

O'KEY

**Annual
Report**

2024



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23 years
in the market

301
stores

19,000
employees

RUB 219 bn
revenue

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the Reporting Date

Overview



ABOUT THE REPORT

The Annual Report 2024 ("the Report") has been prepared by O'KEY GROUP S.A. ("O'KEY Group", "the Group", or "the Company").

This Report discloses information on the implementation of the Group's strategy in 2024, presents the Group's operating and financial results, and describes the Group's corporate governance framework and corporate social responsibility activities. The Report has been prepared based on consolidated IFRS financial statements for 2024.

The Report has been prepared based on the information available to the Group as of the time of producing this Report, including information obtained from third parties. The Company reasonably believes that this information is complete and accurate as of the publication date of this Report. However, it does not constitute any representation or warranty that this information will not be updated, revised, or otherwise amended in the future.

This Report includes estimates or forward-looking statements related to operating, financial, economic, social, and other measures that can be used to assess the performance of O'KEY GROUP S.A. The Company does not make any representation or warranty that the results anticipated by such forward-looking statements will

be achieved. The Company shall not be liable to any individual or legal entity for any loss or damage which may arise from their reliance on such forward-looking statements.

FURTHER INFORMATION

Further information regarding O'KEY Group's strategy, our businesses and performance, our approach to governance and risk management, an archive of annual reports as well as a full suite of additional information materials are available at our corporate website www.okeygroup.lu.

DISCLAIMER

The existing global environment, including the current geopolitical climate and market fluctuations in currency and stock markets, as well as significant currency exchange rate variations, is probably having an impact on companies in all sectors of the economy. We are closely observing the potential effects of these evolving macroeconomic circumstances and shifts in the retail market on the O'KEY Group's financial and operational performance in the medium to long term.

Nonetheless, we acknowledge that the grocery retail industry of the economy and is continually

sought after by consumers. Furthermore, we have confidence in the Group's efficient business strategy, which utilises two complementary retail formats and a robust online platform that caters to all customer requirements and demographics. This approach establishes a strong foothold in the market and provides a considerable buffer against macroeconomic instability.

Our Company is well-equipped to handle any potential alterations in the supply chain due to the fact that around 80% of our procurement is obtained from nearby suppliers and manufacturers. By actively fostering our proprietary brands, maintaining our long-standing and productive partnerships with a significant number of inventive, advanced, and rapidly expanding farms and producers, and participating in regional and national quality initiatives and programmes that support local suppliers, we can successfully navigate any market challenges and uncertainties.

Therefore, O'KEY Group, with its well-established and well-integrated corporate governance and management structure, is securely positioned in the market and poised to withstand macroeconomic turbulence and market volatility, while effectively serving the needs of its stakeholders.

well-balanced combination of formats allows us to meet different customer needs and purchasing models in all regions of presence and in all sales channels.

About O'KEY Group

O'KEY Group is one of the leading Russian food retailers. Since the opening of our first hypermarket in St. Petersburg in 2002, we have continued to strive for excellence.

O'KEY Group develops two clearly positioned and complementary retail formats: O'KEY hypermarkets and DA! discounters. The Company also operates an online platform for O'KEY hypermarkets. This

OUR PURPOSE/MISSION



We strive for excellence



We provide a simple and easy shopping experience



We take our social responsibility seriously and act accordingly



We offer fresh and high-quality products to each family



We aim to create an effective working environment

OUR VALUES

Innovativeness

Impeccable service

Effective team

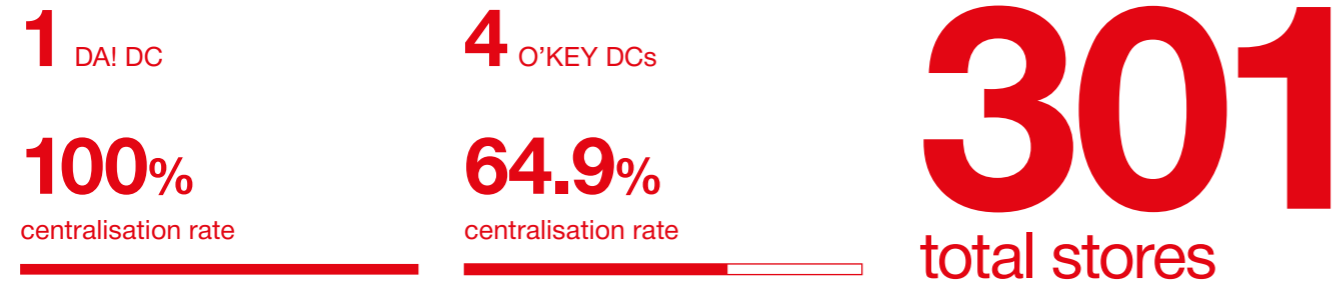
Outstanding results

Atmosphere of professionalism

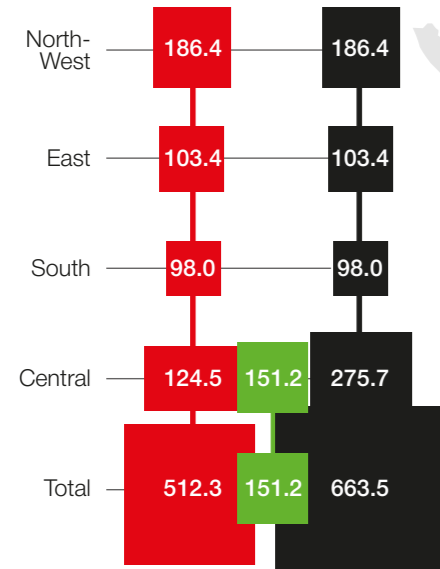
OPERATIONAL & FINANCIAL HIGHLIGHTS

Indicators	2022	2023	2024	2024/2023
Group net retail revenue, RUB bn	200.2	205.8	217.1	+5.5%
• O'KEY net retail revenue, RUB bn	146.9	142.0	144.8	+2.0%
• DA! net retail revenue, RUB bn	53.3	63.8	72.3	+13.3%
Group LFL net retail revenue, %	+2.1%	(1.6%)	+4.1%	
• O'KEY LFL net retail revenue, %	(3.6%)	(3.3%)	+2.3%	
• DA! LFL net retail revenue, %	+26.8%	+3.0%	+8.0%	
Total selling space, k m²	656.2	663.9	663.6	-
• O'KEY selling space, k m ²	525.8	515.8	512.3	(0.7%)
• DA! selling space, k m ²	130.4	148.1	151.2	+2.1%
Total revenue, RUB bn	202.2	207.9	219.4	+5.5%
• O'KEY Revenue, RUB bn	148.8	144.0	147.0	+2.1%
• DA! Revenue, RUB bn	53.3	63.9	72.4	+13.3%
Group EBITDA, RUB bn	17.0	17.0	20.5	+20.3%
• O'KEY EBITDA, RUB bn	13.4	12.6	13.4	+6.2%
• DA! EBITDA, RUB bn	3.6	4.4	7.1	+61.0%

Our Geography



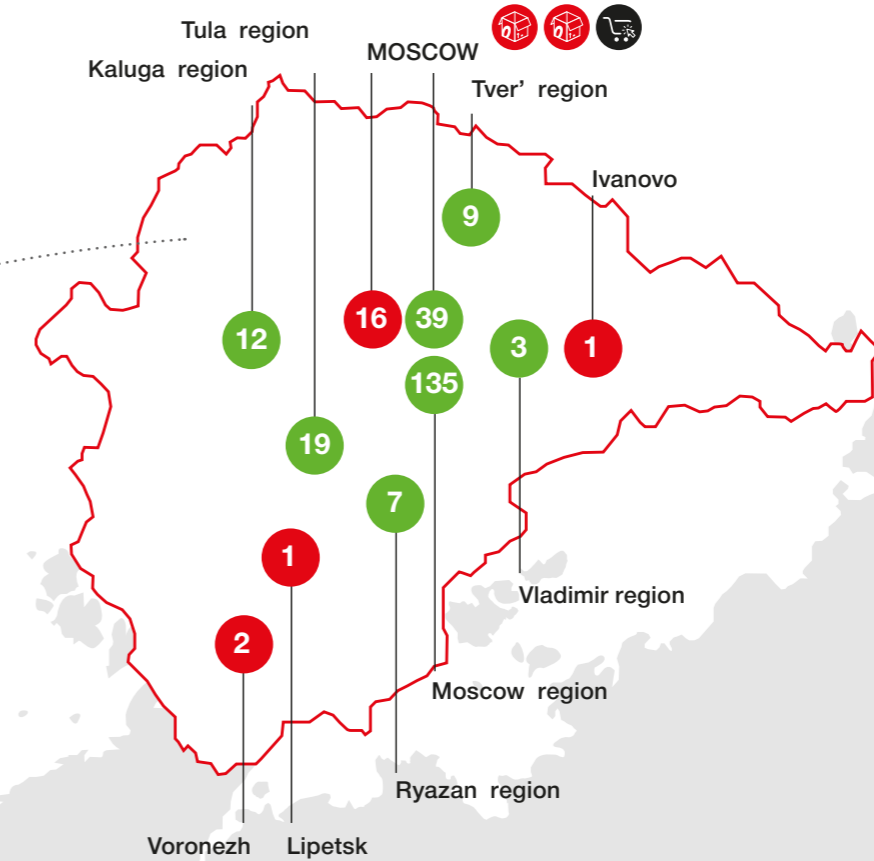
Selling space breakdown by region, Ths sqm, 2024



● O'KEY
● DA!
● Total



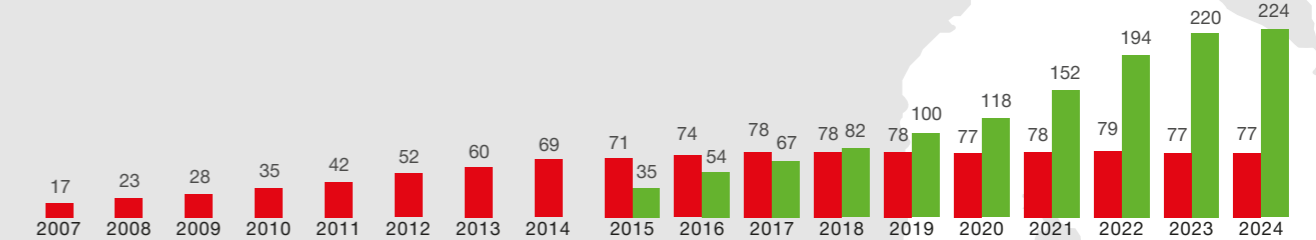
Central Federal District



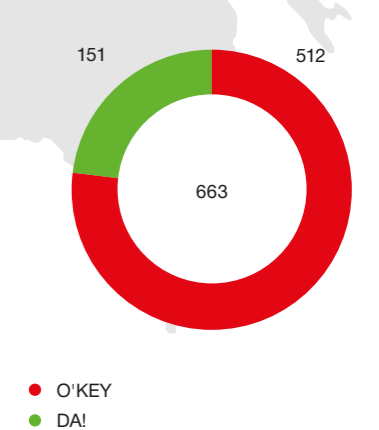
77
hypermarkets

224
discounters

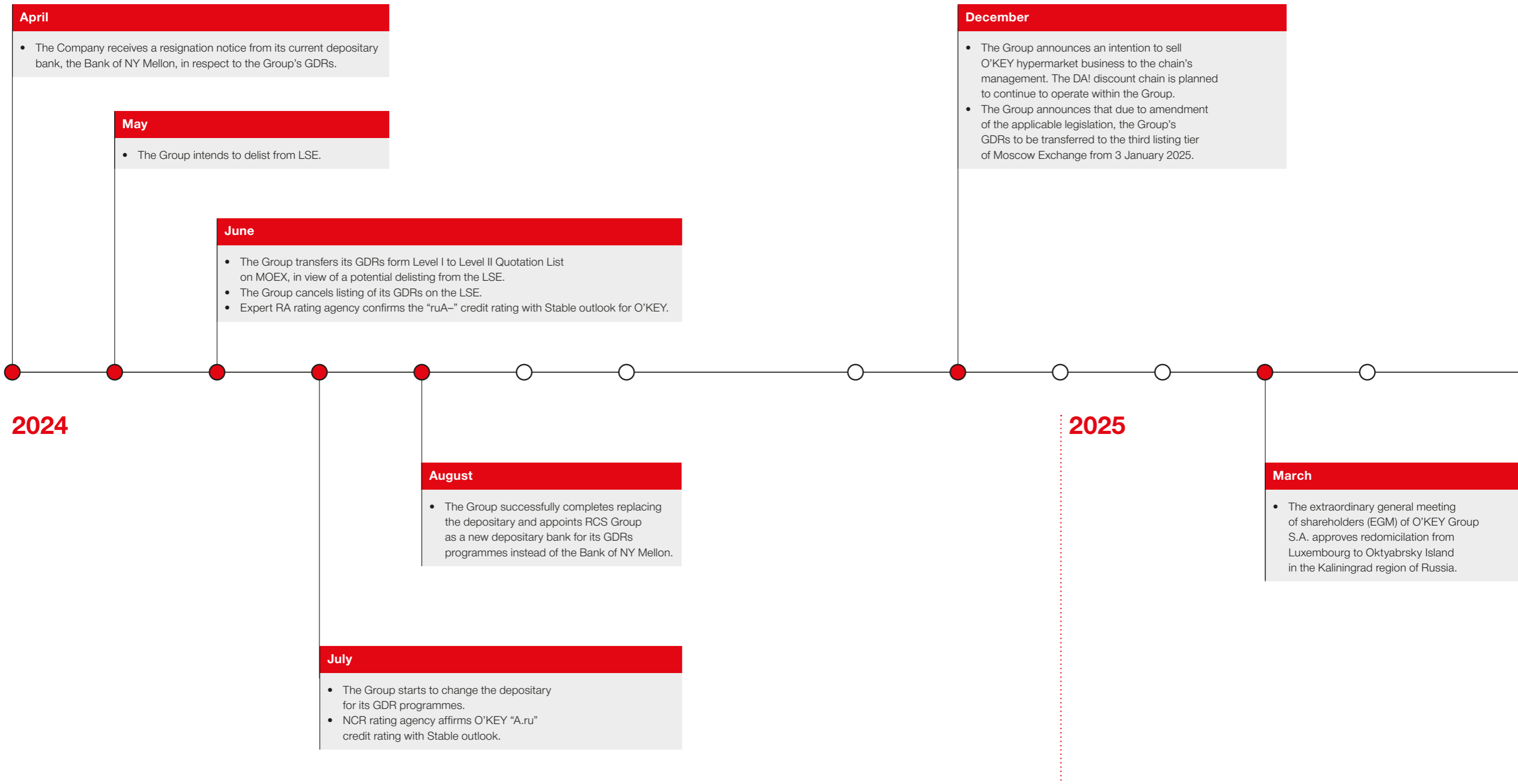
Number of stores



Selling space breakdown by brand, Ths sqm, 2024



Main Events of 2024 and After the Reporting Date



RUB 445 mn
employee benefits

RUB 345 mn
proceeds from recycled
materials

10.7%
electricity savings, YoY

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Strategic Report



Business Review

O'KEY Group delivered strong results in the reporting year. We managed to improve substantially our operational and financial performance in both hypermarket format and discounter business over financial year 2024.

The Russian food retail market grew by 14.9% YoY to RUB 26.4 trn in 2024, according to Infoline research agency. O'KEY Group again stood among the top ten Russian food retailers and grocery retailers in online, based on annual revenue and market share based on Infoline 2024 rating.

Group revenue increased by 5.5% YoY to RUB 219.4 bn, while the Group's EBITDA improved by 20.3% to RUB 20.5 bn, with EBITDA margin up to 9.3% in 2024 compared to 8.2% in the prior year.

In 2024, O'KEY's management team was significantly strengthened by key appointments in operations, commerce, marketing, real estate management, non-commercial procurement, and other functions. Throughout 2024, the Company made comprehensive efforts to review and improve assortment across all product categories to further enhance its value proposition. These efforts were accompanied by changing the approach to displaying promotional products, reviewing the pricing and marketing support concepts, and many more. O'KEY hypermarkets' net retail revenue increased by 2.0% YoY to RUB 144.8 bn, with LFL revenue showing a growth of 2.3% in 2024. O'KEY hypermarkets EBITDA increased by 6.2% YoY, while EBITDA margin grew to 9.1% in 2024 from 8.8% in 2023.

The online grocery market in Russia demonstrated a 39.4% year-on-year growth and reached RUB 1,280 bn, or a 4.8% share in total Russian food retail market in 2024, according to Infoline.

Over the reporting year, the Group rolled-out online pick-up and delivery points through its hypermarket chain across all regions of presence and continued to develop its e-commerce platform through partnerships with delivery operators. In addition to Kuper, the Group launched sales via Wildberries and Yandex.Eda in 2024. The entire product range of hypermarkets became available to our customers on Yandex.Eda platform. We used all the capacities to fulfil 3.2 mn online orders in 2024. O'KEY net online sales reached RUB 7.8 bn, remaining at 5.4% of the hypermarkets' net retail revenue in 2024.

According to Infoline, discounters and proximity stores continued to increase the footprint in 2024. The aggregate share of discounters and proximity stores increased by 1.4 p.p. to 78.1% in 2024.

The Group has been developing DA! discount format since 2015. A key element contributing to the DA! success, along with operational and cost effectiveness and EDLP pricing policy, is the prudent selection of our own brands, comprising approximately 50% of the discounter's revenue. Over 2024, the Group maintained its focus on further enhancing DA!'s customer proposition and own brand portfolio and continued to develop partnership with suppliers, enabling us to introduce new SKUs into our offerings with an emphasis on fresh and ultra-fresh. Besides, the Company paid special attention to further improving operational efficiency and optimising costs at DA! stores, in particular, the discounter store opening model.

The DA! discount network, with its 224 stores, showed a 8% LFL net retail revenue growth, resulted in a 13.3% YoY net retail revenue increase, reaching 33.3% of the Group's net retail revenue in 2024. DA! discounters EBITDA surged by 61.0% YoY, while their EBITDA margin was up to 9.7% in FY 2024 compared to 6.9% in the prior year.

We strongly believe that DA! is ideally positioned to grow in today's challenging environment and will continue to grow, being a unique international format, specially tailored to the needs and desires of Russian customers.

We have always strived to maintain the high level of our corporate governance, which is based on the principles of professionalism, accountability, equality, and transparency in compliance with the best international and Russian practices. In 2024, we again Expert RA confirmed our "ruA-" credit rating with a stable outlook. NCR credit rating agency also affirmed Company with an "A.ru" rating with a stable outlook.

Despite the current market fluctuations, we are dedicated to actively communicating and accommodating the interests of all our investors and shareholders. In 2024, the Group successfully transferred its GDR programmes to new depositary, RCS Group. The Group has listing of its GDRs on the Astana International Exchange (AIX) since 2023, and listing on the Moscow Exchange since 2020.

OUTLOOK

Despite the challenges faced by various sectors of the economy, we recognise that the grocery retail industry remains highly resilient and is continually sought after by customers. Additionally, we believe in the Group's efficient business approach, which includes two complementary retail formats and an omnichannel online platform that addresses the needs of all customer segments. With the integration of this approach and a proven corporate governance structure alongside the streamlined operational management, our ability to maintain a sound foothold in the market and minimise the impact of any economic fluctuations is assured.

