# Joint stock company Melon Fashion Group

# IFRS® Accounting Standards
# Consolidated Financial Statements and
# Independent Auditor's Report

## 31 December 2024

Contents

Технологии Доверия

Акционерное общество
«Технологии Доверия – Аудит»
(АО «Технологии Доверия – Аудит»)

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# Аудиторское заключение независимого аудитора

Акционерам и Совету директоров Акционерного общества «Мэлон Фэшн Груп»:

## Мнение

По нашему мнению, консолидированная финансовая отчетность отражает достоверно во всех существенных отношениях консолидированное финансовое положение Акционерного общества «Мэлон Фэшн Груп» (далее – «Общество») и его дочерних обществ (далее совместно именуемые «Группа») по состоянию на 31 декабря 2024 года, а также консолидированные финансовые результаты и консолидированное движение денежных средств Группы за год, закончившийся на указанную дату, в соответствии с Международными стандартами финансовой отчетности (МСФО).

### Предмет аудита

Мы провели аудит консолидированной финансовой отчетности Группы, которая включает:

- консолидированный отчет о финансовом положении по состоянию на 31 декабря 2024 года;
- консолидированный отчет о прибыли или убытке и прочем совокупном доходе за год, закончившийся на указанную дату;
- консолидированный отчет об изменениях в капитале за год, закончившийся на указанную дату;
- консолидированный отчет о движении денежных средств за год, закончившийся на указанную дату;
- примечания к консолидированной финансовой отчетности, включая существенную информацию об учетной политике и прочую пояснительную информацию.

## Основание для выражения мнения

Мы провели аудит в соответствии с Международными стандартами аудита (МСА). Наши обязанности согласно указанным стандартам далее описаны в разделе «Ответственность аудитора за аудит консолидированной финансовой отчетности» нашего заключения.

Мы полагаем, что полученные нами аудиторские доказательства являются достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения.

### Независимость

Мы независимы по отношению к Группе в соответствии с Международным кодексом этики профессиональных бухгалтеров (включающим Международные стандарты независимости), выпущенным Советом по международным стандартам этики для бухгалтеров (Кодекс СМСЭБ), и этическими требованиями Кодекса профессиональной этики аудиторов и Правил независимости аудиторов и аудиторских организаций, применимыми к нашему аудиту консолидированной финансовой отчетности в Российской Федерации. Нами выполнены прочие этические обязанности в соответствии с этими требованиями и Кодексом СМСЭБ.

## Ответственность руководства и лиц, отвечающих за корпоративное управление, за консолидированную финансовую отчетность

Руководство несет ответственность за подготовку и достоверное представление указанной консолидированной финансовой отчетности в соответствии с МСФО и за систему внутреннего контроля, которую руководство считает необходимой для подготовки консолидированной финансовой отчетности, не содержащей существенных искажений вследствие недобросовестных действий или ошибок.

При подготовке консолидированной финансовой отчетности руководство несет ответственность за оценку способности Группы продолжать непрерывно свою деятельность, за раскрытие в соответствующих случаях сведений, относящихся к непрерывности деятельности, и за составление отчетности на основе допущения о непрерывности деятельности, за исключением случаев, когда руководство намеревается ликвидировать Группу, прекратить ее деятельность или когда у него отсутствует какая-либо иная реальная альтернатива, кроме ликвидации или прекращения деятельности.

Лица, отвечающие за корпоративное управление, несут ответственность за надзор за подготовкой консолидированной финансовой отчетности Группы.

## Ответственность аудитора за аудит консолидированной финансовой отчетности

Наша цель состоит в получении разумной уверенности в том, что консолидированная финансовая отчетность не содержит существенных искажений вследствие недобросовестных действий или ошибок, и в выпуске аудиторского заключения, содержащего наше мнение. Разумная уверенность представляет собой высокую степень уверенности, но не является гарантией того, что аудит, проведенный в соответствии с МСА, всегда выявляет существенные искажения при их наличии. Искажения могут быть результатом недобросовестных действий или ошибок и считаются существенными, если можно обоснованно предположить, что в отдельности или в совокупности они могут повлиять на экономические решения пользователей, принимаемые на основе этой консолидированной финансовой отчетности.

В рамках аудита, проводимого в соответствии с МСА, мы применяем профессиональное суждение и сохраняем профессиональный скептицизм на протяжении всего аудита. Кроме того, мы выполняем следующее:

- выявляем и оцениваем риски существенного искажения консолидированной финансовой отчетности вследствие недобросовестных действий или ошибок; разрабатываем и проводим аудиторские процедуры в ответ на эти риски; получаем аудиторские доказательства, являющиеся достаточными и надлежащими, чтобы служить основанием для выражения нашего мнения. Риск необнаружения существенного искажения в результате недобросовестных действий выше, чем риск необнаружения существенного искажения в результате ошибки, так как недобросовестные действия могут включать сговор, подлог, умышленный пропуск, искаженное представление информации или действия в обход системы внутреннего контроля;
- получаем понимание системы внутреннего контроля, имеющей значение для аудита, с целью разработки аудиторских процедур, соответствующих обстоятельствам, но не с целью выражения мнения об эффективности системы внутреннего контроля Группы;
- оцениваем надлежащий характер применяемой учетной политики и обоснованность оценочных значений, рассчитанных руководством, и соответствующего раскрытия информации;
- делаем вывод о правомерности применения руководством допущения о непрерывности деятельности, а на основании полученных аудиторских доказательств – вывод о том, имеется ли существенная неопределенность в связи с событиями или условиями, в результате которых могут возникнуть значительные сомнения в способности Группы продолжать непрерывно свою деятельность. Если мы приходим к выводу о наличии существенной неопределенности, мы должны привлечь внимание в нашем аудиторском заключении к соответствующему раскрытию информации в консолидированной финансовой отчетности или, если такое раскрытие информации является ненадлежащим, модифицировать наше мнение. Наши выводы основаны на аудиторских доказательствах, полученных до даты нашего аудиторского заключения. Однако будущие события или условия могут привести к тому, что Группа утратит способность продолжать непрерывно свою деятельность;
- проводим оценку представления консолидированной финансовой отчетности в целом, ее структуры и содержания, включая раскрытие информации, а также того, представляет ли консолидированная финансовая отчетность лежащие в ее основе операции и события так, чтобы было обеспечено их достоверное представление;

- планируем и проводим аудит группы для получения достаточных надлежащих аудиторских доказательств, относящихся к финансовой информации организаций или подразделений группы, в качестве основы для формирования мнения о финансовой отчетности группы. Мы отвечаем за руководство, надзор за ходом аудита и проверку работы по аудиту, выполненной для целей аудита группы. Мы остаемся полностью ответственными за наше аудиторское мнение.

Мы осуществляем информационное взаимодействие с лицами, отвечающими за корпоративное управление, доводя до их сведения, помимо прочего, информацию о запланированном объеме и сроках аудита, а также о существенных замечаниях по результатам аудита, в том числе о значительных недостатках системы внутреннего контроля, которые мы выявляем в процессе аудита.

25 марта 2025 года

Москва, Российская Федерация

Куликов Алексей Михайлович, лицо, уполномоченное Генеральным директором на подписание от имени Акционерного общества «Технологии Доверия – Аудит» (основной регистрационный номер записи в реестре аудиторов и аудиторских организаций (ОРНЗ) – 12006020338), руководитель аудита (ОРНЗ – 21906104758)

JSC Melon Fashion Group
Consolidated Statement of Financial Position as at 31 December 2024

| | Note | 31 December 2024 | 31 December 2023 |
|---|---|---|---|
| | | RUB thousand | RUB thousand |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 8 | 6 225 959 | 5 037 089 |
| Investment property | | 12 470 | 12 148 |
| Intangible assets | 9 | 507 810 | 546 690 |
| Deferred income tax asset | 15 | 1 081 321 | 667 077 |
| Non-current secured payments | 11 | 119 657 | 104 297 |
| Right-of-use assets | 30 | 19 863 871 | 17 499 163 |
| **Total non-current assets** | | **27 811 088** | **23 866 464** |
| **Current assets** | | | |
| Inventories | 10 | 20 986 066 | 15 817 260 |
| Loans issued | 7 | - | 442 000 |
| Trade and other receivables | 11 | 2 065 299 | 1 814 959 |
| Derivative financial instruments | 27 | 98 293 | - |
| Cash and cash equivalents | 12 | 4 531 137 | 13 340 286 |
| **Total current assets** | | **27 680 795** | **31 414 505** |
| **TOTAL ASSETS** | | **55 491 883** | **55 280 969** |
| **EQUITY** | | | |
| Share capital | 13 | 48 062 | 48 062 |
| Share premium | 13 | 607 186 | 607 186 |
| Revaluation reserve | | 8 513 | 8 513 |
| Translation reserve | | (14 755) | (28 923) |
| Treasury shares | 13 | (365 689) | - |
| Retained earnings | | 3 084 593 | 19 434 590 |
| **TOTAL EQUITY** | | **3 367 910** | **20 069 428** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Guarantee liability | 7 | 2 189 302 | - |
| Borrowings | 14 | 6 400 000 | - |
| Deferred income tax liability | 15 | 1 341 063 | 933 065 |
| Non-current lease liabilities | 30 | 14 498 180 | 12 870 062 |
| Demolition provision - leases | | 148 312 | 126 362 |
| **Total non-current liabilities** | | **24 576 857** | **13 929 489** |
| **Current liabilities** | | | |
| Trade and other payables | 16 | 16 585 309 | 13 126 119 |
| Borrowings | 14 | 668 275 | - |
| Current income tax payables | 24 | 238 236 | 77 818 |
| Dividends payable | | 3 305 | 4 349 |
| Other current liabilities | 17 | 1 921 836 | 1 498 917 |
| Current lease liabilities | 30 | 8 130 155 | 6 574 849 |
| **Total current liabilities** | | **27 547 116** | **21 282 052** |
| **TOTAL LIABILITIES** | | **52 123 973** | **35 211 541** |
| **TOTAL EQUITY AND LIABILITIES** | | **55 491 883** | **55 280 969** |

Approved for issue and signed on the behalf of Board of Directors on 25 March 2025.

