Independent auditor's report
on the consolidated financial statements of
PJSC Magnit and its subsidiaries
for 2025

April 2026

Independent auditor's report on the consolidated financial statements of PJSC Magnit and its subsidiaries

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Independent auditor's report

To the Shareholders and
the Board of Directors of
PJSC Magnit

Opinion

We have audited the consolidated financial statements of PJSC Magnit and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit and loss and other comprehensive income for 2025, consolidated statement of cash flows for 2025 and consolidated statement of changes in equity for 2025, and notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for 2025 in accordance with IFRS Accounting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with ethical requirements adopted in the Russian Federation, such as those in the Code of Professional Ethics for Auditors and the Independence Rules for Auditors and Audit Organizations, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), including independence requirements, which are relevant to the audit of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Recognition of vendors allowances	
The Group receives various types of allowances from vendors in the form of volume rebates and other forms of payments that effectively reduce the cost of goods purchased from the vendor. We considered this matter to be of most significance in our audit because the recognition of vendor allowance requires judgement from management in the assessment of the level of fulfilment of the Group's obligations under the vendor agreements and because these allowances are a substantial part of cost of sales and inventories. Information about accounting policy for vendor allowances is disclosed in Note 3 to the consolidated financial statements.	We assessed the judgements used by the Group's management in the assessment of the level of fulfilment of the Group's obligations under the vendor agreements. We compared a sample of accruals of volume rebates and other rebates, recorded based on management assumptions, to supporting documents from vendors and vendor agreements. We also compared the outstanding allowances receivable to the direct confirmations from vendors on a sample basis. We tested cut-off of vendor allowances recorded during a period shortly before and after year-end to supporting documents from vendors. We reviewed the information on vendor allowances disclosed in the consolidated financial statements.
Valuation of goods for resale	
The Group has significant balance of goods for resale. In accordance with IAS 2 *Inventories*, inventories are recorded at the lower of cost and net realizable value. In estimating the carrying amount of goods for resale, the Group's management uses judgments to estimate the net realizable value of goods for resale and the amount of handling costs to be included in the carrying amount of goods for resale. As a result, we believe that this matter is one of most significance in our audit. Information on goods for resale is disclosed in Note 13 to the consolidated financial statements.	We assessed the assumptions used by the Group's management in the valuation of goods for resale. We assessed the Group's methodology in respect of valuation of net realizable value, analyzed the dynamics of goods for resale turnover ratios taking into consideration seasonality and other applicable factors. We compared carrying values of goods for resale with subsequent sales proceeds by certain type of goods. We verified the mathematical accuracy of goods for resale net realizable value calculation. We assessed the process of allocation of handling costs to the carrying amount of goods for resale. We analyzed the structure of costs included in the value of goods for resale. We compared the amount of costs with supporting documents received from suppliers and the Group's internal documents. We reviewed the information on goods for resale disclosed in the consolidated financial statements.
Impairment testing of property, plant and equipment and right-of-use assets	
Impairment testing for property, plant and equipment and right-of-use assets was one of the key audit matters because the balance of property, plant and equipment and right-of-use assets forms a significant portion of the Group's assets at the reporting date, and the process of management's assessment of the recoverable amount is complex and requires significant judgments, including judgements about future cash flows, capital expenditures and the discount rate.	Our audit procedures included an assessment of key management assumptions used by the Group, including those in respect of forecasted revenue and operating expenses. We also analyzed discount rates used by management of the Group, including the engaging of our internal valuation experts.

Key audit matter	How our audit addressed the key audit matter
Information about property, plant and equipment, right-of-use assets and results of impairment testing is disclosed in Notes 8 and 9 to the consolidated financial statements.	We also performed the sensitivity analysis of the impairment test with respect to changes in the key assumption and assessed the Group's disclosures of these assumptions to which impairment testing is most sensitive, i.e., those that have the most significant impact on the recoverable amount of property, plant and equipment and right-of-use assets. We reviewed the information about property, plant and equipment, right-of-use assets and results of impairment testing disclosed in the consolidated financial statements.
Impairment testing of goodwill from acquisition of the DIXY Group, DV Nevada LLC and Gorodskoy supermarket LLC	
As at 31 December 2025, the balance of goodwill is 109,405,952 thousand rubles, including 65,661,817 thousand rubles related to acquisition of DIXY Group companies (hereinafter DIXY Group), 23,361,975 thousand rubles related to acquisition of DV Nevada LLC and 19,014,667 thousand rubles related to acquisition of Gorodskoy supermarket LLC. Impairment testing of goodwill was one of the key audit matters because assessment of the recoverable amount of cash generating units to which goodwill is allocated includes numerous assumptions made by the Group's management, including the estimated effect of synergies, determination of a cash-generating unit for impairment testing purposes, forecasted revenue and gross margin, long-term growth rates and discount rates and other. Information about goodwill is disclosed in Note 11 to the consolidated financial statements.	Our audit procedures included an assessment of assumptions used by the Group and reasonableness of forecasted data. We assessed the judgment used by management in testing goodwill for impairment with respect to goodwill allocation to the relevant cash-generating units. We also performed the sensitivity analysis of the impairment test with respect to changes in the key assumptions and assessed the Group's disclosures of those assumptions that have the most significant impact on the recoverable amount of cash generating units to which goodwill is allocated. We reviewed the information about goodwill disclosed in the consolidated financial statements.

Other information included in the Annual report of PJSC Magnit for 2025

Other information consists of the information included in the Annual Report of PJSC Magnit for 2025 other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Annual Report of PJSC Magnit for 2025 is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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Responsibilities of management and the Board of Directors for the consolidated financial statements

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

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units of the group as a basis for forming our opinion on the consolidated financial statements of the group. We are responsible for the direction, supervision and review of audit work performed for group audit purposes. We remain fully responsible for our audit opinion.

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

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

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

The partner in charge of the audit resulting in this independent auditor's report is Ananyev Ilya Yurievich.

Ananyev Ilya Yurievich,
acting on behalf of B1 – Audit Limited Liability Company
on the basis of power of attorney dated 19 January 2026,
partner in charge of the audit resulting in this independent auditor's report
(main registration number 21906101744)

30 April 2026

Details of the auditor

Name: B1 – Audit Limited Liability Company (before 14 January 2026 TSATR – Audit Services Limited Liability Company)
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: 75 Sadovnicheskaya Embankment, Moscow, 115035, Russia.
B1 – Audit Limited Liability Company is a member of Self-regulatory organization of auditors Association "Sodruzhestvo".
B1 – Audit Limited Liability Company is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

Details of the audited 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 consolidated financial statements

for the year ended 31 December 2025

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

Management is responsible for the preparation of these consolidated financial statements that present fairly the financial position of the Group as at 31 December 2025 and the results of its operations, cash flows and changes in net assets for the year 2025, in compliance with IFRS Accounting Standards.

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

- Selecting and applying accounting policies;
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Providing additional disclosures when compliance with the specific requirements of IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and results of financial and operational activities;
- Making an assessment of the Group's ability to continue as a going concern in the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls;
- Maintaining appropriate accounting records to ensure compliance of the consolidated financial statements of the Group with IFRS Accounting Standards, local legislation and local GAAP;
- Preventing and detecting material misstatements due to fraud or error.

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved by management on 30 April 2026.

On behalf of the management as authorised by the Board of Directors:

Chief Executive Officer of PJSC Magnit E.S. Sluchevsky

30 April 2026

PJSC Magnit and its subsidiaries

Consolidated statement of financial position

as at 31 December 2025

(In thousands of Russian rubles)

	Notes	31 December 2025	31 December 2024
Assets			
Non-current assets			
Property, plant and equipment	8	533,618,567	451,406,356
Advances paid for the purchase and construction of property, plant and equipment and intangible assets		5,238,579	3,871,654
Right-of-use assets	9	518,965,012	453,886,519
Intangible assets	10	36,935,963	22,864,806
Long-term net investments in sublease		170,255	318,590
Goodwill	11	109,405,952	96,914,384
Long-term receivables	14	197,341	328,030
Other long-term financial assets	12	2,614,756	776,817
Deferred tax assets	30	12,901,594	5,960,021
Other non-current assets	9	4,992,380	4,115,229
		1,225,040,399	**1,040,442,406**
Current assets			
Inventories	13	314,213,089	270,417,243
Trade and other receivables	14	22,918,163	21,000,746
Advances paid	15	121,327,051	63,749,049
Taxes receivable, excluding income tax		5,016,109	3,548,752
Short-term net investments in sublease		148,619	113,965
Other short-term financial assets	12	14,626,761	1,251,867
Advances on income tax		878,219	1,596,118
Cash and cash equivalents	16	244,500,123	159,470,281
Other current assets		2,261,804	2,323,388
Assets held for sale		494,633	–
		726,384,571	**523,471,409**
Total assets		**1,951,424,970**	**1,563,913,815**
Equity and liabilities			
Equity			
Share capital	17	1,020	1,020
Share premium	17	87,230,416	87,230,416
Treasury shares	17	(93,331,281)	(93,331,281)
Share-based payments reserve	25	–	309,177
Foreign currency translation reserve		426,328	58,984
Retained earnings		148,120,083	180,006,190
Total equity attributable to the shareholders of the parent		**142,446,566**	**174,274,506**
Non-controlling interests		7,354,734	7,039,112
Total equity		**149,801,300**	**181,313,618**
Non-current liabilities			
Long-term loans and borrowings	21	467,780,853	151,049,527
Long-term lease liabilities	9	536,245,324	474,268,088
Long-term government grants	22	2,168,770	2,468,514
Deferred tax liabilities	30	5,629,519	6,278,259
Other non-current liabilities	7	26,915,899	17,403,772
		1,038,740,365	**651,468,160**
Current liabilities			
Trade and other payables	19	376,005,016	373,983,010
Taxes payable, excluding income tax	20	32,939,244	22,598,227
Income tax payable		2,232,946	1,171,585
Dividends payable	18	2,922,354	2,924,074
Contract liabilities*	23	6,636,432	6,969,450
Short-term government grants	22	358,285	424,823
Short-term loans and borrowings	21	277,885,708	260,868,476
Short-term lease liabilities	9	63,903,320	62,192,392
		762,883,305	**731,132,037**
Total liabilities		**1,801,623,670**	**1,382,600,197**
Total equity and liabilities		**1,951,424,970**	**1,563,913,815**

* *In 2025, the Group decided to change the presentation of items in the consolidated statement of financial position by including short-term advances received in the line item "Contract liabilities".*

The accompanying notes on pages 13-69 are an integral part of these consolidated financial statements.

PJSC Magnit and its subsidiaries

Consolidated statement of profit and loss and other comprehensive income

for the year ended 31 December 2025

(In thousands of Russian rubles)

	Notes	2025	2024
Revenue	24	3,509,225,556	3,043,433,503
Cost of sales		(2,721,026,037)	(2,356,610,988)
Gross profit		**788,199,519**	**686,822,515**
Rental and sublease income		6,186,097	5,408,705
Selling, general and administrative expenses	25	(707,561,357)	(585,938,367)
Other income	28	49,983,488	39,539,354
Other expenses	29	(3,461,588)	(1,863,336)
Operating profit		**133,346,159**	**143,968,871**
Interest income	27	25,523,574	16,541,849
Finance costs	7, 26	(190,616,641)	(102,121,622)
Foreign exchange (loss)/gain		(2,937,928)	1,653,308
(Loss)/profit before income tax		**(34,684,836)**	**60,042,406**
Income tax income/(expense)	30	3,109,133	(15,708,562)
(Loss)/profit for the year		**(31,575,703)**	**44,333,844**
(Loss)/profit for the year			
Attributable to:			
Shareholders of the parent		(30,889,711)	44,103,333
Non-controlling interests		(685,992)	230,511
		(31,575,703)	**44,333,844**
(Loss)/earnings per share (in RUB per share)			
- Basic (loss)/profit for the year attributable to the shareholders of the parent	31	(455.28)	650.02
- Diluted (loss)/profit for the year attributable to the shareholders of the parent	31	(455.28)	649.23
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		367,344	(20,261)
Other comprehensive income, net of tax		**367,344**	**(20,261)**
Total comprehensive (loss)/income for the year, net of tax			
Attributable to:			
Shareholders of the parent		(30,522,367)	44,083,072
Non-controlling interests		(685,992)	230,511
		(31,208,359)	**44,313,583**

The accompanying notes on pages 13-69 are an integral part of these consolidated financial statements.

