and offer products that are safe, quality tested, and sustainably procured

People

We prioritise the wellbeing and development of our employees and the wider communities, while fostering an inclusive and supportive environment for all

Partners

We collaborate with our suppliers and partners who share our commitment to ethical and sustainable practices throughout the value chain

Planet

We strive to reduce our environmental footprint and contribute to a healthier planet through responsible resource management

Sustainability Governance

To support our sustainability efforts, we have implemented several levels of ESG governance within the Group:

- **Board-level ESG Committee** – provides strategic governance on the ESG agenda
- **Top Management** – makes all key decisions and oversees the integration of our sustainability agenda into the Company’s business processes
- **Investor Relations Team** – coordinates the development and implementation of sustainability solutions, acting as a central liaison
- **Dedicated Sustainability Working Group** – comprising employees from various departments, this group strengthens cross-functional collaboration

Fix Price operates according to the following internal corporate governance policies:

- Environmental, Health & Safety Policy
- Modern Anti-Slavery and Human Trafficking Policy
- Anti-Money Laundering Policy
- Anti-Bribery and Corruption Policy
- Business Ethics Policy (Code of Conduct)
- Quality Assurance Policy
- Responsible Marketing Policy
- Charity and Volunteering Policy

This year, Fix Price developed its

Charity and Volunteering Policy

a document which outlines our approach to supporting charitable and volunteering initiatives that enhance quality of life, involving employees, customers, and other relevant stakeholders

Alignment with UN and National Goals

Recognising the global importance of sustainable development, Fix Price has strategically aligned its efforts with UN Sustainable Development Goals (SDGs).

We have identified key SDGs that align with our sustainability activities, with primary goals reflecting areas where we do more and have greater operational engagement, and secondary goals representing areas of indirect or limited contribution based on our business model. While our approach is structured around our 4Ps framework, SDG mapping helps to provide context and indication on how we are supporting sustainable development.

In 2023, the Company took a further step to align itself with Russia's national development goals through 2030. In the medium term, we are focused on contributing to the seven UN SDGs and the four national development goals of Russia.

UN SDG Alignment

Primary

- SDG 8 Decent Work and Economic Growth
- SDG 12 Responsible Consumption and Production
- SDG 13 Climate Action

Secondary

- SDG 2 Zero Hunger
- SDG 3 Good Health and Wellbeing
- SDG 5 Gender Equality
- SDG 10 Reduced Inequalities

Russian National Development Goals through 2030

- Opportunities for self-fulfilment and the unlocking of talent
- Preservation of the population, health and wellbeing
- Decent and productive work and successful businesses
- Comfortable and safe living environment

Engaging with our Stakeholders

Fix Price is committed to ongoing open dialogue with all stakeholder groups. To enhance stakeholder engagement, we tailor our communication methods and formats to each specific group.

Stakeholder	Key engagement topics	Engagement channels
Customers	• Product assortment, prices, and on-shelf availability • Store working hours and convenience of location • Product quality and safety • Loyalty programme • Data privacy • Healthy lifestyle products • Sustainability matters	• Offline communications (hand-out materials, price tags, direct in-store communications, etc.) • Hotline • Email • Publications on the Company's websites (including feedback forms) • Social media • Surveys • Regular target-audience marketing research • Loyalty programme • Mobile app
Employees (full-time and contractors)	• Fair pay and incentives • Safe working conditions and well-being • Opportunities for professional and personal growth and education • Diversity and inclusion • Compliance, business ethics, and anti-corruption	• Direct communication with employees • Intranet • Email • The Company's internal policies, instructions, and documents • The Company's training portal and courses • Hotline and the Ethics and Compliance Committee • Social media
Suppliers	• Product development and supply • Product quality and safety • Business ethics and compliance • Transparent and sustainable supply chain	• Direct communication with suppliers • Audits and product testing • Hotline • Publications on the Company's website

Stakeholder	Key engagement topics	Engagement channels
Investors and shareholders	• Company performance • Strategic development and expansion plans • Protection of shareholder rights • Business domiciliation • Addressing the issue of resuming dividend payments • Sustainability issues, including: – product quality and safety – motivation and employee incentives – climate impact – business ethics and compliance – corporate governance	• Direct communication with investors • Regulatory disclosures and publications on the Company's website • General Meetings of Shareholders
Media	• Company performance and strategy • Sustainability issues • Business ethics and compliance	• Direct communication with the media • Publications on the Company's website
Government authorities	• Business ethics and compliance • Product quality and safety • Applicable laws and regulations • Opportunities for local suppliers • Protection of shareholder rights	• Regulatory compliance • Publications on the Company's website • Industry associations and federal- and regional-level working groups
Local communities	• Economic contribution to the regions of operation • Charitable and social programmes • Affordable and high-quality products • Local employment opportunities • Promotion of sport	• Direct communication with customers and employees • Publications on the Company's website • Surveys • Social media

Quality Products for a Healthier Community

In 2024, Fix Price's products received several awards, highlighting our commitment to high standards and our dedication to quality assurance.

Quality Guarantee Competition

2 quality diplomas were awarded:

1. Mexican Wheat Tortillas **"Tortillas"** Original Flavour
2. Green Peas **"Pickles & Jams"**

SobMaExpo

2 awards received:

1. Winner in the **"Best Private Label Children's Products"** category – "Hupper Dupper" Private Label
2. Laureate in the **"Best Private Label in the Economy Segment"** category – "BonHome" Private Label

Koshelek Awards

1 award received:

Winner in the **"Furniture, Home Goods, and DIY"** category

ProdExtraPack

1 award received:

Winner of the international **ProdExtraPack 2025 competition** – "For Travel" Private Label

Responsible Marketing Policy and Quality Assurance Policy

Fix Price's quality control procedures are shaped by its Responsible Marketing and Quality Assurance Policies, which set the standards for ethical communication and product excellence. The Responsible Marketing Policy promotes transparency, consumer protection, and responsible engagement.

At the same time, the Quality Assurance Policy defines our quality goals and responsibilities, aligning our practices with regulatory, industry, and customer requirements. Together, these policies ensure consistency and accountability in our quality control processes.

Quality Products for a Healthier Community

Approach to Product Quality Control

Our approach to quality control is centred around the continuous monitoring of our products throughout their life cycle. Furthermore, we use a risk-based approach to mitigate the risk of emergencies.

Every stage of the product life cycle is supported by Fix Price's experts.

Category Management Department:
- procures goods in Russia and abroad
- monitors the entire supply chain, from product development to the store shelf

Logistics Department:
- ensures goods are delivered safely and on time
- arranges certification, declaration of conformity, and other permits for imported goods
- facilitates the verification of documents and checks product condition upon delivery and warehousing

Quality Control Centre:
- oversees product quality and inspects goods
- organises and performs periodic audits of private label suppliers

Fix Price's key priorities include maintaining the highest levels of customer experience, verifying that our production environments are safe, and adhering to quality standards.

Inspecting quality at different stages of the product life cycle

- Imported goods (green)
- Russian private labels (blue)
- Branded products (grey)

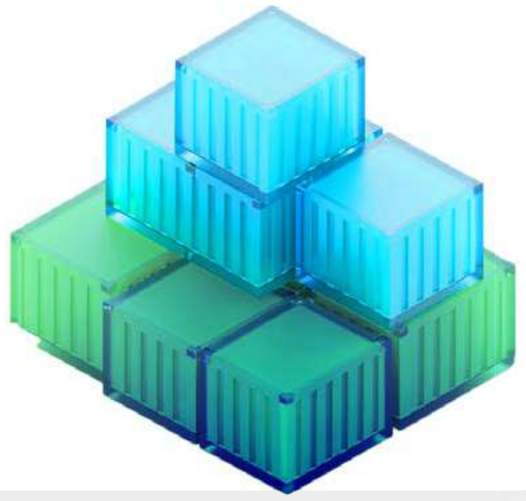
Prior to manufacturing
- ● Accredited laboratories test samples of certain goods to obtain certification, declarations of conformity, and other permits
- ● Tasting sessions for certain product samples
- ● Internal checks and laboratory testing of product samples, if necessary

After manufacture
- ● Remote inspections of samples after manufacture
- ●● Physical inspections by category managers after manufacture
- ● Testing at external laboratories after manufacture to confirm product composition, quality, and safety

Transportation
- ● Visual inspection of goods by agents prior to shipping

Warehousing
- ●●● Inspecting goods and associated documentation upon acceptance at distribution centres
- ●●● Regular inspections for package integrity by quality controllers at warehouses

Distribution to stores
- ●●● Inspecting goods and associated documentation upon delivery to stores



Sale
- ●●● Periodic spot-checks at stores by the Quality Control Centre and laboratory testing, if necessary
- ●●● Customer surveys and processing of customer queries though hotline or loyalty programme

Quality Products for a Healthier Community

Quality Control Centre

The Quality Control Centre, operating in line with our Quality Assurance Policy, helps maintain the Company’s reputation as a trusted source for affordable high-quality products.

Specialists at the Quality Control Centre perform the following activities:

- Verification of documentation confirming that the quality and safety of supplied products meet our standards and declared parameters
- Tastings and instrumental tests to evaluate samples of products from various private label manufacturers
- Audits of private label product manufacturers
- On-shelf product inspections using a risk-based approach to identify potential health hazards, the likelihood of non-compliance with safety standards, the severity of consequences, and the potential number of affected consumers
- Laboratory testing of products

Quality Control of Private-Label Goods Produced in Russia

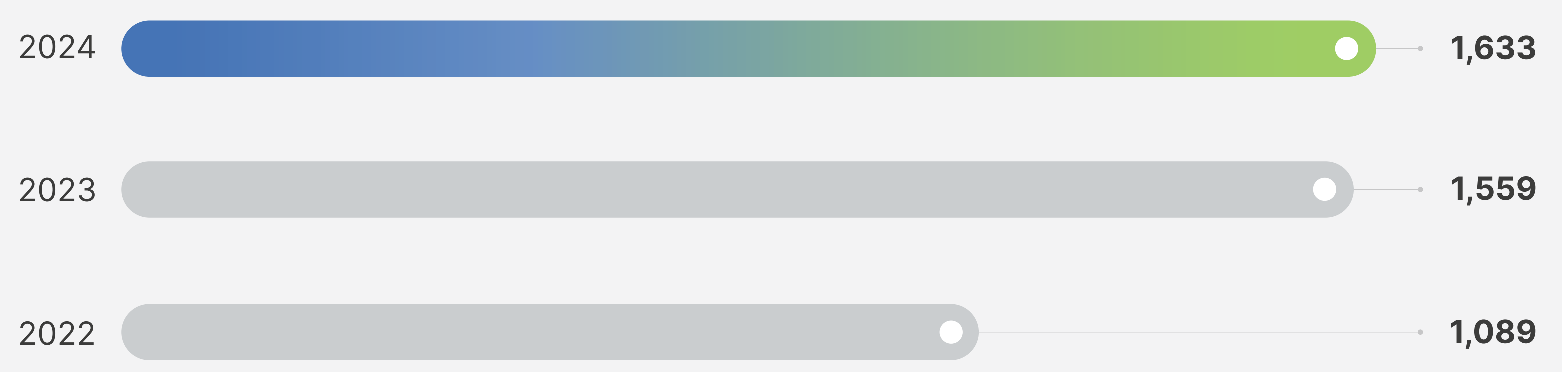
We monitor each stage of private-label product development, including design and packaging, communication with suppliers to adjust and enhance product properties, tasting sessions with our employees, laboratory tests if necessary, and post-manufacture verification for compliance with negotiated specifications and regulatory requirements.

Quality Control of Imported Goods

Control over imported goods is especially important for us, since Fix Price acts not just as a retailer but also as an importer, which carries a separate set of responsibilities and attention. When working with imported goods, we take an active part in all stages of product development. We formulate specifications and perform laboratory tests to obtain all necessary certifications on safety or declarations of conformity. We also verify, either remotely or in-person, that product samples comply with the negotiated specifications before they are shipped to the Company’s DCs and then onward to stores.

Number of product quality checks by type

Laboratory testing to obtain certifications and declarations of conformity for imported products



Number of additional tests not required by regulators (voluntary testing)

Quality Products for a Healthier Community

Handling Customer Queries

As part of our commitment to quality products and engagement with our customers we strive to maintain the highest levels of transparency. Any customer may ask a store director or manager to provide copies of product certificates or declarations of conformity. We make it a priority to respond to any instances of grievance.

We promptly investigate all customer queries thoroughly assessing the product in question. When necessary, we immediately notify the party involved and take measures to prevent such incidents from happening in the future, including by withdrawing non-compliant products from stores. Once our checks are completed, we inform the customer of the result and close the case.

We are continuously improving our feedback channels to make them more accessible and user-friendly for our customers. Feedback forms are available on our website and also in the mobile app, enabling us to receive all necessary information already in the first message.

We leverage a variety of customer communication channels, including our official website, mobile app, call centre, and social media, where we actively engage with our audience.

To improve the quality of handling customer inquiries in 2024, we implemented the following changes:

- Optimised the voice registration processes and speech recognition principles to simplify card registration or replacement using the voice assistant on the hotline
- Refined and modified the interactive voice response (IVR) scripts for automated card replacements
- Conducted a pilot implementation of artificial intelligence on the online-response channel
- Integrated artificial intelligence with the inquiry collection system
- Developed an admin panel for editing inquiry categories in the operating system online format

As a result, the accuracy of AI responses to customer inquiries increased to 65%.

Our Approach to Sustainable Procurement

To ensure safe and responsible procurement, Fix Price begins every supplier relationship with thorough due diligence. An automated scoring tool assesses counterparties using data from over 30 official sources, rating them on reliability across 80+ parameters.

We prioritise building strong, direct relationships with suppliers, and ensuring that they align with our core values of ethical business practices, respect for human rights, and a zero-tolerance policy for slavery, human trafficking, corruption, and bribery.

Supplier Audits for Excellence

To uphold our quality and safety standards, Fix Price conducts audits of both domestic and international suppliers, with a focus on private label and imported goods. Russian private label producers are audited in accordance with our internal quality assurance regulations, either before or after contracts are signed. These audits are typically conducted every two years, or more frequently if needed.

For international suppliers, Fix Price engages local agents who play a central role in identifying potential manufacturers, overseeing production, and coordinating audits when they are needed. These inspections are carried out by accredited laboratories in the supplier's country and include a thorough review of quality control systems, documentation, certification, and production processes.

Learn more about this in Supply chain management

In 2024, there were

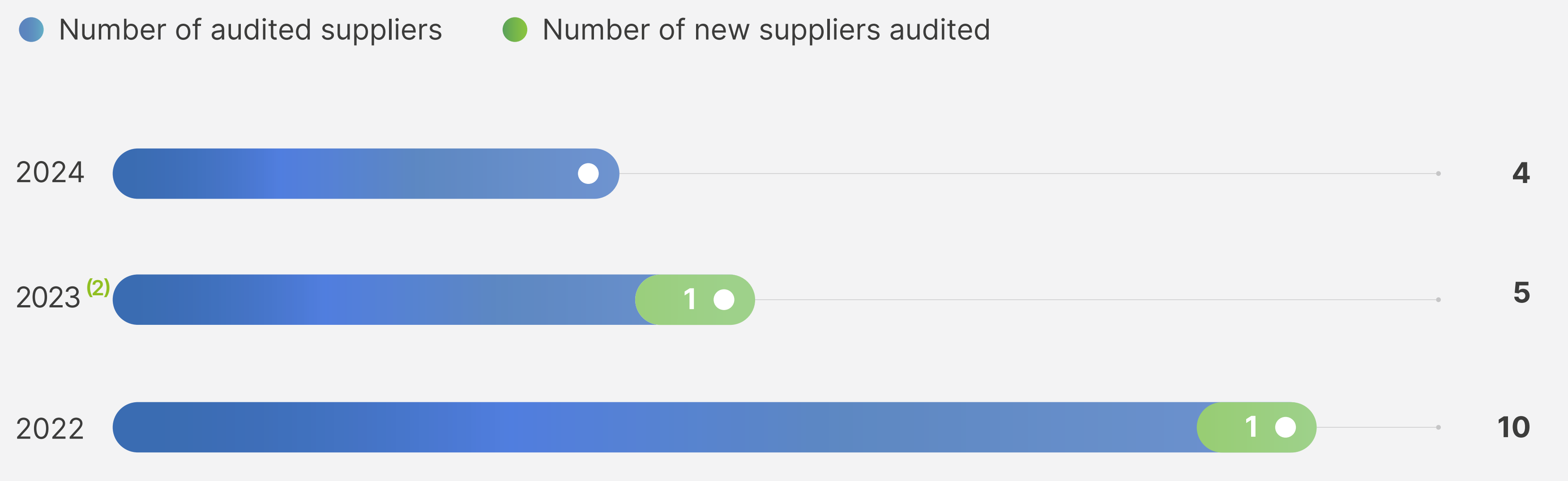
408,859 inquiries

received through postal channels and the website, of which

0.6% (2,305 inquiries)

were related to product quality issues

Number of audited suppliers [1]



(1) The data relate to Russian private label suppliers
(2) The lower number of audits is due to a decline in the number of private label products

Empowering our People

Our Approach to HR Management

Fix Price is keenly aware of the benefits of having a dedicated Human Resources (HR) management approach for fostering a positive workplace culture, enhancing employee wellbeing, and driving organisational success through talent development and engagement.

We believe in responsible workforce management, backed by strong governance and a commitment to our people. Strategic HR matters are reviewed by the Board of Directors, supported by the Nomination and Remuneration Committee. Meanwhile, the Company's HR unit, which reports to the HR Director, is responsible for the practical implementation of the personnel policy.

Fix Price's personnel policy aligns with Russian laws and adheres to all regional and international legal principles in the countries where we operate. We are strongly committed to providing a comfortable work environment, fair compensation, and upholding human rights, with zero tolerance for discrimination based on gender, nationality or religion. Our Code of Conduct helps to ensure equality and ethical behavior for all employees, and any concerns regarding discrimination or violations of our principles can be raised through the Ethics and Compliance Committee or a dedicated communication channel.

The Ethics and Compliance Committee reviews all the complaints received and takes disciplinary measures when necessary. Since 2023, taking training modules on anti-corruption policy and business ethics is obligatory for the Company's employees. The programme includes the Rules of Business Conduct online course, available to all employees on the corporate learning platform. The programme details the principles of business communication with customers and co-workers, supporting correct engagement with our customers and other stakeholders.

Fix Price's Corporate Culture Core Pillars

- Creating a comfortable working environment in line with occupational safety standards
- Developing a fair remuneration and motivation system
- Building effective employee training and development systems that support further professional and personal growth
- Building open and streamlined team communications to avoid unnecessary bureaucracy
- Encouraging employee feedback at all levels of the corporate structure
- Constant monitoring and assessment of employee satisfaction at all units of the Company
- Supporting diversity and inclusion

Enhancing Recruitment and HR Automation

As our store network expands, we have accelerated hiring through an automated recruitment system using robotic process automation (RPA) speech assistants. These AI-driven assistants analyse more than 1,000 CVs daily, contacting candidates, recording responses, and managing routine tasks. In 2024, we have referred over 50,000 candidates for interviews, compared to about 14,000 in 2023.