CEO_____Mikhail Urzhumtsev CFO_____Natalia Samuticheva

The accompanying notes on pages 5 - 36 form an integral part of these consolidated financial statements

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | RUB thousand | RUB thousand |
| Revenue | 18 | 82 170 865 | 61 571 140 |
| Cost of sales | 19 | (35 804 513) | (26 540 680) |
| **Gross profit** | | **46 366 352** | **35 030 460** |
| Distribution costs | 20 | (29 339 259) | (21 969 557) |
| General and administrative expenses | 21 | (2 181 981) | (1 985 200) |
| Net other operating income/(expense) | 22 | (1 132 145) | (285 720) |
| **Operating profit** | | **13 712 967** | **10 789 983** |
| Finance income | 23 | 3 164 899 | 455 412 |
| Finance costs | 23 | (2 721 852) | (1 675 963) |
| **Finance income/(costs) - net** | | **443 047** | **(1 220 551)** |
| **Profit before income tax** | | **14 156 014** | **9 569 432** |
| Income tax expense | 24 | (2 794 342) | (2 233 567) |
| **Profit for the year`** | | **11 361 672** | **7 335 865** |
| **Other comprehensive income** | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Translation of financial information of foreign operations to presentation currency | | 14 168 | 166 562 |
| **Other comprehensive income for the year** | | **14 168** | **166 562** |
| **Total comprehensive income for the year** | | **11 375 840** | **7 502 427** |

| | Note | Share capital | Treasury shares | Share premium | Revaluation reserve | Translation difference | Retained earnings | Total |
|---|---|---|---|---|---|---|---|---|
| *In RUB thousand* | | | | | | | | |
| **Balance as of 31 December 2022** | | **48 062** | **-** | **607 186** | **8 513** | **(195 485)** | **12 098 725** | **12 567 001** |
| **Comprehensive income** | | | | | | | | |
| Profit for the year | | - | - | - | - | - | 7 335 865 | 7 335 865 |
| **Other comprehensive income** | | | | | | | | |
| Translation difference | | - | - | - | - | 166 562 | - | 166 562 |
| **Total comprehensive income for the year** | | **-** | **-** | **-** | **-** | **166 562** | **7 335 865** | **7 502 427** |
| **Balance as of 31 December 2023** | | **48 062** | **-** | **607 186** | **8 513** | **(28 923)** | **19 434 590** | **20 069 428** |
| **Comprehensive income** | | | | | | | | |
| Profit for the year | | - | - | - | - | - | 11 361 672 | 11 361 672 |
| **Other comprehensive income** | | | | | | | | |
| Translation difference | | - | - | - | - | 14 168 | - | 14 168 |
| **Total comprehensive income for the year** | | | | | | **14 168** | **11 361 672** | **11 375 840** |
| Dividends declared | 13 | - | - | - | - | - | (24 594 521) | **(24 594 521)** |
| Effect from recognizing a financial guarantee liability at fair value | 7 | - | - | - | - | - | (3 117 148) | **(3 117 148)** |
| Effect from own shares buyback | 13 | - | (365 689) | - | - | - | - | **(365 689)** |
| **Balance as of 31 December 2024** | | **48 062** | **(365 689)** | **607 186** | **8 513** | **(14 755)** | **3 084 593** | **3 367 910** |

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | RUB thousand | RUB thousand |
| **Cash flows from operating activities** | | | |
| Cash generated from operations | | 19 956 260 | 15 940 735 |
| Interest received | 23 | 2 167 278 | 405 389 |
| Interest paid on lease liability | 23 | (2 652 018) | (1 625 940) |
| Income tax paid | | (2 324 276) | (1 798 722) |
| Income tax paid on interest on loans issued | | (296 624) | - |
| Windfall tax security payment | | - | (261 576) |
| **Net cash from operating activities** | | **16 850 620** | **12 659 886** |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment (PPE) | | (2 815 755) | (3 944 069) |
| Purchases of intangible assets | | (203 832) | (161 412) |
| Loans issued | 7 | (11 592 369) | (442 000) |
| Repayment of loans | 7 | 12 034 369 | - |
| **Net cash used in investing activities** | | **(2 577 587)** | **(4 547 481)** |
| **Cash flows from financing activities** | | | |
| Dividends paid | 13 | (24 594 521) | (40 552) |
| Repayment of lease liabilities | 25 | (5 183 662) | (3 985 580) |
| Own shares bought from shareholders | 13 | (365 689) | - |
| Proceeds from borrowings | 14, 25 | 7 040 000 | - |
| Other payments | | (4 599) | - |
| **Net cash used in financing activities** | | **(23 108 471)** | **(4 026 132)** |
| **Net (decrease)/increase in cash, cash equivalents and bank deposits** | | **(8 835 438)** | **4 086 273** |
| Cash and cash equivalents at the beginning of the year | | 13 340 286 | 9 383 278 |
| Effect of changes in currency rates on cash and cash equivalents | | 26 289 | (129 265) |
| **Cash and cash equivalents at the end of the year** | | **4 531 137** | **13 340 286** |

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | RUB thousand | RUB thousand |
| Profit before income tax | | 14 156 014 | 9 569 432 |
| *Adjustments for:* | | | |
| – Depreciation of right of use assets | 30 | 6 270 111 | 5 307 579 |
| – Depreciation | 8 | 1 614 483 | 1 236 820 |
| – Amortisation | 9 | 242 712 | 136 327 |
| – Write off of property, plant and equipment | 8 | 12 081 | 20 776 |
| – Finance income | 23 | (3 095 065) | (405 389) |
| – Finance costs on lease liability | 30 | 2 652 018 | 1 625 940 |
| – Loss/(gain) from foreign exchange difference from lease liability | 30 | 304 683 | 418 405 |
| – (Gain)/loss from foreign exchange difference from operating activity | | 687 818 | (227 137) |
| – Effect from lease contracts modifications | 30 | (298 455) | (257 046) |
| Other non-cash transactions | | (179 149) | 40 901 |
| *Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):* | | | |
| – Derivative financial instruments | | (98 293) | 305 643 |
| – Inventories | 10 | (5 168 806) | (6 269 876) |
| – Trade and other receivables | 11 | (265 700) | (881 302) |
| – Trade and other payables | 16 | 2 698 889 | 5 188 924 |
| – Other current liabilities | 17 | 422 919 | 130 738 |
| **Cash generated from operations** | | **19 956 260** | **15 940 735** |

## 1. JSC Melon Fashion Group and its Operations

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards for the year ended 31 December 2024 for JSC Melon Fashion Group (the "Company") and its subsidiaries (together - the "Group").

The Company is a joint stock company incorporated in accordance with Russian regulations. The Company's registered address is 10th Krasnoarmeiskaya, 22, Kellermann Center, St. Petersburg, Russian Federation.

Principal activity. The Group manufactures, distributes and sells women's, men's and kid's clothes through their own retail, online and franchise stores in the Russian Federation, Kazakhstan, Belarus, Armenia and Kyrgyzstan. In 2024 and 2023 the Group operated under its own trademarks: "Befree", "ZARINA", "sela.", "LOVE REPUBLIC" and "IDOL".

As of 31 December 2024, the Group operated 937 (as of 31 December 2023 - 923) stores, including franchise stores.

The Group's structure as of 31 December 2024, 31 December 2023 is as follows:

| Name of the company | Parent company or subsidiary | Country of incorporation | Interest held as of 31 December 2024 | Interest held as of 31 December 2023 |
|---|---|---|---|---|
| JSC Melon Fashion Group | Reporting entity | Russian Federation | - | - |
| Fashion Business LLC | Subsidiary | Belarus | 100% | 100% |
| Melon Fashion Trading CO LTD | Subsidiary | China | 100% | 100% |
| Taxi Style Ltd | Subsidiary | Russian Federation | - | 100% |
| Melon Fashion CA LLC | Subsidiary | Uzbekistan | 100% | 100% |
| Melon Fashion Ukraine Ltd | Subsidiary | Ukraine | - | 100% |
| Melon Fashion Lithuania LTD | Subsidiary | Lithuania | - | 100% |

2 January 2024 the subsidiary Melon Fashion Lithuania LTD has been liquidated. The Group has lost the control over its subsidiary in Ukraine and therefore it does not meet criteria of IFRS 10. 5 December 2024 the subsidiary Taxi Style Ltd has been liquidated. The liquidation of subsidiaries doesn't have any material effect on financial statements. Liquidated subsidiaries didn't have operating activity neither in 2024 nor 2023 financial years.

As of 31 December 2024 and 31 December 2023 the Group's immediate parent company was MFG Invest JSC.

There is no ultimate controlling party of the Group.

## 2. Operating Environment of the Group

***Russian Federation***

The Russian Federation displays certain characteristics of an emerging market. Its economy is particularly sensitive to oil and gas prices. The legal, tax and regulatory frameworks continue to develop and are subject to frequent changes and varying interpretations (Note 26). The Russian economy continues to be negatively impacted by ongoing political tension and sanctions imposed by a number of countries against certain sectors of the Russian economy, Russian companies and individuals.

In 2024 there remains significant geopolitical tension which was developing since February 2022 with the situation with Ukraine. Sanctions and restrictions for multiple Russian entities, including removing access to the Euro and USD markets, the international SWIFT system, and many other, have been imposed and continue being introduced. A number of multinational groups suspended or terminated their business activity in the Russian Federation. Earlier the EU and several non-EU countries have introduced a price ceiling for supplies of Russian oil and gas supplies, an embargo on maritime supplies of Russian oil and petroleum products. The financial markets continue to demonstrate instability.

## 2. Operating Environment of the Group (continued)

***Russian Federation (continued)***

In 2024, foreign currency exchange rates against the ruble increased in comparison with rates at 31 December 2023. The key rate of the Bank of Russia was raised in December 2023 to 16%, in July 2024 to 18%, in September 2024 to 19%, and in October 2024 – to 21%.

In June 2024 the USA imposed sanctions on the Moscow Stock Exchange, as well as the National Clearing Center (NCC) and the National Settlement Depository (NSD), which are members of its group. In this regard, since 13 June 2024, trading in US dollars and euros, as well as instruments involving the use of these currencies has been suspended on the Moscow Stock Exchange. At the same time, transactions with the US dollar and euro continue to be conducted on the over-the-counter market. Since the suspension of trading on the Moscow Stock Exchange, the official exchange rates of the US dollar and the euro against the ruble are set on the basis of reporting data from credit institutions or data from digital platforms for over-the-counter trading.

In November 2024, the USA imposed sanctions on Bank GPB (JSC), which is the only authorized bank for making payments by foreign buyers for natural gas supplies.

There is an expectation of further sanctions and limitations on foreign business activity affecting companies operating in the Russian Federation, as well as possible negative consequences for the Russian economy in general, but the full extent and scale of possible effects of these are unknown. It is not possible to determine how long this increased volatility will last or at what level the above financial indicators will eventually level out.

The future effects of the current economic situation and the above measures are difficult to predict and management's current expectations and estimates could differ from actual results.

