Fix Price Group PLC

Interim Condensed Consolidated
Financial Information
for the Six Months Ended 30 June 2024
(Unaudited)

FIX PRICE GROUP PLC

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FIX PRICE GROUP PLC

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2024

Management is responsible for the preparation of the interim condensed consolidated financial information 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 30 June 2024 and the consolidated results of its operations, cash flows and changes in equity for the six months then ended, in compliance with International Accounting Standard 34, *Interim Financial Reporting* (hereinafter, "IAS 34").

In preparing the interim condensed consolidated financial information, management is responsible for:

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific IFRS requirements is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's consolidated financial position and financial performance; 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 Group's interim condensed consolidated financial information complies with IAS 34;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards of the jurisdiction 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 interim condensed consolidated financial information for the six months ended 30 June 2024 was approved by management of the Company on behalf of the Board of Directors of the Company on 7 August 2024.

On behalf of management:

Dmitry Kirsanov
Chief Executive Officer

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REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Fix Price Group PLC and its subsidiaries as at 30 June 2024 and the related interim condensed consolidated statements of comprehensive income, cash flows and changes in equity for the six months then ended, and selected explanatory notes (the "interim condensed consolidated financial information"). Management is responsible for the preparation of this interim condensed consolidated financial information in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information has not been prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*.

Vladimir Kozyrev
Engagement partner

AO Business Solutions and Technologies
(ORNZ No. 12006020384)

7 August 2024

FIX PRICE GROUP PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

(in millions of Russian roubles, except earnings per share)

	Note	For the six months ended 30 June 2024	For the six months ended 30 June 2023
Revenue	3	148,391	135,677
Cost of sales		(98,910)	(90,529)
Gross profit		**49,481**	**45,148**
Selling, general and administrative expenses	4	(35,502)	(29,122)
Other operating income		285	279
Share of profit of associates		19	22
Operating profit		**14,283**	**16,327**
Interest income		1,903	715
Interest expense		(2,111)	(1,306)
Foreign exchange (loss)/gain, net		(710)	907
Profit before tax		**13,365**	**16,643**
Income tax (expense)/benefit	5	(4,265)	3,003
Profit for the period		**9,100**	**19,646**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		(29)	(125)
Other comprehensive loss for the period		**(29)**	**(125)**
Total comprehensive income for the period		**9,071**	**19,521**
Earnings per share			
Weighted average number of ordinary shares outstanding	13	849,528,693	849,528,693
Basic earnings per share (in Russian roubles per share)		10.71	23.13
Diluted earnings per share (in Russian roubles per share)		10.67	23.10

The accompanying notes on pages 7–26 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024 (UNAUDITED)
(in millions of Russian roubles)

	Note	30 June 2024	31 December 2023
Assets			
Non-current assets			
Property, plant and equipment	7	29,645	29,317
Goodwill		216	232
Intangible assets	8	2,407	2,177
Capital advances	7	215	329
Right-of-use assets	9	12,585	12,586
Investment property		340	343
Investments in associates		24	61
Total non-current assets		**45,432**	**45,045**
Current assets			
Inventories	10	50,180	47,957
Right-of-use assets	9	2,102	2,033
Receivables and other current assets	11	3,210	2,750
Prepayments		1,327	1,444
Income tax prepaid		-	8
Value-added tax receivable		1,038	1,126
Cash and cash equivalents	12	39,518	37,343
Total current assets		**97,375**	**92,661**
Total assets		**142,807**	**137,706**
Equity and liabilities			
Equity			
Share capital	13	1	1
Additional paid-in capital	13	154	154
Retained earnings	13	66,489	65,352
Treasury shares	13	(207)	(207)
Currency translation reserve		(10)	19
Total equity		**66,427**	**65,319**
Non-current liabilities			
Loans and borrowings	15	4,855	4,675
Lease liabilities	16	4,763	4,974
Deferred tax liabilities	5	495	418
Total non-current liabilities		**10,113**	**10,067**
Current liabilities			
Loans and borrowings	15	15,036	10,024
Lease liabilities	16	9,104	8,800
Payables and other financial liabilities	17	35,930	36,220
Advances received		368	716
Income tax payable		197	-
Tax liabilities, other than income taxes		3,176	4,590
Accrued expenses		2,456	1,970
Total current liabilities		**66,267**	**62,320**
Total liabilities		**76,380**	**72,387**
Total equity and liabilities		**142,807**	**137,706**

The accompanying notes on pages 7–26 form an integral part of this interim condensed consolidated financial information.

