O'KEY GROUP S.A.
Société Anonyme
R.C.S. Luxembourg: B 80.533
25C Boulevard Royal - L – 2449, Luxembourg

Consolidated Financial Statements for the year ended 31 December 2025 and Independent Auditor's Report

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To the Shareholders of
O'KEY GROUP S.A.
25C, Boulevard Royal
L-2449 Luxembourg

Livange, 29 April 2026

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **O'KEY GROUP S.A.** (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages 29 to 77) present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the Consolidated Financial Statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Société Anonyme - Cabinet de révision agréé
R.C.S. Luxembourg Nr. B 165 462
Capital Social 51.000 EUR

Key Audit Matters

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

Key audit matter	**How our audit addressed the key audit matter**
Group restructuring – transactions related to discontinued Hypermarket segment Refer to Notes 6, 8 and 34 to the consolidated financial statements of the Group. During 2025, the Group carried out a number of significant transactions as part of its restructuring, the disposal of subsidiaries representing a separate business segment. These transactions had a significant impact on the Group's consolidated financial statements, including the structure of assets and liabilities, as well as the presentation of operating results. The disposal of a separate business unit was accounted for as a discontinued operation, with results, including the profit or loss from discontinued operations (net of income tax), presented separately from continuing operations. Given the materiality of these transactions for the Group's consolidated financial statements, as well as the complexity of their correct presentation and disclosure, this matter was identified as a key audit matter.	*Our audit procedures to address the key audit matter included the following:* • We received and analysed the share purchase agreements and other documents confirming the loss of control of the discontinued Hypermarket segment. • We assessed the appropriateness of the accounting policies adopted for the recognition of transactions relating to the discontinued operations and verified the accuracy and completeness of their disclosure. • We performed audit procedures to verify the completeness, accuracy and existence of assets and liabilities as at the dates of disposal of subsidiaries, as well as the amount of profit and loss during the period of consolidation of subsidiaries. • We verified the appropriateness of presenting the results of discontinued operations separately from continuing operations, including the accuracy of the re-presentation of comparative information from the start of the comparative period. • We assessed the appropriateness and completeness of the disclosure of information regarding the discontinued operations in the consolidated financial statements for compliance with IFRS requirements.

Non-current assets impairment assessment	Our audit procedures to address the key audit matter included the following:
Refer to Notes 4, 15 and 16 to the consolidated financial statements of the Group. As at 31 December 2025, the carrying value of the Group's non-current assets for which IAS 36 requires an assessment of whether there is any indication of impairment exceeds 72% of total assets. These non-current assets are primarily attributable to the Group's stores in operation and groups of assets held for future stores construction. As at the reporting date, the Group assessed whether there is any indication that the carrying value of the non-current assets may not be recoverable or the impairment recognized in prior periods may not exist or may have decreased and tested for impairment or reversal of impairment those cash-generating units (CGUs) represented by individual stores and groups of assets held for future stores construction where such indications were noted. As at 31 December 2025 the recoverable amount of the CGUs was determined based on value in use. Based on the results of the impairment tests performed as at 31 December 2025 and during the year ended 31 December 2025, no impairment loss was identified and recognized (2024: no impairment loss was identified and recognized). This is one of the key audit matters due to the magnitude of the carrying value of the non-current assets that require the assessment of any indication of impairment, judgement exercised by the Group in determining whether or not there is a specific indication of impairment and judgements applied in the calculation of the recoverable amount of these assets.	• We obtained understanding and evaluated the design of the Group's relevant control activities around the impairment review. • We also considered the Group's approach to determination of CGUs and identification of indication that these CGUs represented by the Group's stores or groups of assets held for future stores construction may be impaired or impairment recognised in prior periods may not exist or may have decreased. • For those significant CGUs where indication of impairment was identified or where there was an indication that an impairment loss recognized in prior periods may no longer exist or may have decreased, we assessed whether the value in use approach applied by the Group to determine recoverable amount in each particular case is appropriate in the circumstances. We further obtained and analyzed underlying calculations prepared by the Group for the impairment tests. • We have analyzed the adequacy and consistency of methods applied to measurement of value in use, and the calculations' mathematical accuracy. • We assessed the reasonableness of the Group's key assumptions and forecasts in the prior period, in order to assess the accuracy of the Group's forecasts for future periods. • We analysed and assessed the key assumptions that significantly affect future cash flows of the CGUs and the discount rate applied by the Group to measure the recoverable amount for compliance with market conditions.

In addition, strong competition in the Russian retail market, political, economic tension underpin the uncertainty of accounting estimates and the risk of significant adjustments in future periods to the carrying value of the Group's non-current assets recognized in the consolidated financial statements.	• We performed sensitivity analysis of the results of the Group's assessment to reasonably possible changes to key assumptions. We have tested the presentation and disclosure of information about the impairment test as carried out by the Group in the consolidated financial statements for its consistency with requirements of IAS 36 and its adequacy in the context of the consolidated financial statements as a whole.
Recoverability of deferred tax assets recognized for the carryforward of unused tax losses Refer to Notes 4, 13 and 34 to the consolidated financial statements of the Group. As at 31 December 2025, the carrying value of the Group's deferred tax assets amounts to RUB 4,761,321 thousand, including RUB 3,528,498 thousand arising on the accumulated tax losses carried forward by LLC Fresh Market that develops the Group's chain of discounter stores under the DA! brand starting from 2015. A deferred tax asset shall be recognized for the carryforward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. The Group performed the assessment of and concluded on the recoverability of the deferred tax assets. This analysis was based on the long-term financial projections for LLC Fresh Market, which includes estimates of its future profits. This area was significant to our audit because of the history of tax losses generated by LLC Fresh Market, the	*Our audit procedures to address the key audit matter included the following:* • Understanding and evaluation of design of relevant control activities that the Group has in place in relation to recognition of current and deferred income taxes and long-term budget preparation. • Comparing the Group's forecasts in the long-term budget prepared in prior year to actual performance to assess adequacy of the Group's estimates in the current year. • Assessing accuracy of the deferred tax calculations. • Considering whether there are any limitations to the amount and timing of utilization of the unused tax loss as established by the Russian tax legislation. • Obtaining the long-term budget prepared by the Group for LLC Fresh Market and challenging the expected future profits and assumptions regarding future earnings as reflected therein, including by comparing to actual results to date and industry trends. • Analyzing the treatment of differences between accounting and tax books in the planning of future taxable profit.

complexity and subjectivity of the recoverability assessment and long-term budgeting process, which is based on assumptions that are inherently uncertain and affected by the expected pace of new openings of the discounters.	• Considering adequacy of disclosures on the deferred tax positions and assumptions used in assessing recoverability of the deferred tax assets from tax losses carry forward in the consolidated financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated management report (pages 2 to 20) but does not include the consolidated financial statements and our report of “Réviseur d’Entreprises Agréé” thereon, which we obtained prior to the date of this auditor’s report, and the information included in the issuer’s report on equity securities, which is expected to be made available to us after that date.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

When we read the issuer’s report on equity securities, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Board of Directors and Those Charged with Governance for the consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of *"Réviseur d'Entreprises Agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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Report on Other Legal and Regulatory Requirements

The consolidated management report (pages 2 to 20) is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

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Cabinet de révision agréé

Raphael Loschetter

'000 RUB	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Investment property	14	2,306,892	1,064,218
Property, plant and equipment	15	12,622,113	41,235,728
Construction in progress	15	484,345	892,968
Right-of-use assets	16	5,410,479	19,422,128
Intangible assets	17	327,488	1,513,580
Deferred tax assets	13	4,761,321	7,868,051
Other non-current assets	19	307,462	689,530
Total non-current assets		**26,220,100**	**72,686,203**
Current assets			
Inventories	20	6,865,202	26,658,555
Trade and other receivables	21	735,983	2,888,005
Prepaid income tax		36,154	72,196
Prepayments	18	274,447	1,054,761
Cash and cash equivalents	22	7,988,254	15,828,186
Total current assets		**15,900,040**	**46,501,703**
Total assets		**42,120,140**	**119,187,906**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 35 to 77

'000 RUB	Note	31 December 2025	31 December 2024
EQUITY AND LIABILITIES			
Equity	23		
Share capital		119,440	119,440
Legal reserve		10,597	10,597
Additional paid-in capital		4,888,594	8,555,657
Retained earnings		20,412,347	2,435,691
Translation reserve		1,695,022	2,255,988
Total equity		**27,126,000**	**13,377,373**
Non-current liabilities			
Loans and borrowings	25	-	36,581,181
Lease liabilities	26	2,989,441	16,978,580
Deferred tax liabilities	13	-	1,021,632
Total non-current liabilities		**2,989,441**	**54,581,393**
Current liabilities			
Loans and borrowings	25	-	11,069,846
Interest accrued on loans and borrowings	25	-	278,718
Lease liabilities	26	2,736,956	5,455,994
Trade and other payables	27	9,267,743	34,271,937
Current income tax payable		-	152,645
Total current liabilities		**12,004,699**	**51,229,140**
Total liabilities		**14,994,140**	**105,810,533**
Total equity and liabilities		**42,120,140**	**119,187,906**

The consolidated statement of financial position is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 35 to 77

'000 RUB	Note	2025	2024†
Continuing operations			
Revenue	6	79,995,559	72,497,576
Cost of goods sold		(62,012,950)	(56,110,878)
Gross profit		**17,982,609**	**16,386,698**
General, selling and administrative expenses	9	(14,690,354)	(14,735,869)
Other operating income and (expenses), net	10	(218,156)	33,166
Operating profit		**3,074,099**	**1,683,995**
Finance income	11	829,781	32,838
Finance costs	11	(989,413)	(703,435)
Foreign exchange gain/(loss)	12	190,398	(66,420)
Profit before income tax		**3,104,866**	**946,978**
Income tax (expense)/benefit	13	(1,074,043)	621,910
Profit from continuing operations		**2,030,823**	**1,568,888**
Discontinued operation			
(Loss)/profit from discontinued operation (net of income tax)	8	**12,278,771**	**419,456**
Profit for the year		**14,309,593**	**1,988,344**
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Exchange differences on translation to presentation currency		(560,966)	294,638
Other comprehensive (expense)/income for the year, net of income tax		**(560,966)**	**294,638**
Total comprehensive income for the year		**13,748,627**	**2,282,982**
Earnings per share			
Basic and diluted earnings per share (in RUB per share)	24	53.2	7.4
Basic and diluted earnings per share from continuing operations (in RUB per share)	24	7.5	5.8

† The comparative information has been re-presented due to a discontinued operation. See Note 8.

