

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY.**

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other duly authorised professional adviser immediately. Subject to the restrictions set out below, if you sell or have sold or otherwise transferred all of your Shares, please send this document, together with the accompanying documents, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred part of your Shares you should retain these documents and please immediately contact the stockbroker, bank or other agent through whom the sale or transfer was effected.

---

**Fix Price Group PLC**

**(the "Company")**

*(incorporated in the Republic of Cyprus under the Cyprus Companies Law Cap. 113 with registered number HE 434185)*

**Circular to Shareholders relating to the annual general meeting of Fix Price Group PLC**

This document contains a notice of the annual general meeting of the Shareholders of the Company to be held at Arch. Makariou III, 155, PROTEAS HOUSE, floor 5, 3026, Limassol, Cyprus on 31 July 2023 at 10:00am Cyprus Time.

Shareholders whose name is recorded in the Company's current register of members holding their respective Shares, will find enclosed with this document a Form of Proxy and Depositary Interest Holders will find enclosed with this document a Form of Instruction, for use in connection with the Meeting.

To be valid, a Form of Proxy should be completed and signed in accordance with the instructions printed on it and returned by courier or by hand to the Company's registered office at Arch. Makariou III, 155, PROTEAS HOUSE, floor 5, 3026, Limassol, Cyprus or by email to [CorporateSecretary@fix-price.com](mailto:CorporateSecretary@fix-price.com) by no later than 9:00am Cyprus Time on 25 July 2023. Depositary Interest Holders may vote by (i) in the case of Rule 144A Depositary Interest Holders, completing and signing a Form of Instruction in accordance with the instructions printed on it and instructing their brokers to submit it to Mediant Communications Inc. by email to [voteadr@mediantonline.com](mailto:voteadr@mediantonline.com) or (ii) in the case of Regulation S Depositary Interest Holders by submitting voting instructions for the Meeting (or any adjournment of the Meeting) via CREST, in each case by no later than 12:00pm EST on [25 July 2023 or, if the Meeting is adjourned, 72 hours before the time fixed for the adjourned Meeting (as the case may be)]. Further instructions relating to the Form of Proxy, Form of Instruction and voting instructions are set out in the notice of the Meeting.

**FIX PRICE GROUP PLC**

**(the "Company")**

**(incorporated in the Republic of Cyprus under the Cyprus Companies Law Cap. 113 with registered number HE 434185)**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**(convened pursuant to article 22 of the articles of association of the Company)**

**NOTICE IS HEREBY GIVEN** that a meeting of the shareholders of Fix Price Group PLC (the "Meeting") will be held at Arch. Makariou III, 155, PROTEAS HOUSE, floor 5, 3026, Limassol, Cyprus on 31 July 2023 at 10:00 am Cyprus time for the purpose of considering and, if thought fit, passing the following resolutions.

**A. REVISED NOMINAL VALUE OF SHARES: Establishing par value of EUR 0.0000374 per ordinary share**

On 24 February 2023, at the recommendation of the Company's auditors, Papakyriacou & Partners Ltd, the directors approved to change the nominal value of the Company's shares from €0.001 per share to EUR 0.0000374 in order to reflect the correct amount of share capital actually paid by the Company's shareholders.

Accordingly, the Company is proposing to authorise Messrs. Andreas M. Sofocleous & Co LLC, lawyers, to apply on behalf of the Company with respect to the amendment of the nominal value of shares for the reasons already described and consequently to amend the relevant paragraph in the Memorandum of the Company concerning the nominal value of each share in the Company. Subsequently, and provided that the relevant Court order shall be issued, then the secretary of the Company shall take the relevant actions to the Registrar of Companies in the Republic of Cyprus as per the Court order.

Accordingly, it is proposed that the shareholders adopt the following resolutions:

Special Resolution 1:

Resolution to appoint Messrs, Andreas M. Sofocleous & Co LLC, lawyers, to apply on behalf of the Company with respect to the amendment of the nominal value of shares in the Company as described herein above, and consequently to amend the relevant paragraph in the Memorandum of the Company concerning the nominal value of each share in the Company. Subsequently, and provided that the relevant Court order shall be issued, then the secretary of the Company shall take the relevant actions to the Registrar of Companies in the Republic of Cyprus as per the Court order.

Special resolution 2:

Resolution to amend paragraph 5 of the Memorandum of the Company as follows:



*"5 The authorised share capital of the Company is EUR 100,000,000 (one hundred million) divided into 10,000,000,000 (ten billion) shares of EUR 0.0000374 each, with power to issue any of the shares in the capital, original or increased, with or subject to any preferential, special or qualified rights or conditions as regards dividends, repayment of capital, voting or otherwise."*

## **B. RE-ELECTION OF THE DIRECTORS**

Special Resolution 3:

Resolution to re-elect Mr. Sergei Lomakin, Mr. Artem Khachatryan, Mr. Dmitry Kirsanov and Mr. Alexey Makhnev, as Directors to the Board of Directors until the next Annual General Meeting.

## **C. RE-ELECTION OF THE AUDITORS**

Special Resolution 4:

Resolution to re-elect, Messrs. Papakyriacou & Partners Ltd as auditors of the Company until the next Annual General Meeting.

## **D. APPROVAL OF THE FINANCIAL STATEMENTS OF THE COMPANY THE YEAR ENDED DECEMBER 31, 2022**

Special Resolution 5:

Under clause 22.23.14 of the Company's Articles of Association, a special resolution is required for the holding of the Annual General Meeting for consideration of the financial statements of the Company. Accordingly, it is proposed that the shareholders adopt the following resolution:

Resolution to approve the following financial statements of the Company the year ended December 31, 2022:

- (a) Fix Price Group PLC Report and Consolidated Financial Statements 31 December 2022 (Annex 1); and
- (b) Fix Price Group PLC Financial Statements 31 December 2022 (Annex 2).

## **E. ACKNOWLEDGEMENT OF THE COMPANY'S ANNUAL REPORT FOR 2022**

On 28 April 2023, in accordance with the Listing Rule 14.3.6, the Company submitted an electronic copy of its Annual Report for 2022 to the National Storage Mechanism. A copy of the Annual Report for 2022 can be viewed at [https://ir.fix-price.com/investors/regulatory\\_disclosure/annual\\_reports](https://ir.fix-price.com/investors/regulatory_disclosure/annual_reports). The shareholders are asked to acknowledge the contents of the Annual Report for 2022.

Special Resolution 6:

The contents of the Company's Annual Report for 2022 are hereby acknowledged by the shareholders.

## NOTES

The following notes explain the general rights of Shareholders and Depositary Interest Holders and the rights to attend and vote at the Meeting of Shareholders or to appoint someone else to vote on their behalf.

### Holders of Shares in certificated form

1. All holders (the “**Shareholders**”) of shares in the Company (the “**Shares**”) have the right to attend, speak and vote at the Meeting. A Shareholder is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote in his or her place. A proxy need not be a Shareholder of the Company. Entitlement to attend and vote at the Meeting, and the number of votes which may be cast at the Meeting, will be determined by reference to the Company’s register of members at 10:00am Cyprus Time on 30 June 2023 or, if the Meeting is adjourned, 48 hours before the time fixed for the adjourned Meeting (as the case may be).
2. Registered Shareholders holding shares in certificated form should complete the form of proxy provided with the Notice of Meeting (the “**Form of Proxy**”). The Form of Proxy must be deposited in hard copy form by courier or by hand at the Company’s registered office at Arch. Makariou III, 155, PROTEAS HOUSE, floor 5, 3026, Limassol, Cyprus or by email to [CorporateSecretary@fix-price.com](mailto:CorporateSecretary@fix-price.com) no later than 9:00am Cyprus Time on 25 July 2023 or, if the Meeting is adjourned, 48 hours before the time fixed for the adjourned Meeting (as the case may be).
3. The Form of Proxy must be signed and dated by the Shareholder or his/her attorney duly authorised in writing. If Shares in the Company are held by a nominee(s), a form(s) of proxy must be completed and signed by the nominee(s). If the Shareholder is a company, it may execute under its common seal or under the hand of an officer or attorney so authorised. Any power of attorney or any other authority under which the Form of Proxy is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
4. When two or more valid but differing appointments of proxy are delivered or received for the same Share for use at the same Meeting, the one which is last validly delivered or received (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that Share.

### Depositary Interest Holders

1. Holders (“**Depositary Interest Holders**”) of depositary interests in the Shares (“**Depositary Interests**”) may vote as follows, in each case by no later than 12:00 pm EST on 25 July 2023 or, if the Meeting is adjourned, 72 hours before the time fixed for the adjourned Meeting (as the case may be):



- (a) in the case of Rule 144A Depository Interest Holders, using the form of instruction provided with the Notice of Meeting (the “**Form of Instruction**”) and instructing their brokers to submit it to Mediant Communications Inc. by email to [voteadr@mediantonline.com](mailto:voteadr@mediantonline.com); and
  - (b) in the case of Regulation S Depository Interest Holders, by following the procedures described in the CREST manual. CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider(s)) should refer to their CREST sponsor or voting services provider(s), who will be able to take the appropriate action on their behalf.
2. In order for an instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Voting Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (“**Euroclear**”) and must contain the information required for such instructions, as described in the CREST Manual (available via <https://my.euroclear.com/eui/en/reference/public/legal-information/legal-basics.html>). The message, regardless of whether it relates to the appointment of a proxy, or to an amendment to an instruction given to a previously appointed proxy, in order to be valid, must be transmitted as instructed by Euroclear. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the issuer’s agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST.
3. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that the CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST service by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
4. The Company may treat as invalid a CREST Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
5. Should a Depository Interest Holder have any questions regarding the applicable voting procedures they should contact the Depository at [olena.smirnova@bnymellon.com](mailto:olena.smirnova@bnymellon.com) and [adrproxy@bnymellon.com](mailto:adrproxy@bnymellon.com).

