Report on Review of Interim Consolidated Financial Information
PJSC Magnit and its subsidiaries
for the six-month period ended 30 June 2025

August 2025

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Report on Review of Interim Consolidated Financial Information

To the Shareholders and the Board of Directors of
PJSC Magnit

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of PJSC Magnit and its subsidiaries, which comprise the interim condensed consolidated statement of financial position as at 30 June 2025, the interim condensed consolidated statement of profit and loss and other comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the six-month period then ended, and selected explanatory notes ("interim consolidated financial information").

Management of PJSC Magnit is responsible for the preparation and presentation of this interim consolidated financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim 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 consolidated 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.

NEW CHALLENGES
NEW SOLUTIONS

Conclusion

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

Ananyev Ilya Yurievich
Partner
TSATR – Audit Services Limited Liability Company

29 August 2025

Details of the auditor

Name: TSATR – Audit Services Limited Liability Company
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
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TSATR – Audit Services Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". TSATR – Audit Services Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the entity

Name: PJSC Magnit
Record made in the State Register of Legal Entities on 12 November 2003, State Registration Number 1032304945947.
Address: Russia 350072, Krasnodar, Solnechnaya street, 15/5.

PJSC Magnit and its subsidiaries

Statement of management's responsibilities for the preparation and approval of the interim condensed consolidated financial statements

for the six-month period ended 30 June 2025

The following statement is made with a view to the respective responsibilities of management in relation to the interim condensed consolidated financial statements of PJSC Magnit and its subsidiaries ("the Group").

Management is responsible for the preparation of these interim condensed consolidated financial statements that present fairly the financial position of the Group as at 30 June 2025 and the results of its operations, cash flows and changes in shareholders' equity for the six months then ended, in compliance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* ("IAS 34").

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

- Selecting and applying appropriate accounting policies;
- Maintaining appropriate accounting records to ensure compliance of the interim condensed consolidated financial statements of the Group with IFRS, local legislation and local GAAP;
- Making judgments and estimates that are reasonable and prudent;
- Providing additional disclosures when compliance with the specific requirements of IAS 34 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;
- Designing, implementing and maintaining an effective and sound system of internal controls;
- Preventing and detecting material misstatements due to fraud or error.

The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2025 were approved by management on 29 August 2025.

On behalf of the management authorized by the Board of Directors:

The Chief Executive Officer of PJSC Magnit E.S. Sluchevskiy

29 August 2025

PJSC Magnit and its subsidiaries

Interim condensed consolidated statement of financial position

as at 30 June 2025

(in thousands of Russian rubles)

	Notes	30 June 2025 (unaudited)	31 December 2024 (audited)
Assets			
Non-current assets			
Property, plant and equipment	7	490,508,517	451,406,356
Advances paid for the purchase and construction of property, plant and equipment		9,599,612	3,871,654
Right-of-use assets	8	472,949,292	453,886,519
Intangible assets	9	33,660,518	22,864,806
Long-term net investments in sublease		341,284	318,590
Goodwill	10	113,802,039	96,914,384
Long-term receivables	13	292,553	328,030
Other long-term financial assets	11	2,080,494	776,817
Deferred tax assets	29	8,584,909	5,960,021
Other non-current assets		4,861,291	4,115,229
		1,136,680,509	**1,040,442,406**
Current assets			
Inventories	12	302,102,443	270,417,243
Trade and other receivables	13	20,060,895	21,000,746
Advances paid	14	128,058,228	63,749,049
Taxes receivable, excluding income tax		6,486,545	3,548,752
Short-term net investments in sublease		130,431	113,965
Other short-term financial assets	11	2,137,088	1,251,867
Advances on income tax		300,499	1,596,118
Cash and cash equivalents	15	71,205,955	159,470,281
Other current assets		2,885,542	2,323,388
		533,367,626	**523,471,409**
Total assets		**1,670,048,135**	**1,563,913,815**
Equity and liabilities			
Equity			
Share capital	16	1,020	1,020
Share premium	16	87,230,416	87,230,416
Treasury shares	16	(93,331,281)	(93,331,281)
Share-based payments reserve	31	337,824	309,177
Foreign currency translation reserve		525,093	58,984
Retained earnings		180,618,742	180,006,190
Total equity attributable to the shareholders of the parent		**175,381,814**	**174,274,506**
Non-controlling interests		8,642,695	7,039,112
Total equity		**184,024,509**	**181,313,618**
Non-current liabilities			
Long-term loans and borrowings	20	281,923,796	151,049,527
Long-term lease liabilities	8	501,014,759	474,268,088
Long-term government grants	21	2,291,493	2,468,514
Deferred tax liabilities	29	10,830,341	6,278,259
Other non-current liabilities	6	19,896,758	17,403,772
		815,957,147	**651,468,160**
Current liabilities			
Trade and other payables	18	340,586,723	373,983,010
Taxes payable, excluding income tax	19	35,258,433	22,598,227
Income tax payable		1,946,471	1,171,585
Dividends payable	17	2,923,785	2,924,074
Short-term advances received		1,104,562	897,813
Contract liabilities	22	5,610,552	6,071,637
Short-term government grants	21	379,501	424,823
Short-term loans and borrowings	20	220,921,813	260,868,476
Short-term lease liabilities	8	60,914,519	62,192,392
Other liabilities	6	420,120	–
		670,066,479	**731,132,037**
Total liabilities		**1,486,023,626**	**1,382,600,197**
Total equity and liabilities		**1,670,048,135**	**1,563,913,815**

The accompanying notes on pages 10-43 are an integral part of these interim condensed consolidated financial statements.

PJSC Magnit and its subsidiaries

Interim condensed consolidated statement of profit and loss and other comprehensive income

for the six months ended 30 June 2025

(in thousands of Russian rubles)

	Notes	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (Note 6)* (unaudited)
Revenue	23	1,673,223,617	1,460,058,332
Cost of sales		(1,300,499,109)	(1,131,487,720)
Gross profit		**372,724,508**	**328,570,612**
Rental and sublease income		2,811,510	2,520,569
Selling, general and administrative expenses	24	(322,669,896)	(280,150,010)
Other income	27	21,652,678	15,517,533
Other expenses	28	(1,481,577)	(632,585)
Operating profit		**73,037,223**	**65,826,119**
Interest income	26	12,334,905	9,090,750
Finance costs	25	(79,896,062)	(46,476,957)
Foreign exchange loss		(3,629,999)	(4,969,633)
Profit before income tax		**1,846,067**	**23,470,279**
Income tax expense	29	(1,691,588)	(6,462,576)
Profit for the period		**154,479**	**17,007,703**
Profit for the period			
Attributable to:			
Shareholders of the parent		612,552	16,748,382
Non-controlling interests		(458,073)	259,321
		154,479	**17,007,703**
Earnings per share (in RUB per share)			
- Basic profit for the period attributable to the shareholders of the parent	30	9.03	246.84
- Diluted profit for the period attributable to the shareholders of the parent	30	9.02	245.27
Other comprehensive income			
Amounts of other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of taxes):			
Exchange differences on translation functional currency in presentation currency		466,109	139,216
Other comprehensive income, net of tax		**466,109**	**139,216**
Total comprehensive income for the period, net of tax			
Attributable to:			
Shareholders of the parent		1,078,661	16,887,598
Non-controlling interests		(458,073)	259,321
		620,588	**17,146,919**

* *Some of the above amounts are not consistent with interim condensed consolidated financial statements for the six months period ended 30 June 2024 and reflect the adjustments described in Note 6.*

The accompanying notes on pages 10-43 are an integral part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

for the six months ended 30 June 2025

(in thousands of Russian rubles)

	Notes	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (Note 6)* (unaudited)
Cash flows from operating activities			
Profit before income tax		**1,846,067**	**23,470,279**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	7, 8, 24	74,920,315	66,258,474
Amortization and impairment of intangible assets	9, 24	3,116,986	3,077,390
Loss from disposal of property, plant and equipment	28	270,326	153,767
Loss from disposal of intangible assets	9, 28	5,070	6,043
Income from the write-off of accounts payable		(1,325)	(25,474)
Changes in expected credit losses for receivables	13, 24	(208,369)	(14,166)
Changes in impairment of advances paid and capital advances	14, 24	(187,969)	147,106
Changes in expected credit losses for other financial assets	11	(15,138)	11,542
Changes in inventories carried at net realizable value	12	(1,543,654)	2,358,928
Share-based payments reserve	31	28,647	1,285,994
Gain from cancellation of lease contracts	8, 27	(1,662,427)	(362,396)
Income from government grants	21	(137,450)	(136,204)
Foreign exchange loss		3,629,999	4,969,633
Finance costs	25	79,896,062	46,476,957
Interest income	26	(12,334,905)	(9,090,750)
Cash flow used in operating activities before working capital changes		**147,622,235**	**138,587,123**
Decrease/(increase) in long-term receivables and short-term trade and other receivables		1,801,898	(3,281,565)
(Increase)/decrease in advances paid		(63,097,919)	4,166,405
Increase/(decrease) in advances received		144,756	(42,476)
Increase in taxes receivable		(2,843,078)	(268,657)
Increase in inventories		(21,265,422)	(5,552,630)
Decrease in trade and other payables		(39,422,101)	(16,127,737)
Increase/(decrease) in taxes payable, excluding income tax		10,520,444	(3,870,376)
Decrease in contract liabilities		(909,277)	(1,320,805)
Cash generated from operations		**32,551,536**	**112,289,282**
Income tax paid		(3,014,119)	(8,461,558)
Interest paid		(77,805,789)	(46,215,348)
Interest received		12,475,270	10,379,107
Net cash (used in) / from operating activities		**(35,793,102)**	**67,991,483**
Cash flows from investing activities			
Purchase of property, plant and equipment		(69,039,044)	(56,952,204)
Purchase of intangible assets		(5,459,218)	(4,000,084)
Proceeds from sale of property, plant and equipment		1,158,838	355,279
Acquisition of a subsidiary, net of cash acquired	6	(28,402,110)	799,064
Acquisition of investments		(100,000)	–
Loans provided**		(7,225,900)	(6,383,417)
Loans repaid**		5,004,263	21,219,286
Proceeds from government grants	21	35,548	58,294
Net cash used in investing activities		**(104,027,623)**	**(44,903,782)**
Cash flows from financing activities			
Proceeds from loans and borrowings		276,299,083	45,033,433
Repayment of loans and borrowings		(191,841,580)	(113,826,936)
Dividends paid	17	(670,189)	(27,713,679)
Acquisition of treasury shares	16	–	(52,031)
Repayment of lease liabilities	8	(29,354,327)	(29,860,797)
Net cash from / (used in) financing activities		**54,432,987**	**(126,420,010)**
Effect of foreign exchange differences on cash and cash equivalents		(2,876,588)	(4,720,919)
Net decrease in cash and cash equivalents		**(88,264,326)**	**(108,053,228)**
Cash and cash equivalents at the beginning of the period	15	159,470,281	221,285,893
Cash and cash equivalents at the end of the period	15	**71,205,955**	**113,232,665**