'000 RUB	**Share capital**	**Legal reserve**	**Additional paid-in capital**	**Retained earnings**	**Translation reserve**	**Total equity**
Balance at 1 January 2024	**119,440**	**10,597**	**8,555,657**	**447,347**	**1,961,350**	**11,094,391**
Comprehensive income for the year						
Profit for the year	-	-	-	1,988,344	-	**1,988,344**
Other comprehensive income						
Foreign currency translation differences			-		294,638	294,638
Total other comprehensive income	-	-	-	-	**294,638**	**294,638**
Total comprehensive income for the year	**-**	**-**	**-**	**1,988,344**	**294,638**	**2,282,982**
Balance at 31 December 2024	**119,440**	**10,597**	**8,555,657**	**2,435,691**	**2,255,988**	**13,377,373**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 35 to 77.

'000 RUB	Note	Share capital	Legal reserve	Additional paid-in capital	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2025		**119,440**	**10,597**	**8,555,657**	**2,435,691**	**2,255,988**	**13,377,373**
Comprehensive income for the year							
Profit for the year		-	-	-	14,309,593	-	14,309,593
Other comprehensive income							
Disposals	23			(3,667,063)	3,667,063	**-**	**-**
Foreign currency translation differences		-	-	-	-	(560,966)	(560,966)
Total other comprehensive expence		**-**	**-**	**(3,667,063)**	**3,667,063**	**(560,966)**	**(560,966)**
Total comprehensive income for the year		**-**	**-**	**(3,667,063)**	**17,976,656**	**(560,966)**	**13,748,627**
Balance at 31 December 2025		**119,440**	**10,597**	**4,888,594**	**20,412,347**	**1,695,022**	**27,126,000**

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 35 to 77.

'000 RUB	Note	2025	2024
Cash flows from operating activities			
Cash receipts from customers		235,747,480	251,407,777
Other cash receipts		697,016	797,840
Interest received		1,330,262	573,197
Cash paid to suppliers and employees		(223,624,502)	(226,161,120)
Taxes other than on income		(928,842)	(835,753)
Other cash payments		(20,188)	(38,819)
VAT paid		(5,018,274)	(6,013,652)
Income tax paid		(691,323)	(302,115)
Net cash from operating activities		**7,491,629**	**19,427,355**
Cash flows from investing activities			
Purchase of property, plant and equipment (excluding VAT)		(982,240)	(1,545,214)
Purchase of intangible assets (excluding VAT)		(310,001)	(293,799)
Proceeds from sale of property, plant and equipment (excluding VAT)		459,496	4,417
Cash from discontinued operation		(33,171,582)	-
Net cash used in investing activities		**(34,004,327)**	**(1,834,596)**
Cash flows from financing activities			
Proceeds from loans and borrowings	28	40,249,327	6,500,000
Repayment of loans and borrowings	28	(6,154,069)	(5,999,900)
Interest paid on loans and borrowings	28	(7,517,228)	(6,074,626)
Repayment of principal amount of lease liabilities	28	(4,224,476)	(4,684,249)
Interest paid on lease liabilities	28	(3,535,394)	(2,914,997)
Other financial payments and proceeds		(74,915)	(86,392)
Net cash used in financing activities		**18,743,246**	**(13,260,164)**
Net increase/ (decrease) in cash and cash equivalents		**(7,769,452)**	**4,332,595**
Cash and cash equivalents at the beginning of the year	22	15,828,186	11,525,791
Effect of exchange rate fluctuations on cash and cash equivalents		(70,480)	(30,200)
Cash and cash equivalents at the end of the year	22	**7,988,254**	**15,828,186**

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 35 to 77.

1 Background

(a) The Group and its operations

These consolidated financial statements for the year ended 31 December 2025 have been prepared for O’KEY GROUP S.A. (the “Company”) and its subsidiaries (together referred to as the “Group”).

The Company was incorporated and is domiciled in Luxembourg. The Company is a public limited company (société anonyme) and was set up in accordance with Luxembourg regulations. The main part of the Group is located and conducts its business in the Russian Federation.

The Company does not have an immediate parent or an ultimate controlling party.

As at 31 December 2025 and 2024, the Company’s major indirect shareholders are Mr. Troitskii, Mr. Volchek.

As at 31 December 2025 global depository receipts (“GDRs”) represented 50.22% of the Company’s shares, 38.17% of the Company’s shares were admitted to trading on the Moscow Exchange and Astana International Exchange in the form of GDRs (as at 31 December 2024 GDRs represented 50.22% of the Company’s shares, 38.17% of the Company's shares were admitted to trading on the Moscow Exchange and Astana International Exchange in the form of GDRs).

GDRs of O'KEY GROUP S.A. have been traded in Level I Quotation List on the Moscow Exchange since December 2020.

In March 2023 the Astana International Exchange (“AIX”) has approved the listing of global depositary receipts (“GDRs”) of the Group. Since 20 March 2023 O’KEY Group’s GDR’s started trading on the AIX.

In November 2023, the Bank of Russia decided to register a prospectus for the Company’s global depositary receipts (GDRs), each representing one ordinary share of O’KEY GROUP S.A. Thus, the Group has changed its listing status on Moscow Exchange (“MOEX”) to primary.

In December 2024, the Company announced that, due to amendment of the applicable legislation, the Company’s GDRs will be transferred to the third listing tier of the Moscow Exchange from 3 January 2025.

The Company continues to have and plans to keep listing on the regulated market of Moscow Exchange, however the Group plans to suspend trading of the GDRs and its delisting on the Astana International Exchange (see note 35). It is planned that after delisting from AIX, the GDR program will continue to be traded on the Moscow Stock Exchange.

The Company’s registered office is 25C Boulevard Royal, L-2449 Luxembourg.

Until the end of November 2025 The Group’s principal business activity was operation of retail chains in Russia under the brand names “O’KEY” (hypermarkets) and “Da!” (discounter stores). In November 2025 The Group announced the completion of the sale of the O’KEY hypermarket chain. The transaction included O’KEY stores, the online platform, trademarks, logistics infrastructure and other tangible and intangible assets related to the hypermarket business segment.

The DA! discount chain have ween within the Group during the whole 2025 year and will continue to operate within the Group.

At 31 December 2025, the Group operated 232 discounter stores (31 December 2024: 224 discounter stores) in central Russian cities, including but not limited to Moscow and towns in Moscow region, Tula, Ryazan, Tver, Kaluga.

1 Background (Continued)

(b) Business environment

The Group's operations are primarily located in the Russian Federation which displays characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which contribute together with other legal and fiscal impediments to the challenges faced by entities operating in the Russian Federation.The events in Ukraine continued to significantly influence the economic environment in which the Group operates. Sanctions imposed by the United States of America, the European Union and some other countries against the Government of the Russian Federation, as well as many large financial institutions, legal entities and individuals in Russia continue to be in effect and have been expanded. In particular, restrictions were imposed on the export and import of goods, including capping the price of certain types of raw materials, restrictions have been introduced on the provision of certain types of services to Russian enterprises, the assets of a number of Russian individuals and legal entities were blocked, a ban on maintaining correspondent accounts has been established, certain large banks have been disconnected from the SWIFT international financial messaging system, and other restrictive measures have been implemented. However, no sanctions have been imposed against the Company and the Group, nor any of its subsidiaries, nor its major indirect shareholders.

The Bank of Russia key rate also was volatile during the reporting period. As a part of comprehensive measures to ensure the stability of credit institutions, the Bank of Russia has been gradually decreased the key rate during 2025 from 21% in January 2025 to 16% p.a. in December 2025.

The consolidated financial statements reflect management's assessment of how the Russian business environment has impacted the Group's operations and financial position. The future business environment in the country may differ from management's assessment.

2 Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union under the historical cost convention, as modified by the initial recognition of financial instruments based on fair value, and by the revaluation of investment properties and financial instruments at fair value.

These consolidated financial statements were authorised for issue by the Board of Directors on 29 April 2026.

Any changes to these consolidated financial statements after issue require approval of the Board of Directors.

3 Functional and presentation currency

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and the Group's subsidiaries outside of the Russian Federation is the US Dollar ("USD") and the functional currency of the Group's Russian subsidiaries is the Russian Rouble ("RUB"). The consolidated financial statements are presented in RUB, which is the Group's presentation currency. All financial information presented in RUB has been rounded to the nearest thousands, except when otherwise indicated.

3 Functional and presentation currency (Continued)

The results and financial position of the Group entities, which functional currencies are different from RUB, are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the respective reporting period;
- income and expenses are translated at the date of transaction;
- components of equity are translated at the historic rate; and
- all resulting exchange differences are recognised in other comprehensive income.

At 31 December 2025 the principal rates of exchange used for translating foreign currency balances were USD 1 = RUB 78.2267; EUR 1 = RUB 92.0938 (31 December 2024: USD 1 = RUB 101.6797; EUR 1 = RUB 106.1028).

4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management also exercises certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgments that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Tax legislation. The Group is subject to taxation in several jurisdictions. The major part of the tax burden refers to the Russian tax legislation, which is subject to varying interpretations when being applied to the transactions and activities of the Group. Significant judgement is required in determining whether the tax positions and interpretations the Group has taken can be sustained. Refer to Note 31.

Bonuses from suppliers. The Group receives various bonuses from suppliers which represent a significant reduction in cost of goods sold and inventory cost. The calculation of these amounts is in part dependent on an estimation of whether the amounts due under agreements with suppliers have been earned at the reporting date based on inventory purchased and other conditions. In particular, estimates and judgements are applied in determining the period-end accrual for the supplier bonuses that are conditional on the volume of promotional or marketing activities provided. The allocation of the bonuses to inventory cost also has some element of judgement in relation to the attribution of the bonuses earned to the cost of specific goods received from suppliers based on the proportion of goods purchased.

Determination of recoverable amount of non-current assets. For those non-current assets where impairment indicators exist as at reporting date, the Group estimates the recoverable amount being the higher of their value in use and fair value less costs of disposal. For details of impairment assessment performed as at 31 December 2025 refer to Notes 15-17.

Recoverability of deferred tax asset. Significant judgment is required in assessment of recoverability of deferred tax asset on tax losses of LLC Fresh Market, the Group's entity that develops a discounter chain. In 2024 - 2025 LLC Fresh Market utilized part of the deferred tax asset. The Group performs analysis of future taxable profit to cover the accumulated tax losses on the basis of the long-term budget for the entity. Recognition of the deferred tax asset is contingent on the ability of the Group management to adhere to the long-term budget. Refer to Note 13.

4 Use of estimates and judgments (Continued)

Lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

If the contractual lease term does not align with the economics of the transaction, management considers whether there are any non-contractual enforceable rights beyond the written agreement to determine the lease term with reference to mutual understanding between the parties, respective laws and regulations and other relevant factors. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lease.

The Group leases land and trade and other premises based on the lease agreements with various termination and extension options. To determine the lease term the management has applied judgement in performing its 'reasonably certain' assessment and determined that it is reasonably certain that the extension options will be exercised or termination options will not be exercised during the lease period which is based on the Group's business plan with the respective planning horizon.

Most extension options in leases of trade premises have been included in the lease liability, because the Group is unlikely to replace the assets within the Group's planning horizon.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, e.g. asset reconstruction, renovation and other, which affects this assessment, and that is within the control of the lessee.

