

Public Joint Stock Company
“M.video”

Interim Condensed Consolidated
Financial Statements (Unaudited)
Half-Year Ended 30 June 2024

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

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PUBLIC JOINT STOCK COMPANY “M.VIDEO”

STATEMENT OF MANAGEMENT’S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED)

Management is responsible for the preparation of the interim condensed consolidated financial statements that present the consolidated financial position of Public Joint Stock Company “M.video” (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2024, and the consolidated results of its operations, cash flows and changes in equity for the half-year then ended, in compliance with International Accounting Standard 34 “Interim Financial Reporting”.

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

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies, in manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group’s consolidated financial position and financial performance;
- Making an assessment of the Group’s ability to continue as a going concern.

Management is also responsible for:

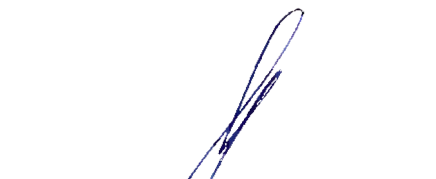
- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Group;
- Maintaining adequate accounting records that are sufficient to show and explain the Group’s transactions and disclose with reasonable accuracy at any time the consolidated financial position of the Group, and which enable them to ensure that the interim condensed consolidated financial statements of the Group comply with IFRS (IAS 34);
- Maintaining statutory accounting records in compliance with local legislation and accounting standards of Russian Federation;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- Preventing and detecting fraud and other irregularities.

The interim condensed consolidated financial statements of the Group for the half-year ended 30 June 2024 were approved on 23 August 2024.

On behalf of the management:



B. Uzhakhov
Chief Executive Officer



A. Garmanova
Chief Financial Officer

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Public Joint Stock Company "M.video"

Introduction


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

Scope of Review

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

Conclusion

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


Biryukov Vladimir,
Engagement partner,

AO "Business Solutions and Technologies"
(ORNZ № 12006020384)



23 August 2024

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

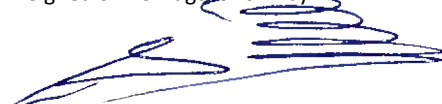
AS AT 30 JUNE 2024 (UNAUDITED)

(in millions of Russian Rubles)

	Notes	30 June 2024	31 December 2023
NON-CURRENT ASSETS			
Property, plant and equipment	4	9 616	10 765
Investment property		159	162
Intangible assets	6	22 207	23 399
Goodwill	3	50 007	50 007
Right-of-use assets	5	55 430	51 688
Deferred tax assets	22	13 449	11 086
Other non-current assets		507	404
Total non-current assets		151 375	147 511
CURRENT ASSETS			
Inventories	7	150 309	139 702
Accounts receivable	8	25 035	31 023
Advances paid	8	4 802	7 531
Income tax receivable		83	64
Other taxes receivable	9	16 282	15 316
Cash and cash equivalents	10	11 655	18 662
Total current assets		208 166	212 298
TOTAL ASSETS		359 541	359 809
EQUITY			
Share capital	11	1 798	1 798
Additional paid-in capital		4 576	4 576
Treasury shares	11	(526)	(526)
Unrealised losses		(16 409)	(6 081)
Total equity		(10 561)	(233)
NON-CURRENT LIABILITIES			
Lease liabilities	5	52 922	46 859
Non-current borrowings and other financial liabilities	12	11 944	11 922
Deferred tax liabilities		15	57
Other liabilities		468	498
Total non-current liabilities		65 349	59 336
CURRENT LIABILITIES			
Trade accounts payable		181 005	181 588
Current borrowings and other financial liabilities	12	79 041	74 513
Other payables and accrued expenses	13	11 562	14 265
Contract liabilities	14	9 986	7 103
Lease liabilities	5	20 038	19 926
Other taxes payable		2 897	3 064
Provisions		224	247
Total current liabilities		304 753	300 706
Total liabilities		370 102	360 042
TOTAL EQUITY AND LIABILITIES		359 541	359 809

The Notes form an integral part of these interim condensed consolidated financial statements.

Signed on 23 August 2024 by:



B. Uzhakhov
Chief Executive Officer



A. Garmanova
Chief Financial Officer

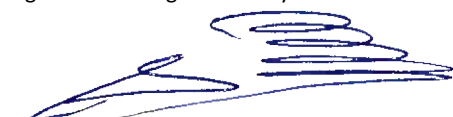
PUBLIC JOINT STOCK COMPANY “M.VIDEO”

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED)
(in millions of Russian Rubles, except earnings per share)

	Notes	For the half-year ended	
		30 June 2024	30 June 2023
REVENUE	15	201 884	179 204
COST OF SALES	16	(160 257)	(140 041)
GROSS PROFIT		41 627	39 163
Selling, general and administrative expenses	17	(38 177)	(35 341)
Other operating income	18	385	351
Other operating expenses		(115)	(190)
OPERATING PROFIT		3 720	3 983
Finance income	19	443	307
Finance expenses	19	(16 527)	(11 826)
LOSS BEFORE INCOME TAX EXPENSE		(12 364)	(7 536)
Income tax benefit		2 036	1 400
NET LOSS for the period, being TOTAL COMPREHENSIVE LOSS for the period		(10 328)	(6 136)
BASIC LOSS PER SHARE (in Russian Rubles)	20	(57,90)	(34,40)
DILUTED LOSS PER SHARE (in Russian Rubles)	20	(57,90)	(34,40)

The Notes form an integral part of these interim condensed consolidated financial statements.

Signed on 23 August 2024 by:


B. Uzhakhov
 Chief Executive Officer


A. Garmanova
 Chief Financial Officer

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED)**

(in millions of Russian Rubles)

	Notes	Share capital	Additional paid-in capital	Treasury shares	Unrealised losses	Total
Balance as at 31 December 2022		1 798	4 576	(526)	532	6 380
Total comprehensive loss for the period		-	-	-	(6 136)	(6 136)
Balance as at 30 June 2023		1 798	4 576	(526)	(5 604)	244
Balance as at 31 December 2023		1 798	4 576	(526)	(6 081)	(233)
Total comprehensive loss for the period		-	-	-	(10 328)	(10 328)
Balance as at 30 June 2024		1 798	4 576	(526)	(16 409)	(10 561)

The Notes form an integral part of these interim condensed consolidated financial statements.