FIX PRICE GROUP PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)
(in millions of Russian roubles)

	Note	For the six months ended 30 June 2024	30 June 2023
Cash flows from operating activities			
Profit before tax		13,365	16,643
Adjustments for:			
Depreciation and amortisation	4	8,262	7,235
Write-offs of merchandise inventories relating to shrinkage and write-down to net realisable value	10	1,122	1,464
Change in allowance for expected credit losses		(2)	-
Share of profit of associates		(19)	(22)
Interest income		(1,903)	(715)
Interest expense		2,111	1,306
Foreign exchange loss/(gain), net		710	(907)
Accruals for long-term incentive programme	14	396	531
Operating cash flows before changes in working capital		**24,042**	**25,535**
Increase in inventories		(3,538)	(1)
(Increase)/Decrease in receivables and other current assets		(462)	637
Decrease in prepayments		115	1,042
Decrease in VAT receivable		88	456
Decrease in payables and other financial liabilities		(464)	(4,605)
Decrease in advances received		(348)	(267)
Decrease in tax liabilities, other than income taxes		(1,396)	(1,792)
Increase/(Decrease) in accrued expenses		493	(197)
Net cash flows generated from operations		**18,530**	**20,808**
Interest paid		(1,919)	(1,364)
Interest received		1,903	715
Income tax paid		(3,995)	(3,018)
Net cash flows from operating activities		**14,519**	**17,141**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,234)	(3,032)
Purchase of intangible assets		(437)	(409)
Proceeds from sale of property, plant and equipment		2	1
Dividends received from associates		56	65
Net cash flows used in investing activities		**(2,613)**	**(3,375)**
Cash flows from financing activities			
Proceeds from loans and borrowings	15	13,300	14,800
Repayment of loans and borrowings	15	(8,300)	(17,380)
Lease payments		(6,099)	(5,542)
Dividends paid	13	(8,359)	-
Net cash flows used in financing activities		**(9,458)**	**(8,122)**
Total cash from operating, investing and financing activities		**2,448**	**5,644**
Effect of exchange rate fluctuations on cash and cash equivalents		(273)	145
Net increase in cash and cash equivalents		**2,175**	**5,789**
Cash and cash equivalents at the beginning of the period	12	**37,343**	**23,584**
Cash and cash equivalents at the end of the period	12	**39,518**	**29,373**

The accompanying notes on pages 7–26 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

(in millions of Russian roubles)

	Note	Share capital	Additional paid-in capital	Retained earnings	Treasury shares	Currency translation reserve	Total equity
At 1 January 2023		**1**	**154**	**29,241**	**(207)**	**78**	**29,267**
Profit for the period		-	-	19,646	-	-	19,646
Other comprehensive income for the period		-	-	-	-	(125)	(125)
Total comprehensive income for the period, net of tax		**-**	**-**	**19,646**	**-**	**(125)**	**19,521**
Long-term incentive programme	14	-	-	531	-	-	531
At 30 June 2023		**1**	**154**	**49,418**	**(207)**	**(47)**	**49,319**
At 1 January 2024		**1**	**154**	**65,352**	**(207)**	**19**	**65,319**
Profit for the period		-	-	9,100	-	-	9,100
Other comprehensive loss for the period		-	-	-	-	(29)	(29)
Total comprehensive income for the period, net of tax		**-**	**-**	**9,100**	**-**	**(29)**	**9,071**
Dividends	13	-	-	(8,359)	-	-	(8,359)
Long-term incentive programme	14	-	-	396	-	-	396
At 30 June 2024		**1**	**154**	**66,489**	**(207)**	**(10)**	**66,427**

The accompanying notes on pages 7–26 form an integral part of this interim condensed consolidated financial information.

1. GENERAL INFORMATION

Fix Price Group PLC (the "Company") is registered at the Astana International Financial Centre ("AIFC") in the Republic of Kazakhstan. In June 2024, the Company discontinued its registration in the Republic of Cyprus. The Company has global depositary receipts ("GDR"), which represent its ordinary shares, listed on the London Stock Exchange, Astana International Exchange, and Moscow Exchange.

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

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

This interim condensed consolidated financial information was authorised for issue by management of the Company on behalf of the Company's Board of Directors on 7 August 2024.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). The interim condensed consolidated financial information does not include all the information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023.

The interim condensed consolidated financial information has been prepared under the historical cost convention 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 in preparing this interim condensed consolidated financial information are consistent with those of the financial year ended 31 December 2023.

Going concern

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

Therefore, management of the Group continues to adopt the going concern basis of accounting in preparing the interim condensed consolidated financial information.

(in millions of Russian roubles)

Basis of consolidation

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

Company name	Country of incorporation	Principal activity	Ownership interest 30 June 2024	Ownership interest 31 December 2023
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%

Functional and presentation currency

The functional currency of the Company and its Russian subsidiaries is the Russian rouble (“RUB”). The functional currencies of Best Price Kazakhstan TOO, Fix Price Zapad LLC and FIXPRICEASIA LLC are the Kazakhstani tenge (“KZT”), Belarusian rouble (“BYN”) and Uzbekistani sum (“UZS”), respectively.