In December 2024, the Board of Directors of O'KEY GROUP S.A. announced its intention to sell the Group's hypermarkets to the management. The Board of Directors considers this decision to be in the best interests of the Group and all its stakeholders.

As a result of the transaction, O'KEY's management team is to acquire the hypermarket chain

along with the O'KEY trademark, logistics infrastructure, and other tangible and intangible assets. Both during and after the management buyout of the hypermarket business, the O'KEY chain will continue to operate as usual under the leadership of the existing management team, fully honouring all commitments to customers, suppliers, employees, creditors and other stakeholders.

Following completion of the deal, the DA! discount chain and its infrastructure will remain under the control of O'KEY Group. The sale of the hypermarket business to management is subject to approval by the Government Commission on Monitoring Foreign Investment in the Russian Federation, the Federal Antimonopoly Service of Russia, and the general meeting of shareholders of O'KEY GROUP S.A.

In March 2025, the extraordinary general shareholder meeting (EGM) of O'KEY GROUP S.A. approved changing the Group's legal registration from the Grand Duchy of Luxembourg to the Russian Federation ("redomiciliation"), subject to compliance with the applicable legal and regulatory requirements.

Upon redomiciliation to the Russian Federation, all 269,074,000 Company shares will be recognised as shares of the IPJSC at a 1:1 ratio. The nominal value of the Company's shares will be denominated in the Russian roubles, equivalent to their nominal value in euros, converted at the official exchange rate set by the Bank of Russia on the date of the EGM.

Prior to finalising the redomiciliation procedure, the Company must complete all actions required by law to terminate its operations in Luxembourg. Further information will be provided on the possible timeline for redomiciliation. In the meantime, the Group will continue to operate as a Luxembourg-registered company until the redomiciliation has been completed. The process of changing the Group's legal registration will not affect the business operations of its retail chains or its subsidiaries in Russia. The Group will continue to meet all its obligations to its partners and customers on time and in full.

Russia's Food Retail Market Overview

The Russian food retail market grew by 14.9% YoY to RUB 26.4 trn in 2024 compared to RUB 23.0 trn in 2023, according to Infoline.

In 2024, the overall number of stores of TOP-200 grocery chains in Russia reached 126.5 thousand (plus 10.8 thousand stores YoY), and their total space comprised 39.6 million m² (plus 2.2 million m² YoY).

According to Infoline, the downsizing trend in the total average selling space continued in 2024, and the average selling space reduced by 17.2% YoY to 313.4 m², by the end of 2024.

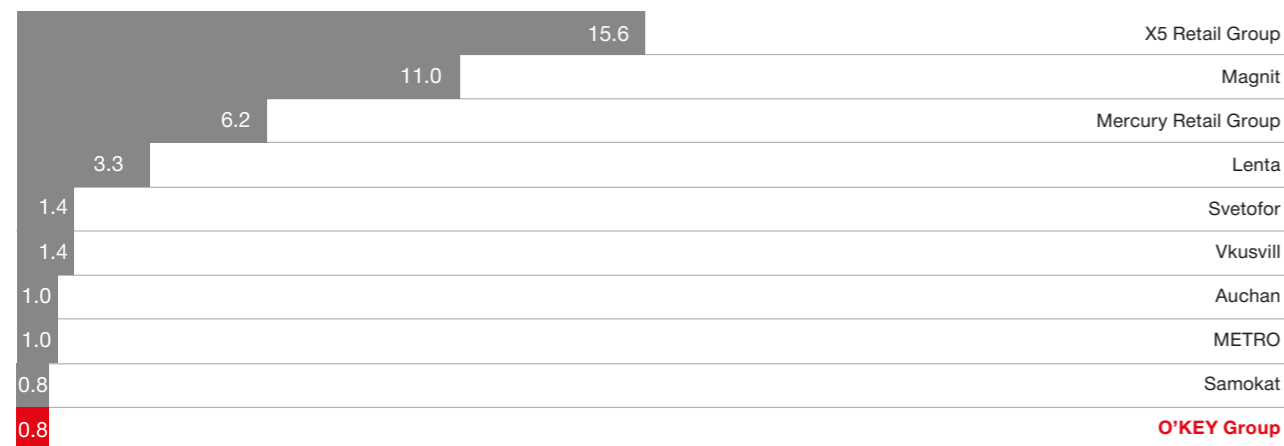
According to Infoline, discounters and proximity stores continued to increase the footprint in 2024. The aggregate share of discounters and proximity stores increased by 1.4 p.p. to 78.1% in 2024.

In 2024, the TOP-10 leading food retailers increased their market share by 2.6 p.p. YoY to 42.5%.

O'KEY Group was 10th largest food retailer in Russia in 2024, according to Infoline.

RUB 26.4 trn
Russian grocery market value¹

Top-10 food retailers in Russia market share, %



Source: Infoline research 2024, revenue net of VAT

¹ Infoline research 2024.

ONLINE GROCERY MARKET IN RUSSIA

In 2024, according to Infoline, Russian e-grocery market continued its rapid growth having increased by 39.4% YoY to RUB 1,280 bn and reached a 4.8% share in total Russian food retail market (plus 0.8 p.p. YoY).

In 2024, according to Infoline, O'KEY Group was ranked 10th largest food retail chain in online².

RUB 1,280 bn
Russian e-grocery market value¹

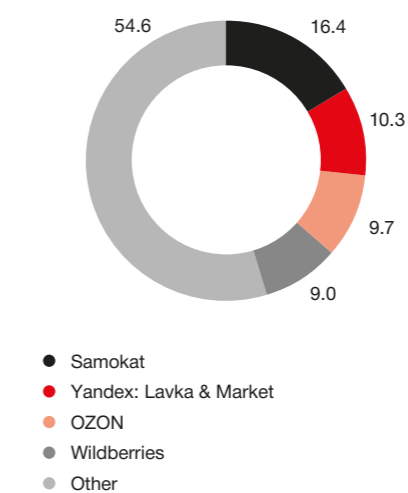
Top-10 grocery retailers in Russia by Gross Online Sales, RUB bn

Retailer	RUB bn
X5 Group	217.3
VkusVill	189.5
Magnit	99.2
METRO (B2C+B2B)	95.9
Lenta	71.3
Auchan	27.3
Azbuka Vkusa	15.1
Globus	14.9
SPAR	9.3
O'KEY Group	8.9
Myasnov	3.8

Source: Infoline research 2024, excluding marketplaces, grocery aggregators and food delivery operators. Revenue includes VAT.

In the course of 2024, marketplaces continued to outperform the e-grocery market by expanding the range and increasing the number of sellers to provide maximum breadth of choice. According to Infoline, leading marketplaces and food delivery operators increased their combined market share in e-grocery by 0.5 p.p. YoY to 45.4% in 2024.

Russian e-grocery market structure in 2024, %



¹ Infoline research 2024.

² Excluding marketplaces, grocery aggregators and food delivery operators.



Sustainable Development

SUSTAINABILITY APPROACH

O'KEY Group is a retail company that has established a widespread presence in various regions of Russia. Since its inception, the Company has been catering to a diverse array of stakeholders, including customers, employees, shareholders, investors, suppliers, and local community representatives. As a company, we consistently develop strategies for engaging with regulatory and government authorities, the media, and NGOs, as we believe that fostering partnerships is essential for the continuous growth and development of our business as a whole. Our commitment to sustainable development is embedded in our core values. We strive for excellence in our daily operations by providing families with fresh and high-quality products, along with a convenient and hassle-free shopping experience.

Recognising the significance of socially responsible businesses, we endeavour to create customised methods, incorporate global standards of accountability and community assistance, and adhere to regulations regarding labour relations and environmental safety.

At O'KEY Group, we prioritise creating an effective and positive work environment for our employees. We believe that our employees are the backbone of our business, and we are committed to ensuring their well-being and career growth. We provide our employees with opportunities to develop their skills and knowledge through training and development programmes, and we strive to create a culture of innovation and collaboration.

In addition to our commitment to our employees, we take our social responsibility seriously

by acting accordingly. We believe that businesses have a crucial role to play in society and we strive to make a positive impact through our operations. We are committed to sustainable development and we take steps to minimise our environmental impact. We also believe that it is important to give back to the community, and hence we support various charitable initiatives and organisations that align with our values.

Overall, we remain committed to delivering the best possible experience to our customers, employees, shareholders, investors, suppliers, and local community representatives. We believe that by continuing to prioritise sustainability and innovation, we can continue to grow and develop our business in a responsible way.

OUR EMPLOYEES

The experience and expertise of our people are fundamental components of our business model, and we believe they are the backbone of our success.

For this reason, we invest in the personal and professional growth of our employees, providing them with ample opportunities to develop their skills and knowledge so they can continue delivering exceptional service to both internal and external customers. We want every employee in our Company to understand the crucial role they play in creating a positive, warm, and welcoming environment in our stores that our guests truly appreciate.

By doing this, we believe we can foster a strong service culture that not only benefits our customers but also has a positive impact on our employees, enhancing their job satisfaction and overall well-being.

O'KEY Group's HR policy aims to drive business growth by attracting, retaining, and developing high-potential employees across all levels of the organisation. To this end, we continuously

improve processes related to the onboarding, training, development, and recognition of O'KEY employees. We strive to create a productive work environment and unlock both professional and personal potential in line with the Company's HR strategy. A systems-level, holistic approach to HR management, along with a strong focus on people and their needs, ensures that O'KEY remains an attractive employer.

O'KEY GROUP'S HR STRATEGY PILLARS ARE:

building a culture of engagement and effectiveness;

creating an environment that fosters leadership potential, develops professional skills, and supports career growth;

building an effective organisational structure and management team;

applying a systematic approach to attracting, retaining, and developing employees;

maintaining workplace efficiency through the adoption of advanced technology and automation of HR services;

building a holistic and positive employer brand in the Russian labour market; and

introducing best HR practices.

MAJOR HR AND STAFF MANAGEMENT EVENTS IN 2024:

Amid labour market restructuring and increasing competition for top talent, managing our people was our No. 1 risk and strategic priority in 2024.

Through prudent decision making, the Company successfully reduced staff turnover, retained key employees, and maintained high staffing levels for the business:

- To enhance the Company's competitiveness in the labour market, **a large-scale pay revision was carried out, and bonus systems were updated.**
- Recruitment processes were strengthened by scaling up our Bring a Friend referral programme**, which was successfully rolled out across the organisation, as well as through reputation management and **EVP promotion activities. These efforts boosted the Company's profile among job seekers** and reinforced its positive perception as an employer.
- To increase employee awareness and **sustain a culture of engagement, corporate communication channels were expanded**, with a particular focus on employee social networks.

By taking a holistic approach to feedback from current and former employees, the Company improved its rating on dreamjob.ru (a HeadHunter partner) from 3.6 to 3.8 points, exceeding the market average for retail chains. As a result, the Corporate Culture and Open Employer rating badges were added to O'KEY's website, increasing job seekers' confidence when considering vacancies. **Based on 2,356 ratings, 72% of users would recommend the Company as an employer.**



TALENT RETENTION AND KNOWLEDGE CONTINUITY WERE ADDRESSED THROUGH THE FOLLOWING MEASURES:

Developing O'KEY Academy by:	Launching a new-format mentoring system to allow the Company to:	Launching the employee potential assessment process within the talent management system to:
<ul style="list-style-type: none"> conducting a full audit of the knowledge base; developing new e-learning courses for the existing Academy departments, where talent pool members take training for management positions in retail units; and launching training projects such as Occupational Health School, HR Encyclopedia, an HR record management project, and other initiatives. 	<ul style="list-style-type: none"> ensure knowledge continuity; retain skilled employees; and enhance the overall stability of the staff management system. 	<ul style="list-style-type: none"> develop employees' professional and career paths based on a comprehensive evaluation.

We remain strongly focused on ensuring safe working conditions for every employee and a comfortable shopping experience for every customer. The Group strives to minimise work-related injuries and continuously improves its occupational health and safety (OHS) management system. Our approach is based on full compliance with Russian laws.

BY MAINTAINING A STRONG FOCUS ON CREATING A SAFE WORK ENVIRONMENT, WE HAVE REDUCED THE WORK-RELATED ACCIDENT RATE BY 9% YOY:

- | | | |
|---|---|--|
| <p>1. Special assessments of working conditions and occupational risks were conducted for every workplace.</p> <p>2. The automated Occupational Health and Safety Control System (OHSCS) and pre-shift health checks were introduced at distribution centres (DCs).</p> | <p>3. A series of training sessions was delivered.</p> <p>In line with our efficiency strategy to enhance the Company's existing processes and drive ongoing improvements in products, services, and the work environment, we finalised a conceptual framework</p> | <p>in 2024 to guide continuous improvement (CI) teams and held strategic sessions for retail unit management. A total of 70% of managers have completed relevant training and developed efficiency programmes for the processes they oversee.</p> |
|---|---|--|

IN 2025, WE WILL REMAIN FOCUSED ON ENHANCING THE COMPANY'S BUSINESS EFFICIENCY BY DEVELOPING EMPLOYEES AND TEAMS, FOSTERING A CULTURE OF ENGAGEMENT, AND CREATING A SAFE AND PRODUCTIVE WORK ENVIRONMENT.

KEY METRICS IN 2024

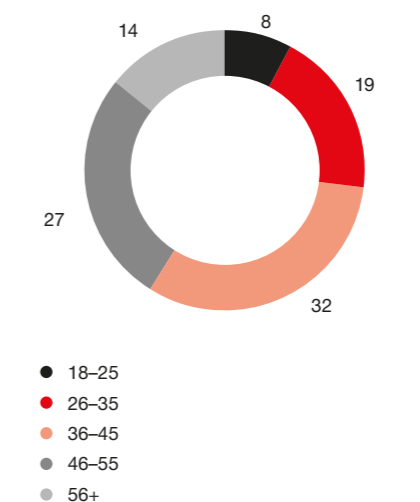
Below are O'KEY Group's key personnel metrics.

19,011

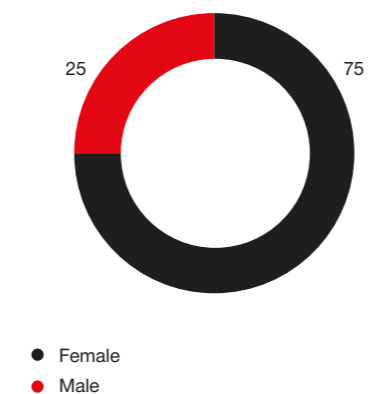
Total headcount in 2024 (as of 31 December 2024)

O'KEY Group maintains gender balance in its workforce, with men making up 28% and women 72% on average across the Group.

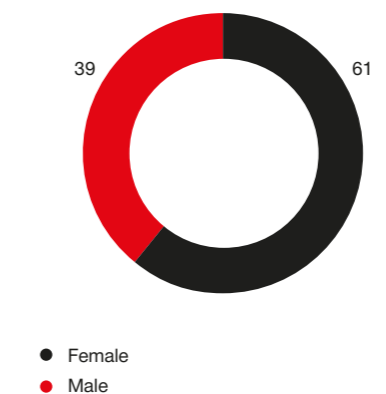
Age distribution, %



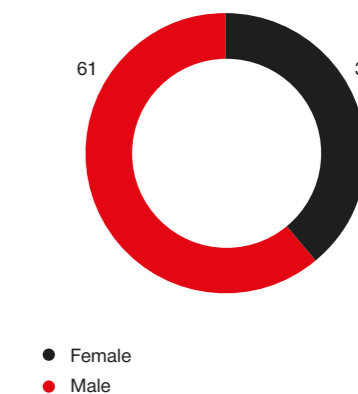
Gender distribution, Stores, %



Gender distribution, Offices, %



Gender distribution, DCs, %



O'KEY boasts a high percentage of employees **who have been with O'KEY for 5-20 years** – 5,600 people, or 40% of O'KEY headcount.

O'KEY offers structured horizontal and vertical development programmes, enabling employees to change roles within the Group and pursue multiple career paths while maintaining strong loyalty to the Company.

All units continue to develop referral programmes for hiring candidates recommended by Company employees. Our people act as champions of O'KEY's employer brand and are willing to recommend the Company as a reliable and stable employer with a strong reputation.

In 2024, **20%** of head office vacancies were filled through internal mobility.

In 2024, **12%** of vacancies across the Group were filled through the referral programme.

As a modern and attractive employer, O'KEY offers employees a variety of work schedule options.

- Hypermarket employees can choose a work format that suits them – full-time, part-time, or secondary employment.
- The Company has partnered with an advanced job platform for the self-employed.
- Office employees can choose a hybrid work format, in line with the modern global trend of work-life balance, which is in high demand in the labour market.



EMPLOYEE TRAINING AND DEVELOPMENT

The Company's success depends on its people. In the reporting year, we remained focused on driving the personal and professional growth of our employees.

O'KEY's Talent Pool Academy serves as the primary platform for upskilling current managers and training internal candidates for leadership positions.

2024 EMPLOYEE TRAINING AND DEVELOPMENT HIGHLIGHTS:

- Over 53,000 self-paced e-learning courses were completed in total by Company employees.
- 5,518 employees received classroom training with internal coaches.
- 203 training sessions and webinars were held online.
- 150 e-courses are available for training at O'KEY Academy.
- 25 educational programmes were developed at O'KEY Academy to build hard and soft skills.

For several years now, O'KEY Academy departments have been successfully upskilling managers at various levels:

- ROST'OK – training for section heads.
- Leadership School – training for deputy hypermarket managers.
- School with Meaning – training for hypermarket managers.

In 2024, about **30%** of Talent Pool Academy students were appointed to management positions – hypermarket managers and deputy managers or section heads and deputy heads.

We have continued to expand the O'KEY Academy training platform with new subject areas and courses. In 2024, we launched the Occupational Health School, a training project designed to familiarise employees with regulatory requirements, occupational

health processes at the Company, and the distribution of responsibilities across management levels. We also developed a series of programmes for HR employees.

Mentoring system

In the reporting year, we strongly focused on developing our new-format mentoring system.

This programme allows us to address multiple objectives at once:

- Recognition of top experts who pass on their knowledge to newly hired or appointed employees.
- Professional certification of mentors, which ensures that training is entrusted to qualified experts and that teams are actively engaged in continuous learning and upskilling.
- Retention of top talent.

About **5%**

of hypermarket managers take training at the School of Mentors department.

In 2024, the programme led to a **12%**

reduction in overall turnover compared to 2023, with management turnover not exceeding 15% for the year.

In 2025, we plan to:

- actively develop the talent pool and mentor training programme and launch a school of coaching techniques and mentoring;
- develop a school for occupational health specialists and an HR school;
- introduce continuous improvement teams at the chain's stores; and
- launch a lean production school.

Talent management system

The Company creates a supportive environment to unlock team potential and attract and retain high-potential, top-performing employees. Our talent management system enables us to better understand

the strengths and development needs of our employees as well as create professional and career paths based on a comprehensive evaluation. It is an integral part of our corporate culture, significantly enhancing the appeal of the Company's employer brand and its overall competitiveness.

In 2024, we further expanded our talent management system to cover office staff, including managers at all levels.

The talent management system includes a three-stage potential assessment. In 2024, we completed the first assessment stage, identifying employees with high development potential over a 1–3-year horizon. About 5% of these employees were placed in the HiPo category and 15% in the HiPro category. In 2025, we plan to conduct the second assessment stage along with training and skill development initiatives.