Signed on 23 August 2024 by:



B. Uzhakhov
Chief Executive Officer



A. Garmanoya
Chief Financial Officer

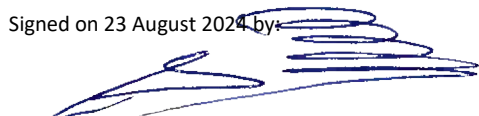
PUBLIC JOINT STOCK COMPANY “M.VIDEO”

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED)
(in millions of Russian Rubles)**

	Notes	For the half-year ended	
		30 June 2024	30 June 2023
OPERATING ACTIVITIES			
Total net loss for the period		(10 328)	(6 136)
<i>Adjustments for:</i>			
Income tax benefit		(2 036)	(1 400)
Depreciation and amortisation	17	12 751	13 206
Change in allowance for advances paid		27	-
Change in allowance for obsolete and slow-moving inventories and inventory losses, net of surpluses		(1)	349
Interest income	19	(398)	(307)
Interest expenses	19	16 527	11 114
Income recognized on subsidized loans	12, 18	-	(255)
Net foreign exchange (income)/loss	18, 19	(35)	679
Other non-cash reconciling items, net		(286)	(87)
Operating cash flows received from operations before movements in working capital		16 221	17 163
Increase in inventories		(10 605)	(25 157)
Decrease/(increase) receivable and advances paid		8 540	(8 712)
Increase in other taxes receivable		(967)	(3 996)
Increase/(decrease) in trade accounts payable		(1 093)	25 221
Decrease in other payables and accrued expenses		(2 676)	(3 799)
Increase in contract liabilities		2 883	138
Increase in other liabilities		15	2
Decrease in other taxes payable		(169)	(157)
Other changes in working capital, net		(105)	41
Cash received from/(used in) operations		12 044	744
Income taxes paid		(348)	38
Interest paid		(15 940)	(10 258)
Net cash used in operating activities		(4 244)	(9 476)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1 472)	(581)
Proceeds from disposal of property, plant and equipment		2 306	23
Purchase of intangible assets		(2 523)	(2 033)
Interest received		398	307
Net cash used in investing activities		(1 291)	(2 284)
FINANCING ACTIVITIES			
Proceeds from bonds	12	-	7 008
Repayment of bonds	12	(4 225)	(5 783)
Proceeds from borrowings		57 046	42 191
Repayment of borrowings		(48 249)	(46 781)
Repayment of lease liabilities	5	(6 044)	(5 871)
Net cash (used in)/received from financing activities		(1 472)	(9 236)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(7 007)	(20 996)
CASH AND CASH EQUIVALENTS, at the beginning of the period		18 662	30 196
CASH AND CASH EQUIVALENTS, at the end of the period		11 655	9 200

The Notes form an integral part of these interim condensed consolidated financial statements.

Signed on 23 August 2024 by:


B. Uzhakhov
Chief Executive Officer


A. Garmanova
Chief Financial Officer

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) (in millions of Russian Rubles)

1. GENERAL INFORMATION

The interim condensed consolidated financial statements of Public Joint Stock Company “M.video” (“the Company”) and its subsidiaries (the “Group”) for the half-year ended 30 June 2024 were authorized for issue by management on 23 August 2024.

The Group is the operator of a chain of household appliances and consumer electronics stores and online stores operating in the Russian Federation. The Group specializes in the sale of TV, audio, video, Hi-Fi, home appliances and digital equipment, as well as related services. The Group comprises a chain of owned and leased stores.

Shareholders

As at 30 June 2024 and 31 December 2023, registered shareholders of PJSC “M.video” and their ownership interests are presented as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
ILLC “ERICARIA”	50,0000008%	50,0000008%
Media-Saturn-Holding GmbH	15,0000%	15,0000%
PJSC “SFI”	10,3735%	10,3735%
Treasury shares	0,7720%	0,7720%
Various shareholders	<u>23,8545%</u>	<u>23,8545%</u>
Total	<u>100%</u>	<u>100%</u>

As of 30 June 2024, the ultimate controlling party of the Company is Said Mikhailovich Gutseriev.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These interim condensed consolidated financial statements for the half-year ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2023.

Functional and presentation currency – Presentation currency of the interim condensed consolidated financial statements is Russian Ruble (“RUB”), which is functional currency of the Group’s entities.

Going concern

In preparing the consolidated financial statements management has performed an assessment of the Group’s ability to continue as a going concern, covering the period of 12 months, from the reporting date.

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) (in millions of Russian Rubles)

Within such assessment, management of the Group considered the following:

- The Group has outstanding bank borrowings and bonds of 90 985 as of 30 June 2024, out of which 79 041 are due within 12 months after the reporting date (Note 12);
- The Group resulted in net loss of 10 328 for the half-year ended 30 June 2024;
- The Group's deficit of equity as of 30 June 2024 was 10 561;
- As at 30 June 2024, the Group has violated a number of financial covenants established in loan agreements (Note 12), which gives banks an unconditional right to demand early repayment of the relevant obligations. At the same time, before and after the reporting date, Group entered into additional agreements to revise the restrictive values established by loan agreements or received letters about creditors not exercising the right to early debt collection with the creditor banks, where violations were taken place;
- As at 30 June 2024, the Group had unused credit facilities of 7 851 for which, however, were not legally committed by the banks (Note 12);
- The Group's budget for 2024 approved by the Board of Directors, and financial forecast for half-year ended 30 June 2025 considered by Group's management provides for the growth of the business profitability and repayment of Group's current liabilities according to documented and/ or statutory deadlines while meeting financial covenants set by the credit agreements.

During the assessment of the Group's ability of going concern, management has taken into consideration that after the reporting date the Group:

- Refinanced or redeemed all of its loan and bond liabilities falling due after 30 June 2024 for the total amount of 22 880;
- Placed long-term non-convertible ruble-denominated bonds with floating coupon rate for a total amount of 3 750 with a maturity date in August 2026;
- Opened a new credit line, from which attracted credit funds in the amount of 10 000.

Based on the assessment, which included consideration of the facts mention above and all the relevant information available at the date of issuance of consolidated financial statements, the Group's management concluded that the going concern assumption is appropriate. However, due to frequent and significant changes in operating environment, as well as events, which are outside of the Group's control, the Group's going concern assessment is subject to a higher degree of uncertainty.

Seasonality of operations

Generally, the Group's revenue is subject to seasonal fluctuations with higher demand in the second half of the year. Business seasonality results from a combination of higher sales in holiday periods (for example, New Year) and certain costs such as depreciation of fixed assets, of rights-of-use assets, and some general and administrative expenses that do not precisely follow sales trends. The timing of new store openings, cost associated with restructuring or asset impairment, if any, as well as general economic conditions, may also affect the Group's future results.