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

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

Currency	Closing rate on 30 June 2024	Closing rate on 31 December 2023	Average rate for the six months ended 30 June 2024	Average rate for the six months ended 30 June 2023
KZT	0.1842	0.1977	0.2021	0.1703
BYN	27.0823	28.2261	28.2014	27.0317
UZS	0.0068	0.0073	0.0072	0.0068

Seasonality of operations

The Group’s sales generally increase ahead of major holidays, with the fourth quarter representing the highest proportion of sales, but otherwise experience limited seasonal fluctuations.

Segment information

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

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

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

Significant accounting policies and judgements

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Group's annual consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS.

Adoption of new standards and interpretations

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

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

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

The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

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

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

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

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

(in millions of Russian roubles)

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

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

3. REVENUE

Revenue for the six months ended 30 June 2024 and the six months ended 30 June 2023 consisted of the following:

	For the six months ended	
	30 June 2024	**30 June 2023**
Retail revenue	132,661	120,086
Wholesale revenue	15,730	15,591
	148,391	**135,677**

4. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the six months ended 30 June 2024 and the six months ended 30 June 2023 consisted of the following:

	For the six months ended	
	30 June 2024	**30 June 2023**
Staff costs	21,088	16,473
Depreciation of right-of-use assets	6,227	5,487
Other depreciation and amortisation	2,035	1,748
Bank charges	1,693	1,645
Security services	1,029	992
Rental expense	809	801
Advertising costs	580	362
Repair and maintenance costs	573	469
Utilities	506	465
Other expenses	962	680
	35,502	**29,122**

(in millions of Russian roubles)

Staff costs for the six months ended 30 June 2024 and the six months ended 30 June 2023 consisted of the following:

	For the six months ended	
	30 June 2024	**30 June 2023**
Wages and salaries	17,351	13,303
Statutory social security and pension contributions	3,341	2,639
Long-term incentive programme (Note 14)	396	531
	21,088	**16,473**

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

5. INCOME TAX EXPENSE/BENEFIT

Profit before tax for financial reporting purposes is reconciled to tax expense as follows:

	For the six months ended	
	30 June 2024	**30 June 2023**
Profit before tax	13,365	16,643
Theoretical tax expense at 20%, being the statutory rate in Russia	**(2,673)**	**(3,329)**
Income subject to income tax at rates different from 20%	93	366
Non-deductible items	(221)	(91)
(a) Withholding tax on intra-group dividends	(1,464)	(169)
(b) Income tax provision	-	6,226
Income tax (expense)/benefit	**(4,265)**	**3,003**

(a) Withholding tax on intra-group dividends

Withholding tax is applied to dividends distributed by the Group’s operating subsidiaries, such tax is withheld at the source by the respective subsidiary and is paid to the relevant tax authorities at the same time, when the payment of the dividend is effected.

(b) Income tax provision

No income tax provision was recognised during the six months ended 30 June 2024. During the six months ended 30 June 2023, the Group reassessed the relevant uncertainties, resulting in a favourable revaluation of the Group’s tax exposure (Note 19).

(in millions of Russian roubles)

6. KEY MANAGEMENT REMUNERATION

During the six months ended 30 June 2024, the total compensation relating to the Group's key management personnel amounted to RUB 1,454 million, including RUB 1,184 million in short-term employee benefits and RUB 270 million in long-term share-based compensation. During the six months ended 30 June 2023, the total compensation relating to the Group's key management personnel amounted to RUB 1,723 million, including RUB 1,314 million in short-term employee benefits and RUB 409 million in long-term share-based compensation. The amount of compensation includes all applicable taxes and contributions.

7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired assets at a cost of RUB 2,267 million, which mainly comprised leasehold improvements and trade equipment. During the six months ended 30 June 2023, the Group acquired assets at a cost of RUB 6,338 million, which mainly comprised warehouse properties, an office building in Moscow, leasehold improvements and trade equipment.

The Group's capital advances as at 30 June 2024 and 30 June 2023 mainly consisted of advances for equipment.

As at 30 June 2024 and as at 31 December 2023, no assets were pledged as security.

8. INTANGIBLE ASSETS

During the six months ended 30 June 2024, the Group acquired intangible assets for the amount of RUB 437 million, which mainly comprised software. During the six months ended 30 June 2023, the Group acquired intangible assets for the amount of RUB 409 million, which mainly comprised software.

9. RIGHT-OF-USE ASSETS

The Group leases retail premises, offices and warehouses (hereinafter "leased premises and buildings") with lease terms within the range of 1 to 8 years. Movements in the carrying amount of right-of-use assets were as follows:

	Leased premises and buildings for the six months ended	
	30 June 2024	**30 June 2023**
Cost		
At 1 January 2024 / 1 January 2023	58,102	45,491
New lease contracts and modification of existing lease contracts	6,369	6,174
Lease prepayments	46	35
Disposals	(352)	(234)
Effect of translation to presentation currency	(335)	623
At 30 June 2024 / 30 June 2023	**63,830**	**52,089**

(in millions of Russian roubles)