For lease agreements of trade and other premises with various extension and termination options, where the lease period is based on the Group's business plan with the respective planning horizon, the Group also performs its 'reasonably certain' reassessment and determines that it is reasonably certain that the extension options will be exercised or termination options will not be exercised closer to the end of the lease term, usually six months before the end of the lease. Six-month period is considered to be sufficient to make a decision to vacate the property or continue with the lease. The financial effect of revising the lease terms to reflect the effect of exercising extension and termination options was included in the 'Modifications and reassessments' captions in Notes 16 and 26.

An increase in the lease term by 1 year for the leases assuming extension options at the reporting date would have increased the balances of right-of-use assets and lease liabilities by RUB 2,004,656 thousand and RUB 2,004,656 thousand, respectively (31 December 2024: by RUB 3,769,660 thousand and RUB 3,769,660 thousand, respectively).

A decrease of the lease term by 1 year for the leases assuming extension options at the reporting date would have decreased the balances of right-of-use assets and lease liabilities by RUB 2,301,671 thousand and RUB 2,340,748 thousand, respectively (31 December 2024: by RUB 4,104,139 thousand and RUB 4,198,340 thousand, respectively).

This analysis assumes that all other variables, in particular incremental borrowing rate, remain constant.

Discount rates used for determination of lease liabilities. The Group uses its incremental borrowing rate as a base for calculation of the discount rate because the interest rate implicit in the lease cannot be readily determined. In 2025, the Group's incremental borrowing rate applied to lease liabilities denominated in Russian Roubles ranged from 20% to 30%, in 2025 no contracts denominated in other currencies (2024: from 15% to 28%, and from 7% to 10%, respectively).

4 Use of estimates and judgments (Continued)

An increase in the discount rate by 100 basis points at the reporting date would have decreased the

balances of right-of-use assets and lease liabilities by RUB 52,859 thousand and RUB 52,897 thousand, respectively (31 December 2024: by RUB 438,468 thousand and RUB 438,695 thousand, respectively).

A decrease of the discount rate by 100 basis points at the reporting date would have increased the balances of right-of-use assets and lease liabilities by RUB 56,902 thousand and RUB 56,902 thousand, respectively (31 December 2024: by RUB 479,341 thousand and RUB 479,341 thousand, respectively).

This analysis assumes that all other variables, in particular lease term, remain constant.

5 New or revised standards and interpretations adopted by the Group

From January 1, 2025, the amendment to IAS 21 "Lack of Exchangeability" is applicable, which did not have an impact on the Group's operations.

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(a) *IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

(b) *Other accounting standards*

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements (effective date – 1 January 2026).

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective date – 1 January 2027).

6 Segment information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) and for which discrete financial information is available. The CODM is the person or group of persons who allocate resources and assess the performance for the entity. The CODM has been determined as the CEO of the Group and the Board of Directors of the Company.

The Group is engaged in management of retail stores located in the Russian Federation. Although the Group is not exposed to concentration of sales to individual customers, all of the Group's sales are made in the Russian Federation. As such, the Group is exposed to the economic development in Russia, including the development of the Russian retail industry. The Group has no significant non-current assets outside the Russian Federation.

The Group identified its operating segments in accordance with the criteria set in IFRS 8, Operating Segments, and based on the way the operations of the Group are regularly reviewed by the CODM to analyse performance and allocate resources within the Group.

Until November 30, 2025 the Group had two operating segments that also represent reportable segments: "O'Key" and "Da!". Each segment has similar format of their stores which is described below:

- O'Key – chain of modern style hypermarkets under the "O'KEY" brand (discontinued operation, disclosed in Note 8);
- Da! – chain of discounter stores in Moscow and Central region.

The CODM assesses the performance of the operating segment based on revenue and earnings before interest, tax, depreciation and amortisation adjusted for certain one-off items outlined below ("EBITDA"). The "EBITDA" term is not defined in IFRS. Other information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements. The accounting policies used for the segment reporting are the same as the accounting policies applied for the consolidated financial statements (Note 34).

As basis of segmentation was been changed comparing to the prior year, comparable information has been modified and differs from originally presented in the financial statements for the year ended 31 December 2024.

6 Segment information (Continued)

The segment information for the years ended 31 December 2025 and 31 December 2024 is as follows:

'000 RUB	**O'Key (discontinued operation)**		**Da! (continuing operations)**		**Total**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
External revenue						
- Sales of trading stock	118,553,219	138,477,216	79,736,892	72,343,997	198,290,111	210,821,213
- Sales of self-produced catering products	5,697,297	6,304,033	-	-	5,697,297	6,304,033
Revenue from contracts with customers	**124,250,516**	**144,781,249**	**79,736,892**	**72,343,997**	**203,987,408**	**217,125,246**
Rental income	1,920,911	2,079,377	258,667	153,579	2,179,578	2,232,956
Total revenue	**126,171,427**	**146,860,625**	**79,995,559**	**72,497,576**	**206,166,986**	**219,358,202**
Inter-segment revenue	176,757	252,302	99,809	1,047,426	276,566	1,299,728
EBITDA	**9,253,461**	**13,450,997**	**7,913,694**	**7,034,164**	**17,167,155**	**20,485,161**

6 Segment information (Continued)

A reconciliation of EBITDA to profit from continuing operations for the year is as follows:

'000 RUB	Note	2025	2024
EBITDA		**7,913,694**	**7,034,162**
Loss from disposal of non-current assets	10	(25,309)	(25,358)
Loss from write-off of receivables	10	(43,357)	(31,558)
Impairment of receivables	10	(193,531)	-
Depreciation and amortisation	9	(4,106,901)	(5,248,820)
Gain/(Loss) from disposal/modification of right-of-use assets	10	226	-
Finance income	11	829,781	32,838
Finance costs	11	(989,413)	(703,435)
Foreign exchange gain/(loss)	12	190,399	(66,420)
Other one-off items		(470,724)	(44,431)
Profit from continuing operations before income tax		**3,104,866**	**946,978**
Income tax (expense)//benefit	13	(1,074,043)	621,910
Profit from continuing operations for the year		**2,030,823**	**1,568,888**

7 Principal subsidiaries

Details of the Company's significant subsidiaries at 31 December 2025 all 100% owned are as follows:

Subsidiary	Country	Nature of operations
LLC Fresh Market	Russian Federation	Retail and real estate
LLC Podsolnukh	Russian Federation	Real estate
O'KEY Investments Ltd	Cyprus	Financing

Details of the Company's significant subsidiaries at 31 December 2024, all 100% owned are as follows:

Subsidiary	Country	Nature of operations
LLC O'KEY	Russian Federation	Retail
LLC Fresh Market	Russian Federation	Retail and real estate
JSC Dorinda	Russian Federation	Real estate
LLC O'KEY Management	Russian Federation	Managing company
LLC O'KEY Logistics	Russian Federation	Import operations
O'KEY Investments Ltd	Cyprus	Financing

8 Discontinued operation

In November 2025 The Group announced the completion of the sale of the O'KEY hypermarket chain. Management has decided to focus entirely on the Group's core competencies, which include the DA! discounters.

The transaction included O'KEY stores, the online platform, trademarks, logistics infrastructure and other tangible and intangible assets related to the hypermarket business segment. This segment was previously classified as held for sale in the condensed consolidated interim financial statements for the six months ended June 30, 2025. The comparative amounts in the statement of profit or loss and other comprehensive income have been restated to present discontinued operations separately from continuing operations.

Effect of disposal on the financial position of the Group

'000 RUB	**30 November 2025**
Property, plant and equipment	24,908,353
Right-of-use assets	13,762,498
Deferred tax assets	3,295,673
Inventories	22,334,056
Trade and other receivables	3,094,510
Cash and cash equivalents	33,171,582
Other assets	2,104,877
Total assets	**102,671,549**
Non-current loans and borrowings	44,066,510
Non-current lease liabilities	12,324,285
Deferred tax liabilities	505,438
Current loans and borrowings	37,866,679
Trade and other payables	19,876,732
Current lease liabilities	2,975,793
Other liabilities	48,233
Total liabilities	**117,663,670**
Net assets	**(14,992,121)**
Consideration received in cash	-
Cash and cash equivalents disposed of	(33,171,582)
Net cash outflow	**(33,171,582)**

As a result of the sale of the O'KEY hypermarket chain, the Group recognized a gain from disposal of discontinued operation in amount of RUB 14,992,121 thousand within Profit from discontinued operation.

8 Discontinued operation (continued)

The results of the discontinued operations for the period ended 30 November 2025 and 31 December 2024 are presented below:

'000 RUB	2025	2024
Results of discontinued operation		
Revenue	126,171,427	146,860,625
Expenses	(130,082,596)	(146,967,866)
Results from operating activities	**(3,911,169)**	**(107,241)**
Income tax	1,197,819	526,697
Result from operating activities, net of tax	**(2,713,350)**	**419,456**
Gain on gain from disposal of discontinued operation	**14,992,121**	-
Income tax on gain from disposal of discontinued operation	-	-
Profit from discontinued operation (net of income tax)	**12,278,771**	**419,456**

The net cash flows incurred by the discontinued operations are as follows:

'000 RUB	2025	2024
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	1,386,628	13,724,143
Net cash used in investing activities	(29,593,002)	(744,596)
Net cash from/(used in) financing activities	16,168,817	(10,741,250)
Net cash flows for the period	**(12,037,557)**	**2,238,298**

Earnings per share are calculated as follows:

'000 RUB	2025	2024
Gain from discontinued operations	12,278,771	419,456
Weighted average number of ordinary shares in issue (thousands)	269,074	269,074
Basic and diluted gain per ordinary share (in RUB per share)	**45.6**	**1.56**

9 General, selling and administrative expenses

'000 RUB	Note	2025	2024
Depreciation and amortisation	15-17	4,106,901	5,248 820
Personnel costs		6,142,256	5,184,366
Communication and utilities		1,634,570	1,612,865
Repairs and maintenance costs		596,025	581,872
Insurance and bank commissions		571,281	539,874
Advertising and marketing		403,675	424,494
Variable lease expenses and expenses relating to short-term and low value leases		463,811	314,358
Legal and professional expenses		198,207	299,727
Operating taxes		318,525	298,735
Security expenses		156,460	130,224
Materials and supplies		50,325	53,512
Other costs		48,318	47,022
Total general, selling and administrative expenses		**14,690,354**	**14,735,869**

Total employee benefits expense for the year ended 31 December 2025 included in the cost of goods sold and general, selling and administrative expenses is RUB 7,483,092 thousand (2024: 6,238,937 thousand).

During the year ended 31 December 2025 the Group (continuing operations) employed 4 thousand employees on average (2024: 3,9 thousand employees on average). Approximately 95% of the employees (2024: 95% of the employees) are store and warehouse employees and the remaining part is office employees.