In 2024, Fix Price was ranked among the

top 50

overall employers on HeadHunter's list, reaching the

4th position

in the retail segment

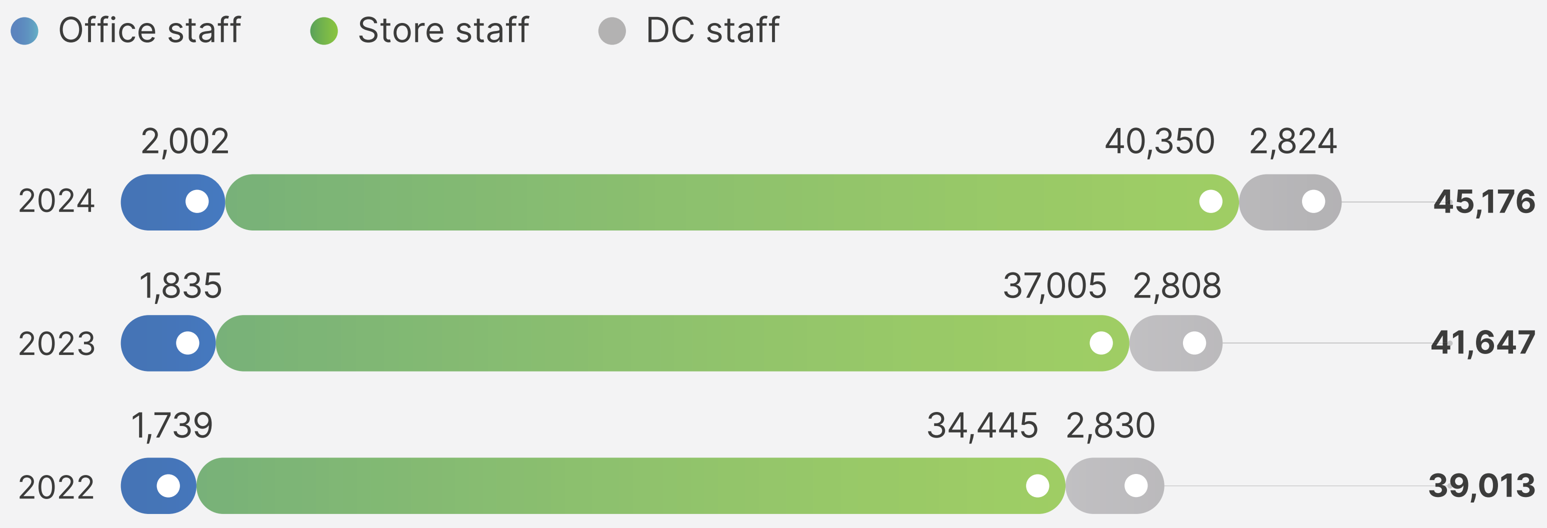
Building on the success of the system's 2023 pilot, we have further enhanced automation and technology capabilities in 2024 by developing:

- **Digital Onboarding –** Candidates receive a unique onboarding link, submit documents, and get automatically verified. Store and HR Managers finalise hiring details, triggering automated contract generation and signing, thereby reducing HR workload.
- **Electronic Employee Requests –** Applications now have automated approvals and e-signatures, enabling 400+ vacation requests to have been processed during the 2024–2025 New Year bank holidays without HR involvement.
- **AI-Powered Support –** Implementing a Jira-based AI system, which processed 28% (or approximately 24,000) of store requests autonomously in the last five months of the reporting year.
- **Employee Self-Service Portal –** All employees can now update personal data, submit requests, and manage HR operations such as transfers and leave requests digitally.
- **Internal Shift Management System –** Employees are now able to subscribe to available shifts in preferred locations, earning extra income via a flexible work model.
- **Automated Notifications –** Utilising VK and SMS notifications to streamline user authentication, HR updates, and reminders.

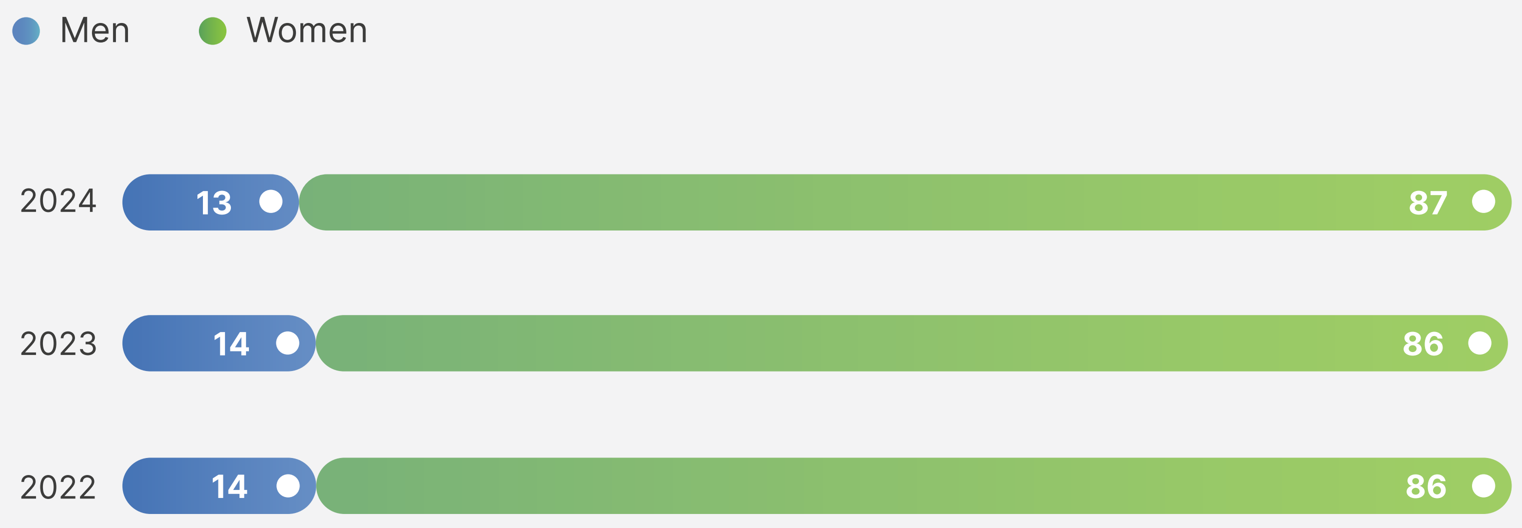
These advancements have contributed to streamlining our hiring and HR operations, improving efficiency, and reducing manual workload, while simultaneously empowering our employees.

Empowering our People

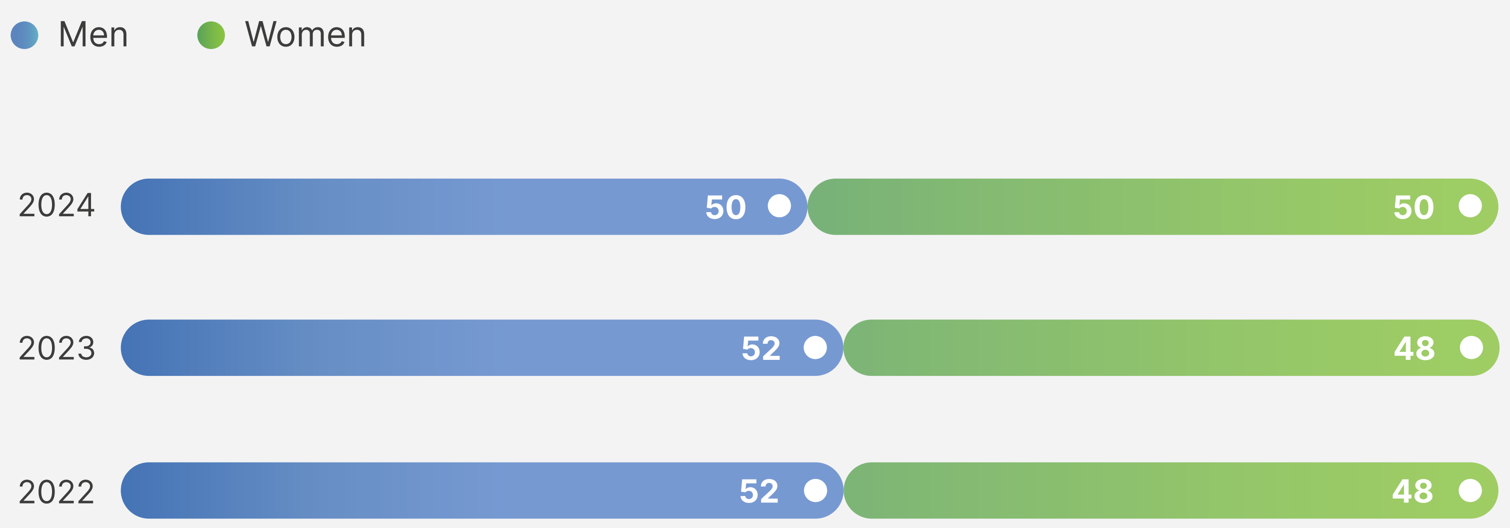
Total average headcount of the Group [1] [2], number of employees



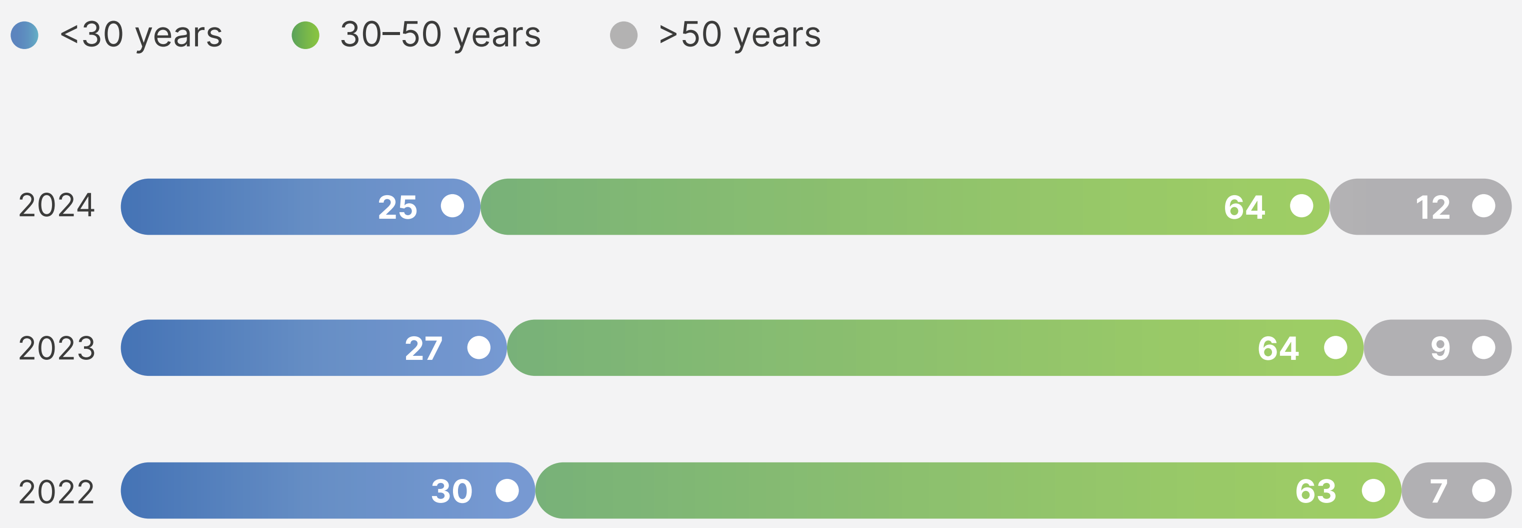
Workforce gender profile in 2022–2024 [3], %



Management gender profile in 2022–2024 [4], %



Workforce age profile in 2022–2024 [5], %



The Group's total average headcount increased by 8% in 2024 primarily due to Fix Price's network expansion.

The predominance of women among employees is characteristic of the retail industry and remains stable over time.

The Company promotes diversity of its workforce and strives to ensure a gender-balanced key executive team. This approach has proven to be effective, driving more informed decision-making in challenging market conditions.

Fix Price understands that a combination of personal experiences helps to unleash the team's full potential. We believe that diversity and inclusion are important drivers behind a successful team. This is why the Company strives to balance its workforce in terms of gender and age. In 2024, 64% of employees were aged 30 to 50, and about 25% were under 30.

(1) Total may not equal the sum of the components due to rounding

(2) The personnel of Fix Price Group PLC in all countries where it operates, including contractors

(3) The scope of disclosure in this section of the Annual Report unless stated otherwise: employees of LLC Best Price, the Group's core operating company in the Russian Federation (excluding contractors and the Company's personnel in other geographies)

(4) The Company's management comprises top, middle, and junior managers

(5) Due to rounding, the sum of components in 2024 exceeds 100%

Empowering our People

Remuneration and Motivation

We believe that the key driver behind the Company's success and stable growth is a highly skilled and motivated team. The Company's motivation system ensures fair remuneration regardless of gender, age, race, nationality or religion.

In 2022, we launched a long-term incentive programme (LTIP) for our key employees. In 2024, Fix Price continued its LTIP to reward performance, strengthen retention, and support talent development. The number of employees receiving rewards rose by 6%, highlighting the programme's growing impact and appeal. In response to strong interest and results shown, the programme has been extended through 2028 with updated performance metrics to align with our evolving strategic priorities.

We provide social support to all employees, including part-timers. The only criterion for eligibility is the minimal length of service of employees, which is detailed in the policy regulating the benefit.

In the reporting year, financial support to employees increased by

21%

and the number of employees covered by healthcare programmes was up by

27%

Fix Price's Social Support System

- **Financial support** for childbirth, wedding, employee illness, and death of close relatives
- **Supplementary payments in the amount up to full salary** in the event of a temporary period of incapacity for work or leave
- **Voluntary health insurance:** the list of available clinics can be expanded when reaching a certain length of employment
- **The employee healthcare programme** provides a wide range of digital healthcare services, including online consultations
- **Interest-free loans** to key employees for meaningful purposes, such as education, housing, or medical treatment
- **Bonuses for employees with continuous 10+ tenure with the Company** and an annual bonus for the top performer in each unit
- **Flexible or remote work schedule,** if applicable
- **Discounts on partner products and services,** including training, sporting events, travel, and insurance
- **Bonuses for mentoring** new employees for store managers
- **Professional development at the Company's expense**
- **Unique loyalty program for slight increase store and DC employees**

Empowering our People

Training and Development

Our development team is focused on helping each employee grow professionally. Our corporate training programmes are tailored to meet the specific needs of each business unit.

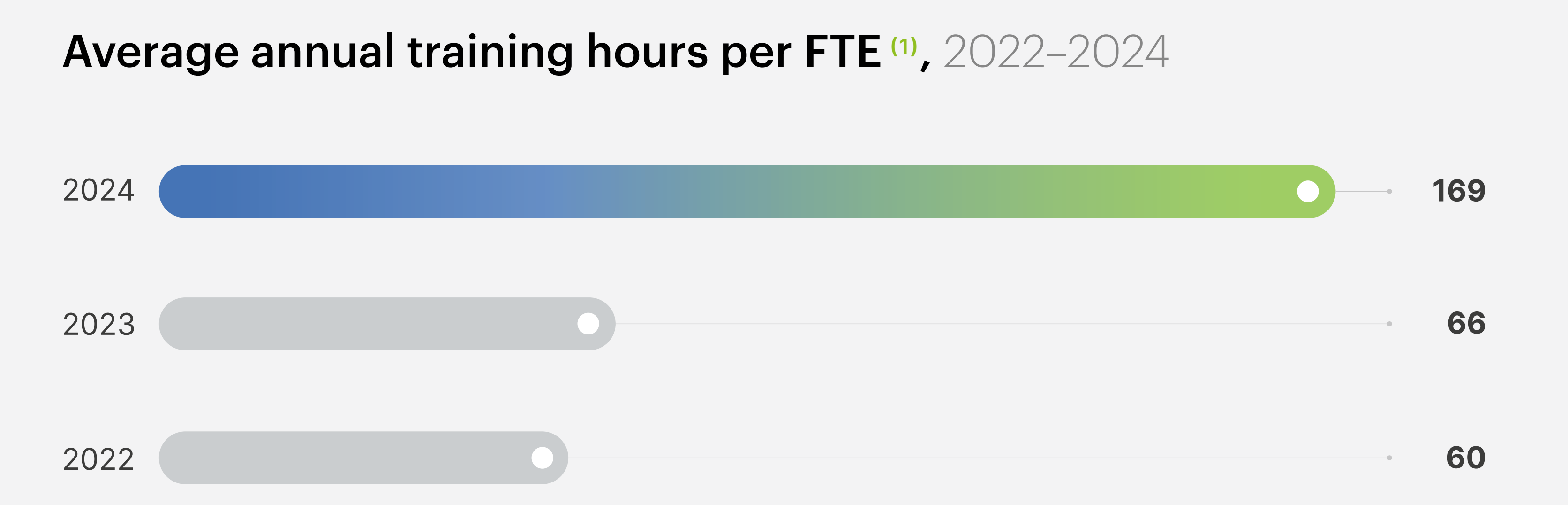
In 2024, the Company continued to improve its employee training system. The reporting year saw over 200 training groups (including external training) with 25 new ones, five new full courses, 8 training videos, and even a training marathon. Two professional development courses were developed, with official upskilling certificates issued to employees upon completion.

In 2024, the average number of training hours per FTE increased by 156% compared to 2023, driven by an expanded selection of online courses and an enhanced training programme, which improved attendance and engagement across Fix Price's extensive regional network. Additionally, in 2024, a new training programme for managers was launched, focusing on the analysis and processing of statistical data using modern computational technologies.

The Training and Development Centre also organised educational and awareness initiatives in the field of ESG. As part of this effort, five articles were published on topics related to sustainable development, communication, and risk management. This initiative aims to enhance employees' overall understanding and awareness of ESG principles and the Company's contribution to sustainable development in society.

We actively use gamification tools, such as badges and avatars, interactive video courses, and a ranking system. We publish educational articles, surveys, and videos on the Training Department's official social media accounts.

All store personnel have access from any device to the Fix Academy, our corporate distance learning platform, and a digital community, where they can quickly share experiences and discuss work challenges without leaving the workplace. All discussions are monitored by a moderator from the training centre, who guides the dialogue to make it more productive and impactful. In 2024, the digital community grew by 45% to 14,500 employees.



Excel Marathon: From Basic to Advanced Skills

Fix Price held the "Excel Marathon: From Basic to Advanced Skills" initiative, which featured a year-long series of in-person training sessions. The programme was structured in multiple stages, gradually increasing in complexity and depth of engagement with the software. The marathon concluded with a ceremony, where participants who successfully completed the training received certificates of achievement.

In the process of corporate training, we actively apply the modern format of microlearning. This involves breaking down large volumes of information into small, easily digestible blocks, presented as short video lectures. Additionally, within this format, we are actively incorporating the use of artificial intelligence and advanced technologies to create modern and high-quality educational content.

[1] Full-time equivalent

Training and certification of our store staff is carried out every six months. Upon completing the programme, employees receive certificates and have their assessment results recorded in their competency matrix. The matrix reflects knowledge in various areas and serves as a method to prioritise which topics are required for further training. After successfully completing their training, employees can apply to be added to the talent pool. The training centre experts run a 360-degree assessment, analyse each employee's KPIs, and report the results to senior management.

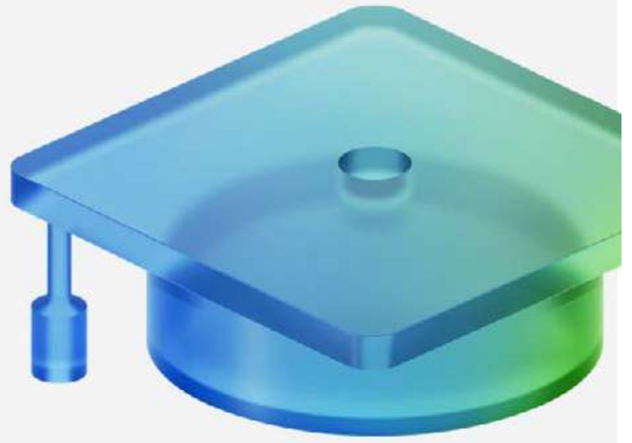
In 2024, with more than

52,000 certification

tests conducted, over

400 employees

joined the talent pool



The Company also has a mentorship programme for store managers. In 2024, 100% of new managers participated in this programme. Upon completion of the programme, mentors whose mentees passed the certification are rewarded with bonuses. In 2024, more than 740 mentors were recognised and received well-deserved awards.

DC personnel take mandatory induction and electrical safety trainings and briefings on occupational safety in line with the approved job descriptions.

Empowering our People

The Company offers both offline and online training for office employees, focusing on operational needs and employee expectations. In 2024, the training centre actively scaled the number of in-person training sessions with an individualised approach to office employee development.

Additionally, within the corporate training, user-generated content has been actively developed, prepared by Company experts with the support of professional business trainers. This ensures comprehensive training in the development of both soft and hard skills.

At the end of 2024, two qualification enhancement programmes were launched, with diplomas of the established format awarded upon completion. The express training programme, based on educational videos, was also continued, allowing employees to quickly absorb a large volume of information.

Fix Price continues to successfully implement the “Expert in Your Field” programme, which was initiated in 2021. This year, around 12 training sessions were conducted as part of the effort, led by the Company’s top specialists. This initiative enables employees to share expert knowledge, contributing to both their own professional growth and that of their colleagues.

Training programme for office employees

Training	Number of groups	Number of employees
Mandatory training for office employees	28	668
Mandatory training in document management for office employees	24	465
Additional groups for office employees	132	1,208
External training	33	167

Occupational Health and Safety (OHS) and Employee Wellbeing

At Fix Price, our core values include safeguarding our people’s lives and health, as well as those of contractors, while also prioritising safety across all our business processes.

We enforce strict compliance with the applicable OHS standards and regulations for all individuals working at our facilities, including contractor employees.

Our agreements with contractors and suppliers include the guidelines for safe equipment use, as well as incident response procedures. At the same time, all workplaces across the Company undergo a special assessment of working conditions.

According to the corporate guidelines, any incident related to occupational health and safety must be reported to the OHS Department and the employee’s direct supervisor immediately. An investigation commission is stood up to carefully analyse the causes of the incident and prevent re-occurrence. In the event of severe accidents, the respective government bodies take part in the investigation.

OHS Management Approach

To ensure the effective functioning of the Occupational Health and Safety Management System, we have implemented a distribution of responsibilities for occupational health and safety among designated individuals.