	Leased premises and buildings for the six months ended	
	30 June 2024	**30 June 2023**
Accumulated depreciation and impairment		
At 1 January 2024 / 1 January 2023	**(43,483)**	**(32,103)**
Depreciation expense	(6,244)	(5,526)
Disposals	352	234
Effect of translation to presentation currency	232	(390)
At 30 June 2024 / 30 June 2023	**(49,143)**	**(37,785)**
Carrying amount		
At 1 January 2024 / 1 January 2023	**14,619**	**13,388**
At 30 June 2024 / 30 June 2023	**14,687**	**14,304**

	For the six months ended	
	30 June 2024	**30 June 2023**
Amounts recognised in profit or loss		
Depreciation expense of right-of-use assets	6,227	5,487
Interest expense on lease liabilities	999	670
Expenses relating to variable lease payments not included in the measurement of the lease liabilities	794	789

Some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from leased retail stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed costs. The variable payments depend on the sales of particular stores, and consequently on the overall economic development over the next few years. Such payments are recognised in profit or loss as incurred.

The total cash outflow for leases accounted for under IFRS 16 in the interim condensed consolidated financial information amounts to RUB 7,882 million for the six months ended 30 June 2024 (RUB 7,027 million for the six months ended 30 June 2023).

10. INVENTORIES

The Group inventories balance is comprised of merchandise inventories. Inventories write-offs due to shrinkage and write-down to net realisable value during the six months ended 30 June 2024 and the six months ended 30 June 2023 amounted to RUB 1,122 million and RUB 1,464 million, respectively, and were included within cost of sales in the interim condensed consolidated statement of comprehensive income.

(in millions of Russian roubles)

11. RECEIVABLES AND OTHER CURRENT ASSETS

Trade and other receivables as at 30 June 2024 and 31 December 2023 were as follows:

	30 June 2024	31 December 2023
Trade receivables from franchisees, net of allowance for expected credit losses	1,903	1,364
Settlements with customs	728	1,002
Other receivables, net of allowance for expected credit losses	579	384
	3,210	**2,750**

The allowance for expected credit losses on trade receivables and other receivables as at 30 June 2024 and as at 31 December 2023 was RUB 41 million and RUB 44 million, respectively.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30 June 2024 and 31 December 2023 consisted of the following:

	30 June 2024	31 December 2023
Bank current accounts – RUB, KZT, BYN, UZS	2,563	3,256
Bank current accounts – EUR, USD, CNY, GBP	4,881	135
Cash in transit – RUB, KZT, BYN	1,155	1,897
Cash in hand – RUB, KZT, BYN	960	1,126
Deposits – USD, EUR	4,598	5,319
Deposits – RUB, KZT, BYN	25,361	25,610
	39,518	**37,343**

Cash in transit represents cash collected by banks from the Group’s stores and not yet deposited in bank accounts as at 30 June 2024 and 31 December 2023.

As at 30 June 2024, RUB-, KZT-, BYN-, USD- and EUR-denominated deposit bank accounts with balances amounting to RUB 29,959 million had interest rates of 1.25%–16.16% and a maturity period of 1-305 days (deposits over 90 days are recallable on demand).

As at 31 December 2023, RUB-, KZT-, BYN-, EUR- and USD-denominated deposit bank accounts with balances amounting to RUB 30,929 million had interest rates of 2.40%-16.52% and a maturity period of 1-305 days (deposits over 90 days are recallable on demand).

Cash balances in current bank accounts are normally interest-free.

(in millions of Russian roubles)

13. EQUITY

Ordinary shares

As at 30 June 2024 and 31 December 2023, the Group's ordinary and treasury shares were as follows:

	Outstanding ordinary shares	Issued ordinary shares
At 1 January 2023	**849,528,693**	**850,000,000**
At 30 June 2023	**849,528,693**	**850,000,000**
At 1 January 2024	**849,528,693**	**850,000,000**
At 30 June 2024	**849,528,693**	**850,000,000**

As at 30 June 2024 and 31 December 2023, the Company had authorised share capital of 10,000,000,000 ordinary shares with a par value of EUR 0.0000374 per share.

Additional paid-in capital

No equity contributions were made by Group shareholders during the six months ended 30 June 2024 or the six months ended 30 June 2023.

Dividends

Interim dividends for 2023 and 2024 in the combined amount of RUB 8.4 billion or RUB 9.84 per share were announced in January 2024 and were paid in full.

No dividends were announced for 2022 or 2023 during the six months ended 30 June 2023.

Treasury shares

As at 30 June 2024 and 31 December 2023, the Group had 471,307 treasury shares with a total value of RUB 207 million.

14. LONG-TERM INCENTIVE PROGRAMME

On 23 November 2022, the Group's Board of Directors approved long-term incentive programmes for its top management and key employees ("the Programme"). The Programme is designed to provide long-term incentives for its participants to deliver long-term shareholder returns, and to retain talent for the Group.

