

# **Fix Price Group Ltd.**

Interim Condensed Consolidated  
Financial Information  
for the Six Months Ended 30 June 2021  
(Unaudited)

# **FIX PRICE GROUP LTD.**

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## **FIX PRICE GROUP LTD.**

### **STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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Management is responsible for the preparation of the interim condensed consolidated financial information that presents fairly the consolidated financial position of Fix Price Group Ltd. (hereinafter, the "Company") and its subsidiaries (hereinafter, the "Group") as at 30 June 2021, the consolidated results of its operations, cash flows and changes in equity for the six months then ended, in accordance 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 manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs 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;
- 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 interim condensed consolidated financial information of the Group complies with IFRS;
- Maintaining statutory accounting records in compliance with local legislation and accounting standards of the jurisdictions the Group's subsidiaries are operating in;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial information was approved by management of the Company on behalf of the Board of Directors of the Company on 11 August 2021.

On behalf of management:

  
\_\_\_\_\_  
**Dmitry Kirsanov**  
Chief Executive Officer

  
\_\_\_\_\_  
**Anton Makhnev**  
Chief Financial Officer

## **REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

To the Shareholders of Fix Price Group Ltd.:

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Fix Price Group Ltd. (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2021 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 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

  
Vladimir Biryukov  
Engagement partner



11 August 2021

The Entity: Fix Price Group Ltd.

Company Number: 1483801

Address: Commerce House, Wickhams Cay 1, P. O. Box 3140, Road Town, Tortola, British Virgin Islands, VG1110

Audit Firm: AO "Deloitte & Touche CIS"

Certificate of state registration № 018.482, issued by the Moscow Registration Chamber on 30.10.1992.

Primary State Registration Number: 1027700425444

Certificate of registration in the Unified State Register № 77 004840299 of 13.11.2002, issued by Moscow Interdistrict Inspectorate of the Russian Ministry of Taxation № 39.

Member of Self-regulatory organization of auditors Association "Sodruzhestvo", ORNZ 12006020384

**FIX PRICE GROUP LTD.**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)  
(in millions of Russian Rubles, except earnings per share)**

	Notes	For the six months ended	
		30 June 2021	30 June 2020
Revenue	3	106,116	82,869
Cost of sales		(72,968)	(55,771)
<b>Gross profit</b>		<b>33,148</b>	<b>27,098</b>
Selling, general and administrative expenses	4	(19,417)	(16,020)
Other operating income		409	114
Share of profit of associates		12	7
<b>Operating profit</b>		<b>14,152</b>	<b>11,199</b>
Interest income		74	142
Interest expense		(721)	(459)
Foreign exchange gain, net		96	1,100
<b>Profit before tax</b>		<b>13,601</b>	<b>11,982</b>
Income tax expense	5	(3,813)	(2,968)
<b>Profit for the period</b>		<b>9,788</b>	<b>9,014</b>
<b>Other comprehensive (loss)/ income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		(21)	13
<b>Other comprehensive (loss)/ income for the period</b>		<b>(21)</b>	<b>13</b>
<b>Total comprehensive income for the period</b>		<b>9,767</b>	<b>9,027</b>
<b>Earnings per share</b>			
Weighted average number of ordinary shares outstanding	13	850,000,000	850,000,000
Earnings per share, basic and diluted (in Russian Rubles per share)		11.50	10.60

The Notes on pages 8 to 24 form an integral part of this interim condensed consolidated financial information.

**FIX PRICE GROUP LTD.**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021 (UNAUDITED)**  
*(in millions of Russian Rubles)*