For the purpose of measurement of expected credit losses ("ECL") on the Group's loans, accounts receivable and similar assets the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Note 28 provides more information of how the Group incorporated forward-looking information in the ECL models.

## 3. Material accounting policy information

### *3(1). Basis of preparation*

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards 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 categorized at fair value through profit or loss.

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

The Group companies maintain their accounting records in their respective functional currencies and prepare their statutory financial statements in accordance with generally accepted accounting principles (GAAP) of the country in which the particular subsidiary is incorporated. These consolidated financial statements significantly differ from the financial statements prepared for statutory purposes under local GAAP in that they reflect certain adjustments, which are necessary to present the Group's consolidated financial position, results of operations, and cash flows in accordance with IFRS Accounting Standards.

## 3. Material accounting policy information (continued)

### *3(2). Consolidated financial statements*

Subsidiaries are those investees, that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. Subsidiaries are consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless the cost cannot be recovered. The Company and all of its subsidiaries use uniform accounting policies consistent with the Group's policies.

### *3(3). Foreign currency translation*

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 its subsidiaries is the national currency of the Russian Federation, Russian Ruble ("RUB") (except for Melon Fashion Ukraine Ltd, which functional currency is Ukrainian hryvnia ("UAH"), Melon Fashion Lithuania LTD, which functional currency is Euro ("EUR"), Fashion Business LLC, which functional currency is Belarusian ruble ("BYN"), Melon Fashion CA LLC, which functional currency is Uzbekistan sum ("UZS") and Melon Fashion Trading CO LTD, which functional currency is Chinese Yuan ("CNY")).

Monetary assets and liabilities are translated into each entity's functional currency at the official exchange rate of the Central Bank of the Russian Federation ("CBRF") at the respective end of the reporting period. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into each entity's functional currency at year-end official exchange rates of the CBRF are recognised in profit or loss as finance income or costs. Translation at year-end rates does not apply to non-monetary items that are measured at historical cost. Non-monetary items measured at fair value in a foreign currency, including equity investments, are translated using the exchange rates at the date when the fair value was determined. Effects of exchange rate changes on non-monetary items measured at fair value in a foreign currency are recorded as part of the fair value gain or loss.

### *3(4). Translation from functional currency to RUB presentation currency*

The results and financial position of the Group's subsidiaries in Belarus, Uzbekistan, Ukraine, Lithuania and China are translated into RUB for the purposes of consolidation as follows:

i) assets and liabilities presented in the subsidiary's statement of financial position are translated from UAH/EUR/BYN/UZS/CNY to RUB at the exchange rate at the date of that statement of financial position;

ii) share capital and other equity components are translated at historical rates;

iii) income and expenses in the subsidiary's statement of profit or loss and other comprehensive income are translated from UAH/EUR/BYN/UZS/CNY to RUB at quarterly average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and

iv) all resulting exchange differences are recognised as a separate component of equity in other comprehensive income.

## 3. Material accounting policy information (continued)

### *3(4). Translation from functional currency to RUB presentation currency (continued)*

The following exchange rates were applied:

| *2024* | **BYN** | **UZS** | **CNY** |
|---|---|---|---|
| Quarter 1 | 28,2788 | 0,0073 | 12,5759 |
| Quarter 2 | 28,1239 | 0,0072 | 12,4485 |
| Quarter 3 | 28,1022 | 0,0071 | 12,1898 |
| Quarter 4 | 29,5084 | 0,0078 | 13,7537 |
| 31 December 2024 | 29,6434 | 0,0079 | 13,4272 |

| *2023* | **UAH** | **EUR** | **BYN** | **UZS** | **CNY** |
|---|---|---|---|---|---|
| Quarter 1 | 1,9728 | 78,1444 | 26,4036 | 0,0064 | 10,5875 |
| Quarter 2 | 2,1933 | 88,2414 | 27,6529 | 0,0071 | 11,5386 |
| Quarter 3 | 2,5484 | 102,4336 | 29,9184 | 0,0079 | 12,9615 |
| Quarter 4 | 2,5366 | 99,7930 | 28,9814 | 0,0076 | 12,8158 |
| 31 December 2023 | 2,3613 | 99,1919 | 28,2261 | 0,0073 | 12,5762 |

### *3(5). Property, plant and equipment*

Property, plant and equipment are stated at cost, as described below, less accumulated depreciation and provision for impairment, where required.

Costs of minor repairs and day to day maintenance are expensed as incurred. Costs for replacing major parts or components of property, plant and equipment items are capitalized and the replaced portions are retired.

Leasehold improvements are the capitalized expenses incurred to modify the store environment on the rented premises. They include painting, installing selling equipment, customized light fixtures, ventilation system installation, changing flooring and other similar expenses. Leasehold improvements are recognised as an item of property, plant and equipment.

Upon sale or retirement, the cost and related accumulated depreciation are eliminated. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in net other operating income.

Equipment for installation (items of property, plant and equipment not yet installed) is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives:

| | Useful lives in years |
|---|---|
| Retail stores equipment | 1 - 11 |
| Leasehold improvements | Shorter of 5 years and the term of the underlying lease |

The estimation of the useful lives of items of property, plant and equipment is a matter of judgment based on the experience with similar assets. The future economic benefits embodied in the assets are consumed principally through use. However, other factors, such as technical or commercial obsolescence and wear and tear, often result in the diminution of the economic benefits embodied in the assets. Management assesses the remaining useful lives in accordance with the current technical conditions of the assets and estimated period during which the assets are expected to earn benefits for the Group. The following primary factors are considered: (a) expected usage of the assets; (b) expected physical wear and tear, which depends on operational factors and maintenance program; and (c) technical or commercial obsolescence arising from changes in market conditions.

## 3. Material accounting policy information (continued)

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### *3(6). Right-of-use assets*

The Group leases store area in shopping malls, office premises and warehouses. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non- lease components based on their relative stand-alone prices.

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

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- costs to restore the asset to the conditions required by lease agreements.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The estimated useful lives of the right of use assets are as follows:

| Group | Useful lives in years |
|---|---|
| Office premises | 5 to 11 |
| Store areas in shopping malls | 1 to 8 |
| Warehouses | 1 to 7 |

### *3(7). Intangible assets*

The Group's intangible assets have definite useful lives and primarily include capitalised computer software and trademarks.

Separately acquired trademarks and computer software licenses are capitalised on the basis of the costs incurred to acquire and bring them to use. Trademarks acquired in a business combination are recognised at fair value at the date of acquisition.

Intangible assets are amortised using the straight-line method over their useful lives:

| | Useful lives in years |
|---|---|
| Trademarks | 3 to 20 |
| Software licenses | 1 to 3 |

If impaired, the carrying amount of intangible assets is written down to the higher of value in use and fair value less costs to sell. Amortisation charge is included into Distribution expenses, refer to Note 20, and General and administrative expenses, refer to Note 21.

## 3. Material accounting policy information (continued)

### *3(8). Impairment of non-financial assets*

The Group's tangible and intangible assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its life. Non- financial assets are reviewed for possible reversal of the impairment at each reporting date.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If acquired cash-generating units show lower operating results comparing to the plan then indicators of impairment of tangible and intangible assets (stores equipment, leasehold improvements, rental contracts and trademarks) exist at the reporting date as a consequence of the lower operating result than planned.

### *3(9). Current and deferred income tax*

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge (credit) comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilised.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that Management expects the temporary differences to reverse in the foreseeable future.

## 3. Material accounting policy information (continued)

### *3(10). Inventories*

Inventories are recorded at the lower of cost and net realisable value. Cost of inventory is determined on the weighted average basis. The cost of finished goods and work in progress comprises raw material, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion.

Goods-in-transit are inventory for which risks and rewards were transferred to the Group as of the reporting date but it has not been delivered to the Group's site. The Group recognises goods-in-transit when risks and rewards are transferred from supplier in accordance with purchase agreements. Cost of goods-in-transit is measured in same manner as the cost of finished goods.

The Group makes provisions for slow moving and obsolete goods and raw materials and provisions for losses during transportation. These provisions are based on the Group's statistical data as well as forecast of future probable selling price and included in line "Cost of sales" in the consolidated statement of profit and loss and other comprehensive income. The Group does not make a provision for "basic" collections as they are expected to be sold in next seasons without impairment.

Inventories include costs of designing new collections which are directly attributable to the production of inventory and must be incurred to ensure the development of the design of new collections. These costs include salaries of the Group's employees who are engaged in the development of new collections. These expenses are written off evenly during the quarters of the collection selling season. These expenses are included in the Cost of Sales and disclosed in the line Personnel costs related to the design of new collections (refer to Note 19).

### *3(11). Trade and other receivables*

Trade receivables are amounts due from customers for merchandise sold or services rendered in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method, less provision for impairment. Group has applied a simplified approach for measuring and recognising expected credit losses for trade receivables. Note 3(22) provides more information of how the Group incorporated forward-looking information in the ECL models.

### *3(12). Prepayments*

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

The Group recognises rent deposits as prepayments and classifies them as non-current if they relate to rent contract which will expire after 12 months from the reporting date. These prepayments are included in non- current secured prepayments and trade and other receivable. Other rent deposits are classified as current assets.

## 3. Material accounting policy information (continued)

### *3(13). Cash and cash equivalents*

Cash and cash equivalents include cash on hand, cash in bank, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash transferred from stores to bank but not yet credited to bank accounts as of the reporting date is recorded as cash in transit (transfer doesn't take more than one month).

For cash and cash equivalents expected credit loss allowance is not significant.

### *3(14). Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of consideration received over the nominal value of shares issued is recorded as share premium.

### *3(15). Dividend distribution*

Dividends are recorded as a liability and deducted from equity in the period in which they are declared and approved by the Company's shareholders. Any dividends declared after the reporting period and before the consolidated financial statements are authorised for issue are disclosed in the events after reporting date note.

### *3(16). Value added tax*

Output value added tax related to sales is payable to tax authorities on the earlier of (a) collection of receivables from customers or (b) delivery of goods or services to customers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The tax authorities permit the settlement of VAT on a net basis. VAT related to sales and purchases is recognised in the consolidated statement of financial position on a net basis. Where provision has been made for impairment of receivables, impairment loss is recorded for the gross amount of the debtor, including VAT.

### *3(17). Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss (as interest expense) over the period of the borrowings using the effective interest method.

The Group has not capitalised borrowing costs in 2024 and 2023.