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) *(in millions of Russian Rubles)*

Significant accounting policies

The accounting policies and calculation methods applied in the preparation of these interim condensed consolidated financial statements are consistent with the accounting policies and calculation methods applied in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023, except for:

- Recognition of income taxes using the expected annual effective interest rate for the year ended 31 December 2024);
- New and revised standards and interpretations, as described in more detail below.

Standards and interpretations

The adoption of amendments to the following standards for annual periods beginning 1 January 2023 did not have a material impact on the accounting policies, financial position and results of operations of the Group:

- Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*;
- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants*;
- Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*;
- Amendments to IAS 21 *Lack of exchangeability*;
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

3. GOODWILL

At 30 June 2024, the Group performed an impairment test for goodwill related to the acquisition of the Eldorado, Media Markt and Direct Credit businesses as well as “Eldorado” trademark.

For the purpose of impairment testing, the cash-generating units (CGU) (being each group of stores located in one city) were grouped at the level of the Group’s single operating segment. The recoverable amount of CGUs was determined as value in use.

Cash flows were projected based on budgets approved by the Group. A forecast period of 5 years was used, as this period was determined by the management of the Group as an acceptable planning horizon.

Cash flows beyond 5 years are extrapolated using growth rates comparable to the forecast growth rates of the consumer price index.

As at 30 June 2024 the assumptions used to calculate the value in use for which the recoverable amount is most sensitive are: annual EBITDA growth rate according to IAS 17 from 5% to more than 20%, the pre-tax discount rate applicable to the projected cash flows of 18,4% and terminal growth rates of 3%.

Based on the results of the testing, the Group has not identified any impairment.

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) (in millions of Russian Rubles)

Management reviewed the impact of changes in key assumptions on recoverable amount. Changes in key assumptions that could result in a possible impairment of goodwill are not probable under current market conditions.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 30 June 2024 and 31 December 2023 consisted of the following:

	For the half-year ended 30 June 2024	For the half-year ended 30 June 2023
Cost		
As at 31 December	48 997	47 743
Additions	1 444	545
Disposals	(2 058)	(439)
As at 30 June	48 383	47 849
Accumulated depreciation		
As at 31 December	38 232	34 639
Charge for the period	1 791	2 135
Disposals	(1 256)	(388)
Impairment loss	-	109
As at 30 June	38 767	36 495
Net book value		
As at 31 December	10 765	13 104
As at 30 June	9 616	11 354

During the half-year ended 30 June 2024, the Group's total capital expenditures were 1 444 (for the half-year ended 30 June 2023: 545), which were primarily related to leasehold improvements, computer and trade equipment.

Depreciation expenses have been included in “Selling, general and administrative expenses” (Note 17).

Assets mainly related to the closed stores with net book value of 802 were disposed of by the Group in the half-year ended 30 June 2024 (for the half-year ended 30 June 2023: 52).

Profit on disposal of these items of 172 (for the half-year ended 30 June 2023, loss amounted to 13) was recorded within other operating income.

As at 30 June 2024 and 31 December 2023, the Group did not pledge fixed assets.

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED)
(in millions of Russian Rubles)**

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below is an overview of a book value of right-of-use assets and lease liabilities of the Group and changes for the period:

	<u>Right-of-use assets</u>	<u>Lease liabilities</u>
As at 1 January 2024	51 688	(66 785)
New agreements	1 444	(1 343)
Recognition of sale-leaseback agreements	724	(2 057)
Modification of agreements	3 951	(3 837)
Depreciation charge	(7 458)	-
Disposals	(475)	670
Reassessment of termination options*	5 556	(5 556)
Interest expenses	-	(5 280)
Lease payments	-	11 228
As at 30 June 2024	55 430	(72 960)

* During the reporting period, the Group's management reviewed the terms of lease agreements and the history of termination options and revised the assessment regarding the exercise of early termination options or rescheduling of lease agreements. The review resulted in an increase in the Group's right-of-use assets and lease liabilities by 5,556.

	<u>Right-of-use assets</u>	<u>Lease liabilities</u>
As at 1 January 2023	59 750	(73 333)
New agreements	639	(639)
Modification of agreements	955	(1 562)
Depreciation charge	(7 262)	-
Impairment loss/(reversal of impairment loss), net	(39)	-
Disposals	(423)	611
Interest expenses	-	(3 879)
Lease payments	-	9 599
As at 30 June 2023	53 620	(69 203)

6. INTANGIBLE ASSETS

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

	<u>For the half-year ended 30 June 2024</u>	<u>For the half-year ended 30 June 2023</u>
Cost		
As at 31 December	38 188	39 609
Additions	2 523	2 033
Disposals	(378)	(3 738)
As at 30 June	40 333	37 904
Accumulated amortisation		
As at 31 December	14 789	13 125
Charge for the period	3 715	3 844
Disposals	(378)	(3 738)
As at 30 June	18 126	13 231
Net book value		
As at 31 December	23 399	26 484
As at 30 June	22 207	24 673

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) (in millions of Russian Rubles)

The total cost of acquisition of intangible assets was 2 524 and 2 033 in the half-year ended 30 June 2024 and 30 June 2023, respectively, which for the most part relate to the improvement of the front-office and back-office systems, web site platform, development of software for automation of business processes and purchase of software licenses.

Amortisation expenses have been included in Selling, general and administrative expenses (Note 17).

7. INVENTORIES

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
Goods for resale	147 920	137 236
Right of return assets	2 227	2 308
Other inventories	<u>162</u>	<u>158</u>
Total	<u>150 309</u>	<u>139 702</u>

During the half-year ended 30 June 2024, were recognized as an income 118 (for the half-year ended 30 June 2023 as an expense: 452) on inventories recorded at net realisable value. This amount is shown as cost of sales in the consolidated statement of profit or loss and other comprehensive income.