	Notes	<u>30 June 2021</u>	<u>31 December 2020</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	13,923	13,308
Goodwill		198	205
Intangible assets	8	1,031	873
Capital advances	7	3,931	2,284
Right-of-use assets	9	9,864	8,554
Investment in associates		26	73
<b>Total non-current assets</b>		<u><b>28,973</b></u>	<u><b>25,297</b></u>
<b>Current assets</b>			
Inventories	10	31,951	26,991
Right-of-use assets	9	1,494	1,724
Receivables and other financial assets	11	1,243	902
Prepayments		1,496	303
Value added tax receivable		329	515
Cash and cash equivalents	12	4,959	26,375
<b>Total current assets</b>		<u><b>41,472</b></u>	<u><b>56,810</b></u>
<b>Total assets</b>		<u><b>70,445</b></u>	<u><b>82,107</b></u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	1	1
Additional paid-in capital	13	154	154
Retained earnings/(deficit)	13	6,017	(3,771)
Currency translation reserve		(14)	7
<b>Total equity</b>		<u><b>6,158</b></u>	<u><b>(3,609)</b></u>
<b>Non-current liabilities</b>			
Lease liabilities	15	4,103	3,713
Deferred tax liabilities	5	1,470	385
<b>Total non-current liabilities</b>		<u><b>5,573</b></u>	<u><b>4,098</b></u>
<b>Current liabilities</b>			
Loans and borrowings	14	15,613	15,680
Lease liabilities	15	6,707	6,339
Payables and other financial liabilities	16	28,816	26,751
Advances received		348	582
Income tax payable		5,036	5,423
Tax liabilities, other than income taxes		1,129	2,068
Dividends payable	13	-	23,658
Accrued expenses		1,065	1,117
<b>Total current liabilities</b>		<u><b>58,714</b></u>	<u><b>81,618</b></u>
<b>Total liabilities</b>		<u><b>64,287</b></u>	<u><b>85,716</b></u>
<b>Total equity and liabilities</b>		<u><b>70,445</b></u>	<u><b>82,107</b></u>

The Notes on pages 8 to 24 form an integral part of this interim condensed consolidated financial information.

## FIX PRICE GROUP LTD.

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

	Note	For the six months ended	
		30 June 2021	30 June 2020
<b>Cash flows from operating activities</b>			
<b>Profit before tax for the period</b>		<b>13,601</b>	<b>11,982</b>
<i>Adjustments for:</i>			
Depreciation and amortisation	4	5,676	4,782
Write-offs of merchandise inventories relating to shrinkage and write-down to net realisable value	10	941	606
Change in allowance for expected credit losses		2	2
Share of profit of associates		(12)	(7)
Interest income		(74)	(142)
Interest expense		721	459
Foreign exchange gain, net		(96)	(1,100)
<b>Operating cash flows before changes in working capital</b>		<b>20,759</b>	<b>16,582</b>
Increase in inventories		(5,933)	(4,541)
Increase in receivables and other financial assets		(364)	(409)
(Increase)/Decrease in prepayments		(1,194)	18
Decrease/(Increase) in VAT receivable		186	(252)
Increase in payables and other financial liabilities		2,093	2,850
Decrease in advances received		(233)	(50)
(Decrease)/Increase in tax liabilities, other than income tax		(941)	808
(Decrease)/Increase in accrued expenses		(51)	488
<b>Net cash flows generated from operations</b>		<b>14,322</b>	<b>15,494</b>
Interest paid		(815)	(512)
Interest received		74	140
Income tax paid		(3,115)	(2,299)
<b>Net cash flows from operating activities</b>		<b>10,466</b>	<b>12,823</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(3,532)	(2,382)
Purchase of intangible assets		(262)	(170)
Proceeds from sale of property, plant and equipment		21	4
Dividends received from associates		60	26
Proceeds from repayment of loans issued		-	21
<b>Net cash flows used in investing activities</b>		<b>(3,713)</b>	<b>(2,501)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans and borrowings		4,000	4,344
Repayment of loans and borrowings		(4,086)	(3,492)
Lease payments		(4,495)	(3,405)
Dividends paid		(23,658)	(13,150)
<b>Net cash flows used in financing activities</b>		<b>(28,239)</b>	<b>(15,703)</b>
<b>Total cash used in operating, investing and financing activities</b>		<b>(21,486)</b>	<b>(5,381)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		70	1,289
<b>Net decrease in cash and cash equivalents</b>		<b>(21,416)</b>	<b>(4,092)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	12	<b>26,375</b>	<b>11,881</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>4,959</b>	<b>7,789</b>

The Notes on pages 8 to 24 form an integral part of this interim condensed consolidated financial information.