Under the Programme, participants in continuing employment, if certain performance conditions are met, are entitled to a certain number of Company GDRs, their cash equivalent or a combination thereof at the Group's discretion, that is to be granted in three annual tranches in 2022, 2023 and 2024 with an additional subsequent one-year service period required for each tranche. Employee participation in the Programme is at the Board of Directors' discretion. GDRs are granted under the Programme for no consideration should this option be selected by the Group.

(in millions of Russian roubles)

The annual award is calculated in accordance with a performance-based formula. The formula rewards employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative targets, including but not limited to the respective store's annual expansion plan, achievement of the Group's budgeted EBITDA and targeted return on investment capital.

The Group initially accounted for this Programme as an equity-settled share-based payment transaction under IFRS 2, *Share-based Payment*, as the Group had no present obligation to settle in cash. In December 2023, the Group opted to settle the first tranche of the Programme in cash and reclassified the equity-settled share-based payment arrangement relating to the first tranche to a liability-settled share-based payment, which was recognised as a debit entry to equity within retained earnings. The first tranche, representing approximately 1.9 million awards, was fully settled in cash in December 2023.

The fair value of each annual tranche of the Programme is determined using the market price of GDRs 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. The fair value of the first and second tranches at the grant date was assessed at RUB 1,494 million (based on 336.5 Russian roubles per GDR), representing approximately 4.4 million awards. The grant date for the third tranche was determined as 1 January 2024, which is also the date when the service period of the tranches started. The fair value of the third tranche was assessed at RUB 1,131 million (based on 291.9 Russian roubles per GDR), representing approximately 3.9 million awards.

As at 30 June 2024, 6.6 million awards were outstanding (as at 31 December 2023, 2.7 million awards were outstanding). The weighted average remaining contractual life for the awards was 368 days as of 30 June 2024 (as at 31 December 2023, the weighted average remaining contractual life for the awards was 336 days).

Expenses arising from long-term incentive programme

Total expenses arising from long-term incentive programme recognised during the six months ended 30 June 2024 amounted to RUB 396 million (RUB 531 million for the six months ended 30 June 2023).

15. LOANS AND BORROWINGS

Terms and conditions in respect of loans and borrowings as of 30 June 2024 are detailed below:

Source of financing	Currency	Maturity date	Interest rate as at 30 June 2024	30 June 2024
Short-term loans and borrowings (unsecured)	RUB	2024-2025	10.47-18.36%	15,036
Long-term loans and borrowings (unsecured)	RUB	2028	9.00%	4,855
				19,891

(in millions of Russian roubles)

Terms and conditions in respect of loans and borrowings as of 31 December 2023 are detailed below:

Source of financing	Currency	Maturity date	Interest rate as at 31 December 2023	31 December 2023
Short-term loans and borrowings (unsecured)	RUB	2024	10.47-17.89%	10,024
Long-term loans and borrowings (unsecured)	RUB	2025	9.00%	4,675
				14,699

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes for the period of six months ended 30 June 2024. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's interim condensed consolidated statement of cash flows as cash flows from financing activities:

	1 January 2024	Financing cash flows (i)	Other changes (ii)	30 June 2024
Loans and borrowings	14,699	5,000	192	19,891
Dividends payable	-	(8,359)	8,359	-
	14,699	**(3,359)**	**8,551**	**19,891**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes for the period of six months ended 30 June 2023. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's interim condensed consolidated statement of cash flows as cash flows from financing activities:

	1 January 2023	Financing cash flows (i)	Other changes (ii)	30 June 2023
Loans and borrowings	21,928	(2,580)	174	19,522
	21,928	**(2,580)**	**174**	**19,522**

(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 interim condensed consolidated statement of cash flows.

(ii) Other changes include interest accrued and paid, the amounts of dividends declared (Note 13), foreign exchange gains and losses.

The Group's loan agreements contain certain restrictive covenants, including requirements to comply with specified financial ratios. The Group's failure to comply with restrictive covenants may result in a claim for immediate repayment of the corresponding debt. As at 30 June 2024 and 31 December 2023, the Group was in compliance with all financial and non-financial covenants stipulated by its loan agreements.

(in millions of Russian roubles)

16. LEASE LIABILITIES

As at 30 June 2024 and 31 December 2023, lease liabilities comprised the following:

	30 June 2024	31 December 2023
Gross lease payments, including:		
Current portion (less than 1 year)	10,474	9,889
From 1 to 5 years	5,249	5,225
Over 5 years	579	701
Total gross lease payments	**16,302**	**15,815**
Less unearned interest	(2,435)	(2,041)
Analysed as:		
Current portion		
Less than 1 year	9,104	8,800
Non-current portion		
From 1 to 5 years	4,275	4,382
Over 5 years	488	592
Total lease liability	**13,867**	**13,774**

The following table summarises the changes in the lease liabilities:

Balance as at 1 January 2024/ 1 January 2023	**13,774**	**12,612**
Interest expense on lease liabilities	999	670
Lease payments	(7,088)	(6,238)
New lease contracts and modification of existing lease contracts	6,284	6,128
Currency translation reserve	(102)	224
Balance as at 30 June 2024/ 30 June 2023	**13,867**	**13,396**

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

The weighted average incremental borrowing rate at 30 June 2024 was 15.57% per annum; at 31 December 2023 it was 12.86% per annum.