Fees billed to the Group by the independent auditors for statutory and consolidated audits and other advisors are as follows:

'000 RUB	2025	2024
Fees of the réviseur d'entreprises agréé for statutory audit of annual and consolidated accounts	18,133	19,145
Fees for the independent component auditors	27,500	20,284
Fees charged for other assurance services (other advisors)	600	750
Total auditors' remuneration	**46,233**	**40,179**

10 Other operating income and expenses, net

'000 RUB	2025	2024
Loss from disposal of non-current assets	(25,309)	(25,358)
Gain from modification of leases	8,562	2,929
Loss from write-off of receivables	(43,357)	(31,558)
Impairment of receivables	(193,531)	-
Sundry income and expense, net	35,479	87,153
Total other operating income and expenses, net	**(218,156)**	**33,166**

11 Finance income and finance costs

'000 RUB	Note	2025	2024
Recognised in profit or loss			
Interest income on bank deposits		829,781	32,838
Total finance income		**829,781**	**32,838**
Interest expense on lease liabilities	25	(989,413)	(703,435)
Total finance costs		**(989,413)**	**(703,435)**
Net finance costs recognised in profit or loss		**(159,632)**	**(670,597)**

12 Foreign exchange gain/(loss)

The Group's exposure to currency risk is disclosed in Note 28.

'000 RUB	2025	2024
Foreign exchange loss on financial items	(26,474)	(12,512)
Foreign exchange gain on financial items	162,228	20,417
Net foreign exchange gain on financial items	**135,754**	**7,905**
Foreign exchange gain/(loss) on operating items	54,644	(74,325)
Total foreign exchange gain/(loss)	**190,398**	**(66,420)**

In 2025 and in 2024 substantial amount of the net foreign exchange gain relates to USD-denominated intercompany loans between Group entities with different functional currencies which are eliminated on consolidation.

13 Income tax

Income tax recognised in profit or loss

'000 RUB	2025	2024
Current tax expense	(515,772)	(260,692)
Deferred tax (expense)/benefit	(558,271)	882 602
Total income tax (expense)/benefit	**(1,074,043)**	**621,910**

In July 2024 Tax Code of the Russian Federation have been amended and it was declared that income tax rate should increase from 20% to 25% starting from 1 January 2025. This change has led to additional income of RUB 1,057,771 thousand related to the remeasurement of the future utilization of deferred tax assets and liabilities for the entities located in Russia which was recognised in 2024 financial statements.

13 Income tax (Continued)

Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The income tax rate applicable to the majority of the Group's 2025 income is 25%, in 2024 was 20%. The Group uses the income tax rate established by Russian tax legislation. A reconciliation between the expected and the actual taxation benefit/charge is provided below.

'000 RUB	2025	2024
Profit before income tax	**3,104,866**	**946,979**
Theoretical income tax at applicable tax rate of 25%/20%	**(776,216)**	**(189,396)**
Tax effect of items which are not deductible for taxation purposes:		
- Other non-deductible expenses	(297,826)	(246,465)
Increase in tax rate (25%)	-	1,057,771
Income tax (expense)/benefit for the year	**(1,074,043)**	**621,910**

Deferred tax assets and liabilities

(a) Deferred taxes in respect of subsidiaries

The Group has not recorded a deferred tax liability in respect of temporary differences of RUB 995,386 thousand (31 December 2024: RUB 26,611,873 thousand) associated with investments in subsidiaries as the Group is able to control the timing of the reversal of those temporary differences and does not intend to reverse them in the foreseeable future. If the temporary difference reversed in form of distributions remitted to the Company, then an enacted tax rate of 5-15% would apply.

(b) Recognised deferred tax asset on tax loss carried forward

Deferred tax asset recognised in respect of tax loss carried forward relates to the losses accumulated by the Group's subsidiary LLC Fresh Market that develops a discounter chain.

Starting from 1 January 2017 the amendments to the Russian tax legislation became effective in respect of tax loss carry forwards. The amendments affect tax losses incurred and accumulated since 2007 that have not been utilised. The 10-year expiry period for tax loss carry-forwards that was in effect prior to 2017 no longer applies, and the accumulated tax losses can now be carried forward for utilisation in future periods without any time limitation, with exception of limitation on utilisation of tax loss carry forwards that applies during the period from 2017 to 2030. The amount of losses that can be utilised each year during this period is limited to 50% of annual taxable profit.

The Group determined that future taxable profits will be available at LLC Fresh Market in the foreseeable future against which its accumulated losses can be utilised. In making this assessment the Group considered that according to the discounter chain's long-term budget the deferred tax asset of RUB 3,528,498 thousand on accumulated losses generated by LLC Fresh Market as at 31 December 2025 will be utilised in full by 2029. In 2024 - 2025 LLC Fresh Market already utilised part of the deferred tax asset. The Group is following its long-term budget approved in prior years with insignificant changes on revenue and expenses planned for 2026-2027.

13 Income tax (Continued)

(b) Recognised deferred tax asset on tax loss carried forward (continued)

Recognition of the deferred tax asset is contingent on the ability of the Group management to adhere to the key assumptions made in the long-term budget. These key assumptions in the discounter chain's long-term budget covering 2026-2029 include annual expansion by approximately 40 new discounter stores per year; annual growth in revenue comparable with past dynamics of the discounter chain; and gradual decrease of share of semi-fixed costs due to economies of scale.

In addressing the sensitivity of the timing of full utilisation of the deferred tax asset attributable to LLC Fresh Market, the Group estimated that if the pace of openings of new discounter stores in each of the years from 2026 to 2029 is lower by 20% as compared to the chain expansion rate reflected in the segment's long-term budget, with all other assumptions held constant, the timing of full utilisation of the deferred tax asset would shift from 2029 to 2030. The Group believes that any such shift does not affect the probability that the deferred tax asset would be fully utilised, since the tax losses can be carried forward indefinitely and have no expiry date under the Russian tax legislation.

(c) Movement in temporary differences during the year

Differences between IFRS and statutory taxation regulations in Russia and other countries give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of the movements in these temporary differences is detailed below.

'000 RUB	1 January 2025	Transfer to assets/liabilities held for sale	Recognised in profit or loss	31 December 2025
Tax effect of deductible/ (taxable) temporary differences and tax loss carry forwards				
Investment property	224,941	-	(224,941)	-
Property, plant and equipment	(1,649,256)	1,330,388	950,766	631,897
Construction in progress	(86,560)	(3,265)	53,074	(36,751)
Right-of-use assets	(3,484,121)	3,424,704	(1,281,171)	(1,340,588)
Intangible assets	(95,942)	67,706	(28,968)	(57,204)
Other non-current assets	178,706	1,992	(205,251)	(24,552)
Inventories	266,980	(87,926)	(180,787)	(1,732)
Trade and other receivables and payables	370,854	(152,558)	401,833	620,129
Long-term investments	7,231	(375,793)	368,562	-
Lease liabilities	6,318,160	(5,093,382)	216,847	1,441,625
Tax loss carry-forwards	4,795,426	(1,903,767)	636,839	3,528,498
Net deferred tax assets	**6,846,419**	**(2,790,235)**	**705,137**	**4,761,321**
Recognised deferred tax assets	7,868,051	-	-	4,761,321
Recognised deferred tax liabilities	(1,021,632)	-	-	-

The amount of deferred tax expense recognized in profit or loss from continuing operations for 2025 amounted to RUB 558,271 thousand. The amount of deferred tax benefit recognized in profit or loss from discontinued operations for 2025 amounted to RUB 1,263,408 thousand.

13 Income tax (Continued)

(c) Movement in temporary differences during the year (continued)

'000 RUB	1 January 2024	Recognised in profit or loss (20%)	Recognised in profit or loss after increase (25%)	31 December 2024
Tax effect of deductible/ (taxable) temporary differences and tax loss carry forwards				
Investment property	179,953	-	44,988	224,941
Property, plant and equipment	(1,260,559)	(58,846)	(329,851)	(1,649,256)
Construction in progress	(267,548)	198,300	(17,312)	(86,560)
Right-of-use assets	(3,620,203)	832,890	(696,808)	(3,484,121)
Intangible assets	102,622	(179,376)	(19,188)	(95,942)
Other non-current assets	151,077	(8,112)	35,741	178,706
Inventories	268,112	(54,527)	53,395	266,980
Trade and other receivables and payables	218,824	77,859	74,171	370,854
Long-term investments	5,785	-	1,446	7,231
Lease liabilities	6,065,625	(1,011,131)	1,263,666	6,318,160
Tax loss carry-forwards	3,554,526	281,815	959,085	4,795,426
Net deferred tax assets	**5,398,214**	**78,871**	**1,369,333**	**6,846,419**
Recognised deferred tax assets	6,082,047	-	-	7,868,051
Recognised deferred tax liabilities	(683,833)	-	-	(1,021,632)

The amount of deferred tax benefit recognized in profit or loss from continuing operations for 2024 amounted to RUB 882,602 thousand, including due to a 5% increase in the income tax rate, the change amounted to RUB 1,057,618 thousand. The amount of deferred tax benefit recognized in profit or loss from discontinued operations for 2024 amounted to RUB 564,232 thousand, including due to a 5% increase in the income tax rate, the change amounted to RUB 311,716 thousand.

In the context of the Group's current structure, tax losses and current tax assets of different Group companies may not be offset against current tax liabilities and taxable profits of other Group companies and, accordingly, taxes may accrue even where there is a consolidated tax loss. Therefore, deferred tax assets and liabilities are offset only when they relate to the same taxable entity.

14 Investment property

(a) Reconciliation of carrying amount

'000 RUB	
Investment properties at fair value as at 1 January 2024	**1,257,218**
Transfer to property, plant and equipment	(193,000)
Investment properties at fair value as at 31 December 2024	**1,064,218**
Investment properties at fair value as at 1 January 2025	**1,064,218**
Transfer from property, plant and equipment	1,374,408
Reclassification to assets held for sale	(20,348)
Revaluation of investment properties	(111,386)
Investment properties at fair value as at 31 December 2025	**2,306,892**

The trade premises of the Group included in investment property are subject to operating leases. As at 31 December 2025 the Group's investment property comprises five buildings and three land plots (31 December 2024: two buildings and three land plots).

(b) Measurement of fair value

The investment properties are valued annually on 31 December at fair value, by an independent, professionally qualified valuator who has experience in valuing similar properties in the Russian Federation.

The carrying values of investment properties at 31 December 2025 and 31 December 2024 agree to the valuations reported by the external valuators with the use of a combination of the market approach with reference to comparable prices for orderly transactions with similar properties and the income approach with reference to estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions underlying the estimation of the fair value with reference to the income approach are those relating to: the annual net rent rate of RUB 624-1,541 per sq. m. (31 December 2024: RUB 665-1,626 per sq. m.); expected occupancy of 87 – 100% in the subsequent years (31 December 2024: 82 – 100%) and appropriate discount rate of 13,9% – 17,8% (31 December 2024: 13,7% – 17,9%).

These valuations are regularly compared to actual market yield data and actual transactions by the Group, and those reported by the market.