For example, within the store functional areas, the following OHS management levels exist:

Store Level	Store Manager
Group of Stores Level	Sales Manager
Regional Level	Heads of Sales Organisation Departments and Regional Managers
National Level	Director of the Store Management Department and the Human Resources Service, including the Occupational Health and Safety Unit

Empowering our People

Fix Price sets the following goals in Occupational Health and Safety:

- Ensure compliance with Russian legislation, including federal and regional regulations in occupational health and safety
- Continuously improve the OHS management system
- Identify and eliminate hazards and reduce workplace risks
- Implement preventive measures to reduce injuries and protect employee health
- Minimise the risk of accidents and injuries at Company facilities
- Raise employee awareness of safety and workplace conditions
- Integrate advanced technologies

Optimising OHS through digitalisation

In 2024, in order to improve working conditions and enhance the effectiveness of the OHS management system we digitalised and automated almost all OHS workflows, such as:

- General OHS document management
- OHS training and conducting briefings
- Special assessment of working conditions at workplaces
- Organisation of mandatory medical examinations for employees, as well as mandatory pre-shift medical checks

Such digitalisation has resulted in a reduction in injuries, a decrease in labour costs, and an increase in productivity for those responsible for occupational safety. This approach has also streamlined the external communications with contractors offering OHS services to the Company.

OHS metrics for regular staff and contractors, 2022–2024

Metric	2022	2023	2024
Total number of accidents [(1)], including:	**33**	**31**	**49**
• regular employees	14	13	24
• contractor employees	19	18	25
Total number of fatal accidents [(2)], including:	**0**	**4**	**4**
• regular employees	0	1	0
• contractor employees	0	3	4
Total number of severe injuries (no fatalities), including:	**0**	**1**	**5**
• regular employees	0	1	5
• contractors	0	0	0
Work-related injuries that resulted in a temporary disability (LTI) [(3)], including:	**33**	**26**	**40**
• regular employees	14	11	19
• contractors	19	15	21
Near-miss incidents, including:	**32**	**34**	**40**
• regular employees	12	9	15
• contractors	20	25	25
LTIFR [(4)] per million person-hours worked:			
• regular employees	0.06	0.04	0.06
• contractors	0.14	0.11	0.14

(1) All accidents except near-miss incidents are included in the total number of accidents

(2) All fatal accidents involving contractors were caused by general illnesses of the employees and were not related to the production activities

(3) Lost time injury

(4) Lost time injury frequency rate

In 2024, despite the increase in staff numbers amid the network expansion, the level of workplace injuries remained nearly the same as in previous years.

The main causes of severe accidents in 2024 were falls from height, harm to life and health due to unlawful actions by third parties, and sudden deterioration in the health of the injured.

To reduce future risks, Fix Price has conducted a full review of all incident-related business processes, providing recommendations on how to improve them, and added information about these risks to the training courses for our personnel.

Prior to autonomous work, all Company personnel must take mandatory OHS training, which includes:

- briefings on occupational health, fire safety, electrical safety, emergency situations, and anti-terrorism measures
- training in occupational health, first aid techniques and methods, and using personal protective equipment
- on-the-job training in OHS supervised by the direct supervisor.

In addition to internal training, employees who are responsible for occupational safety in the Company's divisions undergo mandatory external training at a specialised licensed training centre. Upon completion of the training, they receive certificates that allow them to be responsible for occupational safety in their respective divisions and conduct safety activities, such as instructing their division's employees.

All our employees undergo annual medical check-ups. Meanwhile, our DC staff must also undergo a thorough pre-shift remote medical examination, which does not allow employees who are unfit to operate complex lifting and transportation equipment.

The mandatory medical check-up processes have also been aided by automation. This has helped to save time spent on conducting the check-ups, issuing medical records, and tracking the check-up status.

Empowering our People

Social Projects

We are committed to supporting our local communities and customers across the areas in which we operate. In the reporting year, we continued engaging both our employees and customers on the ESG agenda.

In the reporting year we developed a Charity and Volunteering Policy, which was formally approved in early 2025. The Policy establishes a unified framework for all charitable and volunteering initiatives across the Company, aligning with our broader sustainability priorities. The Policy focuses on three priority areas:

- supporting individuals in difficult life situations
- protecting the environment
- promoting healthy lifestyles and sports

In March 2024, we launched a dedicated ESG website page aiming at informing our stakeholders on the Company's sustainability agenda, priorities, initiatives and educational materials on ESG topics.

Collaborative Reforestation with GRASS

In 2024, Fix Price partnered with GRASS, a leading producer of cleaning products, to support large-scale reforestation efforts and promote biodiversity.

In April, over 40 volunteers planted 5,000 Scots pine seedlings in the Sergiyev Posad District of the Moscow Region to help restore areas affected by bark beetle damage. Later, in September, 500 lime trees were planted at the Prioksko-Terrasny Nature Reserve to improve habitats for the local wisent population.

Good Deeds: Our Flagship Social Initiative

Good Deeds is Fix Price's longest running and most impactful social programme, first launched in 2014. After a brief pause, the initiative resumed in 2024, marking a significant milestone in the Company's commitment to community engagement. During the year, 30 initiatives were carried out across a wide geographic area, reflecting strong employee and community involvement.

For the first time, Good Deeds expanded beyond Russia, with activities also taking place in Kazakhstan and Belarus. The scope of the projects included clean-up campaigns, tree planting, and support for social institutions and animal shelters. As a result, approximately 2.5 tonnes of waste were collected and around 6,000 trees were planted, with a total programme budget exceeding RUB 9 million.

Partnering to Support Regional Charities

In August 2024, together with our partner VK Dobro we launched a charitable campaign supporting six regional foundations across Russia. Fix Price provided financial support to organisations helping children with developmental disabilities, families in need, the elderly, and individuals without permanent housing. Among the supported foundations were 'Prikosnoveniye', 'Sindrom lyubvi', 'Lyublyu i blagodaryu', 'Svet.deti', 'Deti-babochki', and 'Nadezhda'.

The project also encouraged public participation and donations through a dedicated website and was accompanied by an educational media campaign highlighting each charity's work. The campaign reached over 820,000 people and helped raise awareness about effective giving. The initiative will continue in 2025, with plans to expand support to additional foundations across the country.

Seasonal Campaigns for Families in Need

In 2024, Fix Price partnered with the Foodbank Rus charitable foundation to support families in need through seasonal donation campaigns. From November 22 to 24, the Mother's Day campaign was held in stores across Moscow, Chelyabinsk, and Izhevsk. Over 100 volunteers helped raise awareness and collect goods in excess of 900kg of items such as personal care items, cosmetics, textiles, sweets, tea, and coffee.

Earlier in the year during August, the Kindness Backpack campaign took place at ten Fix Price stores in Moscow and Izhevsk, focusing on back-to-school support. Volunteers collected over 300 kg of school essentials, including stationery, backpacks, art supplies, and books. These items were assembled into kits by Foodbank Rus and distributed to children from low-income families in the respective regions.

Empowering our People

Supporting Vulnerable Children and Families

In partnership with the charitable organisation “SOS Children’s Villages” Fix Price continued to support orphaned children and families facing difficult life circumstances. In 2024, the “Direct Dialogue” campaign took place twice.

From May 1 to 31, information representatives from the foundation worked in 107 Fix Price stores in Moscow, St. Petersburg, Sochi, Vladimir, and Novosibirsk. They explained how our customers can help destressed children and families. From October 1 to November 30, the campaign expanded to 127 stores, including new locations in these cities.

Over 2,400 people participated in the campaign, with one in ten making regular donations through the dedicated website.

Furthermore, in order to aid victims and the families affected by the Crocus City Hall terrorist attack in Moscow, the Company made a RUB 10 million donation to the Red Cross Foundation. Additionally, we contributed RUB 500,000 to the Food Bank Rus Foundation for humanitarian aid in the Kursk region, which helped procure essential food supplies for families in need.

~ RUB **68** million

spent by the Company on its social initiatives in 2024

Empowering Youth Through Football

We attach great importance to promoting grassroots sports, especially among children and young people, who are the future of our society. We are also convinced in the ability sport has to develop concentration, teamwork, and wellbeing, both physically and mentally.

Fix Price promotes sport for young people by financing the Future Champions League charitable endowment. The endowment aims at promoting football and providing scholarships to young talented football players.

In 2024, our customers raised over RUB 4.2 million to support the League through voluntary donation boxes placed at 2,594 stores. Meanwhile, the Company donations to the “League of Future Champions” totalled RUB 42 million, with all funds going towards scholarships for young footballers.

Supporting Environmental Efforts

Our Approach to Managing Our Environmental Footprint

At Fix Price, we aim to make our operations more environmentally-friendly where possible, focusing on efficient waste management and creating a culture of environmental stewardship. This approach is formalised in our Environmental, Health & Safety Policy, which establishes the core principles guiding our responsible business practices.

At present, Fix Price supports the environmental agenda by incorporating the following actions within its business:

- Converting lighting in existing stores to low-energy LED lighting and installing LED lighting in all new stores as standard
- Seeking the most energy-efficient spaces for opening new stores to reduce heat loss
- Improving route planning and maximising vehicle loads to reduce fuel consumption
- Optimising the amount of packaging to be sent for recycling
- Minimising goods packaging sizes where applicable
- Publication of educational materials and articles on the Company's ESG website and social media to raise sustainability awareness among employees and customers
- Organising environmental-themed initiatives for customers and employees as part of broader charitable activities
- Supporting environmental causes through partnerships with socially responsible brands

[1] The total may not equal the sum of the components due to rounding

Waste Management

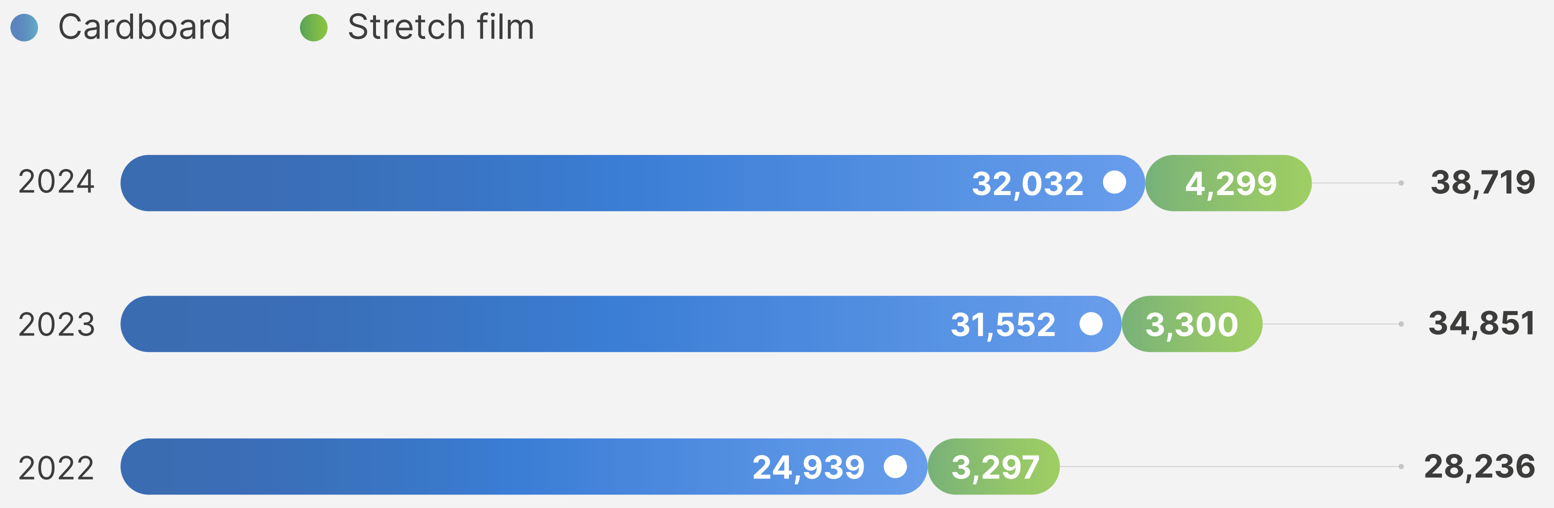
Retail activities, including the sale and distribution of goods to distribution centres and stores, generate significant volumes of waste, primarily from packaging materials.

Cardboard and polyethylene film collected from stores are sent to distribution centres, from where they are forwarded for recycling. We are committed to returning as much recyclable waste as possible. All stores have press machinery in place for used packaging. At the same time, each of our stores has its own specific target regarding the amount of recyclables to be sent to DCs. If a store underperforms against its targets, we conduct an internal audit.

As a retailer the Company generates several types of waste:

- Solid (Hazard Classes 4 and 5, low-hazard and non-hazardous waste)
- Recyclables (cardboard and stretch film)
- Office equipment (Hazard Class 4)

Waste volumes over 2022–2024 [1], tonnes



11%

more waste sent for recycling y-o-y

Supporting Environmental Efforts

Waste reduction initiatives

Fix Price strives to minimise waste generation across our operations. Specifically, we are focusing on:

Pallet Reuse and Repair:
We extend the lifespan of pallets by reusing them multiple times and repairing them when needed, minimising material waste

Battery Refurbishment and Recycling:
We refurbish batteries after several years of use, and when they reach the end of their life cycle, we ensure they are properly recycled

IT Equipment Maintenance:
We refurbish and reuse our IT equipment to reduce e-waste

Optimising Packaging:
We develop our packaging to be minimal in size, and using mono-materials where possible

Paperless Receipts:
We encourage our customers to use digital receipts to further contribute to our paper waste reduction approach

Reducing waste through the Electronic Document Interchange (EDI)

We recognise the value of reducing paper use and are gradually adopting digital tools to support more sustainable operations. By transitioning to electronic document workflows, we help lower paper consumption and reduce the need for printing and storage.

By implementing these systems across multiple departments, including HR and internal control, we are enhancing operational efficiency while supporting our broader environmental objectives.

29,988
HR EDI users

~115,000
HR documents are signed electronically monthly

EDI Performance in FY 2024

EDI was deployed for:

100%
of franchisee partners

87%
of counterparties in the non-commercial procurement segment
(+2% y-o-y)

44%
of landlords (+4% y-o-y)

85%
of goods supplies

Fix Price has streamlined its document interchange:

The share of EDI-based and processed documents reached

97% (+12% y-o-y)

344,200

documents were sent to counterparties, saving over

RUB **7.5** million

on paper costs
(+100,00 documents y-o-y and 50% more savings y-o-y)

Paper consumption significantly reduced to

2.8 million

sheets per year

>2 million

litres of ink saved

Corporate Governance

At Fix Price, we believe that strong corporate governance is essential to delivering on our promise of value. Our commitment to good governance fosters transparency, accountability, and ethical conduct, ensuring sustainable operations and long-term value creation for our stakeholders.

Redomiciliation

from Cyprus to Kazakhstan completed in 2024

Record dividends

approved in 2024 in the amount of **RUB 9.84** per share/GDR

and **RUB 35.3137** per share/GDR

Primary listing on

AIX

Regulations

In October 2023, the Group's GDRs were admitted to trading on the Astana International Exchange (AIX) under the ticker FIXP.Y. No new securities were issued along with the listing on the AIX.

On 9 November 2023, Fix Price's Extraordinary General Meeting of Shareholders approved the decision to redomicile the Company from Cyprus to Kazakhstan and the replacement of the existing Memorandum and Articles of Association with new ones in compliance with Kazakhstan laws.

Since 19 August 2024, all of Fix Price's Regulation S global depositary receipts and all Rule 144A global depositary receipts (together, the "GDRs") were delisted from the Official List of the Financial Conduct Authority. Furthermore, the admission to trading of the GDRs on the Main Market of the London Stock Exchange has also been cancelled.

The Company retains its listing of the Group's GDRs on AIX and MOEX following redomiciliation to Kazakhstan.

Astana International Exchange (AIX) remains the primary listing venue for the Company's GDRs traded under the ticker FIXP.Y.

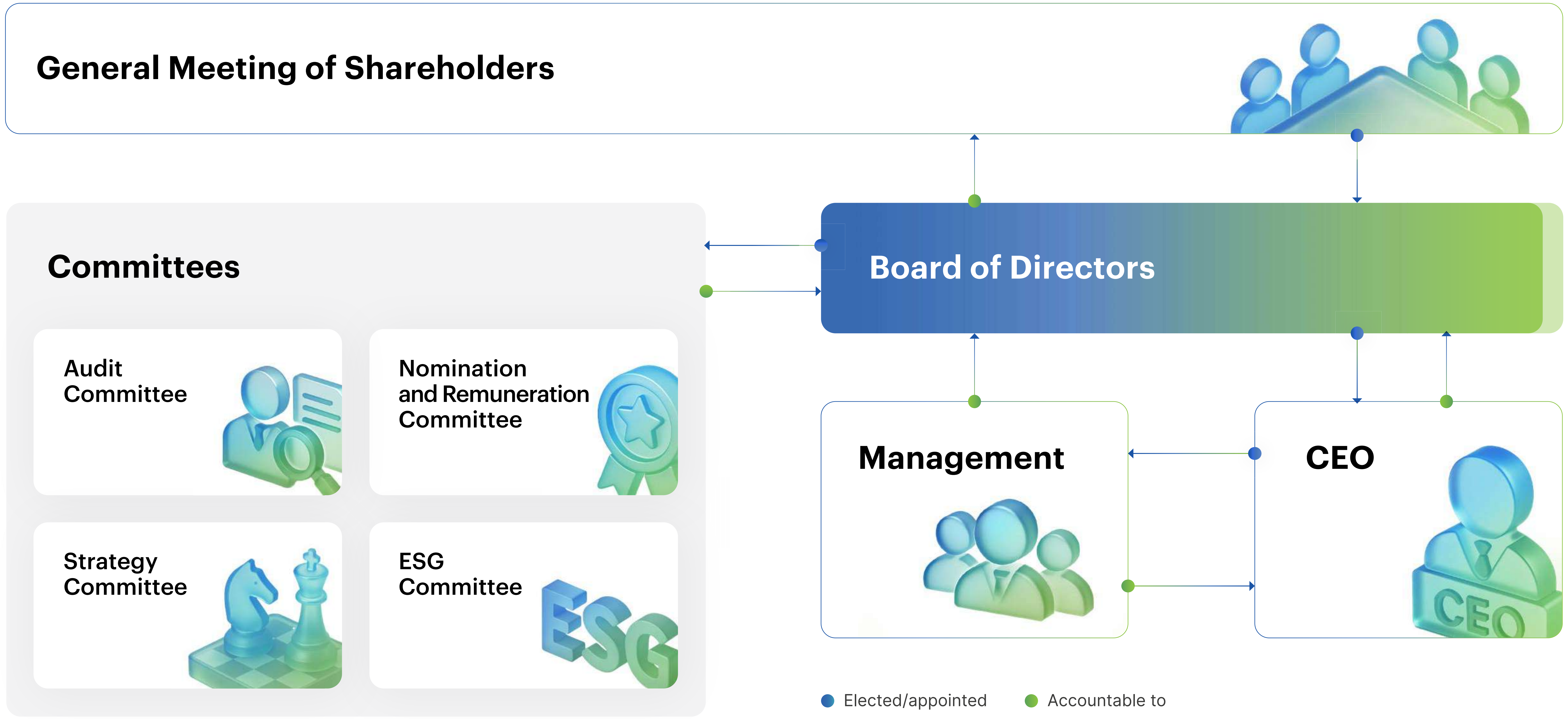
The Group's activities, including those of the Board of Directors, are governed by the Memorandum and Articles of Association. Board committees are governed by the Terms of Reference approved by the Board of Directors.

Corporate Governance Structure

General Meeting of Shareholders: The ultimate authority governing Fix Price Group PLC resides with the General Meeting of Shareholders. This forum provides shareholders with the opportunity to exercise their voting rights on key decisions and elect the Board of Directors.

Board of Directors: Elected by the shareholders, the Board of Directors is responsible for setting the Group's strategic direction, overseeing management performance, and ensuring accountability to shareholders.

Executive Management: Led by the Chief Executive Officer (CEO), the executive team manages the daily operations of the Group and implements the strategic objectives set forth by the shareholders and the Board of Directors.