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

(in millions of Russian roubles)

17. PAYABLES AND OTHER FINANCIAL LIABILITIES

Payables as at 30 June 2024 and 31 December 2023 consisted of the following:

	30 June 2024	31 December 2023
Trade payables	33,372	34,214
Deferred revenue	221	1,627
Forward foreign exchange contracts (Note 20)	464	-
Other payables	1,873	379
	35,930	**36,220**

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

As at 30 June 2024 deferred revenue comprises the Group's contract liability with regards to unredeemed customer loyalty points. As at 31 December 2023 deferred revenue comprises the compensation received from the depositary in connection with the establishment, administration and maintenance of its Regulation S and Rule 144A depositary receipt facilities, as well as the Group's contract liability with regards to unredeemed customer loyalty points; the former component has been reclassified to other payables during the six months ended 30 June 2024.

As at 30 June 2024 and 31 December 2023 all payables were unsecured.

18. COMMITMENTS

Contractual commitments

The Group has contractual capital commitments not provided within its interim condensed consolidated financial statements. As at 30 June 2024 and 31 December 2023 the Group had contractual capital commitments in the amount of RUB 444 million. These commitments relate to the acquisition of land under the new distribution centre.

19. OPERATING ENVIRONMENT AND CONTINGENCIES

Operating environment of the Group

The Group sells products that are sensitive to changes in general economic conditions that impact consumer spending. Future economic conditions and other factors, including an outbreak of coronavirus infection, the imposition of sanctions, consumer confidence, employment levels, interest rates, consumer debt levels and the availability of consumer credit, could reduce consumer spending or change consumer purchasing habits. A general slowdown in the Russian economy or in the global economy, or an uncertain economic outlook, could adversely affect consumer spending habits and the Group's operating results.

Russia continues to implement economic reforms and to develop its legal, tax and regulatory frameworks as required by a market economy. The future stability of the Russian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Since February 2022, the European Union, the United States of America, Switzerland, the United Kingdom and other countries have imposed a series of restrictive measures against the Russian Federation, various companies and certain individuals. The sanctions imposed include an asset freeze, a prohibition on making funds available to sanctioned individuals and entities, and travel bans applicable to sanctioned individuals that prevent them from entering or transiting through the relevant territories. As part of the measures imposed, the London Stock Exchange has suspended trading in the securities of a number of companies with ties to Russia, including Fix Price Group PLC.

The sanctions led to a significant change in the operating environment for the Russian economy, resulting in a considerable increase in the Russian rouble exchange rate and limiting opportunities for Russia to use its foreign currency and gold reserves. In response to these challenges, the Russian government implemented a series of legislative and economic measures aimed at easing pressure on the Russian rouble that included regular changes to the key interest rate and restrictions on certain cross-border currency operations.

The adopted measures, together with governmental support, have led to the gradual stabilisation of the economy. However, the broader economy in general and the retail sector in particular are still negatively impacted by the volatility of the Russian rouble, sanctions and countermeasures, and uncertainty over the future key interest rate. As of 30 June 2024, the Group faced certain restrictions in respect of transferring funds from its Russian subsidiaries in the form of loans, advances, or cash dividends due to recently enacted Russian capital control and protection measures, including but not limited to an obligation to receive permissions from the government.

The combination of negative factors affecting the Russian economy resulted in reduced access to capital, a higher cost of capital and uncertainty regarding economic growth, which could negatively affect the Group’s future financial position, the results of its operations and its business prospects.

Management believes it is taking appropriate measures to support the sustainability of the Group’s business in the current circumstances.

Legal proceedings

In the ordinary course of business, the Group may be a party to various legal and tax proceedings, and be subject to claims. In the opinion of management, the Group’s liability, if any, in all pending litigation, other legal proceedings or other matters will not have a material effect on the financial position, results of operations or liquidity of the Group.

Taxation

The Group’s main subsidiary, from which the Group’s income is derived, operates in Russia. Russian tax, currency and customs legislation can be interpreted in different ways and is susceptible to frequent changes. Management’s interpretation of the legislation in question as applied to the Group’s operations and activities may be challenged by the relevant regional or federal authorities.

In addition, certain amendments to tax legislation went into effect in 2015 that were aimed at combating tax evasion through the use of low-tax jurisdictions and aggressive tax planning structures. In particular, those amendments included 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 were not challenged in the past may be challenged as not having been in compliance with the Russian tax laws applicable at the relevant time. In particular, the Supreme Court issued guidance to lower courts on reviewing tax cases that provides a systematic road map for anti-avoidance claims, and it is possible that this will significantly increase the level and frequency of scrutiny on the part of the tax authorities. As a result, significant additional taxes, penalties and interest may be levied on the Group.