8. ACCOUNTS RECEIVABLE AND ADVANCES PAID

Accounts receivable and advances paid as at 30 June 2024 and 31 December 2023 consisted of the following:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Accounts receivable		
Bonuses receivable from suppliers	18 930	24 370
Other accounts receivable	5 604	6 322
Accounts receivable from related parties (Note 21)	554	384
Expected credit losses on accounts receivable	<u>(53)</u>	<u>(53)</u>
Total accounts receivable	<u>25 035</u>	<u>31 023</u>
Advances paid		
Advances paid to suppliers and prepaid expenses	4 897	7 558
Advances paid to related parties (Note 21)	-	48
Impairment allowance for advances paid	<u>(95)</u>	<u>(75)</u>
Total advances paid	<u>4 802</u>	<u>7 531</u>
Total	<u>29 837</u>	<u>38 554</u>

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) (in millions of Russian Rubles)

9. OTHER TAXES RECEIVABLE

Other taxes receivable as at 30 June 2024 and 31 December 2023 consisted of the following:

	<u>30 June 2024</u>	<u>31 December 2023</u>
VAT recoverable	14 891	14 487
Other	1 391	829
Total	<u>16 282</u>	<u>15 316</u>

10. CASH AND CASH EQUIVALENTS

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
Cash at banks	8 701	12 995
Cash in transit	2 642	5 326
Cash on hand in stores and petty cash	279	341
Short-term bank deposits	33	-
Total	<u>11 655</u>	<u>18 662</u>

Cash in transit represents acquiring and cash collected from the Group's stores and not yet deposited into the bank accounts at the period end.

11. EQUITY

Share capital

As at 30 June 2024 and 31 December 2023, the Company had the following number of outstanding, issued and authorized ordinary shares:

	<u>Outstanding ordinary shares</u>	<u>Issued ordinary shares</u>	<u>Authorized ordinary shares</u>
Balance as at 31 December 2023 and 30 June 2024	<u>178 380 477</u>	<u>179 768 227</u>	<u>209 768 227</u>

Each share has par value of 10 RUB per share. During the half-year ended 30 June 2024, there were no changes in the number of authorized and issued ordinary shares of the Company. All issued ordinary shares were fully paid.

Treasury shares

As at 30 June 2024 the Group owned 1 387 750 treasury shares (31 December 2023: 1 387 750 treasury shares) held at cost of 526 (31 December 2023: 526).

Dividends declared

In June 2024 at the General Meeting of Shareholders of the Company it was decided not to pay dividends for the year 2023.

In June 2023 at the General Meeting of Shareholders of the Company it was decided not to pay dividends for the year 2022.

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12. BORROWINGS AND OTHER FINANCIAL LIABILITIES

This note provides information about the contractual terms of the Group’s interest-bearing long-term and short-term borrowings, credit lines and other financial liabilities, which are measured at amortized cost.

	<u>Maturity</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
<i>Non-current financial liabilities</i>			
Bonds	July 2025 -April 2026	11 944	11 922
Total non-current financial liabilities		11 944	11 922
<i>Current borrowings and other financial liabilities</i>			
<i>Unsecured borrowings and credit lines</i>			
Bank 1	July 2024 – June 2025	32 102	27 976
Bank 2	January 2025	12 214	12 219
Bank 4	August – November 2024	9 274	5 768
Bank 3	July – December 2024	8 548	9 816
Bank 6	August 2024	5 000	-
Bank 7	November 2024	2 500	-
Bank 5	February 2024	-	5 013
		69 638	60 792
<i>Other financial liabilities</i>			
Bonds	August 2024	9 403	13 721
		9 403	13 721
Total current borrowings and other financial liabilities		79 041	74 513
Total borrowings, credit lines and other financial liabilities		90 985	86 435

As at 30 June 2024, the Group has violated a number of financial covenants established in loan agreements, which gives banks an unconditional right to demand early repayment of the relevant obligations. At the same time, before and after the reporting date, Group entered into additional agreements to revise the restrictive values established by the loan agreements or received letters about creditors not exercising the right to early debt collection with the creditor banks, for which there were violations of covenants.

In April 2023, the Group placed long-term non-convertible ruble-denominated bonds with a fixed coupon rate for a total amount of 7 000 with a maturity date in April 2026.

Also in April 2023, for the first issue of bonds, investors partially used the right to submit a call for redemption, as a result of which the amount of bonds redeemed by the Company amounted to 5 775. The remaining part of the debt on the first bonds issue was repaid in April 2024.

As at 30 June 2024, the Group had unutilized uncommitted credit facilities of 7 851 (31 December 2023: 27 473). The unused limit on the issue of bonds 001P as of 30 June 2024 is 19 000 (31 December 2023: 24 800).

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13. OTHER PAYABLES AND ACCRUES EXPENSES

Other payables and accrued expenses as at 30 June 2024 and 31 December 2023 consisted of the following:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Refund liabilities for goods	1 774	1 896
Salaries and bonuses	1 723	3 793
Purchase of property, plant and equipment and intangible assets	1 548	1 526
Commissions to marketplaces	1 539	780
Advances received	1 218	1 384
Contingent lease and utility expenses	587	1 435
Repairs and maintenance expenses	472	443
Consulting expenses	318	410
Warehouse services	177	202
Package services	84	279
Service centre expenses	54	26
Other current liabilities to related parties (Note 21)	604	472
Other payables and accrued expenses	1 464	1 619
Total	<u>11 562</u>	<u>14 265</u>

14. CONTRACT LIABILITIES

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

	<u>30 June 2024</u>	<u>31 December 2023</u>
Prepayments received for goods	8 822	4 305
Deferred revenue	1 164	2 798
Total	<u>9 986</u>	<u>7 103</u>

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Deferred revenue for half-year periods ended 30 June 2024 and 30 June 2023 consisted of the following:

	For the half-year ended 30 June 2024				For the half-year ended 30 June 2023			
	Customer loyalty programs	Gift certificates	Additional services	Total	Customer loyalty programs	Gift certificates	Additional services	Total
As at 1 January	2 190	602	6	2 798	2 273	366	47	2 686
Revenue deferred during the period	12 212	1 636	-	13 848	9 625	1 243	-	10 868
Revenue recognized in the interim condensed consolidated statement of profit or loss and other comprehensive income*	(13 851)	(1 628)	(3)	(15 482)	(9 959)	(1 234)	(26)	(11 219)
As at 30 June	551	610	3	1 164	1 939	375	21	2 335

* In anticipation of launching new integrated loyalty program, as of 30 June 2024 the Group has reclassified balance of organic bonus rubles to promotional bonus rubles with limited validity period. Based on historical statistic data, the Group estimated the probability of using these promotional bonus rubles as lower than organic ones.

Revenue for the half-year ended 30 June 2024 includes the amount of obligations under the contract with customers at the beginning of the year in the amount of 6 726 (for the half-year ended 30 June 2022: 6 062).