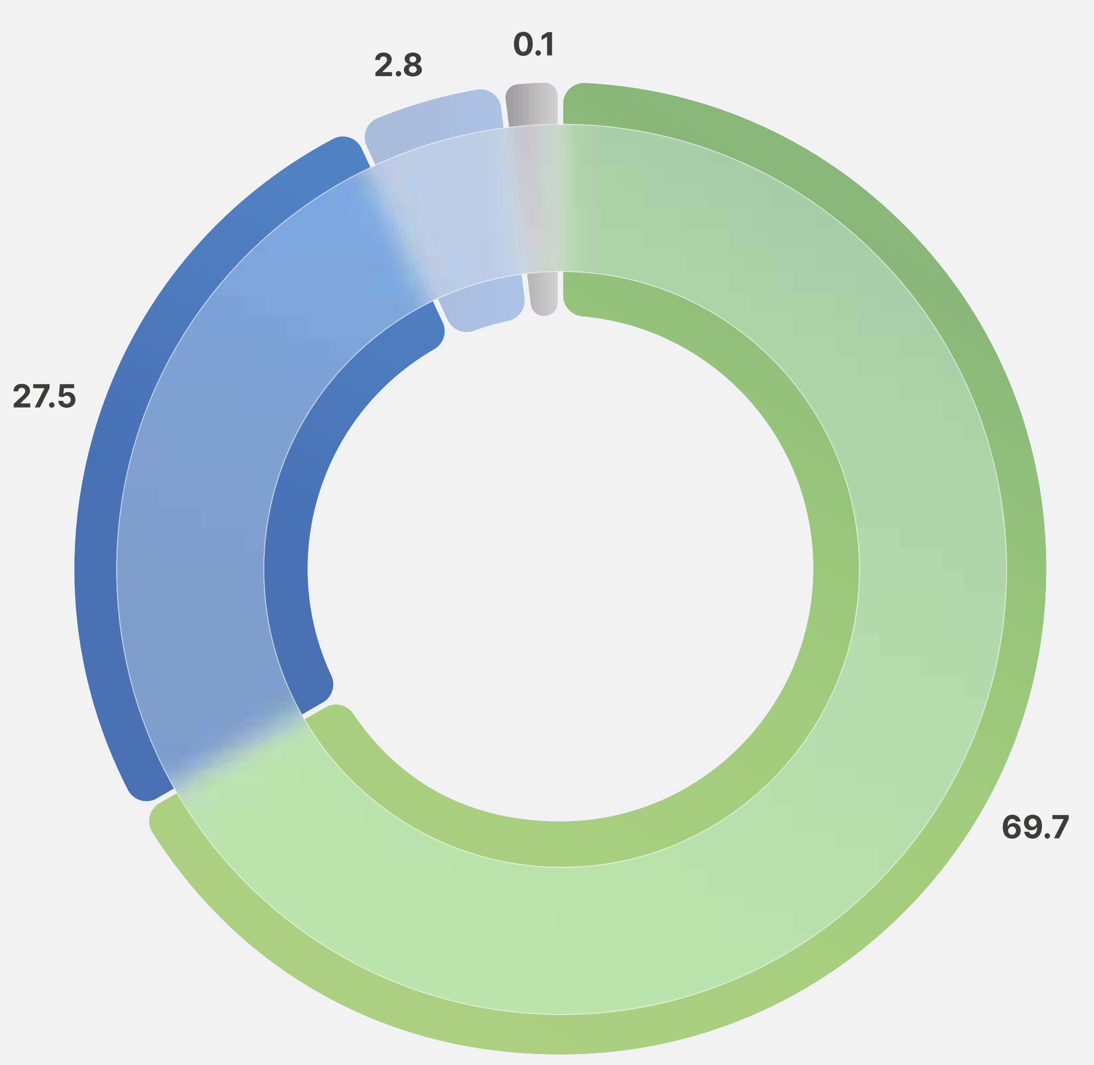


Shareholder Capital and Dividend Policy

Share Capital

Global Depositary Receipts (GDRs) of Fix Price Group PLC are traded on the Astana International Exchange (ticker: FIXP.Y) and Moscow Exchange (ticker: FIXP). Each GDR corresponds to one ordinary share. The Company's share capital is made up of 850,000,000 ordinary shares. The Group's free float amounts to 27.5% of our share capital.

Share capital structure as at 31 December 2024 [1]**, %**



[1] Due to rounding, the sum may not equal 100%

Dividends

On 15 January 2024, The Board of Directors approved the interim dividends for 2023 and 2024 in the combined amount of RUB 8.4 billion, or RUB 9.84 per GDR/share (gross amount before applicable taxes and fees).

On 5 December 2024, The Board of Directors approved the interim dividends for 2022, 2023 and 2024 in the combined amount of RUB 30.0 billion, or RUB 35.3137 per GDR/share (gross amount before applicable taxes and fees).

The Group's free float amounts to

27.5 %

of the share capital

Rights of Minority Shareholders

Fix Price Group PLC recognises the importance of protecting the rights of all shareholders, including minority shareholders. The Company is committed to upholding high standards of corporate governance and ensuring fair and equitable treatment for all investors.

Minority shareholders have the right to:

Receive timely and accurate information – This includes access to financial reports, company announcements, and other relevant disclosures.

Participate in general meetings – Minority shareholders are entitled to attend, speak at, and vote at general meetings, allowing them to exercise their voice on important company matters.

Receive equal treatment – The Company strives to ensure that all shareholders are treated fairly and equitably, regardless of the size of their shareholding.

Seek redress for grievances – Effective channels are in place for minority shareholders to raise concerns and seek resolution for any grievances.

General Meeting of Shareholders

The General Meeting of Shareholders is a key governance body under the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the Company's Memorandum and Articles of Association (M&AA). It is empowered to appoint and remove directors, approve financial statements and dividends, and authorise significant corporate actions such as mergers, capital restructuring, and redomiciliation.

During 2024, no Annual General Meeting of Shareholders was convened due to the transitional period following the Company's redomiciliation to the Astana International Financial Centre (AIFC) jurisdiction and alignment with applicable AIX governance requirements. This one-time procedural adjustment was necessary to facilitate legal and structural compliance as part of the redomiciliation process.

The Company remains fully committed to upholding shareholder rights and maintaining high standards of transparency and accountability. Annual General Meetings will resume from 2025 in accordance with relevant AIFC regulations, AIX Listing Rules, and the Company's M&AA.

Annual General Meetings of Shareholders, when convened, are conducted in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies". These meetings generally serve as a platform for shareholders to exercise key rights, including the appointment and removal of directors.

The key matters addressed at the General Meeting of Shareholders include:

- alteration of the Memorandum and Articles of Association
- redomiciliation of the Company
- mergers, consolidations, arrangements, amalgamations, and schemes of reconstruction
- issuance of an additional class of shares and varying rights attaching to classes of shares
- acquisition by the Company of its own shares under certain conditions specified in the law or the M&AA
- reduction of share capital and any share premium account of the Company in any way; extinguishment or reduction of the liability on any of the Company's shares in respect of share capital not paid up; cancelation of any paid-up share capital which is lost or unrepresented by available assets; and payment of any paid-up share capital which is in excess of the Company's requirements subject to the court confirming the reduction
- approval by a special resolution of assignment of office made under any agreement entered into between any person and the Company for empowering a director or manager of the Company to assign their office to another person
- winding-up of the Company by the court
- voluntary winding-up of the Company
- consideration of, inter alia, the financial statements, approval of dividend payments (provided such dividend payments are proposed by the directors), and appointment and remuneration of auditors
- other matters prescribed by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and the M&AA

Board of Directors

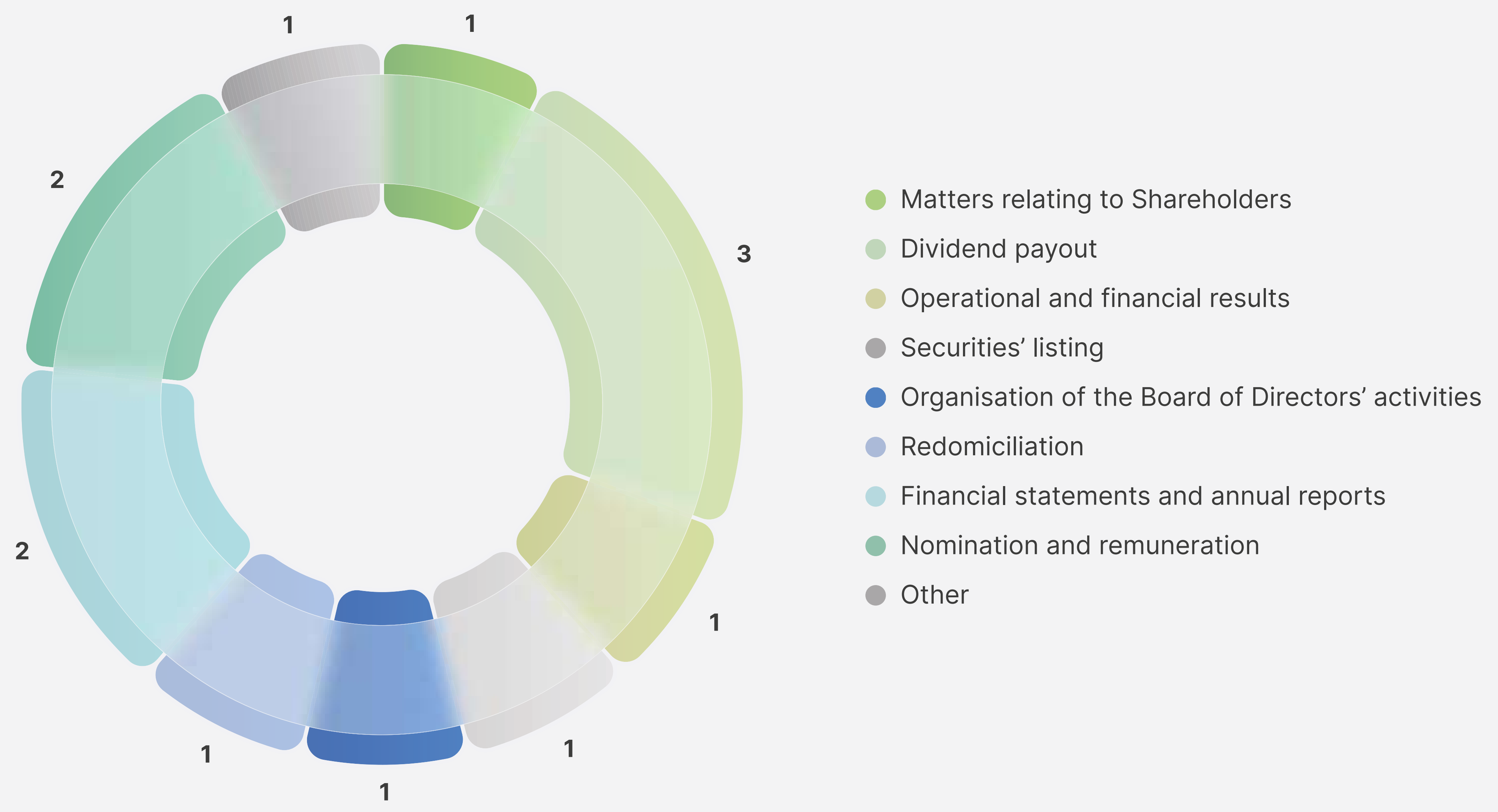
4

Committees of the Board of Directors

The Board of Directors supervises and controls the management and operations of the Company and may exercise all powers of the Company in doing so, except to the extent that any such power is required or reserved by the Law of the Republic of Kazakhstan "On Joint Stock Companies" or the M&AA to be exercised by the shareholders.

The Board of Directors functions alongside an **Audit Committee,** a **Nomination and Remuneration Committee,** a **Strategy Committee,** and an **ESG Committee.**

Matters related to the following areas were reviewed by the Board of Directors in 2024



Board Committees

The Committees are comprised of the members of the Board of Directors, who are elected based on their relevant professional experience and relevant expertise. When electing members of the Committees, the following aspects are taken into consideration: education and professional training of the candidates, and their work experience within the Committee's area of activity, as well as other necessary proficiencies and experience.

Audit Committee

The Audit Committee is a key component of our corporate governance structure, responsible for overseeing the integrity of financial reporting and the effectiveness of our audit processes. It provides independent scrutiny of financial information and internal controls, supporting the Board and stakeholders with oversight and transparency.

The main responsibilities of the Audit Committee are as follows:

- Review the Group's internal and external audit activities
- Oversee the effectiveness of the Group's internal control systems
- Ensure compliance with financial reporting requirements
- Assess the scope of the external audit
- Evaluate the results and the cost-effectiveness of the external audit

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for ensuring effective board composition and fair executive compensation. It oversees the selection of qualified directors, develops succession plans, and establishes remuneration policies that align with the Group's strategic goals and shareholder interests.

The main responsibilities of the Nomination and Remuneration Committee are as follows:

- Make recommendations to the Board of Directors regarding the appointment of new directors
- Help identify, interview, and select suitable candidates for directorships
- Assess the independence of candidates for directorships
- Review senior management appointments
- Oversee Company-wide succession planning
- Review other HR-related matters
- Assist the Board of Directors in relation to remuneration
- Revise the Group's overall compensation policy
- Make proposals to the Board of Directors regarding the remuneration of the Group's directors and of the senior management

Strategy Committee

The Strategy Committee assists the Board in formulating and reviewing the Group's long-term strategic direction. It analyses market trends, assesses potential risks and opportunities, and provides recommendations to ensure the Group's continued growth and competitive advantage.

The main responsibilities of the Strategy Committee are as follows:

- Assist the Board of Directors with the analysis and monitoring of strategic management matters
- Assist with the analysis and monitoring of large investment projects
- Consider Mergers and Acquisitions (M&A) opportunities

ESG Committee

The ESG (Environmental, Social, and Governance) Committee oversees the Group's sustainability initiatives and ensures responsible business practices. It monitors ESG risks and opportunities, guides the development of relevant policies, and promotes transparency in reporting on the Group's environmental and social impact.

The main responsibilities of the ESG Committee are as follows:

- Assist the Board in supervising sustainability matters
- Manage ESG factors at a strategic level

Remuneration of the Board of Directors:

During the reporting period, total renumeration paid to the members of the Board of Directors amounted to EUR 150,000.

Statement of Compliance with AIX Corporate Governance Principles

The Directors remain committed to maintaining high standards of corporate governance. Until the Company's delisting from the London Stock Exchange on 19 August 2024, Fix Price Group PLC was subject to the UK Corporate Governance Code (the "UK Code").

Following the resolution approved by shareholders at the Extraordinary General Meeting held on 9 November 2023, the Company initiated the process of redomiciliation to the Republic of Kazakhstan. Prior to that, in October 2023, the Company's global depositary receipts (GDRs) were admitted to trading on the Astana International Exchange (AIX), which became Fix Price's primary market. From that point, the Company has been subject to, and has adopted, the AIX Corporate Governance Principles (the "AIX Principles").

Seeking compliance with the AIX Principles, the Company has made efforts to adopt the standards set out in Schedule 3 of the AIFC Market Rules.

Management

Fix Price's executive management team, comprising seasoned retail professionals, is responsible for the strategic execution of Board directives and the achievement of operational excellence.

Their key responsibilities include, but are not limited to, the oversight of daily operations, supply chain optimisation, network expansion, and the identification of growth opportunities.

Additionally, management prioritises data-driven decision-making, innovation, and promoting a culture of continuous improvement. They are committed to stakeholder engagement, ensuring alignment with shareholder, customer, employee, and community interests, reinforcing Fix Price's position as a leading value retailer.

Internal Control

Integration of Process Management, Internal Control, and Risk Management Systems

Fix Price utilises a comprehensive and integrated approach to business process management, which encompasses both risk and control frameworks. Through the "Processes Help" initiative, the Company maintains a centralised knowledge base that facilitates the identification, assessment, and monitoring of operational risks across all business processes.

Our control tools support the continuous enhancement of the Company's regulatory framework for business processes, risk management, and internal controls. Digital solutions are leveraged to further streamline and accelerate control procedures, providing real-time notifications to responsible stakeholders in the event of any identified gaps.

Technology Implementation

In 2024, the Company launched a project to develop an artificial intelligence-based tool designed for continuous monitoring of open information sources to enable the timely identification and analysis of events that could negatively impact the Company's strategic objectives.

Additionally, business processes are being robotised using RPA technology, while a semantic search function powered by a neural network has been implemented, significantly accelerating the retrieval of necessary information from corporate documents.

To improve the level of process maturity, a training programme has been introduced for employees, covering the fundamentals of business process management as well as practical methods for their analysis and optimisation.

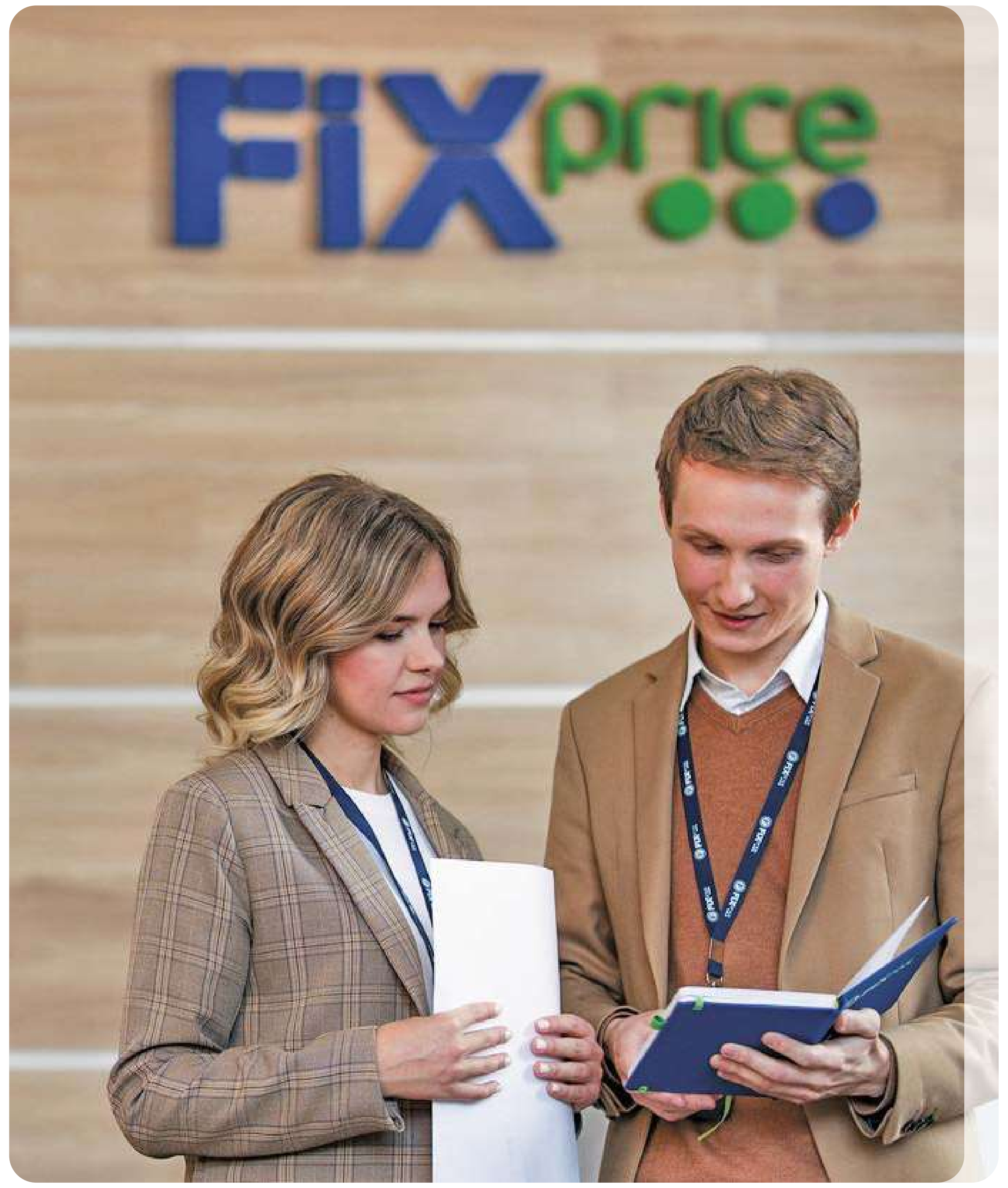
The creation of a unified environment for change and improvement has accelerated the integration of business process management, risk management, and internal control systems, and enabled planning of the next steps:

- **Architecture** – Maintain and regularly update the business process architecture within the modelling system to ensure structural coherence and adaptability
- **Governance** – Strengthen real-time oversight of the regulatory framework governing business processes, risk management, and internal control through advanced technology solutions
- **Analytics** – Pilot an active analytics system to enable real-time collection of business process performance indicators and rapid identification of operational bottlenecks
- **Automation** – Scale the implementation of RPA technologies to automate repetitive tasks, reduce human error, and accelerate process execution

External Audit

BST Global Limited (BIN 24114090039), legal address: 8/2, Turkestan street, district Esil, Astana, Z05K7P2, Kazakhstan. License for providing audit services number AFSA-O-LA-2024-0018 granted by the Astana Financial Services Authority. The Board of Directors approved BST Global Limited to provide an independent audit of the Group's consolidated financial statements for the year ended 31 December 2024.

Remuneration paid by the Group in 2024 to BST Global Limited and other entities belonging to the same network totalled RUB 19 million for the audit of financial statements and RUB 8 million for review and other services.



Code of Conduct

Fix Price maintains a strong commitment to ethical conduct and transparency. The Company's Business Ethics Policy (Code of Conduct) provides a comprehensive framework for ethical decision-making and is readily accessible on the Company website.

To reinforce these principles, Fix Price provides ongoing training and communication to its employees. Monthly ethics and compliance updates are shared through the intranet portal, and regular reports on hotline performance, violations, and corrective actions implemented are posted. All new office employees participate in a mandatory training programme that includes modules on anti-corruption and business ethics.