### **Attendance at the Meeting**

1. The Board has determined pursuant to article 22.12 of the Company’s Articles of Association

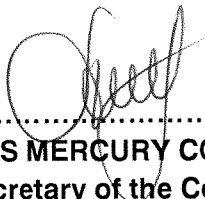


that it is prudent for the health and safety of the participants that physical attendance at the extraordinary general meeting not be permitted. Shareholders are encouraged to vote by proxy in accordance with the instructions above.

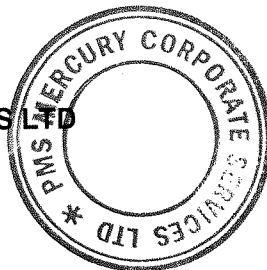
2. Any Shareholder (or proxy who is not the Chairman of the Meeting) who wishes to attend the Meeting via electronic means (namely Zoom video conference) should complete and return the registration form at Appendix A of the Circular in accordance with the instructions therein no later than 9:00am Cyprus Time on 25 July 2023 (or not less than 48 hours before the time appointed for holding an adjourned Meeting) in order to receive the relevant Zoom login details and instructions for joining the Meeting.

### General

1. Any corporation which is a Shareholder may by resolution of its directors or other governing body or officers authorised by such body authorise such person or persons as it thinks fit to act as its representative at the Meeting. Any person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers as that corporation could exercise if it were an individual Shareholder.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be delivered to the Company's registered office at Arch. Makariou III, 155, PROTEAS HOUSE, floor 5, 3026, Limassol, Cyprus not less than 48 hours before the time appointed for holding the Meeting (the time appointed for holding the Meeting being 10:00am Cyprus Time on 31 July 2023) or not less than 48 hours before the time appointed for holding an adjourned Meeting of Shareholders at which the person named in the instrument proposes to vote.
3. Depositary's deadline to receive voting instructions from Proxy Participants (banks and brokers) is set for 12 pm EST on July 25, 2023. Each shareholder should reach out to their respective brokers and custodians to inquire regarding their own deadline.
4. Information regarding the Meeting, including a copy of this notice can be found on the Company's website at [https://ir.fix-price.com/investors/general\\_meetings\\_of\\_shareholders/](https://ir.fix-price.com/investors/general_meetings_of_shareholders/).



.....  
**PMS MERCURY CORPORATE SERVICES LTD**  
**Secretary of the Company**  
**Date: 20 June 2023**



**ANNEX 1**

**Fix Price Group PLC Report and Consolidated Financial Statements 31 December 2022**

**FIX PRICE GROUP PLC**

**REPORT AND CONSOLIDATED FINANCIAL  
STATEMENTS**

31 December 2022



# **FIX PRICE GROUP PLC**

---

	<b>Pages</b>
BOARD OF DIRECTORS AND OTHER OFFICERS	1
MANAGEMENT REPORT	2-3
STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022	4
INDEPENDENT AUDITOR'S REPORT	5-9
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022:	
Consolidated statement of comprehensive income	10
Consolidated statement of financial position	11
Consolidated statement of cash flows	12
Consolidated statement of changes in equity	13
Notes to the consolidated financial statements	14-45

# **FIX PRICE GROUP PLC**

---

## **BOARD OF DIRECTORS AND OTHER OFFICERS**

<b>Board of Directors:</b>	Sergei Lomakin Artem Khachatryan Alexey Makhnev Dmitry Kirsanov
<b>Chief Executive Officer:</b>	Dmitry Kirsanov
<b>Chief Financial Officer:</b>	Anton Makhnev
<b>Company Secretary:</b>	PMS MERCURY CORPORATE SERVICES LTD
<b>Independent Auditors:</b>	Papakyriacou & Partners Ltd Chartered Certified Accountants and Registered Auditors 28 Sofouli Street Chanteclair Building 4th Floor, Office 406 1096 Nicosia, Cyprus
<b>Registered Office:</b>	155 Archiepiskopou Makariou III, Proteas House, 5 <sup>th</sup> Floor 3026, Limassol, Cyprus
<b>Bankers:</b>	LGT Bank (Switzerland) Ltd.
<b>Registration Number:</b>	HE 434185

# FIX PRICE GROUP PLC

---

## MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Fix Price Group PLC (hereafter "the Company") and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2022.

### **Incorporation**

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

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

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

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

The net profit for the year attributable to the shareholders of the Group amounted to RUB 21,411 million (2021: RUB 21,389 million). On 31 December 2022 the total assets of the Group were RUB 113,026 million (2021: RUB 84,929 million) and the net assets of the Group were RUB 29,267 million (2021: RUB 7,979 million). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Group are disclosed in notes 23 and 24 of the consolidated financial statements.

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

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.

### **Market price risk**

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

### **Interest risk**

Interest rate risk is disclosed in note 24 of the consolidated financial statements.

### **Credit risk**

Credit risk is disclosed in note 24 of the consolidated financial statements.

### **Liquidity risk**

Liquidity risk is disclosed in note 24 of the consolidated financial statements.

### **Results**

The Group's results for the year are set out on page 10 of the consolidated financial statements.

### **Dividends**

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

# FIX PRICE GROUP PLC

---

## MANAGEMENT REPORT

### **Dividends (continued)**

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

### **Share Capital**

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

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

### **Treasury shares**

On 24 January 2022, the Company announced GDR's buyback programme, which was concluded on 25 April 2022. During the year ended 31 December 2022, the Group acquired 471,307 of the Company's GDR's for a total consideration of RUB 207 million. As at 31 December 2022, the Group had 471,307 treasury shares with the total cost of RUB 207 million.

### **Board of Directors**

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

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

### **Operating Environment of the Group**

Operating environment of the Group is described in note 23 to the consolidated financial statements.

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

There were no significant events after the reporting date, as stated in note 27 to the consolidated financial statements.

### **Related parties**

Transactions and balances with related parties are disclosed in note 25 of the consolidated financial statements.

### **Independent Auditors**

On 23<sup>rd</sup> of November 2022, the Board of Directors of the Group appointed Messrs. Papakyriacou & Partners Ltd as Group's Independent Auditors for the financial year ending 31 December 2022.

By order of the Board of Directors,

.....  
Dmitry Kiseanov  
Director

Cyprus, 24 February 2023

---

# FIX PRICE GROUP PLC

---

## **STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

---

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 2022 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:

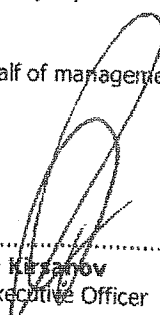
- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; and
- 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 consolidated financial statements of the Group 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; and
- Detecting and preventing fraud and other irregularities.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved by management of the Company on behalf of the Board of Directors of the Company on 24 February 2023.

On behalf of management:

  
.....  
**Dmitry Kirsanov**  
Chief Executive Officer

  
.....  
**Anton Makhnev**  
Chief Financial Officer

## **Independent Auditor's Report**

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

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

##### **Opinion**

We have audited the consolidated financial statements of Fix Price Group Plc (the "Company") and its subsidiaries (the "Group"), which are presented in pages 10 to 45 and comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

##### **Basis for Opinion**

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

##### **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. These matters were 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 these matters.

## Independent Auditor's Report (continued)

### To the Members of Fix Price Group Plc

<i>Why the matter was determined to be a key audit matter:</i>	<i>Audit procedures - How the key audit matter was addressed in the audit:</i>
<p><b>Existence and completeness of inventories</b></p> <p>As at 31 December 2022 and 2021 the inventories held by the Group comprise RUB 41,020 million and RUB 40,566 million, respectively. The Group's inventories consist of merchandise purchased and held for resale and are carried at the lower of cost and net realisable value.</p> <p>Existence and completeness of inventories were determined to be a key audit matter due to the magnitude 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.</p> <p>The Group's significant 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.</p>	<p>Our audit procedures related to Existence and completeness of inventories included the following, among others:</p> <ul style="list-style-type: none"><li>• Obtaining an understanding, evaluating design and implementation and, where deemed appropriate, testing the operating effectiveness of relevant controls relating to the inventory process including controls over the Group's inventory stock count procedure;</li><li>• 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;</li><li>• Vouching inventory movements between stock count dates and reporting period end to supporting documents for a sample of stock-keeping units;</li><li>• Challenging appropriateness of management's estimate of shrinkage allowance, including developing an independent estimate and assessing historical accuracy of management's estimates;</li><li>• 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.</li></ul>
<p><b>Uncertain tax treatments</b></p> <p>As at 31 December 2022 and 2021 the Group's balance of income tax payable comprised RUB 6,005 million and RUB 5,087 million, respectively. The Group files income tax returns in several jurisdictions and is periodically subject to tax audits in the ordinary course of business. Applicable tax laws and regulations in those jurisdictions, including Russia where the Group's main operating subsidiary is based off, are subject to differing interpretations and the resolution of a final tax position can take several years.</p>	<p>Our audit procedures related to uncertain tax treatments included the following, among others:</p> <ul style="list-style-type: none"><li>• Obtaining an understanding of the Group's internal processes and controls in respect of management's assessment of income tax liabilities and contingent liabilities related to tax matters;</li><li>• In conjunction with our internal tax specialists, evaluating the tax positions taken by the Group's management and testing the valuation and completeness of uncertain tax liabilities, including an examination of available documents on tax audits, analysis of tax legislation, recent court practice and other evidence;</li><li>• Testing the valuation of income tax provisions and accuracy of underlying schedules used to compute the income tax liability and tax-related contingent liabilities, including, where deemed relevant, developing an independent estimate;</li></ul>

## Independent Auditor's Report (continued)

### To the Members of Fix Price Group Plc

---

<i>Why the matter was determined to be a key audit matter:</i>	<i>Audit procedures – How the key audit matter was addressed in the audit:</i>
--	--

---

**Uncertain tax treatments (continued)**

The key audit matter is focused on the valuation and completeness of the income tax liabilities associated with uncertain tax treatment and completeness and accuracy of the Group's disclosure of tax-related contingent liabilities. A significant degree of judgement is applied by management when assessing the Group's tax positions given the inherent uncertainty.