### *3(18). Financial guarantee*

Financial guarantee requires the Group to make specified payments to reimburse the holder of the guarantee for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are initially recognised at their fair value as liability, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the guarantee. At the end of each reporting period, the guarantees are measured at the higher of (i) the amount of the loss allowance for the guaranteed exposure determined based on the expected loss model and (ii) the remaining unamortised balance of the amount at initial recognition.

### *3(19). Transactions with a shareholder (owner) acting in his or her capacity*

Transactions with owners acting in their capacity as owners are accounted for directly in equity (retained earnings). The effect of the initial recognition of the fair value of the financial guarantee provided in relation to the loan agreements of the owners is reflected in retained earnings.

## 3. Material accounting policy information (continued)

### *3(20). Trade and other payables*

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

### *3(21). Provisions for liabilities and charges*

Provisions for liabilities and charges are non-financial liabilities of uncertain timing or amount. They are accrued when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where there is a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations in its entirety. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be limited.

Where the Group expects a provision to be reimbursed, for example under an insurance policy, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Accrual for unused vacation is accrued at each reporting date and recognised in the consolidated statement of profit or loss and other comprehensive income as a part of “Personnel costs”.

### *3(22). Financial instruments*

Classification

Debt financial assets

The Group's financial assets are classified into two measurement categories: those to be measured subsequently at amortised cost and those to be measured subsequently at fair value through profit or loss (FVPL).

Cash and cash equivalents, trade and other receivables are classified and measured at amortised cost. All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the Group commits to deliver a financial asset. All other purchases are recognised when the entity becomes a party to the contractual provisions of the instrument.

Derivative financial instruments

Derivative financial instruments, including foreign exchange contracts and forward rate agreements are carried at their fair value. All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivative instruments are included in profit or loss for the year as a part of “Net other operating expense”. The Group uses bank evaluations for forward contracts accounting purposes.

### *3(23). Revenue recognition*

Revenue is recognised in the amount of transaction price. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring control over promised goods or services to a customer in the ordinary course of the Group's activities. Revenue is recognised net of discounts, returns and value added taxes.

## 3. Material accounting policy information (continued)

### *3(23). Revenue recognition (continued)*

Sales of goods.

Sales are recognised at a point in time when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods and when specific criteria have been met for each of the Group's activities, as described below.

*(a) Sales of goods - retail*

The Group operates a chain of own shops selling women's, men's and kids clothes. Sales of goods are recognised when a Group entity sells a product to the customer and control of the products has transferred to a customer.

Payment of the transaction price is due immediately when the customer makes a purchase. It is the Group's policy to sell its products to the retail customer with the right to return the goods within 14 days. Historical data is applied to estimate and establish a provision for such returned goods already at the time of sale (i.e., the statistic of previous periods actual returns is applied to reporting period sales). Because the number of products returned has been stable and historically insignificant for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of the returns are reassessed at each reporting period.

*(b) Sales of goods - franchise / wholesale*

The Group manufactures and sells women's and men's and kids clothes in the franchise markets. Sales are recognised when control of the products has transferred, being when the products are handed over to the carrier by the Group entity. The franchise client has full discretion over the distribution channel and price to sell the products, and there is no unfulfilled obligation that could affect the franchise client's acceptance of the products.

A receivable is recognised when the goods are shipped as this is the point in the time that the consideration is unconditional because only the passage of time is required before the payment is due.

*(c) Sale of goods - e-commerce*

The Group operates own on-line shops for all five brands: "ZARINA", "Befree", "LOVE REPUBLIC", "sela." and "IDOL" and also sells goods through on-line partners per commission agreements. Sales of goods are recognised when a performance obligation is satisfied, i.e. when control of the goods underlying the particular performance obligation is transferred to the final customer. The payment is done by card or by cash on delivery. The same refund policy is applied as for retail sales.

*(d) Customer loyalty program*

The Group operates a loyalty program where retail customers accumulate points for purchases, birthdays or other activities made which entitle them to discount on future purchases. Revenue from the award points is recognised when the points are redeemed or when they expire after the initial sale. The transaction price is allocated to the goods sold and the award points based on their relative stand-alone selling prices.

A contract liability is recognised until the points are redeemed or expire. It is represented within trade and other payables in the consolidated statement of financial position. Refer to Note 3(21).

### *3(24). Lease liabilities*

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,

## 3. Material accounting policy information (continued)

### *3(24). Leases (continued)*

- 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.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. 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, which is generally the case for leases of the Group, 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.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and

- makes adjustments specific to the lease, e.g., term, country, currency and collateral.

Lease payments are allocated between principal and finance costs. The finance costs are 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.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease liabilities and right-of-use assets do not contain any service components such as utility. Service component is charged directly to profit or loss in the period it relates to.

Variable lease payments - estimation uncertainty arising from variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100 per cent of lease payments are on the basis of variable payment terms and there is a wide range of sales percentages applied. 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.

## 4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements 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:

## 4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

***Tax legislation.***

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently, refer to Note 26.

***Depreciation of right-of-use assets.***

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).

For leases of shopping areas in shopping centers the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate) the lease.

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate) the lease.

Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most of extension options in leases have been included in the lease liability, because the Group expect to consistently exercise them.

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, which affects this assessment, and that is within the control of the lessee.

Foreign currency rent agreements with option to fix a currency exchange.

There are a number of currency-based rental contracts with the voluntary fixing mechanism. Voluntary fixing mechanism analogise the adjustment driven by a market rent review when following circumstances take place:

- market conditions favorable for lessee: in a situation where the market conditions are favorable for the lessee (e.g. similar properties in the same area are readily available), the lessor would be economically compelled to fix the exchange rate to continue the lease; and

- lessee's ability to exercise the contractual termination at any time, or only with a short termination period (i.e. notice period of three to six months) and without significant costs associated with the termination: if the lessor does not fix the rate, the lessee would terminate the lease without incurring a significant economic penalty, such as, for example, relocation costs, unamortised leasehold improvements made to the property or loss of revenue.

As a result, the rental payments for those contracts continuously adjusted to market level and it is appropriate to treat such rental payments as variable rent based on an index or a rate. The amount of the lease liability is reassessed each time there is a change in future lease payments resulting from a change in a rate used to determine these payments (exchange rate). IFRS 16 para 42(b) explains that the lease liability should be remeasured only when there is a change in cash flows, i.e., when the adjustment to the lease payments takes effect. Accordingly, the Group treats the exchange rate, as fixed at a given time, to measure all the future lease payments and the liability is remeasured upon each fixing of the rate, using the unchanged discount rate.

ECL measurement

Measurement of ECLs is a significant estimate that involves determination methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The Group regularly reviews and validates the models and inputs to the models

## 4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (continued)

to reduce any differences between expected credit loss estimates and actual credit loss experience.

Significant increase in credit risk ("SICR").

In order to determine whether there has been a significant increase in credit risk, the Group compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period. The Group considers all reasonable and supportable forward looking information available without undue cost and effort, which includes a range of factors, including behavioural aspects of particular customer portfolios. The Group identifies behavioural indicators of increases in credit risk prior to delinquency and incorporated appropriate forward looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

## 5. Adoption of New or Revised Standards and Interpretations

The following amended standards became effective from 1 January 2024, but did not have any material impact on the Group unless otherwise described below:

- Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022, the effective date subsequently modified to 1 January 2024 by the Amendments to IAS 1 as discussed below).

- Classification of liabilities as current or non-current, deferral of effective date – Amendments to IAS 1 (issued on 15 July 2020 and effective for annual periods beginning on or after 1 January 2023, the effective date subsequently modified to 1 January 2024 by the Amendments to IAS 1 as discussed below).

- Non-current Liabilities with Covenants – Amendments to IAS 1 (issued on 31 October 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments clarify previous amendments to IAS 1 on classification of liabilities as current or non-current issued in January 2020 that would have become effective for reporting periods beginning on or after 1 January 2023. Applying the 2020 amendments, an entity does not have the right to defer settlement of a liability (and thus classifies the liability as current) when the entity would not have complied with covenants based on its circumstances at the reporting date, even if compliance with such covenants were tested only within twelve months after that date. The 2022 amendments clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date. The 2022 amendments introduce additional disclosure requirements. When an entity classifies a liability arising from a loan arrangement as non-current and that liability is subject to the covenants which an entity is required to comply with within twelve months of the reporting date, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liability could become repayable within twelve months of the reporting period. Additional disclosures include: (a) the carrying amount of the liability;
(b) information about the covenants; (c) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants. The new amendments are effective for annual reporting periods beginning on or after 1 January 2024 and override the previous amendments. The Group has added to its financial statements the disclosures required by this standard. The Group added to the financial statements new disclosures required by this standard. Refer to note 26.

- Lease Liability in a Sale and Leaseback Amendments to IFRS 16 – Amendments to IFRS 16 (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).

- Supplier Finance Arrangements – amendments to IAS 7 and IFRS 7 (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

## 6 New Accounting Pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2025 or later, and which the Group has not early adopted.

Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).

IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).

Annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 (issued on 18 July 2024 and effective for annual periods beginning on or after 1 January 2026).

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the International Accounting Standards Board (IASB)).

Amendments to IFRS 9 and IFRS 7: Disclosures (issued on 18 December 2024 and effective for annual periods beginning on or after 1 January 2026).

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

## 7. Balances and Transactions with Related Parties

For the purposes of these consolidated financial statements, parties are 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.

The Group defined the following categories of related parties:

(i) key management personnel;

(ii) key shareholders (immediate parent company).

The loans issued and repayments of loans disclosed in the consolidated statement of cash flows are loans to the related party in 2024 and 2023. Interest income on loans issued disclosed in Note 23 is interest income on loans to the related party in 2024 and 2023. The interest rate of the loan is variable and corresponds to market conditions.

20 March 2024 the Group issued the guarantee to Bank 1 in relation to the loan agreement between the immediate parent company and Bank 1. The guarantee expires on 25 March 2031. The carrying amount of the guarantee liability is RUB 2 189 302 thousand as of 31 December 2024 (refer to Note 26). As of date of initial recognition the guarantee liability was recognized in equity.

## 7. Balances and Transactions with Related Parties (continued)

*Key management personnel*

| | 2024 | 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| - Salaries and other short-term employee benefits | 332 220 | 260 329 |
| - BoD members remunerations | - | 4 448 |
| **Total** | **332 220** | **264 777** |

There were no unsettled balances for the presented above key management compensations as of 31 December 2024 and 31 December 2023.

Key management personnel were paid dividends in the amount of RUB 1 442 396 thousand in 2024 (2023: RUB 0 thousand) including dividend tax.