Store employees are also required to complete the Rules of Business Conduct course through the FP Academy platform, which focuses on effective communication with customers and colleagues. This course incorporates insights from customer feedback and utilises training videos to illustrate best practices in business communication.

The Company's Business Ethics Policy

Group Governance Policies

Inside Information and Disclosure Policy

Ensures that the Group complies with all applicable rules and regulations (including the MAR, AIX Business Rules, and the Russian Insider Information Law) in relation to the identification, control, and disclosure of inside information

Share Dealing Policy

Establishes the principles, systems, and controls for prevention of Trading based on Insider Information by Insiders and/or PCAs (each as defined in Article 2 of the Policy) in order to ensure compliance to the applicable regulatory rules and to protect the public image of the Company

Anti-Money Laundering Policy

Ensures that the Group has systems and procedures to prevent money laundering, including by setting relevant guidelines to raise awareness internally, implementing transaction monitoring programmes, and promoting a zero-tolerance culture towards illegal activities

Environmental, Health & Safety Policy

Ensures the health and safety of personnel and consumers and is designed to minimise the impact of the Company's business on the environment. The Group seeks opportunities to implement, where applicable in practise, energy efficiency and carbon & waste reduction initiatives while improving, where appropriate and applicable, existing mechanisms for recyclable waste collection, and monitoring the health and safety of employees and contractors

Modern Anti-Slavery and Human Trafficking Policy

Establishes monitoring to ensure that slavery, including forced and child labour, and human trafficking are excluded from the Group's operations and supply chain. It requires suppliers to comply with this Policy, which is periodically evaluated. The Policy also ensures that suppliers do not engage in any manufacturing, marketing, or selling of counterfeit products to the Group

Anti-Bribery and Corruption Policy

Ensures that Group employees comply with all applicable anti-corruption laws, rules, and regulations. In accordance with this Policy, the Group is committed to the ethical business code of conduct. In addition, the Group has developed, and adheres to, principles aimed at minimising bribery and corruption risks

Business Ethics Policy (Code of Conduct)

Ensures that the Group's business is conducted in a consistently legal and ethical manner and promotes compliance with applicable governmental laws, rules, and regulations. It establishes a framework for ensuring diversity and zero tolerance to discrimination, and commits to acting in accordance with international human and labour rights standards. It also ensures that the information in relation to the Group published in public communications is complete, fair, accurate, timely, and comprehensive

Business Ethics

Fix Price Group PLC is dedicated to conducting business with the highest ethical standards. The Group's Anti-Bribery and Corruption Policy outlines a comprehensive set of principles and procedures designed to prevent, detect, and address corruption. This policy reinforces our commitment to maintaining a transparent and ethical business environment.

To combat corruption, the Group is focused on the following activities:

- identifying and addressing the root causes of corruption within the Group
- providing comprehensive anti-corruption training to all Group employees
- fostering a culture of ethical conduct and transparency
- implementing robust systems and processes to detect and deter corruption-related offences
- conducting thorough investigations into any alleged or suspected instances of corruption
- ensuring compliance with the Company's anti-bribary and corruption policy and all applicable laws and regulations
- mitigating the impact of any corruption-related offences and issues on the Group

The Company's CEO takes direct responsibility for implementing and enforcing anti-corruption measures, ensuring these efforts are prioritised throughout the organisation. To foster a culture of awareness and compliance, Fix Price provides ongoing anti-corruption training to its employees, including webinars and access to video resources.

Furthermore, all employees are bound by the Group's comprehensive anti-corruption policy. To reinforce this commitment externally, the Company incorporates anti-corruption clauses in all contracts with suppliers, contractors, and partners. This approach supports Fix Price's dedication to upholding the highest ethical standards in its business operations.

Number of corruption-related queries submitted via the hotline

21 queries

Total number of confirmed incidents of corruption and actions taken

Item	2023 Total	2023 Confirmed	2024 Total	2024 Confirmed
Number of corruption-related queries submitted via the hotline	19	8	21	10
• From employees	15	6	21	10
• From contractors	4	2	-	-
Employees dismissed upon investigation	11	–	12	–
Incidents when contracts with business partners were terminated or not renewed	2	–	1	–

Whistleblowing and Grievances

Fix Price encourages a culture of transparency and accountability. Employees and stakeholders can report any concerns regarding ethical issues, conflicts of interest, suspected corruption, or other suspicious activities directly to the Fix Price Ethics and Compliance Committee. Reports can be submitted via email.

Alternatively, individuals can utilize the dedicated ethics and corruption hotline, accessible through the company website. This ensures that all concerns are addressed promptly and confidentially.

Reports can be submitted via email _kommitet_po_etike@fix-price.com

The Company's ethics and corruption hotline

The Company's anti-bribary and corruption policy can be found at the Group`s website.

Motivation and Recognition

Fix Price has implemented a long-term employee incentive programme (LTIP) for 2022-2024 for senior executives and key middle-level employees. This programme aims to align employee performance with the Company's strategic goals and shareholder interests.

Participants are eligible to receive annual remuneration in the form of Company shares (up to an aggregate of 1% of the Company's share capital) based on the achievement of both Group-wide and personal KPIs.

These KPIs encompass key performance indicators such as store rollout targets, EBITDA growth, and ROIC. Under this programme, the Company may utilise treasury GDRs, open market GDR buybacks, or cash payments to fulfil its obligations according to the LTIP.

Risk Management

The risk management practice at Fix Price is focused on identifying and adequately addressing the range of uncertainties that could significantly impact the achievement of the Company's long-term goals, the resilience of its business model, and the continuity of its operations. This practice covers all business units, corporate functions, and initiated projects.

Risk management framework

Fix Price follows ISO 31000:2018 (localised as GOST R ISO 31000-2019) and the COSO 2017 Enterprise Risk Management principles, ensuring a structured and effective approach to risk oversight. By embedding such risk management and internal controls within the corporate governance framework, we ensure more effective risk mitigation and oversight.

Risk management system

Board of Directors

Audit Committee

- Establish the guiding principles and frameworks of the risk management system
- Review risk management performance regularly

CEO and Function Heads

- Assign powers, duties, and responsibilities among functional heads for specific risk management procedures
- Review and address key risks
- Foster a risk management culture

Risk Management Department

- Implement the Risk Management Policy
- Prepare the consolidated risk map
- Provide methodological support to line managers for the development of risk control measures

Functions, Project Teams, and Business Units

- Identify risks and conduct initial risk assessments
- Implement measures to mitigate identified risks

Risk Management

Risk Appetite

At Fix Price, risk is a natural part of entrepreneurial activity and must be managed effectively to achieve both short-term and long-term goals. The Company's risk management approach is built on a clear understanding of risk appetite: the level of potential loss Fix Price is willing to tolerate in pursuit of its strategic objectives.

In 2023, the risk management function defined baseline risk appetite boundaries. In 2024, a Company-wide survey was conducted with corporate leaders to gather views on acceptable risk levels and establish criteria by risk type, category, and severity. This process has led to more consistent and informed decision-making across the organisation.

Risk appetite value

2024: Negative – Minimal – Cautious – Flexible – Open

Risk category	Category description
Strategic risks (S)	Risks arising from strategic changes in the business environment and poor strategic business decisions affecting anticipated earnings and capital
Operational risks (O)	Risks arising from inconsistencies or deficiencies in internal processes, people, and systems, or external events affecting ongoing operational and financial performance and capital
Financial risks (F)	Risks associated with financial losses arising from uncertainties/decisions affecting the financial structure, cash flows, and financial instruments of the business, including capital and tax structure and insurance, which may reduce Fix Price's ability to deliver expected levels of earnings
Compliance risks (C)	Risks arising from non-compliance with applicable local and/or international laws and regulations, internal policies and procedures, ethical behaviour, and compliance culture, including legal and regulatory risks that may result in criminal liability

Sustainability Risks

At present, the risk register includes dedicated entries that reflect, to varying degrees, the impact of climate change and the Company's operational activities on environmental balance across the following areas:

- Human resource management
- Employee training and development
- Occupational health and safety
- Product quality
- Compliance
- Internal control management
- Information security
- Anti-corruption practices

Corporate Governance

Risk Management

Risk rating

The key risks of Fix Price are presented in the illustration and described in the table below. The rating includes risks that may affect or have the potential to affect the Company's long-term development goals, short term operational objectives, and its ability to comply with applicable legal requirements.

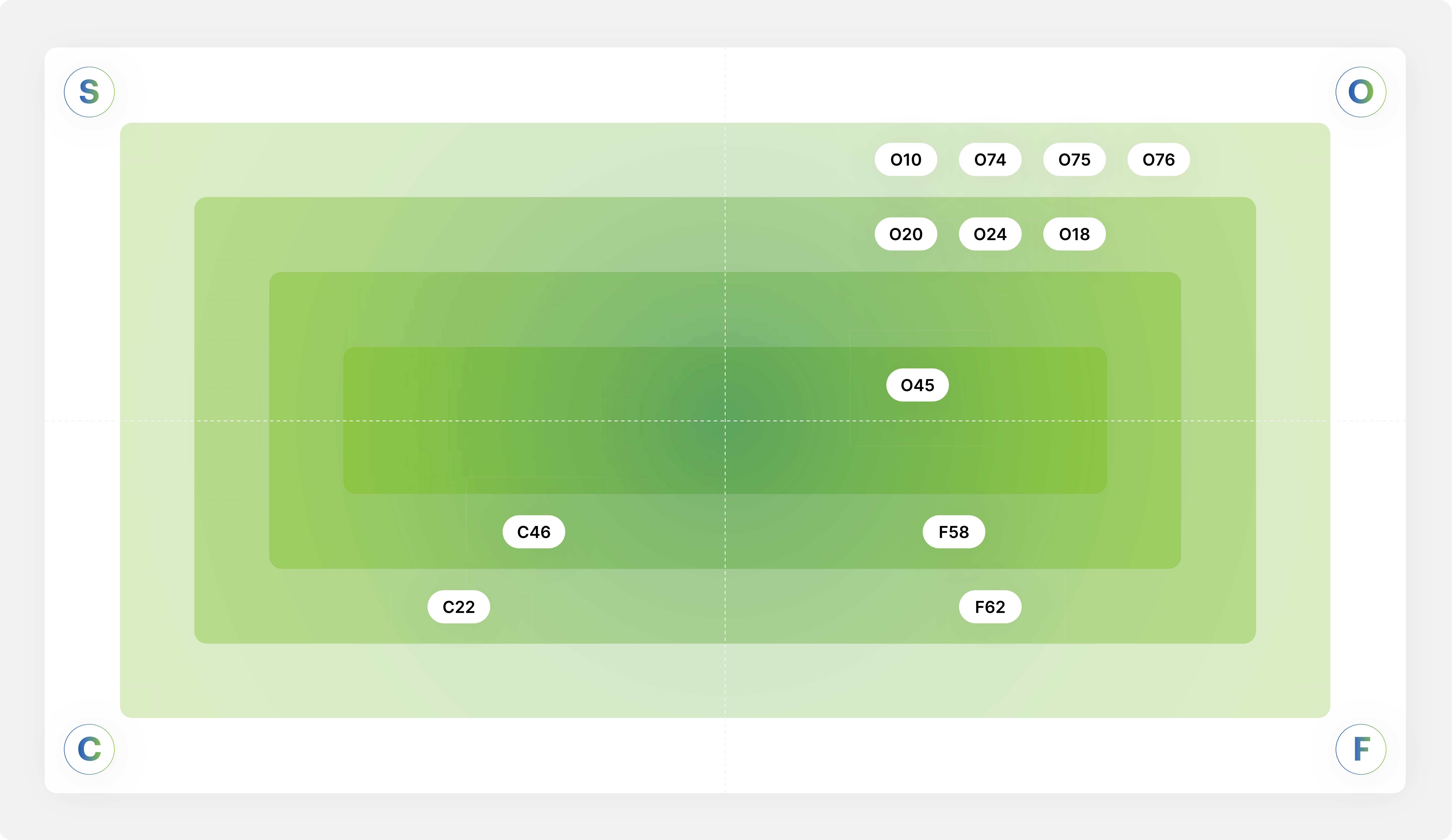
Strategic
S

Operational
O

Financial
F

Compliance
C

Map of Key Risks



Risk Management

Type	Risk	Level/Outlook	Potential impact	Mitigation measures
O45	**Personnel shortage risk**	High / stable	Increase in the cost of recruitment and workforce shortages, outpacing payroll fund growth	1. Revising store staffing levels 2. Developing an incentive scheme for each employee category 3. Adding store employees in loyalty programmes 4. Implementing a corporate training programme rewarded with externally approved certifications 5. Remuneration to reflect employee length of service
C46	**Risk of labour law claims by regulatory authorities**	High / stable	Potential fines, reputational damage, and increased compliance costs due to breaches or misinterpretation of labour regulations	1. Monitoring of labour legislation 2. Organisation and control of measures to ensure full and accurate compliance with applicable requirements
F58	**Risk from restrictions on foreign currency payments**	High / stable	More complex (longer) supply chains required to enable parties to meet their contractual financial obligations	1. Timely updating of bank files (including information on the Company and on its partners) 2. Monitoring the correspondence of accounts between the sending bank and the receiving bank 3. Expanding the list of foreign currencies used for payments 4. Verifying the status of partner banks in restrictive lists
O20	**Risk of supply chain disruption**	Medium / stable	Longer, more expensive, more complicated travel routes and maintenance needs	1. Expanding the share of locally produced goods in the sales mix. Searching for alternatives/substitutes from Russian suppliers 2. Finding alternative ways for shipping imported goods (sea, rail, road)
F62	**Foreign exchange risk**	Medium / stable	Financial losses due to exchange rate fluctuations	1. Where necessary, changing currency of contracts with foreign suppliers 2. Hedging demand for foreign currency in line with the adopted rules or decisions
O18	**Risk of increase in procurement costs more than once a year**	Medium / stable	Pressure on gross margin and related metrics	1. Expanding the Russian supplier base (provide a backup contract with a second Russian supplier for each item to ensure supply in case of an emergency assortment rotation) 2. Build and maintain long-term mutually beneficial relationships with suppliers
O24	**Risk of changes in terms or tariffs for freight and other operator services**	Medium / stable	Higher logistics costs or supply chain disruption, potentially affecting pricing, margins, and product availability	1. Increasing the number of freight forwarders 2. Redistributing deliveries across more cost-efficient shipping lines

Risk Management

Type	Risk	Level/Outlook	Potential impact	Mitigation measures
C22	**Changes in legislation related to product assortment and pricing regulations**	Medium / stable	Increase in the number of regulations, limits, rules, and restrictions Significant penalties for non-compliance or violations Potential threat of turnover-based fine by supervisory authorities	1. Local sourcing 2. Supplier rotation 3. Negotiating engagement terms 4. Align technologies with local legislation while preserving Company strategy and profitability
O10	**Risks associated with loss of control over personal data**	Medium / stable	Regulatory penalties, reputational harm, and legal liability due to data breaches or non-compliance with data protection laws	1. Determining requirements for the collection, processing, and storage of personal data across categories such as employees, customers, and counter-parties 2. Delegating powers and responsibilities between the Company's own contributors – employees of the Company, and outside contractors
O74	**Risks of partial or complete failure of hardware components in the corporate information system**	Medium / stable	Risk of partial or complete loss of CIS hardware performance for a long period of time (longer than one hour)	1. Developing and implementing internal business continuity regulations 2. Dynamic workload allocation between systems 3. Monitoring increases in workload and forecasting potential adverse situations complete with a response plan 4. Formulating a pool of reserve resources with a clear roadmap for their use
O75	**Reduced performance or complete failure of a software component of the corporate information system due to any possible cause**	Medium / stable	Significant slowdown in software responsiveness, up to and including complete system failure, resulting in the inability to record business operations or process any transactions	1. Development and implementation of internal regulatory documents (IRDs) to support business continuity planning 2. Limited testing of system modifications in a controlled test environment, followed by phased deployment to the production layer 3. Execution of tests and updates based on fault-tolerance and failure scenario simulations 4. Availability of contingency plans (Plan B) for each system update or upgrade rollout 5. Regular data-backup procedures
O76	**Occurrence of an information security incident posing a threat to the enterprise (e.g., hacking, cyberattack, unauthorised access)**	Medium / stable	Partial or complete loss of data across a wide range of sensitivity levels, impairment of system and software functionality, and breaches of authorisation rules and access restrictions	1. Development and implementation of internal information security regulations and protocols 2. Execution of supplementary agreements to employee contracts, aligning with current information security policies 3. Investigation of incidents involving violations of information security rules and procedures by employees 4. Conducting employee training on information security requirements and best practices

Risk Management Activities

During the reporting period, Fix Price continued to strengthen its risk management function through a series of structured initiatives aimed at enhancing methodology, fostering internal engagement, and integrating advanced technology. These efforts supported the Company’s commitment to proactive risk identification, assessment, and mitigation across all areas of operations.

- Conducted four risk reassessment sessions
- Prepared and submitted four risk reports to collegial bodies and the Board of Directors
- Held four internal “Risk Wednesday” club meetings to facilitate knowledge sharing and discussion
- Updated and approved the Risk Management regulations governing business processes
- Conducted a study to determine the risk appetite by category and level
- Launched a project to develop an artificial intelligence algorithm for gathering data from public sources
- Refined the risk assessment methodology by adding new tools including the bow-tie method, Ishikawa diagram, and PEST matrix
- Updated the assessment framework with an expanded evaluation scale, and enhanced the risk monitoring process

Information Disclosure and Investor Engagement

Fix Price Group PLC is committed to maintaining a high level of information transparency and open communication with investors and the broader market. We readily disclose information about the Company and its operations, striving to earn and retain the confidence of our shareholders.

Our investor relations website serves as a central hub for key information, which includes disclosure of:

- Financial and operating results
- Press releases
- Dividend history
- Key performance indicators
- The Memorandum and Articles of Association of Fix Price Group PLC
- Internal policies
- An investor calendar
- Contact details

Fix Price Investor relations website

In order to comply with corporate disclosure requirements and provide material information to stakeholders, we also utilise the Astana International Exchange website and the Interfax information disclosure server for our corporate disclosures.

Fix Price prioritises strong investor relations and is dedicated to enhancing stock liquidity. We engage with investors and other stakeholders to understand and address their needs, fostering a transparent and mutually beneficial relationship.

Investor Calendar

2024	
28 February	Q4 and FY 2023 operating and financial results
26 April	Q1 2024 operating and financial results
8 August	Q2 and H1 2024 operating and financial results
31 October	Q3 and 9M 2024 operating and financial results

2025	
27 February	Q4 and FY 2024 operating and financial results
30 April	Q1 2025 operating and financial results

Appendices

Statement of management's responsibilities

for the preparation and approval of the consolidated financial statements for the year ended 31 December 2024

Management is responsible for the preparation of the consolidated financial statements of Fix Price Group PLC (hereinafter, the "Company") and its subsidiaries (hereinafter, the "Group"), that present fairly the consolidated financial position of the Group as at 31 December 2024 and the consolidated results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards (hereinafter, "IFRS") as issued by the International Accounting Standards Board ("IASB").

In preparing the consolidated financial statements, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific IFRS requirements is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance;
- Making an assessment of the Group's ability to continue as a going concern.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the Group's consolidated financial statements comply with IFRS;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards of jurisdictions in which the Group operates;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group;
- Detecting and preventing fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2024 were approved by management of the Company on behalf of the Board of Directors of the Company on 26 February 2025.

On behalf of management:

Dmitry Kirsanov
Chief Executive Officer

Independent auditor’s report

To the Shareholders and the Board of Directors of Fix Price Group PLC:

Opinion

We have audited the consolidated financial statements of Fix Price Group PLC and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”).

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountant’s Code of Ethics for Professional Accountants (the “IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Why the matter was determined to be a key audit matter	How the matter was addressed in the audit
Existence and completeness of inventories As at 31 December 2024, the inventories held by the Group comprise RUB 56,727 million. The Group’s inventories consist of merchandise purchased and held for resale and are carried at the lower of cost and net realisable value. Existence and completeness of inventories were determined to be a key audit matter due to the significance of the inventories’ balance, the high number of locations and sites where inventories are held at, variability of title transfer terms in purchase agreements, and estimates, such as shrinkage allowance, made by management in determining the carrying amount of inventories at reporting date. The Group’s accounting policies are disclosed in Note 2, the key assumptions related to inventory measurement are disclosed in Note 3, the inventories are disclosed in Note 14 and write-offs of merchandise inventories relating to shrinkage and write-down to net realisable value are disclosed in Note 6.	Our audit procedures related to existence and completeness of inventories included the following, among others: • Obtaining understanding, evaluating design and implementation and, where deemed appropriate, testing the operating effectiveness of relevant controls relating to the inventories, including controls over the Group’s inventory stock count procedure; • Observing the inventory count process for a sample of stores and distribution centers during the year and performing independent test counts for a sample of stock keeping units; • Analyzing inventory movements between stock count dates and reporting period end and obtaining evidence for such movements either through supporting documents or through analytical procedures; • Challenging appropriateness of management’s estimate of shrinkage allowance, including developing an independent estimate and assessing historical accuracy of management’s estimates; • For inventories purchased close to year-end which are still on their way to the Group’s warehouses (“goods in transit”) verifying that it was appropriate to recognise inventories at the reporting date and testing completeness of inventory purchases booked close to year-end.