The Group's income taxes are disclosed in Note 9 on and the Group's contingent liabilities with regards to taxation are disclosed in Note 23.

Our audit procedures related to uncertain tax treatments included the following, among others (continued):

- Checking the adequacy of the disclosures in the consolidated financial statements with the requirements of accounting standards in respect of uncertain tax positions, income tax liabilities, contingent liabilities and underlying key judgments and estimates.

---

#### **Other information**

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, the Board of Directors 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 the Board of Directors 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.



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

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

#### **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 based on these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

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

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

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

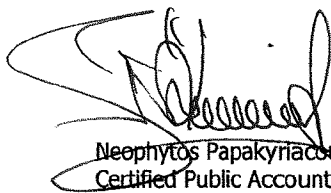
## Independent Auditor's Report (continued)

### To the Members of Fix Price Group Plc

#### Other Matter

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

The Company has produced audited consolidated financial statements for the years ended 31 December 2022 available for public use that comply with International Financial Reporting Standards as issued by the IASB as part of its stock exchange listing requirements with London Stock Exchange, LSE. These consolidated financial statements were audited by AO "Business Solutions and Technologies" and can be obtained from the company's registered office at 155 Archiepiskopou Makariou III, Proteas House, 5<sup>th</sup> Floor, 3026, Limassol, Cyprus.



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

Nicosia, Cyprus, 24 February 2023

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**  
*(in millions of Russian Rubles, except earnings per share)*

	Notes	2022	2021
Revenue	5	277,644	230,473
Cost of sales	6	(185,650)	(157,073)
<b>Gross profit</b>		<b>91,994</b>	<b>73,400</b>
Selling, general and administrative expenses	7	(52,287)	(41,991)
Other operating income		1,295	873
Share of profit of associates		58	44
<b>Operating profit</b>		<b>41,060</b>	<b>32,326</b>
Interest income		328	131
Interest expense		(3,329)	(1,778)
Foreign exchange loss, net		(234)	(83)
<b>Profit before tax</b>		<b>37,825</b>	<b>30,596</b>
Income tax expense	9	(16,414)	(9,207)
<b>Profit for the year</b>		<b>21,411</b>	<b>21,389</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		84	(13)
<b>Other comprehensive income/(loss) for the year</b>		<b>84</b>	<b>(13)</b>
<b>Total comprehensive income for the year</b>		<b>21,495</b>	<b>21,376</b>
<b>Earnings per share</b>			
Weighted average number of ordinary shares outstanding	17	849,581,739	850,000,000
Earnings per share, basic and diluted (in Russian Rubles per share)		25.20	25.20

The notes on pages 14 to 45 form an integral part of these consolidated financial statements.

# FIX PRICE GROUP PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 2022 (in millions of Russian Rubles)

	Note	31 December 2022	31 December 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	19,692	18,142
Goodwill		179	198
Intangible assets	11	1,721	1,221
Capital advances	12	7,272	549
Right-of-use assets	13	11,598	9,636
Investments in associates		70	58
<b>Total non-current assets</b>		<b>40,532</b>	<b>29,804</b>
<b>Current assets</b>			
Inventories	14	41,020	40,566
Right-of-use assets	13	1,790	1,718
Receivables and other current assets	15	2,531	1,843
Prepayments		2,093	1,801
Value added tax receivable		1,476	418
Cash and cash equivalents	16	23,584	8,779
<b>Total current assets</b>		<b>72,494</b>	<b>55,125</b>
<b>Total assets</b>		<b>113,026</b>	<b>84,929</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17	1	1
Additional paid-in capital	17	154	154
Retained earnings	17	29,241	7,830
Treasury shares	17	(207)	-
Currency translation reserve	17	78	(6)
<b>Total equity</b>		<b>29,267</b>	<b>7,979</b>
<b>Non-current liabilities</b>			
Loans and borrowings	19	4,352	-
Lease liabilities	20	4,615	3,765
Deferred tax liabilities	9	421	533
<b>Total non-current liabilities</b>		<b>9,388</b>	<b>4,298</b>
<b>Current liabilities</b>			
Loans and borrowings	19	17,576	21,523
Lease liabilities	20	7,997	6,971
Payables and other financial liabilities	21	34,476	34,463
Advances received		792	601
Income tax payable	9	6,005	5,087
Tax liabilities, other than income taxes		5,523	2,372
Accrued expenses	22	2,002	1,635
<b>Total current liabilities</b>		<b>74,371</b>	<b>72,652</b>
<b>Total liabilities</b>		<b>83,759</b>	<b>76,950</b>
<b>Total equity and liabilities</b>		<b>113,026</b>	<b>84,929</b>

On 24 February 2023 the Board of Directors of Fix Price Group Plc authorised these consolidated financial statements for issue.

.....  
Dmitry Kirzanov  
Director

.....  
Artem Khachatryan  
Director

# FIX PRICE GROUP PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

(in millions of Russian Rubles)

	Note	2022	2021
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>37,825</b>	<b>30,596</b>
<i>Adjustments for:</i>			
Depreciation and amortisation	10,11,13	13,138	11,829
Write-offs of merchandise inventories relating to shrinkage and write-down to net realisable value	6,14	2,730	2,036
Change in allowance for expected credit losses		19	8
Share of profit of associates		(58)	(44)
Interest income		(328)	(131)
Interest expense		3,329	1,778
Foreign exchange loss, net		234	83
<b>Operating cash flows before changes in working capital</b>		<b>56,889</b>	<b>46,155</b>
Increase in inventories		(3,363)	(15,624)
Increase in receivables and other financial assets		(747)	(978)
Increase in prepayments		(287)	(1,499)
(Increase)/Decrease in VAT receivable		(1,058)	97
Increase in payables and other financial liabilities		12	7,518
Increase in advances received		190	20
Increase in tax liabilities, other than income tax		3,158	302
Increase in accrued expenses		407	518
<b>Net cash flows generated from operations</b>		<b>55,201</b>	<b>36,509</b>
Interest paid		(3,154)	(1,907)
Interest received		302	131
Income tax paid		(15,567)	(9,396)
<b>Net cash flows from operating activities</b>		<b>36,782</b>	<b>25,337</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(11,210)	(5,706)
Purchase of intangible assets		(805)	(573)
Proceeds from sale of property, plant and equipment		90	60
Dividends received from associates		45	60
<b>Net cash flows used in investing activities</b>		<b>(11,880)</b>	<b>(6,159)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings	19	30,260	25,500
Repayment of loans and borrowings	19	(30,150)	(19,686)
Lease payments		(9,903)	(9,197)
Acquisition of treasury shares		(207)	-
Dividends paid*		-	(33,446)
<b>Net cash flows used in financing activities</b>		<b>(10,000)</b>	<b>(36,829)</b>
<b>Total cash from/(used in) operating, investing and financing activities</b>		<b>14,902</b>	<b>(17,651)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		(97)	55
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>14,805</b>	<b>(17,596)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	16	<b>8,779</b>	<b>26,375</b>
<b>Cash and cash equivalents at the end of the year</b>	16	<b>23,584</b>	<b>8,779</b>

\* Non-cash transactions are disclosed in Note 17.

The notes on pages 14 to 45 form an integral part of these consolidated financial statements.

# FIX PRICE GROUP PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(in millions of Russian Rubles)

	Note	Share capital	Treasury shares	Additional paid-in capital	(Deficit) / Retained earnings	Currency translation reserve	Total (deficit)/ equity
<b>At 1 January 2021</b>		<b>1</b>	-	<b>154</b>	<b>(3,771)</b>	<b>7</b>	<b>(3,609)</b>
Profit for the year		-	-	-	21,389	-	21,389
Other comprehensive income for the year		-	-	-	-	(13)	(13)
<b>Total comprehensive income for the year, net of tax</b>		-	-	-	<b>21,389</b>	<b>(13)</b>	<b>21,376</b>
Dividends	17	-	-	-	(9,788)	-	(9,788)
<b>At 31 December 2021</b>		<b>1</b>	-	<b>154</b>	<b>7,830</b>	<b>(6)</b>	<b>7,979</b>
<b>At 1 January 2022</b>		<b>1</b>	-	<b>154</b>	<b>7,830</b>	<b>(6)</b>	<b>7,979</b>
Profit for the year		-	-	-	21,411	-	21,411
Other comprehensive loss for the year		-	-	-	-	84	84
<b>Total comprehensive income for the year, net of tax</b>		-	-	-	<b>21,411</b>	<b>84</b>	<b>21,495</b>
Dividends	17	-	-	-	(5,800)	-	(5,800)
Cancelation of dividends	17	-	-	-	5,800	-	5,800
Acquisition of treasury shares	17	-	(207)	-	-	-	(207)
<b>At 31 December 2022</b>		<b>1</b>	<b>(207)</b>	<b>154</b>	<b>29,241</b>	<b>78</b>	<b>29,267</b>

The notes on pages 14 to 45 form an integral part of these consolidated financial statements.

# FIX PRICE GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 1. GENERAL INFORMATION

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

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

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

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

As at 31 December 2022 and 31 December 2021 the Group had neither an ultimate controlling party nor an ultimate controlling beneficiary owner.

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

<b>Company name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Ownership interest 31 December 2022</b>	<b>Ownership interest 31 December 2021</b>
Kolmaz Holdings Ltd*	Cyprus	Intermediate 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 27 September 2022, Kolmaz Holdings Ltd merged with the parent entity Fix Price Group PLC. The merger had no impact on these consolidated financial statements.