The fair value measurement of investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

15 Property, plant and equipment and construction in progress

’000 RUB	Land	Buildings	Leasehold improvements	Machinery and equipment, auxiliary facilities and other fixed assets	Total property, plant and equipment	Construction in progress	Total property, plant and equipment and construction in progress
Cost							
Balance at 1 January 2024	**3,756,039**	**43,571,921**	**14,627,070**	**22,301,799**	**84,256,829**	**2,430,135**	**86,686,964**
Additions	2,600	23,747	2,312	787,078	815,737	1,095,391	1,911,128
Transfers	-	383,538	711,107	227,969	1,322,614	(1,322,614)	-
Transfer from investment property	-	193,000	-	-	193,000	-	193,000
Disposals	-	(1,481)	(161,567)	(913,425)	(1,076,473)	(2,172)	(1,078,645)
Balance at 31 December 2024	**3,758,639**	**44,170,725**	**15,178,922**	**22,403,421**	**85,511,707**	**2,200,740**	**87,712,447**
Balance at 1 January 2025	**3,758,639**	**44,170,725**	**15,178,922**	**22,403,421**	**85,511,707**	**2,200,740**	**87,712,447**
Additions	-	11,202	6,282	577,125	594,609	539,237	1,133,846
Transfers	-	35,721	429,916	224,095	689,732	(689,732)	**-**
Transfer to investment property	(222,922)	(1,159,902)	-	-	(1,382,824)	-	(1,382,824)
Reclassification to assets held for sale	(2,014,713)	(31,008,827)	(6,468,864)	(13,125,030)	(52,617,434)	(101,377)	(52,718,811)
Disposals on continuing operations	-	(2,382,570)	(105,211)	(1,337,125)	(3,824,906)	(1,464,523)	(5,289,429)
Balance at 31 December 2025	**1,521,004**	**9,666,349**	**9,041,045**	**8,742,486**	**28,970,884**	**484,345**	**29,455,229**

15 Property, plant and equipment and construction in progress (Continued)

'000 RUB	Land	Buildings	Leasehold improvements	Machinery and equipment, auxiliary facilities and other fixed assets	Total property, plant and equipment	Constructio n in progress	Total property, plant and equipment and construction in progress
Depreciation and impairment losses							
Balance at 1 January 2024	**-**	**(15,326,055)**	**(9,712,637)**	**(15,977,655)**	**(41,016,347)**	**(1,307,772)**	**(42,324,119)**
Depreciation for the year	-	(719,184)	(1,769,606)	(1,777,915)	(4,266,705)	-	(4,266,705)
Disposals	-	573	137,006	869,494	1,007,073	-	1,007,073
Balance at 31 December 2024	**-**	**(16,044,666)**	**(11,345,237)**	**(16,886,076)**	**(44,275,979)**	**(1,307,772)**	**(45,583,751)**
Balance at 1 January 2025	**-**	**(16,044,666)**	**(11,345,237)**	**(16,886,076)**	**(44,275,979)**	**(1,307,772)**	**(45,583,751)**
Depreciation for the year	-	107,884	(983,835)	(1,252,038)	(2,127,989)	-	(2,127,989)
Transfer to investment property	-	8,416	-	-	8,416	-	8,416
Reclassification to assets held for sale	-	13,022,442	4,925,128	10,419,829	28,367,399	-	28,367,399
Disposals on continuing operations	-	866,366	(176,433)	989,449	1,679,382	1,307,772	2,987,154
Balance at 31 December 2025	**-**	**(2,039,558)**	**(7,580,377)**	**(6,728,836)**	**(16,348,771)**	**-**	**(16,348,771)**
Net book value							
At 1 January 2024	**3,756,039**	**28,245,866**	**4,914,433**	**6,324,144**	**43,240,482**	**1,122,363**	**44,362,845**
At 31 December 2024	**3,758,639**	**28,126,059**	**3,833,685**	**5,517,345**	**41,235,728**	**892,968**	**42,128,696**
At 31 December 2025	**1,521,004**	**7,626,791**	**1,460,668**	**2,013,650**	**12,622,113**	**484,345**	**13,106,458**

Depreciation expense of RUB 1,501,236 thousand has been charged to selling, general and administrative expenses (2024: RUB 2,624,833 thousand). Depreciation expense on discontinued operations amounted to RUB 626,753 thousand (2024: RUB 1,641,872 thousand).

15 Property, plant and equipment and construction in progress (Continued)

Impairment assessment

At the end of each reporting period, the Group assesses whether there is any indication that its non-current assets including property, plant and equipment, right-of-use assets and other non-current assets may be impaired. Where the non-current assets relate to the Group's stores, these stores are treated as separate CGUs, and impairment assessment is performed in respect of the aggregate carrying value of the non-current assets attributable to these CGUs with reference to their actual and anticipated performance and other relevant factors.

For the CGUs subject to impairment testing, recoverable amount was determined based on value-in-use.

Value in use calculations were prepared using cash flow projections based on financial budgets and forecasts approved by management covering a one-year period. Cash flows beyond the one-year period are extrapolated using an expected growth rate for each particular CGU which depends on its maturity and other relevant factors. The discount rates are post-tax and reflect management's estimate of the risks specific to the Group.

As the result of the impairment test performed as at 31 December 2025 no impairment was identified. (31 December 2024: no impairment was identified).

The post-tax discount rate used in the assessment under the value in use approach as at 31 December 2025 was 16.8% (31 December 2024: 14.8%). If the revised estimated post-tax discount rate applied to the discounted cash flows of the CGUs, for which indicators of impairment have been identified, had been 1400 basis points higher than management's estimates, the Group would need to reduce the carrying value of property, plant and equipment by RUB 600 thousand (2024: if the estimated post-tax discount rate had been 1300 basis points higher than management's estimates, the Group would need to reduce the carrying value of property, plant and equipment by RUB 4,000 thousand).

Pledged assets

As at 31 December 2025, the Group had no assets pledged as collateral for its financial liabilities. (31 December 2024: trade stores were pledged with carrying value of RUB 7,751,255 thousand).

16 Right-of-use assets

The Group leases various trade premises, land and other assets. Rental contracts are typically made for fixed periods of 3 to 30 years but may have extension and early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The table below presents the right-of-use assets by class of underlying assets:

'000 RUB	Trade premises	Land	Other	Total
Balance at 1 January 2024	**16,170,237**	**3,404,312**	**3,735,214**	**23,309,763**
Additions	196,855	-	-	196,855
Modifications and reassessments	1,727,357	(237,945)	119,178	1,608,590
Depreciation	(4,603,574)	(187,929)	(901,577)	(5,693,080)
Balance at 31 December 2024	**13,490,875**	**2,978,438**	**2,952,815**	**19,422,128**
Balance at 1 January 2025	**13,490,875**	**2,978,438**	**2,952,815**	**19,422,128**
Additions	475,450	4,900	-	480,350
Modifications and reassessments	1,912,851	(687,688)	923,362	2,148,525
Depreciation	(3,450,110)	(122,292)	(419,636)	(3,992,038)
Reclassification to assets held for sale	(7,459,920)	(1,862,491)	(3,326,075)	(12,648,486)
Balance at 31 December 2025	**4,969,146**	**310,867**	**130,466**	**5,410,479**

The group 'Other' is mostly represented by office premises and warehouses.

Modifications and reassessments for the year ended 31 December 2025 were driven by the reassessment of extension options for some of the Group's leases, as well as by the modification and reassessment of a number of other leases, primarily attributable to the Group's trade premises, that changed either the consideration of the lease, contractual terms, or both, with no change in size of underling assets.

Depreciation expense of RUB 2,090,808 thousand (2024: RUB 2,538,932 thousand) has been charged to general, selling and administrative expenses. Depreciation expense on discontinued operations for 2025 was RUB 1,894,871 thousand (2024: RUB 3,129,446 thousand). During 2025 the Group has capitalised depreciation of right of use assets in the amount of RUB 6,359 thousand (2024: RUB 24,702 thousand).

Right-of-use assets are assessed for indication of potential impairment as at each reporting date. For those assets where impairment indicators exist, the Group estimates recoverable amount being the higher of their value in use and fair value less costs of disposal, on either individual asset or CGU level.

No indicators of impairment were identified for the Group's right-of-use assets that are attributable to individual leased assets and do not relate to stores in operation as at 31 December 2025 and 2024.

For those right-of-use assets that relate to the Group's stores and are therefore assessed for impairment on the store level together with the other non-current assets attributable to the stores, impairment assessment has been performed as disclosed in Note 15. No impairment attributable to the right-of-use assets was identified as at 31 December 2025 and 31 December 2024.

No reversal of impairment as at 31 December 2025 and 31 December 2024 was made.

17 Intangible assets

'000 RUB	Software	Other intangible assets	Total
Cost			
Balance at 1 January 2024	**1,859,379**	**432,174**	**2,291,553**
Additions	702,821	200,558	903,379
Disposals	(406,585)	(230,085)	(636,670)
Balance at 31 December 2024	**2,155,615**	**402,647**	**2,558,262**
Balance at 1 January 2025	**2,155,615**	**402,647**	**2,558,262**
Additions	970,847	35,422	1,006,269
Disposals on continuing operations	(600,883)	(34,101)	(634,984)
Transfer to assets held for sale	(2,270,244)	(211,098)	(2,481,342)
Balance at 31 December 2025	**255,335**	**192,870**	**448,205**
Amortisation and impairment losses			
Balance at 1 January 2024	**(886,794)**	**(190,206)**	**(1,077,000)**
Amortisation for the year	(480,419)	(71,022)	(551,441)
Disposals	412,245	171,514	583,759
Balance at 31 December 2024	**(954,968)**	**(89,714)**	**(1,044,682)**
Balance at 1 January 2025	**(954,968)**	**(89,714)**	**(1,044,682)**
Amortisation for the year	(435,446)	(47,844)	(483,290)
Disposals on continuing operations	342,188	20,463	362,651
Transfer to assets held for sale	1,007,176	37,428	1,044,604
Balance at 31 December 2025	**(41,050)**	**(79,667)**	**(120,717)**
Carrying amounts			
At 1 January 2024	**972,585**	**241,968**	**1,214,553**
At 31 December 2024	**1,200,647**	**312,933**	**1,513,580**
At 31 December 2025	**214,285**	**113,203**	**327,488**

Amortisation of RUB 96,064 thousand has been charged to selling, general and administrative expenses (2024: RUB 88,181 thousand).

Amortisation on discontinued operations amounts to RUB 387,226 thousand (2024: RUB 463,260 thousand).

No indicators of impairment were identified for the Group's intangible assets as at 31 December 2025 and 31 December 2024.