**FIX PRICE GROUP LTD.**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)  
(in millions of Russian Rubles)**

	Notes	Share capital	Additional paid-in capital	Retained earnings / (Deficit)	Currency translation reserve	Total (deficit)/ equity
<b>At 1 January 2020</b>		<b>1</b>	<b>154</b>	<b>11,298</b>	<b>-</b>	<b>11,453</b>
Profit for the period		-	-	9,014	-	9,014
Other comprehensive income for the period		-	-	-	13	13
<b>Total comprehensive income for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>9,014</b>	<b>13</b>	<b>9,027</b>
Dividends	13	-	-	(8,646)	-	(8,646)
<b>At 30 June 2020</b>		<b>1</b>	<b>154</b>	<b>11,666</b>	<b>13</b>	<b>11,834</b>
<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 period		-	-	9,788	-	9,788
Other comprehensive loss for the period		-	-	-	(21)	(21)
<b>Total comprehensive income/(loss) for the period, net of tax</b>		<b>-</b>	<b>-</b>	<b>9,788</b>	<b>(21)</b>	<b>9,767</b>
<b>At 30 June 2021</b>		<b>1</b>	<b>154</b>	<b>6,017</b>	<b>(14)</b>	<b>6,158</b>

The Notes on pages 8 to 24 form an integral part of this interim condensed consolidated financial information.

## **FIX PRICE GROUP LTD.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)**

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#### **1. GENERAL INFORMATION**

Fix Price Group Ltd. (the “Company”, earlier, before November 2020, Meridan Management Ltd) was incorporated in May 2008 in accordance with the Business Companies Act of the British Virgin Islands. The address of the Company’s registered office is Commerce House, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands (“BVI”).

Fix Price Group Ltd. 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 trade mark “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 Ltd. on the London Stock Exchange and Moscow Exchange.

Fix Price Group Ltd. 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 2021 and 31 December 2020 the Group had neither an ultimate controlling party nor an ultimate controlling beneficiary owner.

This interim condensed consolidated financial information was authorised for issue by management of the Company on behalf of the Board of Directors of the Company on 11 August 2021.

#### **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

##### **Basis of Preparation**

This interim condensed consolidated financial information for the six months ended 30 June 2021 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 the consolidated financial statements for the year ended 31 December 2020.

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 as at 31 December 2020, except for the adoption of the new standards and interpretations and the adoption of IFRS 8 “Operating Segments” as discussed below.

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

#### Going concern

As a variety value retailer, the Group is well placed to withstand volatility within economic environment. The management has considered the Group's forecasts and projections for the foreseeable future, taking into account the current and expected economic situation in Russia and the CIS, the Group's financial position, available borrowing facilities, loan covenant compliance, planned store opening program, anticipated cash flows and related expenditures from retail stores. Having considered all the above, management does not expect any material adverse impact to the Group's operations from the current economic slowdown caused by the COVID-19 pandemic, and is confident that the Group has adequate resources to continue its operations in the foreseeable future.

Accordingly, management is satisfied that it is appropriate to adopt the going concern basis of accounting in preparing the financial information.

#### 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 each period end:

Company name	Country of incorporation	Principal activity	Ownership interest	Ownership interest
			30 June 2021	31 December 2020
Kolmaz Holdings Ltd	Cyprus	Intermediate holding company	100%	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%

#### Functional and presentation currency

The functional currency of the Company and its Cyprus and Russian subsidiaries is Russian Ruble ("RUB"). The functional currencies of Best Price Kazakhstan TOO, Fix Price Zapad LLC and FIXPRICEASIA LLC are Kazakhstan Tenge ("KZT"), Belarussian Ruble ("BYN") and Uzbekistan Sum ("UZS") respectively.

The presentation currency of the Group is Russian Ruble ("RUB"), and all values are rounded to the nearest million RUB, except when otherwise indicated.