COMPENSATION AND BENEFITS

O'KEY Group provides social support to its employees in accordance with legal requirements and implements additional programmes aimed at creating the most comfortable working conditions for them, including:

- VMI on co-financing terms (with the Company covering up to 100% of the cost);
- discounts at the Group's stores and a cumulative employee points system;
- meal allowances for employees of certain units;
- New Year's holiday gifts for employees' children;
- financial assistance to employees in a difficult life situation;
- discounts for employees at various cafes, canteens, beauty salons, and hotels;
- training programmes from partners at online schools (free learning at the Skyeng English language school, discounts at Netology and Algorithmics schools for employees and their children); and
- the Best Benefits corporate discount and privileges programme.

In 2024, the Company's social benefits expenses, including payments for VMI, children's New Year holidays, financial assistance, and meal allowances, amounted to

RUB 445 mn

To retain top talent, the Company effectively combines financial and non-financial incentives while also striving to ensure competitive pay rates. The Company employs a key performance indicator (KPI) system that takes into account both individual and corporate goals.

To boost the Company's competitiveness in the labour market, a large-scale revision of remuneration systems was conducted in 2024 to align with the current external environment and the Company's internal values. Bonus systems for revenue-generating units were also updated. As part of the current

bonus program, the list of target KPIs was updated to ensure the achievement of specified financial targets and enhance operational efficiency in line with the Company's financial development plan. We also transformed the organisational structure to better align it with our business needs.

In 2025, we plan to:

- maintain the existing additional benefits and expand the list of partner programmes for our employees;
- raise the amount of financial assistance to employees in a difficult life situation; and
- maintain pay rates in line with the market.

REPORTING VIOLATIONS

The Group encourages employees to use the compliance hotline and other feedback channels to make good-faith reports of violations.

O'KEY Group places a strong emphasis on addressing ethics and labour law violations as well as managing employee-management relations. Since 2019, the Company has had a Whistleblowing Policy in place to address these matters.

We provide multiple whistleblowing channels for employees, including a call centre, dedicated manager-employee meeting hours, and morning meetings.

71 reports

received in 2024 compared to 116 in 2023

100%

of reports addressed and followed up with feedback

HEALTH AND SAFETY


We remain strongly focused on ensuring safe working conditions for every employee and a comfortable shopping experience for every customer. The Group strives to minimise work-related injuries and continuously improves its OHS management system. Our


approach is based on full compliance with Russian laws. Our core regulatory documents in this field are:

- the Labour Protection and Occupational Health, Environmental, Industrial and Fire Safety Policy; and

- the Occupational Health Management System.


WHAT WE DO

Monitoring workplace conditions 

Training employees in workplace safety 

Implementing preventive measures to avoid similar incidents in the future 

Monitoring employee health 

Investigating injuries 

Facilitating labour inspections conducted by governmental supervisory authorities 



2024 HIGHLIGHTS

Special assessments of working conditions and occupational risks were conducted for every workplace.

Pre-shift health checks were introduced at DCs.

Training in occupational health and safety was provided at a licensed training centre.

An automated occupational health and safety control system was launched.

The Company successfully passed a state labour inspection, receiving minor penalties and developing a corrective action plan.

The work-related accident rate decreased by **9% YoY**

The decrease was mainly driven by improved approaches to monitoring workplace conditions and employee health, and identifying root causes during incident investigations, as well as by training employees in safe work methods and implementing preventive measures to avoid similar incidents in the future.

1,187 employees

trained in occupational health and safety at a licensed training centre under the "Occupational health and safety basics and the operation of the OHS management system" programme

1,092 employees

trained in occupational health and safety at a licensed training centre under the "Safe work methods and practices when exposed to work-related health and/or injury hazards and sources of hazards identified during a special assessment of working conditions and occupational risk assessment" programme

818 employees

trained in fire safety at a licensed training centre

1,112 employees

trained in first aid in the workplace at a licensed training centre

1,092 employees

trained in occupational health and safety at a licensed training centre under the "Use (application) of personal protective equipment" programme

All work-related injuries that involve our employees or third parties (customers and contractor employees) are tracked and rigorously investigated in line with Russian laws.

The Company also monitors and investigates all incidents involving third parties (customers and contractor employees). We updated the relevant procedures to ensure faster response and prevent similar incidents in the future.

- In 2025, O'KEY Group plans to:**
- improve the OHS management system;
 - conduct special assessments of working conditions and occupational risk assessments for new workplaces;
 - continue training employees in safe work methods and first aid in the workplace;
 - continue rolling out the Occupational Health and Safety Control System (OHSCS), an automated toolkit designed to support the effective set-up of OHS management system processes and procedures, enabling planning, assigning responsibilities, allocating

- resources, implementing OHS measures, and monitoring and analysing the overall performance of the OHS management system; and
- to enhance safety measures for high-risk work performed by Company employees and third-party organisations.

Lean production
In line with our efficiency strategy to enhance the Company's existing processes and drive ongoing improvements in products, services, and the work environment, we finalised a conceptual framework

in 2024 to guide CI teams, held strategic sessions for store managers and area managers from the Northwestern and Central Federal Districts, and presented and defended projects for changes to the Company's operational processes.

These change initiatives are scheduled for implementation in 2025.

INCREASING THE ATTRACTIVENESS OF THE EMPLOYER BRAND

In 2024, the Company took comprehensive efforts to promote its employer brand both externally and internally.

- We are strongly focused on the Company's brand positioning on key recruitment websites, HeadHunter and Avito.
- By taking a holistic approach to feedback from current and former employees, the Company improved its rating on dreamjob.ru (a HeadHunter partner) from 3.6 to 3.8 points, exceeding the market average for retail chains. As a result, the Corporate Culture and Open Employer rating badges were added to O'KEY's website, increasing job seekers' confidence when considering vacancies. **Based on 2,356 ratings, 72% of users would recommend the Company as an employer.**
- A heightened emphasis was placed on developing employee-focused groups and channels on social networks, along with creating content aimed at building the employer brand.
- To increase employee awareness and engagement, we launched a news digest – a new source of information for Company employees on the okmarket.ru website that aggregates key performance results from across the organisation.

- In line with the well-being concept, the Company encourages employee participation in sporting events: the O'KEY team took part in the Fontanka SUP festival in St. Petersburg, employees across the Company's footprint participated in the ZaBeg.RF half marathon, and the O'KEY football team, comprised of its head office employees, competes in the Business Champions League.
- The Mission: New Year federal team-building project was conducted to unite office and hypermarket employees during the pre-New Year period, aiming to improve communication and work processes.
- Throughout the year, hypermarkets, distribution centres, and offices hold team-building events, celebrations, contests, workshops, quizzes, and other corporate events.
- Employees take part in charitable programmes that aim at helping children and the elderly.
- We continue our partnerships with educational institutions, holding meetings with students and graduates, offering practical training at our hypermarkets, and hiring some of these interns at our stores.
- The Company supports the Start Your Career with O'KEY programme for young talent and students of universities and colleges.

In 2025, the Group plans to continue building a positive employer brand for job seekers and existing employees.

ANTI-CORRUPTION

O'KEY Group remains committed to honesty, openness, and integrity. The Group's ever-improving anti-corruption system combines organisational, economic, legal, and informational measures. We have zero

tolerance to corruption: the Company and all of its employees must comply with the relevant laws and ethical business practices.

The anti-corruption policy enshrines applicable law enforcement procedures as per Federal Law No. 273-FZ "On Combating Corruption". Adhering to our rules and policies, we audited various focus areas of the Company in the reporting year. We investigated every report received from our employees or partners, identified the causes, developed corrective measures, or undertook actions.

In addition, the Company operates various risk management and business data privacy tools to avoid breaking the law and incurring financial and reputational losses. We use a dedicated Red Flag Report system in which we can track and identify unlawful affiliation as well as any anomalies or violations of the Company's anti-corruption policy. Thanks to this tool, we can respond to confirmed corruption cases much faster.

In 2024, we proceeded with the procurement transparency methods developed in 2021. Our Anti-Corruption Department regularly analyses purchases in chain stores using loyalty programmes to identify internal and external fraud based on partner reports prepared in accordance with the Company's requirements, as well as monitors the commercial procurements and electronic bidding on CisLin and Tender.pro e-commerce platforms. Thus, we rule out possible fake competition for counterparties taking part in the bidding.

In the reporting year, we also undertook routine measures to instil confidence of employees and contractors. The Company actively joined general meetings and negotiations with suppliers to promote a culture of zero tolerance to corruption in any form.



The Group has an ever-improving anti-corruption portal in line with the strategy to simplify and expedite investigations related to anonymous warnings, disputes, or legal requests.

Over 2024, the ultra-fresh (meat/fish) commercial procurements were finally moved to an automated trading platform. We also automated the analysis of in-store purchases under the loyalty programmes for internal and external fraud.

The Company aspires to partner with those counterparties who follow the principles of legality and anti-corruption laws. Every contract

with a counterparty includes a binding anti-corruption clause; otherwise, it will not be negotiated.

The Company consistently trains its employees in anti-corruption, advocating zero tolerance in accordance with the Company's Anti-Corruption Policy. To ensure transparency, employees of the Economic Security Department regularly join procurement commissions. All potential conflicts of interest are reported to the internal audit and security departments of hypermarkets and supermarkets which assess corruption risks.

All employees of O'KEY Group can go through the anti-corruption policy and relevant procedures when being hired. If specific procedures change, new versions of documents are sent to employees for review. The Company's staff undertake to respond to all corruption cases without delay. We guarantee confidentiality of the person who reports corruption. Anonymous hotline numbers are available to all employees and suppliers in every branch and on the Group's website.

Information posters about zero-tolerance behaviour in our offices remind employees to report any suspicious actions or incidents to the relevant hotline.

Internal measures	External measures
<ul style="list-style-type: none"> new employees are checked for corruption risks prior to employment; all employees sign a pledge to follow the Anti-Corruption Policy; employees from the procurement and real estate departments as well as in our stores take anti-corruption courses and attend briefings; employees exposed to higher corruption risk, for example, from procurement and real estate departments, fill out declarations; contracts are monitored every six months; critical business processes (e.g., receipts, write-offs and returns) are subject to oversight procedures using IT monitoring software; and appeals are addressed via feedback channels. 	<p>We thoroughly inspect all potential suppliers and service providers prior to contracting, namely:</p> <ul style="list-style-type: none"> documentation; financial health (balance sheets, assets, turnover, debts, credits, and court proceedings); absence of affiliation to our other suppliers or our employees; customer base, turnover matching the declared tax history; local suppliers are additionally monitored; our suppliers sign a binding agreement in which they accept all anti-corruption policy clauses; and if suppliers and contractors violate the anti-corruption policy, O'KEY Group is entitled to terminate their contracts immediately.

These measures imply compliance tests for employees and suppliers to make transactions more transparent and better detect violations.

The year of 2024 marked five violations of the Company's rules and standards. Internal checks were carried out on all identified violations, resulted in a dismissal of three hypermarket employees. In the course of the measures carried out, damage to the Company was prevented in the total amount of RUB 2.2 mn, and damage to the Company in the total amount of RUB 1.3 mn was compensated. Four hotline messages were also received. According to the reports received, activities related to the competence of the Economic Security and Anti-corruption

departments of were carried out. In all four cases, the information was not confirmed.

On the eve of the New Year 2025, we conducted a win-win lottery among the employees of O'KEY Group to draw gifts received from our suppliers and contractors and given by our commercial department employees to the lottery fund.

In 2025, we plan to further implement and enhance our action plans to develop a culture of zero tolerance of the Company's employees and suppliers to corruption in any form.

The Company plans to complete the implementation of a programme for the full-scale use of the DLP (Data Loss Prevention) system.

The system is set to prevent leakage of commercial and sensitive information and personal data of the Company's employees.

We also plan to conduct internal audits in the Company's departments in order to identify and prevent any possible corruption among employees, including eliminating conditions and causes that may contribute to the emergence of corruption schemes in the future.

ENVIRONMENTAL RESPONSIBILITY

Our clients are increasingly conscious of environmental issues. The retail industry is impacted by shifts in environmental regulations and investor evaluations that are based on environmental, social, and governance (ESG) criteria. Consequently, it has become necessary for businesses to adopt environmentally responsible practices in order to secure their position in the market sustainably. At O'KEY Group, we prioritise resource conservation and minimising our carbon footprint, and thus we implement various strategies to achieve this.

Since 2019, our company has been implementing the Live Green corporate policy, which serves as a guiding force for our operations. This policy motivates us to initiate projects that align with our core values. We are constantly seeking out innovative methods to reduce resource consumption and we are advocating for ESG principles amongst our customers to improve our sustainability initiatives. Working with environmental and social NGOs provides us with a platform to launch awareness campaigns that serve this purpose.

REDUCING THE USE OF DISPOSABLE PLASTIC PACKAGING

O'KEY Group has launched various initiatives to reduce the use of disposable plastic packaging across its operations. The company has been gradually introducing eco-friendly alternatives to replace traditional plastic packaging. For instance, O'KEY Group has launched an initiative to replace

plastic bags with paper bags or reusable bags. The company has also introduced eco-friendly packaging for fruits and vegetables, such as using biodegradable mesh bags or cardboard trays. We offer this type of packaging not only at the cash desk, but also in the department of loose-weight products, thereby accustoming customers to the new social norm.

At our stores, we offer bio-bags that are fully biodegradable within a year. These bio-bags are just as strong and high-quality as traditional plastic bags, and they are safe to use with food items. By introducing this initiative, O'KEY Group continues to lead the way in the Russian food retail by offering a unique biodegradable solution.

The Group started partnering with NGOs and suppliers. O'KEY Group collaborates with non-governmental organisations and suppliers to launch initiatives aimed at reducing plastic waste. For instance, the company works with NGOs to raise awareness about the negative impact of plastic waste and encourages customers to use eco-friendly alternatives.

O'KEY is also working on reducing the amount of packaging used for products. This includes exploring ways to optimise product packaging to reduce the use of plastic and other materials. The company has implemented waste segregation and recycling programmes to ensure that waste is disposed of responsibly. This includes setting up separate waste collection bins for recyclable materials such as plastic, paper, and glass.

Overall, O'KEY Group's initiatives to reduce the use of disposable plastic packaging are aligned with its commitment to environmental responsibility and sustainability.

To demonstrate our commitment to responsible consumption and retail practices, we conduct regular internal audits to ensure strict compliance with the Russian environmental regulations. Additionally, we perform a quarterly monitoring of atmospheric and noise pollution in the intermediate

zone to guarantee that our stores do not negatively impact the local community's living conditions.

ENERGY EFFICIENCY

At O'KEY, we prioritise the energy efficiency of our operations and continuously work towards reducing our overall energy consumption. We closely monitor environmental data, including energy use in our supermarkets, and undertake measures to minimise energy usage. To achieve this, we have implemented various initiatives such as replacing outdated luminescent lighting with modern recuperators and energy-efficient LED lights and LED signboards. We have also replaced outdated refrigeration elements and HVAC systems with state-of-the-art, energy-saving devices. Furthermore, we have adopted energy-efficient building management systems (BMS) to maximise energy efficiency.

The energy-saving measures we implemented have yielded impressive results. By installing LED lamps in the parking lot and replacing some of the interior lighting with LED fixtures, as well as implementing a "Smart House" system that automatically controls the interior lighting and disconnects part of the ventilation systems at night, we were able to reduce energy consumption by nearly 15% in the stores where these measures were implemented.

Compared to the same period last year, electricity consumption was reduced by

10.7%

in 2024



	2022	2023	2024
Total amount of consumed energy, kWh	372,356	353,373	315,741
LFL	364,612	338,110	308,711

WASTE MANAGEMENT

The Waste Management Policy is applied across all of our stores at O'KEY Group to regulate our waste management processes.

	2022	2023	2024
Proceeds from sales of recyclable materials, RUB mn	320.2	244.1	345.2

Our key priority in this area is to reduce waste and negative environmental impacts through the implementation of a separate waste collection project. Waste management activities are carried out strictly within the framework of the current environmental and sanitary-epidemiological legislation. The activities of all divisions of the company are aimed at reducing the volume (mass) of waste

generation, minimising the formation of waste that cannot be further processed, and dumping them in accordance with current legislation. For these purposes, our Company:

- Carries out separate collection of waste generated by their types, hazard classes and other characteristics in order to ensure their use as secondary raw materials, processing or subsequent disposal; and

- Provides conditions under which waste does not have a harmful effect on the environment and human health, if it is necessary to temporarily accumulate industrial waste on the territory of stores (until the waste is transferred/sold for recycling or sent to a facility for disposal).

OUR COMMUNITIES

O'KEY extends support to disadvantaged communities within its operational regions. This includes individuals and families who face financial hardship, single mothers, those belonging to large families, elderly individuals who require assistance, and children with disabilities. Our aid efforts in 2024 were carried out independently and in collaboration with various stakeholders, including non-profit organisations volunteers, and charitable foundations. These partnerships allowed us to distribute funds and food to those in need more effectively.

Priorities of O'KEY charity programmes



- Help people in hardship
- Help veterans of the Great Patriotic war
- Support children's artistic endeavours

Major charity partners



- Advita
- Local charity foundations
- Various humanitarian organisations that help people in need

Directions of help



- Providing financial assistance
- Collaborating with foundations and non-profit organisations to feature fundraising activities and grocery donations
- Providing assistance with food supplies

SUPPORT WITH TREATMENT

Since 2016, O'KEY Group has been dedicated to providing financial assistance for medical treatment for children and adults with cancer. O'KEY Group is a long-time partner of AdVita, a St. Petersburg-based charitable foundation that specialises in helping and has been one of its loyal charity partners for a long time. We have installed donation boxes next to our counters in our hypermarkets in St. Petersburg, so that our customers can aid those in need.

For several years now, the funds collected through these donation boxes have been utilised primarily for diagnosis and treatment.

Various medications and laboratory supplies are purchased, especially for the laboratory of the Raisa Gorbacheva Memorial Research Institute of Children Oncology, Hematology, and Transplantation, which is a participant in the programme.

Over

RUB 1.6 mn

raised through donation boxes in 2024

Over

RUB 19.0 mn

raised in total

VETERANS SUPPORT

Since 2002, O'KEY has been showing its support for the veterans of the Great Patriotic War through an annual campaign. This initiative aims to honour and provide aid to those who fought for the country's freedom and peace.

Throughout the years, we have extended our assistance to veterans of the Great Patriotic War in all the regions where we operate. As part of our efforts, we distribute gift cards to them ahead of this significant holiday. This gesture allows them to make purchases in our stores, which we hope would make their lives more comfortable.

111 mn clients

77

hypermarkets

224

discounters

5.4%

share of online

32
O'KEY Hypermarkets

39
DA! Discounters

Operational Review

O'KEY Hypermarkets

Today, O'KEY hypermarkets are proud to offer more than 40 thousand food and non-food items, including a wide range of fresh products, such as meat, poultry, fish, dairy, confectionery, fruit and vegetables, as well as ready-to-eat

meals and bakery from the chain's own production. Their growing share in our offering follows a similar trend in consumer behaviour observed over the past few years, with more and more customers looking to buy ready-to-eat meals.

As of 31 December 2024, the total number of O'KEY hypermarkets was 77, with a total selling space of 512.3 thousand m².