## 8. Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

| *In RUB thousand* | Note | Retail stores equipment | Leasehold improvements | Equipment for installation | Total |
|---|---|---|---|---|---|
| **Carrying amount at 1 January 2024** | | **2 143 458** | **2 598 534** | **295 097** | **5 037 089** |
| **Cost** | | | | | |
| Balance at 1 January 2024 | | 3 678 932 | 5 054 330 | 295 097 | 9 028 359 |
| Additions | | 862 160 | 1 476 917 | 476 678 | 2 815 755 |
| Transfer from equipment for installation to fixed assets | | 295 097 | - | (295 097) | - |
| Disposals | | (107 640) | (367 648) | - | (475 288) |
| **Balance at 31 December 2024** | | **4 728 549** | **6 163 599** | **476 678** | **11 368 826** |
| **Depreciation** | | | | | |
| Balance at 1 January 2024 | | (1 535 474) | (2 455 796) | - | (3 991 270) |
| Depreciation charge | 20,21 | (681 420) | (933 063) | - | (1 614 483) |
| Translation difference | | 31 683 | (32 004) | - | (321) |
| Disposals | | 96 452 | 366 755 | - | 463 207 |
| **Balance at 31 December 2024** | | (2 088 759) | (3 054 108) | - | (5 142 867) |
| **Carrying amount at 31 December 2024** | | **2 639 790** | **3 109 491** | **476 678** | **6 225 959** |
| **Cost** | | | | | |
| Balance at 1 January 2023 | | 2 214 266 | 3 397 622 | 319 674 | 5 931 562 |
| Additions | | 1 341 534 | 2 307 438 | 295 097 | 3 944 069 |
| Transfer from equipment for installation to fixed assets | | 319 674 | - | (319 674) | - |
| Disposals | | (196 542) | (650 730) | - | (847 272) |
| **Balance at 31 December 2023** | | **3 678 932** | **5 054 330** | **295 097** | **9 028 359** |
| **Depreciation** | | | | | |
| Balance at 1 January 2023 | | (1 189 401) | (2 391 457) | - | (3 580 858) |
| Depreciation charge | 20,21 | (482 434) | (754 386) | - | (1 236 820) |
| Translation difference | | (39 405) | 39 317 | - | (88) |
| Disposals | | 175 766 | 650 730 | - | 826 496 |
| **Balance at 31 December 2023** | | **(1 535 474)** | **(2 455 796)** | **-** | **(3 991 270)** |
| **Carrying amount at 31 December 2023** | | **2 143 458** | **2 598 534** | **295 097** | **5 037 089** |

As at 31 December 2024 accounts payable for purchased PPE amounted to RUB 61 732 thousand (31 December 2023: RUB 70 374 thousand).

## 9. Intangible Assets

| *In RUB thousand* | Note | Acquired software licenses | Trademarks | Other intangible assets | Total |
|---|---|---|---|---|---|
| **At 1 January 2024** | | | | | |
| Cost | | 656 076 | 636 910 | 31 231 | 1 324 217 |
| Accumulated amortisation | | (600 899) | (167 080) | (9 548) | (777 527) |
| **Carrying amount at 1 January 2024** | | **55 177** | **469 830** | **21 683** | **546 690** |
| Additions | | 132 185 | 71 647 | - | 203 832 |
| Amortisation charge | 20,21 | (143 677) | (95 761) | (3 274) | (242 712) |
| **Carrying amount at 31 December 2024** | | **43 685** | **445 716** | **18 409** | **507 810** |
| Cost | | 788 261 | 708 557 | 31 231 | 1 528 049 |
| Accumulated amortisation | | (744 576) | (262 841) | (12 822) | (1 020 239) |
| **Opening carrying amount 1 January 2023** | | **86 148** | **412 656** | **22 800** | **521 604** |
| Additions | | 67 289 | 94 124 | - | 161 413 |
| Amortisation charge | 20,21 | (98 260) | (36 950) | (1 117) | (136 327) |
| **Carrying amount** | | **55 177** | **469 830** | **21 683** | **546 690** |
| Cost | | 656 076 | 636 910 | 31 231 | 1 324 217 |
| Accumulated amortisation | | (600 899) | (167 080) | (9 548) | (777 527) |
| **Carrying amount** | | **55 177** | **469 830** | **21 683** | **546 690** |

Trademarks consist of Befree, ZARINA, LOVE REPUBLIC, sela. and IDOL trademarks.

## 10. Inventories

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | **RUB thousand** | **RUB thousand** |
| Finished products and goods for resale | 15 584 732 | 12 186 252 |
| Provisions for obsolescence and losses during transportation | (106 693) | (73 433) |
| **Finished products and goods for resale net of provisions** | **15 478 039** | **12 112 819** |
| Goods-in-transit | 3 963 152 | 2 431 367 |
| Design of new collections | 1 197 181 | 1 004 607 |
| Other materials | 347 694 | 268 467 |
| **Total inventories** | **20 986 066** | **15 817 260** |

As at 31 December 2024 the accounts payable related to inventories amounted to RUB 14 272 921 thousand (31 December 2023: RUB 10 536 150 thousand).

There is no inventory pledged for rent guarantees and settlements with suppliers as at 31 December 2024 and 2023.

Reconciliation of movements in the amount of write-down to net realizable value:

| *In RUB thousand* | For obsolete and slow moving finished goods |
|---|---|
| **At 1 January 2023** | **(242 913)** |
| Recovery of provision | 27 535 |
| Utilization of provision | 141 945 |
| **At 31 December 2023** | **(73 433)** |
| Accrual of provision | (53 551) |
| Utilization of provision | 20 291 |
| **At 31 December 2024** | **(106 693)** |

## 11. Trade and Other Receivables

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Non-current secured payments (prepayments) | 119 657 | 104 297 |
| Trade receivables | 966 777 | 470 374 |
| Credit loss allowance | (73 734) | (86 048) |
| Current secured payments (prepayments) | 80 250 | 107 908 |
| **Total financial receivables** | **1 092 950** | **596 531** |
| Advances to suppliers | 775 108 | 803 943 |
| Other receivables | 316 898 | 257 206 |
| Windfall tax security payment | - | 261 576 |
| **Total non-financial receivables** | **1 092 006** | **1 322 725** |
| **Total trade and other receivables** | **2 184 956** | **1 919 256** |

As at 31 December 2024 and 31 December 2023, trade and other receivables were free of any pledging. Non-current and current secured payments (prepayments) are the refundable rental prepayments to lessors that will be settled in cash at the end of the lease term.

Reconciliation of movements in the credit loss allowance for trade receivables:

| | 2024 | 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| **Credit loss allowance at 1 January** | **86 048** | **74 043** |
| (Recovered)/Provided during the year | (45 522) | 52 521 |
| Receivable accrued/ (written off) during the year | 33 208 | (40 516) |
| **Credit loss allowance at 31 December** | **73 734** | **86 048** |

As at 31 December 2024 and 31 December 2023 there were no credit loss allowance or impairment provision for receivables other than trade receivables.

The movement in the provision for expected credit loss has been included in the item General and administrative expenses in the consolidated statement of profit or loss and other comprehensive income.

The credit loss allowance for trade and other receivables is determined according to provision matrix presented in the Note 28.

## 12. Cash and Cash Equivalents

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Cash on hand | 24 461 | 33 767 |
| Cash in transit | 211 867 | 398 609 |
| Cash in bank | 1 890 661 | 1 128 553 |
| Short-term bank deposits | 2 404 148 | 11 779 357 |
| **Total cash and cash equivalents** | **4 531 137** | **13 340 286** |

Cash in transit is cash which was collected from the stores and not debited to bank cash accounts. Such services are provided by non-bank cash-collecting companies.

Group invests and hold cash with major banks of a high credit standing - with banks rated BBB-(RU) or higher according to ACRA. The major part of cash in bank and short-term bank deposits is held in bank rated AAA(RU) in the amount of RUB 3 406 380 thousand – as of 31 December 2024 (31 December 2023: AA+(RU) – RUB 5 910 149 thousand, AA-(RU) – RUB 3 000 008 thousand, AAA(RU) – RUB 2 883 934 thousand). In addition, the credit default ratings of the Group's partner banks are monitored on a monthly basis. In the event that the defined threshold is exceeded, credit balances are shifted to banks compliant with the limit.

## 13. Share Capital and Premium

| *In RUB thousand* | Nominal cost shares | Share premium | Treasury shares | Total |
|---|---|---|---|---|
| **At 1 January 2023** | **48 062** | **607 186** | **-** | **655 248** |
| **At 31 December 2023** | **48 062** | **607 186** | **-** | **655 248** |
| Treasury shares purchased | - | - | (365 689) | **(365 689)** |
| **At 31 December 2024** | **48 062** | **607 186** | **(365 689)** | **289 559** |

The total authorised and issued number of ordinary shares is 321 040 thousand shares (2023: 321 040 thousand shares) with a par value of RUB 0,15 per share (2023: RUB 0,15 per share). All issued ordinary shares are fully paid. Each ordinary share carries one vote.

The total number of treasury shares of 2 788 thousand shares (2023: 0 thousand shares). The total number of outstanding shares of 318 252 thousand shares (2023: 321 040 thousand shares).

Dividends per share declared during the 2024 is RUB 77, 28 (2023: none).

## 14. Borrowings

| *In RUB thousand* | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | **RUB thousand** | **RUB thousand** |
| Term loans | 7 068 275 | - |
| **Total borrowings** | **7 068 275** | **-** |

In December 2024, the Group received a loan from Bank 1. Term loan mature until 25 March 2031, the interest rate is variable and corresponds to market conditions.

The Group has complied with the financial and non-financial covenants of its borrowing facilities during the 2024 and as at 31 December 2024. Additional information about covenants disclosed in Note 26.

## 15. Deferred Income Tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes refer to the same fiscal authority and the same legal entity taxpayer.