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 six months ended	
	30 June 2021	31 December 2020	30 June 2021	30 June 2020
KZT	0.1689	0.1755	0.1750	0.1711
BYN	28.5718	28.6018	28.8567	29.6805
UZS	0.0068	0.0071	0.0071	-

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)  
(in millions of Russian Rubles)**

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**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 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.

**Significant accounting policies and judgments**

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 that applied to the Group's annual consolidated financial statements for the year ended 31 December 2020 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.

Several amendments and interpretations apply for the first time in 2021 and have been adopted by the Group while preparing this interim condensed consolidated financial information, but do not have an impact on the interim condensed consolidated financial statements of the Group.

***Amendments to IFRS 7, IFRS 9, IAS 39, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase II***

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments are effective for annual periods beginning on or after January 1, 2021. These amendments had no impact on the interim condensed consolidated financial information of the Group.

**New and revised IFRS Standards in issue but not yet effective**

- IFRS 17 *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*;

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) *(in millions of Russian Rubles)*

- Amendments to IFRS 3 *Reference to the Conceptual Framework*;
- Amendments to IAS 16 *Property, Plant and Equipment-Proceeds before Intended Use*;
- Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract*;
- Annual Improvements to IFRS Standards 2018-2020 Cycle; and
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases*;
- Amendments to IFRS 4 *Extension of the Temporary Exemption from Applying IFRS 9*;
- Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of accounting policies*;
- Amendments to IAS 8 *Definition of accounting estimates*;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

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

### 3. REVENUE

Revenue for the six months ended 30 June 2021 and the six months ended 30 June 2020 consisted of the following:

	For the six months ended	
	30 June 2021	30 June 2020
Retail revenue	93,026	71,506
Wholesale revenue	13,090	11,363
	<b>106,116</b>	<b>82,869</b>

### 4. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the six months ended 30 June 2021 and the six months ended 30 June 2020 consisted of the following:

	For the six months ended	
	30 June 2021	30 June 2020
Staff costs	9,561	7,860
Depreciation of right-of-use assets	4,425	3,717
Other depreciation and amortisation	1,251	1,065
Bank charges	1,151	863
Security services	744	648
Rental expense	708	733
Repair and maintenance costs	402	348
Advertising costs	356	274
Utilities	340	236
Other expenses	479	276
	<b>19,417</b>	<b>16,020</b>

Rental expense for the six months ended 30 June 2021 and the six months ended 30 June 2020 mainly relate 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 LTD.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)**

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#### **5. INCOME TAX EXPENSE**

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

	For the six months ended	
	30 June 2021	30 June 2020
Profit before tax	13,601	11,982
<b>Theoretical tax expenses at 20%, being statutory rate in Russia</b>	<b>(2,720)</b>	<b>(2,396)</b>
Non-taxable/ (non-deductible) items	56	(27)
Income subject to income tax at rates different from 20%	8	305
Withholding tax on intra-group dividends	-	(850)
Deferred tax liability on the undistributed retained earnings of the Group's subsidiaries	(1,157)	-
<b>Income tax expense</b>	<b>(3,813)</b>	<b>(2,968)</b>

In 2021, the Board of Directors of the Group authorised a new dividend policy and, consequently, the Group recognised a deferred tax liability on the undistributed retained earnings of the Group's subsidiaries.

#### **6. KEY MANAGEMENT REMUNERATION**

During the six months ended 30 June 2021, the total compensation relating to the key management personnel of the Group amounted to RUB 398 million (during the six months ended 30 June 2020: RUB 768 million). The amount of compensation includes all applicable taxes and contributions. All compensations were represented by short-term employee benefits as defined in IAS 19 *Employee Benefits*.

#### **7. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2021, the Group acquired assets with a cost of RUB 1,815 million (for the six months ended 30 June 2020: RUB 2,590 million), which mainly comprised warehouse properties, leasehold improvements and trade equipment.

The Group's capital advances as at 30 June 2021 and as at 31 December 2020 mainly consist of advances for construction of warehouse premises in Saint-Petersburg and Krasnodar regions.

As at 30 June 2021 and as at 31 December 2020 no property, plant and equipment were pledged as collateral.