PJSC Magnit and its subsidiaries

Consolidated statement of cash flows

for the year ended 31 December 2025

(In thousands of Russian rubles)

	Notes	2025	2024
Cash flows from operating activities			
(Loss)/profit before income tax		**(34,684,836)**	**60,042,406**
Adjustments for:			
Depreciation and impairment of property, plant and equipment and right-of-use assets	8, 9, 25	159,403,832	141,119,083
Amortization and impairment of intangible assets	10, 25	6,889,276	5,847,466
Impairment of goodwill	11, 25	6,523,099	–
Loss from disposal of property, plant and equipment	29	1,152,989	299,431
Loss from disposal of intangible assets	10, 29	89,539	6,591
Income from the write-off of accounts payable	28	–	(59,012)
Changes in expected credit losses for receivables	14, 25	(275,224)	620,436
Changes in impairment of advances paid	15, 25	(529,063)	91,043
Changes in impairment of advances paid for the purchase and construction of property, plant and equipment and intangible assets	25	491,559	–
Changes in expected credit losses for other financial assets	12	(71,147)	(283,793)
Changes in inventories carried at net realizable value	13	(1,041,825)	2,523,094
Share-based payments reserve	25	61,679	2,018,348
Gain from cancellation of lease contracts	9, 28	(2,532,143)	(770,671)
Income from government grants	22	(259,424)	(276,527)
Foreign exchange loss/(gain)		2,937,928	(1,653,308)
Finance costs	26	190,616,641	102,121,622
Interest income	27	(25,523,574)	(16,541,849)
Cash flow used in operating activities before working capital changes		**303,249,306**	**295,104,360**
Increase in long-term receivables and short-term trade and other receivables		(727,648)	(6,770,530)
Increase in advances paid		(55,964,137)	(5,718,298)
Increase in taxes receivable		(1,346,788)	(2,338,340)
Increase in inventories		(33,994,238)	(32,753,203)
(Decrease)/increase in trade and other payables		(6,589,106)	58,689,493
Increase/(decrease) in taxes payable, excluding income tax		9,228,404	(9,631,854)
Decrease in contract liabilities*		(845,109)	(301,066)
Cash generated from operations		**213,010,684**	**296,280,562**
Income tax paid		(7,621,079)	(18,992,635)
Interest paid		(183,218,042)	(99,853,881)
Interest received		22,831,001	17,299,994
Net cash from operating activities		**45,002,564**	**194,734,040**
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets and initial direct costs associated with right-of-use assets**		(186,371,613)	(157,403,830)
Proceeds from sale of property, plant and equipment		2,037,242	967,432
Acquisition of a subsidiary, net of cash acquired	7	(30,485,126)	(8,443,736)
Acquisition of investments		(61,990)	–
Loans provided***		(61,441,391)	(6,730,336)
Loans repaid***		48,591,709	21,375,860
Proceeds from government grants	22	223,519	123,184
Net cash used in investing activities		**(227,507,650)**	**(150,111,426)**
Cash flows from financing activities			
Proceeds from loans and borrowings	33	701,335,089	129,848,994
Repayment of loans and borrowings	33	(373,619,914)	(121,557,271)
Dividends paid	18	(670,642)	(53,009,992)
Acquisition of treasury shares	17	–	(56,535)
Repayment of lease liabilities	9	(57,006,149)	(63,048,250)
Net cash from / (used in) financing activities		**270,038,384**	**(107,823,054)**
Effect of foreign exchange differences on cash and cash equivalents		(2,503,456)	1,384,828
Net increase/(decrease) in cash and cash equivalents		**85,029,842**	**(61,815,612)**
Cash and cash equivalents at the beginning of the year	16	159,470,281	221,285,893
Cash and cash equivalents at the end of the year	16	**244,500,123**	**159,470,281**

* *The presentation of information on changes in advances received and contract liabilities has been revised – these items are now combined into a single line item.*

** *The presentation of information on cash flows directed for the purchase of property, plant and equipment, intangible assets, and initial direct costs associated with right-of-use assets has been revised – these items are now combined into a single line item.*

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

The accompanying notes on pages 13-69 are an integral part of these consolidated financial statements.

PJSC Magnit and its subsidiaries

Consolidated statement of changes in equity

for the year ended 31 December 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		**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 year		–	–	–	–	–	44,103,333	**44,103,333**	230,511	**44,333,844**
Other comprehensive income, net of tax		–	–	–	–	(20,261)	–	**(20,261)**	–	**(20,261)**
Total comprehensive income for the year, net of taxes		**–**	**–**	**–**	**–**	**(20,261)**	**44,103,333**	**44,083,072**	**230,511**	**44,313,583**
Dividends declared	18	–	–	–	–	–	(27,962,294)	**(27,962,294)**	–	**(27,962,294)**
Acquisition of treasury shares	17	–	–	(56,535)	–	–	–	**(56,535)**	–	**(56,535)**
Share-based payment expenses	25	–	–	–	2,018,348	–	–	**2,018,348**	–	**2,018,348**
Cash payments	25	–	–	–	(1,222,774)	–	(640,172)	**(1,862,946)**	–	**(1,862,946)**
Reclassification of cash-settled share-based payment obligations		–	–	–	(1,755,741)	–	–	**(1,755,741)**	–	**(1,755,741)**
Acquisition of a business	7	–	–	–	–	–	–	**–**	10,238,025	**10,238,025**
Disposal of non-controlling interest	7	–	–	–	–	–	1,343,270	**1,343,270**	(3,429,424)	**(2,086,154)**
Balance at 31 December 2024		**1,020**	**87,230,416**	**(93,331,281)**	**309,177**	**58,984**	**180,006,190**	**174,274,506**	**7,039,112**	**181,313,618**
Balance at 1 January 2025		**1,020**	**87,230,416**	**(93,331,281)**	**309,177**	**58,984**	**180,006,190**	**174,274,506**	**7,039,112**	**181,313,618**
Loss for the year		–	–	–	–	–	(30,889,711)	**(30,889,711)**	(685,992)	**(31,575,703)**
Other comprehensive income, net of tax		–	–	–	–	367,344	–	**367,344**	–	**367,344**
Total comprehensive loss for the year, net of taxes		**–**	**–**	**–**	**–**	**367,344**	**(30,889,711)**	**(30,522,367)**	**(685,992)**	**(31,208,359)**
Dividends declared	18	–	–	–	–	–	–	**–**	(669,900)	**(669,900)**
Share-based payment expenses	25	–	–	–	61,679	–	–	**61,679**	–	**61,679**
Cash payments	25	–	–	–	(370,856)	–	61,513	**(309,343)**	–	**(309,343)**
Acquisition of a business	7	–	–	–	–	–	–	**–**	2,276,502	**2,276,502**
Disposal of non-controlling interest	7	–	–	–	–	–	(1,057,909)	**(1,057,909)**	(604,988)	**(1,662,897)**
Balance at 31 December 2025		**1,020**	**87,230,416**	**(93,331,281)**	**–**	**426,328**	**148,120,083**	**142,446,566**	**7,354,734**	**149,801,300**

(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, CJSC 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 OJSC 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 31 December 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	Growing of other bearer plants	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%
LLC Gastronom Media	Marketing services	Russian Federation	100%	100%

1. Corporate information (continued)

Company	Principal activity	Residency	Ownership interest as at 31 December 2025	Ownership interest as at 31 December 2024
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	86.19%	–

* *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 7.*

*** *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 7).*

**** *In 2025, in accordance with IFRS 10 Consolidated Financial Statements, the Group purchased 86.19% of the share capital of LLC Gorodskoy supermarket (the effective shareholding was 87.06%), which is the parent company of LLC Azbuka vkusa, CJSC AV-INVEST, LLC AV-Infotekh, LLC Firma Daim and other companies. Further details regarding the business combination are disclosed in Note 7.*

The consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for release by the Management of PJSC Magnit on 30 April 2026.

2. Basis of preparation of the financial statements

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

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.

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 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 consolidated financial statements is the Russian rubles (RUB). All amounts in the consolidated financial statements are rounded to the nearest thousands, except where otherwise indicated.

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

Basis of accounting (continued)

The 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.

Going concern

In assessing whether the going concern assumption is appropriate for the Group, management considered cash flow projections for 2026, taking into account Russia's current economic environment, the financial situation of the Group, undrawn loan facilities available to it, as well as planned expenditure on opening new stores and maintaining existing ones.

Management considers that operating cash flows and the available sources of credit are sufficient to meet the Group's liabilities during the next year. Thus, these consolidated financial statements have been prepared on a going concern basis.

3. Summary of significant accounting policies

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and other entities controlled by the Company (its subsidiaries). Control is achieved when the Group is entitled to, or is exposed to a variable return on the investment or is exposed to the risk of its change and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure to risk, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

3. Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Profit or loss and each item of other comprehensive income are attributed to the shareholders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The financial statements of subsidiaries are prepared for the same reporting period as those of the parent company. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognizes the respective assets (including goodwill), liabilities, non-controlling interests, and other components of equity, and recognizes any resultant gain or loss in profit or loss. Any investment retained is recognized at fair value.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed and included in administrative expenses as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes an analysis of the need to separate the embedded derivatives in host contracts held by the acquiree.

If the business combination is achieved in stages the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognized in the statement of profit and loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date.
If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the difference is recognized in profit or loss.

3. Summary of significant accounting policies (continued)

Business combinations (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of assets of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Current versus non-current classification of assets and liabilities

The Group presents assets and liabilities in statement of financial position based on current/ non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Fair value measurement

Fair values of financial instruments measured at amortised cost are disclosed in Note 33.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

3. Summary of significant accounting policies (continued)

Fair value measurement (continued)

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue from contracts with customers

The Group is engaged in both retail and wholesale activities, goods are sold through a network of own stores and distribution centers, as well as through its own marketplace LLC Magnit Market. Revenue is recognized when control of the goods passes to the customer, i.e., sales to retail customers are recognized at the point of sale in stores and to wholesale customers – at the point of sale in distribution centres or stores, revenue from sales through its own marketplace – when the goods are transferred to the customer at the point of delivery or when the goods are delivered to the customer's address at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Revenue is reduced by the expected amount of returns to which customers are entitled under Russian law within 14 days of the purchase except for certain categories of goods.

The Group uses historical data on the term and frequency of returns from customers to estimate and recognize provisions for such returns at the time of sale. Because the level of returns has been steady for several years, it is highly probable that no significant changes in cumulative revenue recognized will occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

3. Summary of significant accounting policies (continued)

Customer loyalty program

For the purpose of promoting sales and building customer loyalty, the Group establishes promotion programs to allow customers accumulate loyalty points and exchange them for a discount on goods of the main assortment or for goods specially purchased for promotions.

The loyalty program gives rise to a separate performance obligation because it provides a material right to the customer. The Group allocates a portion of the transaction price to the loyalty points awarded to the customer based on their relative stand-alone selling price and recognizes that portion as a contract liability until the points are redeemed by the customer. Revenue is recognized when the customer redeems their loyalty points against goods. The relative stand-alone selling price of the loyalty points is estimated based on the probability that the customer will redeem their points. The Group updates its estimate of the number of loyalty points that will be redeemed regularly, and the adjusted balance of contract liabilities is charged against revenue.

Expenses related to loyalty programs in respect for goods purchased specially for the purpose of promotion and not sold in the retail chain, are recognized in selling expenses and classified as advertising expenses.

Revenue from advertising services and packaging materials

Revenue from advertising services is recognized in the reporting period, when the services were provided, because the customer simultaneously receives and consumes the benefits provided to them by the Group. Revenue from packaging materials is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group classifies such types of revenue within other income.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing major parts of the equipment and borrowing costs for long-term construction projects given the recognition criteria are met. When significant parts of equipment are required to be replaced at certain intervals, the Group depreciates them separately based on their specific useful lives.