HYPERMARKET BUSINESS 2024 AT A GLANCE:

6,650 m²
average store selling space

40,000 SKUs
product range

64.9%
logistics centralisation rate

77
number of stores

>50%
'fresh' in sales mix

KEY FIGURES OF 2024

	2022	2023	2024
Number of stores	79	77	77
Selling space, k m ²	525.8	515.8	512.3
Net retail revenue, RUB bn	146.9	141.9	144.8
LFL net retail revenue, %	(3.6%)	(3.3%)	+2.3%

PERFORMANCE OVERVIEW

SUPPLY CHAIN

O'KEY Group operates an efficient supply chain that allows us to serve our customers' needs in all our regions of operation. In 2024, we continued to enhance our supply chain via upgrading our existing distribution centres, improving our logistic operations, implementing cutting-edge digital solutions, and building transparent relationships with suppliers.

As of December 2024, the O'KEY hypermarkets logistics system encompassed four distribution centres: two federal centres in Moscow and two regional centres in St. Petersburg with a total floor space of 101.3 thousand m². The federal distribution

centres are based in Moscow and distribute fresh products, fruits and vegetables, FMCG, non-food, and alcohol products to all stores across the country. The regional distribution centres are located in St. Petersburg, one of them specialising in FMCG and non-food,

and the other — in fruits and vegetables and fresh products. This supply chain organisation enables O'KEY Group to balance between logistical costs, stock management, and a high level of service.

Location and Service Areas of O'KEY Distribution Centres (DCs)

Overall number of DCs – 4

Moscow – 2	St. Petersburg – 2
(53.8 k m ² and 18.1 k m ²)	(21.8 k m ² and 7.6 k m ²)
Categories: Fruits and vegetables Fresh FMCG	Categories: Fruits and vegetables Fresh FMCG Non-Food Alcohol



Results of 2024:

- We conducted remote pre-trip medical examinations;
- Withdrew the batch accounting of alcohol;
- Launched the process of rounding the store's order to a mono pallet when the threshold value of 85% of the boxes from the full pallet is reached;
- Optimised the cost of delivery with rented vehicles by increasing the transport turnover;
- Conducted monitoring of the best transportation tariffs in online format on electronic trading platforms;
- Implemented a system of packing and shipping on one pallet for beer and spirits;
- Continued to optimise the supply chain basing on the logistical cost of the goods;
- Increased centralisation rate for the fresh category through DCs, which led to an increase in total centralisation rate to 64.9%;
- Introduced a tool to control the shelf capacity parameter in stores, which helps to improve auto order management system in optimisation of inventory levels and reducing write-offs in stores;
- Optimised supply channels and processing methods in order to optimise inventory level at DCs;

- Introduced a tool to control the occupancy of promo zones in order to increase the presentability of the promo layout in stores;
- Automated calculation of the presentation stock used in the auto order launched;
- Introduced a return tool in order to increase the efficiency of the goods return process through transparency and control, freeing up stores and DCs space; and
- Developed an algorithm for determining the TOP SKUs of the season, and implemented a process for availability monitoring by key indicators, which had led to a decrease in OOST and an increase in sales of driver products (top sales).

Plans for 2025:

- To withdraw the PBL configuration wave circuit to ensure uniform load distribution on DCs when PBL orders are received;
- To develop the 3PL logistics project: inclusion of new product categories;
- To improve the quality of the vehicle monitoring system (GPS, temperature, opening sensor);

- To increase the centralisation of the Fresh category through DCs, which is expected to lead to an increase in total centralisation;
- To optimise the approval process of the new products introduction, forecasts, etc.;
- To centralise forecast management by the CP for all categories;
- To enhance goods on promos controlling process;
- To transfer to centralised auto order management system all Fresh and Non-Food categories;
- To enhance analytical support for CP processes;
- To implement EDLP and EDPP forecast management;
- To improve the algorithms for distributing the shortage of goods to DCs;
- To implement routing prioritisation and monitoring tools;
- To introduce F&V shelf life management at the batch level during acceptance at DCs, as well as the rotation of goods during storage at DCs after inspection by the quality control staff.

QUALITY AND SAFETY

At O'KEY Group, we are committed to maintaining the utmost standards of safety and quality throughout our entire supply chain, with a focus on providing our customers with the freshest and highest-quality products possible. To ensure top-quality goods across all of our stores and to meet the evolving needs of our customers, we implement a risk analysis and critical control point (HACCP) approach. Our quality control system covers every aspect of our operations, from production to consumption, and is complemented by internal standards that often exceed industry requirements. By adhering to these rigorous standards, we strive to deliver unparalleled quality and safety to our customers.

O'KEY Group maintains quality and safety through a dedicated quality control department, which upholds internal quality standards that align with both Russian Federation legal requirements and global best practices in retail.

O'KEY Group's Quality Management System (QMS) is built upon the principles of risk analysis and Critical Control Points (HACCP) to ensure the safety of our products. Our QMS adheres to key hygiene control measures at all stages of food production. As legislation and market dynamics evolve, we continuously refine our approaches to quality control, aligning our QMS with cross-functional targets, customer needs, and business objectives. We also regularly update our additional quality standards to align with global retail best practices and the specific requirements of our business.

Standard measures for ensuring quality and safety at O'KEY Group include conducting preliminary quality control procedures, monitoring product assortment in both stores and warehouses, and conducting external and internal audits of our stores and supply chain. Our own production and private label products undergo laboratory monitoring to confirm their high quality and safety.

One of the key components of the guarantee of constant product quality is to ensure compliance with the requirements of internal

processes; therefore, we conduct internal quality audits of our supermarkets on the regular bases.

Results of 2024:

In 2024, we conducted 844 quality checks of O'KEY supermarkets for compliance with internal standards across the country.

In addition, during 2024, we tested 10,739 products in independent accredited laboratories, which is an average 895 items per month. The products passed a full examination in terms of quality and safety parameters, in accordance with the established legal requirements, and often more stringent criteria established by the Company.

We are also implementing initiatives to improve the skills of our employees in quality control. In 2024, all our employees in the stores and DCs passed special courses on the following topics:

- Fruit and vegetable management training at O'KEY supermarkets; and
- Training "Production checklist. Food safety".

The staff of the Quality Department completed a training course on advanced training: "Supplier audit in accordance with the requirements of GOST R ISO 22000" and "Effective communication and conflict management".

An informational introductory video on the process of acceptance of products of F&V category at the Company's distribution centres was introduced.

The online course "Standard of working with the F&V category" was developed and launched.

In 2024, 65 specifications and quality requirements for the internal use of the own brand Vesenin were developed. Comparative tastings were conducted for a new category in PLs vegetables, fruits and fresh herbs under VESENIN private label. The forms of reporting on the results of the tasting have been developed.

In 2024, we launched our own import of fruits and vegetables. As participants in this process, we coordinate labelling and receive permits.

In 2024, we finalised an implementation of automating product quality acceptance in O'KEY distribution centres for F&V category, which made the process of sampling and examination of goods more standardised, orderly and efficient. The share of automotive goods acceptance in the category accounted for 95%.

The Company actively participates in regional and national quality initiatives. O'KEY Group successfully passed the inspection audit and received an excellent status as part of the voluntary certification



“Made on Don” in the Southern region of Russia. Moreover, the Company took part in ACORT quality committee initiatives, such as communication with authorities on legislative issues, participation in round tables with state control bodies, and contribution to new normative documents developing procedures.

We participated as a speaker in various events organised by the Ministry of Industry and Trade of the Russian Federation, Roskachestvo, specialised unions and other organisations.

Special attention is paid to the quality of products manufactured under our private labels (PL). Last year, 407 new domestic products under various private labels were approved by the Quality Control Department.

At the “Quality Assurance 2024” International Competition, our private labels and own production received 10 gold medals, 11 silver medals, 8 “Meat Oscars” and 4 Quality Diplomas, which indicates that the jury recognised the winning products as the best in the presented nominations.

Over 2024, the Company continued its project for the risk evaluation and quality audit of products from our suppliers. In the reporting year, we conducted 37 audits of our own production at supplier’s facilities. We also conducted 95 audits of our private label products’ suppliers. In 2025, we will continue to do so to ensure the quality of our products for our customers.

In 2024, the promo programme was modernised and launched in terms of automated data collection on low-quality products from stores and retail centres.

Also a certificate has been developed to assess the reliability of all suppliers of PL products. The instruction “Procedure for receiving complaints for PL and own production products” has been developed, agreed upon and put into effect. A technical specification form has been developed for the introduction

of PL products, 68 tasks have been implemented in various categories for the reporting year.

A search has been conducted for new audit companies, and contracts have been concluded with three companies.

Continuous work was carried out with suppliers to eliminate identified violations at enterprises upon receipt of complaints, test results and audits of enterprises.

In the reporting year, we continued to improve the quality of our own products. To do this, we have developed and updated the Company’s regulatory documents, including 28 internal standards, technical instructions, procedures related to the quality of products such as our own pastries, meat and fish, processes in stores and work with contractors providing various kinds of services. Together with the commercial and operational teams, we have developed 737 technical specifications of the dishes. In addition, the expiration dates for 93 SKUs of packaged products of our own production have been declared and confirmed.

During the year, we conducted all the necessary laboratory tests of our own products and received 52 declarations for 927 product names.

Before delivering goods directly to stores and distribution centres, the quality control department monitors labelling and documents for products at the stage of entering into the assortment. This control is carried out on a joint portal with ART-TRADE suppliers and allows you to quickly resolve issues with suppliers in case of inconsistencies. This allows us to upload the necessary data in a timely manner, avoid technical errors on the part of suppliers and comply with all necessary deadlines. In 2024, 24,122 product names were agreed upon and delivered to stores using the platform, which accounted

for 100% of the supplier applications received. Additionally, 1,205 product SKUs were approved by mail.

Plans for 2025

The Company intends to continue enhancing its quality management system and food safety control procedures, going forward in terms of supplied branded goods, own production, private labels, imports as well as operations at its distribution centres.

In 2025, we will focus on:

- Continuing the updating of the Company’s Quality Management System;
- Training Hypermarket directors and key personnel on product quality and safety issues;
- Maintaining the process of introducing new products into the range of own production, own brands and all categories of goods sold on the network;
- Ensuring optimal shelf life of products manufactured in our hypermarkets;
- Automating the reporting on traceability systems (FGIS Mercury);
- Educating our suppliers in quality management;
- Expanding the scope of the suppliers evaluation system “Supplier Quality Rating”;
- Creating quality catalogues for products of our own production and our own brands, which will take into account the best practices in terms of product quality, including, but not limited to consumer preferences, as well as communication through packaging;
- Inspecting suppliers ‘ production facilities in terms of quality and periodic laboratory testing;
- Controlling products sold, paying special attention to products under their own trademarks and goods of their own production;
- Changing the approach in creating PLs and own production;
- Building parallel import processes;
- Going through the process of obtaining permits for medical devices, with the involvement of a third-party companies;

- Implementing a quality management system based on HACCP principles at DCs;
- Automating the approval of PLs projects on the ART TRADE portal;

- Implementing the traceability project in the own production (culinary and bakery); and

- Automating the write-off of veterinary products and data transmission to Mercury system.

E-COMMERCE

In 2024, the main focus of the e-commerce development was further optimisation of processes and increasing the efficiency of operations. These initiatives allowed us to maintain our solid position in a fast changing market environment and demonstrate strong online revenue growth.

E-commerce in 2024 at a glance:

7.4%
share of O’KEY online sales in Moscow

3,192,000
online orders completed

5.4%
total share of online in O’KEY sales

6,756,000
active users of online store and mobile application

Results of 2024

In early 2024, we launched fast delivery (in 90 minutes) in Moscow and St. Petersburg.

In the first quarter of 2024, we launched the O’KEY online store in all the cities where the hypermarket chain operates, following a successful pilot launch in Sochi and Krasnodar in 2023.

Another important event was the launch of additional online sales channels — Wildberries and Yandex.Eda. The entire product range of hypermarkets became available to customers on the Yandex.Eda platform.

Technical optimisation of the system was also carried out in the IT area to ensure fault tolerance, speed and ease of scaling.

During the year, we increased support for our own production of O’KEY hypermarkets — we technically refined the system for displaying the entire range (more than 250 SKUs), developed content requirements and placed products in the hotel section with easy navigation in the online store catalogue. In addition to our platform, the range also appeared on the Kuper’s showcase.

The changes were also made in the mobile application — in addition to optimising the convenience of the interface, one of the major ones was the merging of the two modes “in the hypermarket” and “online store” into a single one. Thanks to this, the entire range of the hypermarket, including alcoholic beverages, became available to users, a more convenient catalogue system, and the customer’s

path to online shopping functionality was simplified. In the visual part, we have added an active promotion of stories in the form of interesting collections, quizzes, recipes, because content and its quality now play an important role for users. We have added a selection of new products to our hypermarket on a regular basis. Now it is more convenient and easier for customers to learn about new products and brands.

In terms of displaying promotions, product ranges, and prices, e-commerce is fully synchronised with hypermarkets. Support and broadcasting of promotions is an additional channel for promotion and sales, as the trend towards user interaction in digital is only growing every year. In 2024, we launched support for a regular electronic catalogue on all platforms in the form of a thematic section



and communications for users of OK websites and applications. At the end of May 2024, regular last-minute discounts for 2-3 days were launched only in the online store — the promotion became an additional driver for online purchases, customers for promotional items collected a basket for a full-fledged order.

For each thematic catalogue produced in hypermarkets, a full-fledged section with a promo assortment was broadcast on the e-commerce channel. Support for all topics (gender holidays, holiday season, Easter, New Year, etc.) allowed customers to familiarise themselves with the assortment, see current prices, learn more about products, find what they need faster, or use navigation to decide on a purchase. Various collections, categories, recipes, and useful articles were available to users.

Over the past year, our online store has implemented a number of strategies to strengthen its market position, attract new customers and increase the loyalty of existing ones. Campaigns have been launched on the Yandex advertising network, focusing on high-frequency queries

such as “grocery delivery”, “buy groceries online” and brand queries. The main focus was on convenience, saving time and speed of delivery.

The site was also optimised for search engines, which gave us an increase in organic traffic.

At the same time, we actively worked with promotions and special offers — these are regular promotions (for example, the Marathon of Discounts) and seasonal ones, as well as promoting promo codes for the first order for new users in advertising.

In addition to digital promotion, visualisations have been developed for placing and further broadcasting information about the online store in the hypermarket salesrooms.

Plans for 2025

- To further develop cooperation with aggregators in order to expand the presence of O'KEY in online, increase brand awareness and revenue growth;
- To improve the range of products of our own production and bakery products in the online channel, including the planned updating

of the design of the catalogue of dishes on the website and in the mobile application;

- To maintain constant focus on quality control of goods sold through the online channel;
- To improve the functionality of our website and mobile application to increase conversions and improve the customer experience;
- To further promote the fast delivery offer with a high level and speed of service;
- To present all promotions and the full range of products in the Company's online store;
- To increase the share of the online channel in the Company's revenue;
- To focus on improving the efficiency of order assembly processes in hypermarkets;
- To focus on optimising routes and delivery zones;
- To develop a strategy for artificial intelligence tools implementation in various e-commerce processes; and
- To improve the content in the online store in order to enhance its personalisation for users.

DA! Discounters

The increasing emphasis on cost-effectiveness has given rise to a new store format, which encouraged us to reinvigorate our DA! discount concept.

DA! discounters leverage the best practices and within the retail industry. At the same time, DA! stores are specifically tailored to meet the unique preferences and demands of our target audience. Our business model has consistently demonstrated its efficiency year after year, and

we have garnered significant recognition from our loyal customer base.

DA! stores have a well-balanced product range, covering all customer needs in terms of food items and the most popular non-food items. Our strategic store placement, exceptional customer service, and expansive shopping areas grant DA! a distinct competitive advantage.

DA! discounters adhere to the “every day low price” policy, which is largely supported by our own

brand products. Our proprietary brands provide evident cost benefits of 20-30% in comparison to equivalent quality branded products, effectively catering to price-sensitive customers. These exclusive brands are meticulously crafted and solely available at DA! stores.

DA! network has been transforming from a small local network with 35 stores in 2015 to a fast growing grocery chain with 224 stores in Moscow, as well as Tver, Tula, Kaluga, Ryazan, Vladimir and Moscow regions.

Strategic priorities of DA!:

Own brands development

Growth and expansion

Achieving superior financial results

KEY FIGURES OF 2024

	2022	2023	2024
Number of stores	194	220	224
Selling space, k m ²	130.9	148.1	151.2
Net retail revenue, RUB bn	53.3	63.8	72.3
Net retail revenue, %	+53.2%	+19.8%	+13.3%
LFL Net retail revenue, %	+26.8%	+3.0%	+8.0%



DISCOUNTER BUSINESS AT A GLANCE:

675 m²

average store selling space

3,440 SKUs

average product range

100%

logistics centralisation rate

33.3%

of Group net retail revenue

>60%

'fresh' in sales mix

224

number of stores

~50%

own brands in net retail revenue

PERFORMANCE OVERVIEW

DA! discounters' key principles:

- We continue to adhere to the concept of a highly convenient store, meeting all needs of our customers and providing the highest possible level of service. We strive that our clients spend their time in our stores with smiles and pleasure.
- Our customers' wishes and rights are our main values and guidelines.
- We welcome any feedback from store visitors and consider every complaint or claim without any exception in the shortest possible time, providing a prompt response.
- We value our customers' convenience: our wide aisles and block layouts make shopping faster and more efficient. Our personnel are always open and friendly to the customer.
- We value our customers' time: we adhere to the principle of prompt and friendly service.
- Cleanliness in stores, correctness of price tags, friendliness and smartness of our personnel, convenience and speed of the whole shopping process ensure our customers' loyalty.
- We strive to respond to all current market trends as quickly as possible and are successful in offering our customers novelties in our product range on a weekly basis.
- We adhere to an "every day low price" (EDLP) policy, largely supported by our own brand products, which offer clear cost advantages of 20-30% against branded goods of comparable quality.
- We are focused on supplying our customers with the freshest goods by improving quality control across supply chain and by expanding our assortment in the fresh and ultra-fresh categories.

of income. All of them are partly promo-oriented but are willing to try fashionable new products.

To ensure robust growth, DA! discounters remained focused on managing their balanced assortment and own brand portfolio and continued offering the best value for money to the clients.

In terms of our approach towards collaboration with suppliers we strive to work directly with manufacturers rather than with importers and distributors. We also aim to build long-term partnerships with our suppliers for our private labels, while our own brand product sales often exceed even A-branded product sales. On the other hand, we contribute to the development of local manufacturers by tapping into synergies with them and ensuring large-scale purchases.

FRESH OFFER

DA! discounters keep up with the general trend towards fresh and ultra-fresh products, offering a wide range of dairy, fresh meat and poultry, fruits and vegetables. In 2024, the share of fruits and

In our discounters' marketing policy, we strive to get closer to our clients and seek to meet all their changing preferences. According to the latest marketing research, our

main customers are represented by young families with dependent children or young childless families, as well as working families of middle and older age with a middle level

vegetables, fresh and ultra-fresh products in the discounter's sales mix exceeded 60%.

Our range of fresh products includes own brand SKUs, some of them under the "farm label" which represents regional and traditional production of outstanding quality. Another feature of our discounters is a wide range of freshly baked pastries. In order to ensure freshness of our goods, we practice direct import and deliver fruits and vegetables to all our stores on daily basis.

PRIVATE LABELS

We strive to offer all relevant private labels across all our product range (with the exceptions of cigarettes,

sensitive goods and baby food) in order to motivate our customers to recurrent visits to our shops.