These consolidated financial statements were authorised for issue by management of the Company on behalf of the Board of Directors of the Company on 24 February 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(in millions of Russian Rubles)*

### 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 (thereafter "IFRS") as issued by the International Accounting Standards Board (thereafter "IASB").

##### *(b) Historical cost basis*

The consolidated financial statements have been prepared on a 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, except for the adoption of the new standards and interpretations, the adoption of IFRS 8 "Operating Segments" as discussed below.

#### **Going concern**

As a variety value retailer, the Group is well placed to withstand volatility within the economic environment. After making thorough analysis, including preparing cash flow forecasts for at least 12 months from the reporting date of these consolidated financial statements, the management has a reasonable expectation that the Group has adequate resources to continue its operations in the foreseeable future.

The restrictive measures imposed by US, UK, EU and other countries' foreign officials, which were further intensified since February 2022, as well as Covid-19 pandemic have not had a material adverse impact on this assessment, with the Group's stores remaining open and able to continue to trade profitably.

Thus, the 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.

##### *(b) Associates*

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Changes resulting from the profit or loss generated by the associate are reported in share of profits of associates. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

##### *(c) Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 the 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.

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

#### Foreign currency translation

##### (a) Functional and presentation currency

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

<b>Company name</b>	<b><u>Functional currency</u></b>
Fix Price Group PLC	Russian Rouble ("RUB")
Kolmaz Holdings Ltd	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 Rubles ("RUB"). All values are rounded to the nearest million RUB, except where otherwise indicated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:**

*(in millions of Russian Rubles)*

**2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Foreign currency translation (continued)**

*(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 statement of profit or loss and other comprehensive income ("OCI") on a net basis. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

*(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 balance sheet
- Income and expenses for each statement of comprehensive income are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income.
- 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 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	Closing rate on	Average rate for the year	
	31 December 2022	31 December 2021	2022	2021
KZT	0.1526	0.1690	0.1486	0.1726
BYN	25.7044	29.1458	25.9463	29.0198
UZS	0.0063	0.0069	0.0062	0.0069

**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.

# FIX PRICE GROUP PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (continued)

##### (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.

#### 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 in associates and other comprehensive income. Warehouse costs are included in this line item.

#### 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 profit or loss.

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:

	<b>Useful lives in years</b>
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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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 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.

#### **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 as the Group does not have taxes related to items recognised in other comprehensive income or directly in equity.

##### *(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, associates and interests in joint ventures, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Taxation (continued)

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 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial assets (continued)

##### 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 profit or loss and presented in other gains/ (losses).

##### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(in millions of Russian Rubles)*

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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 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 (including all fees and amounts paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **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 included in the foreign exchange (loss)/gain line item 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.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. 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 / (deficit) 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### 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 the line "Selling, general and administrative expenses" as profit or loss.

As a practical expedient, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Leases (continued)

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. 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 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

#### (d) Presentation

In the consolidated statement of financial position the Group presents lease liability and right-of-use assets separately within liabilities and assets, respectively. In the consolidated statement of cash-flows, the Group presents cash outflows for repayment of interest accrued on lease liabilities within the "Interest paid" line of cash flows from operating activities, and cash outflows for the repayment of principal within the "Lease payments" line of cash flows from financing activities.

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 3. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

#### Critical accounting judgements (continued)

##### *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) Useful lives of items of property, plant and equipment*

The Group's property, plant and equipment are depreciated using the straight-line method over their estimated useful lives, which are determined based on the Group's management business plans and operational estimates related to those assets. The Group assesses the remaining useful lives of items of property, plant and equipment at least at each financial year-end, and if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

##### *(b) 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 (Note 6, 14).

##### *(c) Tax legislation*

The Group operates in various jurisdictions, including the Russian Federation, Republic of Kazakhstan, Republic of Belarus, Republic of Uzbekistan, the Republic of Cyprus and the British Virgin Islands. 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 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 23.

### 4. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

#### Adoption of New Standards and Interpretations

In the year ended 31 December 2022, the Group has adopted the following new and amended standards and interpretations issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB in the consolidated financial statements:

##### *(a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37*

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to a contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 4. NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

#### **(b) Reference to the Conceptual Framework – Amendments to IFRS**

The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

#### **(c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management

#### **(d) IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

#### **(e) IFRS 16 – Leasehold improvements**

The amendment removes the illustration of the reimbursement of leasehold improvements.

The amendments are effective for annual periods beginning on or after 1 January 2022. These amendments had no impact on the consolidated financial statements of the Group.

#### **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 applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- IFRS 17 (including Amendments) *Insurance Contracts*;
- IFRS 10 and IAS 28 (amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*;
- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*;
- Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of accounting policies*;
- Amendments to IAS 8 *Definition of accounting estimates*;
- Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*.
- Amendments to IAS 1 *Non-current Liabilities with Covenants*
- Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**5. REVENUE**

Revenue for the years ended 31 December 2022 and 31 December 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Retail revenue	246,212	203,328
Wholesale revenue	<u>31,432</u>	<u>27,145</u>
	<b><u>277,644</u></b>	<b><u>230,473</u></b>

During the year ended 31 December 2022, the share of the Group's revenue originated from operations in Russia accounted for 94% of the total Group's revenue. During the year ended 31 December 2021, the share of the Group's revenue originated from operations in Russia accounted for 93% of the total Group's revenue.

**6. COST OF SALES**

Cost of sales for the years ended 31 December 2022 and 31 December 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Cost of goods sold	178,506	151,112
Transportation and handling costs	4,414	3,925
Write-offs of merchandise inventories relating to shrinkage and write-down to net realisable value	<u>2,730</u>	<u>2,036</u>
	<b><u>185,650</u></b>	<b><u>157,073</u></b>

**7. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

Selling, general and administrative expenses for the years ended 31 December 2022 and 31 December 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Staff costs	28,195	20,884
Depreciation of right-of-use assets	10,009	9,198
Other depreciation and amortisation	3,129	2,631
Bank charges	2,799	2,535
Rental expense	2,289	1,667
Security services	1,897	1,613
Repair and maintenance costs	1,121	925
Utilities	835	712
Advertising costs	719	767
Other expenses	<u>1,294</u>	<u>1,059</u>
	<b><u>52,287</u></b>	<b><u>41,991</u></b>

Staff costs include statutory social security and pension contributions (defined state contribution plan) in the amount of RUB 4,507 million and RUB 3,184 million for the years ended 31 December 2022 and 31 December 2021, respectively.

Rental expense mainly relates to leases of low-value items for which the recognition exemption is applied and variable lease costs that are expensed as incurred.

# FIX PRICE GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 8. KEY MANAGEMENT REMUNERATION

The total compensation relating to the key management personnel of the Group amounted to RUB 1,629 million and RUB 1,080 million during the years ended 31 December 2022 and 31 December 2021, respectively. The amount of compensation includes all applicable taxes and contributions. All compensation represents short-term employee benefits as defined in IAS 19 *Employee Benefits*.

### 9. INCOME TAX EXPENSE

	<u>2022</u>	<u>2021</u>
Current tax expense	16,526	9,059
Deferred tax (benefit)/expense	<u>(112)</u>	<u>148</u>
<b>Income tax expense</b>	<b><u>16,414</u></b>	<b><u>9,207</u></b>
Income before taxation for financial reporting purposes is reconciled to tax expense as follows:		
	<u>2022</u>	<u>2021</u>
Profit before tax	37,825	30,596
<b>Theoretical tax expense at 20%, being statutory rate in Russia</b>	<b>(7,565)</b>	<b>(6,119)</b>
Withholding tax on intra-group dividends	(381)	(3,067)
Income/(expenses) subject to income tax at rates different from 20%	209	(45)
(Non-deductible)/non-taxable items	(203)	131
Deferred tax liability on the undistributed retained earnings of the Group's subsidiaries	107	(107)
Income tax provision	<u>(8,581)</u>	<u>-</u>
<b>Income tax expense</b>	<b><u>(16,414)</u></b>	<b><u>(9,207)</u></b>

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.

In 2021, the Group announced a dividend policy with a minimum pay-out ratio and, consequently, the Group recognised a deferred tax liability on the undistributed retained earnings of the Group's subsidiaries as at 31 December 2021. On 17 September 2022 the Board of Directors of the Group temporarily suspended the Group's dividend policy, and subsequently the Group derecognised the relevant deferred tax liability.

Income tax provision for the year ended 31 December 2022 was accrued as a result of reassessment by the management of the Group of tax risks relating to certain historical intragroup transactions, which were previously disclosed as contingent liabilities (Note 23).