Historical cost information was not available in relation to buildings purchased prior to transition to IFRS (1 January 2004). Therefore, management used valuations performed by independent professional appraisers to establish the fair value as at the date of transition to IFRS and used that value as the deemed cost at that date.

Cost of property, plant and equipment includes major expenditure for improvements which extend the useful lives of the assets or increase their revenue-generating capacity. Current repairs and maintenance are charged to the consolidated statement of profit and loss and other comprehensive income as incurred.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method. The depreciation method applied to an asset is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern on a perspective basis as a change in an accounting estimate.

3. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

The estimated useful economic lives of the related assets are as follows:

	Useful life in years
Buildings	10-50
Machinery and equipment	>1-14
Vehicles	>1-10

Construction in progress comprises costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overheads that are incurred in construction. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Construction in progress is reviewed regularly to determine whether its carrying value is recoverable and whether appropriate provision is made.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of profit and loss and other comprehensive income.

Government grants

A government grant is recognized when there is reasonable assurance that the entity will comply with the conditions attached to it, and that the grant will be received.

Government grants provided to finance specific expenses are recognized as profit on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate. Grants provided to finance an asset are recognized as profit on a straight-line basis over the expected useful life of that asset.

The benefit of a government loan at a below-market interest rate is treated as a government grant. The loan is recognized at fair value. The benefit of a below-market interest rate is measured as the difference between the fair value of the loan and cash received.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalized software development costs, as well as websites and electronic applications that meet the criteria for recognition, are not capitalized, and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

3. Summary of significant accounting policies (continued)

Intangible assets (continued)

The following useful lives are used in the calculation of amortization:

Description	Useful life in years
Licenses	>1-25
Software	>1-25
Trademarks	>1-17
Other	>1-7

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives and intangible assets under development and integration are not amortised, but are tested for impairment annually, either individually or at the cash-generating units level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss and other comprehensive income.

Leases

Group as a lessee

The Group's leases mainly include lease agreements for land and retail store premises.

The Group has applied a uniform recognition and measurement approach for all leases where it is a lessee, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities in relation to its obligation to make lease payments and right-of-use assets representing the right to use the underlying assets.

Below is a summary of the Group's accounting policies for lease:

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

3. Summary of significant accounting policies (continued)

Leases (continued)

The Group uses the following useful lives:

- Buildings from 1 to 34 years;
- Land from 1 to 68 years.

Depreciation of right-of-use assets is charged to profit or loss, except for depreciation of right-to-use assets capitalized to the carrying value of assets under construction during the construction and capital repair period necessary to bring the property into a condition suitable for use in accordance with the objectives of the Group. Right-of-use assets are tested for impairment.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accrual of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption and exemption for lease of low-value assets to its leases contracts (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option or leases agreement of low-value assets). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Income from lease of the assets over which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue from lease or sublease in the consolidated statement of profit and loss and other comprehensive income.

The Group classifies a sublease contract as a finance lease if the lease term constitutes a major part of the useful life of the underlying asset or at the inception date, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the underlying asset even if title is not transferred upon expiry of the lease.

3. Summary of significant accounting policies (continued)

Leases (continued)

Finance leases under sublease contracts are capitalized at the commencement date of the lease at the fair value of future minimum lease payments as receivables within “Net investments in sublease” in the Group’s consolidated statement of financial position.

Lease payments are apportioned between interest (recognized as finance income) and a reduction in sublease receivables. At the same time, the Group recognizes a partial disposal of right-of-use assets related to leased premises at the proportionate share of subleased premises in total leased trade space.

Impairment of non-current assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of profit and loss and other comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profit and loss and other comprehensive income.

The following asset has specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises the direct cost of goods, transportation, handling costs and is decreased by the amount of rebates and promotional bonuses received from suppliers, related to these goods.

3. Summary of significant accounting policies (continued)

Inventories (continued)

Cost of goods for resale is calculated using the weighted average method, cost of materials and supplies is calculated using cost per unit method, cost of fuel and lubricants calculated using the average cost method. Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Vendor allowances

The Group receives various types of allowances from vendors in the form of volume discounts (rebates) and other forms of payments that effectively reduce the cost of goods purchased from the vendor. Volume-related rebates received from suppliers are recorded as a reduction in the price paid for the products and reduce cost of goods sold in the period the products are sold.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Income taxes are computed in accordance with the tax laws in force in the jurisdiction of operations.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit and loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other reporting periods and it further excludes items that are never taxable or deductible. Current income tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. Summary of significant accounting policies (continued)

Income taxes (continued)

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred taxes are recognized as an expense or income in the consolidated statement of profit and loss and other comprehensive income, except when they relate to items credited or debited outside profit or loss, either in other comprehensive income or directly in equity, in which case the tax is also either in other comprehensive income or directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Retirement benefit costs

The operating entities of the Group contribute to the social fund of Russia and medical insurance fund on behalf of all its current employees. Any related expenses are recognized in the profit and loss as incurred. At the reporting date the Group did not have any pension plans accounted for in accordance with IAS 19 *Employee Benefits*.

3. Summary of significant accounting policies (continued)

Segment reporting

The Group's business operations are located in the Russian Federation and in the Republic of Uzbekistan and relate primarily to retail sales of consumer goods. Although the Group operates through different types of stores and in various states within the Russian Federation and the Republic of Uzbekistan, the Group's chief operating decision maker reviews the Group's operations and allocates resources on an individual store-by-store basis. The Group has assessed the economic characteristics of the individual stores, including both convenience stores, cosmetic stores, supermarkets and others, and determined that the stores have similar products, similar types of customers and similar methods of distributing such products. Therefore, the Group considers that it only has one reportable segment under IFRS 8 *Operating Segments*. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Seasonality

The Group's business operations are not influenced by seasonality factors, except for the increase of business activities before the New Year holidays.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset, other borrowing costs are recognized in the consolidated statement of profit and loss and other comprehensive income in the period in which they are incurred.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

To the extent that the Group borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the entity determines the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the reporting period, other than borrowings made specifically for the purpose of obtaining a qualifying asset (until the qualifying asset is put into operation).

Contract balances with customers

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group transfers goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade and other receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

3. Summary of significant accounting policies (continued)

Contract balances with customers (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Financial assets

Initial measurement

At initial recognition, the Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVPL).

With the exception of receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

The Group only measures loans given and receivables at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The details of these conditions are outlined below.

Business model assessment

At the first stage the Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- The expected frequency, value and timing of sales are also important aspects in assessing the Group's business model.

3. Summary of significant accounting policies (continued)

Financial assets (continued)

The business model assessment is based on reasonably expected scenarios without taking "worst case" or "stress case" scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The solely payment of principal and interest test (SPPI test)

As a second step of its classification process the Group assesses the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

Cash and cash equivalents

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For all financial instruments measured at amortised cost and debt financial assets, interest income is recorded using the effective interest rate method.

Interest accrued but not received on deposits is recorded within other short-term financial assets.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an original effective interest rate or approximate value. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For financial exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

For trade and other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

3. Summary of significant accounting policies (continued)

Financial assets (continued)

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group's cash and cash equivalents have been assigned low credit risk based on the external credit ratings of major banks and financial institutions.

Derecognition of financial assets and liabilities

A financial asset is removed from the consolidated statement of financial position when:

- Contractual rights to cash flows from this financial asset expire; or
- The Group transfers the financial asset (substantially all the risks and rewards of ownership of the financial asset): or (a) transfers contractual rights to receive cash flows from the financial asset; or (b) reserves contractual rights to receive cash flows from the financial asset while assuming contractual obligations to repay these cash flows to one or several beneficiaries under the contract.

When the Group transfers a financial asset, it evaluates the extent to which it retains the risks and rewards of ownership of the financial asset. When substantially all the risks and rewards are transferred, the Group derecognizes the financial asset. When the Group has not transferred all the risks and rewards and retained control over such financial asset, the financial asset continues to be recognized to the extent of the Group's continuing involvement in such asset.

Treasury shares

If the Group reacquires its own equity instruments, those instruments (treasury shares) are recognized as a deduction to equity at cost, being the consideration paid to reacquire the shares. No gain or loss is recognized in profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments. On disposal the cost of treasury shares is written off using weighted average method. Treasury shares may be purchased and held by the Company or other subsidiaries of the Group. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium.

Share premium

Share premium represents the difference between the fair value of consideration received and nominal value of the issued shares. Share premium also includes a difference between the carrying amount of treasury shares and fair value of consideration transferred in business combination.

Loss/earnings per share

Loss/earnings per share have been determined using the weighted average number of the Group's shares outstanding during the 12 months.

Diluted loss/earnings per share have been determined using the weighted average number of the Group's shares outstanding during the 12 months increased by the expected number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3. Summary of significant accounting policies (continued)

Financial assets (continued)

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities of the Group, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. The right to offset should not be caused by a future event and should be legally enforceable in all the following cases:

- Operating activity;
- Default; and
- Insolvency or bankruptcy of the organization or any of counterparties.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

Sale of securities with repurchase and purchase securities under reverse repurchase

Securities sold under sale and repurchase (“repo”) agreements and securities purchased under reverse repurchase (“reverse repo”) agreements do not, in most cases, in practice involve the sale of securities for accounting purposes and are accounted for as secured financing. Interest paid on repo agreements or received on reverse repo agreements is recognized as finance costs or interest income, as appropriate, using the effective interest method.

4. Summary of changes in accounting policies and disclosures

4.1 New and amended standards and interpretations

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective from 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

In 2025, the Group first applied the amendments listed below.

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.

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 consolidated financial statements, as the Group does not operate in the context where there is a lack of exchangeability.

4. Summary of changes in accounting policies and disclosures (continued)

4.2 Standards issued but not yet effective

The new and amended standards and interpretations that were issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standards not effective for the annual reporting period ended 31 December 2025	**Effective for annual reporting periods beginning on or after**
► Amendments to IFRS 9 and IFRS 7 – *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
► Amendments to IFRS 9 and IFRS 7 – *Contracts Referencing Nature-dependent Electricity*	1 January 2026
► *Annual Improvements to IFRS Accounting Standards – Volume 11*:	1 January 2026
► *Cost Method* (Amendments to IAS 7)	
► *Derecognition of Lease Liabilities* (Amendments to IFRS 9)	
► *Determination of a 'de facto agent'* (Amendments to IFRS 10)	
► *Disclosure of Deferred Difference Between Fair Value and Transaction Price* (Amendments to *Guidance on implementing IFRS 7*)	
► *Gain or Loss on Derecognition* (Amendments to IFRS 7)	
► *Hedge Accounting by a First-time Adopter* (Amendments to IFRS 1)	
► *Introduction* (Amendments to *Guidance on Implementing IFRS 7*)	
► *Credit Risk Disclosures* (Amendments to *Guidance on Implementing IFRS 7*)	
► *Transaction Price* (Amendments to IFRS 9)	
► IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
► IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

These amendments and new standards are not expected to have a material impact on the Group, except for IFRS 18 for which the Group is currently in the process of analyzing its impact on the financial reporting.

In April 2024, the IASB issued a new standard, IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements, the most important of which are:

1. On the classification of income and expenses in the statement of profit or loss into three defined categories corresponding to operating, investing and financing activities. It also requires all entities to provide new defined subtotals, such as:
   - Operating profit or loss, and
   - Profit or loss before financing and income taxes
2. On the disclosure of information on management-defined performance measures in the financial statements, including reconciliation of those measures to the closest total or subtotal presented in the statement of profit or loss
3. On the presentation of aggregated and disaggregated information in the primary financial statements and in the notes

IFRS 18 has also introduced limited changes to the statement of cash flows and certain other changes.

Entities shall apply IFRS 18 for reporting periods beginning on or after 1 January 2027.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of preparing the Group's financial statements and applying the Group's accounting policies, management has made various judgments. Information on the judgments, which in management's opinion, have had the most significant effect on the financial statements is disclosed in the related notes to the financial statements.

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).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of inventories

Management reviews inventories 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 if obsolete or during physical inventories 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.

5. Significant accounting judgments, estimates and assumptions (continued)

Estimates and assumptions (continued)

Management necessarily applies judgment in allocating assets that do not generate independent cash flows to appropriate cash-generating units (hereinafter “CGUs”) 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.