We have achieved impressive results in optimising our operating and advertising costs and applying the "everyday low-price" concept. Therefore, our private label products are less expensive than popular alternatives of comparable quality. We also enhance constantly our supply chain, giving emphasis to cost generating functions and passing all cost-saving advantages to our customers while maintaining good margins. All these factors enable us to build an appealing customer value proposition and maintain relatively lower prices than our competitors in the Russian discounter format.

DA! own brands:

20-30%

cheaper than branded products of the same quality

We are focused on the prudent selection of our own brands manufacturers and strive to develop long-term mutually beneficial collaborations with them in order to provide an impeccable quality of goods and ensure perfect packaging design close or similar to the branded assortment. To ensure all our private label manufacturers meet the highest quality standards, we only work with innovative manufacturers that share our commitment to quality.

Developing own brand:

1
Thorough selection of manufacturers – innovative young companies ready to offer a special quality product at the best price and to meet our requirements

2
Joint development of product and packaging, close or similar to branded assortment in terms of quality

3
Strict quality control

Private label products remain one of the key drivers of DA!'s financial results and show better sales growth than our branded products. In 2024, PLs accounted for around 50% of DA! revenue. We are continuously working on extending the range, improving the quality and packaging of our own branded products. For our private label, we use more than 90 registered brands that are used as umbrella brands for different categories and quality levels.

SUPPLY CHAIN

DA! maintains smooth operations across all its supply chain and stores, which enables us to ensure the robust growth of our network and to quickly meet the bulk of customers' needs. In the reporting year we continued to improve the productivity and effectiveness of our supply chain

by applying the best digital solutions, improving both collaboration with suppliers and our logistic capabilities.

The DA! supply chain includes one own distribution centre, which is designed to serve a large number of stores efficiently. The distribution centre with an area of 60 thousand m² is based in Stupino district of the Moscow region and provide services for all 224 DA! stores. We also operate two external warehouses, located in the Moscow region and used for long-term storage.

We deliver products in the fresh, vegetable and fruit categories on a daily basis with no stockholding at our warehouse. This unique delivery model helps us to maintain a high level of freshness and the utmost product availability across

our discounters. DA! logistics is fully centralised with 100% centralisation rate.

QUALITY AND SAFETY

Another important feature of our DA! discounters' network is the constant excellent quality of goods in all stores. We aim to win the trust of our customers through the freshness and quality of our product range, maintaining an efficient quality management system, which encompasses all stages of operations and is improved on an ongoing basis. We strictly follow all provisions of Russian legislation in terms of quality and safety, as well as the requirements of the HACCP system.

The main focus of our attention is impeccable quality of our private label products. In addition



to complying with all requirements provided by legislation and the related standards, we conduct quality audits of all our private label suppliers and their products.

Our private label products' producers undergo external audit according to the Global Food Safety Initiative (GFSI) requirements. The Global Food Safety Initiative is a business-driven initiative for the continuous improvement of food safety management

systems with the ambition to ensure confidence in the delivery of safe food to consumers worldwide. GFSI include the definition and control of the minimum requirements for food safety certification programs and a robust benchmarking process.

GFSI benchmarking and recognition of existing private standards is actively used for food safety certification programs with the objective to enhance confidence, acceptance

and implementation of third-party certification along with the entire food supply chain.

The frequency of these audits depends on the results of the previous audits and on the assessment of the potential risks. We also arrange laboratory checks with a frequency varying from one to twelve per year, based on the potential risk of the product category and on precise product features.

RUB 219.4 bn
revenue

RUB 20.5 bn
EBITDA

RUB 2.0 bn
net profit

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FY 2024 financial highlights

Financial review

FY 2024 financial highlights¹

Group revenue
RUB 219.4 bn
(+5.5% YoY)

Group gross margin
23.4%
(+0.5 p.p.)

Group EBITDA margin
9.3%
(+1.1 p.p.)

Group gross profit
RUB 51.4 bn
(+7.9% YoY)

Group EBITDA
RUB 20.5 bn
(+20.3%)

Group net profit
RUB 2.0 bn

GROUP PROFIT AND LOSSES HIGHLIGHTS IN FY 2024

RUB mn	2023	2024	Δ YoY
Total Group revenue	207,865	219,358	5.5%
O'KEY	143,980	146,967	2.1%
DA!	63,885	72,391	13.3%
Gross profit	47,660	51,415	7.9%
• Gross profit margin, %	22.9%	23.4%	0.5p.p.
Selling, general and administrative expenses	(42,516)	(42,577)	-
• SG&A, % of revenue	20.5%	19.4%	(1.1p.p.)
Other operating expenses, net	(292)	753	n/a
Finance costs, net	(7,267)	(8,447)	16.2%
Foreign exchange loss	(1,074)	(304)	n/a
Net profit / (loss)	(2,878)	1,988	n/a
Group EBITDA	17,026	20,485	20.3%
• Group EBITDA margin, %	8.2%	9.3%	1.1p.p.
O'KEY EBITDA	12,643	13,431	6.2%
- O'KEY EBITDA margin, %	8.8%	9.1%	0.3p.p.
DA! EBITDA	4,383	7,054	61.0%
- DA! EBITDA margin, %	6.9%	9.7%	2.8p.p.

GROUP REVENUE

RUB mn	2023	2024	Δ YoY, %
Total Group revenue	207,865	219,358	5.5%
Retail revenue	205,772	217,125	5.5%
• O'KEY	141,947	144,781	2.0%
• DA!	63,825	72,344	13.3%
Rental income	2,093	2,233	6.7%

Total Group revenue increased by 5.5% YoY to RUB 219,358 mn driven by both DA! discounters' and O'KEY hypermarkets retail revenue growth in FY 2024. Group

retail revenue was up 5.5% YoY to RUB 217,125 mn in FY 2024 primarily led by LFL performance of the both chains.

The Group's rental income increased by 6.7% YoY to RUB 2,233 mn in FY 2024.

GROUP NET RETAIL REVENUE AND LFL REVENUE

RUB mn	2023	2024	Δ YoY, %	LFL 2024/2023, %
O'KEY Group	205,772	217,125	5.5%	4.1%
O'KEY hypermarkets	141,947	144,781	2.0%	2.3%
DA! discounters	63,825	72,344	13.3%	8.0%

For more details regarding the net retail revenue dynamics in FY 2024, please refer to the Group's [Q4 2024 Trading Update](#).



GROUP GROSS PROFIT

In FY 2024, **Group gross profit** increased by

7.9%
YoY to RUB 51,415 mn,

while gross margin improved by 0.5 p.p. YoY to

23.4%,
thanks to consistent work on enhancing the efficiency of procurement as well as shrinkage costs optimisation

¹ All results are presented according to IFRS 16, unless stated otherwise.



GROUP SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

RUB mn	2023	% of revenue	2024	% of revenue	Δ YoY, p.p.
Personnel costs	17,649	8.5%	17,801	8.1%	(0.4)
Depreciation and amortisation	11,069	5.3%	10,495	4.8%	(0.5)
Communication and utilities	5,355	2.6%	5,425	2.5%	(0.1)
Advertising and marketing	2,200	1.1%	2,110	1.0%	(0.1)
Repairs and maintenance	1,780	0.9%	1,845	0.8%	(0.1)
Insurance and bank commissions	1,348	0.7%	1,475	0.7%	-
Operating taxes	674	0.3%	864	0.4%	0.1
Security expenses	771	0.4%	756	0.3%	(0.1)
Legal and professional expenses	718	0.3%	746	0.3%	-
Operating leases	440	0.2%	564	0.3%	0.1
Materials and supplies	441	0.2%	397	0.2%	-
Other costs	74	0.0%	99	0.0%	-
Total SG&A	42,516	20.5%	42,577	19.4%	(1.1)

The Group's total SG&A expenses stood almost flat YoY at RUB 42,577 mn in FY 2024. SG&A expenses as a percentage of revenue declined by 1.1 p.p. YoY to 19.4% in FY 2024. The decrease was led mainly by revenue growth as well as efficient cost management.

In FY 2024, **personnel costs** increased by 0.9% YoY to RUB 17,801 mn, but decreased, as a percentage of revenue, by 0.4 p.p. YoY to 8.1%, mainly due to cost optimisation, as well as a higher number of mature discounters in the Group's portfolio.

Communication and utilities expenses grew by 1.3% YoY to RUB 5,425 mn, but decreased as a percentage of revenue by 0.1 p.p. in FY 2024, mainly due to revenue growth combined with cost optimisation.

Advertising and marketing expenses decreased by 4.1% YoY to RUB 2,110 mn, and, as a percentage of revenue, by 0.1 p.p. YoY to 1.0%, mainly due to effective management of marketing channels mix.

Repairs and maintenance expenses increased by 3.7% YoY to RUB 1,845 mn, but declined

as a percentage of revenue by 0.1 p.p. YoY to 0.8%, largely as a result of the Group's revenue increase, as well as a temporary slowdown in discounter openings in FY 2024.

Group EBITDA grew by 20.3% YoY to RUB 20,485 mn, while EBITDA margin rose by 1.1 p.p. YoY to 9.3% in FY 2024, led by positive dynamics in both business segments. **O'KEY hypermarkets EBITDA** increased by 6.2% YoY, while **EBITDA margin** grew by 0.3 p.p. YoY to 9.1% in FY 2024. **DA! discounters EBITDA** surged by 61.0% YoY, while their **EBITDA margin** was up to 9.7% in FY 2024 compared to 6.9% in FY 2023.

Depreciation and amortisation decreased by 5.2% YoY to RUB 10,495 mn, and by 0.5 p.p. YoY as a percentage of revenue in FY 2024, mainly as a result of a temporary slowdown in the discounter chain expansion, as well as a review of the assets useful life in the discounter network related to the renewal of lease agreements (under IFRS 16).

In FY 2024, the Group recognised **other operating income** in the amount of RUB 753 mn compared to a loss of RUB 292 mn in FY 2023. The income arose

from assets modification related to the lease terms improvement (in accordance with IFRS 16).

Net finance costs increased by 16.2% YoY to RUB 8,447 mn in FY 2024. A substantial part of this growth was attributable to the weighted average rate growth on the back of the Bank of Russia interest rate increase.

In FY 2024, **net foreign exchange loss** amounted to RUB 304 mn compared to a RUB 1,074 mn loss in FY 2023. The loss was largely attributable to intragroup US dollar-denominated loans, losses from import operations had a relatively small impact on the Group's results. Net foreign exchange loss has a non-cash nature.

The Group reported a RUB 1,988 mn **net profit** in FY 2024 compared to the loss of RUB 2,878 mn in FY 2023.

GROUP CASH FLOW

RUB mn	2023	2024
Net cash from operating activities	15,276	19,427
Net cash used in investing activities	(4,341)	(1,835)
Net cash used in financing activities	(11,158)	(13,260)
Net increase / (decrease) in cash and cash equivalents	(223)	4,333
Effect of exchange rate on cash and cash equivalents	(30)	(30)

Net cash from operating activities amounted to RUB 19,427 mn in FY 2024 compared to RUB 15,276 mn in FY 2023. The increase was mainly led by a revenue growth.

Net cash used in investing activities amounted to RUB 1,835 mn in FY 2024,

showing a decrease in comparison with RUB 4,341 mn in FY 2023. In FY 2024, the Group focused on optimisation of the discounter store opening model, which led to a temporary slowdown of the pace of openings and, consequently, in the reduction of the investing activities. The Group invested

RUB 1,072 mn (excluding VAT) in the hypermarket business, and RUB 767 mn (excluding VAT) in the development of DA! discounter segment.

Net cash used in financing activities amounted to RUB 13,260 mn in FY 2024 compared to RUB 11,158 mn in FY 2023. This dynamics was due to the Group's regular credit portfolio refinancing in FY 2024.

As of 31 December 2024, the Group had RUB 13,050 mn worth of available credit lines in Russian roubles with fixed and floating interest rates. If necessary, proceeds from these facilities may be used to finance operating and investing activities.

GROUP NET DEBT POSITION

RUB mn	As of 31 December 2023	As of 31 December 2024
EBITDA	17,026	20,485
Total debt	47,131	47,651
Short-term debt ¹	6,003	11,070
Long-term debt	41,128	36,581
Cash & cash equivalents	11,526	15,828
Net debt	35,606	31,823
Total lease liabilities	26,722	22,435
Short-term lease liabilities	5,962	5,456
Long-term lease liabilities	20,760	16,979
Total interest-bearing liabilities (net of cash & cash equivalents)	62,328	54,257
Total interest-bearing liabilities (net of cash & cash equivalents) / EBITDA	3.66x	2.65x

As of 31 December 2024, the **total interest-bearing liabilities (net of cash) to EBITDA ratio** declined to 2.65x from 3.66x as of 31 December 2023. That was mainly driven by an increase in EBITDA

combined with a decrease in net debt and long-term lease liabilities (in accordance with IFRS 16).

GROUP AUDITED CONSOLIDATED IFRS REPORT

The Group's audited report, including the full set of audited IFRS financial statements, can be found at <https://www.okeygroup.lu/investors/result-center/ifrs-statements/>.



¹ Short-term debt does not include interest accrued on loans and borrowings.

since
2020
on MOEX

since
2023
on AIX

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Corporate Governance

Corporate Governance System

O'KEY GROUP S.A. is a company incorporated under the Laws of the Grand Duchy of Luxembourg with Global Depositary Receipts (GDRs) listed on the Moscow Exchange and the Astana International Exchange, and as such is not required to comply with the Russian Corporate Governance Code.

O'KEY Group is committed to managing and conducting its operations in accordance with the applicable regulations of Luxembourg, the Moscow Exchange and the Astana International Exchange with respect to disclosure under the Rules.

We recognise our obligation to our shareholders to adopt the highest standards of governance and control, both at the Board level and within our management teams, and we aim to establish and support a corporate governance framework that is suitable

for the development of our business and that meets the requirements of our shareholders.

The most significant decisions affecting the life of the Company and the rights of shareholders, including the approval of financial statements and the Annual Report, the appointment of Directors, the amendments to the Articles of Incorporation and the approval of the interim and final dividend for the financial year are subject to review and approval at the Meeting of Shareholders.

The Board of Directors and its committees provide overall guidance for the business and strategic planning for the Group. It sets strategic goals and oversees their implementation by the CEO and senior Management of the Group.

The Management Board and the Chief Executive Officer are responsible for the day-to-day operations of the companies of the Group and implement the strategy approved by the Board of Directors.

Our Corporate Governance Principles:



Professionalism

We strive to appoint individuals with relevant skills and experience to the Board of Directors and its committees in order to enable them to carry out their respective duties and responsibilities effectively. The Board is supplied, in a timely manner, with information in a form and of a quality appropriate to allow it to perform its duties.



Accountability

The Board of Directors is accountable to O'KEY Group's General Meeting of Shareholders and is responsible for:

- formulating the Group's strategy;
- establishing and maintaining systems which ensure due consideration of key decisions by experienced individuals, including in the areas of remuneration and incentives, internal control, and risk management; and
- holding the management accountable for the successful implementation of the Group's strategy.



Equality

O'KEY Group's corporate governance system is designed to protect the shareholders' rights and ensure equal treatment of all shareholders.



Transparency

We strive to ensure the appropriate disclosure of reliable information on all significant issues related to our operations, including financial status, social performance, operating results, and ownership.

General Meeting of Shareholders

The General Meeting of Shareholders is O'KEY GROUP S.A.'s supreme governing body. The General Meetings of Shareholders are convened and held in accordance with Luxembourg legislative requirements and the Articles of O'KEY GROUP S.A. According to the Consolidated Articles as of 27 September 2024 (hereinafter – the Articles) of O'KEY GROUP S.A., the annual General Meeting of Shareholders shall be held within six (6) months of the end of each financial year in the Grand Duchy of Luxembourg at the registered office of the Company, or at any such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of the meeting.

The next annual General Meeting of Shareholders will be held before 30 June 2025. A convening notice specifying the date, time, address of the meeting and the agenda will be sent and published no later than fourteen days (14) before the meeting.

SPECIAL CONTROL RIGHTS

All the issued and outstanding shares of the Company have equal voting rights and there are no special control rights attached to the shares of the Company.

The Caraden Shareholder (as defined in the Articles) has, under the condition of holding a minimum amount of shares in the Company, a specific right with respect to the appointment and removal of Directors as at least one Director (designated as the Caraden Director) must be appointed from a list of candidates proposed by the Caraden Shareholder and may be removed at the initiative of the Caraden Shareholder (additional information may be found under Article 8 of the Articles of the Company dated 12 November 2018). This provision shall apply until the General Meeting of the shareholders, which will be held in 2025 where new Board of Directors will be appointed.

The unanimous vote of the Nisemax Shareholder and the GSU Shareholder is required:

- to approve the Group's Budget if its parameters differ from those specified in the Articles (additional information may be found under Article 20 of the Articles);
- to approve the dividend if the amount of dividends proposed for distribution is outside the parameters set in the Articles for the distributable profit (additional information may be found under Article 20 of the Articles); and
- to elect the Local CEO (additional information may be found under Article 21 of the Articles).

TRANSFER RESTRICTIONS

As of 31 December 2024, and the date hereof, to the knowledge of the Company all shares in issue in the Company are freely transferrable, provided that the transfer formalities set out under Article 7 of the Articles are fulfilled.

CONTROL SYSTEM IN EMPLOYEE SHARE SCHEME

The Company does not have an employee share scheme allowing employees to acquire equity in the Company.

VOTING RIGHTS

Each share issued and outstanding in the Company bears one vote.

The Articles do not provide for any voting restrictions.

In accordance with the Articles, a record date for the admission to a general meeting of shareholders may be set by the Board of Director (Article 19 of the Articles). Only those shareholders as the shareholders on any such record date shall be entitled to be notified of and to vote at any general meeting and any adjournment thereof, or to give any such consent, as the case may be.

In accordance with the Articles, the Board of Directors may determine such other conditions that must be fulfilled by shareholders for them to take part in any meeting of shareholders in person or by proxy (Article 19 of the Articles).



SHAREHOLDERS' AGREEMENTS WITH TRANSFER RESTRICTIONS

The Company has no information about any agreements between shareholders, which may result in restrictions on the transfer of securities or voting rights.

APPOINTMENT OF THE DIRECTORS, AMENDMENT OF THE ARTICLES

The rules governing the appointment and replacement of the directors and the amendment of the Articles are set out under Luxembourg Company Law and the Articles (in particular, Articles 12, 19 and 20).

The consolidated version of the Articles is published under the Shareholders section of the Company website and is available at: <https://www.okeygroup.lu/investors/shareholders/documents/>.

SIGNIFICANT AGREEMENTS OR ESSENTIAL BUSINESS CONTRACTS

The Board is not aware of any significant agreements to which O'KEY GROUP S.A. is a party and which take effect, alter or terminate upon a change of control of the Company following a takeover bid. The Board has considered essential business contracts and has concluded that there are not any significant agreements.

Board of Directors

The Company's Board of Directors (the Board) plays the key role in organising an efficient corporate governance system. The Board is vested with the broadest powers to manage the business of the Company and to authorise and perform all acts of disposal and administration falling within the purposes of the Company.

The Board is responsible for taking strategic decisions in respect to the operation and development of the Group, as well as overseeing the risk management and internal audit functions of the Group. The decisions related to the day-to-day operations of the Group are delegated to the management.

The Board is also a management body of O'KEY GROUP S.A. and is authorised to take all decisions in respect to O'KEY GROUP S.A., unless they are reserved for the General Meeting of Shareholders. The Board is not authorised to issue or buy back shares without the approval of the shareholders meeting. The repurchase by the Company of its own shares is subject to the conditions set out in the Company Law and the Articles.