Movements in the deferred tax assets and liabilities for the year ended 31 December 2022 were as follows:

# FIX PRICE GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 9. INCOME TAX EXPENSE (CONTINUED)

	31 December 2021	Charged to profit or loss	31 December 2022
<b>Tax effects of deductible temporary differences</b>			
Trade and other payables	95	(26)	69
Accrued expenses	214	16	230
Other	71	43	114
<b>Deferred tax assets</b>	<b>380</b>	<b>33</b>	<b>413</b>
<b>Tax effects of taxable temporary differences</b>			
Investment in subsidiaries	(107)	107	-
Inventories	(68)	39	(29)
Property, plant and equipment	(635)	(96)	(731)
Investments in associates	(12)	(2)	(14)
Trade and other receivables	(31)	31	-
Intangible assets	(60)	-	(60)
<b>Deferred tax liabilities</b>	<b>(913)</b>	<b>79</b>	<b>(834)</b>
<b>Net deferred tax liabilities</b>	<b>(533)</b>	<b>112</b>	<b>(421)</b>

Movements in the deferred tax assets and liabilities for the year ended 31 December 2021 were as follows:

	31 December 2020	Charged to profit or loss	31 December 2021
<b>Tax effects of deductible temporary differences</b>			
Trade and other payables	58	37	95
Accrued expenses	102	112	214
Other	17	54	71
<b>Deferred tax assets</b>	<b>177</b>	<b>203</b>	<b>380</b>
<b>Tax effects of taxable temporary differences</b>			
Investment in subsidiaries	-	(107)	(107)
Inventories	(73)	5	(68)
Property, plant and equipment	(464)	(171)	(635)
Investments in associates	(15)	3	(12)
Trade and other receivables	(6)	(25)	(31)
Intangible assets	(4)	(56)	(60)
<b>Deferred tax liabilities</b>	<b>(562)</b>	<b>(351)</b>	<b>(913)</b>
<b>Net deferred tax liabilities</b>	<b>(385)</b>	<b>(148)</b>	<b>(533)</b>

# FIX PRICE GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 10. PROPERTY, PLANT AND EQUIPMENT

Movements in the carrying amount of property, plant and equipment during the years ended 31 December 2022 and 31 December 2021 were as follows:

	Land and buildings	Trade and other equipment	Leasehold improvements	Other	Assets under construction and uninstalled equipment	Total
<b>Cost</b>						
<b>At 1 January 2021</b>	<b>3,669</b>	<b>9,996</b>	<b>7,412</b>	<b>163</b>	<b>99</b>	<b>21,339</b>
Additions	3,499	2,606	1,162	112	(64)	7,315
Disposals	-	(299)	(265)	(2)	-	(566)
Effect of translation to presentation currency	-	(3)	(6)	(4)	-	(13)
<b>At 31 December 2021</b>	<b>7,168</b>	<b>12,300</b>	<b>8,303</b>	<b>269</b>	<b>35</b>	<b>28,075</b>
Additions	371	2,742	1,238	115	172	4,638
Disposals	-	(482)	(211)	(4)	-	(697)
Effect of translation to presentation currency	-	(59)	(46)	(13)	(8)	(126)
<b>At 31 December 2022</b>	<b>7,539</b>	<b>14,501</b>	<b>9,284</b>	<b>367</b>	<b>199</b>	<b>31,890</b>
<b>Accumulated depreciation and impairment</b>						
<b>At 1 January 2021</b>	<b>214</b>	<b>4,825</b>	<b>2,923</b>	<b>69</b>	-	<b>8,031</b>
Depreciation charge	62	1,445	745	26	-	2,278
Disposals	-	(260)	(115)	(1)	-	(376)
Effect of translation to presentation currency	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>276</b>	<b>6,010</b>	<b>3,553</b>	<b>94</b>	-	<b>9,933</b>
Depreciation charge	135	1,681	803	38	-	2,657
Disposals	-	(320)	(70)	(2)	-	(392)
Effect of translation to presentation currency	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>411</b>	<b>7,371</b>	<b>4,286</b>	<b>130</b>	-	<b>12,198</b>
<b>Net book value</b>						
<b>At 1 January 2021</b>	<b>3,455</b>	<b>5,171</b>	<b>4,489</b>	<b>94</b>	<b>99</b>	<b>13,308</b>
<b>At 31 December 2021</b>	<b>6,892</b>	<b>6,290</b>	<b>4,750</b>	<b>175</b>	<b>35</b>	<b>18,142</b>
<b>At 31 December 2022</b>	<b>7,128</b>	<b>7,130</b>	<b>4,998</b>	<b>237</b>	<b>199</b>	<b>19,692</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Buildings primarily represent distribution centers owned by the Group.

Borrowing costs included in the cost of qualifying assets during the year amounted to RUB 228 million. Borrowing costs included in the cost of qualifying assets during the year ended 31 December 2021 amounted to RUB 137 million.

As at 31 December 2022, no assets were pledged as security. As at 31 December 2021, buildings with a carrying amount of RUB 855 million were pledged as security.

**11. INTANGIBLE ASSETS**

Movements in the carrying amount of intangible assets during the years ended 31 December 2022 and 31 December 2021 were as follows:

	<u>Software</u>	<u>Other</u>	<u>Total</u>
<b>Cost</b>			
<b>At 1 January 2021</b>	<u>1,047</u>	<u>159</u>	<u>1,206</u>
Additions	522	50	572
<b>At 31 December 2021</b>	<u>1,569</u>	<u>209</u>	<u>1,778</u>
Additions	775	30	805
<b>At 31 December 2022</b>	<u>2,344</u>	<u>239</u>	<u>2,583</u>
<b>Accumulated amortisation and impairment</b>			
<b>At 1 January 2021</b>	<u>263</u>	<u>70</u>	<u>333</u>
Amortisation charge	153	71	224
<b>At 31 December 2021</b>	<u>416</u>	<u>141</u>	<u>557</u>
Amortisation charge	258	47	305
<b>At 31 December 2022</b>	<u>674</u>	<u>188</u>	<u>862</u>
<b>Carrying amount</b>			
<b>At 1 January 2021</b>	<u>784</u>	<u>89</u>	<u>873</u>
<b>At 31 December 2021</b>	<u>1,153</u>	<u>68</u>	<u>1,221</u>
<b>At 31 December 2022</b>	<u>1,670</u>	<u>51</u>	<u>1,721</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(In millions of Russian Rubles)*

**12. CAPITAL ADVANCES**

As at 31 December 2022, the Group's capital advances mainly consist of advances for construction of warehouse premises in Domodedovo and Ekaterinburg and of advance for the purchase of the office building in Moscow. As at 31 December 2021 capital advances 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 from 1 to 10 years. Movements in the carrying amount of right-of-use assets were as follows:

	<b>Leased premises and buildings for the year ended</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>
<i>Cost</i>		
<b>At 1 January 2022/ 1 January 2021</b>	<b>34,050</b>	<b>24,490</b>
New lease contracts and modification of existing lease contracts	12,228	10,283
Lease prepayments	121	70
Disposals	(555)	(782)
Effect of translation to presentation currency	(353)	(11)
<b>At 31 December 2022/ 31 December 2021</b>	<b>45,491</b>	<b>34,050</b>
	<b>Leased premises and buildings for the year ended</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>
<i>Accumulated depreciation and impairment</i>		
<b>At 1 January 2022/ 1 January 2021</b>	<b>(22,696)</b>	<b>(14,212)</b>
Depreciation expense	(10,099)	(9,271)
Disposals	555	782
Effect of translation to presentation currency	137	5
<b>At 31 December 2022/ 31 December 2021</b>	<b>(32,103)</b>	<b>(22,696)</b>
<i>Carrying amount</i>		
<b>At 1 January 2022/ 1 January 2021</b>	<b>11,354</b>	<b>10,278</b>
<b>At 31 December 2022/ 31 December 2021</b>	<b>13,388</b>	<b>11,354</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**13. RIGHT-OF-USE ASSETS (CONTINUED)**

	<b>For the year ended</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>
<i>Amounts recognised in profit and loss</i>		
Depreciation expense of right-of-use assets	10,009	9,198
Interest expense on lease liabilities	1,271	727
Foreign exchange gain, net	(77)	(101)
Expenses relating to variable lease payments not included in the measurement of the lease liabilities	2,260	1,661

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased retail stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The variable payments depend on 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 amount to RUB 13,459 million for the year ended 31 December 2022 (RUB 11,563 million for the year ended 31 December 2021).

**14. INVENTORIES**

The Group inventories balance is comprised of merchandise inventories. Inventories write-off due to shrinkage and write-down to net realisable value for the years ended 31 December 2022 and 31 December 2021 are disclosed in Note 6.

**15. RECEIVABLES AND OTHER CURRENT ASSETS**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Trade receivables from franchisees, net of allowance for expected credit losses	1,163	783
Settlements with customs	1,132	701
Forward foreign exchange contracts (Note 24)	-	157
Other receivables, net of allowance for expected credit losses	236	202
	<b>2,531</b>	<b>1,843</b>

The following table summarises the changes in the allowance for expected credit losses on trade and other receivables:

	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>At 1 January 2022/ 1 January 2021</b>	<b>(22)</b>	<b>(19)</b>
Additional allowance recognised on trade and other receivables	(16)	(3)
<b>At 31 December 2022/ 31 December 2021</b>	<b>(38)</b>	<b>(22)</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**16. CASH AND CASH EQUIVALENTS**

	<b>31 December 2022</b>	<b>31 December 2021</b>
Bank current accounts – RUB, KZT, BYN, UZS	3,270	1,509
Bank current accounts – USD, EUR, CNY, GBP	3,740	483
Cash in transit – RUB, KZT, BYN, UZS	2,308	2,013
Cash in hand – RUB, KZT, BYN, UZS	381	348
Deposits – USD	2,082	-
Deposits – RUB, KZT, BYN	11,803	4,426
	<b><u>23,584</u></b>	<b><u>8,779</u></b>

Cash in transit represents cash collected by banks from the Group's stores and not yet deposited in bank accounts as at 31 December 2022 and 31 December 2021.

As at 31 December 2022 RUB, KZT, BYN and USD denominated deposit bank accounts in the amount of RUB 13,885 million had interest rates of 1.25-15.25% and 2-91 day maturity periods (deposits over 90 days are callable on demand).

As at 31 December 2021 RUB, KZT and BYN denominated deposit bank accounts in the amount of RUB 4,426 million had interest rates of 6.50-8.40% and 12-201 day maturity periods (deposits over 90 days are callable on demand).

RUB, KZT, BYN, UZS, USD, EUR, GBP and CNY denominated balances in current bank accounts are normally interest free.

**17. EQUITY**

**Ordinary shares**

As at 31 December 2022 and 31 December 2021 the ordinary share capital of the Group was as follows:

	<b>Outstanding ordinary shares</b>	<b>Issued ordinary shares</b>
<b>At 31 December 2021</b>	<b><u>850,000,000</u></b>	<b><u>850,000,000</u></b>
Acquisition of treasury shares	(471,307)	-
<b>At 31 December 2022</b>	<b><u>849,528,693</u></b>	<b><u>850,000,000</u></b>

As at 31 December 2022 the Company had an authorised share capital of 10,000,000,000 ordinary shares with a par value of EUR 0.0000374 per share and an issued ordinary share capital of 850,000,000 ordinary shares with a par value of EUR 0.0000374 per share. Total issued share capital as at 31 December 2022 and as at 31 December 2021 equalled to RUB 1 million (EUR 0.031 million).