18 Prepayments

'000 RUB	31 December 2025	31 December 2024
Prepayments for goods	71,168	458,205
Prepayments for variable lease payments – third parties	27,003	34,946
Prepayments for services	113,466	430,985
VAT on prepayments	-	40,347
Other prepayments	62,810	90,278
Total prepayments	**274,447**	**1,054,761**

19 Other non-current assets

'000 RUB	31 December 2025	31 December 2024
Financial assets within other non-current assets		
Long-term refundable deposits to lessors	263,675	540,823
Total financial assets within other non-current assets	**263,675**	**540,823**
Other non-current assets		
Prepayments for non-current assets	43,787	148,707
Total other non-current assets	**307,462**	**689,530**

20 Inventories

'000 RUB	31 December 2025	31 December 2024
Goods for resale	6,090,773	25,871,114
Raw materials and consumables	774,429	1,426,329
Write-down to net realisable value	-	(638,888)
Total inventories	**6,865,202**	**26,658,555**

The Group tested the inventory for obsolescence and found that the inventory as of 31 December 2025 does not exceed the net realisable value (31 December 2024: RUB 638,888 thousand related to hypermarkets).

21 Trade and other receivables

'000 RUB	31 December 2025	31 December 2024
Financial assets within trade and other receivables		
Trade receivables	118,262	201,870
Bonuses receivable from suppliers	346,609	1,722,004
Other financial receivables	238,038	275,734
Total financial assets within trade and other receivables	**702,909**	**2,199,608**
Other receivables		
VAT receivable	10,561	319,325
Prepaid taxes other than income tax	22,513	369,072
Total trade and other receivables	**735,983**	**2,888,005**

The Group's exposure to credit and currency risks and credit loss allowance as at 31 December 2025 and 31 December 2024 related to trade and other receivables are disclosed in Note 29.

22 Cash and cash equivalents

'000 RUB	31 December 2025	31 December 2024
Cash on hand	70,157	144,641
Bank current accounts	1,182,592	7,208,300
Term deposits	6,237,796	7,859,865
Cash in transit	497,709	615,380
Total cash and cash equivalents	**7,988,254**	**15,828,186**

Term deposits had original maturities of less than three months.

The Group's exposure to currency risk related to cash and cash equivalents is disclosed in Note 29.

23 Equity

As at 31 December 2025 and 31 December 2024, the Company's authorised, issued and fully paid share capital of RUB 119,440 thousand, the RUB equivalent of EUR 2,691 thousand, is represented by 269,074,000 ordinary shares with a par value of 0.01 EUR each. Each share is entitled to one vote, except as may be otherwise provided by the Articles of incorporation or by applicable law.

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders. As at 31 December 2025 and at 31 December 2024, the legal reserve was formed in full.

Additional paid-in capital represents the excess of contributions received over par value of shares issued. The disposal of additional capital in 2025 in amount of RUB 3,667,063 relates to the sale of the O'KEY hypermarket chain (Note 8).

No dividends were declared and paid in 2025 and 2024.

24 Earnings/(loss) per share

Basic earnings per share are calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year. The Company has no dilutive potential ordinary shares; therefore, the diluted earnings per share equals the basic earnings per share.

Earnings per share is calculated as follows:

'000 RUB	**2025**	**2024**
Profit from continuing operations for the year	2,030,823	1,568,888
Weighted average number of ordinary shares in issue (thousands)	269,074	269,074
Basic and diluted earnings/(loss) per ordinary share (in RUB per share)	**7.5**	**5.8**

25 Loans and borrowings

		31 December 2025		**31 December 2024**	
'000 RUB	**Currency**	**Maturity**	**Carrying value**	**Maturity**	**Carrying value**
Non-current loans and borrowings					
Secured bank loans	RUB		-	2026-2027	8,266,667
Unsecured bank facilities	RUB		-	2026-2028	8,702,632
Unsecured bonds	RUB		-	2026-2030	19,611,883
Total non-current loans and borrowings			**-**		**36,581,181**
Current loans and borrowings					
Secured bank loans	RUB		-	2025	3,527,451
Unsecured bank facilities	RUB		-	2025	7,147,368
Unsecured bonds	RUB		-	2025	392,177
Unsecured loans from third parties	RUB		-	2025	2,850
Total current loans and borrowings			**-**		**11,069,846**
Unsecured bonds interest	RUB		-		244,629
Secured bank loans	RUB		-		4,944
Unsecured loans interest	RUB		-		29,145
Interest accrued on loans and borrowings			**-**		**278,718**
Total current loans and borrowings, including interest accrued			**-**		**11,348,564**
Total loans and borrowings			**-**		**47,929,745**

Information about property, plant and equipment pledged as collateral for the Group's loans and borrowings is disclosed in Note 15.

As at 31 December 2025 the Group had no undrawn committed borrowing facilities (31 December 2024: RUB 13,050,000 thousand related to discontinued operation).

26 Lease liabilities

'000 RUB	**2025**	**2024**
Balance at 1 January	**22,434,574**	**26,722,381**
Additions	552,529	196,855
Modifications and reassessments	2,198,468	849,803
Repayment	(5,790,380)	(8,282,395)
Interest expense	2,378,331	2,914,997
Foreign exchange gain	-	32,933
Reclassification to liabilities directly associated with the assets held for sale	(16,045,564)	-
Disposals on continuing operations	(1,561)	-
Balance at 31 December	**5,726,397**	**22,434,574**
Non-current lease liabilities	**2,989,441**	**16,978,580**
Current lease liabilities	**2,736,956**	**5,455,994**

Interest expense in the amount of RUB 989,413 thousand (2024: RUB 703,435 thousand) has been charged to finance costs. Interest expense on discontinued operations for 2025 was RUB 1,388,918 thousand (2024: RUB 2,211,562 thousand).

Total cash outflow for leases in 2025 amounted to RUB 8,615,871 thousand (2024: RUB 8,757,220 thousand).

Some property leases contain variable payment terms that are linked to sales generated by a store. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Expense relating to variable lease payments not included in lease liabilities included in selling, general and administrative expenses for 2025 was RUB 388,434 thousand (2024: RUB 250,490 thousand).

Expenses relating to short-term leases and to leases of low-value assets that are not included in lease liabilities, both included in selling, general and administrative expenses, amounted to RUB 6,271 thousand (2024: RUB 0 thousand) and RUB 69,106 thousand (2024: RUB 63,868 thousand), respectively.

27 Trade and other payables

'000 RUB	31 December 2025	31 December 2024
Financial liabilities at amortised cost		
Trade payables	7,661,215	30,610,479
Other financial payables	5,980	99,571
Total financial liabilities at amortised cost	**7,667,195**	**30,710,050**
Payables to staff	431,225	1,618,720
Taxes payable other than income tax	603,109	1,375,835
Advances received from lessees	565,226	474,447
Contract liability related to gift cards	988	92,885
Total trade and other payables	**9,267,743**	**34,271,937**

The Group's contract liabilities relate to contracts with customers for periods of less than one year.

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 29.

28 Reconciliation of movements of liabilities to cash flows arising from financing activities

The table below sets out an analysis of liabilities from financing activities and the movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing in the consolidated statement of cash flows:

'000 RUB	Note	Loans and borrowings	Lease liabilities	Liabilities held for sale	Total
Balance at 1 January 2025		**47,929,745**	**22,434,574**	**-**	**70,364,319**
Cash flows from financing activities					
Proceeds from loans and borrowings		5,053,612	-	35,195,715	40,249,327
Repayment of loans and borrowings		(5,154,086)	-	(999,983)	(6,154,069)
Interest paid on loans and borrowings		(3,703,044)	-	(3,814,184)	(7,517,228)
Repayment of principal amount of lease liabilities		-	(3,207,663)	(1,016,813)	(4,224,476)
Interest paid on lease liabilities		-	(2,378,331)	(1,157,063)	(3,535,394)
Total cash flows from financing activities		**(3,803,518)**	**(5,585,994)**	**28,207,672**	**18,818,160**
Non-cash changes					
Additions to lease liabilities	26	-	552,529		552,529
Modifications and reassessments of lease liabilities	26	-	2,198,468	271,232	2,469,700
Accrued interest	26	3,679,622	2,378,331	4,971,247	11,029,200
Disposals			(1,561)		(1,561)
Other non-cash changes (offsetting the advance payment)			(204,386)	27,577	(176,809)
Effect of changes in foreign exchange rates		(95,874)	-	-	(95,874)
Transfer to liabilities held for sale		(47,709,975)	(16,045,564)	63,755,539	-
Disposal of discontinued operation		-	-	(97,233,267)	(97,233,267)
Total non-cash changes		**(44,126,227)**	**(11,122,183)**	**(28,207,672)**	**(83,456,082)**
Balance at 31 December 2025		**-**	**5,726,397**	**-**	**5,726,397**

28 Reconciliation of movements of liabilities to cash flows arising from financing activities (Continued)

'000 RUB	Note	Loans and borrowings	Lease liabilities	Total
Balance at 1 January 2024		**47,385,748**	**26,722,381**	**74,108,129**
Cash flows from financing activities				
Proceeds from loans and borrowings		6,500,000	-	6,500,000
Repayment of loans and borrowings		(5,999,900)	-	(5,999,900)
Interest paid on loans and borrowings		(6,074,626)	-	(6,074,626)
Repayment of principal amount of lease liabilities		-	(4,684,249)	(4,684,249)
Interest paid on lease liabilities		-	(2,914,997)	(2,914,997)
Total cash flows from financing activities		**(5,574,526)**	**(7,599,246)**	**(13,173,772)**
Non-cash changes				
Additions to lease liabilities	26	-	196,855	196,855
Modifications and reassessments of lease liabilities	26	-	849,803	849,803
Accrued interest	26	6,120,246	2,914,977	9,035,223
Difference between the par value of the placed bond and the actual cost of the bond redemption (income)		(1,723)	-	(1,723)
Other non-cash changes (offsetting the advance payment)		-	(683,129)	(683,129)
Effect of changes in foreign exchange rates		-	32,933	32,933
Total non-cash changes		**6,118,523**	**3,311,439**	**9,429,962**
Balance at 31 December 2024		**47,929,745**	**22,434,574**	**70,364,319**

29 Financial risk management

(a) Overview

The risk management function within the Group is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

29 Financial risk management (Continued)

(a) Overview (continued)

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash and cash equivalents, trade receivables, bonuses receivable and other financial receivables.

(i) Exposure to credit risk

The carrying amounts of financial assets in the consolidated statement of financial position represent the Group's maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	Note	**Carrying amount**	
'000 RUB		**31 December 2025**	**31 December 2024**
Long-term refundable deposits to lessors	19	263,675	540,823
Trade and other receivables	21	702,909	2,199,608
Cash and cash equivalents	22	7,918,097	15,683,545
Total		**8,884,681**	**18,423,976**

Due to the fact that the Group's principal activities are located in the Russian Federation, the credit risk is mainly associated with its domestic market. The credit risks associated with foreign counterparties are considered to be remote, as there are only few foreign counterparties and they were properly assessed for creditworthiness.

(ii) Trade and other receivables

The Group has no considerable balance of trade receivables because the majority of its customers are retail consumers, who are not provided with any credit. The Group's trade receivables primarily include receivables from tenants and receivables connected to provision of services. Other receivables are primarily represented by bonuses receivable from suppliers. The Group manages credit risk in respect of those bonuses receivable by maintaining a stable suppliers base and monitoring collectability of amounts due on an ongoing basis.