As at 30 June 2024, management believed that its interpretation of the relevant legislation was appropriate and that the Group's tax, currency and customs positions would be sustained. Management estimates that the Group's possible exposure in relation to the aforementioned tax risks will not exceed 1% of the Group's total assets as at 30 June 2024.

20. FINANCIAL RISK MANAGEMENT

The Group uses various financial instruments, including bank loans, cash, derivatives and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. The Group reviews and agrees policies for managing each of these risks, and they are summarised below.

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

Currency risk

The Group is exposed to transaction foreign exchange risk arising from exchange rate fluctuations on its purchases from overseas suppliers. In relation to currency transaction risk, approximately a quarter of the cost of goods sold is sourced from overseas suppliers, with the relevant trade accounts payable being owed in foreign currency and having a maturity of up to 120 days. A proportion of the Group's purchases are priced in Chinese yuan, and the Group enters into forward foreign currency contracts in order to manage its exposure to currency risk. No transactions in derivatives are undertaken of a speculative nature. As at 30 June 2024 the fair value of liabilities related to forward foreign exchange contracts amounted to RUB 464 million which were recognised within payables and other financial liabilities. As at 31 December 2023, the Group had no forward foreign exchange contracts.

During the six months ended 30 June 2024 the loss from forward foreign exchange contracts amounted to RUB 573 million. During the six months ended 30 June 2023, the Group had no gain or loss from forward foreign exchange contracts.

(in millions of Russian roubles)

During the six months ended 30 June 2024, 91% of the Group's sales to retail and wholesale customers were priced in Russian roubles (during the six months ended 30 June 2023 – 93%); therefore, there is immaterial currency exposure in this respect. Other sales related to retail sales of Best Price Kazakhstan TOO and Fix Price Zapad LLC are priced in local currencies.

Foreign currency sensitivity

The carrying amount of the Group's foreign currency–denominated monetary assets and liabilities as at 30 June 2024 and 31 December 2023 was as follows:

	Assets		Liabilities	
	30 June 2024	**31 December 2023**	**30 June 2024**	**31 December 2023**
USD	3,657	3,892	1,547	-
CNY	4,753	25	9,768	9,717
EUR	1,373	1,537	1	-

The following table demonstrates the sensitivity of net profit and equity to a reasonably possible change in the Chinese yuan period-end exchange rates with all other variables held constant.

		30 June 2024		31 December 2023
Depreciation in RUB/CNY	+15%	(752)	+15%	(1,454)
Appreciation in RUB/CNY	-15%	752	-15%	1,454

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

		30 June 2024		31 December 2023
Depreciation in RUB/USD	+15%	317	+15%	584
Appreciation in RUB/USD	-15%	(317)	-15%	(584)

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

		30 June 2024		31 December 2023
Depreciation in RUB/EUR	+15%	206	+15%	231
Appreciation in RUB/EUR	-15%	(206)	-15%	(231)

These calculations were performed by taking the period-end exchange rate used for the accounts and applying the change noted above. The balance sheet valuations were then calculated directly.

(in millions of Russian roubles)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at 30 June 2024, the Group had floating rate interest-bearing short-term liabilities amounting to RUB 13,300 million (as at 31 December 2023: RUB 2,400 million). As at 30 June 2024, if interest rates at that date had been 200 basis points higher with all other variables held constant, the profit before tax for the six months ended 30 June 2024 would have been RUB 62 million lower, mainly as a result of higher interest expense on borrowings. If interest rates had been 200 basis points lower with all other variables held constant, the profit before tax for the six months ended 30 June 2024 would have been RUB 62 million higher, mainly as a result of lower interest expense on borrowings. As at 31 December 2023, if interest rates at that date had been 850 basis points higher with all other variables held constant, the profit before tax for the year ended 31 December 2023 would have been RUB 57 million lower, mainly as a result of higher interest expense on borrowings. If interest rates had been 850 basis points lower with all other variables held constant, the profit before tax for the year ended 31 December 2023 would have been RUB 57 million higher, mainly as a result of lower interest expense on borrowings.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's principal financial assets are cash and cash equivalents and trade receivables. Credit risk is further limited by the fact that all of retail sales transactions are made through store registers, direct from the customer at the point of purchase, leading to a zero trade receivables balance from retail sales.

Therefore, the principal credit risk on trade receivables arises from the Group's trade receivables from its wholesale revenue stream. In order to manage credit risk, the Group sets limits for wholesale customers (franchisees) based on their payment history. New wholesale customers typically pay in advance. Credit limits are reviewed by franchisee managers on a regular basis in conjunction with debt ageing and collection history. Allowance for expected credit losses is provided where appropriate.