The Group’s leasehold improvements in convenience stores and other stores used under leases are depreciated using the straight-line method over their estimated useful life including, in certain 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 lives of property, plant and equipment. 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.

Taxation

The Group is subject to income tax and other taxes. Significant judgment is required in determining the liability for income tax and other taxes due to the complexity of the Russian tax legislation. There are many transactions and calculations for which the ultimate tax position 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.

Expected credit losses (hereinafter “ECLs”) for trade and other receivables and contract assets

The Group uses a provision matrix to calculate ECLs for long-term, trade and other receivables and contract assets.

5. Significant accounting judgments, estimates and assumptions (continued)

Estimates and assumptions (continued)

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 analysed.

Assessment of the correlation between historical observable default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's credit loss experience and forecast economic conditions are not necessarily indicative of the customer's actual default in the future.

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.

6. 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 significant influence over the Group. Marathon Group companies are included in other related parties of the Group.

As at 31 December 2025 and 31 December 2024, less than 50% of the Group's shares are in free float. Transactions with related parties can be carried out on terms different to transactions with third parties.

Related parties' balances as at 31 December 2025 and 31 December 2024 are presented as follows:

	Shareholders		Other related parties	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Other long-term financial assets (Note 12)	–	–	–	773,538
Long-term lease liabilities	–	–	348,776	368,769
Short-term financial assets (Note 12)	–	–	1,173,538	262,607
Short-term lease liabilities	–	–	20,611	29,510

6. Balances and transactions with related parties (continued)

The Group's transactions with related parties for the years ended at 31 December 2025 and 31 December 2024 are presented as follows:

	Shareholders		Other related parties	
	2025	2024	2025	2024
Interest income (Notes 12, 27)	–	–	137,393	121,054
Interest expenses on leases	–	–	48,145	47,380

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

Short-term remuneration of the key management and members of the Board of Directors of the Group for 2025 amounted to RUB 1,000,971 thousand (2024: RUB 2,142,956 thousand). Payments to the Group's management include remuneration under an 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 for 2025, information on these accruals is disclosed in the Note 25.

7. 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 being tax resident of the Russian Federation, 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 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 will allow to 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.

7. Business combination (continued)

Acquisition of LLC Gorodskoy supermarket (continued)

Assets acquired and liabilities assumed

The assets and liabilities of the Azbuka vkusa Group recognized in the consolidated financial statements for the year ended 31 December 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 consolidated financial statements for the year ended 31 December 2025 was approved by the management of the Group.

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 8)	12,551,632
Advances paid for the purchase and construction of property, plant and equipment	170,469
Right-of-use assets (Note 9)	24,239,333
Intangible assets (Note 10)	9,411,995
Other non-current assets	57,866
Long-term net investments in sublease	91,586
Inventories	8,993,585
Trade and other receivables	608,593
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
	58,350,213
Liabilities	
Long-term loans and borrowings (Note 33)	2,215,946
Long-term lease liabilities (Note 9)	20,552,069
Deferred tax liabilities (Note 30)	3,886,943
Trade and other payables	9,287,495
Taxes payable, excluding income tax	1,997,041
Income tax payable	244,601
Contract liabilities	468,620
Short-term loans and borrowings (Note 33)	3,612,908
Short-term lease liabilities (Note 9)	3,167,260
	45,432,883
Total identifiable net assets measured at fair value	**12,917,330**
Non-controlling interest measured at the proportionate share in the identifiable net assets	(2,276,502)
Goodwill arising on acquisition (Note 11)	19,014,667
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 2,276,502 thousand.

7. Business combination (continued)

Acquisition of LLC Gorodskoy supermarket (continued)

The fair value of trade and other receivables is RUB 608,593 thousand. Fair values of trade and other receivables under the contract equal 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.

Consideration on acquisition was amounted to RUB 29,655,495 thousand. As of the reporting date, the total amount of consideration had been fully paid to the sellers in cash.

The goodwill amounting to RUB 19,014,667 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 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 year ended 31 December 2025 amounted to RUB 65,962,025 thousand, loss included in loss before tax – RUB 2,129,890 thousand.

If the business combination had taken place at the beginning of the year, the Group's revenue for the year ended 31 December 2025 would have been amounted to RUB 3,549,584,385 thousand. The effect of this factor on the Group's loss 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 acquisitions

Transaction support costs (included in cash flows from operating activities)	(59,454)
Net cash acquired in business combination (included in cash flows from investing activities)	833,265
Consideration transferred on acquisition	(29,655,495)
Net cash flows on acquisition	**(28,881,684)**

The fair value of the consideration transferred under the acquisition is RUB 29,655,495 thousand.

In July 2025, 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%). The amount of disposal of non-controlling interest is RUB 604,988 thousand.

7. Business combination (continued)

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.

Assets acquired and liabilities assumed

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 8)	4,330,786
Advances paid for the purchase and construction of property, plant and equipment	761,833
Right-of-use assets (Note 9)	18,071,423
Intangible assets (Note 10)	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 9)	15,366,342
Deferred tax liabilities (Note 30)	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 (Note 33)	813,074
Short-term lease liabilities (Note 9)	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 11)	23,361,975
Consideration at fair value	**(23,361,975)**

7. Business combination (continued)

Acquisition of LLC DV Nevada (continued)

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 2024 amounted to RUB 100,501,597 thousand and to profit before tax – RUB 950,111 thousand. The entire amount was recognized as the Group's profit for the period attributable to non-controlling interests.

If the business combination had taken place at the beginning of the 2024, the Group's revenue would have been amounted to RUB 3,045,589,664 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 acquisitions

Net cash acquired in a business combination (included in cash flows from investing activities) amounted to RUB 799,064 thousand for the year ended 31 December 2024.

Transaction support costs of RUB 36,337 thousand were included in selling, general and administrative expenses for the year ended 31 December 2024.

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).

7. Business combination (continued)

Acquisition of LLC DV Nevada (continued)

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.

As of the end of the year ended 31 December 2024, interest was accrued on the present value of the liability related to the option-put in the amount of RUB 1,198,445 thousand. As of 31 December 2024 the liability amounted to RUB 17,403,772 thousand.

As of the end of the reporting year, interest was accrued on the present value of the liability related to the option-put in the amount of RUB 3,229,270 thousand, expenses recognized in connection with the revaluation of other long-term liability in the amount of RUB 4,008,634 thousand (Note 26). As of 31 December 2025 the liability amounted to RUB 24,641,676 thousand (Note 33).

Financial information of the subsidiaries with significant non-controlling interests

Financial information of the subsidiaries with significant non-controlling interests is presented below.

Proportional share of equity attributable to non-controlling interests as of 31 December 2025 and 31 December 2024:

Subsidiary	Residency	2025	2024
LLC DV Nevada	Russian Federation	66.99%	66.99%
LLC Gorodskoy supermarket	Russian Federation	12.94%	–

Below is summarized financial information of the subsidiaries LLC DV Nevada and LLC Gorodskoy supermarket, in which non-controlling interests exist as of 31 December 2025.

Summarized statement of financial position as at 31 December 2025:

	LLC DV Nevada	LLC Gorodskoy supermarket
Non-current assets	29,213,295	43,438,241
Current assets	15,573,355	13,938,489
Total assets	**44,786,650**	**57,376,730**
Long-term liabilities	17,969,750	24,974,268
Short-term liabilities	17,940,376	21,518,761
Total liabilities	**35,910,126**	**46,493,029**
Equity	**8,876,524**	**10,883,701**
attributable to:		
- the shareholders of the parent company	2,930,141	9,475,350
- non-controlling interests	5,946,383	1,408,351

7. Business combination (continued)

Financial information of the subsidiaries with significant non-controlling interests (continued)

Summarized statement of profit and loss and other comprehensive income for 2025:

	LLC DV Nevada	LLC Gorodskoy supermarket
Revenue	**116,403,203**	**65,962,025**
Net loss for the year	**(631,182)**	**(2,033,696)**
Total comprehensive loss	**(631,182)**	**(2,033,696)**
including those attributable to non-controlling interests	(422,830)	(263,162)

Summarized cash flows for 2025:

	LLC DV Nevada	LLC Gorodskoy supermarket
Operating activities	4,855,113	4,324,859
Investment activity	(3,015,864)	(436,752)
Financial activities	(3,796,285)	(2,512,251)

The summarized financial information of the subsidiary LLC DV Nevada, in which there is a non-controlling interest as at 31 December 2024 is presented below.

Summarized statement of financial position as at 31 December 2024:

	LLC DV Nevada
Non-current assets	28,328,337
Current assets	16,828,225
Total assets	**45,156,562**
Long-term liabilities	17,628,398
Short-term liabilities	17,020,459
Total liabilities	**34,648,857**
Equity	**10,507,705**
attributable to:	
- the shareholders of the parent company	3,468,593
- non-controlling interests	7,039,112

Summarized statement of profit and loss and other comprehensive income for 2024:

	LLC DV Nevada
Revenue	**100,501,597**
Net profit for the year	**269,680**
Total comprehensive income	**269,680**
including those attributable to non-controlling interests	230,511

Summarized cash flows for 2024:

	LLC DV Nevada
Operating activities	7,610,249
Investment activity	(1,985,275)
Financial activities	(2,111,929)

8. Property, plant and equipment

Property, plant and equipment as at 31 December 2025 consisted of the following:

	Land	Buildings	Machinery and equipment	Vehicles	Assets under construction	Other property, plant and equipment	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 7)	121,159	6,739,043	5,558,846	85,330	47,254	–	**12,551,632**
Additions	853,434	–	70,078,750	34,972,822	50,241,557	1,140,000	**157,286,563**
Transfers	–	47,485,137	4,428,981	25,687,311	(77,601,429)	–	**–**
Disposals	(332,652)	(22,614,957)	(20,966,065)	(4,532,167)	(511,160)	–	**(48,957,001)**
Foreign currency translation reserve	–	(47,102)	(72,220)	–	(14,992)	–	**(134,314)**
Reclassification into assets held for sale	(102,857)	(457,823)	–	–	–	–	**(560,680)**
At 31 December 2025	**16,946,974**	**459,929,637**	**324,999,004**	**118,694,398**	**10,718,982**	**1,140,000**	**932,428,995**
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 year	–	(32,299,821)	(39,542,054)	(10,283,305)	–	–	**(82,125,180)**
Impairment for the year	(16,829)	(5,766,620)	(1,004,173)	–	(93,472)	–	**(6,881,094)**
Reversal of impairment losses	74,070	5,014,961	48,205	–	–	–	**5,137,236**
Disposals	1,670	22,259,062	19,361,228	4,174,101	214	–	**45,796,275**
Foreign currency translation reserve	–	12,389	20,339	–	–	–	**32,728**
Reclassification into assets held for sale	–	66,046	–	–	–	–	**66,046**
At 31 December 2025	**(309,029)**	**(173,127,612)**	**(188,367,083)**	**(36,089,995)**	**(916,709)**	**–**	**(398,810,428)**
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 31 December 2025	**16,637,945**	**286,802,025**	**136,631,921**	**82,604,403**	**9,802,273**	**1,140,000**	**533,618,567**

Property, plant and equipment as at 31 December 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 7)	–	460,626	3,637,962	13,239	218,959	**4,330,786**
Additions	1,005,202	–	60,195,357	21,190,340	68,192,474	**150,583,373**
Transfers	–	37,622,386	–	–	(37,622,386)	**–**
Disposals	(124,243)	(16,834,550)	(9,738,422)	(3,713,535)	(62,856)	**(30,473,606)**
Foreign currency translation reserve	–	21,716	31,815	–	5,611	**59,142**
At 31 December 2024	**16,407,890**	**428,825,339**	**265,970,712**	**62,481,102**	**38,557,752**	**812,242,795**
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 year	–	(28,131,805)	(29,991,821)	(6,161,660)	–	**(64,285,286)**
Impairment for the year	(306,750)	(6,996,059)	(323,677)	–	(15,860)	**(7,642,346)**
Reversal of impairment losses	3,691	2,535,689	98,638	–	95,986	**2,734,004**
Disposals	31,255	16,414,232	8,940,377	3,656,958	20,340	**29,063,162**
Foreign currency translation reserve	–	(4,910)	(7,949)	–	–	**(12,859)**
At 31 December 2024	**(367,940)**	**(162,413,629)**	**(167,250,628)**	**(29,980,791)**	**(823,451)**	**(360,836,439)**
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 31 December 2024	**16,039,950**	**266,411,710**	**98,720,084**	**32,500,311**	**37,734,301**	**451,406,356**

The rate used to determine the amount of borrowing costs to be capitalized was approximately equal to the weighted average effective interest rate on the Group’s borrowings for the period.