Net movement on the deferred income tax account is as follows:

| *In RUB thousand* | 2024 | 2023 |
|---|---|---|
| Beginning of the year | (265 988) | (186 056) |
| Deferred tax– origination and reversal of temporary differences at the tax rate of 20% | 63 750 | (79 932) |
| Deferred tax – effect from the increase in tax rate to 25% | (57 504) | - |
| **End of year** | **(259 742)** | **(265 988)** |

## 15. Deferred Income Tax (continued)

The movement in deferred income tax assets and liabilities during the year is as follows:

| *In RUB thousand*<br>*Deferred tax liabilities* | Investment property | Fixed assets and intangible assets | Design of new collections | Forward contracts | Other | Total |
|---|---|---|---|---|---|---|
| **As of 1 January 2023** | **(2 412)** | **(341 517)** | **(130 031)** | **(61 129)** | **(21 053)** | **(556 142)** |
| Charged to the profit and loss | (18) | (294 570) | (70 890) | 61 129 | (72 574) | (376 923) |
| **As of 31 December 2023** | **(2 430)** | **(636 087)** | **(200 921)** | **-** | **(93 627)** | **(933 065)** |
| (Charged)/credited to the profit and loss | (64) | (169 424) | (38 515) | (19 658) | 87 876 | (139 785) |
| Deferred tax effect from the increase in the tax rate to 25% | (623) | (201 378) | (59 859) | (4 915) | (1 438) | (268 213) |
| **As of 31 December 2024** | **(3 117)** | **(1 006 889)** | **(299 295)** | **(24 573)** | **(7 189)** | **(1 341 063)** |

| *In RUB thousand*<br>*Deferred tax assets* | Provisions | Other accruals | Leases | Other | Total |
|---|---|---|---|---|---|
| **As of 1 January 2023** | **137 187** | **4 702** | **195 303** | **32 894** | **370 086** |
| Charged / (credited) to the profit and loss | 9 467 | (1 521) | 294 165 | (5 120) | 296 991 |
| **As of 31 December 2023** | **146 654** | **3 181** | **489 468** | **27 774** | **667 077** |
| Charged / (credited) to the profit and loss | 3 834 | 5 614 | 193 526 | 561 | 203 535 |
| Deferred tax effect from the increase in the tax rate to 25% | 37 622 | 2 199 | 170 748 | 140 | 210 709 |
| **As of 31 December 2024** | **188 110** | **10 994** | **853 742** | **28 475** | **1 081 321** |

Deferred tax on leases includes deferred tax assets in amount RUB 5 721 101 thousand (31 December 2023: RUB 3 929 177 thousand) and deferred tax liability in amount RUB 4 867 359 thousand as at 31 December 2024 (31 December 2023: RUB 3 439 709 thousand) with net effect RUB 853 742 thousand (31 December 2023: RUB 489 468 thousand).

## 16. Trade and Other Payables

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Trade payables | 15 169 172 | 11 780 294 |
| Other accounts payable | 35 397 | 20 769 |
| **Total financial liabilities within trade and other payables** | **15 204 569** | **11 801 063** |
| Unused vacation accrual | 543 835 | 462 835 |
| Liabilities to personnel | 361 339 | 428 306 |
| Other accrued liabilities | 155 944 | 367 518 |
| Advances from customers | 319 622 | 66 397 |
| **Trade and other payables** | **16 585 309** | **13 126 119** |

## 16. Trade and Other Payables (continued)

Other accrued liabilities and provisions include the following:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Windfall tax | - | 261 576 |
| Provision for the 2-weeks sales returns | 108 839 | 64 698 |
| Loyalty program deferred revenue | 47 105 | 40 327 |
| Other accrued liabilities | - | 917 |
| **Total other accrued liabilities and provisions** | **155 944** | **367 518** |

When a customer has a right to return the product within a given period, the Group recognises a provision for returns. This is measured on a net basis at the margin on the sale. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods to be returned.

Movements in the provisions and accrued liabilities are as follows:

| *In RUB thousand* | Accrual for unused vacation | Windfall tax | Other accrued liabilities and provisions | Total |
|---|---|---|---|---|
| **Carrying amount at 1 January 2023** | **312 461** | **-** | **103 574** | **416 035** |
| Additions charged to profit or loss | 575 128 | 261 576 | 105 942 | 942 646 |
| Utilisation of provision | (424 754) | - | (103 574) | (528 328) |
| **Carrying amount at 31 December 2023** | **462 835** | **261 576** | **105 942** | **830 353** |
| Additions charged to profit or loss | 685 219 | - | 155 944 | 841 163 |
| Utilisation of provision | (604 219) | (261 576) | (105 942) | (971 737) |
| **Carrying amount at 31 December 2024** | **543 835** | **-** | **155 944** | **699 779** |

As at 31 December 2024 trade payables in the amount of RUB 14 079 790 thousand (2023: RUB 8 572 941 thousand) are denominated in foreign currencies equivalent to:

INR 120 678 thousand (31 December 2023: INR 64 859 thousand);

USD 11 390 thousand (31 December 2023: USD 16 551 thousand);

CNY 951 674 thousand (31 December 2023: CNY 558 090 thousand).

## 17. Other Current Liabilities

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| VAT payable | 1 697 410 | 1 200 175 |
| Social security contributions | 171 813 | 258 020 |
| Personal income tax | 42 192 | 38 432 |
| Other taxes payable | 10 421 | 2 290 |
| **Other current liabilities** | **1 921 836** | **1 498 917** |

## 18. Revenue from Contracts with Customers

The Group derives revenue from the transfer of goods at a point in time. The Group views it's performance through the online and offline channels. Revenues from customers are derived from the sales of men's, women's and kids clothes through offline and online channels. The breakdown is provided below:

| | 2024 | 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Offline channel | 49 490 091 | 41 561 663 |
| On-line channel | 32 680 774 | 20 009 477 |
| **Total consolidated revenues** | **82 170 865** | **61 571 140** |

## 19. Cost of Sales

| | | 2024 | 2023 |
|---|---|---|---|
| | | RUB thousand | RUB thousand |
| Cost of goods sold and materials utilized | | 34 320 524 | 25 570 851 |
| Personnel costs related to the design of new collections | | 1 126 040 | 753 858 |
| Change in provision for slow moving and obsolete inventories | 10 | 53 551 | (27 535) |
| Other expenses | | 304 398 | 243 506 |
| **Cost of sales** | | **35 804 513** | **26 540 680** |

Included in personnel costs are contributions to the Social Fund of RUB 198 867 thousand (2023: RUB 131 961 thousand).

## 20. Distribution expenses

| | | 2024 | 2023 |
|---|---|---|---|
| | | RUB thousand | RUB thousand |
| Personnel costs | | 6 654 817 | 5 316 563 |
| Commission and other online channel expenses | | 6 145 357 | 3 608 435 |
| Depreciation of right of use assets - shops | 30 | 5 979 236 | 5 044 721 |
| Logistic expenses | | 2 622 302 | 1 715 040 |
| Variable lease payments and maintenance expenses | | 2 506 070 | 2 351 071 |
| Advertising, PR and marketing services | | 2 277 140 | 1 327 445 |
| Depreciation of property, plant and equipment | 8 | 1 527 201 | 1 166 491 |
| Amortisation of intangible assets | 9 | 130 273 | 92 097 |
| Other expenses | | 1 496 863 | 1 347 694 |
| **Distribution expenses** | | **29 339 259** | **21 969 557** |

Included in personnel costs are contributions to the Social Fund of RUB 1 330 720 thousand (2023: RUB 1 075 866 thousand).

## 21. General and administrative expenses

| | | 2024 | 2023 |
|---|---|---|---|
| | | RUB thousand | RUB thousand |
| Personnel costs | | 1 338 338 | 1 217 070 |
| Depreciation of right of use assets - office | 30 | 268 304 | 245 653 |
| HR and sustainability expenses | | 229 859 | 187 795 |
| Depreciation of property, plant and equipment | 8 | 87 145 | 70 040 |
| Amortisation of intangible assets | 9 | 112 439 | 44 230 |
| Other expenses | | 145 896 | 220 412 |
| **General and administrative expenses** | | **2 181 981** | **1 985 200** |

Included in personnel costs are contributions to the Social Fund of RUB 227 767 thousand (2023: RUB 194 171 thousand).

## 22. Net other operating income/(expense)

| | 2024 | 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Gain from lease agreement modifications | 298 455 | 257 046 |
| Derivative financial income/(expense) | 202 477 | 64 701 |
| Other income | 211 413 | 34 193 |
| Gain/(loss) from foreign exchange differences other than lease liabilities | (818 291) | (143 215) |
| Payment agent commission | (563 128) | - |
| Gain/(loss) from foreign exchange difference from lease liabilities | (304 683) | (418 405) |
| Other expenses | (158 388) | (80 040) |
| **Total** | **(1 132 145)** | **(285 720)** |

## 23. Finance Income and Costs

| | 2024 | 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Interest income on short-term bank deposits | 580 257 | 455 412 |
| Finance income on guarantee liability | 927 787 | - |
| Interest income on loans issued | 1 656 855 | - |
| **Total finance income** | **3 164 899** | **455 412** |
| Interest expense on bank and other borrowings | 69 834 | 50 023 |
| Interest expense on lease liabilities | 2 652 018 | 1 625 940 |
| **Total finance costs** | **2 721 852** | **1 675 963** |

## 24. Income Taxes

| | 2024 | 2023 |
|---|---|---|
| | **RUB thousand** | **RUB thousand** |
| Current tax | (2 800 588) | (2 153 635) |
| Deferred tax– origination and reversal of temporary differences at the tax rate of 20% | 63 750 | (79 932) |
| Deferred tax effect from the increase in tax rate to 25% | (57 504) | - |
| **Income tax expense for the year** | **(2 794 342)** | **(2 233 567)** |

On 12 July 2024, Federal Law No. 176-FZ on Amendments to part one and part two of the Tax Code of the Russian Federation, certain legislative acts of the Russian Federation and on the invalidation of certain provisions of legislative acts of the Russian Federation was adopted (published on 12 July 2024, hereinafter referred to as the "Law"). In accordance with the provisions of the Law, the corporate income tax rate was increased from 20% to 25%. This change became effective starting 1 January 2025.

In accordance with IAS 12, deferred tax assets and liabilities recognised as at 31 December 2024 were remeasured by the Group using the new income tax rate of 25%. The effect of this remeasurement is recognised in the consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income of the consolidated financial statements for 2024 within income taxes in the amount of RUB 57 504 thousand, deferred tax assets in the amount of RUB 210 709 thousand and deferred tax liabilities in the amount of RUB 268 213 thousand.