Independent auditor's report

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Vladimir Kozyrev
Engagement partner
BST Global Limited

Astana, AIFC, Kazakhstan
26 February 2025

Consolidated statement of comprehensive income for the year ended 31 December 2024

(in millions of Russian roubles, except earnings per share)	Notes	2024	2023
Revenue	5	314,938	291,865
Cost of sales	6	(208,192)	(192,693)
Gross profit		**106,746**	**99,172**
Selling, general and administrative expenses	7	(71,203)	(61,888)
Other operating income		555	586
Share of profit of associates		37	57
Operating profit		**36,135**	**37,927**
Interest income		3,949	2,512
Interest expense		(5,021)	(2,951)
Foreign exchange gain, net		216	550
Profit before tax		**35,279**	**38,038**
Income tax expense	9	(13,079)	(2,331)
Profit for the year		**22,200**	**35,707**

(in millions of Russian roubles, except earnings per share)	Notes	2024	2023
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss: Currency translation differences		21	(59)
Other comprehensive income/(loss) for the year		**21**	**(59)**
Total comprehensive income for the year		**22,221**	**35,648**
Earnings per share			
Weighted average number of ordinary shares outstanding	18	849,528,693	849,528,693
Basic earnings per share (in Russian roubles per share)		26.13	42.03
Diluted earnings per share (in Russian roubles per share)		26.01	41.93

Consolidated statement of financial position as at 31 December 2024

(in millions of Russian roubles)	Note	31 December 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	10	30,921	29,317
Goodwill		228	232
Intangible assets	11	2,811	2,177
Capital advances	12	2,041	329
Right-of-use assets	13	14,016	12,586
Investment property		337	343
Investments in associates		23	61
Total non-current assets		**50,377**	**45,045**
Current assets			
Inventories	14	56,727	47,957
Right-of-use assets	13	2,399	2,033
Receivables and other current assets	15	4,197	2,750
Prepayments		2,061	1,444
Income tax prepaid		—	8
Value-added tax receivable		786	1,126
Cash and cash equivalents	17	19,579	37,343
Assets classified as held for sale	16	582	—
Total current assets		**86,331**	**92,661**
Total assets		**136,708**	**137,706**

(in millions of Russian roubles)	Note	31 December 2024	31 December 2023
Equity and liabilities			
Equity			
Share capital	18	1	1
Additional paid-in capital	18	154	154
Retained earnings	18	48,789	65,352
Treasury shares	18	(207)	(207)
Currency translation reserve		40	19
Total equity		**48,777**	**65,319**
Non-current liabilities			
Loans and borrowings	20	3,010	4,675
Lease liabilities	21	5,473	4,974
Deferred tax liabilities	9	1,074	418
Total non-current liabilities		**9,557**	**10,067**
Current liabilities			
Loans and borrowings	20	15,056	10,024
Lease liabilities	21	10,200	8,800
Payables and other financial liabilities	22	38,603	36,220
Advances received		551	716
Income tax payable		397	-
Tax liabilities, other than income taxes		3,043	4,590
Dividends payable	18	8,321	—
Accrued expenses	23	2,203	1,970
Total current liabilities		**78,374**	**62,320**
Total liabilities		**87,931**	**72,387**
Total equity and liabilities		**136,708**	**137,706**

Appendices

Consolidated statement of cash flows for the year ended 31 December 2024

(in millions of Russian roubles)	Note	2024	2023
Cash flows from operating activities			
Profit before tax		35,279	38,038
Adjustments for:			
Depreciation and amortisation	10,11,13	16,917	15,138
Write-offs of merchandise inventories relating to shrinkage and write-down to net realisable value	6,14	2,161	1,996
Change in allowance for expected credit losses		17	8
Share of profit of associates		(37)	(57)
Interest income		(3,949)	(2,512)
Interest expense		5,021	2,951
Foreign exchange gain, net		(216)	(550)
Accruals for long-term incentive programme		(404)	404
Operating cash flows before changes in working capital		**54,789**	**55,416**
Increase in inventories		(10,862)	(8,464)
Increase in receivables and other current assets		(1,413)	(231)
(Increase)/Decrease in prepayments		(615)	666
Decrease in VAT receivable		340	350
Increase in payables and other financial liabilities		1,873	1,289
Decrease in advances received		(165)	(75)
Decrease in tax liabilities, other than income taxes		(1,555)	(961)
Increase/(Decrease) in accrued expenses		230	(50)
Net cash flows generated from operations		**42,622**	**47,940**

(in millions of Russian roubles)	Note	2024	2023
Interest paid		(4,755)	(3,006)
Interest received		3,949	2,513
Income tax paid		(12,011)	(8,331)
Net cash flows from operating activities		**29,805**	**39,116**
Cash flows from investing activities			
Purchase of property, plant and equipment		(7,676)	(5,689)
Purchase of intangible assets		(1,087)	(869)
Proceeds from sale of property, plant and equipment		3	14
Dividends received from associates		56	65
Net cash flows used in investing activities		**(8,704)**	**(6,479)**
Cash flows from financing activities			
Proceeds from loans and borrowings	20	17,600	30,800
Repayment of loans and borrowings	20	(14,600)	(38,390)
Lease payments		(12,464)	(11,441)
Dividends paid	18	(29,872)	—
Net cash flows used in financing activities		**(39,336)**	**(19,031)**
Total cash (used in)/from operating, investing and financing activities		**(18,235)**	**13,606**
Effect of exchange rate fluctuations on cash and cash equivalents		471	153
Net (decrease)/increase in cash and cash equivalents		**(17,764)**	**13,759**
Cash and cash equivalents at the beginning of the year	17	**37,343**	**23,584**
Cash and cash equivalents at the end of the year	17	**19,579**	**37,343**

Consolidated statement of changes in equity for the year ended 31 December 2024

(in millions of Russian roubles)	Note	Share capital	Additional paid-in capital	Retained earnings	Treasury shares	Currency translation reserve	Total equity
At 1 January 2023		**1**	**154**	**29,241**	**(207)**	**78**	**29,267**
Profit for the year				35,707			35,707
Other comprehensive loss for the year						(59)	(59)
Total comprehensive income for the year, net of tax				**35,707**		**(59)**	**35,648**
Long-term incentive programme	19			1,052			1,052
Reclassification of the long-term incentive programme	19			(648)			(648)
At 31 December 2023		**1**	**154**	**65,352**	**(207)**	**19**	**65,319**

(in millions of Russian roubles)	Note	Share capital	Additional paid-in capital	Retained earnings	Treasury shares	Currency translation reserve	Total equity
At 1 January 2024		**1**	**154**	**65,352**	**(207)**	**19**	**65,319**
Profit for the year				22,200			22,200
Other comprehensive income for the year						21	21
Total comprehensive income for the year, net of tax				**22,200**		**21**	**22,221**
Dividends	18			(38,359)			(38,359)
Long-term incentive programme	19			525			525
Reclassification of the long-term incentive programme	19			(929)			(929)
At 31 December 2024		**1**	**154**	**48,789**	**(207)**	**40**	**48,777**

Notes to the consolidated financial statements

1. General information

Fix Price Group PLC (the “Company”) is registered at the Astana International Financial Centre (“AIFC”) in the Republic of Kazakhstan. The Company’s registered office is at Yesil district, Mangilik El Avenue, building 55/23, block C.4.4, office 245, Astana city, Republic of Kazakhstan. In June 2024, the Company discontinued its registration in the Republic of Cyprus. The Company has global depositary receipts (“GDR”), which represent its ordinary shares, listed on Astana International Exchange, and Moscow Exchange.

On 19 August 2024, the Group has completed the intended delisting of its GDRs from the London Stock Exchange, as well transition of its GDR program to RCS Trust and Corporate Services Ltd., a depositary bank.

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; it operates under the trademark Fix Price. The Group’s retail operations are conducted through a chain of convenience stores located in the Russian Federation, Belarus and Kazakhstan. 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.

As at 31 December 2024 and 31 December 2023, the ultimate controlling party and beneficiary owner of the Group was Sergey Lomakin.

The ownership interest of the Group and the proportion of its voting power in its major operating subsidiaries was as follows as at the end of each period:

Company name	Country of incorporation	Principal activity	Ownership interest 31 December 2024	Ownership interest 31 December 2023
Fix Price JSC	Russia	Holding company*	100%	—
Best Price LLC	Russia	Retail and wholesale operations	100%	100%
Best Price Export LLC	Russia	Wholesale operations	100%	100%
Best Price Kazakhstan TOO	Kazakhstan	Retail operations	100%	100%
Fix Price Zapad LLC	Belarus	Retail operations	100%	100%
FIXPRICEASIA LLC	Uzbekistan	Retail operations	100%	100%

* On 19 December 2024, a new Russian whole-owned subsidiary of the Company, Fix Price JSC was incorporated.

These consolidated financial statements were authorised for issue by management of the Company on behalf of the Company’s Board of Directors on 26 February 2025.

Notes to the consolidated financial statements

2. Basis of preparation and summary of significant accounting policies

Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS").

(b) Historical cost basis

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial assets and financial liabilities at fair value through profit or loss.

The accounting policies applied by the Group are set out below and have been applied consistently throughout the consolidated financial statements.

Going concern

As a variety value retailer, the Group is well placed to withstand volatility within the economic environment. After conducting a thorough analysis, including considering the Group's financial position and access to financial resources, and preparing cash flow forecasts for at least 12 months from the reporting date of these consolidated financial statements, management has a reasonable expectation that the Group has adequate resources to continue its operations in the foreseeable future. The restrictive measures imposed since February 2022 by the European Union, the United States of America, the United Kingdom and other countries have not had a material adverse impact on this assessment, with the Group's stores remaining open and able to continue to trade profitably. Therefore, management of the Group continues to adopt the going concern basis of accounting in preparing these consolidated financial statements.

Basis of consolidation

(a) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. The Group controls an entity where the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and deconsolidated from the date that control ceases. Inter-company transactions, balances and unrealised gain and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations

The acquisition method of accounting is used to account for all business combinations, except for business combinations under common control. The consideration transferred for the acquisition of a subsidiary comprises the: (i) fair values of the assets transferred, (ii) liabilities incurred to the former owners of the acquired business, (iii) equity interests issued by the Group. Acquisition-related costs are expensed as incurred.

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 book values.

Goodwill is measured as the excess of the consideration transferred, the amount of any non-controlling interests in the acquired entity and the acquisition fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net acquisition-date value of identifiable assets acquired exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised in profit or loss as a bargain purchase gain. Goodwill tested annually for impairment, or more frequently if events or changes in circumstances indicate that the asset might be impaired.

Segment information

Operating segments are identified based on the internal reporting of financial information to the Chief Operating Decision Maker (hereinafter, "CODM").

The Group operates retail stores in several geographies. The Group's CODM reviews the Group's performance primarily on a store-by-store basis. The Group has assessed the economic characteristics of individual stores in various geographies and determined that the stores have similar business operations, similar products, similar classes of customer and a centralised distribution network. Therefore, the Group believes that it has only one reportable segment under IFRS 8, Operating segments.

The Group's customer base is diversified; therefore, transactions with a single external customer do not exceed 10% of the Group's revenue.

Notes to the consolidated financial statements

Foreign currency translation

(a) Functional and presentation currency

The functional currencies of the Company and its subsidiaries are as follows:

Company name	Functional currency
Fix Price Group PLC	Russian rouble ("RUB")
Fix Price JSC	Russian rouble ("RUB")
Best Price LLC	Russian rouble ("RUB")
Best Price Export LLC	Russian rouble ("RUB")
Best Price Kazakhstan TOO	Kazakhstan tenge ("KZT")
Fix Price Zapad LLC	Belarussian rouble ("BYN")
FIXPRICEASIA LLC	Uzbekistan sum ("UZS")

The presentation currency of the Group is Russian rouble ("RUB"). All values are rounded to the nearest million, except where otherwise indicated.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income on a net basis.

(c) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of comprehensive income are translated at average exchange rates, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.
- All resulting exchange differences are recognised in other comprehensive income.
- All cash flows are translated at the average exchange rates for the periods presented, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Resulting exchange differences, if any, are presented as effect of translation to presentation currency and exchange rate changes on the balance of cash held in foreign currencies.
- Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

The following exchange rates were used for the translation of the financial statements of Best Price Kazakhstan TOO, Fix Price Zapad LLC and FIXPRICEASIA LLC from their functional currencies to the presentation currency:

Currency	Closing rate on 31 December 2024	Closing rate on 31 December 2023	Average rate for the year 2024	Average rate for the year 2023
KZT	0.1949	0.1977	0.1976	0.1868
BYN	29.6434	28.2261	28.5050	28.2507
UZS	0.0079	0.0073	0.0073	0.0073

Revenue recognition

The revenue is recognised by the Group in such a way to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. A five-step recognition model is applied: (1) identify the contract(s) with the customer; (2) identify the separate performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to separate performance obligations; and (5) recognise revenue when (or as) each performance obligation is satisfied.

(a) Retail revenue

Store retail revenue is recognised at the initial point of sale of goods to customers, when the control over the goods have been transferred to the buyer.

(b) Customer loyalty programme

The Group has a customer loyalty programme which allows customers to earn bonus points for each purchase made, which can be used to obtain discounts on subsequent purchases. Such bonus points entitle customers to obtain a discount that they would not be able to obtain without preliminary purchases of goods (i.e. material right). Thus, the promised discount represents a separate performance obligation. Deferred revenue with respect to bonus points is recognised upon the initial sale. Revenue from the loyalty programme is recognised upon the exchange of bonus points by customers. Revenue from bonus points that are not expected to be exchanged is recognised in proportion to the pattern of rights exercised by the customer.

(c) Wholesale revenue

Wholesale revenue includes: (1) Sales of goods to franchisees, which is recognised at the moment of transfer of goods to franchisees at the warehouse; (2) Revenue, stemming from franchise agreements, such as sales-based royalties. Revenue from sales-based royalties is earned when a franchisee sells goods in its retail stores and is recognised as and when those sales occur.

Notes to the consolidated financial statements

Selling, general and administrative expenses

Selling, general and administrative expenses include all running costs of the business, except those relating to inventory, tax, interest, foreign exchange gain or loss, share of profit or loss of associates and other comprehensive income.

Property, plant and equipment

Property, plant and equipment is carried at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes all expenditures directly attributable to the acquisition of the items. Unless significant or incurred as part of a refit programme, subsequent expenditure will normally be treated as repairs or maintenance and expensed to the consolidated statement of comprehensive income as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income.

Leasehold improvements are capitalised when it is probable that future economic benefits associated with the improvements will flow to the Group and the cost can be measured reliably. Capitalised leasehold improvements are depreciated over their useful life.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

	Useful lives in years
Buildings	50
Leasehold improvements	10
Equipment and other assets	2-20

Freehold land is not depreciated.

Residual values and useful lives are reviewed annually and adjusted prospectively, if appropriate.

Intangible assets

Intangible assets acquired separately, including computer software, are stated at historical cost, comprising expenditures that is directly attributable to the acquisition of the items. Following initial recognition, assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when an asset is available for use and is calculated on a straight-line basis to allocate the cost of the asset over its estimated useful life ranging from 2 to 10 years.

Impairment of property, plant and equipment and intangible assets excluding goodwill

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for shrinkage, obsolete and slow-moving items. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of inventories. Supplier bonuses and volume discounts that do not represent reimbursement of specific, incremental and identifiable costs incurred to promote a supplier's goods are also included in cost of inventories (as a reduction of it). Cost of inventory is determined on the weighted average basis.

Notes to the consolidated financial statements

Taxation

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax regulations used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Tax is recognised in profit or loss of the consolidated statement of comprehensive income.

(b) Deferred tax

Deferred tax is provided on tax loss carry forwards and temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Financial assets

Financial assets and financial liabilities are recognised in the Group’s consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss of the consolidated statement of comprehensive income.

(a) Classification

The Group classifies its financial assets in the following specified categories: (i) those to be measured subsequently at fair value (either through other comprehensive income (“OCI”), or through profit or loss); and (ii) those to be measured at amortised cost. The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. 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 Group’s business model for managing the asset and the cash flow characteristics of the asset. The major part of the Group’s debt instruments is presented by trade accounts and are measured at amortised cost applying the effective interest rate as these instruments are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of comprehensive income.

Notes to the consolidated financial statements

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash deposits and highly liquid investments with original maturities, from the date of acquisition, of three months or less, that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(d) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost (represented by cash and cash equivalents, trade and other receivables). The amount of expected credit losses ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if: (i) the financial instrument has a low risk of default; (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due. The carrying value of the financial asset is reduced by the impairment loss through the use of allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities

(a) Classification as debt or equity

Debt and equity instruments issued by the Group's entities are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised as the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(c) Measurement of the financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVPL. Financial liabilities are classified as at FVPL when the financial liability is (i) a contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) designated as at FVPL. Otherwise, financial liabilities are measured subsequently at amortised cost using the effective interest method. With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9, Financial Instruments ("IFRS 9") requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

(d) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the consolidated financial statements

Fair value of financial instruments

Fair value of financial instruments which are traded in the active market is estimated at each reporting date on the basis of market quotations or dealer quotes without any deduction for transaction costs. For financial instruments which are not traded in the active market, fair value of the instrument is estimated using valuation techniques that include use of data on market transactions; data on current fair value of other similar instruments; discounted cash flow analyses or other valuation techniques.

The Group uses the following hierarchy to determine and disclose methods of fair value measurement of financial instruments: (i) Level 1: quoted prices for identical assets and liabilities determined in active markets (unadjusted); (ii) Level 2: techniques where all used inputs that significantly affect the fair value are observable directly or indirectly; (iii) Level 3: techniques where used inputs that significantly affect the fair value are not based on observable market data.

Derivative financial instruments

The Group uses derivative financial instruments (forward currency contracts) to reduce its foreign currency exposure. Derivative financial instruments are recognised at fair value. The fair value is derived using updated bank quotations. The Group does not use hedge accounting for these derivatives. As a result, such derivative financial instruments are treated as financial assets and liabilities at fair value through profit or loss. Gains and losses recognised for the changes in fair value of forward contracts are presented as the foreign exchange gain or loss in the consolidated statement of comprehensive income.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Value added tax

The Russian tax legislation permits settlement of value added tax (“VAT”) on a net basis. VAT is payable upon invoicing and delivery of goods, performing work or rendering services, as well as upon collection of prepayments from customers. VAT on purchases, even if they have not been settled at the reporting date, is deducted from the amount of VAT payable. Where allowance has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT.

Equity

Equity comprises the following: (i) share capital represents the nominal value of ordinary shares; (ii) additional paid-in capital represents contributions to the property of the Group in cash or other assets made by shareholders; (iii) retained earnings represents retained profits, (iv) treasury shares.

(a) Dividends

Dividends and the related taxes are recognised as a liability and deducted from equity when they are declared before or on the reporting date. Dividends are disclosed in the consolidated financial statements when they are proposed before the reporting date or proposed or declared after the reporting date but before the consolidated financial statements are authorised for issue.

(b) Earnings per share basic and diluted

Basic earnings per share is calculated by dividing: (i) the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by (ii) the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account: (i) the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and (ii) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(c) Treasury shares

If the Group reacquires its own equity instruments, those instruments are deducted from equity at cost, being the consideration paid to reacquire the shares. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Such treasury shares may be acquired and held by the Company or by the subsidiaries of the Company. Any difference between the carrying amount and the consideration, if reissued, is recognised in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated.

Share-based payments

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date. All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to retained earnings. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

State pension plan

The Group’s companies contribute to the state pension, medical and social insurance funds on behalf of all its current employees. Any related expenses are recognised in profit or loss of the consolidated statement of comprehensive income as incurred.

Notes to the consolidated financial statements

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Leases

(a) Assessment

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for leases of low value assets (such as small items of furniture and equipment). For these leases, the Group recognises the lease payments on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in Selling, general and administrative expenses.

As a practical expedient, IFRS 16, Leases ("IFRS 16") permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

(b) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate of the Group. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; (iii) the amount expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and (v) payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: (i) the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate (ii) the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used) (iii) a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(c) Right-of-use asset

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37, Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lessee transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36, Impairment of Assets ("IAS 36") to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Notes to the consolidated financial statements

Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that their cost will be recovered through a sale rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets, or disposal groups are available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Such assets, or disposal groups, are measured at the lower of carrying amount and fair value less costs to sell. Once classified as held-for-sale, intangible assets and property plant and equipment are no longer amortised or depreciated.