#### **8. INTANGIBLE ASSETS**

During the six months ended 30 June 2021, the Group acquired intangible assets for the amount of RUB 262 million (for the six months ended 30 June 2020: RUB 170 million), which mainly comprised software.

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

#### 9. RIGHT-OF-USE ASSETS

The Group leases retail premises, offices and warehouses (hereinafter “leased premises and buildings”) with lease term within the range from 1 to 6 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 2021	30 June 2020
<b>Cost</b>		
<b>At 1 January 2021/ 1 January 2020</b>	<b>24,490</b>	<b>14,950</b>
New lease contracts and modification of existing lease contracts	5,548	3,800
Lease prepayments	36	68
Disposals	(315)	(235)
Effect of translation to presentation currency	(46)	1
<b>At 30 June 2021/ 30 June 2020</b>	<b>29,713</b>	<b>18,584</b>
	Leased premises and buildings for the six months ended	
	30 June 2021	30 June 2020
<b>Accumulated depreciation and impairment</b>		
<b>At 1 January 2021/ 1 January 2020</b>	<b>(14,212)</b>	<b>(6,787)</b>
Depreciation expense	(4,470)	(3,795)
Disposals	315	235
Effect of translation to presentation currency	12	-
<b>At 30 June 2021/ 30 June 2020</b>	<b>(18,355)</b>	<b>(10,347)</b>
<b>Carrying amount</b>		
<b>At 1 January 2021/ 1 January 2020</b>	<b>10,278</b>	<b>8,163</b>
<b>At 30 June 2021/ 30 June 2020</b>	<b>11,358</b>	<b>8,237</b>
	For the six months ended	
	30 June 2021	30 June 2020
<b>Amounts recognised in profit and loss</b>		
Depreciation expense on right-of-use assets	4,425	3,717
Interest expense on lease liabilities	337	321
Foreign exchange gain, net	(58)	-
Expenses relating to variable lease payments not included in the measurement of the lease liability	704	671

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 interim condensed consolidated financial statements amounts to RUB 5,536 million for the six months ended 30 June 2021 (RUB 4,407 million for the six months ended 30 June 2020).

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) *(in millions of Russian Rubles)*

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#### 10. INVENTORIES

The Group inventory balance comprised of merchandise inventories.

Merchandise inventory write-offs due to shrinkage and write-down to net realisable value during the six months ended 30 June 2021 and the six months ended 30 June 2020 amounted to RUB 941 million and RUB 606 million, respectively and were included within Cost of sales of the interim condensed consolidated statement of comprehensive income.

#### 11. RECEIVABLES AND OTHER FINANCIAL ASSETS

Trade and other receivables as at 30 June 2021 and 31 December 2020 were as follows:

	<u>30 June 2021</u>	<u>31 December 2020</u>
Trade receivables from franchisees, net of allowance for expected credit losses	707	500
Forward foreign exchange contracts (Note 19)	8	30
Other receivables, net of allowance for expected credit losses	<u>528</u>	<u>372</u>
	<u><b>1,243</b></u>	<u><b>902</b></u>

The allowance for expected credit losses on trade receivables and other receivables as at 30 June 2021 and as at 31 December 2020 was RUB 20 million and RUB 17 million, respectively.

#### 12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30 June 2021 and 31 December 2020 consisted of the following:

	<u>30 June 2021</u>	<u>31 December 2020</u>
Bank current accounts – RUB, KZT, BYN, UZS	1,591	276
Bank current accounts – Euro, USD, CNY, NOK	1,050	721
Cash in transit – RUB, KZT, BYN, UZS	460	1,202
Cash in hand – RUB, KZT, BYN, UZS	471	298
Deposits – RUB, KZT, BYN	<u>1,387</u>	<u>23,878</u>
	<u><b>4,959</b></u>	<u><b>26,375</b></u>

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

Cash in transit represents cash collected by banks from the Group's stores and not deposited in bank accounts as at 30 June 2021 and 31 December 2020.