* *Some of the above amounts are not consistent with interim condensed consolidated financial statements for the six months period ended 30 June 2024 and reflect the adjustments described in Note 6.*

** *The lines of the interim condensed consolidated statement of cash flows “Loans provided” and “Loans repaid” include amounts of long-term deposits over 3 months classified as other short-term financial assets that were placed on deposit and repaid during the period.*

Interim condensed consolidated statement of changes in equity

for the six months ended 30 June 2025

(in thousands of Russian rubles)

		Attributable to shareholders of the parent								
	Notes	Share capital	Share premium	Treasury shares	Provision for share-based payments	Foreign currency translation reserve	Retained earnings	Equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance at 1 January 2024 (audited)		**1,020**	**87,230,416**	**(93,274,746)**	**1,269,344**	**79,245**	**163,162,053**	**158,467,332**	**–**	**158,467,332**
Profit for the period		–	–	–	–	–	16,748,382	16,748,382	705,855	**17,454,237**
Other comprehensive income, net of taxes		–	–	–	–	139,216	–	139,216	–	**139,216**
Impact of adjustments in the assessment of fair value of the assets acquired and liabilities assumed under business combination for period from the date of gaining control over	6	–	–	–	–	–	–	–	(446,534)	**(446,534)**
Total comprehensive income for the period, net of taxes (restated)*		**–**	**–**	**–**	**–**	**139,216**	**16,748,382**	**16,887,598**	**259,321**	**17,146,919**
Dividends declared	17	–	–	–	–	–	(27,962,294)	(27,962,294)	–	**(27,962,294)**
Acquisition of treasury shares	16	–	–	(52,031)	–	–	–	(52,031)	–	**(52,031)**
Share-based payment expenses	31	–	–	–	1,285,994	–	–	1,285,994	–	**1,285,994**
Cash payments	31	–	–	–	(1,031,809)	–	(640,172)	(1,671,981)	–	**(1,671,981)**
Acquisition of a business	6	–	–	–	–	–	–	–	4,357,987	**4,357,987**
Impact of adjustments in the assessment of fair value of the assets acquired and liabilities assumed under business combination at the date of gaining control over	6	–	–	–	–	–	–	–	5,880,038	**5,880,038**
Balance at 30 June 2024 (restated)*		**1,020**	**87,230,416**	**(93,326,777)**	**1,523,529**	**218,461**	**151,307,969**	**146,954,618**	**10,497,346**	**157,451,964**
Balance at 1 January 2025 (audited)		**1,020**	**87,230,416**	**(93,331,281)**	**309,177**	**58,984**	**180,006,190**	**174,274,506**	**7,039,112**	**181,313,618**
Profit for the period		–	–	–	–	–	612,552	612,552	(458,073)	**154,479**
Other comprehensive income, net of taxes		–	–	–	–	466,109	–	466,109	–	**466,109**
Total comprehensive income for the period, net of taxes		**–**	**–**	**–**	**–**	**466,109**	**612,552**	**1,078,661**	**(458,073)**	**620,588**
Dividends declared	17	–	–	–	–	–	–	–	(669,900)	**(669,900)**
Share-based payment expenses	31	–	–	–	28,647	–	–	28,647	–	**28,647**
Acquisition of a business	6	–	–	–	–	–	–	–	2,731,556	**2,731,556**
Balance at 30 June 2025 (unaudited)		**1,020**	**87,230,416**	**(93,331,281)**	**337,824**	**525,093**	**180,618,742**	**175,381,814**	**8,642,695**	**184,024,509**

* *Some of the above amounts are not consistent with interim condensed consolidated financial statements for the six months period ended 30 June 2024 and reflect the adjustments described in Note 6.*

(in thousands of Russian rubles)

1. Corporate information

Closed Joint Stock Company Magnit was incorporated in Krasnodar, the Russian Federation, in November 2003.

In January 2006, Magnit changed its legal form to Open Joint Stock Company Magnit. There was no change in the principal activities or shareholders as a result of the change to an Open Joint Stock Company. In 2014 Magnit changed its legal name to Public Joint Stock Company (the Company or PJSC Magnit) in accordance with changes in legislation.

PJSC Magnit and its subsidiaries (the “Group”) operate in the retail of consumer goods under the Magnit, DIXY, Samberi, Azbuka vkusa tradenames and others. The Group’s retail operations are operated through convenience stores, cosmetic stores, supermarkets and other formats, and also through its own marketplace “Magnit Market”.

The majority of the Group’s operational activities are conducted in the Russian Federation. The principal operating office of the Group is situated at 15/5 Solnechnaya str., 350072, Krasnodar, the Russian Federation.

The principal activities, residency, and the effective ownership percentages of the Group’s main subsidiaries are as follows:

Company	Principal activity	Residency	Ownership interest as at 30 June 2025	Ownership interest as at 31 December 2024
JSC Tander	Food and non-food retail and wholesale	Russian Federation	100%	100%
LLC Retail Import	Import operations	Russian Federation	100%	100%
LLC BestTorg	Food retail in Moscow and the Moscow region	Russian Federation	100%	100%
LLC Selta	Transportation services for the Group	Russian Federation	100%	100%
LLC TK Zelenaya Liniya	Greenhouse complex	Russian Federation	100%	100%
LLC ITM	IT services	Russian Federation	100%	100%
LLC Logistika Alternativa	Import operations	Russian Federation	100%	100%
LLC TD-holding	Production and processing of food for the Group	Russian Federation	100%	100%
LLC MagnitEnergo	Buyer of electric power for the Group	Russian Federation	100%	100%
LLC Konditer Kubani	Production of food for the Group	Russian Federation	100%	100%
LLC Kubansky kombinat hleboproduktov	Production of food for the Group	Russian Federation	100%	100%
LLC Volshebnaya svezhest	Production of household chemicals for the Group	Russian Federation	100%	100%
LLC Zelen Yuga	Production of agricultural products for the Group	Russian Federation	100%	100%
LLC Moskva na Donu	Production of agricultural products for the Group	Russian Federation	100%	100%
LLC Magnit Pharma	Pharmaceutical license holder	Russian Federation	100%	100%
LLC Magnit IT Lab	Innovative software product development	Russian Federation	100%	100%

1. Corporate information (continued)

Company	Principal activity	Residency	Ownership interest as at 30 June 2025	Ownership interest as at 31 December 2024
LLC Gastronom Media	Marketing services	Russian Federation	100%	100%
JSC DIXY Ug	Food and non-food retail and wholesale	Russian Federation	100%	100%
FE LLC Sfera Vostok*	Non-food retail	Republic of Uzbekistan	100%	100%
LLC Greenhaus	Cultivating vegetables	Russian Federation	100%	100%
LLC KazanExpress Fulfilment	Warehousing and storage activities	Russian Federation	100%	100%
LLC Marketplace-Tekhnologii	Computer software development	Russian Federation	100%	100%
LLC Magnit Market	Retail trade via Internet	Russian Federation	100%	100%
LLC DV Nevada**	Food and non-food retail	Russian Federation	33.01%***	33.01%***
LLC Gorodskoy supermarket****	Food and non-food retail	Russian Federation	81.55%	–

* *FE LLC Magnit Srednyaya Aziya was renamed to FE LLC Sfera Vostok in 2025.*

** *During 2024, in accordance with IFRS 10 Consolidated Financial Statements, the Group obtained control over 100% of the share capital of LLC DV Nevada, which is the parent company of LLC Kraft and LLC NPTI. Further details regarding the business combination are disclosed in Note 6.*

*** *The ownership interest is based on the actual ownership interest in the share capital of LLC DV Nevada. The ownership interest including potential voting rights is 100%. Potential voting rights are represented by a real option-call (irrevocable offer) to conclude a purchase and sale agreement for 66.99% of shares in the share capital of LLC DV Nevada, which can be executed at any time, the option period expires on 31 October 2029 (Note 6).*

**** *During the six months period ended 30 June 2025, in accordance with IFRS 10 Consolidated Financial Statements, the Group obtained control over 81.55% of the share capital of LLC Gorodskoy supermarket due to purchase (the effective shareholding was 82.38%), which is the parent company of LLC Azbuka vkusa, CJSC AV-INVEST, LLC AV-Infotekh, LLC Firma Daim, LLC Organic Agro and other companies. Further details regarding the business combination are disclosed in Note 6.*

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 were authorised for release by the management of PJSC Magnit on 29 August 2025.

2. Basis of preparation of the financial statements

Statement of compliance

The interim condensed consolidated financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. Management of the Group considers that there are no material uncertainties that may cast significant doubt over this assumption. There is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

Basis of accounting

The Group's entities maintain their accounting records in Russian rubles ("RUB") and prepare their statutory financial statements in accordance with the Regulations on Accounting and Reporting of the Russian Federation, except FE LLC Sfera Vostok, that maintains its accounting records in Uzbek sums and prepares its statutory financial statements in accordance with the Regulations on Accounting and Reporting of the Republic of Uzbekistan.

2. Basis of preparation of the financial statements (continued)

Basis of accounting (continued)

The financial statements of the Group's entities prepared in accordance with legislation of the Russian Federation and the Republic of Uzbekistan have been adjusted to present these interim condensed consolidated financial statements in accordance with IFRS.