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15. REVENUE

Revenue for the half-year periods ended 30 June 2024 and 30 June 2023 consisted of the following:

	For the half-year ended	
	30 June 2024	30 June 2023
Retail revenue	199 624	176 857
Consumer loan revenue	1 020	1 404
Rental income from investment property	176	130
Additional services revenue	3	27
Other revenue	1 061	786
Total	201 884	179 204

Retail revenue includes sales in stores, pick-up in stores, internet sales, home-delivery services and commission fees.

Other revenue includes revenue from services of installation, recycling of home appliances and digital assistance.

Revenue for the half-year ended 30 June 2024 recognized at a point in time was 201 705 (for the half-year ended 30 June 2023: 179 047), and revenue for the half-year ended 30 June 2024 recognized over a period of time was 179 (for the half-year ended 30 June 2023: 157).

16. COST OF SALES

Cost of sales for the half-year periods ended 30 June 2024 and 30 June 2023 consisted of the following:

	For the half-year ended	
	30 June 2024	30 June 2023
Cost of goods sold		
- Cost of goods sold	155 466	136 510
- Transportation to stores	2 103	1 764
- Inventory losses net of surpluses and related compensations from suppliers	117	(103)
Cost of credit broker services		
- Payroll of credit broker staff and related taxes	1 043	635
- Purchased credit broker services	3	1
Cost of Additional services	27	16
Cost of other services	1 498	1 218
Total	160 257	140 041

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17. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the half-year periods ended 30 June 2024 and 30 June 2023 consisted of the following:

	For the half-year ended	
	30 June 2024	30 June 2023
Payroll and related taxes	13 088	11 542
Depreciation and amortisation	12 751	13 206
Commissions to marketplaces	1 855	500
Advertising and promotional expenses, net	1 846	1 997
Utilities expenses	1 390	1 296
Bank charges	1 219	1 188
Security	1 115	1 150
Repairs and maintenance	1 130	1 058
Warehouse services	839	671
Consulting services	788	711
Contingent lease expenses	340	432
Office expenses	268	262
Communication	144	149
Taxes other than income tax	143	169
Maintenance and other property operating costs	77	52
Other expenses	1 184	958
Total	38 177	35 341

Payroll and related taxes for the half-year ended 30 June 2024 include 1 972 of contribution to the state pension fund (for the half-year ended 30 June 2023: 1 703) and social and medical insurance of 755 (for the half-year ended 30 June 2023: 650).

For the half-year ended 30 June 2024 the Group received 613 from its suppliers as a compensation of advertising and promotional expenses (for the half-year ended 30 June 2023: 528).

18. OTHER OPERATING INCOME

Other operating income for the half-year period ended 30 June 2024 includes income from sale and leaseback of real estate objects in the amount of 172, other marketing income and other items.

Other operating income for the half-year period ended 30 June 2023 includes income from subsidized loans in the amount of 255, exchange rate differences in the amount of 33, other marketing income and other items.

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19. FINANCE INCOME AND EXPENSES

Finance income and expenses for the half-year periods ended 30 June 2024 and 30 June 2023 consisted of the following:

	For the half-year ended	
	30 June 2024	30 June 2023
Interest income	398	307
Exchange differences on financial liabilities (lease)	45	-
Total financial income	443	307
Interest on bank borrowings, credit lines and other	(11 246)	(7 235)
Interest expense on lease liabilities, net of interest income	(5 281)	(3 879)
Exchange differences on financial liabilities (lease)	-	(712)
Total financial expenses	(16 527)	(11 826)
Total	(16 084)	(11 519)

20. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares.

Diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the Company (while share-based payments accounted as equity-settled only), by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of all potentially dilutive common shares.

The earnings and number of shares used in calculating basic and diluted earnings per share are set out below:

	For the half-year ended	
	30 June 2024	30 June 2023
Net loss attributable to equity holders of the Company	(10 328)	(6 136)
Weighted average number of ordinary shares in issue (millions of shares)	178,38	178,30
Basic loss per share (in Russian Rubles)	(57,90)	(34,40)
Net loss attributable to equity holders of the Company, adjusted for the effect of dilution	(10 328)	(6 136)
Weighted average number of ordinary shares for the purpose of diluted earnings per share (millions of shares)	178,38	178,30
Diluted loss per share (in Russian Rubles)	(57,90)	(34,40)

21. RELATED PARTIES

Related parties include shareholders, key management, entities under common ownership and control, entities under the control of key management and entities over which the Group has significant influence.

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The following table provides the total amount of transactions, which have been entered into with related parties during the half-year periods ended 30 June 2024 and 30 June 2023 and the outstanding balances owed by/to related parties as at 30 June 2024 and 31 December 2023, respectively:

	For the half-year ended 30 June 2024		30 June 2024		For the half-year ended 30 June 2023		31 December 2023	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Entities under common control (i)	-	-	40	-	-	-	40	-
Entities under significant influence of the controlling shareholder (ii)	1 406	110	554	7 604	1 441	97	352	1 519
Total	1 406	110	594	7 604	1 441	97	392	1 519

The nature of transactions with related parties is as follows:

- (i) Entities under common control – purchase and sale of Group’s goods, consulting, warehouses and trade premises rent, charity, reimbursement of tax charges and fines, etc.;
- (ii) Entities under significant influence of the controlling shareholder – agent services for sales of insurance, sale of goods, credit broker services, sale of Group’s goods.

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The following table provides the total amount of financial transactions, which have been entered into with related parties during the half-year periods ended 30 June 2024 and 30 June 2023 and the outstanding balances owed by/to related parties as at 30 June 2024 and 31 December 2023, respectively:

	For the half-year ended 30 June 2024		30 June 2024		For the half-year ended 30 June 2023		31 December 2023	
	Financial income from related parties	Financial expense from related parties	Amounts owed by related parties	Amounts owed to related parties	Financial income from related parties	Financial expenses from related parties	Amounts owed by related parties	Amounts owed to related parties
Entities under common control (i)	-	-	-	-	-	-	-	-
Entities under significant influence of the controlling shareholder (ii)	-	97	-	-	-	46	-	-
Total	-	97	-	-	-	46	-	-

The nature of transactions with related parties is as follows:

- (i) Entities under common control – financial expenses and lease obligations;
- (ii) Entities under significant influence of the controlling shareholder – financial expenses and insurance obligations.

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Terms and conditions of transactions with related parties

Related parties may enter into transactions, which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties. Outstanding balances at 30 June 2024 are unsecured and settlement occurs in cash. There were no guarantees received or provided on receivables and payables in favour of related parties. As at 30 June 2024 and 31 December 2023, the Group has no allowance for doubtful accounts receivable from related parties.