A reconciliation between the expected and the actual taxation charge is as follows:

| | 2024 | 2023 |
|---|---|---|
| | **RUB thousand** | **RUB thousand** |
| Profit before income tax | 14 156 014 | 9 569 432 |
| Theoretical tax charge at statutory rate of 20%: | (2 831 203) | (1 913 886) |
| **Tax effect of items which are not deductible or assessable for taxation purposes:** | | |
| - Income which is exempt from taxation | 185 557 | - |
| - Non-deductible expenses | (148 696) | (58 105) |
| Windfall tax expense | - | (261 576) |
| **Income tax expense for the year** | **(2 794 342)** | **(2 233 567)** |

## 25. Reconciliation of liabilities arising from financing activities net of cash and cash equivalents

The table below sets out an analysis of cash and cash equivalents and liabilities arising from financing activities and their movements 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.

| | | Liabilities from financing activities | | | |
|---|---|---|---|---|---|
| *In RUB thousand* | **Note** | **Cash and cash equivalents** | **Borrowings** | **Lease liability** | **Total** |
| **As at 1 January 2023** | | **9 383 278** | **-** | **(7 751 383)** | **1 631 895** |
| Cash flows | | 4 086 273 | - | - | 4 086 273 |
| Repayments of principal | | - | - | 3 985 580 | 3 985 580 |
| Interest payments | 30 | - | (405 389) | 1 625 940 | 1 220 551 |
| Finance costs | 30 | - | 405 389 | (1 625 940) | (1 220 551) |
| New leases | | - | - | (14 258 414) | (14 258 414) |
| Other non-cash movements | | - | - | (1 839 099) | (1 839 099) |
| Effect of changes in currency rates | 30 | (129 265) | - | 418 405 | 289 140 |
| **As at 31 December 2023** | | **13 340 286** | **-** | **(19 444 911)** | **(6 104 625)** |
| Cash flows | | (8 835 438) | - | - | (8 835 438) |
| Proceeds from borrowings | | - | (7 040 000) | - | (7 040 000) |
| Repayments of principal | | - | - | 5 183 662 | 5 183 662 |
| Interest payments | 30 | - | (2 167 278) | 2 652 018 | 484 740 |
| Finance costs | 30 | - | 2 167 278 | (2 652 018) | (484 740) |
| New leases | | - | - | (7 682 726) | (7 682 726) |
| Other non-cash movements | | - | (28 275) | (989 043) | (1 017 318) |
| Effect of changes in currency rates | 30 | 26 289 | - | 304 683 | 330 972 |
| **As at 31 December 2024** | | **4 531 137** | **(7 068 275)** | **(22 628 335)** | **(25 165 473)** |

Other non-cash movements relate to modifications of lease agreements.

## 26. Contingencies and Commitments

***Legal proceedings***. From time to time and in the normal course of business, claims against the Group may be received. On the basis of its own estimates management is of the opinion that no material losses will be incurred in respect of claims in excess of provisions that have been made in these consolidated financial statements.

***Tax contingencies***. Russian tax and customs 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 decision about review was made. Under certain circumstances reviews may cover longer periods.

In Group management's opinion all relevant tax and customs legislation was interpreted correctly and complied with for the year ended 31 December 2023, the Groups plans to sustain its current tax and customs positions.

In Group management's opinion all relevant tax and customs legislations were interpreted and complied correctly for the year ended 31 December 2024, the retention of current Group's tax and customs position is highly probable.

The Russian transfer pricing legislation is generally aligned with the international transfer pricing principles developed by the Organisation for Economic Cooperation and Development (OECD), although it has specific features. This 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. Management has implemented internal controls to be in compliance with this

## 26. Contingencies and Commitments (continued)

transfer pricing legislation.

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 but the impact of any such challenge cannot be reliably estimated currently; however, in previous tax audits performed by tax authorities there have been no issues identified in this respect. Management performs all needed efforts to mitigate this risk. The Controlled Foreign Company (CFC) legislation introduced Russian taxation of profits of foreign companies and non-corporate structures (including trusts) controlled by Russian tax residents (controlling parties). The CFC income is subject to a 20% tax rate, 25% tax rate from 2025.

As Russian tax legislation does not provide definitive guidance in certain areas, the Group adopts, from time to time, interpretations of such uncertain areas that reduce the overall tax rate of the Group. While management currently estimates that the tax positions and interpretations that it has taken can probably be sustained, there is a possible risk that outflow of resources will be required should such tax positions and interpretations be challenged by the tax authorities. The impact of any such challenge cannot be reliably estimate.

***Environmental matters***. The enforcement of environmental regulation in the Russian Federation is evolving and the enforcement posture of government authorities is continually being reconsidered. The Group periodically evaluates its obligations under environmental regulations. As obligations are determined, they are recognised immediately. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, Group management believes that there are no significant liabilities for environmental damage.

***Compliance with covenants.*** Under the terms of the loan agreement (refer to Note 14), liabilities under which had carrying amount of RUB 7 040 000 thousand as at 31 December 2024 (2023: none).

The Group was in compliance with covenants at 31 December 2024 (31 December 2023: no borrowings) and during the year then ended.

The next date covenants are subject to testing is 31 March 2025. The Group expects to comply with the covenants at this date.

***Guarantees.*** Guarantees represent irrevocable commitments by the Group to make payments in the event of default by another party.

As at 31 December 2024, the amount of the financial guarantee was RUB 2 189 302 thousand (31 December 2023: RUB 0 thousand).

## 27. Derivative Financial Instruments

The table below sets out fair values, at the end of the reporting period, of currencies receivable or payable under foreign exchange forward contracts entered into by the Group. The table reflects the gross positions before the netting of any counterparty positions (and payments) and covers contracts with settlement dates after the respective end of the reporting period. The contracts are short term in nature.

| | 31 December 2024 | | 31 December 2023 | |
|---|---|---|---|---|
| *In RUB thousand* | **Contracts with positive fair value** | **Contracts with negative fair value** | **Contracts with positive fair value** | **Contracts with negative fair value** |
| **Foreign exchange forwards: fair values, at the end of the reporting period, of** | | | | |
| - CNY receivable on settlement (+) | 1 214 093 | - | - | - |
| - CNY payable on settlement (-) | (1 115 800) | - | - | - |
| **Net fair value of foreign exchange forwards** | **98 293** | **-** | **-** | **-** |

The Group expects to settle these forward contracts net in cash and therefore recognised them in the consolidated statement of financial position as an asset within financial derivatives at a net fair value of RUB 98 293 thousand (2023: RUB 0 thousand).

The effect net fair value of foreign exchange forwards on consolidated statement of profit or loss and other comprehensive income presented in net other operating income/(expense) (refer to Note 22).

Foreign exchange derivative financial instruments entered into by the Group are generally traded in an over- the-counter market with professional market counterparties on standardised contractual terms and conditions. Derivatives have potentially favourable (assets) or unfavourable (liabilities) conditions as a result of fluctuations in market interest rates, foreign exchange rates or other variables relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

Forward and option contracts are for economic hedges of future outflow related to purchases of goods in CNY.

The notional principal amounts of the outstanding forward and options foreign exchange contracts at 31 December 2024 was equal CNY 90 000 thousand (31 December 2023: CNY - none).

## 28. Financial and Capital Risk Management

The risk management function within the Group is carried out in respect of financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), 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 proper functioning of internal policies and procedures to minimise operational and legal risks.

Financial risk management function is undertaken centrally within the Group's Finance Department and is closely controlled by the Board of Directors.

***Currency risk***. Currency risk is, amongst other things, the risk that the value of financial instruments or future cash flows will vary due to changes in exchange rates.

The Group's currency risk associated with financial instruments is primarily related to cash and cash equivalents, accounts payable and derivatives. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities or purchases are denominated in a currency which is not the entity's functional currency (mainly CNY). During 2024, the Russian Ruble (RUB) has demonstrated significant fluctuations against major foreign currencies, including CNY, USD and Indian Rupee (INR).

The following table presents financial assets and financial liabilities in foreign currencies:

## 28. Financial and Capital Risk Management (continued)

| | 31 December 2024 | | | 31 December 2023 | | |
|---|---|---|---|---|---|---|
| | USD thousand | INR thousand | CNY thousand | USD thousand | INR thousand | CNY thousand |
| *Financial assets* | | | | | | |
| Derivative financial instruments | - | - | 90 000 | - | - | - |
| Cash and Cash equivalents | - | - | 31 998 | - | - | 424 965 |
| **Total financial assets** | **-** | **-** | **121 998** | **-** | **-** | **424 965** |
| *Financial liabilities* | | | | | | |
| Trade and other payables | 11 390 | 120 678 | 951 674 | 16 551 | 64 859 | 558 090 |
| Lease liabilities | 31 699 | - | - | 30 651 | - | - |
| **Total financial liabilities** | **43 089** | **983 373** | **-** | **47 202** | **64 859** | **558 090** |

The following table presents sensitivities of profit and loss to reasonably possible changes in exchange rates applied at the end of the reporting period, with all other variables held constant.

| | 31 December 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Impact on profit or loss = Impact on equity | | | | | |
| | weakening by 10% | | | strengthening by 10% | | |
| *In RUB thousand* | USD | CNY | INR | USD | CNY | INR |
| Cash and cash equivalents | - | (42 964) | - | - | 42 964 | - |
| Derivative financial instruments | - | (120 845) | - | - | 120 845 | - |
| **Total financial assets** | **-** | **(163 809)** | **-** | **-** | **163 809** | **-** |
| Trade and other payables | 115 811 | 1 277 832 | 14 336 | (115 811) | (1 277 832) | (14 336) |
| Lease liabilities | 322 313 | - | - | (322 313) | - | - |
| **Total financial liabilities** | **438 124** | **1 277 832** | **14 336** | **(438 124)** | **(1 277 832)** | **(14 336)** |
| **Net impact on profit or loss** | **438 124** | **1 114 023** | **14 336** | **(438 124)** | **(1 114 023)** | **(14 336)** |

| | 31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Impact on profit or loss = Impact on equity | | | | | |
| | weakening by 10% | | | strengthening by 10% | | |
| *In RUB thousand* | USD | CNY | INR | USD | CNY | INR |
| Cash and cash equivalents | - | (534 444) | - | - | 534 444 | - |
| **Total financial assets** | **-** | **(534 444)** | **-** | **-** | **534 444** | **-** |
| Trade and other payables | 148 442 | 701 865 | 6 988 | (148 442) | (701 865) | (6 988) |
| Lease liabilities | 274 902 | - | - | (274 902) | - | - |
| **Total financial liabilities** | **423 344** | **701 865** | **6 988** | **(423 344)** | **(701 865)** | **(6 988)** |
| **Net impact on profit or loss** | **423 344** | **167 421** | **6 988** | **(423 344)** | **(167 421)** | **(6 988)** |

***Interest rate risk***. The Group takes on exposure to the effects of refinancing rate fluctuation on its financial position and cash flows. The nature of exposure relates to credit line taken on variable interest rate which depends on refinancing rate of CBR. Interest margins may increase as a result of change in refinancing rate, which will lead to finance expenses growth. Management monitors situation.