8. Property, plant and equipment (continued)

Impairment of non-current assets, except for goodwill

Based on observed external evidence of impairment of non-current assets, except for goodwill, as at 31 December 2025, the Group made a conclusion on the unfavourable market and economic conditions in the market where the Group operated.

The Group has performed an impairment test of non-current assets, including property, plant and equipment, right-of-use assets and intangible assets to assess whether there is any indication of possible impairment.

Impairment losses recognized on intangible assets are disclosed in Note 10.

As a result of the impairment test for property, plant and equipment and right-of-use assets, the Group recognized impairment loss in the consolidated statement of profit or loss and other comprehensive income in respect of the tested assets for 2025 in the amount of RUB 6,881,094 thousand (2024: RUB 7,642,346 thousand), the entire amount of the loss relates to the property, plant and equipment of the Group. The amount of reversal of impairment losses of property, plant and equipment for 2025 amounted to RUB 5,137,236 thousand (2024: RUB 2,734,004 thousand), there was no reversal of impairment losses in respect of right-of-use assets for 2025 and 2024.

Group approach for impairment testing

The evaluation was performed at the lowest level of aggregation of assets that is able to generate independent cash inflows (CGU), which is generally at the individual store level.

In determining units that generate substantially independent cash inflows management of the Group considered a number of factors, including how it controls performance of CGUs, how it makes decisions about liquidation of assets or continuance of CGUs operations.

The Group compared recoverable amount of an individual CGU with its carrying amount for the purpose of impairment test. The recoverable amount is measured as the higher of its fair value less costs of disposal and its value in use. From practical point of view, the Group does not disclose impairment by individual CGU due to significant volume of information.

Main assumptions

Future cash flows are based on the current budgets and forecasts for 5 years period approved by the management along with terminal value of forecasted free cash flows that are expected to be generated beyond the forecast period.

One of the main assumptions applied in the model of the expected cash flows is increase of revenue, mainly driven by increase of the consumer price index (hereinafter “CPI”), average value of which amounts to 4.4% (2024: 4.7%).

Cash flow forecasts for capital expenditure are based on the past experience and include ongoing capital expenditure required to maintain the level of economic benefits from CGU in its current position.

Pre-tax discount rate applied to forecasted cash flows represents the Group’s weighted average cost of capital which is then adjusted to reflect the risks specific to the respective assets and is equal to 24.05% (2024: 22.42%).

8. Property, plant and equipment (continued)

Main assumptions (continued)

The Group's management believes that all of its estimates are reasonable and consistent with the way the Group manages its assets and operations and reflect management's best knowledge.

Estimation of the impact of changes in the discount rate and revenue growth rate

The result of applying discounted cash flow model reflects expectations about possible variations in the amount and timing of future cash flows. If the revised estimated discount rate consistently applied to the discounted cash flows had been 0.5% higher than management's estimates, the impairment of non-current assets would increase by RUB 395,339 thousand. If the revised estimated discount rate consistently applied to the discounted cash flows had been 0.5% lower than management's estimates, the impairment of non-current assets would decrease by RUB 397,986 thousand. If the revenue rate of growth had been 0.5% lower than management's estimates, the impairment of non-current assets would increase by RUB 509,880 thousand.

9. Lease

Group as a lessee

Right-of-use assets and lease liabilities

As at 31 December 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 7)	24,239,333	–	–	**24,239,333**
Additions	67,642,528	16,844,024	1,684	**84,488,236**
Modification	36,193,034	(140,861)	5,303	**36,057,476**
Indexation*	5,521,590	34,873	214	**5,556,677**
Derecognition	(22,371,686)	(107,650)	(88,514)	**(22,567,850)**
Foreign currency translation reserve	(294,402)	–	–	**(294,402)**
As at 31 December 2025	**1,010,603,966**	**21,745,251**	**633,842**	**1,032,983,059**
Accumulated depreciation and impairment				
As at 1 January 2025	**(450,203,009)**	**(1,278,469)**	**(135,592)**	**(451,617,070)**
Depreciation for the year	(76,111,256)	(140,551)	(103,952)	**(76,355,759)**
Derecognition	13,844,889	44,866	19,518	**13,909,273**
Foreign currency translation reserve	45,509	–	–	**45,509**
As at 31 December 2025	**(512,423,867)**	**(1,374,154)**	**(220,026)**	**(514,018,047)**
Net book value				
As at 1 January 2025	**449,470,560**	**3,836,396**	**579,563**	**453,886,519**
As at 31 December 2025	**498,180,099**	**20,371,097**	**413,816**	**518,965,012**

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

In 2025 depreciation of a right-of-use assets in the amount of RUB 820,965 thousand was capitalized to the value of property, plant and equipment.

9. Lease (continued)

Group as a lessee (continued)

As at 31 December 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 7)	17,975,477	95,946	–	**18,071,423**
Additions	60,778,412	113,087	11,621	**60,903,120**
Modification	26,072,946	(214,814)	(3,514)	**25,854,618**
Indexation*	4,614,703	38,509	12,730	**4,665,942**
Derecognition	(11,830,174)	(112,500)	(174,934)	**(12,117,608)**
As at 31 December 2024	**899,673,569**	**5,114,865**	**715,155**	**905,503,589**
Accumulated depreciation and impairment				
As at 1 January 2024	**(385,505,718)**	**(1,235,841)**	**(37,163)**	**(386,778,722)**
Depreciation for the year	(72,235,762)	(140,042)	(123,471)	**(72,499,275)**
Derecognition	7,538,471	97,414	25,042	**7,660,927**
As at 31 December 2024	**(450,203,009)**	**(1,278,469)**	**(135,592)**	**(451,617,070)**
Net book value				
As at 1 January 2024	**416,556,487**	**3,958,796**	**832,089**	**421,347,372**
As at 31 December 2024	**449,470,560**	**3,836,396**	**579,563**	**453,886,519**

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

In 2024 depreciation of a right-of-use assets in the amount of RUB 573,820 thousand was capitalized to the value of property, plant and equipment.

The information about impairment test performed is disclosed in Note 8.

The Group has various lease agreements under which the right to control the use of the asset has not transferred as at 31 December 2025. Future lease payments under these non-cancellable leases amount to RUB 3,802,529 thousand within one year, RUB 29,567,487 thousand within 5 years and RUB 54,447,270 thousand thereafter (at 31 December 2024 amount to RUB 754,459 thousand within one year, RUB 4,092,210 thousand within 5 years and RUB 6,704,996 thousand thereafter).

Lease liabilities

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

	2025	2024
At 1 January	**536,460,480**	**492,424,607**
Business combination (Note 7)	23,719,329	17,608,830
Additions and other increase	66,905,929	60,903,120
Modification	36,057,476	25,854,618
Indexation*	5,556,677	4,665,942
Payments	(57,006,149)	(59,786,240)
Interest accrued (Note 26)	82,906,057	61,172,290
Interest paid	(82,906,057)	(61,172,290)
Derecognition	(11,190,720)	(5,227,352)
Foreign currency translation reserve	(268,520)	–
Foreign exchange (gain)/loss	(85,858)	16,955
At 31 December	**600,148,644**	**536,460,480**

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

9. Lease (continued)

Group as a lessee (continued)

	Year of maturity	31 December 2025
Short-term liabilities	2026	63,903,320
Long-term liabilities	2027-2075	536,245,324
Total		**600,148,644**

	Year of maturity	31 December 2024
Short-term liabilities	2025	62,192,392
Long-term liabilities	2026-2075	474,268,088
Total		**536,460,480**

As at 31 December 2025, the Group provided long-term advances in the amount of RUB 4,992,380 thousand (31 December 2024: RUB 4,115,229 thousand) to settle future liabilities under the lease agreements for which the right to control the use of the asset has not passed. The advances are included in the consolidated statement of financial position within other non-current assets.

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

	31 December 2025	31 December 2024
Depreciation and impairment of right-of-use assets (Note 25)	75,534,794	71,925,455
Interest expenses on the lease (Note 26)	82,906,057	61,172,290
Foreign exchange (gain)/loss	(85,858)	16,955
Gain from cancelation of lease contracts (Note 28)	(2,532,143)	(770,671)
Lease expenses related to short-term lease (Note 25)	2,232,317	1,372,614
Lease expenses related to lease of low-value assets (Note 25)	131,951	32,098
Variable lease payments (Note 25)	13,130,361	9,776,731
	171,317,479	**143,525,472**

The Group’s total cash outflow on leases amounted to RUB 155,406,835 thousand and RUB 135,401,983 thousand in 2025 and 2024, respectively.

10. Intangible assets

As at 31 December 2025, intangible assets consisted of the following:

	Licenses	Software	Trademarks	Other	Total
Cost					
At 1 January 2025	**1,185,765**	**28,311,088**	**11,125,859**	**138,065**	**40,760,777**
Business combination (Note 7)	32,254	734,407	8,635,244	10,090	**9,411,995**
Additions	736,207	10,881,575	3,945	25,498	**11,647,225**
Disposals	(100,545)	(2,597,127)	(978)	(23,087)	**(2,721,737)**
Foreign currency translation reserve	–	(16,340)	–	–	**(16,340)**
At 31 December 2025	**1,853,681**	**37,313,603**	**19,764,070**	**150,566**	**59,081,920**
Accumulated amortisation and impairment					
At 1 January 2025	**(427,888)**	**(12,748,014)**	**(4,686,386)**	**(33,683)**	**(17,895,971)**
Amortisation for the year	(364,221)	(5,425,271)	(1,080,552)	(24,470)	**(6,894,514)**
Reversal of impairment losses	–	5,238	–	–	**5,238**
Disposals	95,200	2,515,729	630	20,639	**2,632,198**
Foreign currency translation reserve	–	7,092	–	–	**7,092**
At 31 December 2025	**(696,909)**	**(15,645,226)**	**(5,766,308)**	**(37,514)**	**(22,145,957)**
Net book value					
At 1 January 2025	**757,877**	**15,563,074**	**6,439,473**	**104,382**	**22,864,806**
At 31 December 2025	**1,156,772**	**21,668,377**	**13,997,762**	**113,052**	**36,935,963**

Part of the Group's software is under development and integration as at 31 December 2025.

As at 31 December 2024, intangible assets consisted of the following:

	Licenses	Software	Trademarks	Other	Total
Cost					
At 1 January 2024	**875,176**	**22,243,818**	**5,620,047**	**183,065**	**28,922,106**
Business combination (Note 7)	–	2,786	5,407,324	1,810	**5,411,920**
Additions	426,957	8,223,478	100,035	23,824	**8,774,294**
Disposals	(116,368)	(2,165,997)	(1,547)	(70,634)	**(2,354,546)**
Foreign currency translation reserve	–	7,003	–	–	**7,003**
At 31 December 2024	**1,185,765**	**28,311,088**	**11,125,859**	**138,065**	**40,760,777**
Accumulated amortisation and impairment					
At 1 January 2024	**(327,160)**	**(9,947,600)**	**(4,056,366)**	**(62,788)**	**(14,393,914)**
Amortisation for the year	(215,589)	(4,618,622)	(631,287)	(41,757)	**(5,507,255)**
Impairment for the year	–	(340,211)	–	–	**(340,211)**
Disposals	114,861	2,160,965	1,267	70,862	**2,347,955**
Foreign currency translation reserve	–	(2,546)	–	–	**(2,546)**
At 31 December 2024	**(427,888)**	**(12,748,014)**	**(4,686,386)**	**(33,683)**	**(17,895,971)**
Net book value					
At 1 January 2024	**548,016**	**12,296,218**	**1,563,681**	**120,277**	**14,528,192**
At 31 December 2024	**757,877**	**15,563,074**	**6,439,473**	**104,382**	**22,864,806**

Amortization expense is included in selling, general and administrative expenses (Note 25).