The functional currency of main of the Group's entities is Russian rubles (RUB). The functional currency of FE LLC Sfera Vostok is Uzbek sum (UZS). The presentation currency of the interim condensed consolidated financial statements is the Russian rubles (RUB). All amounts in the interim condensed consolidated financial statements are rounded to the nearest thousands, except where otherwise indicated.

The interim condensed consolidated financial statements have been prepared on a historical cost basis except for the use of fair value as deemed cost for certain assets and liabilities as of the date of transition to IFRS.

3. Changes in accounting policies

New standards, interpretations and amendments to existing standards and interpretations applied by the Group for the first time

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective from 1 January 2025.

Amendments to IAS 21 − Lack of Exchangeability

On 20 August 2023, the IASB issued amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*, which introduce the definition of an 'exchangeable currency' and provide the following explanations:

- A currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations;
- An entity shall assess whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency;
- The guidance relating to a situation where several exchange rates are available remained the same, but the requirement to use the first subsequent rate at which exchanges could be made if exchangeability between two currencies is temporarily lacking was removed. In this case, an entity is required to estimate a spot exchange rate.

3. Changes in accounting policies (continued)

New standards, interpretations and amendments to existing standards and interpretations applied by the Group for the first time (continued)

In addition, some new disclosure requirements were added. An entity is required to disclose information about:

- The nature and financial effects of the currency not being exchangeable into the other currency;
- The spot exchange rate(s) used;
- The estimation process; and;
- The risks to which the entity is exposed because of the currency not being exchangeable into the other currency.

The amendments had no impact on the Group's interim condensed consolidated financial statements, as the Group does not operate in the context where there is a lack of exchangeability.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective for interim and/or annual reporting periods beginning on or after 1 January 2025.

4. Significant accounting judgments and estimates

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions affecting the amounts of income, expenses, assets and liabilities and related disclosures, as well as disclosures about contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Lease term for contracts with a renewal option

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Under some of its leases, the Group has the option to lease the assets for an additional term, generally of one to ten years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

4. Significant accounting judgments and estimates (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

The Group's assumptions and estimates are based on the inputs available at the time of preparing the interim condensed consolidated financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of inventory

Management reviews inventory balances to determine if the inventories can be sold at a price equal to or greater than their carrying amount plus costs to sell. The review also identifies slow-moving inventories that are written-off due to obsolence or during physical inventory counts.

Impairment of non-current assets

The Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets are impaired. Impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

Management necessarily applies judgment in allocating assets that do not generate independent cash flows to appropriate cash-generating units (*hereinafter* "*CGU"*) and also in estimating the timing and value of underlying cash flows within the value in use calculation. In determining the value in use, future cash flows are estimated for each store based on cash flow projections using the latest forecast information available.

The discounted cash flow model requires numerous estimates and assumptions regarding the future rates of market growth, market demand for the products and future return on sales. Due to their subjective nature, these estimates will likely differ from actual future results of operations and cash flows, and it is possible that these differences could be material.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Useful lives of property, plant and equipment and intangible assets

The Group's property, plant and equipment and intangible assets are depreciated using the straight-line method over their estimated useful lives, which are determined based on the Group management's business plans and estimates related to those assets.

4. Significant accounting judgments and estimates (continued)

Estimates and assumptions (continued)

The Group's leasehold improvements in convenience stores used under leases are depreciated using the straight-line method over their estimated useful life including in a number of cases beyond the legal expiry dates of lease agreements assuming leases will be renewed.

The Group's management annually reviews the appropriateness of the useful economic lives. The review is based on the current condition of the assets, the estimated period during which they will continue to bring economic benefits to the Group, historical information on similar assets and industry tendencies and changes in the Group's development strategy.

Impairment testing of goodwill

Goodwill is tested for impairment annually in December and when circumstances indicate that its carrying amount may be impaired. According to the Group's management, events that occurred during six months 2025 will not result in impairment at 30 June 2025, as there is multiple safety margin with regards to the coverage of carrying value of assets (incl. goodwill) of CGU groups, which the Group's goodwill is allocated to, by recoverable amount.

Taxation

The Group is subject to income tax and other taxes. Significant judgment is required in determining the liabilities for income tax and other taxes due to the complexity of the Russian Federation tax legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether it is probable that additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the amount of tax and tax provisions in the period in which such determination is made.

Provision for expected credit losses (hereinafter "ECLs") of trade and other receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses for long-term, trade and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the food manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and to forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. Significant accounting judgments and estimates (continued)

Estimates and assumptions (continued)

Incremental borrowing rate

The Group determines lease liabilities by discounting lease payments and applying interest rate implicit in lease contracts. If the rate cannot be readily determined, the Group applies its incremental borrowing rate, adjusted to take into account the specific terms and conditions of a lease and to reflect the interest rate that the Group would pay to borrow:

- Over a similar term to the lease term;
- The amount needed to obtain an asset of a similar value to the right-of-use asset;
- In a similar economic environment.

5. Balances and transactions with related parties

The Group enters into transactions with related parties in the ordinary course of business.

Related parties of the Group are represented by the shareholders that have significant influence over the Group, and companies, which are the members of the same Group with shareholders (other related parties).

Marathon Retail LLC is a shareholder with a significant influence on the Group. Marathon Group companies are included in other related parties of the Group.

As of 30 June 2025 and 31 December 2024, less than 50% of the Group's shares are free float.

Transactions with related parties can be carried out on terms different to transactions with third parties.

Related party balances as at 30 June 2025 and 31 December 2024 are presented as follows:

	Shareholders		Other related parties	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
Other long-term financial assets (Note 11)	–	–	823,227	773,538
Long-term lease liabilities	–	–	352,671	368,769
Short-term financial assets (Note 11)	–	–	279,476	262,607
Long-term lease liabilities	–	–	31,284	29,510

The Group's transactions with related parties for the six months ended 30 June 2025 and 30 June 2024 are presented as follows:

	Shareholders		Other related parties	
	For the six months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
Interest income (Notes 11, 26)	–	–	66,558	58,513
Rental interest expenses	–	–	23,013	23,562

No guarantees have been given to or received from related parties.

5. Balances and transactions with related parties (continued)

No significant expenses had been recognized in the period for expected credit losses on amounts due from related parties.

Short-term remuneration of the key management and members of the Group's Board of Directors for the six months ended 30 June 2025 amounted to RUB 354,898 thousand (for the six months ended 30 June 2024: RUB 502,818 thousand). Payments to the Group's management include remuneration under employment contracts, social contributions and payments to members of the Board of Directors of the Group. The Group also accrued reserve for long-term incentive program for key management personnel, information on these accruals is disclosed in the Note 31.

6. Business combination

Acquisition of LLC Gorodskoy supermarket

On 20 May 2025, the Group gained control over LLC Gorodskoy supermarket, registered in the Russian Federation and its tax resident, due to purchase of 81.55% of the share capital. LLC Gorodskoy supermarket is the parent company of LLC Azbuka vkusa, CJSC AV-INVEST, LLC AV-Infotekh, LLC Firma Daim, LLC Organic Agro and other companies (hereinafter – the Azbuka vkusa Group), which manage premium retail stores united under brands "Azbuka vkusa", "AV Daily", "AV Market", "Enoteca".

Due to existence of treasury shares within the acquired business, the Group's effective share in the share capital LLC Gorodskoy supermarket was 82.38%.

LLC Gorodskoy supermarket is an issuer of bonds admitted to on-exchange trading.

The Azbuka vkusa Group operates 174 stores in Moscow, the Moscow Region, and St. Petersburg. The Azbuka vkusa Group is the largest premium retailer in Moscow and the Moscow Region in terms of the number of stores and revenue. In addition, the Azbuka vkusa Group operates an online delivery business from its own stores and provides other services. The deal included five of its own culinary, bakery, and confectionery production facilities, as well as three distribution centers and warehouse delivery infrastructure located in Moscow and St. Petersburg.

The acquisition of the Azbuka vkusa Group will strengthen the market position in the strategically important Moscow and North-West regions and enter a new segment of premium retail. The Group will retain the Azbuka vkusa brand and its customer offer, ensuring continuity and development of a unique customer experience, and will focus on the potential for scaling in cities with a population of over one million. The deal will also expand the offer of the Group's stores in the prepared food segment, which is the fastest growing in retail.

Assets acquired and liabilities assumed

The assets and liabilities of the Azbuka vkusa Group recognized in the interim condensed consolidated financial statements as of 30 June 2025, were based on a provisional assessment of their fair value, since the independent appraisal of property, plant and equipment, intangible assets, and the assessment of favorable and unfavorable lease terms for the Azbuka vkusa Group in comparison to market terms for subsequent adjustment of right-of-use assets, and the assessment of other assets and liabilities, had not been completed by the time the release of the interim condensed consolidated financial statements for the six months ended 30 June 2025 was approved by the management of the Group.

6. Business combination (continued)

Acquisition of LLC Gorodskoy supermarket (continued)

As a result, the Group has not finalized the valuation and acquisition price allocation at the reporting date. The Group plans to complete its fair value measurement of the assets and liabilities of the Azbuka vkusa Group not later than May 2026.

Information about provisional fair values of identifiable assets and liabilities assumed of the Azbuka vkusa Group as at the date of acquisition is provided below:

	Provisional fair value recognized on acquisition
Assets	
Property, plant and equipment (Note 7)	16,020,573
Advances paid for the purchase and construction of property, plant and equipment	170,469
Right-of-use assets (Note 8)	23,862,774
Intangible assets (Note 9)	9,509,398
Other non-current assets	57,866
Long-term net investments in sublease	91,586
Inventories	9,158,986
Trade and other receivables	762,502
Advances paid	966,545
Taxes receivable, excluding income tax	94,715
Advances on income tax	53,917
Other current assets	276,712
Cash and cash equivalents	833,265
	61,859,308
Liabilities	
Long-term loans and borrowings	2,215,946
Long-term lease liabilities (Note 8)	20,432,457
Deferred tax liabilities	4,986,825
Trade and other payables	9,287,492
Taxes payable, excluding income tax	1,997,041
Income tax payable	244,601
Short-term advances received	61,993
Contract liabilities	406,627
Short-term loans and borrowings	3,612,908
Short-term lease liabilities (Note 8)	3,114,022
	46,359,912
Total identifiable net assets measured at fair value	**15,499,396**
Non-controlling interest measured at the proportionate share in the identifiable net assets	(2,731,556)
Goodwill arising on acquisition (Note 10)	16,887,655
Consideration transferred on acquisition	**(29,655,495)**

At the date of acquisition, the Group recognized 17.62% the non-controlling interest in the Azbuka vkusa Group amounted to RUB 2,731,556 thousand.