There are five members of our Board, including one independent director. The General Meeting of Shareholders appoints the Board members by a simple majority of votes cast, for a period not exceeding six years or until their successors are elected¹. This provision shall apply until the General Meeting of the shareholders, which will be held in 2025 where new Board of Directors will be appointed.

Our current Board of Directors was elected at the General Meeting of Shareholders held on 13 October 2015 and re-appointed on 24 June 2020.

MEETINGS OF THE BOARD OF DIRECTORS

Meetings of the Board of Directors are held regularly in compliance with the approved work schedule for the year. The Board's work schedule is determined on the basis of strategic planning and the reporting cycle. Whenever an urgent matter needs to be considered,

Extraordinary Board meetings are organised, or, if a personal meeting cannot be organised due to a short notice, the Board can adopt a circular resolution by a unanimous vote. It is the Board Chairman's responsibility to determine the Board's work plan and to include additional items in the plan.

In 2024, the Board of Directors worked on the following key tasks:

- preparation of the financial statements and annual report, and review of the results for the year 2023;
- approval of the budget and business strategy for the year 2024;
- review of the quarterly financial results, approval of financial statements for six months of 2024, and monitoring of compliance with risk management strategy, and
- determination of the Group's strategic and operational priorities.

 [Information about the members of the Board of Directors of O'KEY GROUP S.A. as at 31 December 2024 is available at the Company's website at <https://www.okeygroup.lu/about/corporate-governance/committees/>.](https://www.okeygroup.lu/about/corporate-governance/committees/)

Meetings of the Board of Directors

Member	Board of Directors (2 meetings)	Audit Committee (5 meetings)	Remuneration Committee (1 meeting)
Heigo Kera	2 attended	5 attended	Attended
Dmitrii Troitskii	2 by proxy	not a member	by proxy
Dmitry Korzhev	2 attended	5 attended	not a member
Boris Volchek	2 by proxy	3 attended, 2 by proxy	by proxy
Mykola Buinycky	2 attended	5 attended	not a member

¹ The rules governing the appointment and replacement of the Directors are set out under the Law on Commercial Companies dated 10 August 1915, as amended, and the Articles (in particular, Articles 12, 19 and 20). The consolidated version of the Articles is published under the Shareholders section of the Company website, available at: <https://www.okeygroup.lu/investors/shareholders/documents/>.



Committees of the Board of Directors

The primary role of the Committees is to provide assistance to the Board in preparing and adopting decisions in its respective functional areas, as well as to ensure that matters brought for consideration by the Board of Directors are scrutinised prior to the Board meetings.

There are two committees on the Board of Directors: the Audit Committee and the Remuneration Committee.

AUDIT COMMITTEE

AUDIT COMMITTEE MEMBERS

As of 31 December 2024, the Audit Committee comprised:

- Mykola Buinycky, Committee Chairman, Director of the Board of Directors;
- Boris Volchek, Committee Member, Non-executive Director of the Board of Directors;
- Dmitry Korzhev, Committee Member, Non-executive Director of the Board of Directors;
- Heigo Kera, Committee Member, Chairman of the Board of Directors;
- Ilya Ilin, Committee Member, Non-director, external consultant; and
- Irina Nikiforova, Committee Member, Non-director, external consultant.

KEY AREAS

The Audit Committee oversees the internal audit function, the effectiveness of risk management, and the internal controls of the Company and the Group. It also approves and monitors the performance of the internal audit plan for the year. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the financial statements, including periodically reporting to the Board of Directors on its activities and the adequacy of internal control systems over financial reporting.

According to the Statute of the O'KEY Audit Committee, the Audit Committee shall consist of not fewer than three current members of the Board of Directors and shall be chaired by an independent director.

THE COMMITTEE'S REMIT INCLUDES:

- reviewing the IFRS financial statements for integrity and transparency;
- analysing financial reporting processes, including carrying out regular reviews and making recommendations;
- recommending the appointment and remuneration of the Company's external auditor to the Board of Directors and maintaining an ongoing relationship with the external auditor; and
- analysing and supporting the internal audit system and risk management procedures, including drafting recommendations for their improvement.

ACTIVITIES IN 2024

During the reporting period, the Audit Committee held five meetings where it:

- fulfilled oversight responsibilities relating to the integrity of the Company's annual financial statements;
- fulfilled oversight responsibilities relating to the integrity of the Company's half yearly financial statements;
- reviewed reports prepared by the Internal Audit department;
- reviewed the effectiveness of the Company's risk management and internal control systems;
- reviewed policies and procedures published by the Company;
- monitored reports per the Company's Whistleblowing Policy;
- planned and agreed the scope of the audit of financial statements for year ended 2024 with the external auditor of O'KEY Group;
- reviewed and approved provisions of non-audit services for the Company by the external auditor; and
- approved the Internal Audit plan for the year 2024.

PLANS FOR 2025

The Audit Committee and the Company continue to focus on the following areas in 2025:

- monitoring the compliance with the Group's risk management policies and procedures, and the adequacy of the risk management framework in relation to the risks faced by the Group; and
- optimising internal business processes involved in the preparation of financial reporting.

REMUNERATION COMMITTEE

COMMITTEE MEMBERS

- Heigo Kera, Committee Chairman, Chairman of the Board of Directors;
- Boris Volchek, Committee Member, Non-executive Director of the Board of Directors;
- Dmitrii Troitskii, Committee Member, Non-executive Director of the Board of Directors;
- Ilya Ilin, Committee Member, Non-director, external consultant; and
- Irina Nikiforova, Committee Member, Non-director, external consultant.

THE COMMITTEE'S REMIT INCLUDES:

- reviewing the compensation policy;
- advising on any benefit or incentive schemes; and
- making proposals to the full Board of Directors regarding the remuneration of Executive Directors and management (including the Chief Executive Officer).

ACTIVITIES IN 2024:

During the reporting period, the Remuneration Committee held one meeting where it:

- reviewed the report on the remuneration, bonuses and expenses of the Board;
- reviewed the amount of remuneration to be allocated to the management of the Group in 2024;
- approved the Remuneration Committee Report; and
- suggested the total maximum amount of remuneration of Directors for 2024 and 1H of 2025 to be submitted for the approval of the shareholders of the Company.

PLANS FOR 2025:

In 2025, the Group plans to keep the remuneration and bonus policy in line with 2024.

REMUNERATION

Members of the Board of Directors of O'KEY GROUP S.A. receive remuneration of the amount approved by the General Meeting of Shareholders. Members of the Board and its Committees may be compensated for the expenses they incur in the course of their duties, in accordance with the business and travel expenses policy of O'KEY GROUP S.A.

DIVERSITY

O'KEY Group is working on the adoption of a diversity policy. However, as can be seen from the information on the senior management team, O'KEY Group aims to employ the members of the team most suitable and qualified for their post and function, irrespective of their age, gender, or origin. The requirements of educational and professional backgrounds are such as to ensure that the members of the team possess the skills and experience necessary to perform their functions effectively.

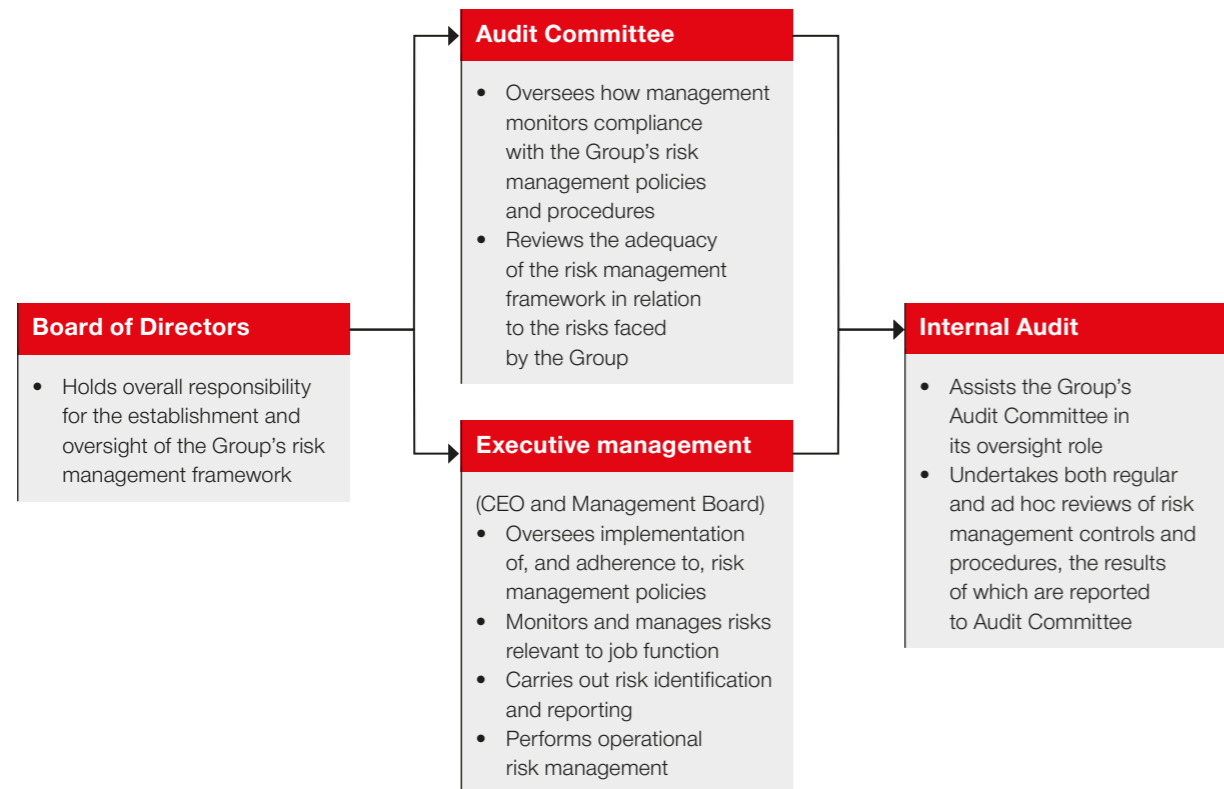


Risk Management

We believe that effective risk management underpins the successful delivery of our strategy. So the Company's goals will be achieved in a timely manner and the level of risks faced by the Group remains acceptable for management and shareholders. Our unified approach to risk management through the Group Risk Standard is supported by formal policies and procedures, clearly delegated authority levels, and comprehensive reporting. As of the date of the approval of this Annual Report, our framework is integrated into both our business planning and viability assessment processes.

Our Board of Directors is ultimately responsible for the Group's risk management and internal controls with a view to maintaining the Group's risk management framework. The Group's Audit Committee is responsible for the regular review/audit of the Group's operations, activities, systems and processes in order to evaluate and provide reasonable, independent, and objective assurance and consulting services designed to add value and improve the Group's operations. Internal Audit assists the Group's Audit Committee in its oversight role. Internal Audit undertakes both regular and ad

hoc reviews of risk management controls and procedures and reports its findings and recommendations to the Audit Committee. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Identified risk areas are monitored quarterly and followed by a coordinated improvement programme.



The current situation places new challenges for the Russian economy, the business community, and O'KEY Group in particular. Our well-balanced business model offers a significant hedge against market volatility. The above key factors have been reviewed in the context of our current position and strategic plan. Nevertheless, due to the current unprecedented global geopolitical and economic turbulence, we withhold from identifying and assessing the key risks that could have a material adverse effect on our business.

PRINCIPLE RISKS

Below we are describing the key risks that could have a material adverse effect on our business, our financial and operational performance and, as a result, could affect our share price and our reputation. Additional risks not known to us or those risks that we currently consider immaterial may also impair our business operations. We do not expect to incur any risks that may jeopardise the continuity of our business.

#	Name of Risk	Definition & Potential Impact
1	Economic outlook	Our business may be affected by uncertainties associated with changing economic conditions, particularly in the current environment of global economic instability, including oil prices, financial markets volatility, as well as substantial currency exchange fluctuations. Therefore, we may face reduced customer demand as the income and purchasing power of our customers' decreases under the impact of the weaker macroeconomic environment exacerbated by declining oil prices and sustained rouble volatility.
2	Competition risk	The retail sector in Russia is highly competitive. We face strong competition from other retailers (Russian and international), some of which are larger and have greater resources. Retail chains compete mainly over store locations, product ranges, price, service, and store conditions. Some competitors might be more effective and faster in capturing certain market opportunities, which in turn may negatively impact our market share and our ability to achieve our performance and expansion targets.
3	Political risk	Political developments may adversely affect the macroeconomic environment and the market in which our Company operates. The current geopolitical situation and global economics turbulence may affect companies across all the sectors of the Russian economy, including our business.
4	Regulatory risk	Our operations are subject to various government regulations and industry specific legislation with respect to quality, packaging, health and safety, labelling, distribution and other standards. Some regulations are still being developed in Russia. Current and future government regulations or changes thereto may require us to change the way we run our operations and could result in cost increases. Failure to comply with regulations can also lead to reputational damage.
5	Changing customer expectations	We strive to provide our customers with a wide range of goods and services, at competitive prices. However, we recognise that our customers' shopping habits and expectations are influenced by the economic environment and will change over time.
6	Employee recruitment and retention	Competition for highly qualified management and store personnel remains intense in Russia. To meet our expansion plans, we need highly skilled employees. Our future success depends in part on our continued ability to hire and retain new employees. We understand that any inability to attract and retain highly qualified employees and key personnel in the future could have a material adverse effect on our business.
7	Supply chain risk	Our financial performance depends in part on reliable and effective supply chain management. We rely on third parties to supply us with merchandise and services. The third parties that supply us with merchandise and services also have other customers and may not have sufficient capacity to meet all of their customers' needs, including ours, during periods of excess demand. Shortages and delays could materially harm our business. Unanticipated increases in prices could also adversely affect our performance. Furthermore, we may be exposed to risk of delays and interruptions to our supply chain because of natural disasters in case we are unable to identify alternative sources of supply in a timely manner.
8	IT Platform Development	Execution of our strategic targets requires adaptation of current IT infrastructure to the changing business needs. As the business grows, the complexity of processes supporting it and the diversity of tasks around such growth are increasing. Delayed or inappropriate decisions on the development of the infrastructure can lead to failures in meeting Group goals and impede attainment of longer-term goals.
9	IT security threats	We are observing an increase in IT security threats and higher levels of professionalism in computer crime. Our systems and solutions, as well as those of our counterparties remain potentially vulnerable to attacks. Depending on their nature and scope, such attacks could potentially lead to the leakage of confidential information, improper use of our systems, manipulation and destruction of data, sales downtimes and supply shortages, which in turn could adversely affect our reputation, competitiveness, and business, financial and operational performance.



#	Name of Risk	Definition & Potential Impact
10	Providing sufficient level of financing	Recent changes in the macroeconomic situation might result in a liquidity squeeze and tightening of lending policies by Russian banks. Given the expansion programme in the coming periods, issues with availability of external financing or significant changes in its cost can negatively impact our Group's ability to execute its expansion programme.
11	Tax regulations	Russian tax law has complex tax rules, which may be interpreted in different ways and tax rules are subject to frequent changes. Examinations by tax authorities and changes in tax regulations could adversely affect our business, and financial and operational performance. Changes in tax law could result in higher tax expense and payments. Furthermore, legislative changes could materially impact tax receivables and liabilities as well as deferred tax assets and deferred tax liabilities.
12	Changes in working capital	Inability to control and manage elements of the working capital can result in negative changes for the operating cash flow and lead to liquidity gaps and excessive reliance on external financing.
13	Risk of misstatements in financial statements	We face exposure to risks relating to failures in proper financial reporting and the classification of accounting entries, and risks of making inaccurate accounting estimates.
14	Risks of currency and interest rates volatility	We are exposed to fluctuations in exchange rates because of loans received in USD and contractual obligations in USD and EUR. Although measures are taken to minimise this risk, there can be no assurance that exchange rate and interest rate fluctuations will not negatively influence our results.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

With respect to Internal Control over financial reporting, our financial procedures include a range of system, transactional and management oversight controls. Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

- Staff involved in the Company's accounting and financial reporting is appropriately qualified and kept up-to-date with relevant changes in International Financial Reporting Standards (IFRS). Additionally, specific training and written guidance on particular matters are provided where needed. Written guidance, regularly updated for business developments and regulatory changes, is available to all relevant staff members and provides a summary of the Company's accounting and financial reporting policies and procedures.
- Controls have been established in the processing of accounting transactions to ensure appropriate authorisations for transactions, the effective segregation of duties, and the complete and accurate recording of financial information.
- Completeness and timely recording of financial information is ensured through regular reviews, monitoring of specific key performance indicators, validation procedures by functional leaders and as an additional check, the process of internal and external audit.
- The Company relies on a comprehensive system of financial information and oversight. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the Company are drawn up and brought to the Board of Directors for approval. The Board also approves all significant investments. The Board receives monthly financial reports setting out the Company's financial performance in comparison to the approved budget and prior year figures.
- Any weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed.
- The external auditors perform a limited review of the Company's half-year consolidated financial statements and a full audit of the annual consolidated financial statements.

IN ACCORDANCE WITH THE REQUIREMENTS OF IFRS, WE DISCLOSE DETAILED INFORMATION ON THE MARKET, CREDIT AND FOREIGN EXCHANGE RISK TO WHICH IT IS EXPOSED, AS WELL AS STRATEGY FOR MANAGING THE RISKS.

Information for Shareholders and Investors

SHARE CAPITAL

O'KEY GROUP S.A. share capital amounts to EUR 2,690,740, divided into 269,074,000 ordinary shares of a nominal value of EUR 0.01 each. As of the date of this Report, the Company's share capital has remained unchanged since 30 November 2010.

All shares issued by the Company have equal rights as provided for by the law on commercial companies dated 10 August 2015, as amended (the "Company Law") and as set forth in the Articles, save for the special rights granted to the Caraden Shareholder.

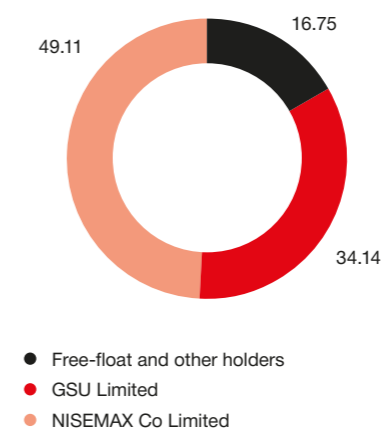
The Company does not hold any of its own shares and has not acquired them during the 2024 financial year.

SIGNIFICANT SHAREHOLDINGS

As of 31 December 2024, the two major indirect shareholders of the Group are its founders:

- Mr. Dmitrii Troitskii (who indirectly owns approximately 34.54% of the outstanding share capital of O'KEY GROUP S.A.); and
- Mr. Boris Volchek (who indirectly owns approximately 34.14% of the outstanding share capital of O'KEY GROUP S.A.).

Share Capital Structure as of 31 December 2024 – Direct Holdings, %



GLOBAL DEPOSITARY RECEIPTS

Global Depositary Receipts (GDRs) are issued in respect of ordinary shares at a ratio of one ordinary share per one GDR.

The Group's GDRs had been listed on the London Stock Exchange (LSE) since November 2010. In March 2022, the LSE suspended admission to trading for a number of issuers, including the GDRs of O'KEY GROUP S.A. In June 2024, the Group delisted its GDRs from the LSE prior to changing its depositary bank for the GDR programmes.