As at 31 December 2025, management of the Group did not identify any indicators of potential impairment of intangible assets.

10. Intangible assets (continued)

During 2024 the Group recognized impairment for some software products, for which the Group retained the rights of use, but which were exposed to significant risks and limitations of further usage, as well as lack of access to software support and maintenance services from its vendors which suspended their operations in Russia due to the challenging geopolitical situation in the amount of RUB 340,211 thousand. The Group also performed annual impairment test for indefinite-lived intangible assets and software under development, impairment was not identified.

11. Goodwill

Carrying amount of goodwill allocated to each cash-generating units or groups of cash-generating units as at 31 December 2025 and 2024 is presented below:

Acquisition in which goodwill arose	Group of units or cash-generating unit	31 December 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 Gorodskoy supermarket LLC	Stores “Magnit convenience”, “Magnit Semeyniy”, “Azbuka vkusa”, “AV-Daily", “AV-Market”, “Enoteca”	19,014,667	–
Acquisition of TD-holding LLC	Manufactory company TD-holding LLC	1,367,493	1,367,493
Acquisition of KazanExpress LLC	“Magnit” chain stores, “DIXY”, own marketplace	–	6,523,099
Total		**109,405,952**	**96,914,384**

Change of goodwill for the year ended 31 December 2025 and for the year ended 31 December 2024 consisted of the following:

	2025	2024
Goodwill as at 1 January	**96,914,384**	**73,552,409**
Goodwill arising on acquisition (Note 7)	19,014,667	23,361,975
Goodwill impairment	(6,523,099)	–
Goodwill as at 31 December	**109,405,952**	**96,914,384**

As at 31 December 2025 and 2024, the Group performed annual impairment testing of goodwill. For impairment testing purposes, goodwill arising from the above acquisitions was allocated to the respective groups of CGUs.

In assessing goodwill impairment, the carrying value of the assets of the groups of CGUs, to which the amount of goodwill was attributable to was compared to the estimated value in use.

Future cash flows were determined based on the forecast of free cash flows for five years subject to the effect of their terminal value.

The pre-tax discount rate was determined based on the weighted average cost of capital of the Group and amounted to 24.05% (2024: 22.42%).

11. Goodwill (continued)

As a result of the analysis conducted, certain limiting factors preventing further realization of expected synergies that formed the basis for the goodwill valuation at the acquisition of LLC "Magnit Market" were identified. In particular, the Group reassessed its strategic priorities and shifted its development focus from the standalone marketplace to maximizing synergy with Magnit OMNI and development of Magnit Market marketplace as an extended shelf of Magnit Foodtech, with a focus on simplifying the customer journey, enhancing the customer experience, and maximizing synergistic effects in logistics.

As a result of the strategic change, losses from the impairment of the carrying amount of goodwill, allocated to the group of GCUs related to stores "Magnit", "DIXY" and the own marketplace, were recognized in the consolidated statement of profit and loss and other comprehensive income in the amount of RUB 6,523,099 thousand.

Key assumptions used in calculation of value in use of assets and sensitivity to changes in assumptions

The calculation of the value in use is most sensitive to the following assumptions:

- Gross margin;
- Discount rate;
- Revenue growth.

Gross margin

The gross margin included in the forecast of the Group's activities in the "Magnit convenience", "Magnit Semeyniy", "DIXY", "Samberi", "Blizkii", "Raz Dva", "Azbuka vkusa", "AV Daily", "AV Market" and "Enoteka", TD-holding LLC, as well as its own marketplace, is in accordance with the approved strategic development plans and expected increased volume of sales. A decrease in consumer demand may lead to a decrease in gross margin. A decrease in gross margin by 5% would result in a decrease in expected free cash flow, but would not cause an impairment losses.

Discount rate

An increase in the pre-tax discount rate to 24.55% (2024: 22.92%), i.e. by + 0.5%, would reduce the expected discounted cash flows, but would not cause an impairment loss.

Revenue growth

Revenue growth for the forecast period being in the range from 2.01% to 10.61% (2024: from 4% to 12.7%). The Group forecasts of expected volume of sales revenue based on the approved strategic development plan for the forecast period, as well as indicators of the expected consumer price index. The expected consumer price index is 4.4% (2024: 4.7%).

A decrease in customer demand may lead to decline in sales. A decrease in revenue by 5% would result in a decrease in expected operating cash flows, but would not cause any impairment loss.

The Group's management believes that all of its estimates are reasonable and consistent with the internal reporting and reflect management's best knowledge.

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

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

	31 December 2025	31 December 2024
Long-term loans issued to third parties	2,152,658	3,227
Other financial assets	462,098	52
Long-term loans issued to a related party (Note 6)	–	773,538
	2,614,756	**776,817**

Interest income on loan issued to a related party for the year ended 31 December 2025 amounted to RUB 137,393 thousand (for the year ended 31 December 2024: RUB 121,054 thousand) as disclosed in Note 6.

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

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

	31 December 2025	31 December 2024
Loans issued to third parties	6,344,268	266,826
Deposits with maturity over 3 months	5,000,000	–
Interest receivable on placed deposits (Note 16)	2,112,454	662,306
Loans issued to a related party (Note 6)	1,173,538	262,607
Promissory notes received from third parties	–	134,774
Expected credit losses	(3,499)	(74,646)
	14,626,761	**1,251,867**

13. Inventories

Inventories as at 31 December 2025 and 2024 consisted of the following:

	31 December 2025	31 December 2024
Goods for resale	292,781,050	252,312,973
Materials and supplies	21,432,039	18,104,270
	314,213,089	**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 semi-finished goods of own production.

During 2025 the Group revaluated inventories to their net realizable value, as a result the amount of inventory reserve used exceeded the amount of reserve accrued in 2025, that led to recovering of expenses within “Cost of sales” in the consolidated statement of profit and loss and other comprehensive income in the amount of RUB 1,041,825 thousand (in 2024 to recognition of expenses in the amount of RUB 2,523,094 thousand).

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

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

	31 December 2025	31 December 2024
Grant receivables		
Long-term part	197,341	328,030
Short-term part	115,090	91,225
Total grant receivables	**312,431**	**419,255**

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

	31 December 2025	31 December 2024
Other receivables – third parties	22,728,028	22,665,835
Trade receivables – third parties	2,520,892	964,757
Short-term part of grant receivables	115,090	91,225
Expected credit losses	(2,445,847)	(2,721,071)
Total trade and other receivables	**22,918,163**	**21,000,746**

Other receivables mainly relate to vendor allowances.

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

The ECLs calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the expected credit losses on the Group's trade and other receivables as at 31 December 2025:

	Current	Overdue <90 days	Overdue from 90-180 days	Overdue from 180-360 days	Overdue >360 days	Total
2025						
ECL rate	0.1-3%	3-5%	10-20%	50%	100%	
Carrying amount before ECLs	22,405,881	286,326	414,872	379,167	1,762,674	**25,248,920**
ECLs	399,449	11,167	82,974	189,583	1,762,674	**2,445,847**

Set out below is the information about the expected credit losses on the Group's trade and other receivables as at 31 December 2024:

	Current	Overdue <90 days	Overdue from 90-180 days	Overdue from 180-360 days	Overdue >360 days	Total
2024						
ECL rate	0.1-3%	3-5%	10-20%	50%	100%	
Carrying amount before ECLs	19,205,218	1,959,198	367,626	103,514	1,995,036	**23,630,592**
ECLs	524,344	76,409	73,525	51,757	1,995,036	**2,721,071**

14. Long-term receivables, and short-term trade and other receivables (continued)

Set out below is the movement in the allowance for expected credit losses on trade and other receivables:

	2025	2024
As at 1 January	**(2,721,071)**	**(2,100,635)**
Accrual of provision for expected credit losses for the year	(601,628)	(1,299,780)
Reversal	254,751	666,566
Receivables written off as uncollectable	622,101	12,778
As at 31 December	**(2,445,847)**	**(2,721,071)**

15. Advances paid

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

	31 December 2025	31 December 2024
Advances to third party suppliers	121,063,782	63,689,243
Other advances paid	1,406,123	1,718,540
Advances for customs duties	89,146	102,329
Impairment of advances paid	(1,232,000)	(1,761,063)
	121,327,051	**63,749,049**

16. Cash and cash equivalents

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

	31 December 2025	31 December 2024
Deposits, in RUB	179,224,408	68,477,463
Cash placed on accounts with minimum account balance, in RUB	30,245,000	59,958,000
Deposits, in foreign currency	19,506,561	8,762,366
Cash in banks, in RUB	7,683,808	5,669,211
Cash in transit, in RUB	4,426,840	9,880,246
Cash on hand, in RUB	3,075,111	3,109,289
Cash in banks, in foreign currency	314,742	2,720,502
Cash in transit, in foreign currency	19,045	40,233
Cash on hand, in foreign currency	4,608	7,057
Cash placed on accounts with minimum account balance, in foreign currency	–	845,914
	244,500,123	**159,470,281**

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

16. Cash and cash equivalents (continued)

Cash and cash equivalents denominated in foreign currencies as at 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Chinese yuan	19,800,202	12,291,134
Uzbek sum	28,255	64,656
Euro	7,262	8,868
Swiss franc	5,425	6,178
US dollar	3,812	5,236
	19,844,956	**12,376,072**

17. Share capital, share premium and treasury shares

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

Share premium as at 31 December 2025 amounted to RUB 87,230,416 thousand. There were no changes in Share premium compared to 31 December 2024.

	2025 No. (‘000)	2024 No. (‘000)
Authorized share capital (ordinary shares with a par value of RUB 0.01)	200,850	200,850
Issued and fully paid share capital (par value of RUB 0.01 each)*	101,911	101,911
Treasury shares**	34,064	34,064

* *All shares, including treasury shares have the same voting and dividend rights.*

** *As at 31 December 2025 and 31 December 2024 treasury shares in the amount of 3,817,249 were used as an instrument under repurchase agreement transactions (Note 21).*

	2025 No. (‘000)	2024 No. (‘000)
Balance of shares outstanding at the beginning of financial year	**67,847**	**67,871**
Acquisition of treasury shares – total, including:	–	(24)
Acquisition of treasury shares under the terms of tender offers	–	*(23)*
Acquisition of treasury shares on the open market	–	*(1)*
Balance of shares outstanding at the end of financial year	**67,847**	**67,847**

In January 2024, as a result of the tender offer announced on 10 October 2023, the ownership of 22,948 shares of PJSC Magnit was transferred from foreign investors to a Group company – LLC Magnit Alliance. The redemption amounted to RUB 52,031 thousand. The cost of treasury shares was based on the share price indicated in the tender offer and additional expenses incurred by the Group in connection with the acquisition.

During 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 25).

18. Dividends declared

During 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 interest was RUB 669,900 thousand.

In 2024, the Group declared a dividend from the retained earnings for 2023 to shareholders.

	2025	**2024**
Dividends declared (RUB 412.13 per share), including:	–	42,000,727
Dividends declared on treasury shares (RUB 412.13 per share)	–	*14,038,433*
Dividends declared less dividends on treasury shares (RUB 412.13 per share)	–	*27,962,294*

During 2025 the Group paid of previously unclaimed dividends in the amount of RUB 742 thousand, as well as wrote off a portion of liability related to previously unclaimed dividends by shareholders in the amount of RUB 978 thousand due to the expiration of the statutory period for claiming dividend payments by shareholders.

During 2024 the Group paid dividends declared in 2024 and 2023. The amount of dividends declared less dividends on treasury shares (RUB 28,067,387 thousand) and less unclaimed dividends (RUB 2,924,011 thousand) amounted to RUB 53,009,992 thousand. The amount of dividends in the amount of RUB 63 thousand was not paid due to the lack of shareholders' bank details required for payment.

As at 31 December 2025 the amount of liabilities on unpaid dividends declared less dividends on treasury shares amounted to RUB 2,922,354 thousand (31 December 2024: RUB 2,924,074 thousand).