The fair value of trade and other receivables is RUB 762,502 thousand. Fair values of trade and other receivables under the contract equals to its gross amounts, the entire amount is expected to be collected as of the date of acquisition.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the acquisition date. Right-of-use assets were measured at an amount equal to the lease liability and lease payments made at the commencement date, taking into account favorable and unfavorable lease terms compared to market terms.

6. Business combination (continued)

Acquisition of LLC Gorodskoy supermarket (continued)

Consideration on acquisition was amounted to RUB 29,655,495 thousand. As of the reporting date the consideration in amount of RUB 29,235,375 thousand was paid to sellers in cash, the deferred consideration in amount of RUB 420,120 thousand included in “Other liabilities” in the interim condensed consolidated statement of financial position as at 30 June 2025.

The amount of goodwill equal to RUB 16,887,655 thousand includes the benefits of being present in the strategically important premium retail segment and the cost of the expected synergistic effect from the acquisition. The entire amount of goodwill is preliminarily allocated to the Group’s operations within the groups of cash-generating units of the “Magnit” retail chain, as well as the Azbuka vkusa Group’s stores. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of gaining control over, the Azbuka vkusa Group’s contribution to the Group’s revenue for the six-months period ended 30 June 2025 amounted to RUB 11,614,272 thousand and to profit before tax – RUB 63,814 thousand.

If the business combination had taken place at the beginning of the year, the Group’s revenue for the six months period ended 30 June 2025 would have been amounted to RUB 1,713,582,446 thousand. The effect of this factor on the Group’s profit before tax cannot be estimated, since before the business combination the Azbuka vkusa Group’s accounting policy provisions were differed from the Group’s accounting policy.

Cash flow analysis for acquisition

Net cash acquired in a business combination (included in cash flows from investing activities) amounted to RUB 833,265 thousand.

Transaction support costs of RUB 26,405 thousand were included in selling, general and administrative expenses.

Acquisition of LLC DV Nevada

On 27 October 2023, the Group entered into an Option Call Agreement (irrevocable offer) for the purchase and sale of 100% of the stakes in the authorized capital of LLC DV Nevada. On 11 January 2024, following the review of the application from the parties to the transaction, the FAS issued a positive decision on the alienation of 100% of the stakes in the authorized capital of LLC DV Nevada.

As a result of analyzing this option, the Group’s management concluded that the option to acquire 100% of the stakes in the authorized capital of LLC DV Nevada is real, therefore, on 11 January 2024, the Group gained control over LLC DV Nevada. The cost of exercising the option is RUB 33,600,000 thousand.

LLC DV Nevada conducts retail trade of food and non-food products through the “Samberi” supermarket chain, as well as “Blizkii” discounters and “Raz Dva” minimarkets. “Samberi” is the largest retailer in the Far East in terms of the number of stores and revenue. The acquisition of “Samberi” will expand the Group’s business geography to all federal districts of Russia, as well as provide synergistic effects by consolidating purchasing power and modernizing internal technological processes, and in a number of other business areas.

6. Business combination (continued)

Acquisition of LLC DV Nevada (continued)

Assets acquired and liabilities assumed

The assets and liabilities of LLC DV Nevada recognized in the interim condensed consolidated financial statements as of 30 June 2024, were based on a provisional assessment of their fair value, since the independent appraisal of property, plant and equipment, intangible assets, and the assessment of favorable and unfavorable lease terms for LLC DV Nevada in comparison to market terms for subsequent adjustment of right-of-use assets, and the assessment of other assets and liabilities, had not been completed by the time the release of the interim condensed consolidated financial statements for the six months ended 30 June 2024 was approved by the management of the Group.

During 2024, the Group has completed the assessment of the assets and liabilities of LLC DV Nevada and reflected the corresponding changes in the consolidated financial statements for 2024. The changes in the assessment primarily arose from the revision of the fair value of property, plant and equipment and intangible assets.

Information about fair values of identifiable assets and liabilities assumed of LLC DV Nevada as at the date of acquisition is provided below:

	Fair value recognized on acquisition
Assets	
Property, plant and equipment (Note 7)	4,330,786
Advances paid for the purchase and construction of property, plant and equipment	761,833
Right-of-use assets (Note 8)	18,071,423
Intangible assets (Note 9)	5,411,920
Other long-term financial assets	29,596
Inventories	6,494,425
Trade and other receivables	1,262,797
Advances paid and other prepaid expenses	1,525,604
Prepaid expenses	285
Other short-term financial assets	511,232
Cash and cash equivalents	799,064
Other current assets	1,424,174
	40,623,139
Liabilities	
Long-term lease liabilities (Note 8)	15,366,342
Deferred tax liabilities	1,037,584
Trade and other payables	9,056,811
Short-term contract liabilities	9,982
Taxes payable, excluding income tax	1,141,247
Income tax payable	717,586
Short-term loans and borrowings	813,074
Short-term lease liabilities (Note 8)	2,242,488
	30,385,114
Total identifiable net assets measured at fair value	**10,238,025**
Non-controlling interest measured at the proportionate share of identifiable net assets	(10,238,025)
Goodwill arising on acquisition (Note 10)	23,361,975
Consideration at fair value	**(23,361,975)**

6. Business combination (continued)

Acquisition of LLC DV Nevada (continued)

The table below shows the impact of the changes on the items in the Group's interim condensed consolidated statement of financial position as of 30 June 2024 (increase/(decrease) of each line):

	30 June 2024 as previously reported	Effect of recalculation	30 June 2024 as restated
Non-current assets			
Property, plant and equipment	388,390,665	1,547,003	389,937,668
Intangible assets	14,880,891	5,148,769	20,029,660
Goodwill	102,794,422	(5,880,038)	96,914,384
Total non-current assets	**969,516,629**	**815,734**	**970,332,363**
Total assets	**1,398,211,355**	**815,734**	**1,399,027,089**
Equity and liabilities			
Non-controlling interests	5,063,842	5,433,504	10,497,346
Total equity	**152,018,460**	**5,433,504**	**157,451,964**
Non-current liabilities			
Deferred tax liabilities	982,476	1,339,154	2,321,630
Total non-current liabilities	**611,095,664**	**1,339,154**	**612,434,818**
Current liabilities			
Trade and other payables	290,637,384	(76,886)	290,560,498
Other liabilities	29,242,013	(5,880,038)	23,361,975
Total current liabilities	**635,097,231**	**(5,956,924)**	**629,140,307**
Total liabilities	**1,246,192,895**	**(4,617,770)**	**1,241,575,125**
Total equity and liabilities	**1,398,211,355**	**815,734**	**1,399,027,089**

6. Business combination (continued)

Acquisition of LLC DV Nevada (continued)

The table below shows the impact of the changes on the information in the Group's interim condensed consolidated statement of profit and loss and other comprehensive income for the six months period ended 30 June 2024 (increase/(decrease) income and decrease/(increase) in expenses):

	For the six months ended 30 June 2024 as previously reported	Effect of recalculation	For the six months ended 30 June 2024 as restated
Selling, general and administrative expenses	(279,489,281)	(660,729)	(280,150,010)
Other expenses	(735,146)	102,561	(632,585)
Operating profit	**66,384,287**	**(558,168)**	**65,826,119**
Profit before income tax	**24,028,447**	**(558,168)**	**23,470,279**
Income tax expense	(6,574,210)	111,634	(6,462,576)
Profit for the period	**17,454,237**	**(446,534)**	**17,007,703**
Profit for the period			
Attributable to:			
Shareholders of the parent	16,748,382	–	16,748,382
Non-controlling interests	705,855	(446,534)	259,321
	17,454,237	**(446,534)**	**17,007,703**
Total comprehensive income for the period, net of tax			
Attributable to:			
Shareholders of the parent	16,887,598	–	16,887,598
Non-controlling interests	705,855	(446,534)	259,321
	17,593,453	**(446,534)**	**17,146,919**

There was no impact on basic and diluted earnings per share for the six months period ended 30 June 2024 based on the results of adjustments.

6. Business combination (continued)

Acquisition of LLC DV Nevada (continued)

The table below shows the impact of the changes on the information in the Group's interim condensed consolidated statement of cash flows for the six months period ended 30 June 2024 (increase/(decrease) income and decrease/(increase) in expenses):

	For the six months ended 30 June 2024 as previously reported	**Effect of recalculation**	**For the six months ended 30 June 2024 as restated**
Profit before income tax	**24,028,447**	**(558,168)**	**23,470,279**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	65,855,440	403,034	66,258,474
Amortization and impairment of intangible assets	2,819,695	257,695	3,077,390
Loss from disposal of property, plant and equipment	256,328	(102,561)	153,767
Cash flow from operating activities before working capital changes	**138,587,123**	**–**	**138,587,123**
Cash generated from operations	**112,289,282**	**–**	**112,289,282**
Net cash from operating activities	**67,991,483**	**–**	**67,991,483**

At the date of acquisition, the Group recognized 100% the non-controlling interest in LLC DV Nevada amounted to RUB 10,238,025 thousand, which equals the fair value of the company's net assets at the date of acquisition. The fair value of the consideration was calculated as the difference between the realizable value of the option and the non-controlling interest. The Group also recognized other liability in the consolidated financial statements at the acquisition date in the amount of RUB 23,361,975 thousand related to the realization of call option.

The fair value of trade and other receivables is RUB 1,262,797 thousand. Fair values of trade and other receivables under the contract equals to its gross amounts, the entire amount is expected to be collected as of the date of acquisition.