To measure the expected credit loss (ECL) for trade and other receivables, those have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2025 and 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The ECL for bonuses receivable from suppliers is determined on portfolio level based on historical default percentages applied to the total amount of bonuses receivable from suppliers, adjusted to reflect relevant current and forward-looking information.

29 Financial risk management (Continued)

(b) Credit risk (continued)

(ii) Trade and other receivables (continued)

The credit loss allowance as at 31 December 2025 determined with the use of provision matrix is summarised in the table below.

'000 RUB	Gross amount	ECL	Carrying amount
Trade receivables	125,574	(7,312)	118,262
Bonuses receivable from suppliers	368,038	(21,429)	346,609
Other financial receivables	252,755	(14,717)	238,038
Total	**746,367**	**(43,458)**	**702,909**

The credit loss allowance as at 31 December 2024 determined with the use of provision matrix is summarised in the table below.

'000 RUB	Gross amount	ECL	Carrying amount
Trade receivables	210,829	(8,959)	201,870
Bonuses receivable from suppliers	1,756,745	(34,741)	1,722,004
Other financial receivables	287,614	(11,880)	275,734
Total	**2,255,188**	**(55,580)**	**2,199,608**

(iii) Cash and cash equivalents

The Group assesses credit risk for cash and cash equivalents based on external ratings that are available publicly.

The Group operates in retail industry which assumes that cash from the customers flows to the Group normally at the point of sale at the moment when the revenue is recognized. Therefore, cash flow risk is considered as remote.

(c) 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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk management is a responsibility of the Group's Treasury Department. The Group's liquidity risk management objectives are as follows:

- Maintaining financial independence: a share of one creditor in debt portfolio should not exceed 30%;
- Planning: timely preparation of operating, investing and financing cash flow forecasts on rolling basis.

29 Financial risk management (Continued)

(c) Liquidity risk (continued)

(i) Exposure to liquidity risk

The table below shows liabilities at 31 December 2025 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross loan commitments. Such undiscounted cash flows may differ from the amount included in the consolidated statement of financial position because the consolidated statement of financial position amounts are based on discounted cash flows. Where the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

31 December 2025

’000 RUB	Carrying amount	Contractual cash flows	Demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years
Financial liabilities at amortised cost						
Lease liabilities	5,726,397	7,893,896	1,678,937	1,603,177	3,720,312	891,470
Trade and other payables	7,667,195	7,667,195	7,667,195	-	-	-
Total future payments, including future principal and interest payments	**13,393,592**	**15,561,091**	**9,346,132**	**1,603,177**	**3,720,312**	**891,470**

As at 31 December 2025, the Group’s current liabilities exceeded its current assets by RUB 3,895,341 thousand (31 December 2024: current liabilities exceeded its current assets by RUB 4,727,437 thousand). An excess of current liabilities over current assets is usual for the retail industry. The Group uses excess of trade and other payables over inventory to finance its operating and investing activities. The Group has reviewed its cash flow forecasts in the context of current and projected market conditions and is confident that it will be able to meet its obligations as they fall due.

31 December 2024

’000 RUB	Carrying amount	Contractual cash flows	Demand and less than 6 months	From 6 to 12 month	From 1 to 5 years	More than 5 years
Financial liabilities at amortised cost						
Secured bank loans	11,799,062	14,079,342	2,337,852	2,403,392	9,338,098	-
Unsecured bonds	20,248,689	23,918,720	1,577,459	1,215,503	21,125,758	-
Unsecured bank facilities	15,879,145	19,047,233	6,045,670	3,350,030	9,651,533	-
Unsecured loans from third parties	2,850	2,899	49	2,850	-	-
Lease liabilities	22,434,574	34,994,719	4,117,177	4,014,467	18,636,202	8,226,873
Trade and other payables	30,710,050	30,710,050	30,710,050	-	-	-
Total future payments, including future principal and interest payments	**101,074,370**	**122,752,963**	**44,788,257**	**10,986,242**	**58,751,591**	**8,226,873**

29 Financial risk management (Continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Management sets limits on the value of risk that may be accepted. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

(i) Currency risk

The Group holds its business in the Russian Federation and mainly collects receivables nominated in Russian Roubles. However, financial assets and liabilities of the Group are also denominated in other currencies, primarily US Dollar, Euro.

Thus, the Group is exposed to currency risk, which may materially influence the financial position and financial results of the Group through the change in carrying value of financial assets and liabilities and amounts on foreign exchange rate gains or losses. The Group ensures that its exposure is kept to an acceptable level by keeping the proportion of financial assets and liabilities in foreign currencies to total financial liabilities at an acceptable level. From time to time the Group converts assets and liabilities from one currency to another.

(ii) Exposure to currency risk

The Group's exposure to currency risk in relation to the USD, EUR the major foreign currencies for the Group's Russian subsidiaries, was as follows based on notional amounts.

The Group's exposure to currency risk in relation to the USD was as follows based on notional amounts:

'000 RUB	**31 December 2025**	**31 December 2024**
Trade and other receivables	-	8,731
Cash and cash equivalents	39,387	329,137
Trade and other payables	(270,724)	(365,641)
Total	**(231,337)**	**(27,773)**

The Group's exposure to currency risk in relation to the EUR was as follows based on notional amounts:

'000 RUB	**31 December 2025**	**31 December 2024**
Cash and cash equivalents	131,131	38,182
Trade and other payables	(69,955)	(327)
Total	**61,176**	**37,855**

29 Financial risk management (Continued)

(d) Market risk (continued)

(ii) Exposure to currency risk (continued)

Sensitivity analysis

A 20% weakening/strengthening of the RUB against the USD at 31 December 2025 would have decreased/increased equity and profit or loss by RUB 46,267 thousand (31 December 2024: 20% weakening/strengthening of the RUB against the USD would have decreased/increased equity and profit or loss by RUB 5,554 thousand).

A 20% weakening/strengthening of the RUB against the EUR at 31 December 2025 would have decreased/increased equity and profit or loss by RUB 12,235 thousand (31 December 2024: 20% weakening/strengthening of the RUB against the EUR would have decreased/increased equity and profit or loss by RUB 7,571 thousand).

This analysis was performed only for the foreign currency denominated monetary balances in the consolidated statement of financial position related to the Group's entities whose functional currency is the RUB and is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

(iii) Interest rate risk

The Group is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments at their carrying amounts was:

'000 RUB	**31 December 2025**	**31 December 2024**
Fixed rate instruments		
Cash and cash equivalents	7,420,388	15,068,164
Loans and borrowings	-	(34,852,955)
Lease liabilities	(5,726,397)	(22,434,574)
Total	**1,693,991**	**(42,219,365)**
Variable rate instruments		
Loans and borrowings	-	(13,076,790)
Total	**-**	**(13,076,790)**

29 Financial risk management (Continued)

(e) Cash flow sensitivity analysis for variable rate instruments

A change of 1000 basis points in interest rates at the 31 December 2024 would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

There are no variable rate instruments at 31 December 2025.

	Profit or loss		Equity	
'000 RUB	**1,000 bp increase**	**1,000 bp decrease**	**1,000 bp increase**	**1,000 bp decrease**
31 December 2024				
Variable rate instruments	1,307,679	(1,307,679)	-	-
Cash flow sensitivity (net)	**1,307,679**	**(1,307,679)**	**-**	**-**

(f) Offsetting of financial assets and financial liabilities

The Group may enter into sales and purchase agreements with the same counterparty in the normal course of business. The related amounts receivable and payable do not always meet the criteria for offsetting in the consolidated statement of financial position. This is because, while generally there is an intention to settle on net basis, the Group may not have any currently legally enforceable right to offset recognised amounts, because the right to offset may be enforceable only on the occurrence of future events. In particular, in accordance with the Russian civil law an obligation can be settled by offsetting against a similar claim if it is due, has no maturity or is payable on demand, unless otherwise stated in the agreement.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

'000 RUB	**Trade and other receivables**	**Trade and other payables**
31 December 2025		
Gross amounts before offsetting	1,257,417	8,221,703
Amounts offset	(554,508)	(554,508)
Net amounts presented in the consolidated statement of financial position	**702,909**	**7,667,195**
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(38,961)	(38,961)
Net amount	**663,948**	**7,628,234**

'000 RUB	**Trade and other receivables**	**Trade and other payables**
31 December 2024		
Gross amounts before offsetting	2,869,327	31,379,769
Amounts offset	(669,719)	(669,719)
Net amounts presented in the consolidated statement of financial position	**2,199,608**	**30,710,050**
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(978,934)	(978,934)
Net amount	**1,220,674**	**29,731,116**

29 Financial risk management (Continued)

(f) Offsetting of financial assets and financial liabilities (Continued)

The net amounts presented in the consolidated statement of financial position disclosed above form part of trade and other receivables and trade and other payables, respectively. Other amounts included in these line items do not meet the criteria for offsetting and are not subject to the agreements described above.

Amounts offset comprise mainly trade payables for goods and bonuses receivable from suppliers.

(g) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

30 Capital commitments

The Group has capital commitments to acquire property, plant and equipment, mostly relating to construction of stores, and intangible assets amounting to RUB 167,092 thousand as at 31 December 2025 (31 December 2024: RUB 222,694 thousand). The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover these and any similar commitments.

31 Contingencies

(a) Legal proceedings

From time to time and in the normal course of business, claims against the Group are received. On the basis of its own estimates and both internal and external professional advice, the management is of the opinion that no material losses will be incurred in respect of claims outstanding.

(b) Tax contingencies

Russian tax legislation which was enacted or substantively enacted at the end of the reporting period, is subject to varying interpretations when being applied to the transactions and activities of the Group. Consequently, tax positions taken by management and the formal documentation supporting the tax positions may be challenged by tax authorities. Russian tax administration is gradually strengthening, including the fact that there is a higher risk of review of tax transactions without a clear business

purpose or with tax incompliant counterparties. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year when decisions about the review was made. Under certain circumstances reviews may cover longer periods.

Russian transfer pricing (TP) legislation is generally aligned with the international TP principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. The TP legislation provides for the possibility of additional tax assessment for controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not on an arm's-length basis. The management has implemented internal controls to comply with current TP legislation.

Tax liabilities arising from controlled transactions are determined based on their actual transaction prices. It is possible, with the evolution of the interpretation of the TP rules, that such prices could be challenged. The impact of any such challenge cannot be reliably estimated.

31 Contingencies (Continued)

(b) Tax contingencies (continued)

The Group includes companies incorporated outside of Russia. The tax liabilities of the Group are determined on the assumption that these companies are not subject to Russian profits tax, because they do not have a permanent establishment in Russia. This interpretation of relevant legislation may be challenged.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group applies its judgement in interpretations of such uncertain areas. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that an outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities.

The impact of any of the challenges mentioned above cannot be reliably estimated currently; however, it may be significant to the financial position and/or the overall operations of the Group.