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

**Additional paid-in capital**

No contributions into equity were made by shareholders of the Group during the years ended 31 December 2022 and 31 December 2021.

**Dividends**

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

---

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***(in millions of Russian Rubles)***17. EQUITY (CONTINUED)**

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

**Treasury shares**

On 24 January 2022 the Company announced GDR's buyback programme, which was concluded on 25 April 2022. During the year ended 31 December 2022, the Group acquired 471,307 of the Company's GDR's for a total consideration of RUB 207 million. As at 31 December 2022 the Group had 471,307 treasury shares with the total cost of RUB 207 million.

**18. SHARE-BASED COMPENSATION**

On 23 November 2022, the Board of Directors of the Group approved the 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 Group's GDRs, its cash equivalent or a combination thereof at Group's discretion, that is to be granted in three annual tranches over the periods of 2022, 2023 and 2024 with an additional subsequent one-year service period required for each tranche. Employee participation in the Programmes 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 the 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: store annual expansion plan, achievement of the Group's budgeted EBITDA and targeted return on investment capital.

The Group accounts for this Program as an equity-settled share-based payment transaction under IFRS 2, as the Group has no present obligation to settle in cash.

The fair value of each annual tranche of the Programme is determined using the market price of GDR on the recognised 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. Grant date for further tranche did not occur as of 31 December 2022.

*Expenses arising from share-based transactions*

Total expenses arising from share-based payment transactions recognised during the year ended 31 December 2022 were immaterial.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**19. LOANS AND BORROWINGS**

Terms and conditions in respect of loans and borrowings as at 31 December 2022 are detailed below:

<b>Source of financing</b>	<b>Currency</b>	<b>Maturity date</b>	<b>Interest rate as at 31 December 2022</b>	<b>31 December 2022</b>
Short-term loans and borrowings (unsecured)	RUB	2023	8.80-9.20%	17,576
Long-term loans and borrowings (unsecured)	RUB	2025	9.00%	4,352
				<b>21,928</b>

Terms and conditions in respect of loans and borrowings as at 31 December 2021 are detailed below:

<b>Source of financing</b>	<b>Currency</b>	<b>Maturity date</b>	<b>Interest rate as at 31 December 2021</b>	<b>31 December 2021</b>
Short-term loans and borrowings (unsecured)	RUB	2022	7.37-9.45%	21,523
				<b>21,523</b>

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 2022. 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.

	<b>1 January 2022</b>	<b>Financing cash flows (i)</b>	<b>Other changes (ii),(iii)</b>	<b>31 December 2022</b>
Loans and borrowings	21,523	110	295	21,928
	<b>21,523</b>	<b>110</b>	<b>295</b>	<b>21,928</b>

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 2021. 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.

	<b>1 January 2021</b>	<b>Financing cash flows (i)</b>	<b>Other changes (ii)</b>	<b>31 December 2021</b>
Loans and borrowings	15,680	5,814	29	21,523
Dividends payable	23,658	(33,446)	9,788	-
	<b>39,338</b>	<b>(27,632)</b>	<b>9,817</b>	<b>21,523</b>

- (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 and the amounts of dividends declared, foreign exchange gains and losses and fair value adjustments.
- (iii) In 2022, Other changes include accrual of RUB 5,800 million of dividends declared and RUB 5,800 million of dividends canceled.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**19. LOANS AND BORROWINGS (CONTINUED)**

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 2022 and 31 December 2021 the Group was in compliance with all financial and non-financial covenants stipulated by its loan agreements.

**20. LEASE LIABILITIES**

As at 31 December 2022 and 31 December 2021 lease liabilities comprised the following:

	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Gross lease payments, including:</b>		
Current portion (less than 1 year)	8,889	7,494
More than 1 to 5 years	4,661	3,991
Over 5 years	<u>881</u>	<u>15</u>
<b>Total gross lease payments</b>	<b><u>14,431</u></b>	<b><u>11,500</u></b>
Less unearned interest	(1,819)	(764)
<b>Analysed as:</b>		
<i>Current portion</i>		
Less than one year	7,997	6,971
<i>Non-current portion</i>		
More than 1 to 5 years	3,890	3,751
Over 5 years	<u>725</u>	<u>14</u>
<b>Total present value of net lease payments</b>	<b><u>12,612</u></b>	<b><u>10,736</u></b>

The following table summarises the changes in the lease liabilities:

	<b>For the year ended</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Balance as at 1 January 2022 / 1 January 2021</b>	<b>10,736</b>	<b>10,052</b>
Interest expense on lease liabilities	1,271	727
Lease payments	(11,199)	(9,902)
New lease contracts and modification of existing lease contracts	12,093	9,965
Foreign exchange gain	(95)	(101)
Currency translation reserve	<u>(194)</u>	<u>(5)</u>
<b>Balance as at 31 December 2022 / 31 December 2021</b>	<b><u>12,612</u></b>	<b><u>10,736</u></b>

The Group's lease contracts include typical restrictions and covenants common for local business practice such as responsibility of the Group for regular maintenance and repair of the lease assets and its insurance, redesign and conduction of permanent improvements only with consent of the lessor, use of leased asset in accordance with current legislation.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**20. LEASE LIABILITIES (CONTINUED)**

The weighted average incremental borrowing rate at 31 December 2022 was 8.99% per annum, at 31 December 2021 was 8.15%.

The Group does not face a significant liquidity risk with regard to its lease liabilities.

**21. PAYABLES AND OTHER FINANCIAL LIABILITIES**

Payables as at 31 December 2022 and 2021 consisted of the following:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Trade payables	32,600	32,138
Deferred revenue	1,656	2,088
Other payables	220	237
	<b><u>34,476</u></b>	<b><u>34,463</u></b>

Trade payables are normally settled no later than their 120 day term.

Deferred revenue comprises the compensation received from the Depository in connection with the establishment, administration and maintenance of its Regulation S and Rule 144A depository receipt facilities, for which revenue is recognised over time and included within Other operating income line item of the consolidated statement of comprehensive income, and the Group's contract liability with regards to the unredeemed customer loyalty points.

As at 31 December 2022 and 31 December 2021 all payables were unsecured.

**22. ACCRUED EXPENSES**

Accrued expenses as at 31 December 2022 and 2021 consisted of the following:

	<b>31 December 2022</b>	<b>31 December 2021</b>
Accrued salaries and wages	1,992	1,627
Other accrued expenses	10	8
	<b><u>2,002</u></b>	<b><u>1,635</u></b>

**23. 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 outbreak of coronavirus infection, sanctions imposed, consumer confidence, employment levels, interest rates, consumer debt levels and 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 implementation of economic reforms and development of 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*(in millions of Russian Rubles)*

### 23. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS (CONTINUED)

Since February 2022 foreign officials announced further extensions of sanctions earlier imposed in 2014, resulting in a significant change in the operating environment for the Russian economy. The new sanctions imposed by foreign states led to a considerable increase in a Russian Ruble exchange rate, limited the opportunities for Russia to use its foreign currency and gold reserves, the sanctions include restrictions targeting major Russian financial institutions and the Central Bank of Russia. As part of the measures imposed, the London Stock Exchange has suspended trading in a number of companies with ties to Russia, including Fix Price Group PLC. The Central Bank of Russia implemented a number of measures to sustain financial stability, including an increase of its key interest rate to 20% and limitations on cross-border transactions with certain jurisdictions. Adopted measures, together with the governmental support have led to gradual stabilisation with the key interest rate having been subsequently reduced to 7.5% and the exchange rate getting back to 2021 levels. However, as the current inflation rate exceeds 12%, the broader economy in general and the retail sector in particular are still being negatively impacted by the Russian Ruble volatility and sanctions imposed by a number of countries.

The combination of the 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, results of operations and 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 the Group's consolidated financial statements as at 31 December 2022 in the amount of RUB 2,268 million, VAT inclusive (as at 31 December 2021: RUB 3,934 million, VAT inclusive). These commitments relate to the acquisition of the new distribution centres and office building.

#### **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 proceeding 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. The interpretation made by management of the legislation in question as applied to the operations and activities of the Group may be challenged by the relevant regional or federal authorities.

In addition, certain amendments to tax legislation went into effect in 2015, aimed at combating tax evasion through the use of low-tax jurisdictions and aggressive tax planning structures. In particular, those amendments include definitions of the concepts of beneficial ownership and tax residence of legal entities at their actual place of business, and an approach to the taxation of controlled foreign companies.

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 have not been challenged in the past may be challenged as not having been in compliance with Russian tax laws applicable at the relevant time. In particular, the Supreme Court issued guidance to lower courts on reviewing tax cases providing a systematic roadmap for anti-avoidance claims, and it is possible that this will significantly increase the level and frequency of tax authorities' scrutiny. As a result, significant additional taxes, penalties and interest may be levied on the Group.

As at 31 December 2022 management believes that its interpretation of the relevant legislation is appropriate and that the Group's tax, currency and customs positions will be sustained. Management estimates that the Group's possible exposure in relation to the aforementioned tax risks will not exceed 3% of the Group's total assets as at 31 December 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 23. CONTINGENCIES, COMMITMENTS AND OPERATING RISKS (CONTINUED)

#### Coronavirus disease (COVID-19)

The Covid-19 outbreak was first reported near the end of 2019 in Wuhan, China and since then, the virus has spread worldwide having various impacts on the global economy and businesses. In 2022 the Covid-19 pandemic shows signs of easing as some countries have lifted travel bans, cancelled lockdowns and eased quarantine measures. Many governments have announced curtailment of certain measures to provide financial and non-financial assistance to the affected entities.