The Group measured the acquired lease liabilities using the present value of the remaining lease payments as of the acquisition date. The right-of-use assets were measured at an amount equal to the lease liability and lease payments made at the commencement date, taking into account favorable and unfavorable lease terms compared to market terms.

The amount of goodwill equal to RUB 23,361,975 thousand includes the benefits of being present in the strategically important Far East region and the cost of the expected synergistic effect from the acquisition. The entire amount of goodwill is allocated to the Group's operations within the groups of cash-generating units of the "Magnit" retail chain, as well as the "Samberi", "Blizkii", "Raz Dva" stores. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of gaining control over, the LLC DV Nevada's contribution to the Group's revenue for the six-months period ended 30 June 2024 amounted to RUB 47,968,547 thousand and to profit before tax – RUB 328,840 thousand. The entire amount was recognized as the Group's profit for the period attributable to non-controlling interests.

6. Business combination (continued)

Acquisition of LLC DV Nevada (continued)

If the business combination had taken place at the beginning of the year, the Group's revenue for the six months ended 30 June 2024 would have been amounted to RUB 1,462,214,493 thousand. The effect of this factor on the Group's profit before tax cannot be estimated, since before the business combination LLC DV Nevada did not prepare financial statements under the Group's accounting policies.

Cash flow analysis for acquisition

Net cash acquired in a business combination (included in cash flows from investing activities) for the six months period ended 30 June 2024 amounted to RUB 799,064 thousand.

For the six months period ended 30 June 2024 transaction support costs of RUB 33,188 thousand were included in selling, general and administrative expenses.

On 31 July 2024 the Group acquired 33.01% stake in the authorized capital of LLC DV Nevada. The acquisition price amounted to RUB 9,242,800 thousand, the transaction also involves deferred variable consideration, the cost of which is estimated by the Group as insignificant. The previously concluded Call Option Agreement (irrevocable offer) to conclude a sale and purchase agreement for 100% of stakes in the authorized capital of LLC DV Nevada was terminated. On 31 July 2024, the Group entered into a Call Option Agreement (irrevocable offer) to enter into a sale and purchase agreement for 66.99% of stakes in the authorized capital of LLC DV Nevada, with the option period ending on 31 October 2029 (inclusive). The Group estimates that this call option is real and therefore the Group retains control over LLC DV Nevada. Also on 31 July 2024, the Group entered into a Put Option Agreement (irrevocable offer) to enter into an agreement for the sale and purchase of 66.99% of the stakes in the authorized capital of LLC DV Nevada at any time during the period commencing on 1 November 2028 (inclusive) and ending on 31 October 2029 (inclusive).

On 31 July 2024, the Group reflected the disposal of non-controlling interest equal to 33.01% stake in the authorized capital of LLC DV Nevada in the amount of RUB 3,429,424 thousand, and recognized the disposal of other liability related to the cancellation of call option to acquire 100% stake in the authorized capital of LLC DV Nevada in the amount of RUB 23,361,975 thousand, and recognized other non-current liability related to the option-put on the conclusion of a purchase agreement for 66.99% of stakes in the authorized capital of LLC DV Nevada, in the amount of RUB 16,205,326 thousand.

7. Property, plant and equipment

Property, plant and equipment as at 30 June 2025 consisted of the following:

	Land	Buildings	Machinery and equipment	Vehicles	Assets under construction	Total
Cost						
At 1 January 2025	**16,407,890**	**428,825,339**	**265,970,712**	**62,481,102**	**38,557,752**	**812,242,795**
Business combination (Note 6)	176,300	8,496,160	7,234,327	71,997	41,789	**16,020,573**
Additions	1,769	–	38,161,550	5,416,286	19,478,405	**63,058,010**
Transfers	–	25,927,668	–	24,160,677	(50,088,345)	**–**
Disposals	(182,285)	(11,500,541)	(9,297,184)	(1,937,048)	(79,465)	**(22,996,523)**
Foreign currency translation reserve	–	(56,722)	(87,172)	–	(17,474)	**(161,368)**
At 30 June 2025	**16,403,674**	**451,691,904**	**301,982,233**	**90,193,014**	**7,892,662**	**868,163,487**
Accumulated depreciation and impairment						
At 1 January 2025	**(367,940)**	**(162,413,629)**	**(167,250,628)**	**(29,980,791)**	**(823,451)**	**(360,836,439)**
Depreciation for the period	–	(15,736,121)	(18,343,553)	(4,654,528)	–	**(38,734,202)**
Impairment for the period	(12,215)	(8,188)	(156,388)	–	(90,042)	**(266,833)**
Reversal of impairment losses	–	441,104	3,770	–	–	**444,874**
Disposals	1,671	11,374,270	8,511,884	1,808,957	156	**21,696,938**
Foreign currency translation reserve	–	15,187	25,505	–	–	**40,692**
At 30 June 2025	**(378,484)**	**(166,327,377)**	**(177,209,410)**	**(32,826,362)**	**(913,337)**	**(377,654,970)**
Net book value						
At 1 January 2025	**16,039,950**	**266,411,710**	**98,720,084**	**32,500,311**	**37,734,301**	**451,406,356**
At 30 June 2025	**16,025,190**	**285,364,527**	**124,772,823**	**57,366,652**	**6,979,325**	**490,508,517**

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

	Land	Buildings	Machinery and equipment	Vehicles	Assets under construction	Total
Cost						
At 1 January 2024	**15,526,931**	**407,555,161**	**211,844,000**	**44,991,058**	**7,825,950**	**687,743,100**
Business combination (Note 6)	–	460,626	3,637,962	13,239	218,959	**4,330,786**
Additions	12,919	–	23,986,588	7,591,366	17,819,181	**49,410,054**
Transfers	–	17,516,813	–	–	(17,516,813)	**–**
Disposals	(61,938)	(7,024,342)	(4,078,599)	(1,631,280)	(66,467)	**(12,862,626)**
Foreign currency translation reserve	–	(11,690)	(14,248)	–	(2,378)	**(28,316)**
At 30 June 2024	**15,477,912**	**418,496,568**	**235,375,703**	**50,964,383**	**8,278,432**	**728,592,998**
Accumulated depreciation and impairment						
At 1 January 2024	**(96,136)**	**(146,230,776)**	**(145,966,196)**	**(27,476,089)**	**(923,917)**	**(320,693,114)**
Depreciation for the period	–	(13,359,384)	(13,919,346)	(2,810,357)	–	**(30,089,087)**
Impairment for the period	(280,308)	(7,069)	–	–	–	**(287,377)**
Reversal of impairment losses	–	73,923	5,199	–	76,302	**155,424**
Disposals	31,240	6,824,575	3,779,927	1,619,082	–	**12,254,824**
Foreign currency translation reserve	–	(1,381)	5,381	–	–	**4,000**
At 30 June 2024	**(345,204)**	**(152,700,112)**	**(156,095,035)**	**(28,667,364)**	**(847,615)**	**(338,655,330)**
Net book value						
At 1 January 2024	**15,430,795**	**261,324,385**	**65,877,804**	**17,514,969**	**6,902,033**	**367,049,986**
At 30 June 2024	**15,132,708**	**265,796,456**	**79,280,668**	**22,297,019**	**7,430,817**	**389,937,668**

7. Property, plant and equipment (continued)

The rate used to determine the amount of borrowing costs eligible for capitalization was approximate to weighted average effective interest rate on the Group's borrowings for the period.

Impairment of non-current assets, excluding goodwill

The Group performed an annual impairment testing of its assets as at 31 December 2024 and recorded a respective impairment. As at 30 June 2025, the Group's management analyzed the effect of the changed discount rate and other external indicators and concluded that the recoverable amount of property, plant and equipment, intangible assets and right-of-use assets exceeds their carrying amount (except for those assets that were individually impaired) as a consequence of significant operating reserves resulting from significant margin of safety identified during the latest impairment testing of these assets.

8. Lease

The Group as a lessee

Right-of-use assets and lease liabilities

As at 30 June 2025, right-of-use assets consisted of the following:

	Buildings	Land	Other assets	Total
Cost				
As at 1 January 2025	**899,673,569**	**5,114,865**	**715,155**	**905,503,589**
Business combination (Note 6)	23,862,774	–	–	**23,862,774**
Additions	31,739,801	22,915	1,513	**31,764,229**
Modification	3,543,712	(37,417)	4,191	**3,510,486**
Indexation*	1,710,852	22,668	–	**1,733,520**
Derecognition	(13,643,584)	(67,382)	(18,865)	**(13,729,831)**
Foreign currency translation reserve	(347,973)	–	–	**(347,973)**
As at 30 June 2025	**946,539,151**	**5,055,649**	**701,994**	**952,296,794**
Accumulated depreciation and impairment				
As at 1 January 2025	**(450,203,009)**	**(1,278,469)**	**(135,592)**	**(451,617,070)**
Depreciation for the period	(36,620,937)	(72,812)	(52,917)	**(36,746,666)**
Derecognition	8,950,353	6,136	3,758	**8,960,247**
Foreign currency translation reserve	55,987	–	–	**55,987**
As at 30 June 2025	**(477,817,606)**	**(1,345,145)**	**(184,751)**	**(479,347,502)**
Net book value				
As at 1 January 2025	**449,470,560**	**3,836,396**	**579,563**	**453,886,519**
As at 30 June 2025	**468,721,545**	**3,710,504**	**517,243**	**472,949,292**

* *Revaluation of rental payments that depend on the index (linked to inflation).*

For the six months ended 30 June 2025, depreciation of right-of-use assets in the amount of RUB 382,512 thousand were capitalized to the value of property, plant and equipment.