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management paid during the half-year periods ended 30 June 2024 and 30 June 2023 was as follows:

	For the half-year ended	
	30 June 2024	30 June 2023
Short-term benefits *	542	438
Total	542	438

* Short-term benefits include salaries, bonuses and annual leave, medical insurance and relocation expenses.

As at 30 June 2024 there is 20 outstanding payable to key management personnel (31 December 2023: 600).

During the reporting period, the Group did not assume any significant obligations for pension payments or other obligations to key management personnel, other than those disclosed in Note 21, as well as obligations to pay contributions to the state pension fund and social insurance funds as part of social contributions for salaries and bonuses. Social contributions relating to compensation of key management personnel amounted to 68 for the half-year ended 30 June 2024 (for the half-year ended 30 June 2023: 71) and are included in the amounts stated above.

22. COMMITMENTS AND CONTINGENCIES

Operating environment

The Group mainly operates on retail market of household appliances and consumer electronics. The demand for these products is sensitive to changes in general economic and social conditions that impact consumer spending. Volatile economic conditions and other factors, including employment levels, availability of financing instruments, mainly consumer credit, real household earnings could influence consumer spending or change consumer purchasing habits. Considerable slowdown in the Russian and global economy, change of global production and logistics schemes could have effect on availability and variety of household appliances and consumer electronics on the local markets including the Russian market, as well as on consumer purchasing power and consequently operational and financial results of the Group.

Emerging markets including Russia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Russia continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Russia is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

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Starting from 2014, sanctions have been imposed in several packages by the USA, EU and other countries on certain Russian officials, businessmen and companies. This can influence situation in Russian as well as global markets including capital markets. At the end of February 2022, a special military operation in Ukraine was announced. Then, the officials and institutions in foreign countries announced additional sanctions against Russian organisations and individuals, as well as the intention to expand the existing sanctions.

Since February 2022, due to expansion of sanctions against Russia, some citizens and organizations there has been a significant increase in volatility in the foreign exchange and stock markets. Some Russian banks have been disconnected from the SWIFT Global Payments system. Therefore, when arranging settlements with counterparties, the Group interacts with financial institutions that are not subject to sanctions and restrictions. In this context some global companies from USA, EU and other countries ceased, suspended or reduced significantly operations in RF. This relates also to companies operating on the market of household appliances and consumer electronics. At the same time, new trade channels were launched in Russia with friendly countries: China, the UAE, Turkey, EAEU countries and others, which ultimately allows maintaining a wide representation of various goods in Russia and increasing trade volumes with them.

During 2023, there was a sustained inflationary pressure, which led the Central Bank of Russia to decide on implementing a tight monetary policy. As a result, the key interest rate increased to 16% by the end of the year. This may subsequently have an impact on the market value of new external borrowings for the Group.

Against the backdrop of the Central Bank’s policy, there is a slowdown in inflation and an increase in real incomes of the population in 2023. This has led to an increase in retail turnover and sales on the market of household appliances and electronics compared to the same period last year. Offline sales still dominate the majority share of sales, with the simultaneous growth of online sales, including through marketplaces and development of own marketplace.

There is a reorientation of the range of household appliances and electronics towards Chinese brands and brands from CIS countries on the market. As of the end of 2023, their share exceeded 50% of the market.

In June 2022, Said Mikhailovich Gutseriev, the main beneficiary of the Group at the end of the reporting period, was included in the UK financial sanctions list. Said Gutseriev decided to withdraw from the Board of Directors of PJSC M.video by sending a notification. M.Video-Eldorado Group is not included in the sanctions lists and continues its operations in full.

Against the backdrop of sanctions and other macroeconomic changes, the home appliances and electronics market in Russia showed a high level of volatility in the first half of 2022. Macroeconomic instability and the weakening of the ruble significantly stimulated demand for high-value goods in late February and the first half of March, which impacted the sales in the first quarter of 2022, demonstrating strong double-digit growth. In the second quarter, against the backdrop of high economic uncertainty, an unstable situation with supplies and the departure or suspension of activities in the Russian Federation by a number of well-known brands, there was a noticeable decrease in the consumer electronics market. As a result, at the end of the half year, GMV of the Group as a whole remained at the level of the previous year.

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The Group is constantly working to expand the pool of partners and develop the assortment cooperating with both Russian and foreign companies within the frameworks of the current legislation. In addition, the Group started performing import operations, i.e. purchases goods both locally, in the domestic market, and abroad. The Group has built all the necessary supply chains, document flow, payment instruments, etc. The growing volume of settlements with suppliers is organized in national currencies.

The Russian economy is in the process of adaptation, related to replacement of ceasing export markets and changing markets of import of goods and technology, change of supply chains. The restructuring of consumer demand, strengthening the positions of new brands, recovery of demand for products of already known brands may take certain time. Moreover, there is a risk of further expansion of sanctions and restrictions.

The impact of further economic developments on future operations and financial position of the Group is at this stage difficult to determine.

As at the date of authorization of these financial statements for issue, the above events had no significant immediate adverse effect on the Group's operations. However, there remains a high degree of uncertainty about the impact of these events and possible subsequent changes in the economic and geopolitical environment on the Group's future performance and financial position.

The described events were considered as indicators of potential impairment of the assets of the Group. The Group has conducted impairment test of Goodwill, Trademark, Right-of-use assets and Property, plant and equipment as at 30 June 2024.

Tax risk management

As at 30 June 2024 and 31 December 2023 the Group has recognized deferred tax assets in respect of tax losses available to be carried forward in the amount of 6 917 and 4 408 respectively.

The amount of tax loss carried forward, for which deferred assets are recognised, as of 30 June 2024 and 31 December 2023, is 34 585 and 22 040 respectively.

The management believes that the recognition of the deferred tax asset is appropriate, as the Group has accumulated a sufficient history of profitability up to 2022. The Group also determined that future taxable profit against which the accumulated tax losses can be offset will be available in the foreseeable future. In making this assessment, the Group took into account that, in accordance with the long-term strategic model, it will start using the accumulated losses starting from 2025 and fully use it during 2025-2029.

As a result of major economic and geopolitical changes, since 2023 the Group has revised long-term development model, which is currently at an early stage of implementation and is focused on the development of new sales channels, such as third-party marketplaces, own marketplace, as well as development the B2B direction. At the same time, the long-term plan is based on the development for the provision of a wide range of services, as well as financial sector services. The model also takes into account changes in the terms of work with suppliers, which now assume a significant share of import operations based mainly on advance payments.