As at 30 June 2021 RUB, KZT and BYN denominated deposit bank accounts in the amount of RUB 1,387 million had interest rates of 4.90%-13.00% and 1-365 days maturity period (deposits over 90 days are callable on demand). As at 31 December 2020 RUB, KZT and BYN denominated deposit bank accounts in the amount of RUB 23,878 million had interest rates of 3.40-10.00% and 2-365 day maturity periods (deposits over 90 days are callable on demand).

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

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#### 13. EQUITY

All share and per share information for all periods herein retroactively reflects the Group's 17,000-for-1 share split, which was effected on 26 February 2021.

##### Ordinary shares

As at 30 June 2021 and 31 December 2020 the ordinary share capital of the Group was as follows:

	<u>Outstanding ordinary shares</u>	<u>Issued ordinary shares</u>
At 31 December 2020	<u>850,000,000</u>	<u>850,000,000</u>
At 30 June 2021	<u><u>850,000,000</u></u>	<u><u>850,000,000</u></u>

##### Additional paid-in capital

No contributions into equity were made by shareholders of the Group during the six months ended 30 June 2021 and the six months ended 30 June 2020.

##### Dividends

No dividends were announced for 2021 during the six months ended 30 June 2021.

Interim and final dividends for 2020 of RUB 5.84 per share and RUB 28.24 per share, amounting to total dividends of RUB 28,966 million were announced in May and December 2020 respectively and were paid in full during the year ended 31 December 2020 and the six months ended 30 June 2021.

#### 14. LOANS AND BORROWINGS

Terms and conditions in respect of loans and borrowings as of 30 June 2021 are detailed below:

Source of financing	<u>Currency</u>	<u>Maturity date</u>	<u>Interest rate at 30 June 2021</u>	<u>30 June 2021</u>
Bank loans (unsecured)	RUB	2021	5.46-6.70%	<u>15,613</u>
				<u><u>15,613</u></u>

Terms and conditions in respect of loans and borrowings as of 31 December 2020 are detailed below:

Source of financing	<u>Currency</u>	<u>Maturity date</u>	<u>Interest rate at 31 December 2020</u>	<u>31 December 2020</u>
Bank loans (unsecured)	RUB	2021	5.59-6.70%	15,114
Bank loans (unsecured)	CNY	2021	4.90%	<u>566</u>
				<u><u>15,680</u></u>

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

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 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:

	<u>1 January 2021</u>	<u>Financing cash flows (i)</u>	<u>Other changes (ii)</u>	<u>30 June 2021</u>
Bank loans	15,680	(86)	18	15,613
Dividends payable	23,658	(23,658)	-	-
	<u>39,338</u>	<u>(23,744)</u>	<u>18</u>	<u>15,613</u>

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 2020. 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:

	<u>1 January 2020</u>	<u>Financing cash flows (i)</u>	<u>Other changes (ii)</u>	<u>30 June 2020</u>
Bank loans	5,006	852	(61)	5,797
Dividends payable	5,030	(13,150)	8,782	662
	<u>10,036</u>	<u>(12,298)</u>	<u>8,721</u>	<u>6,459</u>

- (i) The cash flows from bank loans and dividends payable make up the net amount of proceeds from and repayments of 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 and foreign exchange loss.

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 2021 and 31 December 2020 the Group was in compliance with all financial covenants stipulated by its loan agreements.

## 15. LEASE LIABILITIES

As at 30 June 2021 and 30 June 2020 lease liabilities comprised the following:

	<u>30 June 2021</u>	<u>31 December 2020</u>
<b>Gross lease payments, including:</b>		
Current portion (less than 1 year)	7,164	6,772
More than 1 to 5 years	4,322	3,912
Over 5 years	26	26
<b>Total gross lease payments</b>	<u>11,512</u>	<u>10,710</u>
Less unearned interest	(702)	(658)
<b>Analysed as:</b>		
<i>Current portion</i>		
Less than one year	6,707	6,339
<i>Non-current portion</i>		
More than 1 to 5 years	4,079	3,687
Over 5 years	24	26
<b>Total present value of net lease payments</b>	<u>10,810</u>	<u>10,052</u>