In March 2023, the Group obtained a listing for its GDRs on the Astana International Exchange (AIX).

In August 2024, the Group appointed RCS Trust and Corporate Services Ltd. as depositary for the Regulation S facilities (ISIN US6708662019) and RCS Stock Transfer Inc.

as depositary for Rule 144A facility (ISIN US6708661029). Previously, the Group's depositary was The Bank of New York Mellon.

The Group's GDRs also are listed on the Moscow Exchange (MOEX) since December 2020. In November 2023, the Group changed its listing status from secondary to primary on the MOEX. In June 2024, prior to delisting from the LSE, the Group transferred its GDRs from Level I to Level II section of the MOEX Quotation List.

In January 2025, the MOEX transferred the Group's GDRs to the third tier. The decision to change the listing tier of securities of foreign issuers, including O'KEY Group S.A., was made by Moscow Exchange on 16 December 2024 on the basis of Bank of Russia Directive No. 6885-U dated 1 October 2024 "On Securities and Derivative Financial Instruments Intended for Qualified Investors". The sole reason for the transfer of O'KEY Group S.A. GDRs to the third listing tier was a change in regulation by the Bank of Russia.

The changes did not affect the listing of the Group's GDRs on the Astana International Exchange.

As of 31 December 2024, GDRs represented 50.22% of O'KEY GROUP S.A. share capital.

No other securities have been issued by the Company.



STOCK EXCHANGE

As of 31 December 2024, O'KEY GROUP S.A. GDRs were listed on the MOEX and the AIX, and traded on the MOEX.

Trading Floor of O'KEY GROUP S.A. GDRs

Trading floor	Ticker code
Moscow Exchange	OKEY
Astana International Exchange	OKEY

O'KEY GROUP S.A. Securities Identification Numbers

CUSIP ¹	Code
Regulation S GDRs	670866201
Regulation S GDRs	670866110
Rule 144A GDRs	670866102

ISIN ²	Code
Regulation S GDRs	US6708662019
Regulation S GDRs	US6708661102
Rule 144A GDRs	US6708661029

O'KEY GROUP S.A. GDR Price Performance and Trading Volumes on MOEX in 2024



Source: Moscow Exchange

¹ CUSIP (Committee on Uniform Security Identification Procedures) – identification number given to the issue of shares for the purposes of facilitating clearing.

² ISIN (International Securities Identification Number) – international identification number of the share.

O'KEY GROUP S.A. GDRS TRADING INFORMATION ON MOSCOW EXCHANGE

The year-end GDR price was

8.6%

higher in 2024 compared to the same in 2023

In 2024, the cumulative trading volume of OKEY GDRs on MOEX was 106.7 million GDRs compared to 201.9 million in 2023. The decrease was partially due to the transfer of the Group's GDRs from Level I to Level II Section of the MOEX quotation list in June 2024.

	2023	2024
Annual maximum price, RUB	44.39	37.76
Annual minimum price, RUB	23.71	19.28
Year-end price, RUB	29.84	32.42
Trading volume (million GDRs)	201.9	106.7

Source: MOEX, market transactions

CREDIT RATINGS

	Expert RA	NCR
Credit rating	ruA-	A.ru
Outlook	Stable	Stable
Last rating date	13 June 2024	26 July 2024 ¹

In June 2024, Expert RA affirmed the Company's credit rating of 'ruA-' with a stable outlook.

In July 2024, National Credit Rating agency confirmed a credit rating of 'A.ru' with a stable outlook to LLC O'KEY, a main operating subsidiary of O'KEY GROUP S.A.

The ratings reflect the Group's solid and stable operational and financial position in the market, low exposure to market risks, and high standards of corporate governance, risk management, strategic control, and transparency.

ANALYST COVERAGE

As of the end of 2024, three equity research analysts from leading Russian banks followed the Company on a regular basis. O'KEY Group's IR team monitors and communicates analyst consensus to the Company's top management.

Company	Analyst	Phone number
Aton	Victor Dima	+7 (495) 213-03-44
Gazprombank	Marat Ibragimov	+7 (495) 980-41-87
Sberbank CIB	Ekaterina Usanova	+7 (495) 665-56-00

Source: the Company

¹ In January 2025, NCR revised the rating outlook from "Stable" to "Under Review — Uncertain Outlook", following Group's announcement of the planned sale of its hypermarket business, keeping the current 'A.ru' rating for LLC O'KEY unchanged.



DIVIDENDS

DIVIDEND POLICY

To determine the recommended amount of dividends that will be payable, the Group's Board of Directors abides by the Dividend Policy. The General Meeting of Shareholders, upon

the recommendation of the Board of Directors, determines how the remainder of the annual net profits of the Company should be disposed of, including through stock dividend, it being understood that the remaining net profits of the Company left after the payment of dividends shall be used for the business development of the Company and its subsidiaries and the development of the retail

business of the Group in Russia. Interim dividends may be declared and paid (including through staggered payments) by the Board of Directors, subject to observing the terms and conditions provided by law either through a cash dividend or through a dividend in kind.

Period	Record date	Amount of dividend per GDR (cents, gross)	Amount of accrued dividend (gross)
Interim dividends 2011	12.09.2011	9.9481	USD 26,767,750.59
Interim dividends 2012	23.02.2012	10.254	USD 27,590,847.96
Interim dividends 2013	15.02.2013	18.953	USD 50,997,595.22
Interim dividends 2014	18.02.2014	22.670	USD 60,999,075.80
Interim dividends 2014	17.10.2014	7.433	USD 20,000,270.42
Interim dividends 2015	11.09.2015	8.920	USD 24,001,400.80
Interim dividends 2016	08.07.2016	8.548	USD 23,000,445.52
Interim dividends 2017	20.01.2017	9.167	USD 24,666,013.58
Interim dividends 2018	25.01.2018	12.367	USD 33,276,381.58
Interim dividends 2019	03.10.2019	0.05635	USD 15,162,319.90
Interim dividends 2020	04.11.2020	0.028275	USD 7,608,067.35
Dividends 2021	Not declared and distributed		
Interim dividends 2022	01.08.2022	EUR 0.03159	EUR 8,500,047.66
Dividends 2023	Not declared and distributed		
Dividends 2024	Not declared and distributed		

TAXATION

As a rule, the Company withholds 15% WHT from the dividend paid from Luxembourg for distribution to the holders of GDRs.

This information is provided for information purposes only. Potential and current investors should seek the advice of professional consultants on tax matters related to investments in the shares and GDRs of the Company.

Management & Directors Responsibility Statement

We confirm to the best of our knowledge that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position, and profit or loss of O'KEY GROUP S.A. and the companies included in the consolidation as required by the International Financial Reporting Standards as adopted by the European Union, and that the consolidated management report provides a true and fair view of the development and performance of the business

and the position of O'KEY GROUP S.A. and the companies included in the consolidation taken as a whole, and that the consolidated management report provides a true and fair view, and that the consolidated management report describes the principal risks and uncertainties which O'KEY GROUP S.A. and the companies included in the consolidation taken as a whole are exposed to.

Luxembourg, 28 March 2025

Dmitry Korzhev
Member of the Board of Directors

Heigo Kera
Chairman of the Board of Directors

Mykola Buinyckiy
Member of the Board of Directors

Konstantin Arabidis
CEO

The Independent Auditor's Report and the consolidated financial statements of O'KEY GROUP S.A. for the year ended 31 December 2024.

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Financial Statements



Key audit matter	How our audit addressed the key audit matter
Recoverability of deferred tax assets recognized for the carryforward of unused tax losses	
<p>Refer to Notes 4, 12 and 33 to the consolidated financial statements of the Group.</p> <p>As at 31 December 2024, the carrying value of the Group's deferred tax assets amounts to RUB 7,868,051 thousand, including RUB 4,017,971 thousand arising on the accumulated tax losses carried forward by LLC Fresh Market that develops the Group's chain of discounter stores under the DA! brand starting from 2015.</p> <p>A deferred tax asset shall be recognized for the carryforward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized.</p> <p>The Group performed the assessment of and concluded on the recoverability of the deferred tax assets. This analysis was based on the long-term financial projections for LLC Fresh Market, which includes estimates of its future profits.</p> <p>This area was significant to our audit because of the history of tax losses generated by LLC Fresh Market, the complexity and subjectivity of the recoverability assessment and long-term budgeting process, which is based on assumptions that are inherently uncertain and affected by the expected pace of new openings of the discounters. In addition, we considered the overall impact of the Ukraine crisis on the Russian economy that increases the degree of uncertainty of these assumptions.</p>	<p>The audit procedures we have performed to address the key audit matter consisted of the following:</p> <ul style="list-style-type: none"> Understanding and evaluation of design of relevant control activities that the Group has in place in relation to recognition of current and deferred income taxes and long-term budget preparation. Comparing the Group's forecasts in the long-term budget prepared in prior year to actual performance to assess adequacy of the Group's estimates in the current year. Assessing accuracy of the deferred tax calculations. Considering whether there are any limitations to the amount and timing of utilization of the unused tax loss as established by the Russian tax legislation. Obtaining the long-term budget prepared by the Group for LLC Fresh Market and challenging the expected future profits and assumptions regarding future earnings as reflected therein, including by comparing to actual results to date and industry trends. Considering to what extent the Ukrainian-Russian crisis impacted the performance of LLC Fresh Market in the current year by analyzing its revenue and consumer behavior, expenses and the pace of new stores openings, as well as its impact on the ability of the discounters segment to adhere to the long-term budget. Analyzing the treatment of differences between accounting and tax books in the planning of future taxable profit. Considering adequacy of disclosures on the deferred tax positions and assumptions used in assessing recoverability of the deferred tax assets from tax losses carry forward in the consolidated financial statements.

OTHER INFORMATION

The Board of directors is responsible for the other information. The other information comprises the information stated in the annual report including the directors' report but does not include the consolidated financial statements and our report of "Réviseur d'Entreprises Agréé" thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease

operations, or has no realistic alternative but to do so.

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

RESPONSIBILITIES OF THE "RÉVISEUR D'ENTREPRISES AGRÉÉ" FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group

audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The director's report (pages 12 to 65) is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

MOORE AUDIT S.A.

Signed by:

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Raphael Loschetter
RÉVISEUR D'ENTREPRISES AGRÉÉ

Livange, 28 March 2025



Consolidated financial statements

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

'000 RUB	Note	31 December 2024	31 December 2023
Assets			
Non-current assets			
Investment property	13	1,064,218	1,257,218
Property, plant and equipment	14	41,235,728	43,240,482
Construction in progress	14	892,968	1,122,363
Right-of-use assets	15	19,422,128	23,309,763
Intangible assets	16	1,513,580	1,214,553
Deferred tax assets	12	7,868,051	6,082,047
Other non-current assets	18	689,530	872,104
Total non-current assets		72,686,203	77,098,530
Current assets			
Inventories	19	26,658,555	24,975,926
Trade and other receivables	20	2,888,005	2,516,192
Prepaid income tax		72,196	97,140
Prepayments	17	1,054,761	800,312
Cash and cash equivalents	21	15,828,186	11,525,791
Total current assets		46,501,703	39,915,361
Total assets		119,187,906	117,013,891
Equity and liabilities			
Equity			
	22		
Share capital		119,440	119,440
Legal reserve		10,597	10,597
Additional paid-in capital		8,555,657	8,555,657
Retained earnings		2,435,691	447,347
Translation reserve		2,255,988	1,961,350
Total equity		13,377,373	11,094,391
Non-current liabilities			
Loans and borrowings	24	36,581,181	41,128,448
Lease liabilities	25	16,978,580	20,760,179
Deferred tax liabilities	12	1,021,632	683,833
Total non-current liabilities		54,581,393	62,572,460
Current liabilities			
Loans and borrowings	24	11,069,846	6,002,850
Interest accrued on loans and borrowings	24	278,718	254,450
Lease liabilities	25	5,455,994	5,962,202
Trade and other payables	26	34,271,937	31,062,083
Current income tax payable		152,645	65,455
Total current liabilities		51,229,140	43,347,040
Total liabilities		105,810,533	105,919,500
Total equity and liabilities		119,187,906	117,013,891

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 77 to 105.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

'000 RUB	Note	2024	2023
Revenue	6	219,358,202	207,864,636
Cost of goods sold		(167,943,290)	(160,204,388)
Gross profit		51,414,912	47,660,248
General, selling and administrative expenses	8	(42,576,608)	(42,515,886)
Other operating income and (expenses), net	9	752,575	(291,634)
Operating profit		9,590,879	4,852,728
Finance income	10	588,411	252,676
Finance costs	10	(9,035,243)	(7,519,479)
Foreign exchange loss	11	(304,310)	(1,074,086)
Profit/(loss) before income tax		839,737	(3,488,161)
Income tax benefit	12	1,148,607	610,099
Profit/(loss) for the year		1,988,344	(2,878,062)
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Exchange differences on translation to presentation currency		294,638	507,145
Other comprehensive income for the year, net of income tax		294,638	507,145
Total comprehensive income/(loss) for the year		2,282,982	(2,370,917)
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (in RUB per share)	23	7.4	(10.7)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 77 to 105.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

'000 RUB	Share capital	Legal reserve	Additional paid-in capital	Retained earnings	Translation reserve	Total equity
Balance at 1 January 2023	119,440	10,597	8,555,657	3,325,409	1,454,205	13,465,308
Comprehensive loss for the year						
Loss for the year	-	-	-	(2,878,062)	-	(2,878,062)
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	507,145	507,145
Total other comprehensive income	-	-	-	-	507,145	507,145
Total comprehensive loss for the year	-	-	-	(2,878,062)	507,145	(2,370,917)
Balance at 31 December 2023	119,440	10,597	8,555,657	447,347	1,961,350	11,094,391
Balance at 1 January 2024	119,440	10,597	8,555,657	447,347	1,961,350	11,094,391
Comprehensive income for the year						
Profit for the year	-	-	-	1,988,344	-	1,988,344
Other comprehensive income						
Foreign currency translation differences	-	-	-	-	294,638	294,638
Total other comprehensive income	-	-	-	-	294,638	294,638
Total comprehensive income for the year	-	-	-	1,988,344	294,638	2,282,982
Balance at 31 December 2024	119,440	10,597	8,555,657	2,435,691	2,255,988	13,377,373

The consolidated statement of changes in equity is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 77 to 105.



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

'000 RUB	Note	2024	2023
Cash flows from operating activities			
Cash receipts from customers		251,407,777	238,395,137
Other cash receipts		797,840	620,203
Interest received		573,197	227,217
Cash paid to suppliers and employees		(226,161,120)	(218,251,832)
Taxes other than on income		(835,753)	(757,037)
Other cash payments		(38,819)	(24,321)
VAT paid		(6,013,652)	(4,675,763)
Income tax paid		(302,115)	(257,872)
Net cash from operating activities		19,427,355	15,275,732
Cash flows from investing activities			
Purchase of property, plant and equipment (excluding VAT)		(1,545,214)	(4,391,908)
Purchase of intangible assets (excluding VAT)		(293,799)	(446,618)
Proceeds from sale of investment property (excluding VAT)		-	156,014
Proceeds from sale of property, plant and equipment (excluding VAT)		4,417	341,637
Net cash used in investing activities		(1,834,596)	(4,340,875)
Cash flows from financing activities			
Proceeds from loans and borrowings	27	6,500,000	15,500,003
Repayment of loans and borrowings	27	(5,999,900)	(13,834,268)
Interest paid on loans and borrowings	27	(6,074,626)	(4,939,018)
Repayment of principal amount of lease liabilities	27	(4,684,249)	(5,268,297)
Interest paid on lease liabilities	27	(2,914,997)	(2,491,371)
Other financial payments and proceeds	27	(86,392)	(125,188)
Net cash used in financing activities		(13,260,164)	(11,158,139)
Net Increase / (decrease) in cash and cash equivalents		4,332,595	(223,282)
Cash and cash equivalents at the beginning of the year	21	11,525,791	11,779,334
Effect of exchange rate fluctuations on cash and cash equivalents		(30,200)	(30,261)
Cash and cash equivalents at the end of the year	21	15,828,186	11,525,791

The consolidated statement of cash flows is to be read in conjunction with the notes to, and forming part of, the consolidated financial statements set out on pages 77 to 105.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. BACKGROUND

(a) The Group and its operations

These consolidated financial statements for the year ended 31 December 2024 have been prepared for O'KEY GROUP S.A. (the "Company") and its subsidiaries (together referred to as the "Group").

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

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

As at 31 December 2024 and 2023, the Company's major indirect shareholders are Mr. Troitskii, Mr. Volchek.

As at 31 December 2024 global depository receipts ("GDRs") represented 50.22% of the Company's shares, 38.17% of the Company's shares were admitted to trading on the Moscow Exchange and Astana International Exchange in the form of GDRs (as at 31 December 2023 GDRs represented 50.22% of the Company's shares, 38.17% of the Company's shares were listed on the London Stock Exchange, Moscow Exchange and Astana International Exchange).

In March 2022, the London Stock Exchange temporarily suspended the admission to trading of the Group's GDRs in order to maintain orderly markets.

In March 2023 the Astana International Exchange ("AIX") has approved the listing of global depository receipts ("GDRs")

of the Group. Since 20 March 2023 O'KEY Group's GDRs started trading on the AIX.

In November 2023, the Bank of Russia decided to register a prospectus for the Company's global depository receipts (GDRs), each representing one ordinary share of O'KEY GROUP S.A. Thus, the Group has changed its listing status on Moscow Exchange ("MOEX") to primary. GDRs of O'KEY GROUP S.A. have been traded in Level I Quotation List on the Moscow Exchange since December 2020.

In June 2024 listing and the admission of the Group's GDRs to trading on the London Stock Exchange Main Market have been cancelled.

In view of the potential delisting from the London Stock Exchange planned June 2024, the Group had applied to the Moscow Exchange requesting to transfer the GDRs of O'KEY GROUP S.A. to Level II List, which has been done since June 2024. In December 2024, the Company announced that, due to amendment of the applicable legislation, the Company's GDRs will be transferred to the third listing tier of the Moscow Exchange from 3 January 2025. The changes do not affect the listing of the GDRs on the Astana International Exchange.

The Company continues to have and plans to keep listing on the regulated market of Moscow Exchange and Astana International Exchange. The GDR program remains in force and continues to operate.

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

The Group's principal business activity is operation of retail chains in Russia under the brand names "O'KEY" (hypermarkets) and "Da!" (discounter stores). At 31 December 2024, the Group operated 301 stores including 224 discounter stores

(31 December 2023: 297 stores including 220 discounter stores) in major Russian cities, including but not limited to Moscow and towns in Moscow region, St. Petersburg, Murmansk, Nizhniy Novgorod, Rostov-on-Don, Krasnodar, Lipetsk, Ekaterinburg, Novosibirsk, Krasnoyarsk, Ufa, Astrakhan and Surgut.

In December 2024 Company's Board of Directors has announced its intention to sell the O'KEY hypermarket assets to the chain's management. The DA! discount chain will continue to operate within the Group. The sale of the hypermarkets to management is subject to approval by the Government Commission on Monitoring Foreign Investment in the Russian Federation and the Federal Antimonopoly Service of Russia. Any further steps are possible only after such approval. It is not possible to predict the outcome of the assessment of potential sale of hypermarkets by the government bodies. The respective approvals have not yet been obtained as at 31 December 2024.

(b) Business environment

The Group's operations are primarily located in the Russian Federation which displays characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which contribute together with other legal and fiscal impediments to the challenges faced by entities operating in the Russian Federation.