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The key assumptions in the long-term model for 2025-2030 are: opening of at least 150 new stores in 2025 and 2026 with subsequent slowdown in expansion; annual EBITDA growth rates according to IAS 17 from 5% to more than 20%; the key rate determined in accordance with the current long-term forecast of the Central Bank of the Russian Federation, as well as a gradual decrease in the share of semi-fixed costs due to economies of scale. Recognition of the deferred tax asset depends on the ability of the Group's management to fulfill these key assumptions according to the long-term model. Based on the results of the previous period, the Group met the financial performance set out in the model.

As part of the sensitivity analysis, the Group estimated that if annual EBITDA from 2025 to 2030 is 15% lower than the long-term model, all other assumptions remaining constant, the deferred tax asset will be fully utilised from 2029 to 2030. Also, if the key rate is 5 p.p. higher in each period from 2025 to 2030 than the model, all other assumptions remaining constant, the deferred tax asset will be fully utilised from 2029 to 2030.

In the context of the assessment, the Group's management assumes that the deferred tax asset is recoverable. Management also believes that any shift in the term does not affect the possibility that the deferred tax asset can be realized, since tax losses can be carried forward indefinitely and have no limitation on the period of recovery, according to the legislation of the Russian Federation.

Financial guarantees

In the normal course of its operating activity the Group from time-to-time enters into financial guarantee contracts with banks. Under these contracts banks provide guarantees in favour of the Group's suppliers and the Group may be required to pay under those contracts only if it fails to make timely payments to its suppliers. As at 30 June 2024 the Group entered into such guarantee contracts for the total amount of 9 269 (31 December 2023: 4 315). As at 30 June 2024 and 31 December 2023, the Group has not pledged any assets as collateral under these guarantee contracts.

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Categories of financial instruments

The carrying values of financial assets and liabilities grouped by each category of financial instruments as at 30 June 2024 and 31 December 2023 were as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Financial assets		
Assets carried at amortized cost	36 690	49 688
Financial liabilities		
Liabilities carried at amortized cost	283 552	282 288

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Fair value of financial instruments

	30 June 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Borrowings and other financial liabilities with fixed interest rate	69 638	68 808	60 792	55 144
Market value bonds	21 347	19 921	25 643	21 806
Total	90 985	88 729	86 435	76 950

Fair value of borrowings received in rubles at a fixed interest rate in 2024 and 2023, was estimated using borrowing rates of 19,5% and 16,4% respectively.

Bonds were estimated using market quotes. Fair value measurement was categorised within level 1 of the fair value hierarchy.

The fair value of such assets and liabilities as long-term financial assets, cash and cash equivalents, accounts receivable, trade payables and other payables corresponds to the current value at which they are recorded due to the short maturity of these instruments.

Liquidity risk management

The Group's treasury monitors the risk of a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to ensure continued funding and flexibility in the use of financial resources through the use of bank loans. The Group reviews its cash requirements and expected cash flows annually to determine its funding obligations. The assessment is based on the seasonal nature of the Group's operations, the store expansion program and the Group's projected working capital requirements. The Group uses long-term instruments (loans and credits) to cover a significant portion of its basic cash requirements. To meet seasonal liquidity needs, the Group uses short-term loans. Every quarter the Group updates its liquidity needs and secures facilities with several banks to ensure that the Group has a sufficient amount of approved undrawn borrowing facilities.

In addition, in order to manage liquidity risk, the Group uses a balanced approach to working capital management with balancing the terms of inventory and accounts payable turnover, and therefore certain requirements are imposed on suppliers to provide deferred payment conditions. Various mechanisms are used to provide the necessary deferred payment, including supply financing agreements, commercial credit, etc. Since the Group does not receive significant additional financing benefits and does not provide additional collateral as a result of using these mechanisms, the corresponding liabilities are included in trade payables, interest expenses are included in finance expenses, and cash flows are included in operating cash flows.

As at 30 June 2024, trade payables in respect of which the Group used mechanisms to obtain an additional deferral of payment with the involvement of financial institutions amounted to 28 980 (as at 31 December 2023: 29 641), the corresponding interest expense for the half-year ended 30 June 2024 of 3 261 (for the half-year ended 30 June 2023: 2 001). Also, as at 30 June 2024, the Group had trade payables to suppliers in the amount of 16 408 (as at 31 December 2023: 6 882), in respect of which a compensated deferral of payment was provided. Finance expenses incurred by the Group in connection with the provision of such a grace period by suppliers amounted to 482 and 23 for the half-years ended 30 June 2024 and 2023, respectively.

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The table below summarizes the maturity profile of the Group’s financial liabilities as at 30 June 2024 and 31 December 2023 based on contractual undiscounted payments:

	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at 30 June 2024					
Trade accounts payable	165 454	15 551	-	-	181 005
Borrowings and other financial liabilities	46 189	34 614	13 044	-	93 847
Lease liabilities	5 957	16 786	59 847	28 119	110 709
Other accounts payable and accrued expenses	11 562	-	-	-	11 562
Total	229 162	66 951	72 891	28 119	397 123

	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at 31 December 2023					
Trade accounts payable	168 561	13 027	-	-	181 588
Borrowings and other financial liabilities	13 747	63 143	13 809	-	90 699
Lease liabilities	6 005	16 732	53 469	16 874	93 080
Other accounts payable and accrued expenses	14 265	-	-	-	14 265
Total	202 578	92 902	67 278	16 874	379 632

24. INFORMATION ON THE IMPACT OF IFRS 16

The Group has made a decision to prepare additional financial information, prepared on the basis of the Group’s accounting policies contained within consolidated financial statements of PJSC “M.video” for the half-year ended 30 June 2024, but applying the principles of IAS 17 “Leases” instead of IFRS 16 “Leases” for lease accounting, in order to disclose financial information to relevant users, including the Group’s management and its shareholders. According to IAS 17, which was effective until 31 December 2018, the Group recognizes operating lease payments as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user’s benefit.