8. Lease (continued)

The Group as a lessee (continued)

As at 30 June 2024, right-of-use assets consisted of the following:

	Buildings	Land	Other assets	Total
Cost				
As at 1 January 2024	**802,062,205**	**5,194,637**	**869,252**	**808,126,094**
Business combination (Note 6)	17,975,477	95,946	–	**18,071,423**
Additions	25,388,316	15,731	288,463	**25,692,510**
Modification	17,442,539	(299,583)	409	**17,143,365**
Indexation*	1,956,229	29,804	12,728	**1,998,761**
Derecognition	(3,559,248)	(74,168)	(64,454)	**(3,697,870)**
As at 30 June 2024	**861,265,518**	**4,962,367**	**1,106,398**	**867,334,283**
Accumulated depreciation and impairment				
As at 1 January 2024	**(385,505,718)**	**(1,235,841)**	**(37,163)**	**(386,778,722)**
Depreciation for the period	(36,162,420)	(80,865)	(66,774)	**(36,310,059)**
Derecognition	2,572,410	62,612	11,789	**2,646,811**
As at 30 June 2024	**(419,095,728)**	**(1,254,094)**	**(92,148)**	**(420,441,970)**
Net book value				
As at 1 January 2024	**416,556,487**	**3,958,796**	**832,089**	**421,347,372**
As at 30 June 2024	**442,169,790**	**3,708,273**	**1,014,250**	**446,892,313**

* *Revaluation of rental payments that depend on the index (linked to inflation).*

For the six months ended 30 June 2024, depreciation of right-of-use assets in the amount of RUB 272,625 thousand were capitalized to the value of property, plant and equipment.

Lease liabilities

Set out below are the carrying amounts of Group's lease liabilities and their movements during the period:

	For the six months ended 30 June	
	2025	2024
At 1 January	**536,460,480**	**492,424,607**
Business combination (Note 6)	23,546,479	17,608,830
Additions and other increase	30,801,641	25,692,510
Modification	3,510,486	17,143,365
Indexation*	1,733,520	1,998,761
Payments	(27,404,611)	(29,860,797)
Interest accrued (Note 25)	38,549,783	28,710,661
Interest paid	(38,549,783)	(28,710,661)
Derecognition	(6,432,011)	(1,413,455)
Foreign exchange loss/(gain)	42,380	(56,868)
Foreign currency translation reserve	(329,086)	14,848
At 30 June	**561,929,278**	**523,551,801**

* *Revaluation of rental payments that depend on the index (linked to inflation).*

8. Lease (continued)

The Group as a lessee (continued)

Set out below are the amounts recognized in the interim condensed consolidated statement of profit and loss and other comprehensive income ((income)/expenses):

	For the six months ended 30 June	
	2025	**2024**
Depreciation and impairment of right-of-use assets (Note 24)	36,364,154	36,037,434
Interest expenses on the lease (Note 25)	38,549,783	28,710,661
Foreign exchange loss/(gain)	42,380	(56,868)
Gain from cancelation of lease contracts (Note 27)	(1,662,427)	(362,396)
Lease expenses related to short-term lease (Note 24)	882,164	649,005
Lease expenses related to lease of low-value assets (Note 24)	19,671	21,038
Variable lease payments (Note 24)	6,020,297	4,342,655
	80,216,022	**69,341,529**

As of 30 June 2025 the Group issued a long-term advance payment of RUB 4,803,425 thousand (as of 31 December 2024: RUB 4,115,229 thousand) to settle future obligations under a lease agreement where the right to control the use of the asset did not transfer. The advance payment is reflected in the interim condensed consolidated statement of financial position as part of other non-current assets.

9. Intangible assets

Intangible assets as at 30 June 2025 consisted of the following:

	Licenses	Software	Trade marks	Other	Total
Cost					
At 1 January 2025	**1,185,765**	**28,311,088**	**11,125,859**	**138,065**	**40,760,777**
Business combination (Note 6)	34,320	801,146	8,635,244	38,688	**9,509,398**
Additions	230,877	4,179,214	186	9,307	**4,419,584**
Disposals	(47,207)	(1,504,460)	(1,019)	(10,409)	**(1,563,095)**
Foreign currency translation reserve	–	(20,025)	–	–	**(20,025)**
At 30 June 2025	**1,403,755**	**31,766,963**	**19,760,270**	**175,651**	**53,106,639**
Accumulated amortization and impairment					
At 1 January 2025	**(427,888)**	**(12,748,014)**	**(4,686,386)**	**(33,683)**	**(17,895,971)**
Amortization for the period	(160,669)	(2,604,000)	(372,988)	(12,772)	**(3,150,429)**
Impairment for the period	–	33,443	–	–	**33,443**
Disposals	46,293	1,504,446	(553)	7,839	**1,558,025**
Foreign currency translation reserve	–	8,811	–	–	**8,811**
At 30 June 2025	**(542,264)**	**(13,805,314)**	**(5,059,927)**	**(38,616)**	**(19,446,121)**
Net book value					
At 1 January 2025	**757,877**	**15,563,074**	**6,439,473**	**104,382**	**22,864,806**
At 30 June 2025	**861,491**	**17,961,649**	**14,700,343**	**137,035**	**33,660,518**

Part of the Group’s software is under development and integration as at 30 June 2025.

9. Intangible assets (continued)

Intangible assets as at 30 June 2024 consisted of the following:

	Licenses	Software	Trade marks	Other	Total
Cost					
At 1 January 2024	**875,176**	**22,243,818**	**5,620,047**	**183,065**	**28,922,106**
Business combination (Note 6)	–	2,786	5,407,324	1,810	**5,411,920**
Additions	186,767	2,954,231	10,809	15,083	**3,166,890**
Disposals	(67,370)	(831,410)	(684)	(18,711)	**(918,175)**
Foreign currency translation reserve	–	(824)	–	–	**(824)**
At 30 June 2024	**994,573**	**24,368,601**	**11,037,496**	**181,247**	**36,581,917**
Accumulated amortization and impairment					
At 1 January 2024	**(327,160)**	**(9,947,600)**	**(4,056,366)**	**(62,788)**	**(14,393,914)**
Amortization for the period	(100,889)	(2,212,274)	(310,176)	(28,353)	**(2,651,692)**
Impairment for the period	–	(425,698)	–	–	**(425,698)**
Disposals	66,726	826,290	405	18,711	**912,132**
Foreign currency translation reserve	–	6,915	–	–	**6,915**
At 30 June 2024	**(361,323)**	**(11,752,367)**	**(4,366,137)**	**(72,430)**	**(16,552,257)**
Net book value					
At 1 January 2024	**548,016**	**12,296,218**	**1,563,681**	**120,277**	**14,528,192**
At 30 June 2024	**633,250**	**12,616,234**	**6,671,359**	**108,817**	**20,029,660**

Amortization expense is included in selling, general and administrative expenses (Note 24).

10. Goodwill

Carrying amount of goodwill allocated to each of the cash generated units as of 30 June 2025 and 31 December 2024 is presented below:

Acquisition in which goodwill arose	Group of units or cash-generating unit	30 June 2025	31 December 2024
Acquisition of DIXY Group	Stores “Magnit convenience”, “Magnit Semeyniy” and “DIXY”	65,661,817	65,661,817
Acquisition of DV Nevada LLC	“Magnit” chain stores, “Samberi”, “Blizkii”, “Raz Dva”	23,361,975	23,361,975
Acquisition of KazanExpress LLC	“Magnit” chain stores, “DIXY”, own marketplace	6,523,099	6,523,099
Acquisition of TD-holding LLC	Manufactory company TD-holding LLC	1,367,493	1,367,493
Acquisition of Gorodskoy supermarket LLC	Stores “Magnit convenience”, “Magnit Semeyniy”, “Azbuka vkusa”, “AV-Daily", “AV-Market”, “Enoteca”	16,887,655	–
Total		**113,802,039**	**96,914,384**

10. Goodwill (continued)

Change of goodwill for the six months period ended 30 June 2025 and for the six months period ended 30 June 2024 consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Goodwill as at 1 January	**96,914,384**	**73,552,409**
Goodwill arising on acquisition (Note 6)	16,887,655	23,361,975
Goodwill as at 30 June	**113,802,039**	**96,914,384**

11. Other long-term and short-term financial assets

Other long-term financial assets as at 30 June 2025 and 31 December 2024 consisted of the following:

	30 June 2025	31 December 2024
Other financial assets	500,021	52
Long-term loans issued to a related party (Note 5)	823,227	773,538
Long-term loans issued to third parties	757,246	3,227
	2,080,494	**776,817**

Interest income on loan issued to a related party for the six months period ended 30 June 2025 amounted to RUB 66,558 thousand (for the six months period ended 30 June 2024: RUB 58,513 thousand), which is disclosed in Note 5.

The Group did not recognize any expected credit losses for other long-term financial assets.

Other short-term financial assets as at 30 June 2025 and 31 December 2024 were as follows:

	30 June 2025	31 December 2024
Deposits with maturity over 3 months	1,095,070	–
Loans issued to third parties	536,129	266,826
Loans issued to a related party (Note 5)	279,476	262,607
Promissory notes received from third parties	143,799	134,774
Interest receivable on placed deposits	142,122	662,306
Expected credit losses	(59,508)	(74,646)
	2,137,088	**1,251,867**

12. Inventories

Inventory as at 30 June 2025 and 31 December 2024 consisted of the following:

	30 June 2025	31 December 2024
Goods for resale	281,241,485	252,312,973
Materials and supplies	20,860,958	18,104,270
	302,102,443	**270,417,243**

Materials and supplies are represented by spare parts, packaging materials and other materials used in supermarkets, stores and warehouses, as well as by semi-finished goods of own production.

During six months ended 30 June 2025 the Group revaluated inventories to their net realizable value, which resulted to recovering of expenses within “Cost of sales” in the interim condensed consolidated statement of profit and loss and other comprehensive income in the amount of RUB 1,543,654 thousand (for the six months ended 30 June 2024: RUB 2,358,928 thousand).

13. Long-term receivables, short-term trade and other receivables

As at 30 June 2025 and 31 December 2024, non-current receivables and a part of current other receivables of the Group comprised a grant receivable:

	30 June 2025	31 December 2024
Grant receivables:		
Long-term part	292,553	328,030
Short-term part	153,879	91,225
Total grant receivables	**446,432**	**419,255**

Short-term trade and other receivables as at 30 June 2025 and 31 December 2024 consisted of the following:

	30 June 2025	31 December 2024
Other receivables – third parties	20,786,878	22,665,835
Trade receivables – third parties	1,632,840	964,757
Short-term part of grant receivables	153,879	91,225
Expected credit losses	(2,512,702)	(2,721,071)
Total trade and other receivables	**20,060,895**	**21,000,746**

Other receivables mainly relate to vendor allowances.