The COVID-19 pandemic has not had a material adverse impact on the Group's business operations and financial results: the overwhelming majority of the Group's stores and all of its distribution centres have continued to operate as an essential business, the Group has not experienced any significant supply chain disruptions or product availability issues, moreover the Group's revenues continued to grow.

However, whilst downside risks associated with the COVID-19 pandemic have largely receded, an ongoing uncertainty still remains with regards to wider economic and social impacts of the COVID-19 pandemic, both in the short term and in the long term.

### 24. 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, being 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 fluctuation 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 relevant trade accounts payable being owed in foreign currency and having maturity of up to 120 days. A proportion of the Group's purchases are priced in Chinese Yuan and in order to manage the Group's exposure to currency risk, the Group enters into forward foreign currency contracts. No transactions in derivatives are undertaken of a speculative nature.

As at 31 December 2022 the Group had no forward foreign exchange contracts. As at 31 December 2021 the fair value of assets related to forward foreign exchange contracts amounted to RUB 157 million which were recognised within Receivables and other financial assets.

During the year ended 31 December 2022 the gain from forward foreign exchange contracts amounted to RUB 339 million (2021: RUB 243 million gain), and was included in the "Foreign exchange loss, net" line item in the consolidated statement of comprehensive income.

94% of the Group's sales to retail and wholesale customers are priced in Russian Rubles, therefore there is immaterial currency exposure in this respect. Other sales are retail sales of Best Price Kazakhstan, Fix Price Zapad LLC, FIXPRICEASIA LLC are priced in local currencies.

# FIX PRICE GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(in millions of Russian Rubles)

### 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Foreign currency sensitivity

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as at 31 December 2022 and 31 December 2021 is as follows:

	Assets		Liabilities	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
USD	2,194	414	-	68
CNY	3,637	8	6,163	9,874
EUR	24	4	15	997
GBP	-	1	-	-

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 on profit (net of tax) and equity to a reasonably possible change in the Chinese Yuan period end exchange rates with all other variables held constant.

		31 December 2022	31 December 2021
Depreciation in RUB/CNY	+15%	(379) +10%	(987)
Appreciation in RUB/CNY	- 15%	379 - 10%	987

The following table demonstrates the sensitivity on profit (net of tax) and equity to a reasonably possible change in the USD period end exchange rates with all other variables held constant.

		31 December 2022	31 December 2021
Depreciation in RUB/USD	+15%	329 +10%	35
Appreciation in RUB/USD	- 15%	(329) - 10%	(35)

The following table demonstrates the sensitivity on profit (net of tax) and equity to a reasonably possible change in the Euro period end exchange rates with all other variables held constant.

		31 December 2022	31 December 2021
Depreciation in RUB/EUR	+15%	1 +10%	(99)
Appreciation in RUB/EUR	- 15%	(1) - 10%	99

These calculations have been performed by taking the year end translation rate used on the accounts and applying the change noted above. The balance sheet valuations are then directly calculated.

#### 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. The Group's exposure to interest rate risk arising from market interest rate fluctuations is insignificant. As at 31 December 2022 the Group had floating rate interest-bearing short-term liabilities amounting to RUB 7,550 million. As at 31 December 2021 the Group had no floating rate interest-bearing short-term liabilities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**24. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**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 sales retail transactions are made through the 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 arises from the Group's trade receivables arising from 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 franchisees 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 liquid funds (see the table below) is managed by the Group's treasury. The credit risk on investments of surplus funds is limited as the counterparties are financial institutions with high credit ratings assigned by international and local credit rating agencies.

The table below shows the balances that the Group has with its major banks as at the balance sheet date:

<b>Bank</b>	<b>Country of incorporation</b>	<b>Rating</b>	<b>Carrying amount as at 31 December 2022</b>
Credit Bank of Moscow	Russia	ruA+	10,183
Bank of China	Russia	A1	2,564
LGT	Switzerland	Aa1	2,110
Sberbank of Russia	Russia	AAA (RU)	2,029
Halyk Bank of Kazakhstan	Kazakhstan	Baa2	1,907
Raiffeisenbank	Russia	ruAAA	1,258
Alfa Bank	Russia, Belarus	ruAA+	556
Other			288
<b>Total</b>			<b>20,895</b>

The table below shows the balances that the Group has with its major banks as at 31 December 2021:

<b>Bank</b>	<b>Country of incorporation</b>	<b>Rating</b>	<b>Carrying amount as at 31 December 2021</b>
Sberbank of Russia	Russia	Baa3	2,559
Credit Bank of Moscow	Russia	Ba2	1,202
VTB Bank	Russia	Baa3	1,130
Alfa Bank	Russia	Baa3	1,023
LGT	Switzerland	Aa1	352
RCB	Cyprus	Ba2	64
Other			88
<b>Total</b>			<b>6,418</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**24. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Liquidity risk**

Any impact on available cash and therefore the liquidity of the Group could have a material effect on the business as a result.

The Group's 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 grouping based on their remaining period at the balance sheet date. The amounts disclosed are the contractual undiscounted cash flows.

	<b>On demand or less than 1 year</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total*</b>	<b>Carrying amount</b>
<b>As at 31 December 2022</b>					
Loans and borrowings*	18,032	5,175	-	<b>23,207</b>	<b>21,928</b>
Payables and other liabilities	32,820	-	-	<b>32,820</b>	<b>32,820</b>
Lease liabilities*	8,889	4,661	881	<b>14,431</b>	<b>12,612</b>
	<b>59,741</b>	<b>9,836</b>	<b>881</b>	<b>70,458</b>	<b>67,360</b>
<b>As at 31 December 2021</b>					
Loans and borrowings*	22,503	-	-	<b>22,503</b>	<b>21,523</b>
Payables and other liabilities	32,375	-	-	<b>32,375</b>	<b>32,375</b>
Lease liabilities*	7,494	3,991	15	<b>11,500</b>	<b>10,736</b>
	<b>62,372</b>	<b>3,991</b>	<b>15</b>	<b>66,378</b>	<b>64,634</b>

\*Amounts related to loans and borrowings and lease liabilities include future interest.

**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 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 management of the Group relied on the assumption that the carrying amount of lease liabilities approximates their fair value as at 31 December 2022 and 31 December 2021, as it reflects changes in market conditions and takes into account the risk premium and the time value of money.

**25. 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 which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties. Management considers that the Group has appropriate procedures in place to identify, account for and properly disclose transaction with related parties.

Related parties include immediate and ultimate shareholders of the Group, franchisees where the Group has a non-controlling ownership stake, key management personnel, as well other related parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*(in millions of Russian Rubles)*

**25. RELATED PARTY TRANSACTIONS (CONTINUED)**

Transactions with related parties for the years ended 31 December 2022 and 31 December 2021:

	<u>2022</u>	<u>2021</u>
<b>Associates:</b>		
Sales of goods	2,657	2,646
Royalty fees	108	104
<b>Other*:</b>		
Dividends declared	(4,193)	(7,087)
Dividends canceled	4,193	-
Receipt of the loans payable	4,060	-
Interest expense accrued on loans payable	292	-
Payment of dividends	-	(27,399)

As at 31 December 2022 and as at 31 December 2021 the outstanding balances with related parties were as follows:

	<u>31 December 2022</u>	<u>31 December 2021</u>
<b>Associates:</b>		
Trade and other receivables	13	13
Advances from customers	(128)	(89)
<b>Other*:</b>		
Loans payable	(4,352)	-

\* 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.

**26. 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.

**27. POST BALANCE SHEET EVENTS**

There were no significant events after the reporting date.

3. ANNEX 2

Fix Price Group PLC Financial Statements 31 December 2022

**ANNEX 2**

**Fix Price Group PLC Financial Statements 31 December 2022**



**FIX PRICE GROUP PLC**

**REPORT AND FINANCIAL STATEMENTS**

31 December 2022

# **FIX PRICE GROUP PLC**

---

## **REPORT AND FINANCIAL STATEMENTS**

31 December 2022

<b>CONTENTS</b>	<b>PAGE</b>
Board of Directors and other officers	1
Management Report	2 - 3
Statement of the members of the Board of Directors responsibilities	4
Independent auditor's report	5 - 7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	11
Cash flow statement	12
Notes to the financial statements	13 - 39

# FIX PRICE GROUP PLC

---

## BOARD OF DIRECTORS AND OTHER OFFICERS

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

# FIX PRICE GROUP PLC

---

## MANAGEMENT REPORT

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

### **Incorporation**

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

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

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

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

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

### **Changes in group structure**

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

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

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

### **Principal risks and uncertainties**

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

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

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

### **Market price risk**

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

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

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

### **Credit risk**

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

### **Liquidity risk**

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

### **Results**

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

# FIX PRICE GROUP PLC

---

## MANAGEMENT REPORT

### **Dividends**

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

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

### **Share capital**

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

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

### **Treasury shares**

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

### **Board of Directors**

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

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

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

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

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

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

### **Related party transactions**

Disclosed in note 29 of the financial statements.