The information below is not required by International Financial Reporting Standards, may not have comparatives for other companies and should not be considered a substitute for IFRS financial statements. The financial performance below should be considered as additional financial performance and should not be considered a substitute for IFRS financial statements. IFRS financial statements take priority over the indicators in this note.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED)
(in millions of Russian Rubles)**

The consolidated statement of financial position as at 30 June 2024 and 31 December 2023, prepared in accordance with the basis discussed above, is presented as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
NON-CURRENT ASSETS		
Property, plant and equipment	9 876	11 021
Investment property	159	184
Intangible assets	22 454	23 612
Goodwill	50 007	50 007
Deferred tax assets	9 553	7 661
Other non-current assets	1 713	1 629
Total non-current assets	<u>93 762</u>	<u>94 114</u>
CURRENT ASSETS		
Inventories	150 309	139 702
Accounts receivable	24 793	30 803
Advances paid	7 281	10 050
Income tax receivable	83	64
Other taxes receivable	15 683	14 744
Cash and cash equivalents	11 655	18 662
Total current assets	<u>209 804</u>	<u>214 025</u>
TOTAL ASSETS	<u><u>303 566</u></u>	<u><u>308 139</u></u>
EQUITY		
Share capital	1 798	1 798
Additional paid-in capital	4 576	4 576
Treasury shares	(526)	(526)
Retained earnings	(1 072)	7 379
Total equity	<u>4 776</u>	<u>13 227</u>
NON-CURRENT LIABILITIES		
Non-current bank borrowings	11 944	11 922
Other liabilities	468	498
Finance obligations	138	148
Deferred tax liabilities	15	57
Total non-current liabilities	<u>12 565</u>	<u>12 625</u>
CURRENT LIABILITIES		
Trade accounts payable	181 005	181 588
Other payables and accrued expenses	12 930	15 557
Contract liabilities	9 986	7 165
Current bank borrowings and other financial liabilities	79 041	74 513
Other taxes payable	2 897	3 064
Finance obligations	142	153
Provisions	224	247
Total current liabilities	<u>286 225</u>	<u>282 287</u>
Total liabilities	<u>298 790</u>	<u>294 912</u>
TOTAL EQUITY AND LIABILITIES	<u><u>303 566</u></u>	<u><u>308 139</u></u>

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) *(in millions of Russian Rubles)*

The consolidated statement of profit or loss and other comprehensive income for the half-year ended 30 June 2024 and 30 June 2023, prepared in accordance with the basis discussed above, is presented as follows:

	For the half-year ended	
	30 June 2024	30 June 2023
REVENUE	201 884	179 204
COST OF SALES	<u>(160 257)</u>	<u>(140 068)</u>
GROSS PROFIT	41 627	39 136
Selling, general and administrative expenses	(42 378)	(38 019)
Other operating income	1 717	351
Other operating expenses	<u>(115)</u>	<u>(190)</u>
OPERATING PROFIT	851	1 278
Finance income	398	307
Finance expenses	<u>(11 267)</u>	<u>(7 254)</u>
LOSS BEFORE INCOME TAX EXPENSE	(10 018)	(5 669)
Income tax benefit	<u>1 567</u>	<u>1 025</u>
NET LOSS for the period, being TOTAL COMPREHENSIVE LOSS for the period	<u>(8 451)</u>	<u>(4 644)</u>

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED)
(in millions of Russian Rubles)**

The consolidated statement of cash flows for the half-year ended 30 June 2024 and 30 June 2023, prepared in accordance with the basis discussed above, is presented as follows:

	For the half-year ended	
	30 June 2024	30 June 2023
OPERATING ACTIVITIES		
Total net loss for the period	(8 451)	(4 644)
<i>Adjustments for:</i>		
Income tax benefit	(1 567)	(1 025)
Depreciation and amortization	5 610	6 156
Income from property sales	(1 505)	-
Change in allowance for advances paid	27	-
Change in allowance for obsolete and slow-moving inventories and inventory losses, net of surpluses	(1)	349
Interest income	(398)	(307)
Interest expenses	11 267	7 254
Income recognized on subsidized loans	-	(255)
Other non-cash reconciling items, net	(200)	(21)
Operating cash flows received from operations before movements in working capital	4 782	7 507
Increase in inventories	(10 605)	(25 157)
(Decrease)/increase in accounts receivable and advances paid	8 776	(7 048)
Increase in other taxes receivable	(941)	(4 002)
Decrease/(increase) in trade accounts payable	(1 093)	25 221
Decrease in other payables and accrued expenses	(2 599)	(5 366)
Increase in contract liabilities	2 821	138
Increase in other liabilities	15	2
Decrease in other taxes payable	(169)	(157)
Other changes in working capital, net	(87)	51
Cash (used in)/ received from operations	900	(8 811)
Income taxes paid	(348)	38
Interest paid	(10 779)	(6 548)
Net cash (used in)/ received from operating activities	(10 227)	(15 321)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1 472)	(581)
Proceeds from disposal of property, plant and equipment	2 306	23
Purchase of intangible assets	(2 523)	(2 033)
Interest received	398	307
Net cash used in investing activities	(1 291)	(2 284)
FINANCING ACTIVITIES		
Repayment of finance lease	(61)	(26)
Proceeds from bonds	-	7 008
Repayment of bonds	(4 225)	(5 783)
Proceeds from borrowings	57 046	42 191
Repayment of borrowings	(48 249)	(46 781)
Net cash received from financing activities	4 511	(3 391)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7 007)	(20 996)
CASH AND CASH EQUIVALENTS, at the beginning of the period	18 662	30 196
CASH AND CASH EQUIVALENTS, at the end of the period	11 655	9 200

PUBLIC JOINT STOCK COMPANY “M.VIDEO”

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2024 (UNAUDITED) *(in millions of Russian Rubles)*

25. SUBSEQUENT EVENTS

12 July 2024 the President of the Russian Federation signed the Law on Amendments to the tax system in the Russian Federation, providing for a change in income tax rate from 20% to 25%, starting from 1 January 2025. The proposed changes will have impact on the Group’s financial performance both during the second half of the year ending 31 December 2024 and in future reporting periods. The Group’s management is currently performing a more comprehensive assessment of all effects from the tax revision. The information will be appropriately disclosed in the consolidated financial statements for the year ending 31 December 2024.

On 24 July 2024, LLC “CapitalGuard” acquired share of 53.63% in PJSC “M.video”, which resulted in a change of the ultimate controlling party of the Company. At the time of issuance of these financial statements, the ultimate controlling party of the Company is Bilan Abdurakhimovich Uzhakhov.

In August 2024, the Group has fully repaid its obligations under the second bonds issue in the amount of 9 000.

In August 2024, the Group issued long-term non-convertible ruble-denominated bonds with floating coupon rate for a total amount of 3 750 with redemption in August 2026.