3. Critical judgements and key sources of estimation uncertainty

In application of the accounting policies adopted by the Group, the management is required to make certain judgements, estimates and assumptions. Those judgements, estimates and assumptions are continually evaluated and are based on management's experience and other factors including expectations of future events that are believed to be reasonable when the financial information was prepared. Existing circumstances and assumptions about the future developments, however, may change due to circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Critical accounting judgements

The following are the critical judgements that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Lease term of contracts

In determining the lease term, the Group considers various factors including but not limited to the extension options that are reasonably certain to be executed and termination options that are reasonably certain not to be executed. When considering those factors, management takes into account amongst other things, the Group's investment strategy, relevant investment decisions, the residual useful life of the related major leasehold improvements and costs directly or indirectly relating to the extension or termination of the lease.

Sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting period that may 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:

(a) Inventories of goods for resale allowance

The Group provides for estimated inventory shrinkage on the basis of historical shrinkage as a percentage of cost of sales. This allowance is adjusted at the end of each reporting period to reflect the historical trend of the actual physical inventory count results (Notes 6, 14).

(b) Tax legislation

The Group operates in various jurisdictions, including the Russian Federation, the Republic of Kazakhstan, the Republic of Belarus, and the Republic of Uzbekistan. The tax, currency and customs legislation of those jurisdictions is subject to varying interpretations, and tax authorities may challenge interpretations of tax legislation taken by the Group. At each reporting date, the Group performs an assessment of its uncertain tax positions. Due to the inherent uncertainty associated with such assessment, there is a possibility that the final outcome may vary. Income tax provisions accrued by the Group are disclosed in Note 9. The Group's contingent liabilities with regards to taxation are disclosed in Note 24.

4. New and revised international financial reporting standards

Adoption of new standards and interpretations

The following amendments and interpretations, effective for the period starting on or after 1 January 2024, were adopted but did not have an impact on the Group's consolidated financial statements:

(a) Amendments to IFRS 16, Leases – Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains.

(b) Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Notes to the consolidated financial statements

(c) Amendments to IAS 1, Presentation of Financial Statements— Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

(d) Amendments to IAS 1, Presentation of Financial Statements— Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not adopted the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IAS 21 – Lack of Exchangeability;
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments;
- Standard IFRS 18, Presentation and Disclosure in Financial Statements;
- Standard IFRS 19, Subsidiaries without Public Accountability: Disclosures;
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Annual improvements to IFRS Accounting Standards – Volume 11: IFRS 1, First-time adoption of IFRS; IFRS 7, Financial Instruments: Disclosures; IFRS 10, Consolidated Financial Statements; IAS 7, Statement of Cash Flows.

The Company is currently conducting a comprehensive assessment of all the effects that will arise when the provisions of IFRS 18, Presentation and Disclosure of Information in Financial Statements come into force.

The adoption of the remaining new and revised IFRS Standards listed above is not expected to have a material impact on the consolidated financial statements of the Group in future periods.

5. Revenue

Revenue for the years ended 31 December 2024 and 31 December 2023 consisted of the following:

	2024	2023
Retail revenue	284,855	258,967
Wholesale revenue	30,083	32,898
	314,938	**291,865**

6. Cost of sales

Cost of sales for the years ended 31 December 2024 and 31 December 2023 consisted of the following:

	2024	2023
Cost of goods sold	199,843	185,891
Transportation and handling costs	6,188	4,806
Write-offs of merchandise inventories relating to shrinkage and write-down to net realisable value	2,161	1,996
	208,192	**192,693**

Notes to the consolidated financial statements

7. Selling, general and administrative expenses

Selling, general and administrative expenses for the years ended 31 December 2024 and 31 December 2023 consisted of the following:

	2024	2023
Staff costs	41,775	34,834
Depreciation of right-of-use assets	12,785	11,527
Other depreciation and amortisation	4,132	3,611
Bank charges	2,973	3,554
Security services	1,997	2,052
Rental expense	1,947	1,873
Repair and maintenance costs	1,238	1,065
Advertising costs	1,102	941
Utilities	1,050	911
Other expenses	2,204	1,520
	71,203	**61,888**

Staff costs for the years ended 31 December 2024 and 31 December 2023 consisted of the following:

	2024	2023
Wages and salaries	34,931	28,240
Statutory social security and pension contributions	6,493	5,447
Long-term incentive programme (Note 19)	351	1,147
	41,775	**34,834**

Rental expense mainly relates to leases of low-value items for which the recognition exemption is applied and to variable lease costs that are expensed as incurred.

8. Key management remuneration

During the year ended 31 December 2024, the total compensation relating to the Group's key management personnel amounted to RUB 1,842 million, including RUB 1,610 million in short-term employee benefits and RUB 232 million in long-term share-based compensation. During the year ended 31 December 2023, the total compensation relating to the Group's key management personnel amounted to RUB 3,568 million, including RUB 2,700 million in short-term employee benefits and RUB 867 million in long-term share-based compensation. The amount of compensation includes all applicable taxes and contributions.

Notes to the consolidated financial statements

9. Income tax expense

	2024	2023
Current tax expense	12,423	2,334
Deferred tax		
Origination and reversal of temporary differences	454	(3)
Effect of changes in tax rates	202	—
Income tax expense	**13,079**	**2,331**

Profit before tax for financial reporting purposes is reconciled to tax expense as follows:

	2024	2023
Profit before tax	35,279	38,038
Theoretical tax expense at 20%, being the statutory rate in Russia	**(7,056)**	**(7,608)**
Income subject to income tax at rates different from 20%	17	750
Non-deductible items	(71)	(219)
(a) Withholding tax on intra-group dividends	(5,767)	(489)
(b) Windfall tax	—	(991)
(c) Income tax provision	—	6,226
(d) Effect of changes in tax rates	(202)	—
Income tax expense	**(13,079)**	**(2,331)**

(a) Withholding tax on intra-group dividends

Withholding tax is applied to dividends distributed by the Group's operating subsidiaries, such tax is withheld at the source by the respective subsidiary and is paid to the relevant tax authorities at the same time, when the payment of dividend is effected.

(b) Windfall tax

On 4 August 2023, a tax on excess profits (the "windfall tax") was introduced for certain entities registered in the Russian Federation whose average income tax base for 2022 and 2021 exceeded RUB 1 billion. The tax rate is set at 10% and applies to the amount of excess profits, determined as an excess of the arithmetic average income tax base for 2022 and 2021 over the same indicator for 2019 and 2018. A taxpayer had the right to reduce the amount of the windfall tax by half by paying a security deposit by 30 November 2023. The Group chose to reduce the windfall tax and paid the security deposit amounting to RUB 991 million.

(c) Income tax provision

No income tax provision was recognised during the year ended 31 December 2024. During the year ended 31 December 2023, the Group reassessed the relevant uncertainties, resulting in a favourable revaluation of the Group's tax exposure.

(d) Effect of changes in income tax rate due to tax reform in the Russian Federation

On 12 July 2024, the President of the Russian Federation signed Law No. 176-FZ, effective from 1 January 2025. The new law sets out a range of significant amendments to the Tax Code of the Russian Federation, including an increased corporate profit tax rate of 25%.

As of 31 December 2024, the Group recalculated the deferred tax assets and deferred tax liabilities at the new rate of 25%, which will be effective in periods of recovery of such assets and liabilities. In these consolidated financial statements, the Group recognised additional deferred tax assets amounting to RUB 811 million and additional deferred tax liabilities amounting to RUB 1,013 million; the respective deferred tax expense relating to a change in the tax rate amounted to RUB 202 million. The new law did not affect the current income tax for the year ended 31 December 2024.

Notes to the consolidated financial statements

Movements in the deferred tax assets and liabilities for the year ended 31 December 2024 were as follows:

	31 December 2023*	Charged to profit or loss	31 December 2024
Tax effects of deductible temporary differences			
Trade and other payables	275	26	301
Accrued expenses	355	3	358
Lease liabilities	2,365	1,035	3,400
Other	131	—	131
Deferred tax assets	**3,126**	**1,064**	**4,190**
Tax effects of taxable temporary differences			
Inventories	(161)	(143)	(304)
Property, plant and equipment	(828)	(340)	(1,168)
Right-of-use assets	(2,445)	(1,047)	(3,492)
Investments in associates	(13)	7	(6)
Trade and other receivables	—	(206)	(206)
Intangible assets	(97)	9	(88)
Deferred tax liabilities	**(3,544)**	**(1,720)**	**(5,264)**
Net deferred tax liabilities	**(418)**	**(656)**	**(1,074)**

Movements in the deferred tax assets and liabilities for the year ended 31 December 2023 were as follows:

	31 December 2022*	Charged to profit or loss*	31 December 2023*
Tax effects of deductible temporary differences			
Trade and other payables	69	206	275
Accrued expenses	230	125	355
Lease liabilities	2,287	78	2,365
Other	114	17	131
Deferred tax assets	**2,700**	**426**	**3,126**
Tax effects of taxable temporary differences			
Inventories	(29)	(132)	(161)
Property, plant and equipment	(655)	(173)	(828)
Right-of-use assets	(2,300)	(145)	(2,445)
Investments in associates	(14)	1	(13)
Intangible assets	(123)	26	(97)
Deferred tax liabilities	**(3,121)**	**(423)**	**(3,544)**
Net deferred tax liabilities	**(421)**	**3**	**(418)**

* Following the amendments, that clarified that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

Notes to the consolidated financial statements

10. Property, plant and equipment

Movements in the carrying amount of property, plant and equipment during the years ended 31 December 2024 and 31 December 2023 were as follows:

	Land and buildings	Trade and other equipment	Leasehold improvements	Other	Assets under construction and uninstalled equipment	Total
Cost						
At 1 January 2023	**7,539**	**14,501**	**9,284**	**367**	**199**	**31,890**
Additions	8,345	2,933	1,182	108	—	12,568
Disposals	—	(313)	(216)	(4)	—	(533)
Effect of translation to presentation currency	—	94	107	68	—	269
At 31 December 2023	**15,884**	**17,215**	**10,357**	**539**	**199**	**44,194**
Additions	741	3,480	1,405	120	117	5,863
Disposals	—	(428)	(426)	(13)	—	(867)
Reclassifications to assets classified as held for sale	(624)	—	—	—	—	(624)
Effect of translation to presentation currency	—	12	8	(5)	1	16
At 31 December 2024	**16,001**	**20,279**	**11,344**	**641**	**317**	**48,582**

	Land and buildings	Trade and other equipment	Leasehold improvements	Other	Assets under construction and uninstalled equipment	Total
Accumulated depreciation and impairment						
At 1 January 2023	**411**	**7,371**	**4,286**	**130**	**—**	**12,198**
Depreciation charge	178	1,926	874	63	—	3,041
Disposals	—	(269)	(91)	(2)	—	(362)
Effect of translation to presentation currency	—	—	—	—	—	—
At 31 December 2023	**589**	**9,028**	**5,069**	**191**	**—**	**14,877**
Depreciation charge	198	2,215	930	81	—	3,424
Disposals	—	(392)	(195)	(11)	—	(598)
Reclassifications to assets classified as held for sale	(42)	—	—	—	—	(42)
Effect of translation to presentation currency	—	—	—	—	—	—
At 31 December 2024	**745**	**10,851**	**5,804**	**261**	**—**	**17,661**
Net book value						
At 1 January 2023	**7,128**	**7,130**	**4,998**	**237**	**199**	**19,692**
At 31 December 2023	**15,295**	**8,187**	**5,288**	**348**	**199**	**29,317**
At 31 December 2024	**15,256**	**9,428**	**5,540**	**380**	**317**	**30,921**

Buildings primarily represent distribution centres owned by the Group.

Borrowing costs included in the cost of qualifying assets during the year ended 31 December 2024 amounted to RUB 102 million, arose on the general borrowing pool and are calculated by applying a capitalisation rate of 19.85% (2023: RUB 416 million calculated by applying a capitalisation rate of 9.19%).

As at 31 December 2024 and as at 31 December 2023, no assets were pledged as security.

Notes to the consolidated financial statements

11. Intangible assets

Movements in the carrying amount of intangible assets during the years ended 31 December 2024 and 31 December 2023 were as follows:

	Software	Other	Total
Cost			
At 1 January 2023	**2,344**	**239**	**2,583**
Additions	783	86	869
At 31 December 2023	**3,127**	**325**	**3,452**
Additions	1,027	57	1,084
At 31 December 2024	**4,154**	**382**	**4,536**
Accumulated amortisation and impairment			
At 1 January 2023	**674**	**188**	**862**
Amortisation charge	325	88	413
At 31 December 2023	**999**	**276**	**1,275**
Amortisation charge	406	44	450
At 31 December 2024	**1,405**	**320**	**1,725**
Carrying amount			
At 1 January 2023	**1,670**	**51**	**1,721**
At 31 December 2023	**2,128**	**49**	**2,177**
At 31 December 2024	**2,749**	**62**	**2,811**

12. Capital advances

As at 31 December 2024, the Group's capital advances mainly consist of advances for construction of warehouse premises in Kazan and advances for equipment. As at 31 December 2023, the Group's capital advances mainly consist of advances for equipment.

13. Right-of-use assets

The Group leases retail premises, offices and warehouses (hereinafter "leased premises and buildings") with lease terms within the range of 1 to 8 years. Movements in the carrying amount of right-of-use assets were as follows:

	Leased premises and buildings for the year ended	
	31 December 2024	31 December 2023
Cost		
At 1 January 2024 / 1 January 2023	**58,102**	**45,491**
New lease contracts and modification of existing lease contracts	14,501	12,505
Lease prepayments	107	70
Disposals	(785)	(560)
Effect of translation to presentation currency	148	596
At 31 December 2024 / 31 December 2023	**72,073**	**58,102**

Appendices

Notes to the consolidated financial statements

	Leased premises and buildings for the year ended	
	31 December 2024	31 December 2023
Accumulated depreciation and impairment		
At 1 January 2024 / 1 January 2023	**(43,483)**	**(32,103)**
Depreciation expense	(12,848)	(11,577)
Disposals	785	560
Effect of translation to presentation currency	(112)	(363)
At 31 December 2024 / 31 December 2023	**(55,658)**	**(43,483)**
Carrying amount		
At 1 January 2024 / 1 January 2023	**14,619**	**13,388**
At 31 December 2024 / 31 December 2023	**16,415**	**14,619**

	Leased premises and buildings for the year ended	
	31 December 2024	31 December 2023
Amounts recognised in profit or loss		
Depreciation expense of right-of-use assets	12,785	11,527
Interest expense on lease liabilities	2,291	1,413
Expenses relating to variable lease payments not included in the measurement of the lease liabilities	1,908	1,856

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from leased retail stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed costs. The variable payments depend on the sales of particular stores, and consequently on the overall economic development over the next few years. Such payments are recognised in profit or loss as incurred.

The total cash outflow for leases accounted for under IFRS 16 in the consolidated financial statements amounts to RUB 16,661 million for the year ended 31 December 2024 (RUB 14,721 million for the year ended 31 December 2023).

14. Inventories

The Group inventories balance is comprised of merchandise inventories. Inventories write-offs due to shrinkage and write-down to net realisable value for the years ended 31 December 2024 and 31 December 2023 are disclosed in Note 6.

15. Receivables and other current assets

Trade and other receivables as at 31 December 2024 and 31 December 2023 were as follows:

	31 December 2024	31 December 2023
Trade receivables from franchisees, net of allowance for expected credit losses	1,668	1,364
Settlements with customs	1,051	1,002
Other receivables, net of allowance for expected credit losses	1,478	384
	4,197	**2,750**

The allowance for expected credit losses on trade receivables and other receivables as at 31 December 2024 and as at 31 December 2023 was RUB 46 million and RUB 44 million, respectively.

Notes to the consolidated financial statements

16. Assets classified as held for sale

In December 2024, the Group decided to sell one of the distribution centres in Ekaterinburg. The sale is expected to be completed within one year. Net book value of the disposal group comprises RUB 582 million. The Group expects that the proceeds from the sale will exceed the net book value of the disposal group, and therefore no impairment was recognised.

17. Cash and cash equivalents

	31 December 2024	31 December 2023
Bank current accounts – RUB, KZT, BYN, UZS	6,899	3,256
Bank current accounts – USD, EUR, CNY, GBP	167	135
Cash in transit – RUB, KZT, BYN	1,850	1,897
Cash in hand – RUB, KZT, BYN	750	1,126
Deposits – EUR, USD	5,922	5,319
Deposits – RUB, KZT, BYN	149	25,610
Marketable securities – USD, EUR	3,842	–
	19,579	**37,343**

Cash in transit represents cash collected by banks from the Group's stores and not yet deposited in bank accounts as at 31 December 2024 and 31 December 2023.

As at 31 December 2024, KZT-, BYN-, EUR- and USD-denominated deposit bank accounts with balances amounting to RUB 6,071 million had interest rates of 2.80%-14.80% and a maturity period of 1-303 days (deposits over 90 days are recallable on demand).

As at 31 December 2023, RUB-, KZT-, BYN-, EUR- and USD-denominated deposit bank accounts with balances amounting to RUB 30,929 million had interest rates of 2.40%-16.52% and a maturity period of 1-305 days (deposits over 90 days are recallable on demand).

Marketable securities represent US treasuries and German treasuries which have a remaining time to maturity of three months or less from the date of purchase (35-50 days) and are subject to an insignificant risk of change in value due to interest rate, quoted price or penalty on withdrawal.

Cash balances in current bank accounts are normally interest-free.

18. Equity

Ordinary shares

As at 31 December 2024 and 31 December 2023, the Group's ordinary and treasury shares were as follows:

	Outstanding ordinary shares	Issued ordinary shares
At 1 January 2023	**849,528,693**	**850,000,000**
At 31 December 2023	**849,528,693**	**850,000,000**
At 1 January 2024	**849,528,693**	**850,000,000**
At 31 December 2024	**849,528,693**	**850,000,000**

As at 31 December 2024 and 31 December 2023, the Company had authorised share capital of 10,000,000,000 ordinary shares with a par value of EUR 0.0000374 per share.

Notes to the consolidated financial statements

Additional paid-in capital

No equity contributions were made by Group shareholders during the years ended 31 December 2024 or 31 December 2023.

Dividends

Interim dividends for 2023 and 2024 in the combined amount of RUB 8.4 billion or RUB 9.84 per share were announced in January 2024 and were paid in full.

Interim dividends for 2022, 2023 and 2024 in the combined amount of RUB 30.0 billion, or RUB 35.31 per share were announced in December 2024, and as of 31 December 2024 were partially paid in the amount of RUB 21.5 billion.

No dividends were announced for 2023 or 2022 during the year ended 31 December 2023.

Treasury shares

As at 31 December 2024 and 31 December 2023, the Group had 471,307 treasury shares with a total value of RUB 207 million.

19. Long-term incentive programme

On 23 November 2022, the Group's Board of Directors approved long-term incentive programmes for its top management and key employees (the "Programme"). The Programme is designed to provide long-term incentives for its participants to deliver long-term shareholder returns, and to retain talent for the Group.

Under the Programme, participants in continuing employment, if certain performance conditions are met, are entitled to a certain number of Company GDRs, their cash equivalent or a combination thereof at the Group's discretion, that is to be granted in three annual tranches in 2022, 2023 and 2024 with an additional subsequent one-year service period required for each tranche.

Employee participation in the Programme is at the Board of Directors' discretion. GDRs are granted under the Programme for no consideration should this option be selected by the Group.

The annual award is calculated in accordance with a performance-based formula. The formula rewards employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative targets, including but not limited to the respective store's annual expansion plan, achievement of the Group's budgeted EBITDA and targeted return on investment capital.

The Group initially accounted for this Programme as an equity-settled share-based payment transaction under IFRS 2, Share-based Payment, as the Group had no present obligation to settle in cash.

The fair value of each annual tranche of the Programme is determined using the market price of GDRs on the relevant stock exchange at the respective grant date. The grant date for the first and second tranches of the Programme was determined as 28 December 2022, which is also the date when the service period of the tranches started. The fair value of the first and second tranches at the grant date was assessed at RUB 1,494 million (based on 336.50 Russian roubles per GDR). The grant date for the third tranche was determined as 1 January 2024, which is also the date when the service period of the tranches started. The fair value of the third tranche at the grant date was assessed at RUB 1,131 million (based on 291.9 Russian roubles per GDR).

In December 2023, the Group opted to settle the first tranche of the Programme in cash and reclassified the equity-settled share-based payment arrangement relating to the first tranche to a cash-settled share-based payment, which was recognised as a debit entry to equity within retained earnings. The first tranche, representing approximately 1.9 million awards, was fully settled in cash in December 2023, amounting to RUB 743 million, including taxes (based on 344.53 Russian roubles per GDR).

In December 2024, the Group opted to settle the second tranche of the Programme in cash. The Group considered this as the present obligation to settle both remaining tranches in cash and reclassified the equity-settled share-based payment arrangement relating to the second and third tranches to a cash-settled share-based payment, which was recognised as a debit entry to equity within retained earnings. The second tranche, representing approximately 2.7 million awards, was fully settled in cash in December 2024, amounting to RUB 551 million, including taxes (based on 182.63 Russian roubles per GDR).