In addition to the above matters, management estimates that as at 31 December 2025 the Group has other possible obligations of approximately 1.8% of revenue for continuing operations (31 December 2024: 1.2 % of revenue, including both continuing and discontinued operations) from exposure to other than remote tax risks arising from certain transactions.. These exposures are estimates that result from uncertainties in interpretation of applicable legislation and related documentation requirements. Management will vigorously defend the Group's positions and interpretations that were applied in determining taxes recognised in these consolidated financial statements if these are challenged by the authorities.

32 Related party transactions

Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. 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.

Related parties of the Group fall into the following categories:

1. The Company's major indirect shareholders (Note 1);
2. Other related parties under control of the major indirect shareholders;
3. Members of the Board of Directors of the Company and other key management personnel.

(a) Transactions with key management personnel

Key management received the following remuneration during the year, which is included in personnel costs:

'000 RUB	2025	2024
Short-term employee benefits:		
Salaries and short-term bonuses	427,452	428,346
Social security contributions	69,016	45,247
Total	**496,467**	**473,593**

In addition, members of the Company's Board of Directors received remuneration in the amount of RUB 56,683 thousand for the year ended 31 December 2025 (2024: RUB 60,516 thousand) which is included in legal and professional expenses.

32 Related party transactions (Continued)

(b) Transactions with other related parties

(i) Revenue

	Income		Receivables	
'000 RUB	**2025**	**2024**	**31 December 2025**	**31 December 2024**
Sale of services	2,840	3,076	-	-
Total	**2,840**	**3,076**	**-**	**-**

All outstanding balances with other related parties are to be settled in cash within six months of the reporting date. None of the balances are secured or impaired.

(ii) Expenses

'000 RUB	Expenses	
	2025	**2024**
Variable lease expenses and expenses relating to short-term and low value leases	87,275	93,909
Interest expense on lease liabilities	134,628	100,075
Total	**221,903**	**193,984**

(iii) Leases with other related parties

Lease liabilities under related party arrangements were as follows:

'000 RUB	**31 December 2025**	**31 December 2024**
Lease liabilities due to other related parties, including:	**-**	**967,058**
Current lease liabilities	-	565,846
Non-current lease liabilities	-	401,212

Terms of the leases with other related parties are such that the Group pays rentals which include the reimbursement of all operating expenses related to the hypermarkets leased and nearby leased areas and a certain percentage of the Group's retail revenue from the operation of these hypermarkets.

33 Fair value disclosures

Fair value measurements are analysed and categorised by level in the fair value hierarchy as follows:

(i) Level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);

(iii) Level 3 measurements are valuations not based on observable market data (that is, unobservable inputs).

Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

(a) Recurring fair value measurements

Recurring fair value measurements are those that the accounting standards require or permit in the statement of financial position at the end of each reporting period.

Investment property. Fair value of the investment property is updated by the Group annually on 31 December applying the income approach and market approach. Refer to Note 14.

(b) Non-recurring fair value measurements

As at 31 December 2025, recoverable amount of some of the Group's non-current assets tested for impairment was determined on the basis of the fair value less costs of disposals approach. Refer to Note 14.

(c) Assets and liabilities not measured at fair value but for which fair value is disclosed

Fair value was determined by the Group for initial recognition of financial assets and liabilities which are subsequently measured at amortised cost.

Fair value of the Group's financial assets and liabilities measured at amortised cost approximate their carrying amounts. Fair value of the Group's other financial assets and liabilities at amortised cost belongs to Level 2 measurements in the fair value hierarchy.

There were no transfers between the levels of the fair value hierarchy or changes in valuation techniques for fair value measurements during 2025 and 2024.

34 Significant accounting policies

The principal accounting policies set out below have been consistently applied to all the periods presented in these consolidated financial statements and have been applied consistently by Group entities.

(a) Financial instruments

(i) Financial assets impairment – credit loss allowance for ECL

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for trade and lease receivables. For other financial assets the Group applies a three stage model for impairment, based on changes in credit quality since initial recognition.

34 Significant accounting policies (Continued)

(a) Financial instruments (continued)

(ii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts, and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously. Such a right of set off (a) must not be contingent on a future event and (b) must be legally enforceable in all of the following circumstances: (i) in the normal course of business, (ii) in the event of default and (iii) in the event of insolvency or bankruptcy.

(iii) Capitalisation of borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of assets that are not carried at fair value and that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets.

The commencement date for capitalisation is when (a) the Group incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Capitalisation of borrowing costs continues up to the date when the assets are substantially ready for their use or sale.

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group's average funding cost (the weighted average interest cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred on the specific borrowings less any investment income on the temporary investment of these borrowings are capitalised.

(b) Property, plant and equipment and construction in progress

(i) Recognition and measurement

Items of property, plant and equipment, except for land, are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 January 2005, the date of transition to IFRSs, was determined by reference to its fair value at that date.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Any gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within "other operating income and expense" in profit or loss.

(ii) Depreciation

Land and construction in progress are not depreciated. Other items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

34 Significant accounting policies (Continued)

(b) Property, plant and equipment and construction in progress (continued)

(ii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of significant items of property, plant and equipment for the current and comparative periods are as follows:

- Buildings 50 years;
- Machinery and equipment, auxiliary facilities 2-20 years;
- Leasehold improvements the lowest of the useful life or the term of underlying lease;
- Other fixed assets 2-10 years.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(c) Investment property

Investment property is property held by the Group to earn rental income or for capital appreciation or both, including land held for a currently undetermined future use, and which is not occupied by the Group. Properties that are mainly occupied by the Group and insignificant portion of which is leased out to third parties mainly for offering additional customer service are presented within property, plant and equipment.

Investment property, including assets under construction for future use as investment property, is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value with any change therein recognised in profit or loss within "other operating income and expenses". If fair value of investment property under construction is not reliably determinable, the Group measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

Fair value of the Group's investment property is the price that would be received from sale of the asset in an orderly transaction, without deduction of any transaction costs. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. Market value of the Group's investment property is determined based on reports of independent appraisers, who hold recognised and relevant professional qualifications and who have recent experience in the valuation of property in the same location and category.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Earned rental income is recorded in profit or loss for the year within revenue.

34 Significant accounting policies (Continued)

(d) Intangible assets

(i) Amortisation

Amortisation is based on the cost of the asset less its estimated residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

- software 1-7 years;
- other intangible assets 1-5 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(e) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset.

The Group has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purposes the asset is used is predetermined, the Group has the right to direct the use of the asset if either:

- The Group has the right to operate the asset; or
- The Group designed the asset in a way that predetermines how and for what purpose it will be used.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The estimated useful lives of right-of-use asset are as follows:

- Trade premises 3-17 years;
- Land 3-30 years;
- Other 1-5 years.

34 Significant accounting policies (Continued)

(e) Leases (continued)

At the commencement date, lease liabilities are measured at an amount equal to the present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The following variable payments are not included in the calculation of lease liability:

- payments under land lease agreements, the calculation of which depends on the cadastral value of the land plot and other coefficients established by government decrees;
- payments for utilities and other services, determined upon the fact of consumption;
- variable lease payments that depend on turnover.

Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

The right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs.

(f) Inventories

The cost of inventories is based on the moving weighted average principle.

(g) Revenue

(i) Revenue from contracts with customers

Revenue from contracts with customers is represented by sales of trading stock, including retail sales of goods and sales of self-produced catering products. The major source of sales of trading stock is retail revenue.

Revenue from sale of goods and self-catering products is recognised when control of the goods and products has transferred to the customer, normally for the customers it is occurred in the store at the point of sale. No element of financing is deemed present, as payment of the transaction price is due immediately.

In accordance with the Russian consumer protection legislation, the customers have the right of return of goods in a range of categories within 14 days after the purchase. Such estimated returns are assessed at each reporting date. Based on historical data about returns, it is probable that a significant reversal in the cumulative revenue recognised will not occur.

Gift cards and award points issued by the Group are recorded as a contract liability within trade and other payables upon sale when prepaid by customers until they are redeemed or expire.

34 Significant accounting policies (Continued)

(g) Revenue (continued)

(i) Revenue from contracts with customers (continued)

In the reporting period, the Group's hypermarkets business maintained a loyalty program where retail customers were able to accumulate award points on purchases of certain goods which entitled them to a discount on future purchases in the hypermarkets. Also, from time to time, the Group holds promotional campaigns where the Group provides discount coupons to the customers that purchase goods with total value above a pre-determined amount. The discount coupons entitle the customers to a free purchase or a discount on selected goods immediately after the campaign ends. Such award points and coupons represent a material right to the customers and give rise to a separate performance obligation to deliver the customers additional or discounted goods. The total transaction price is allocated on the portfolio basis to the initial and the additional performance obligations on a relative stand-alone selling price basis. The estimated stand-alone selling price of the award points is determined with reference to the extent to which future performance is not expected to be required because the customer does not redeem the points awarded.

(h) Income tax

Income taxes have been provided in the consolidated financial statements in accordance with the respective legislation enacted or substantively enacted by the end of the reporting period. Income tax comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they are recognised in other comprehensive income or directly in equity because they relate to transactions that are also recognised, in the same accounting period, in other comprehensive income or directly in equity.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(i) Presentation of the consolidated statement of cash flows

The Group reports cash flows from operating activities using direct method. Cash flows from investing activities are presented net of VAT. VAT paid to suppliers of non-current assets and VAT in proceeds from sale of non-current assets are presented in line "VAT paid" within cash flows from operating activities.

(j) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.
- Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

35 Subsequent events

On 25 March 2025, the Group shareholders decided at an Extraordinary General Meeting (EGM) to change Company's jurisdiction from the Grand Duchy of Luxembourg to the Russian Federation. The Group is planned to be registered in a special administrative district on Oktyabrsky Island, in the Kaliningrad region, as International Public Joint-Stock Company (IPJSC).

In that respect, EGM was held on 10 April 2026 to approve the suspension of trading of the Company's Global Depositary Receipts (GDRs), ISIN US6708662019, on AIX from 8 May 2026, and the delisting of the GDRs, ISIN US6708662019, from the Official List maintained by AIX from 13 May 2026.

The Company's GDRs have been also listed on the Moscow Exchange since December 2020. It is planned that after delisting from AIX, the GDR program will continue to be traded on the Moscow Stock Exchange.

Prior to finalising the redomiciliation procedure, all actions required by law to terminate operations in Luxembourg must be completed. In the meantime, the O'KEY Group S.A. will continue to operate as a Luxembourg-registered company until the redomiciliation has been completed. The process of changing the Company's legal registration will not affect the business operations of its retail chains or its subsidiaries. The Company will continue to meet all its obligations to its counterparties on time and in full.

Subsequent to the reporting date, geopolitical tensions in the Middle East escalated significantly during early 2026. Management is actively monitoring the situation. At the date of authorisation of these consolidated financial statements, the potential financial impact on the Group remains insignificant. However, possible effects may include increased volatility in energy prices, supply chain disruptions and broader macroeconomic uncertainty.

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