Trade receivables are mainly represented by accounts receivables from the Group’s wholesale customers.

14. Advances paid

Advances paid consisted of the following as at 30 June 2025 and 31 December 2024:

	30 June 2025	31 December 2024
Advances to third party suppliers	127,817,016	63,689,243
Other advances paid	1,741,832	1,718,540
Advances for customs duties	72,474	102,329
Impairment of advances paid	(1,573,094)	(1,761,063)
	128,058,228	**63,749,049**

15. Cash and cash equivalents

Cash and cash equivalents as at 30 June 2025 and 31 December 2024 consisted of the following:

	30 June 2025	31 December 2024
Deposits, in RUB	44,808,224	68,477,463
Deposits, in foreign currency	18,006,928	8,762,366
Cash placed on accounts with minimum account balance, in RUB	2,893,000	59,958,000
Cash on hand, in RUB	2,729,552	3,109,289
Cash in banks, in RUB	1,147,445	5,669,211
Cash in transit, in RUB	1,280,567	9,880,246
Cash in banks, in foreign currency	330,999	2,720,502
Cash in transit, in foreign currency	6,805	40,233
Cash on hand, in foreign currency	2,435	7,057
Cash placed on accounts with minimum account balance, in foreign currency	–	845,914
	71,205,955	**159,470,281**

Cash in transit represents cash collected by banks from the Group’s stores and not deposited in bank accounts and by processed bank card payments as at 30 June 2025 and 31 December 2024.

As at 30 June 2025 and 31 December 2024, cash and cash equivalents denominated in foreign currencies are as follows:

	30 June 2025	31 December 2024
Chinese yuan	18,277,458	12,291,134
Uzbek sums	49,785	64,656
Euros	7,859	8,868
Swiss franc	5,375	6,178
US dollars	5,093	5,236
UAE dirham	1,597	–
	18,347,167	**12,376,072**

16. Share capital, share premium and treasury shares

Share capital as at 30 June 2025 amounted to RUB 1,020 thousand. There were no changes in share capital compared to 31 December 2024.

As of 30 June 2025, share premium amounted to RUB 87,230,416 thousand. There were no changes in share premium compared to 31 December 2024.

	For the six months ended 30 June	
	2025	2024
	No. (‘000)	No. (‘000)
Balance of shares outstanding at beginning of financial period	**67,847**	**67,871**
Acquisition of treasury shares under the terms of tender offers	–	(23)
Balance of shares outstanding at the end of financial period	**67,847**	**67,848**

In January 2024, following the results of tender offer announced at 10 October 2023, the ownership of 22,948 share of PJSC Magnit was transferred from foreign investors to the Group’s company LLC Magnit Alliance.

The purchase price was RUB 52,031 thousand. The cost of the treasury shares was determined based on the share price specified in the tender offer, as well as additional expenses incurred by the Group in connection with the acquisition.

During the six months ended 30 June 2025 and 2024, the Group did not issue treasury shares to key management personnel as part of the Group’s long-term incentive program for key employees (Note 31).

17. Dividends declared

During the six months ended 30 June 2025 the Group did not declare dividends to shareholders, except one of the Group’s subsidiaries, which declared and paid dividends based on the results of operations for 2024. The amount of dividends declared and paid attributable to non-controlling interests was RUB 669,900 thousand.

During the six months ended 30 June 2025, the Group paid of previously unclaimed dividends in the amount of RUB 289 thousand.

During the six months ended 30 June 2024, the Group paid dividends declared in December 2023. The payment amount of dividends declared, less dividends on treasury shares (RUB 14,028,954 thousand) and less unclaimed portion of dividends (RUB 258,030 thousand) was RUB 27,713,679 thousand. The dividend amount of RUB 63 thousand was not paid due to the lack of shareholders’ bank details required to make the payment.

18. Short-term trade and other payables

As at 30 June 2025 and 31 December 2024, short-term trade and other payables consisted of the following:

	30 June 2025	**31 December 2024**
Trade payables to third parties	242,478,599	260,316,282
Accrued expenses and other payables to third parties	54,822,181	72,083,329
Accrued staff costs	43,285,943	41,583,399
	340,586,723	**373,983,010**

Trade and other payables, denominated in foreign currency is:

	30 June 2025	**31 December 2024**
US dollars	672,530	814,589
Euros	443,734	680,267
Uzbek sums	281,327	320,706
Chinese yuan	107,253	110,867
Indian rupee	11,438	–
Japanese yen	7,200	–
Swiss franc	4,174	–
Pounds sterling	3,288	23,797
UAE dirham	1,597	–
Turkish lira	25	37
	1,532,566	**1,950,263**

19. Taxes payable, excluded income tax

As at 30 June 2025 and 31 December 2024 taxes payable, excluded income tax consisted of the following:

	30 June 2025	**31 December 2024**
Value added tax	23,365,212	13,368,204
Social insurance contributions	7,938,895	6,416,669
Personal income tax	2,780,957	1,703,076
Property tax	1,000,941	986,274
Other taxes	172,428	124,004
	35,258,433	**22,598,227**

20. Loans and borrowings

As at 30 June 2025 and 31 December 2024 long-term and short-term loans and borrowings consisted of the following:

	Year of maturity 2025	30 June 2025	Year of maturity 2024	31 December 2024
Long-term loans and borrowings				
Unsecured bonds	2026-2034	202,107,807	2026-2029	74,131,223
Unsecured bank loans	2026-2028	83,120,165	2026-2028	78,620,234
Less: current portion of long-term loans and borrowings		(3,304,176)		(1,701,930)
Total long-term loans and borrowings		**281,923,796**		**151,049,527**
Short-term loans and borrowings				
Unsecured bank loans	2025-2026	149,913,844	2025	233,543,511
Unsecured bonds	2025-2026	62,201,229	2025	20,120,471
Loans received under repurchase agreements	2025	5,502,564	2025	5,502,564
Current portion of long-term loans and borrowings		3,304,176		1,701,930
Total short-term loans and borrowings		**220,921,813**		**260,868,476**

The Group's loans and borrowings as at 30 June 2025 and 31 December 2024 bear market interest rates. All loans, borrowings and bonds are denominated in Russian rubles. Loans and borrowings were received at fixed and variable rates.

In September 2024, the Group renegotiated short-term financing transactions in the form of repurchase agreements. As at 30 June 2025, the total amount of financing transactions in the form of repurchase transactions was RUB 5,502,564 thousand (as at 31 December 2024: RUB 5,502,564 thousand).

Treasury shares in the total number of 3,817,249 shares with the fair value amounted to RUB 13,242,246 thousand as at 30 June 2025 (as at 31 December 2024: RUB 19,381,305 thousand), were used as an instrument under these transactions.

The Group has complied with all covenants established in the credit agreements as of 30 June 2025 and 31 December 2024.

21. Government grants

	For the six months ended 30 June	
	2025	2024
At 1 January	**2,893,337**	**2,567,879**
Received during the period	35,548	42,651
Revaluation of government grants	(120,441)	–
Profit from government grants recognized in profit and loss statement	(137,450)	(136,204)
At 30 June	**2,670,994**	**2,474,326**
Short-term	379,501	396,108
Long-term	2,291,493	2,078,218

21. Government grants (continued)

The government grants were received to reimburse a part of the direct costs incurred for the construction and modernization of property, plant and equipment. The government grants were received as benefit from obtaining loans at a below-market interest rate, as well as a grant in cash.

For the six months period ended 30 June 2025 the amount RUB 35,548 thousand were received in cash (for the six months period ended 30 June 2024: RUB 58,294 thousand).

22. Short-term contract liabilities

Short-term contract liabilities as at 30 June 2025 and 31 December 2024 consisted of the following:

	30 June 2025	**31 December 2024**
Short-term liabilities to the customer loyalty program	2,899,947	2,272,079
Short-term advances received from customers	2,115,752	2,604,397
Other short-term liabilities	594,853	1,195,161
	5,610,552	**6,071,637**

Changes to the short-term liabilities to the customer loyalty program include the following:

	For the six months ended 30 June	
	2025	**2024**
At 1 January	**2,272,079**	**3,692,728**
Deferred during the period	13,807,248	7,322,514
Recognized as revenue during the period	(13,179,380)	(7,672,540)
At 30 June	**2,899,947**	**3,342,702**

23. Revenue from contracts with customers

Revenue for the six months ended 30 June of 2025 and 2024 from contracts with customers consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Retail	1,661,793,094	1,448,541,311
Wholesale	10,384,493	10,103,608
Other revenue	1,046,030	1,413,413
	1,673,223,617	**1,460,058,332**

Revenue from contracts with customers is represented by the amounts disclosed in the table above and advertising income and income from sales of packing materials (Note 27) and for the six months ended 30 June 2025 amounted to RUB 1,686,765,090 thousand (for the six months ended 30 June 2024: RUB 1,470,340,852 thousand).

24. Selling, general and administrative expenses

Selling, general and administrative expenses for the six months ended 30 June of 2025 and 2024 consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Staff costs	155,550,528	136,541,595
Depreciation and impairment of right-of-use assets (Note 8)	36,364,154	36,037,434
Utilities and communication services	36,620,493	31,077,942
Depreciation and impairment of property, plant and equipment (Note 7)	38,556,161	30,221,040
Advertising	10,645,898	9,221,026
Bank charges	9,749,041	8,316,028
Repair and maintenance	7,579,653	5,930,619
Rent (Note 8)	6,922,132	5,012,698
Commission remuneration	7,458,038	4,029,135
Amortization and impairment of intangible assets (Note 9)	3,116,986	3,077,390
Taxes, other than income tax	2,277,970	1,929,419
Material costs	2,627,348	2,183,437
Security	1,784,202	1,773,635
(Recovery)/accrual of expected credit losses in respect of receivables and advances (Notes 13, 14)	(396,338)	132,940
Other expenses	3,813,630	4,665,672
	322,669,896	**280,150,010**

For the six months ended 30 June 2025 staff costs include payroll amounted to RUB 121,290,688 thousand (for the six months ended 30 June 2024: RUB 106,774,506 thousand), social contribution expenses amounted to RUB 31,164,818 thousand (for the six months ended 30 June 2024: RUB 27,265,219 thousand) and also other staff costs in amount RUB 3,095,022 thousand (for the six months ended 30 June 2024: RUB 2,501,870 thousand).