19. Short-term trade and other payables

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

	31 December 2025	**31 December 2024**
Trade payables to third parties	261,552,449	260,316,282
Accrued expenses and other payables to third parties	68,217,174	72,083,329
Accrued staff costs	46,235,393	41,583,399
	376,005,016	**373,983,010**

The average trade payables turnover period was 35 days in 2025 and 37 days in 2024. Interest may be charged on the outstanding balance based on market rates in accordance with individual agreements with vendors, however no significant amounts of interest were charged to the Group during the reporting period. The Group has financial risk management policies in place to help ensure that all payables are paid within the credit timeframe.

19. Short-term trade and other payables (continued)

Trade and other payables denominated in foreign currencies totaled:

	31 December 2025	31 December 2024
US dollar	641,785	814,589
Uzbek sum	498,734	320,706
Euro	237,485	680,267
Chinese yuan	183,013	110,867
Swiss franc	5,512	–
Pounds sterling	3,993	23,797
Turkish lira	24	37
	1,570,546	**1,950,263**

20. Taxes payable excluding income tax

Taxes payable excluding income tax as at 31 December 2025 and 2024 consisted of the following:

	31 December 2025	31 December 2024
Value added tax	21,651,393	13,368,204
Social insurance contributions	7,844,345	6,416,669
Personal income tax	2,131,103	1,703,076
Property tax	1,070,226	986,274
Other taxes	242,177	124,004
	32,939,244	**22,598,227**

21. Loans and borrowings

Long-term and short-term loans and borrowings as at 31 December 2025 and 2024 consisted of the following:

	Year of maturity 2025	31 December 2025	Year of maturity 2024	31 December 2024
Long-term loans and borrowings				
Unsecured bank loans	2027-2028	289,387,506	2026-2028	78,620,234
Unsecured bonds	2027-2034	180,630,848	2026-2029	74,131,223
Less: current portion of long-term loans and borrowings		(2,237,501)		(1,701,930)
Total long-term loans and borrowings		**467,780,853**		**151,049,527**
Short-term loans and borrowings				
Unsecured bonds	2026	198,590,654	2025	20,120,471
Unsecured bank loans	2026	74,072,464	2025	233,543,511
Loans received under repurchase agreements	2026	2,985,089	2025	5,502,564
Current portion of long-term loans and borrowings		2,237,501		1,701,930
Total short-term loans and borrowings		**277,885,708**		**260,868,476**

21. Loans and borrowings (continued)

The Group's loans and borrowings as at 31 December 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 2025, the Group renegotiated short-term financing transactions in the form of repurchase agreements. As at 31 December 2025, the total amount of financing transactions in the form of repurchase transactions was RUB 2,985,089 thousand (31 December 2024: RUB 5,502,564 thousand).

Treasury shares in the total number of 3,817,249 shares with a fair value amounted to RUB 11,396,931 thousand as at 31 December 2025 (31 December 2024: RUB 19,381,305 thousand) were used as an instrument under these transactions.

The Group has complied with all covenants set out in the loan agreements as of 31 December 2025 and 31 December 2024.

22. Government grants

	2025	2024
At 1 January	**2,893,337**	**2,567,879**
Received during the year	48,821	601,985
Revaluation of government grants	(155,679)	–
Profit from government grants recognized in profit and loss statement	(259,424)	(276,527)
At 31 December	**2,527,055**	**2,893,337**
Short-term	358,285	424,823
Long-term	2,168,770	2,468,514

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 in the form of cash grants. In 2025, cash was received in the amount of RUB 48,821 thousand (in 2024: RUB 123,184 thousand).

Also in 2025, a grant in the amount of RUB 174,698 thousand (2024: RUB 119,533 thousand), was received, which was recognized as a reduction of short-term grant receivables.

23. Short-term contract liabilities

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

	31 December 2025	31 December 2024
Short-term advances received from customers*	4,324,994	3,502,210
Short-term liabilities to the customers under loyalty program	1,949,270	2,272,079
Other short-term liabilities	362,168	1,195,161
	6,636,432	**6,969,450**

* *In 2025, the Group decided to change the presentation of items in the consolidated statement of financial position by including short-term advances received in the line item "Contract liabilities".*

23. Short-term contract liabilities (continued)

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

	2025	2024
At 1 January	**2,272,079**	**3,692,728**
Deferred during the year	32,505,777	16,349,089
Recognized as revenue during the year	(32,828,586)	(17,769,738)
At 31 December	**1,949,270**	**2,272,079**

24. Revenue from contracts with customers

Revenue for the years ended 31 December 2025 and 2024 consisted of the following:

	2025	2024
Retail	3,483,008,992	3,017,878,449
Wholesale	23,638,983	22,922,867
Other revenue	2,577,581	2,632,187
	3,509,225,556	**3,043,433,503**

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 28) and for the 2025 amounted to RUB 3,540,646,635 thousand (2024: RUB 3,068,617,710 thousand).

25. Selling, general and administrative expenses

Selling, general and administrative expenses for the years ended 31 December 2025 and 2024 consisted of the following:

	2025	2024
Staff costs	328,505,808	278,044,669
Depreciation and impairment of property, plant and equipment (Note 8)	83,869,038	69,193,628
Utilities and communication services	76,849,538	64,982,122
Depreciation and impairment of right-of-use assets (Note 9)	75,534,794	71,925,455
Advertising	27,637,227	21,114,183
Bank charges	20,829,603	17,210,453
Commission fee	18,998,493	9,567,415
Repair and maintenance	16,635,307	13,186,149
Rent (Note 9)	15,494,629	11,181,443
Amortisation and impairment of intangible assets (Note 10)	6,889,276	5,847,466
Goodwill impairment (Note 11)	6,523,099	–
Cost of materials	5,994,591	4,626,482
Taxes, other than income tax	5,489,125	4,112,317
Security	3,922,099	3,558,948
(Reversal)/accrual of expected credit losses in respect of trade and other receivables, advances paid and advances paid for the purchase and construction of property, plant and equipment and intangible assets	(312,728)	711,479
Other expenses	14,701,458	10,676,158
	707,561,357	**585,938,367**

25. Selling, general and administrative expenses (continued)

In 2025 staff costs include payroll amounted to RUB 257,015,916 thousand (2024: RUB 217,414,213 thousand), social contribution expenses amounted to RUB 64,092,814 thousand (2024: RUB 54,703,988 thousand) and also other staff costs in amount of RUB 7,397,078 thousand (2024: RUB 5,926,468 thousand).

For the year ended 31 December 2025, staff costs, including payroll, social contribution expenses and related provisions totaling to RUB 97,466,392 thousand (for the year ended 31 December 2024: RUB 77,850,607 thousand) were included in cost of sales.

During 2025 the Group recognized an expense in respect of share based payments within the framework of the long-term incentive program in the amount of RUB 61,679 thousand (2024: RUB 2,018,348 thousand) and expenses for cash payments in amount of RUB 2,254,534 thousand in the consolidated statement of profit and loss and other comprehensive income.

During 2025, the total amount of the fixed consideration amounted to RUB 309,343 thousand (2024: RUB 1,862,946 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.

During 2024, the total amount of the fixed consideration amounted to RUB 1,755,741 thousand, corresponding to the scope of the associated services received, was reclassified from the share-based payment reserve to liabilities due to change in the method of repayment to cash settlement.

26. Finance costs

Finance costs for the years ended 31 December 2025 and 2024 consisted of the following:

	2025	2024
Interest on lease liabilities (Note 9)	82,906,057	61,172,290
Interest on loans and borrowings from third parties	50,887,124	31,690,324
Interest on bonds	49,480,400	7,669,133
Revaluation of other liabilities (Note 7)	4,008,634	–
Interest on other liabilities (Note 7)	3,229,270	1,198,445
Other finance costs	105,156	391,430
Total interest expense for financial liabilities	**190,616,641**	**102,121,622**

27. Interest income

Interest income for the years ended 31 December 2025 and 2024 consisted of the following:

	2025	2024
Interest on deposits	24,323,469	16,356,443
Interest on loans issued to third parties	898,078	37,531
Interest on loans issued to related parties (Note 6)	137,393	121,054
Other interest income	164,634	26,821
	25,523,574	**16,541,849**

28. Other income

Other income for the years ended 31 December 2025 and 2024 consisted of the following:

	2025	2024
Advertising income	22,391,345	17,584,965
Fines and penalties	14,127,981	11,511,125
Sales of packing materials	9,029,734	7,599,242
Gain from cancellation of lease contracts (Note 9)	2,532,143	770,671
Income from write-offs of accounts payable	–	59,012
Other income	1,902,285	2,014,339
	49,983,488	**39,539,354**

29. Other expenses

Other expenses for the years ended 31 December 2025 and 2024 consisted of the following:

	2025	2024
Loss on disposal of property, plant and equipment	1,152,989	299,431
Charity	1,058,970	561,340
Fines and penalties	726,870	535,972
Loss on disposal of intangible assets (Note 10)	89,539	6,591
Other expenses	433,220	460,002
	3,461,588	**1,863,336**

30. Income tax

The Group's income tax expense for the years ended 31 December 2025 and 2024 was as follows:

	2025	2024
Consolidated statement of profit and loss and other comprehensive income		
Current tax	8,842,229	15,203,676
Recovery of income tax for previous periods	(474,106)	(340,313)
Deferred tax	(11,477,256)	781,551
Deferred tax relating to the change in the tax rate from 1 January 2025	–	63,648
Income tax (income)/expense reported in the consolidated statement of profit and loss and other comprehensive income	**(3,109,133)**	**15,708,562**

On 12 July 2024, Federal Law No. 176-FZ *On Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and the Annulment of Certain Provisions of Legislative Acts of the Russian Federation* was adopted. Among other things, the Law introduced an increase in the income tax rate from 20% to 25%. Thus, income tax for 2024 shall be paid at the rate of 20% and the new rate of 25% will apply from 2025 onwards. The Law came into force from 1 January 2025.

30. Income tax (continued)

As at 31 December 2024, besides an additional income tax disclosure, the Group accrued additional deferred tax liabilities and deferred tax assets to account for the increase in the income tax rate from 1 January 2025.

	2025	2024
(Loss)/profit before tax	**(34,684,836)**	**60,042,406**
Theoretical income tax income/(expense) at 25%/20%	**8,671,209**	**(12,008,481)**
Adjustments for:		
Reversal of income tax for previous periods	474,106	340,313
Income tax expense in respect of dividends on treasury shares	–	(1,415,988)
Non-taxable income or non-deductible expenses for tax purposes	(4,177,962)	(2,000,384)
Unrecognized deferred tax assets related to losses of Group companies (including the effect of the income tax rate change)	(243,366)	(560,374)
Tax effect of non-deductible expenses on impairment of goodwill	(1,614,854)	–
Effect of the income tax rate change	–	(63,648)
Income tax income/(expense)	**3,109,133**	**(15,708,562)**
Effective income tax rate	**8.96%**	**26.16%**

As at 31 December 2025 unrecognized deferred tax assets in respect of previous years losses received by the Group companies amounted to RUB 5,635,023 thousand (as of 31 December 2024: RUB 5,391,657 thousand).

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. At the same time, the limitation on the use of prior years' losses for income tax purposes – capped at no more than 50% of accumulated losses – remains in effect. According to the provisions of current Russian legislation, this restriction has been extended until the end of 2030. Management applies significant judgment to determine the amount of deferred tax assets that can be recognized, based on the likely timing and the level of future taxable profits, together with future tax planning strategies.

Temporary differences related to investments in subsidiaries for which no deferred tax liability has been recognized as at 31 December 2025 amount to RUB 938,984 thousand (as at 31 December 2024: RUB 618,430 thousand). The Group does not expect to sell its investments in subsidiaries in the foreseeable future, all investments are under the control of the Group.