Since the reclassification of the third tranche to the cash-settled share-based payments, the fair value of the Programme is determined using the average market price of GDRs on the relevant stock exchange at the reporting date and was assessed at RUB 554 million (based on 178.45 Russian roubles per GDR), representing approximately 3 million awards.

As at 31 December 2024, 3 million awards, classified as cash-settled share-based payments, were outstanding, amounting to RUB 204 million, including taxes. Cash-settled share-based payments were recognised in the accrued salaries and wages category of these consolidated financial statements.

As at 31 December 2023, 2.7 million awards, classified as equity-based share-based payments, were outstanding. The weighted average remaining contractual life for the awards was 336 days as of 31 December 2024 (as at 31 December 2023, the weighted average remaining contractual life for the awards was 336 days).

Expenses arising from long-term incentive programme

Total expenses arising from long-term incentive programme recognised during the year ended 31 December 2024 amounted to RUB 351 million (RUB 1,147 million for the year ended 31 December 2023).

Notes to the consolidated financial statements

20. Loans and borrowings

Terms and conditions in respect of loans and borrowings as of 31 December 2024 are detailed below:

Source of financing	Currency	Maturity date	Interest rate as at 31 December 2024	31 December 2024
Short-term loans and borrowings (unsecured)	RUB	2025	20.69-23.36%	15,056
Long-term loans and borrowings (unsecured)	RUB	2028	9.00%	3,010
				18,066

Terms and conditions in respect of loans and borrowings as of 31 December 2023 are detailed below:

Source of financing	Currency	Maturity date	Interest rate as at 31 December 2024	31 December 2024
Short-term loans and borrowings (unsecured)	RUB	2024	10.47-17.89%	10,024
Long-term loans and borrowings (unsecured)	RUB	2025	9.00%	4,675
				14,699

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes for the year ended 31 December 2024. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

	1 January 2024	Financing cash flows (i)	Other changes (ii)	31 December 2024
Loans and borrowings	14,699	3,000	367	18,066
Dividends payable		(29,872)	38,193	8,321
	14,699	**(26,872)**	**38,560**	**26,387**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes for the year ended 31 December 2023. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities:

	1 January 2023	Financing cash flows (i)	Other changes (ii)	31 December 2023
Loans and borrowings	21,928	(7,590)	361	14,699
	21,928	**(7,590)**	**361**	**14,699**

(i) The cash flows from loans and borrowings and dividends payable make up the net amount of proceeds from and repayments of loans and borrowings and dividends paid in the consolidated statement of cash flows.
(ii) Other changes include interest accrued and paid, the amounts of dividends declared (Note 18), foreign exchange gains and losses.

The Group's loan agreements contain certain restrictive covenants, including requirements to comply with specified financial ratios. The Group's failure to comply with restrictive covenants may result in a claim for immediate repayment of the corresponding debt. As at 31 December 2024 and 31 December 2023, the Group was in compliance with all financial and non-financial covenants stipulated by its loan agreements.

Notes to the consolidated financial statements

21. Lease liabilities

As at 31 December 2024 and 31 December 2023 lease liabilities comprised the following:

	31 December 2024	31 December 2023
Gross lease payments, including:		
Current portion (less than 1 year)	12,106	9,889
From 1 to 5 years	6,359	5,225
Over 5 years	488	701
Total gross lease payments	**18,953**	**15,815**
Less unearned interest	(3,280)	(2,041)
Analysed as:		
Current portion		
Less than 1 year	10,200	8,800
Non-current portion		
From 1 to 5 years	5,060	4,382
Over 5 years	413	592
Total lease liability	**15,673**	**13,774**

The following table summarises the changes in the lease liabilities:

	31 December 2024	31 December 2023
Balance as at 1 January	**13,774**	**12,612**
Interest expense on lease liabilities	2,291	1,413
Lease payments	(14,753)	(12,865)
New lease contracts and modification of existing lease contracts	14,325	12,388
Currency translation reserve	36	226
Balance as at 31 December	**15,673**	**13,774**

The Group's lease contracts include typical restrictions and covenants common for local business practice such as the Group's responsibility for regular maintenance and repair of the lease assets and insurance for the assets, the redesign and completion of permanent improvements only with the consent of the lessor, and the use of the leased asset in accordance with current legislation.

The weighted average incremental borrowing rate at 31 December 2024 was 21.12% per annum; at 31 December 2023 it was 12.86% per annum.

The Group does not face a significant liquidity risk with regard to its lease liabilities.

Notes to the consolidated financial statements

22. Payables and other financial liabilities

Payables as at 31 December 2024 and 2023 consisted of the following:

	31 December 2024	31 December 2023
Trade payables	36,045	34,214
Deferred revenue	218	1,627
Other payables	2,340	379
	38,603	**36,220**

Trade payables are normally settled no later than their 120 days term.

As at 31 December 2024 deferred revenue comprises the Group's contract liability with regards to unredeemed customer loyalty points. As at 31 December 2023 deferred revenue comprises the compensation received from the depositary in connection with the establishment, administration and maintenance of its Regulation S and Rule 144A depositary receipt facilities, as well as the Group's contract liability with regards to unredeemed customer loyalty points; the former component has been reclassified to other payables during the year ended 31 December 2024.

As at 31 December 2024 and 31 December 2023 all payables were unsecured.

23. Accrued expenses

Accrued expenses as at 31 December 2024 and 2023 consisted of the following:

	31 December 2024	31 December 2023
Accrued salaries and wages	2,197	1,964
Other accrued expenses	6	6
	2,203	**1,970**

Accrued expenses will be settled within twelve months.

24. Contingencies, commitments and operating risks

Operating environment of the Group

The Group sells products that are sensitive to changes in general economic conditions that impact consumer spending. Future economic conditions and other factors, including an outbreak of coronavirus infection, the imposition of sanctions, consumer confidence, employment levels, interest rates, consumer debt levels and the availability of consumer credit, could reduce consumer spending or change consumer purchasing habits. A general slowdown in the Russian economy or in the global economy, or an uncertain economic outlook, could adversely affect consumer spending habits and the Group's operating results.

Russia continues to implement economic reforms and to develop its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Since February 2022, the European Union, the United States of America, Switzerland, the United Kingdom and other countries have imposed a series of restrictive measures against the Russian Federation, various companies and certain individuals.

Notes to the consolidated financial statements

The sanctions imposed include an asset freeze, a prohibition on making funds available to sanctioned individuals and entities, and travel bans applicable to sanctioned individuals that prevent them from entering or transiting through the relevant territories. As part of the measures imposed, the London Stock Exchange has suspended trading in the securities of a number of companies with ties to Russia, including Fix Price Group PLC.

The sanctions led to a significant change in the operating environment for the Russian economy, resulting in a considerable increase in the Russian rouble exchange rate and limiting opportunities for Russia to use its foreign currency and gold reserves. In response to these challenges, the Russian government implemented a series of legislative and economic measures aimed at easing pressure on the Russian rouble that included regular changes to the key interest rate and restrictions on certain cross-border currency operations.

The adopted measures, together with governmental support, have led to the gradual stabilisation of the economy. However, the broader economy in general and the retail sector in particular are still negatively impacted by the volatility of the Russian rouble, sanctions and countermeasures, and uncertainty over the future key interest rate. As of 31 December 2024, the Group faced certain restrictions in respect of transferring funds from its Russian subsidiaries in the form of loans, advances, or cash dividends due to recently enacted Russian capital control and protection measures, including but not limited to an obligation to receive permissions from the government.

The combination of negative factors affecting the Russian economy resulted in reduced access to capital, a higher cost of capital and uncertainty regarding economic growth, which could negatively affect the Group's future financial position, the results of its operations and its business prospects.

Management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

Contractual commitments

The Group has contractual capital commitments not provided within its consolidated financial statements. As at 31 December 2024 the Group had contractual capital commitments in the amount of RUB 1,865 million. These commitments relate to the construction of the new distribution centre. As at 31 December 2023 the Group had contractual capital commitments in the amount of RUB 444 million. These commitments related to the acquisition of land under the new distribution centre.

Legal proceedings

In the ordinary course of business, the Group may be a party to various legal and tax proceedings, and be subject to claims. In the opinion of management, the Group's liability, if any, in all pending litigation, other legal proceedings or other matters will not have a material effect on the financial position, results of operations or liquidity of the Group.

Taxation

The Group's main subsidiary, from which the Group's income is derived, operates in Russia. Russian tax, currency and customs legislation can be interpreted in different ways and is susceptible to frequent changes. Management's interpretation of the legislation in question as applied to the Group's operations and activities may be challenged by the relevant regional or federal authorities.

These changes as well as recent events within the Russian Federation suggest that the tax authorities may be taking a more assertive position in their interpretation of the legislation and assessments, and it is possible that transactions and activities that were not challenged in the past may be challenged as not having been in compliance with the Russian tax laws applicable at the relevant time. In particular, the Supreme Court issued guidance to lower courts on reviewing tax cases that provides a systematic road map for anti-avoidance claims, and it is possible that this will significantly increase the level and frequency of scrutiny on the part of the tax authorities. As a result, significant additional taxes, penalties and interest may be levied on the Group.

As at 31 December 2024, management believed that its interpretation of the relevant legislation was appropriate and that the Group's tax, currency and customs positions would be sustained. Management estimates that the Group's possible exposure in relation to the aforementioned tax risks will not exceed 1% of the Group's total assets as at 31 December 2024.

25. Financial risk management

The Group uses various financial instruments, including bank loans, cash, derivatives and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Group reviews and agrees policies for managing each of these risks, and they are summarised below.

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

Currency risk

The Group is exposed to transaction foreign exchange risk arising from exchange rate fluctuations on its purchases from overseas suppliers. In relation to currency transaction risk, approximately a quarter of the cost of goods sold is sourced from overseas suppliers, with the relevant trade accounts payable being owed in foreign currency and having a maturity of up to 120 days. A proportion of the Group's purchases are priced in Chinese yuan and the Group enters into forward foreign currency contracts in order to manage its exposure to currency risk. No transactions in derivatives are undertaken of a speculative nature. As at 31 December 2024 and 31 December 2023, the Group had no forward foreign exchange contracts.

During the year ended 31 December 2024 the loss from forward foreign exchange contracts amounted to RUB 239 million. During the year ended 31 December 2023, the Group had no gain or loss from forward foreign exchange contracts.

During the year ended 31 December 2024 91% of the Group's sales to retail and wholesale customers were priced in Russian roubles (during the year ended 31 December 2023 – 92%); therefore, there is immaterial currency exposure in this respect. Other sales related to retail sales of Best Price Kazakhstan TOO and Fix Price Zapad LLC are priced in local currencies.

Notes to the consolidated financial statements

Foreign currency sensitivity

The carrying amount of the Group's foreign currency-denominated monetary assets and liabilities as at 31 December 2024 and 31 December 2023 was as follows:

	Assets		Liabilities	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
USD	4,746	3,892	1,838	—
CNY	1,077	25	9,738	9,717
EUR	5,085	1,537	52	—

The impact on the Group's profit before tax is largely due to changes in the fair value revaluation of creditors held on account with our Chinese yuan suppliers.

The following table demonstrates the sensitivity of net profit and equity to a reasonably possible change in the Chinese yuan period-end exchange rates with all other variables held constant.

		31 December 2024		31 December 2023
Depreciation in RUB/CNY	+15%	(1,299)	+15%	(1,454)
Appreciation in RUB/CNY	-15%	1,299	-15%	1,454

The following table demonstrates the sensitivity of net profit and equity to a reasonably possible change in the USD period-end exchange rates with all other variables held constant.

		31 December 2024		31 December 2023
Depreciation in RUB/USD	+15%	436	+15%	584
Appreciation in RUB/USD	-15%	(436)	-15%	(584)

The following table demonstrates the sensitivity of net profit and equity to a reasonably possible change in the EUR period-end exchange rates with all other variables held constant.

		31 December 2024		31 December 2023
Depreciation in RUB/EUR	+15%	755	+15%	231
Appreciation in RUB/EUR	-15%	(755)	-15%	(231)

These calculations were performed by taking the year-end exchange rate used for the accounts and applying the change noted above. The balance sheet valuations were then calculated directly.

Notes to the consolidated financial statements

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 31 December 2024 the Group had floating rate interest-bearing short-term liabilities amounting to RUB 12,500 million (as at 31 December 2023: RUB 2,400 million). As at 31 December 2024, if interest rates at that date had been 200 basis points higher with all other variables held constant, the profit before tax for the year ended 31 December 2024 would have been RUB 159 million lower, mainly as a result of higher interest expense on borrowings. If interest rates had been 200 basis points lower with all other variables held constant, the profit before tax for the year ended 31 December 2024 would have been RUB 159 million higher, mainly as a result of lower interest expense on borrowings. As at 31 December 2023, if interest rates at that date had been 850 basis points higher with all other variables held constant, the profit before tax for the year ended 31 December 2023 would have been RUB 57 million lower, mainly as a result of higher interest expense on borrowings. If interest rates had been 850 basis points lower with all other variables held constant, the profit before tax for the year ended 31 December 2023 would have been RUB 57 million higher, mainly as a result of lower interest expense on borrowings.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's principal financial assets are cash and cash equivalents and trade receivables. Credit risk is further limited by the fact that all of retail sales transactions are made through store registers, direct from the customer at the point of purchase, leading to a zero trade receivables balance from retail sales.

Therefore, the principal credit risk on trade receivables arises from the Group's trade receivables from its wholesale revenue stream. In order to manage credit risk, the Group sets limits for wholesale customers (franchisees) based on their payment history. New wholesale customers typically pay in advance. Credit limits are reviewed by franchisee managers on a regular basis in conjunction with debt ageing and collection history. Allowance for expected credit losses is provided where appropriate.

The credit risk on cash and cash equivalents is managed by the Group's treasury and is limited, as the counterparties are financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

The table below shows the balances that the Group had with banks as at the reporting date:

Bank	Country of incorporation	Rating	Bank Carrying amount as at 31 December 2024
Banque Heritage	Switzerland	Ba1	5,929
CQUR Bank	Qatar	N/A	3,873
Sberbank of Russia	Russia	AAA (RU)	3,257
CentrCredit	Kazakhstan	Ba1	2,180
Raiffeisenbank	Russia	ruAAA	445
Rosbank	Russia	ruAAA	434
Halyk Bank of Kazakhstan	Kazakhstan	Baa1	253
Alfa Bank	Belarus, Russia	ruAA+	171
Kaspi Bank	Kazakhstan	Baa3	112
VTB	Belarus, Russia	ruAAA	99
Bank of China	Russia	A1	87
Other			139
Total			**16,979**

Notes to the consolidated financial statements

The table below shows the balances that the Group had with banks as at the reporting date:

Bank	Country of incorporation	Rating	Bank Carrying amount as at 31 December 2024
Credit Bank of Moscow	Russia	ruA+	20,157
Sberbank of Russia	Russia	AAA (RU)	7,584
LGT	Switzerland	Aa1	3,920
CQUR Bank	Qatar	n/a	1,648
Bereke Bank	Kazakhstan	Ba1	211
Alfa Bank	Russia, Belarus	ruAA+	183
VTB	Russia, Belarus	ruAAA	177
Kaspi Bank	Kazakhstan	Ba1	129
Raiffeisenbank	Russia	ruAAA	92
Other			219
Total			**34,320**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group's loans and borrowings are subject to quarterly banking covenants against which the Group has had significant headroom to date with no anticipated issues based upon forecasts made. Short-term flexibility is achieved via the Group's rolling credit facility. The following table shows the maturity of financial liabilities based on their remaining period at the balance sheet date. The amounts disclosed are the contractual undiscounted cash flows:

	On demand or less than 1 year	1 to 5 years	Over 5 years	Total*	Carrying amount
As at 31 December 2024					
Loans and borrowings*	16,163	3,601	—	19,764	18,066
Dividends payable	8,321	—	—	8,321	8,321
Payables and other financial liabilities	38,385	—	—	38,385	38,385
Lease liabilities*	12,106	6,359	488	18,953	15,673
	74,975	**9,960**	**488**	**85,423**	**80,445**
As at 31 December 2023					
Loans and borrowings*	10,525	5,128	—	15,653	14,699
Payables and other financial liabilities	34,593	—	—	34,593	34,593
Lease liabilities*	9,889	5,225	701	15,815	13,774
	55,007	**10,353**	**701**	**66,061**	**63,066**

*Amounts related to loans and borrowings and lease liabilities include future interest.

Notes to the consolidated financial statements

Fair value

Fair values of cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts due to their short maturity.

Foreign exchange contracts and marketable securities are measured at fair value on a recurring basis and classified as Level 2 instruments. The fair value data is provided by banks, based on the updated quotations source.

In determining the fair value of lease liabilities, Group management relied on the assumption that the carrying amount of lease liabilities approximated their fair value as at 31 December 2024 and 31 December 2023, as it reflects changes in market conditions and takes into account the risk premium and the time value of money.

26. Related party transactions

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions that unrelated parties might not, and transactions between related parties may not be effected on the same terms and conditions or for the same amounts as transactions between unrelated parties. Management considers that the Group has appropriate procedures in place to identify, account for and properly disclose transactions with related parties.

Related parties include immediate and ultimate shareholders of the Group; associates, which are franchisees where the Group has a non-controlling ownership stake; key management personnel; as well as other related parties.

Transactions with related parties for the years ended 31 December 2024 and 31 December 2023 were as follows:

	2024	2023
Associates:		
Sales of goods	2,218	2,522
Royalty fees	92	104
Other*:		
Dividends declared	(27,686)	—
Payment of dividends	(27,487)	—
Redemption of loans payable	(2,000)	(40)
Interest expense accrued on loans payable	152	363

* Other related parties comprise immediate and indirect shareholders of the Company.

As at 31 December 2024 and as at 31 December 2023, the outstanding balances with related parties were as follows:

	31 December 2024	31 December 2023
Associates:		
Trade and other receivables	8	13
Advances from customers	(60)	(92)
Other*:		
Loans payable	(474)	(2,322)

* Other related parties comprise immediate and indirect shareholders of the Company.

For details on the remuneration of key management personnel, please refer to Note 8.

Notes to the consolidated financial statements

27. Capital management

The Group's objectives when managing capital are (i) to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and (ii) to maintain an optimal capital structure to reduce the cost of capital.

While the Group has not established any formal policies with regard to debt to equity proportions, the Group reviews its capital needs on a regular basis to determine actions to balance its overall capital structure via (i) new share issue, (ii) return of capital to shareholders, (iii) securing a new debt or (iv) redemption of existing debt.

28. Post-balance sheet events

(a) Dividends

By the date of signing of these consolidated financial statements, all dividends payable were settled in full.

Disclaimer

This Annual Report contains forward-looking statements that reflect the expectations of the Company's management. Forward-looking statements are not based on actual circumstances and include all statements concerning the Company's intentions, opinions, or current expectations regarding its performance, financial position, liquidity, growth prospects, strategy, and the industry in which Fix Price Group PLC operates. By their nature, such forward-looking statements are characterised by risks and uncertainties since they relate to events and depend on circumstances that may not occur in the future. Such terms as "assume," "believe", "expect", "predict", "intend", "plan", "project", "consider" and "could" along with other similar expressions as well as those used in the negative usually indicate the predictive nature of the statement. These assumptions contain risks and uncertainties that are foreseen or not foreseen by the Company. Thus, future performance may differ from current expectations, therefore the recipients of the information presented in the Annual Report should not base their assumptions solely on it.

In addition to official information on the activities of Fix Price Group PLC, this Annual Report contains information obtained from third parties and from sources which Fix Price Group PLC finds to be reliable. However, the Company does not guarantee the accuracy of this information, as it may be abridged or incomplete.

Fix Price Group PLC offers no guarantees that the actual results, scope, or indicators of its performance or the industry in which the Company operates will correspond to the results, scope, or performance indicators clearly expressed or implied in any forward-looking statements contained in this Annual Report or elsewhere. Fix Price Group PLC is not liable for any losses that any person may incur due to the fact that the above person relied on forward-looking statements. Except as expressly envisaged by applicable law, the Company assumes no obligation to distribute or publish any updates or changes to forward-looking statements reflecting any changes in expectations or new information as well as subsequent events, conditions, or circumstances.

Management & Directors Statement of Responsibility

We hereby confirm that:

- the financial statements prepared in accordance with International Financial Reporting Standards represent an accurate and fair reflection of the Company's assets, liabilities, financial position, profits, and losses as well as those of its consolidated subsidiaries as a whole;
- the management report includes a fair description of the development and performance of business operations and the Company's position as well as that of its consolidated subsidiaries as a whole along with a description of the main risks and uncertainties they face.

Sergey Lomakin

Chairman and Founding Shareholder

Dmitry Kirsanov

Member of the Board of Directors, CEO and Managing Director

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