For the six months ended 30 June 2025, staff costs, included payroll and social contributions expenses and related provisions amounted to RUB 46,599,185 thousand (for the six months ended 30 June 2024: RUB 33,326,664 thousand) were included in the cost of sales.

25. Finance costs

Finance costs for the six months ended 30 June of 2025 and 2024 consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Interest on lease liabilities (Note 8)	38,549,783	28,710,661
Interest on loans and borrowings from third parties	21,298,048	14,727,044
Interest on bonds	18,476,686	2,892,484
Interest on other liabilities	1,532,721	–
Other finance costs	38,824	146,768
Total interest expenses for financial liabilities	**79,896,062**	**46,476,957**

26. Interest income

Interest income for the six months ended 30 June of 2025 and 2024 consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Interest on deposits	11,684,822	9,008,992
Interest on loans issued to third parties	554,678	17,556
Interest on loans issued to related parties (Note 5)	66,558	58,513
Other interest income	28,847	5,689
	12,334,905	**9,090,750**

27. Other income

Other income for the six months ended 30 June of 2025 and 2024 consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Advertising income	8,915,614	6,858,764
Fines and penalties	5,641,091	4,104,669
Sale of packaging materials	4,625,859	3,423,756
Gain from cancellation of lease contracts (Note 8)	1,662,427	362,396
Other income	807,687	767,948
	21,652,678	**15,517,533**

28. Other expenses

Other expenses for the six months ended 30 June of 2025 and 2024 consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Charity	519,089	240,950
Fines and penalties	328,241	210,804
Loss from disposal of property, plant and equipment	270,326	153,767
Loss from disposal of intangible assets (Note 9)	5,070	6,043
Other expenses	358,851	21,021
	1,481,577	**632,585**

29. Income tax

The Group's income tax expense for the six months ended 30 June of 2025 and 2024 consisted of the following:

	For the six months ended 30 June	
	2025	**2024**
Interim condensed consolidated statement of profit and loss and other comprehensive income		
Current tax	5,013,117	8,386,143
Recovery of income tax for previous periods	(261,898)	(125,964)
Deferred tax	(3,059,631)	(1,797,603)
Income tax expense reported in the interim condensed consolidated statement of profit and loss and other comprehensive income	**1,691,588**	**6,462,576**

30. Earnings per share

Earnings per share for the six months ended 30 June of 2025 and 2024 have been calculated on the basis of the net profit attributable to shareholders for the period and the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit attributable to shareholders for the period by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the six months ended 30 June	
	2025	**2024**
Profit for the period attributable to shareholders of the parent	612,552	16,748,382
Weighted average number of shares (in thousands)	67,847	67,850
Basic earnings per share (in RUB)	**9.03**	**246.84**
Effects of dilution from share options on number of shares (in thousands)	75	436
Weighted average number of ordinary shares adjusted for the effect of dilution (in thousands)	67,922	68,286
Diluted earnings per share (in RUB)	**9.02**	**245.27**

31. Long-term incentive program for key management personnel

The Group has a long-term incentive program for its key management ("Program").

For the six months ended 30 June 2025 within the framework of the Program the Group recognized an expense in respect of share based payments in the amount of RUB 28,647 thousand (for the six months ended 30 June 2024: RUB 1,285,994 thousand) and expenses for cash payments in amount of RUB 947,217 thousand in the interim condensed consolidated statement of profit and loss and other comprehensive income.

31. Long-term incentive program for key management personnel (continued)

As at the reporting date, the management of the Group expects that with respect to the Program targets will be achieved.

During the six months ended 30 June 2025, and 30 June 2024 the Group did not transfer treasury shares under the Group's long-term incentive program for key management personnel of the Group.

During the six months ended 30 June 2025 the Group did not make payments to its personnel.

During the six months ended 30 June 2024, the total amount of the fixed consideration amounted to RUB 1,671,981 thousand, corresponding to the scope of the associated services received, was reclassified from the share-based payments reserve and retained earnings to trade and other payables and paid to these employees.

32. Contingencies, commitments and operating risks

Operating environment

The Group sells products that are sensitive to changes in general economic conditions that impact consumer spending. Future economic conditions and other factors, including sanctions imposed, consumer confidence, employment levels, interest rates, consumer debt levels and availability of consumer credit could reduce consumer spending or change consumer purchasing behavior.

The ongoing conflict related to Ukraine and the resulting escalation of geopolitical tensions have had an impact on the economy of the Russian Federation. A number of countries announced new packages of sanctions, as well as restrictions on certain types of transactions, including blocking funds in accounts in foreign banks and blocking payments on Eurobonds of the Russian Federation and Russian companies. Some international companies announced the suspension of activities in Russia or the cessation of supplies of products to Russia. This led to an increase in volatility in financial markets, an increase in the key rate and certain retaliatory restrictive measures on the part of the Russian Federation.

The Group's management believes it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

The Group's Management promptly responds to external factors and changing market conditions, conducts effective work on timely risk reduction and leveling potential negative consequences.

Tax legislation

The Group's main subsidiaries, from which the Group's income is derived, operate in the Russian Federation. Russian tax, currency and customs legislation is subject to varying interpretations and changes which can occur frequently. Management interpretation of such legislation as applied to the transactions and activity of the Group may be challenged by the relevant regional and federal authorities.

32. Contingencies, commitments and operating risks (continued)

Tax legislation (continued)

A number of the relevant Russian tax, currency and customs legislations are vaguely and contradictory formulated, which may lead to different interpretations, which, in particular, may apply to legal relations in the past, selective and inconsistent application, as well as frequent and in some cases unpredictable changes. In practice the tax authorities may be taking a more assertive position in their interpretation and application of this legislation and assessments. It is therefore possible that transactions and activities of the Group that have not been challenged in the past may be challenged at any time in the future. As a result, additional taxes, penalties and interest may be imposed by the relevant authorities. Fiscal periods remain open and subject to review by the tax authorities for a period of three calendar years immediately preceding the year in which the decision to conduct a tax review is taken. Under certain circumstances tax reviews may cover longer periods.

Recent trends in the application and interpretation of certain provisions of Russian tax legislation indicate that the tax authorities may take a more assertive position in interpreting the legislation as part of control activities. The tax authorities may thus challenge transactions and approaches to applying the legislation that have not been challenged before. It is not possible to determine the amounts of potential claims that have not been filed or assess the probability of a negative outcome.

As at 30 June 2025 and 31 December 2024, the Group’s management believes that its interpretation of the relevant legislation is appropriate and that it is probable that the Group’s tax, currency and customs positions will be sustained.

Litigation

The Group has been and continues to be the subject of legal proceedings and adjudications from time to time, neither of which, individually or in aggregate, had a material adverse effect on the Group. Management believes that the resolution of all business matters will not have a material impact on the Group’s financial position, operating results and cash flows.

Capital commitments

As at 30 June 2025 and 31 December 2024, the Group entered into a number of agreements related to the capital expenditures. Capital commitments are presented net of VAT:

	30 June 2025	**31 December 2024**
Within 1 year	11,751,861	11,444,289
From 1 to 5 years	5,771,398	27,710
	17,523,259	**11,471,999**

33. Financial risk management objectives and policies

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity ratio.

The capital structure of the Group consists of loans and borrowings disclosed in Note 20, cash and cash equivalents disclosed in Note 15 and equity attributable to shareholders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 16.

33. Financial risk management objectives and policies (continued)

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are recorded in the interim condensed consolidated financial statements.

The fair value of the financial assets and liabilities is presented in the amount at which the financial instrument could be exchanged in a current transaction between willing parties (other than in a forced sale or liquidation).

	Carrying amount		Fair value	
	30 June 2025	**31 December 2024**	**30 June 2025**	**31 December 2024**
Bonds (Note 20)	199,558,879	73,297,026	203,768,131	71,579,080
Long-term loans (Note 20)	82,364,917	77,752,501	82,114,898	76,679,434
Long-term liability	18,936,492	17,403,772	17,358,144	13,615,723

Management estimated that the fair value of cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts mainly due to the short-term maturity of these instruments.

The following methods and assumptions were used to estimate fair value:

Fixed rate loans are assessed by the Group based on parameters such as interest rates, country specific risk factors, and individual credit risk of the counterparty.

The fair value of loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Long-term borrowing and loans are categorized as Level 2 within the fair value hierarchy. For quoted bonds (Level 1) the fair value was determined based on quoted market prices. No transfers occurred between levels in the hierarchy during the reporting period.

As at 30 June 2025 and 31 December 2024, the fair value of the Group's financial instruments, except as described above, approximates their carrying value.

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when purchase is denominated in a different currency from the Group's functional currency).

As at 30 June 2025 and 31 December 2024 the main foreign currency position were presented by trade and other payables, cash and deposits in foreign currency disclosed in Notes 18 and 15 accordingly.

The Group manages its foreign currency risk by scheduling payments to foreign suppliers close to the date of transfer of ownership of goods to the Group.

33. Financial risk management objectives and policies (continued)

Interest rate risk management

The Group is not significantly exposed to interest rate risk as entities of the Group borrow funds mainly with fixed rates.

Credit risk management

Credit risk is the risk that a counterparty will not meet its contract obligations on time, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and investing activities (cash and cash equivalents, loans).

Trade and other receivables

Customer credit risk is managed by the Group by dealing with creditworthy counterparties, who have a good long-term credit history. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Cash and cash equivalents

Credit risk from investing activities is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties. Cash is placed in financial institutions, which are considered at time of deposit to have minimal risk of default.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as presented in the interim condensed consolidated statement of financial position.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built a liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

34. Subsequent events

In July, the Group acquired an additional 4.64% share in Gorodskoy supermarket LLC for RUB 1,662,896 thousand, thus increasing its direct share in the Azbuka vkusa Group to 86.19% (effective share increased to 87.06%).