30. Income tax (continued)

The tax effect of main temporary differences that give rise to deferred tax assets and liabilities as at 31 December 2025 is as follows:

	At 1 January 2025	Recorded in the consolidated statement of profit and loss and other comprehensive income, 2025	Business combination (Note 7)	At 31 December 2025
Deferred tax assets				
Right-of-use assets / lease liabilities	24,030,641	3,114,950	–	27,145,591
Inventories	12,617,645	1,086,557	(167,620)	13,536,582
Trade and other payables	4,843,338	2,326,603	232,517	7,402,458
Losses incurred by the Group's companies	3,923,961	13,009,823	2,250	16,936,034
Advances paid	453,826	(65,618)	3,792	392,000
Intangible assets and other prepaid expenses	–	4,924,117	–	4,924,117
Trade and other receivables	653,952	39,683	40,212	733,847
Other	1,345,113	(1,005,383)	7,456	347,186
Total deferred tax asset	**47,868,476**	**23,430,732**	**118,607**	**71,417,815**
Including offset with deferred tax liability	(41,908,455)	(16,489,159)	(118,607)	(58,516,221)
Net deferred tax asset	**5,960,021**	**6,941,573**	**–**	**12,901,594**
Deferred tax liabilities				
Property, plant and equipment	(45,237,219)	(10,433,935)	(1,801,806)	(57,472,960)
Intangible assets and other prepaid expenses	(1,669,249)	333,779	(2,198,980)	(3,534,450)
Trade and other receivables	(1,279,396)	(1,855,135)	–	(3,134,531)
Other	(850)	1,815	(4,764)	(3,799)
Total deferred tax liability	**(48,186,714)**	**(11,953,476)**	**(4,005,550)**	**(64,145,740)**
Including offset with deferred tax asset	41,908,455	16,489,159	118,607	58,516,221
Net deferred tax liability	**(6,278,259)**	**4,535,683**	**(3,886,943)**	**(5,629,519)**

The tax effect of main temporary differences that give rise to deferred tax assets and liabilities as at 31 December 2024 is as follows:

	At 1 January 2024	Recorded in the consolidated statement of profit and loss and other comprehensive income, 2024*	Business combination (Note 7)	At 31 December 2024
Deferred tax assets				
Right-of-use assets / lease liabilities	16,856,462	7,174,179	–	24,030,641
Inventories	8,981,458	3,569,301	66,886	12,617,645
Trade and other payables	5,373,430	(715,841)	185,749	4,843,338
Losses incurred by the Group's companies	1,079,822	2,844,139	–	3,923,961
Advances paid	348,100	105,726	–	453,826
Trade and other receivables	266,309	351,717	35,926	653,952
Other	803,244	445,872	95,997	1,345,113
Total deferred tax asset	**33,708,825**	**13,775,093**	**384,558**	**47,868,476**
Including offset with deferred tax liability	(30,031,583)	(11,492,314)	(384,558)	(41,908,455)
Net deferred tax asset	**3,677,242**	**2,282,779**	**–**	**5,960,021**
Deferred tax liabilities				
Property, plant and equipment	(29,999,597)	(14,899,954)	(337,668)	(45,237,219)
Intangible assets and other prepaid expenses	(1,318,645)	730,642	(1,081,246)	(1,669,249)
Trade and other receivables	(778,866)	(498,152)	(2,378)	(1,279,396)
Other	(47,172)	47,172	(850)	(850)
Total deferred tax liability	**(32,144,280)**	**(14,620,292)**	**(1,422,142)**	**(48,186,714)**
Including offset with deferred tax asset	30,031,583	11,492,314	384,558	41,908,455
Net deferred tax liability	**(2,112,697)**	**(3,127,978)**	**(1,037,584)**	**(6,278,259)**

* *Including effect from change in tax rate in the amount of RUB 63,648 thousand in profit or loss.*

31. Loss/earnings per share

Loss per share for the year ended 31 December 2025 have been calculated on the basis of the net loss attributable to shareholders for the year and the weighted average number of common shares outstanding during the year. Earnings per share for the year ended 31 December 2024 have been calculated on the basis of the net profit attributable to shareholders for the year and the weighted average number of common shares outstanding during the year.

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

	2025	2024
(Loss)/profit for the year attributable to shareholders of the parent	(30,889,711)	44,103,333
Weighted average number of shares (in thousands)	67,847	67,849
Basic (loss)/earnings per share (in RUB)	**(455.28)**	**650.02**
Effects of dilution from share options on number of shares (in thousands)	–	83
Weighted average number of ordinary shares adjusted for the effect of dilution (in thousands)	67,847	67,932
Diluted (loss)/earnings per share (in RUB)	**(455.28)**	**649.23**

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. Potential economic conditions and 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 and certain retaliatory restrictive economic measures in the Russian Federation. In particular, the Central Bank of Russia raised the key interest rate to 21% in the second half of 2024, and subsequently reduced it to 16.5% in 2025.

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.

32. Contingencies, commitments and operating risks (continued)

Tax legislation

The Group's main subsidiaries, from which the Group's income is derived, operate in Russia. 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.

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.

On 28 November 2025, Federal Law No. 425-FZ *On Amendments to Parts One and Two of the Tax Code of the Russian Federation, Certain Legislative Acts of the Russian Federation, and the Annulment of Legislative Acts (Certain Provisions of Legislative Acts) of the Russian Federation* was adopted. The law is effective from 1 January 2026 and introduces an increase in the standard VAT rate from 20% to 22%. The Group is currently in the process of analyzing the impact of these changes on its financial position, financial performance and cash flows.

As at 31 December 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 31 December 2025 and 31 December 2024, the Group entered in a number of agreements related to the acquisition of property, plant and equipment. Capital commitments are presented net of VAT:

	31 December 2025	**31 December 2024**
Within 1 year	10,852,133	11,444,289
From 1 to 5 years	–	27,710
	10,852,133	**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-to-equity ratio.

The capital structure of the Group consists of loans and borrowings disclosed in Note 21, cash and cash equivalents disclosed in Note 16 and equity attributable to shareholders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Note 17.

Debt-to-equity ratio

Management reviews the Group's capital structure on an annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group has an actual net debt-to-equity ratio in 2025 of 7.73 (2024: 4.53).

The debt-to-equity ratio as at 31 December 2025 and 2024 was as follows:

	31 December 2025	31 December 2024
Loans and borrowings (Note 21)	745,666,561	411,918,003
Long-term and short-term lease liabilities (Note 9)	600,148,644	536,460,480
Cash and cash equivalents (Note 16)	(244,500,123)	(159,470,281)
Net debt	**1,101,315,082**	**788,908,202**
Equity	142,446,566	174,274,506
Net debt-to-equity ratio	**7.73**	**4.53**

Fair values

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

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

	Carrying amount		Fair value	
	2025	2024	2025	2024
Long-term loans (Note 21)	288,665,710	77,752,501	284,180,661	76,679,434
Bonds (Note 21)	179,115,143	73,297,026	180,439,360	71,579,080
Long-term liability related to the option-put (Note 7)	24,641,676	17,403,772	24,641,676	13,615,723

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

33. Financial risk management objectives and policies (continued)

Fair values (continued)

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.

Set out below are changes in liabilities arising from financing activities:

	As at 1 January (Note 21)	Proceeds from loans and borrowings	Business combination (Note 7)	Repayment of loans and borrowings	Finance costs (Note 26)	Interest paid and other changes	As at 31 December (Note 21)
2025							
Short-term and long-term loans and borrowings	411,918,003	701,335,089	5,828,854	(373,619,914)	100,367,524	(100,162,995)	745,666,561
2024							
Short-term and long-term loans and borrowings	402,135,340	129,848,994	813,074	(121,557,271)	39,359,457	(38,681,591)	411,918,003

Information about changes in lease liability are presented in Note 9.

	As at 1 January	Dividends declared and other changes	Dividends paid	As at 31 December
2025				
Dividends declared less dividends on treasury shares payable (Note 18)	2,924,074	668,922	(670,642)	2,922,354
2024				
Dividends declared less dividends on treasury shares payable (Note 18)	27,971,772	27,962,294	(53,009,992)	2,924,074

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 purchases are denominated in a different currency from the Group's functional currency).

As at 31 December 2025 and 2024 the foreign currency balances were presented by trade and other payables, cash and deposits in foreign currency disclosed in Notes 16 and 19.

33. Financial risk management objectives and policies (continued)

Foreign currency risk management (continued)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the US dollar, euro, chinese yuan and uzbek sum exchange rate, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in US dollar exchange rate	Effect on loss/profit before tax	Change in euro exchange rate	Effect on loss/profit before tax	Change in chinese yuan exchange rate	Effect on loss/profit before tax	Change in uzbek sum exchange rate	Effect on loss/profit before tax
2025	+25.00%	(159,493)	+25.00%	(57,556)	+17.00%	3,334,922	+17.00%	(79,981)
	-15.00%	95,696	-15.00%	34,533	-15.00%	(2,942,578)	-17.00%	79,981
2024	+27.00%	(218,525)	+27.00%	(181,278)	+18.00%	2,192,448	–	–
	-10.00%	80,935	-10.00%	67,140	-18.00%	(2,192,448)	–	–

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.

Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt liabilities with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed-rate and floating interest rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected by the interest rate risk. With all other variables held constant, the Group's loss/profit before tax is affected through the impact on floating rate borrowings as follows:

	Effect on loss/profit before tax	
	2025	2024
Change in floating interest rate (CBR key rate)		
+ 50 b.p.	(1,337,110)	(185,906)
- 50 b.p.	1,337,110	185,906

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.

33. Financial risk management objectives and policies (continued)

Credit risk management (continued)

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 consolidated statement of financial position.

Offsetting of financial assets and financial liabilities

The Group offsets its financial assets and financial liabilities when all the conditions for offset are met.

The effect of the offsetting as at 31 December 2025:

As at 31 December 2025	Gross amount of recognized financial assets and liabilities	Gross amount of recognized financial liabilities and assets offset in the consolidated statement of financial position	Net amount of financial assets and liabilities presented in the consolidated statement of financial position
Financial assets			
Trade and other receivables	33,453,142	(10,534,979)	22,918,163
	33,453,142	**(10,534,979)**	**22,918,163**
Financial liabilities			
Trade and other payables	(386,539,995)	10,534,979	(376,005,016)
	(386,539,995)	**10,534,979**	**(376,005,016)**

The effect of the offsetting as at 31 December 2024:

As at 31 December 2024	Gross amount of recognized financial assets and liabilities	Gross amount of recognized financial liabilities and assets offset in the consolidated statement of financial position	Net amount of financial assets and liabilities presented in the consolidated statement of financial position
Financial assets			
Trade and other receivables	31,031,360	(10,030,614)	21,000,746
	31,031,360	**(10,030,614)**	**21,000,746**
Financial liabilities			
Trade and other payables	(384,013,624)	10,030,614	(373,983,010)
	(384,013,624)	**10,030,614**	**(373,983,010)**

33. Financial risk management objectives and policies (continued)

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.

The following tables summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments. The table includes both interest and principal cash flows.

	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Total
2025						
Trade and other payables	229,017,417	145,021,828	1,965,771	–	–	**376,005,016**
Dividends payable	2,922,354	–	–	–	–	**2,922,354**
Long-term and short-term lease liabilities	12,942,409	25,413,986	114,691,127	533,352,381	345,406,924	**1,031,806,827**
Long-term put option liability	–	–	–	38,212,916	–	**38,212,916**
Long-term and short-term loans and borrowings	10,740,843	791,216,884	1,529,472,535	543,473,666	–	**2,874,903,928**
	255,623,023	**961,652,698**	**1,646,129,433**	**1,115,038,963**	**345,406,924**	**4,323,851,041**
2024						
Trade and other payables	333,319,659	38,764,295	1,899,056	–	–	**373,983,010**
Dividends payable	2,924,074	–	–	–	–	**2,924,074**
Long-term and short-term lease liabilities	10,585,371	20,932,821	85,806,844	440,319,074	292,653,342	**850,297,452**
Long-term put option liability	–	–	–	33,432,716	–	**33,432,716**
Long-term and short-term loans and borrowings	4,335,664	131,736,119	197,180,788	181,440,900	–	**514,693,471**
	351,164,768	**191,433,235**	**284,886,688**	**655,192,690**	**292,653,342**	**1,775,330,723**

Additionally to the current loans the Group has access to financing facilities of RUB 606,200,000 thousand remained unused at 31 December 2025 (31 December 2024: RUB 574,044,378 thousand). The Group expects to meet its other obligations from operating cash flows and proceeds from maturing financial assets.

34. Subsequent events

There are no significant subsequent events.