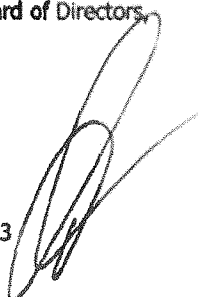
### **Independent Auditors**

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

By order of the Board of Directors,

Dmitry Kirsanov  
Director

Cyprus, 9 June 2023



# FIX PRICE GROUP PLC

---

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

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

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

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

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

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

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

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

On behalf of management:

  
.....  
Dmitry Girsanov  
Chief Executive Officer

  
.....  
Anton Makhnev  
Chief Financial Officer

Cyprus, 9 June 2023

## **Independent Auditor's Report**

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

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

##### **Opinion**

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

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

##### **Basis for Opinion**

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

##### **Other information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

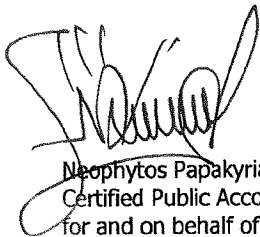
#### **Other Matters**

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

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

#### *Comparative figures*

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



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

Nicosia, Cyprus, 9 June 2023

## **FIX PRICE GROUP PLC**

### **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

31 December 2022

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

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

# FIX PRICE GROUP PLC

## STATEMENT OF FINANCIAL POSITION

31 December 2022


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


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

## **FIX PRICE GROUP PLC**

---

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

  
.....  
Dmitry Kirsanov  
Director

  
.....  
Artem Khachatryan  
Director

---

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

# FIX PRICE GROUP PLC

## STATEMENT OF CHANGES IN EQUITY

31 December 2022

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

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

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

# FIX PRICE GROUP PLC

## CASH FLOW STATEMENT

31 December 2022

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

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 1. Incorporation and principal activities

#### Country of incorporation

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

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

#### Principal activities

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

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

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

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

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

### 2. Basis of preparation

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

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

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

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

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

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

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

### 4. Significant accounting policies

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

#### Subsidiary companies

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

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

#### Revenue

- **Interest income**

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

- **Dividend income**

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

#### Finance income

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

#### Finance costs

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



# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Foreign currency translation

**(1) Functional and presentation currency**

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

**(2) Transactions and balances**

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

#### Tax

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

#### Dividends

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

#### Property, plant and equipment

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

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

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

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

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

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

#### Deferred income

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Impairment of non-financial assets

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

#### Financial assets

##### Financial assets - Classification

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

##### Financial assets - Recognition and derecognition

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

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Measurement

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

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

##### Debt instruments

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

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

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

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

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

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

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

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

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

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

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

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

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

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

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

#### Financial assets -Reclassification

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

#### Financial assets - write-off

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - modification

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

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

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

##### Cash and cash equivalents

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

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

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

##### Financial liabilities - measurement categories

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

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Borrowings

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

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

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

##### Trade payables

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

##### Financial liabilities - Modifications

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

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

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

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

#### Financial liabilities - Modifications (continued)

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

#### Offsetting financial instruments

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

#### Prepayments

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

#### Share capital

Ordinary shares are classified as equity.

#### Additional paid-in capital

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

### 5. New accounting pronouncements

#### Standards issued but not yet effective

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

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

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

#### Amendments

*IFRS Interpretations Committee*

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 5. New accounting pronouncements (continued)

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

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

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

##### Amendments

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

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

### 6. Financial risk management

#### Financial risk factors

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

##### 6.1 Credit risk

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

##### (i) Risk management

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

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

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

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

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.1 Credit risk (continued)

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

- trade and other receivables
- cash and cash equivalents

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

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

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

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

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

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

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.1 Credit risk (continued)

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

##### *Low credit risk*

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

##### *Default*

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

##### *Write-off*

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

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

#### Loans to related parties

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

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

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

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

#### Cash and cash equivalents

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

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

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

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.1 Credit risk (continued)

(ii) Impairment of financial assets (continued)

#### Cash and cash equivalents (continued)

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

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

#### 6.2 Liquidity risk

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

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

31 December 2022	Carrying amounts RR	Contractual cash flows			
		flows RR	3-12 months RR	1-2 years RR	2-5 years RR
Bank overdrafts	33	33	33	-	-
Trade and other payables	1,055,530	1,055,530	1,055,530	-	-
Loans from shareholders	4,351,945,205	4,351,945,205	-	-	4,351,945,205
	<b>4,353,000,768</b>	<b>4,353,000,768</b>	<b>1,055,563</b>	-	<b>4,351,945,205</b>

31 December 2021	Carrying amounts RR	Contractual cash flows RR	Contractual cash flows		
			3-12 months RR	1-2 years RR	2-5 years RR
Trade and other payables	20,475,968	20,475,968	20,475,968	-	-
	<b>20,475,968</b>	<b>20,475,968</b>	<b>20,475,968</b>	-	-

#### 6.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

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

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

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

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 6. Financial risk management (continued)

#### 6.3 Market risk (continued)

##### 6.3.2 Currency risk

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

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

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

##### Sensitivity analysis

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

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

#### 6.4 Capital risk management

Capital includes equity shares and other reserves.

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

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

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

# FIX PRICE GROUP PLC

---

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

#### *Critical accounting estimates and assumptions*

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

- **Going concern basis**

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

- **Calculation of loss allowance**

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

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

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

- **Income taxes**

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

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

- **Impairment of investments in subsidiaries**

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

- **Impairment of loans receivable**

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

# **FIX PRICE GROUP PLC**

---

## **NOTES TO THE FINANCIAL STATEMENTS**

31 December 2022

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

- **Impairment of financial assets**

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

- **Impairment of non-financial assets**

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

- **Useful live of depreciable assets**

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 8. Change in accounting policy

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

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

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

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

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

### 9. Other operating income

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

### 10. Administration expenses

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



# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 11. Staff costs

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

### 12. Finance income/(costs)

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

#### Finance costs

##### Interest expense

Loan interest	(92,100,822)	-
---------------	--------------	---

##### Sundry finance expenses

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

##### Net foreign exchange losses

Foreign exchange loss	<u>(383,522,946)</u>	<u>(462,099,843)</u>
	<u>(476,345,566)</u>	<u>(463,805,544)</u>

#### Net finance income

	<u>277,202,112</u>	<u>29,017,662</u>
--	--------------------	-------------------

### 13. Tax

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 13. Tax (continued)

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

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

The corporation tax rate is 12,5%.

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

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

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

### 14. Dividends

	2022	2021
	RR	RR
Dividend paid	-	9,788,000,000
	-	9,788,000,000

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

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

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

## FIX PRICE GROUP PLC

### NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

#### 15. Property, plant and equipment

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

#### 16. Investments in subsidiaries

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

The details of the subsidiaries are as follows:

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

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 17. Merger with subsidiary

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

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

The assets and liabilities merged were as follows:

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

### 18. Loans receivable

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

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

The loans are repayable as follows:

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

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

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 19. Receivables

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

Advances to suppliers relate to prepaid IPO expenses.

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

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

### 20. Cash at bank

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

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

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

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

### Cash and cash equivalents by currency:

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

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 21. Share capital

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

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

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

### 22. Other reserves

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

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

### 23. Additional paid-in capital

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

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

### 24. Borrowings

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 24. Borrowings (continued)

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

Maturity of non-current borrowings:

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

The Company borrowings are denominated in the following currencies:

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

### 25. Trade and other payables

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

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

### 26. Deferred income

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

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

# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 27. Current tax liabilities

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

### 28. Operating Environment of the Company

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

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

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

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

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

### 29. Related party transactions

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



# FIX PRICE GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

### 29. Related party transactions (continued)

The following transactions were carried out with related parties:

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

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

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

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

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

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

### 30. Contingent liabilities

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

### 31. Commitments

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

### 32. Events after the reporting period

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

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

# **FIX PRICE GROUP PLC**

---

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

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

---

# FIX PRICE GROUP PLC

## DETAILED INCOME STATEMENT

31 December 2022

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

## **FIX PRICE GROUP PLC**

### **SELLING AND DISTRIBUTION EXPENSES**

31 December 2022

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

## FIX PRICE GROUP PLC

### FINANCE INCOME/COSTS

31 December 2022

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

# FIX PRICE GROUP PLC

## COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2022

	Year	%	COST			ANNUAL ALLOWANCES				Net value 31/12/2022 RR	
			Balance 01/01/2022 RR	Additions for the year RR	Disposals for the year RR	Balance 31/12/2022 RR	Charge for the year RR	On disposals RR	Balance 31/12/2022 RR		
<b>Motor vehicles</b>	2022	-	-	2,442,996	-	2,442,996	-	28,741	-	28,741	2,414,255
Mercedes DB GLC 300 4Matic		-	-	2,442,996	-	2,442,996	-	28,741	-	28,741	2,414,255
<b>Furniture, fixtures and office equipment</b>	2022	-	-	885,700	-	885,700	-	89,123	-	89,123	796,577
Office equipment and furniture		-	-	885,700	-	885,700	-	89,123	-	89,123	796,577
<b>Total</b>		-	-	3,328,696	-	3,328,696	-	117,864	-	117,864	3,210,832

## FIX PRICE GROUP PLC

---

### COMPUTATION OF DEFENCE CONTRIBUTION

31 December 2022

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

# FIX PRICE GROUP PLC

## COMPUTATION OF CORPORATION TAX

31 December 2022

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



**APPENDIX A**

**Fix Price Group PLC**

*(incorporated in the Republic of Cyprus under the Cyprus Companies Law Cap. 113 with registered number HE 434185)*

**REGISTRATION FORM FOR ATTENDANCE BY ELECTRONIC MEANS**

In respect of Meeting to be held at Arch. Makariou III, 155, PROTEAS HOUSE, floor 5, 3026, Limassol, Cyprus on 31 July 2023 at 10:00am Cyprus Time (the "**Meeting**")

In order to attend the Meeting by electronic means (namely, Zoom video conference), please complete the form below and submit it by email by no later than 9:00am Cyprus Time on 25 July 2023 (or not less than 48 hours before the time appointed for holding any adjourned Meeting to):

[CorporateSecretary@fix-price.com](mailto:CorporateSecretary@fix-price.com)

Instructions on how to log on to the Zoom video conference will then be emailed to you before the Meeting.

Full name of Shareholder: \_\_\_\_\_

Number of Shares held: \_\_\_\_\_

Teams account name (if available): \_\_\_\_\_

Email address: \_\_\_\_\_

Has/have one or more Forms of Proxy been submitted in respect of the Shares held by the above Shareholder?      Yes  
 No

*The Company may request additional details to verify the identity and shareholding of any person submitting this registration form.*