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

The following table summarises the changes in the lease liabilities:

<b>Balance as at 1 January 2021 / 1 January 2020</b>	<b>10,052</b>	<b>7,802</b>
Interest expense on lease liabilities	337	321
Lease payments	(4,832)	(3,736)
New lease contracts and modification of existing lease contracts	5,344	3,800
Foreign exchange (gain), net	(58)	(9)
Effect of translation to presentation currency	(33)	(2)
<b>Balance as at 30 June 2021 / 30 June 2020</b>	<b>10,810</b>	<b>8,176</b>

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 the current legislation.

The weighted average incremental borrowing rate at 30 June 2021 was 5.87% per annum, at 31 December 2020 was 5.83% per annum.

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

## 16. PAYABLES AND OTHER FINANCIAL LIABILITIES

Payables as at 30 June 2021 and 31 December 2020 consisted of the following:

	<b>30 June 2021</b>	<b>31 December 2020</b>
Trade payables	26,458	26,304
Deferred revenue	1,954	220
Forward foreign exchange contracts (Note 19)	26	35
Other payables	378	192
	<b>28,816</b>	<b>26,751</b>

Trade payables are generally settled within 120 days.

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

As at 30 June 2021 all payables were unsecured.

**17. COMMITMENTS**

**Capital commitments**

The Group has contractual capital commitments not provided within the Group's financial statements as at 30 June 2021 in the amount of RUB 981 million, VAT inclusive (as at 31 December 2020 – RUB 1,937 million, VAT inclusive). These commitments mostly relate to the construction of warehouse premises.

**18. 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 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.

Notwithstanding that the Russian economy is still being negatively impacted by the Russian Ruble depreciation against USD and sanctions imposed on Russia by a number of countries, international rating agency Fitch has raised its forecast for Russia's economic growth for 2021 from 3.3% to 3.7%, stating GDP growth will accelerate to 5.5% in the second half of 2021.

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.

**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 condition, results of operations or liquidity of the Group.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
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**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 a 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 30 June 2021 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 13% of the Group's total assets as at 30 June 2021.

**Coronavirus disease (COVID-19)**

The Covid-19 outbreak was first reported near the end of 2019 in Wuhan, China. Since then, the virus has spread worldwide. On 11 March 2020, the WHO declared the Covid-19 outbreak to be a pandemic. Covid-19 has significantly impacted the world economy. Many countries have imposed travel bans on millions of people and, additionally, people in many locations are subject to quarantine measures. Businesses are dealing with lost revenue and disrupted supply chains. Countries have imposed lockdowns in response to the pandemic and, as a result of the disruption to businesses, millions of workers have lost their jobs. The Covid-19 pandemic has also resulted in significant volatility in the financial and commodities markets worldwide. Numerous governments have announced measures to provide both 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, thus, the Group continues to adopt the going concern basis of accounting in preparing these interim condensed financial information.

However, COVID-19 continues to impact economies, albeit less than in previous periods and it remains difficult to reliably estimate the duration, severity and extent of economic and social impacts of the COVID-19 pandemic on the global economy, global financial markets, the Russian economy and the economies of the geographies in which the Group operates, both in the short term and in the long term.

**19. 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.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below.

**Market 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.

**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 a 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 30 June 2021 the fair value of assets and liabilities related to forward foreign exchange contracts amounted to RUB 8 million which were recognised within Receivables and other financial assets and RUB 26 million which were recognised within Payables and other financial liabilities, respectively (assets and liabilities as at 31 December 2020 amounted to RUB 30 million and RUB 35 million, respectively).

During the six months ended 30 June 2021 the gain from forward foreign exchange contracts amounted to RUB 90 million (during the six months ended 30 June 2020: RUB 470 million gain), and was included in the "Foreign exchange gain, net" line item in the consolidated statement of comprehensive income.

93% 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 related to retail sales for Best Price Kazakhstan, Fix Price Zapad LLC, FIXPRICEASIA LLC are priced in local currencies.