The credit risk on cash and cash equivalents is managed by the Group's treasury and is limited, as the counterparties are financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

The table below shows the balances that the Group had with its major banks as at the reporting date:

Bank	Country of incorporation	Rating	Carrying amount as at 30 June 2024
Credit Bank of Moscow	Russia	ruA+	23,749
CQUR Bank	Qatar	n/a	3,201
Bank of China	Russia	A1	2,420
Raiffeisenbank	Russia	ruAAA	2,309
LGT	Switzerland	Aa1	2,002
Sberbank of Russia	Russia	AAA (RU)	1,198
Halyk Bank of Kazakhstan	Kazakhstan	Baa2	901
Rosbank	Russia	ruAAA	523
Bereke Bank	Kazakhstan	Ba2	422
VTB	Belarus, Russia	ruAAA	259
Alfa Bank	Belarus, Russia	ruAA+	180
Other			239
			37,403

(in millions of Russian roubles)

The table below shows the balances that the Group had with its major banks as at 31 December 2023:

Bank	Country of incorporation	Rating	Carrying amount as at 31 December 2023
Credit Bank of Moscow	Russia	ruA+	20,157
Sberbank of Russia	Russia	AAA (RU)	7,584
LGT	Switzerland	Aa1	3,920
CQUR Bank	Qatar	n/a	1,648
Bereke Bank	Kazakhstan	Ba1	211
Alfa Bank	Russia, Belarus	ruAA+	183
VTB	Russia, Belarus	ruAAA	177
Kaspi Bank	Kazakhstan	Ba1	129
Raiffeisenbank	Russia	ruAAA	92
Other			219
Total			**34,320**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group's loans and borrowings are subject to quarterly banking covenants against which the Group has had significant headroom to date with no anticipated issues based upon forecasts made. Short-term flexibility is achieved via the Group's rolling credit facility. The following table shows the maturity of financial liabilities based on their remaining period at the balance sheet date.
The amounts disclosed are the contractual undiscounted cash flows:

	On demand or less than 1 year	1 to 5 years	Over 5 years	Total*	Carrying amount
As at 30 June 2024					
Loans and borrowings*	16,713	6,214	-	**22,927**	**19,891**
Payables and other financial liabilities	35,709	-	-	**35,709**	**35,709**
Lease liabilities*	10,474	5,249	579	**16,302**	**13,867**
	62,896	**11,463**	**579**	**74,938**	**69,467**
As at 31 December 2023					
Loans and borrowings*	10,525	5,128	-	**15,653**	**14,699**
Payables and other financial liabilities	34,593	-	-	**34,593**	**34,593**
Lease liabilities*	9,889	5,225	701	**15,815**	**13,774**
	55,007	**10,353**	**701**	**66,061**	**63,066**

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

(in millions of Russian roubles)

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, Group management relied on the assumption that the carrying amount of lease liabilities approximated their fair value as at 30 June 2024 and 31 December 2023, as it reflects changes in market conditions and takes into account the risk premium and the time value of money.

21. RELATED PARTY TRANSACTIONS

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions that unrelated parties might not, and transactions between related parties may not be effected on the same terms and conditions or for the same amounts as transactions between unrelated parties. Management considers that the Group has appropriate procedures in place to identify, account for and properly disclose transactions with related parties.

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

Transactions with related parties for the six months ended 30 June 2024 and for the six months ended 30 June 2023 were as follows:

	For the six months ended	
	30 June 2024	**30 June 2023**
Associates:		
Sales of goods	1,148	1,186
Royalty fees	46	49
Other*:		
Dividends declared	(6,047)	-
Payment of dividends	(6,047)	-
Redemption of loans payable	-	(30)
Interest expense accrued on loans payable	90	181

As at 30 June 2024 and as at 31 December 2023, the outstanding balances with related parties were as follows:

	30 June 2024	**31 December 2023**
Associates:		
Trade and other receivables	10	13
Advances from customers	(40)	(92)
Other*:		
Loans payable	(2,412)	(2,322)

* Other related parties comprise immediate and indirect shareholders of the Company.

For details on the remuneration of key management personnel, please refer to Note 6.

22. POST–BALANCE SHEET EVENTS

(a) Intention to cancel GDRs listing on the London Stock Exchange

On 19 July 2024, the Company applied for delisting of global delisting depositary receipts, representing interests in the Company's shares (the "GDRs"), from the Official List of the Financial Conduct Authority and to cancel the trading of GDRs on the Main Market of the London Stock Exchange with effect from 19 August 2024.

(b) Tax reform

On 12 July 2024, the President of the Russian Federation signed Law No. 176-FZ, which will come into effect on 1 January 2025. The new law sets out a range of significant amendments to the Tax Code of the Russian Federation, including:

- The introduction of a progressive scale of personal income tax rates, as well as adjustments to certain reliefs and special rules relating to personal income tax;
- An increased corporate profit tax rate (specifically, the basic rate would rise from 20% to 25%);
- Higher thresholds for the application of the simplified taxation systems (STS) and the introduction of a requirement to pay VAT under the STS;
- Additions to the range of excisable goods;
- Changes to resource rent taxes.

The tax reform will have a significant impact on the Group's financial performance for the second half of the year ending 31 December 2024, as well as for subsequent reporting periods. The management of the Group is currently conducting a comprehensive assessment of the effects of the tax reform.