***Other price risk***. The Group is exposed to purchase price risk when the Group places the orders for goods in foreign sewing factories. To manage this risk the Group diversifies placement of production orders and developed cooperation with manufacturers and vendors outside China. The Group also places the orders to suppliers in Uzbekistan, Turkey, Bangladesh, Vietnam and other countries. These measures enable the Group to control production costs more efficiently.

***Credit risk***. Credit risk is the risk that a party in a transaction may not be able to fulfill its commitment and,

## 28. Financial and Capital Risk Management (continued)

thereby, cause a loss. Credit risk arises from cash and cash equivalents as well as credit exposures to wholesale customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'B' are accepted.

For measuring credit risk and grading financial instruments by the amount of credit risk, the Group applies risk grades estimated by external rating agency ACRA. Internal and external credit ratings are mapped on an internally defined master scale with a specified range of probabilities of default as disclosed in the tables below:

| Master scale credit risk grade | Corresponding ratings of rating agency ACRA | Corresponding PD interval | Amount of cash and cash equivalents in related financial institute excluding cash on hand and cash in transit | |
|---|---|---|---|---|
| | | | 31 December 2024 | 31 December 2023 |
| Excellent (Cash and cash equivalents) | AAA(RU) to A(RU) | 0,01% - 0,5% | 4 294 809 | 12 907 910 |
| Excellent (Derivative financial instruments) | AAA(RU) to A(RU) | 0,01% - 0,5% | 98 293 | - |

| Master scale credit risk grade | Corresponding PD interval | Amount of trade and other receivables related to corresponding contractor | |
|---|---|---|---|
| | | 31 December 2024 | 31 December 2023 |
| Excellent | 0,01% - 0,5% | 2 184 956 | 1 919 256 |
| Default | 100% | 73 734 | 86 048 |

Each master scale credit risk grade is assigned a specific degree of creditworthiness:

- Excellent – strong credit quality with low expected credit risk;
- Good – adequate credit quality with a moderate credit risk;
- Satisfactory – moderate credit quality with a satisfactory credit risk;
- Special monitoring – facilities that require closer monitoring and remedial management; and
- Default – facilities in which a default has occurred.

The maximum exposure to credit risk resulting from financial assets is equal to the carrying amount of the Group's financial assets:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Cash and cash equivalents | 4 531 137 | 13 340 286 |
| Total financial assets within trade and other receivables | 1 047 027 | 578 282 |
| **Total** | **5 578 164** | **13 918 568** |

The accounts receivable is distributed among a large number of customers with low amounts per customer. Management believes that there is no significant risk of loss to the Group beyond the expected credit loss already recorded.

The Group performed the assessment of credit risk and found that the amount of possible loss in not significant.

***Liquidity risk.*** Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is managed by the Group's Chief Executive Office, Chief Financial Officer and financial department. Management monitors monthly rolling forecasts of the Group's cash flows.

The Group seeks to maintain a stable funding base primarily consisting of borrowing, trade and other payables. The Group invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The liquidity position is monitored and liquidity stress testing

## 28. Financial and Capital Risk Management (continued)

under a variety of scenarios covering both normal and more severe market conditions is performed by the Chief Financial Officer and financial department.

The ratio of current assets and liabilities was as follows:

| | 31 December 2024 | 31 December 2023 |
|---|---|---|
| | RUB thousand | RUB thousand |
| Current assets | 27 680 795 | 31 414 505 |
| Current liabilities | 27 547 116 | 21 282 052 |
| Current liquidity ratio | 1,00 | 1,48 |

The Group is able to meet obligations on all current liabilities.

The table below analyses the Group's financial liabilities by relevant maturity groupings based on the time remaining from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows at spot exchange rate:

| *In RUB thousand* | | Less than 1 month | From 1 to 3 months | From 3 to 12 months | From 12 months to 5 years | Over 5 years | Total |
|---|---|---|---|---|---|---|---|
| **31 December 2024** | | | | | | | |
| Lease liabilities | | 547 305 | 1 493 363 | 6 449 523 | 20 125 332 | 226 932 | 28 842 455 |
| Financial liabilities within trade and other payables | 16 | 4 804 909 | 616 763 | 9 782 897 | - | - | 15 204 569 |
| Borrowings | | - | 160 000 | 480 000 | 6 428 275 | - | 7 068 275 |
| **Total financial liabilities** | | **5 352 214** | **2 270 126** | **16 712 420** | **26 553 607** | **226 932** | **51 115 299** |
| | | | | | | | |
| **31 December 2023** | | | | | | | |
| Lease liabilities | | 580 576 | 1 331 517 | 5 000 358 | 18 051 927 | 1 362 | 24 965 740 |
| Financial liabilities within trade and other payables | 16 | 3 584 962 | 460 169 | 7 755 932 | - | - | 11 801 063 |
| **Total financial liabilities** | | **4 165 538** | **1 791 686** | **12 756 290** | **18 051 927** | **1 362** | **36 766 803** |

Financial assets and liabilities other than derivatives are carried at amortised cost. As at 31 December 2024 and 31 December 2023, the fair value of financial instruments held by the Group did not materially differ from their recorded book values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments. The fair value receivables is assessed as the present value of expected cash flows, discounted at the current market interest rate for similar borrowers.

***Capital Management policy***. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group considers the line item "Total equity" of the consolidated statement of financial position as of 31 December 2024 in the amount of RUB 3 367 910 thousand (2023: RUB 20 069 428 thousand) that it manages as capital.

## 29. Fair Value Disclosures

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two 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), and (iii) level three 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.

*Recurring fair value measurements*

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

Foreign exchange forward contracts are carried in the consolidated statement of financial position at their fair value which is categorised as Level 2 as at 31 December 2024 and 31 December 2023. The Group used exchange rates as of 31 December 2024, published by the Bank of Russia as the inputs to calculate the fair value of contracts as of 31 December 2024.

*Financial assets and financial liabilities carried at amortised cost*

The management of the Group determined that as of 31 December 2024 and 31 December 2023, the fair value of trade receivables (refer to Note 11), cash and cash equivalents (refer to Note 12), borrowings (refer to Note 14) and trade payables (refer to Note 16) was approximately equal to their carrying value due to the short-term nature of these instruments. Financial assets and liabilities in the consolidated statement of financial position are carried at amortized cost and are classified as Level 3 as of 31 December 2024 and 31 December 2023.

## 30. Leases

The Group leases offices, stores and warehouses. Rental contracts are typically made for fixed periods of 11 months to 10 years but may have extension options as described below.

*Changes in right-of-use assets*

| *In RUB thousand* | **Stores** | **Warehouses** | **Office premises** | **Total** |
|---|---|---|---|---|
| **At 1 January 2024** | **16 832 559** | **516 199** | **150 405** | **17 499 163** |
| Additions | 7 558 300 | - | 124 426 | 7 682 726 |
| Lease contracts modification | 677 752 | (3 833) | 278 174 | 952 093 |
| Depreciation charge | (6 001 746) | (122 437) | (145 928) | (6 270 111) |
| **31 December 2024** | **19 066 865** | **389 929** | **407 077** | **19 863 871** |
| **At 1 January 2023** | **6 600 697** | **78 797** | **412 931** | **7 092 425** |
| Additions | 13 665 684 | 537 923 | 54 845 | 14 258 452 |
| Lease contracts modification | 1 654 060 | (26 049) | (172 146) | 1 455 865 |
| Depreciation charge | (5 087 882) | (74 472) | (145 225) | (5 307 579) |
| **31 December 2023** | **16 832 559** | **516 199** | **150 405** | **17 499 163** |

| | **2024** | **2023** |
|---|---|---|
| | **RUB thousand** | **RUB thousand** |
| Interest expense on lease liabilities | 2 652 018 | 1 625 940 |
| Gain/(loss) from foreign exchange difference from lease liabilities | (304 683) | (418 405) |
| Expenses relating to variable lease payments not included in lease liabilities | 1 697 847 | 1 757 733 |

The total cash outflow for lease liabilities in 2024 was RUB 7 835 680 thousand (in 2023 RUB 5 611 520).

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not

## 30. Leases (continued)

by the respective lessor.

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 lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities of RUB 952 093 thousand (RUB 1 455 865 thousand in 2023), the effect on consolidated statement of profit or loss and other comprehensive income as a result of revised lease term was a gain presented in net other operating income in the amount RUB 298 455 thousand (RUB 257 046 thousand in 2023).Refer to Note 22.

The lease commitment related to the leases not yet commenced to which lessee is committed amounted to RUB 469 951 thousand as of 31 December 2024 (RUB 128 310 thousand as of 31 December 2023).

## 31. EBITDA and Net Debt

The Group monitors and manages its debt using the ratio of net debt (defined as total borrowings and retirement benefit obligations less cash and cash equivalents) to EBITDA (non-IFRS measure) as defined below. The net debt/EBITDA ratio is calculated as net debt at the year end to EBITDA for the current period. The net debt/EBITDA ratio is calculated using IFRS accounting data.

The major financial ratios for the year ended 31 December 2024 and 31 December 2023 was following:

| | 2024 | 2023 |
|---|---|---|
| | **RUB thousand** | **RUB thousand** |
| Cash and cash equivalents | (4 531 137) | (13 340 286) |
| Borrowings | 7 068 275 | - |
| Net Debt | 2 537 138 | (13 340 286) |
| EBITDA | 21 848 951 | 17 470 511 |
| EBITDA/Revenue, % | 26,6 | 28,4 |
| Net Debt/EBITDA | 0,1 | (0,8) |

EBITDA and EBITDA/Revenue ratio are disclosed for the purpose of monitoring the Group's performance by shareholders. The management believes that these non-IFRS measures provide valuable information to readers, because they enable them to focus more directly on the underlying day-to-day performance of the Group’s business. Since the term EBITDA is not a standard IFRS measure, the Group’s definition of EBITDA may differ from that of other companies. The Profit before tax to EBITDA reconciliation is presented below:

| | 2024 | 2023 |
|---|---|---|
| | **RUB thousand** | **RUB thousand** |
| EBITDA | 21 848 951 | 17 470 511 |
| Depreciation of right-of-use assets | (6 270 111) | (5 307 579) |
| Depreciation and amortization - PPE and IA | (1 857 195) | (1 373 147) |
| Interest paid on lease liability | (2 652 018) | (1 625 940) |
| One-off transactions | (8 678) | 198 |
| Interest received | 2 167 278 | 405 389 |
| Interest income from guarantee liability | 927 787 | - |
| **Profit before income tax** | **14 156 014** | **9 569 432** |

## 32. Events After the Reporting Period

The total number of treasury shares 2 788 thousand shares as of 31 December 2024 were cancelled 5 March 2025.