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

#### Foreign currency sensitivity

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as at 30 June 2021 and 31 December 2020 is as follows:

	Assets		Liabilities	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
USD	671	358	-	-
CNY	287	1	5,131	6,599
EUR	98	179	1	2
NOK	-	174	-	-

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.

		30 June 2021	31 December 2020
Change in RUB/CNY	+10%	(484)	(660)
Change in RUB/CNY	-10%	484	660

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.

		30 June 2021	31 December 2020
Change in RUB/USD	+10%	67	36
Change in RUB/USD	-10%	(67)	(36)

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.

		30 June 2021	31 December 2020
Change in RUB/EUR	+10%	10	18
Change in RUB/EUR	-10%	(10)	(18)

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

		30 June 2021	31 December 2020
Change in RUB/NOK	+10%	-	17
Change in RUB/NOK	-10%	-	(17)

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

## FIX PRICE GROUP LTD.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)

#### 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 30 June 2021 the Group had floating rate interest-bearing short-term liabilities amounting to RUB 1,000 million. As at 31 December 2020 the Group had floating rate interest-bearing short-term liabilities amounting to RUB 1,000 million.

#### 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 credit rating agencies.

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

<b>Bank</b>	<b>Country of incorporation</b>	<b>Rating</b>	<b>Carrying amount as at 30 June 2021</b>
VTB Bank	Russia	Baa3	2,705
LGT	Switzerland	Aa1	690
Sberbank of Russia	Russia	Baa3	323
RCB	Cyprus	Ba2	287
Other			23
<b>Total</b>			<b>4,028</b>

The table below shows the balances that the Group has with its major banks as at 31 December 2020:

<b>Bank</b>	<b>Country of incorporation</b>	<b>Rating</b>	<b>Carrying amount as at 31 December 2020</b>
RCB	Cyprus	Ba2	14,204
LGT	Switzerland	Aa1	10,353
Sberbank of Russia	Russia	Baa3	128
VTB Bank	Russia	Baa3	172
Other			19
<b>Total</b>			<b>24,876</b>

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#### 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:

	On demand or less than 1 year	1 to 5 years	Over 5 year	Total*	Carrying amount
<b>As at 31 June 2021</b>					
Loans and borrowings*	15,733	-	-	15,733	15,613
Payables and other financial liabilities	26,862	-	-	26,862	26,862
Lease liabilities*	7,164	4,322	26	11,512	10,810
	<u>49,759</u>	<u>4,322</u>	<u>26</u>	<u>54,107</u>	<u>53,285</u>
<b>As at 31 December 2020</b>					
Loans and borrowings*	16,158	-	-	16,158	15,680
Payables and other financial liabilities	26,531	-	-	26,531	26,531
Lease liabilities*	6,772	3,912	26	10,710	10,052
	<u>49,461</u>	<u>3,912</u>	<u>26</u>	<u>53,399</u>	<u>52,263</u>

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

#### Fair value

The fair value of the financial assets and liabilities of the Group are not materially different from their carrying 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 (e.g. Bloomberg).

## 20. RELATED PARTIES

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 transactions with related parties.

## **FIX PRICE GROUP LTD.**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED) (in millions of Russian Rubles)**

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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 as other related parties.

Transactions with related parties for the six months ended 30 June 2021 and for the six months ended 30 June 2020:

	<b>For the six months ended</b>	
	<b>30 June 2021</b>	<b>30 June 2020</b>
<b>Associates:</b>		
Sales of goods	1,265	1,144
Royalty fees	48	47
<b>Other*:</b>		
Dividends declared	-	(7,183)
Payment of dividends	(20,312)	(11,010)

At 30 June 2021 and at 31 December 2020 the outstanding balances with related parties were as follows:

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Associates:</b>		
Trade and other receivables	12	14
Advances from customers	(59)	(111)
<b>Other*:</b>		
Dividends payable	-	20,312

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

## **21. POST BALANCE SHEET EVENTS**

On August 11, 2021, the Board of Directors of the Group had approved interim dividends for 2021 of RUB 11.5 per share amounting to total dividends of RUB 9,788 million.