The events in Ukraine continued to significantly influence the economic environment in which the Group operates. Sanctions imposed by the United States of America, the European Union and some other countries against the Government of the Russian Federation, as well as many large financial institutions, legal



entities and individuals in Russia continue to be in effect and have been expanded. In particular, restrictions were imposed on the export and import of goods, including capping the price of certain types of raw materials, restrictions have been introduced on the provision of certain types of services to Russian enterprises, the assets of a number of Russian individuals and legal entities were blocked, a ban on maintaining correspondent accounts has been established, certain large banks have been disconnected from the SWIFT international financial messaging system, and other restrictive measures have been implemented. However, no sanctions have been imposed against the Company and the Group, nor any of its subsidiaries, nor its major indirect shareholders.

The Bank of Russia key rate also was volatile during the reporting period. As a part of comprehensive measures to ensure the stability of credit institutions, the Bank of Russia has been gradually increased the key rate during 2024 from 16% in December 2023 up to 21% p.a. in December 2024.

Despite the volatility on the capital market, the Group's financial position and ability to attract financing remained solid in the reporting period. In January 2025, NCR rating agency assigned the credit rating of O'Key LLC, as "A.ru", outlook Stable. The rating reflects highly appreciated Group's business profile due to its significant geographical distribution, a diversified supplier base and the lack of concentration of risk on any large asset. The agency also noted solid and stable operational and financial position in the market, low exposure to market risks, and high standards of corporate governance, risk management, strategic control and transparency.

It is not possible to determine how long the increased volatility in the financial market will last or at what level it will eventually level out. It is not possible for the management to predict with any degree of certainty an impact of this uncertainty

on the Group's operations. Whilst these uncertainties may affect the future dividend income of the shareholders in the medium term, they do not affect the Group's ability to continue its operations in the foreseeable future.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

These consolidated financial statements were authorised for issue by the Board of Directors on 28 March 2025.

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

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

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

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

At 31 December 2024 the principal rates of exchange used for translating foreign currency balances were USD 1 = RUB 101.6797; EUR 1 = RUB 106.1028 (31 December 2023: USD 1 = RUB 89.6883; EUR 1 = RUB 99.1919).

4. USE OF ESTIMATES AND JUDGMENTS

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

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

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

Tax legislation. The Group is subject to taxation in several jurisdictions. The major part of the tax burden refers to the Russian tax legislation, which is subject to varying interpretations when being applied to the transactions and activities of the Group. Significant judgement is required in determining whether the tax positions and interpretations the Group has taken can be sustained. Refer to Note 30.

Bonuses from suppliers.

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

Determination of recoverable amount of non-current assets.

For those non-current assets where impairment indicators exist as at reporting date, the Group estimates the recoverable amount being the higher of their value in use and fair value less costs of disposal. For details of impairment assessment performed as at 31 December 2024 refer to Notes 14-16.

Recoverability of deferred tax asset. Significant judgment is required in assessment of recoverability of deferred tax asset on tax losses of LLC Fresh Market, the Group's entity that develops a discounter chain. In 2024 LLC Fresh Market utilized part of the deferred tax asset. The Group performs analysis of future taxable

profit to cover the accumulated tax losses on the basis of the long-term budget for the entity. Recognition of the deferred tax asset is contingent on the ability of the Group management to adhere to the long-term budget. Refer to Note 12.

Lease term. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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

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

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

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group

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

For lease agreements of trade and other premises with various extension and termination options, where the lease period is based on the Group's business plan with the respective planning horizon, the Group also performs its 'reasonably certain' reassessment and determines that it is reasonably certain that the extension options will be exercised or termination options will not be exercised closer to the end of the lease term, usually six months before the end of the lease. Six-month period is considered to be sufficient to make a decision to vacate the property or continue with the lease. The financial effect of revising the lease terms to reflect the effect of exercising extension and termination options was included in the 'Modifications and reassessments' captions in Notes 15 and 25.

An increase in the lease term by 1 year for the leases assuming extension options at the reporting date would have increased the balances of right-of-use assets and lease liabilities by RUB 3,769,660 thousand and RUB 3,769,660 thousand, respectively (31 December 2023: by RUB 4,076,999 thousand and RUB 4,076,999 thousand, respectively).

A decrease of the lease term by 1 year for the leases assuming extension options at the reporting date would have decreased the balances of right-of-use assets and lease liabilities by RUB 4,104,139 thousand and RUB 4,198,340 thousand, respectively (31 December 2023: by RUB 4,401,328 thousand and RUB 4,448,900 thousand, respectively).



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

Discount rates used for determination of lease liabilities. The Group uses its incremental borrowing rate as a base for calculation of the discount rate because the interest rate implicit in the lease cannot be readily determined. In 2024, the Group's incremental borrowing rate applied to lease liabilities denominated in Russian Roubles ranged from 15 to 28%, and for contracts denominated in other currencies from 7 to 10% (2023: from 9 to 14%, and from 6 to 11%, respectively).

An increase in the discount rate by 100 basis points at the reporting date would have decreased the balances of right-of-use assets and lease liabilities by RUB 438,468 thousand and RUB 438,695 thousand, respectively (31 December 2023: by RUB 506,432 thousand and RUB 553,113 thousand, respectively).

A decrease of the discount rate by 100 basis points at the reporting date would have increased the balances of right-of-use assets and lease liabilities by RUB 479,341 thousand and RUB 479,341 thousand, respectively (31 December 2023: by RUB 608,474 thousand and RUB 608,474 thousand, respectively).

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

5. NEW OR REVISED STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Group has not early adopted

the new or amended standards in preparing these consolidated financial statements.

(a) IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

(b) Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21).

6. SEGMENT INFORMATION

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

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

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

The Group has two operating segments that also represent reportable segments: "O'Key" and "Da!". Each segment has similar format of their stores which is described below:

- O'Key – chain of modern style hypermarkets under the "O'KEY" brand;
- Da! – chain of discounter stores in Moscow and Central region.

The core assortment of goods in the stores of each segment is different, and the segments are managed separately. For each of the segments, the CODM

of the Group reviews internal management reports at least on a monthly basis.

All business components within each reportable segment demonstrate similar characteristics:

- the products and customers;
- the business processes are integrated and uniform: the components manage their operations centrally. Purchasing, logistics, finance, HR and IT functions are centralised;

- the components' activities are mainly limited to Russia which has a uniform regulatory environment.

The CODM assesses the performance of the operating segments based on revenue and earnings before interest, tax, depreciation and amortisation adjusted for certain one-off items outlined below ("EBITDA"). The "EBITDA" term is not defined in IFRS. Other information provided

to the CODM is measured in a manner consistent with that in the consolidated financial statements. The accounting policies used for the segment reporting are the same as the accounting policies applied for the consolidated financial statements (Note 33).

Basis of segmentation used in these consolidated financial statements is consistent with that used in the prior year.

The segment information for the years ended 31 December 2024 and 31 December 2023 is as follows:

'000 RUB	O'Key		Da!		Total	
	2024	2023	2024	2023	2024	2023
External revenue						
• Sales of trading stock	138,477,216	136,150,699	72,343,997	63,825,020	210,821,213	199,975,719
• Sales of self-produced catering products	6,304,033	5,796,395	-	-	6,304,033	5,796,395
Revenue from contracts with customers	144,781,249	141,947,094	72,343,997	63,825,020	217,125,246	205,772,114
Rental income	2,186,012	2,032,979	46,944	59,543	2,232,956	2,092,522
Total revenue	146,967,261	143,980,073	72,390,941	63,884,563	219,358,202	207,864,636
Inter-segment revenue	252,302	323,420	1,047,426	1,627,792	1,299,728	1,951,212
EBITDA	13,430,785	12,642,821	7,054,375	4,382,904	20,485,160	17,025,725

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

'000 RUB	Note	2024	2023
EBITDA		20,485,160	17,025,725
Net loss from disposal of non-current assets and net impairment of non-current assets	9	(45,722)	(349,457)
Loss from write-off of receivables and impairment of receivables	9	(161,308)	(229,027)
Loss from modification/ disposal of right-of-use assets	9	(542)	(80,067)
Depreciation and amortisation	8	(10,494,861)	(11,068,518)
Finance income	10	588,411	252,676
Finance costs	10	(9,035,243)	(7,519,479)
Foreign exchange loss	11	(304,310)	(1,074,086)
Other one-off items		(191,849)	(445,928)
Profit/(Loss) before income tax		839,737	(3,488,161)
Income tax benefit	12	1,148,607	610,099
Profit/(Loss) for the year		1,988,344	(2,878,062)



7. PRINCIPAL SUBSIDIARIES

Details of the Company's significant subsidiaries at 31 December 2024 and 31 December 2023, all 100% owned are as follows:

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

8. GENERAL, SELLING AND ADMINISTRATIVE EXPENSES

'000 RUB	Note	2024	2023
Personnel costs		17,801,101	17,648,595
Depreciation and amortisation	14-16	10,494,861	11,068,518
Communication and utilities		5,425,365	5,355,003
Advertising and marketing		2,109,774	2,199,563
Repairs and maintenance costs		1,845,411	1,779,811
Insurance and bank commissions		1,474,937	1,347,555
Operating taxes		864,438	717,655
Security expenses		755,729	770,506
Legal and professional expenses		745,598	673,604
Variable lease expenses and expenses relating to short-term and low value leases		563,848	439,631
Materials and supplies		396,819	441,329
Other costs		98,727	74,116
Total general, selling and administrative expenses		42,576,608	42,515,886

Total employee benefits expense for the year ended 31 December 2024 included in the cost of goods sold and general, selling and administrative expenses is RUB 22,210,514 thousand (2023: 21,150,316 thousand).

During the year ended 31 December 2024 the Group employed 18,1 thousand employees on average (2023: 19,7 thousand employees on average). Approximately 95% of the employees (2023: 95% of the employees) are store and warehouse employees and the remaining part is office employees.

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

'000 RUB	2024	2023
Fees of the réviseur d'entreprises agréé for statutory audit of annual and consolidated accounts	19,145	17,712
Fees for the independent component auditors	20,284	14,229
Fees charged for other assurance services (other advisors)	750	4,300
Fees charged for tax advisory services (other advisors)	-	1,500
Total auditors' remuneration	40,180	37,741

9. OTHER OPERATING INCOME AND EXPENSES, NET

'000 RUB	2024	2023
Gain from modification of leases	755,579	368,686
Net loss from disposal of non-current assets	(45,722)	(349,457)
Impairment of receivables	(29,032)	(53,476)
Loss from write-off of receivables	(132,276)	(175,551)
Loss from disposal of right-of-use assets	(542)	(80,067)
Sundry income and expense, net	204,568	(1,769)
Total other operating income and expenses, net	752,575	(291,634)

10. FINANCE INCOME AND FINANCE COSTS

'000 RUB	Note	2024	2023
Recognised in profit or loss			
Interest income on bank deposits		588,411	252,676
Total finance income		588,411	252,676
Interest expense on loans and borrowings		(6,120,246)	(5,029,949)
Interest expense on lease liabilities	25	(2,914,997)	(2,489,530)
Total finance costs		(9,035,243)	(7,519,479)
Net finance costs recognised in profit or loss		(8,446,832)	(7,266,803)

During 2024 the Group has capitalised borrowing costs in the amount of RUB 68,331 thousand (2023: RUB 62,308 thousand) arising on financing directly attributable to the construction of the Group's new stores. The capitalisation rate was 16,1% (2023: 12.9%).

11. FOREIGN EXCHANGE (LOSS)/GAIN

The Group's risk management policy is to receive loans and borrowings in the same currency in which revenues are generated (RUB). As at 31 December 2024, there are no USD-denominated loans and borrowings (31 December 2023: there are no USD-denominated loans and borrowings). The Group's exposure to currency risk is disclosed in Note 28.

'000 RUB	2024	2023
Foreign exchange loss on financial items	(606,070)	(2,617,287)
Foreign exchange gain on financial items	305,477	1,764,243
Net foreign exchange (loss)/gain on financial items	(300,593)	(853,044)
Foreign exchange loss on operating items	(3,717)	(221,042)
Total foreign exchange (loss)/gain	(304,310)	(1,074,086)

In 2024 and in 2023 substantial amount of the net foreign exchange gain relates to USD-denominated intercompany loans between Group entities with different functional currencies which are eliminated on consolidation. The foreign exchange losses arose mainly from import operations.



12. INCOME TAX

Income tax recognised in profit or loss

'000 RUB	2024	2023
Current tax expense	(299,598)	(75,164)
Deferred tax benefit	78,871	685,263
Increase in tax rate (25%)	1,369,334	-
Total income tax benefit/(expense)	1,148,607	610,099

In July 2024 Tax Code of the Russian Federation have been amended and it was declared that income tax rate should increase from 20% to 25% starting from 1 January 2025.

This change has led to additional income of RUB 1,369,334 thousand related to the remeasurement of the future utilization of deferred tax assets and liabilities for the entities

located in Russia which was recognised in 2024 financial statements. (2023: nil)

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

The income tax rate applicable to the majority of the Group's 2024 and 2023 income is 20%, the income tax rate established by the Russian tax legislation. A reconciliation between the expected and the actual taxation benefit/charge is provided below.

'000 RUB	2024	2023
Profit/ (Loss) before income tax	839,680	(3,488,161)
Theoretical income tax at applicable tax rate of 20%	(167,936)	697,632
Effect of income taxed at different rates	135,807	22,323
Tax effect of items which are not deductible for taxation purposes:		
• Inventory shrinkage expenses	(7,521)	(7,274)
• Other non-deductible expenses	(156,746)	(61,730)
Adjustments to current income tax	(24,332)	(40,852)
Increase in tax rate (25%)	1,369,334	-
Income tax benefit for the year	1,148,607	610,099

Deferred tax assets and liabilities

(a) Deferred taxes in respect of subsidiaries

The Group has not recorded a deferred tax liability in respect of temporary differences of RUB 26,611,873 thousand (31 December 2023: RUB 25,648,263 thousand) associated with investments in subsidiaries as the Group is able to control the timing of the reversal of those temporary differences and does not intend to reverse them in the foreseeable future. If the temporary difference reversed in form of distributions remitted to the Company, then an enacted tax rate of 5-15% would apply.

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

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

Starting from 1 January 2017 the amendments to the Russian tax legislation became effective in respect of tax loss carry forwards. The amendments affect tax losses incurred and accumulated since 2007 that have not been utilised. The 10-year expiry period for tax loss carry-forwards that was in effect prior to 2017 no longer applies, and the accumulated tax losses can now be carried forward for utilisation in future periods without

any time limitation, with exception of limitation on utilisation of tax loss carry forwards that applies during the period from 2017 to 2026. The amount of losses that can be utilised each year during this period is limited to 50% of annual taxable profit.

The Group determined that future taxable profits will be available at LLC Fresh Market in the foreseeable future against which its accumulated losses can be utilised. In making this assessment the Group considered that according to the discounter chain's long-term budget the deferred tax asset of RUB 4,017,971 thousand on accumulated losses generated by LLC Fresh Market as at 31 December 2024 will be utilised in full by 2029. In 2024

LLC Fresh Market already utilised part of the deferred tax asset. The Group is following its long-term budget approved in prior years with insignificant changes on revenue and expenses planned for 2024 in order to reflect changes noted in 2023 with no impact on total net profit in monetary terms.

Recognition of the deferred tax asset is contingent on the ability of the Group management to adhere to the key assumptions made in the long-term budget. These key assumptions in the discounter chain's long-term budget covering 2024-2029 include annual expansion by approximately 40 new discounter stores per year except for 2024 year and 2025 were focus on operational efficiency is planned

instead of intensive expansion; annual growth in revenue comparable with past dynamics of the discounter chain; and gradual decrease of share of semi-fixed costs due to economies of scale.

In addressing the sensitivity of the timing of full utilisation of the deferred tax asset attributable to LLC Fresh Market, the Group estimated that if the pace of openings of new discounter stores in each of the years from 2025 to 2029 is lower by 20% as compared to the chain expansion rate reflected in the segment's long-term budget, with all other assumptions held constant, the timing of full utilisation of the deferred tax asset would shift from 2029 to 2030. The Group believes that any such shift does not

affect the probability that the deferred tax asset would be fully utilised, since the tax losses can be carried forward indefinitely and have no expiry date under the Russian tax legislation.

(c) Movement in temporary differences during the year

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

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

'000 RUB	1 January 2023	Recognised in profit or loss	31 December 2023
Tax effect of deductible/ (taxable) temporary differences and tax loss carry forwards			
Investment property	179,953	-	179,953
Property, plant and equipment	(1,303,769)	43,210	(1,260,559)
Construction in progress	(211,505)	(56,043)	(267,548)
Right-of-use assets	(2,610,919)	(1,009,284)	(3,620,203)
Intangible assets	(106,099)	208,721	102,622
Other non-current assets	(42,157)	193,234	151,077
Inventories	258,045	10,067	268,112
Trade and other receivables and payables	440,124	(221,300)	218,824
Long-term investments	5,785	-	5,785
Lease liabilities	4,689,130	1,376,495	6,065,625
Tax loss carry-forwards	3,414,363	140,165	3,554,526
Net deferred tax assets	4,712,951	685,263	5,398,214
Recognised deferred tax assets	5,245,595	-	6,082,047
Recognised deferred tax liabilities	(532,644)	-	(683,833)

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

13. INVESTMENT PROPERTY

(a) Reconciliation of carrying amount

'000 RUB	
Investment properties at fair value as at 1 January 2023	1,474,333
Disposals	(217,115)
Investment properties at fair value as at 31 December 2023	1,257,218
Investment properties at fair value as at 1 January 2024	1,257,218
Transfer into property, plant and equipment	(193,000)
Investment properties at fair value as at 31 December 2024	1,064,218

The trade premises of the Group included in investment property are subject to operating leases. During the year ended 31 December 2024 the Group transferred from investment property to property, plant and equipment one building that was previously used to generate rental income. In October 2024 a new discounter was opened there. As at 31 December 2024 the Group's investment property comprises two buildings and three land plots (31 December 2023: three buildings and three land plots).

(b) Measurement of fair value

The investment properties are valued annually on 31 December at fair value, by an independent,

professionally qualified valuator who has recent experience in valuing similar properties in the Russian Federation.

The carrying values of investment properties at 31 December 2024 and 31 December 2023 agree to the valuations reported by the external valuers with the use of a combination of the market approach with reference to comparable prices for orderly transactions with similar properties and the income approach with reference to estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties

in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions underlying the estimation of the fair value with reference to the income approach are those relating to: the annual net rent rate of RUB 665-1,626 per sq. m. (31 December 2023: RUB 645-1,829 per sq. m.); expected occupancy of 82-100% in the subsequent years (31 December 2023: 82-100%) and appropriate discount rate of 13,7% – 17,9% (31 December 2023: 9,82% – 15,6%).

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

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

14. PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

'000 RUB	Land	Buildings	Leasehold improvements	Machinery and equipment, auxiliary facilities and other fixed assets	Total property, plant and equipment	Construction in progress	Total property, plant and equipment and construction in progress
Cost							
Balance at 1 January 2023	3,735,039	42,733,457	12,836,893	20,662,019	79,967,408	2,633,788	82,601,196
Additions	21,000	53,742	4,160	2,251,065	2,329,967	3,814,811	6,144,778
Transfers	-	803,977	2,106,289	497,363	3,407,629	(3,407,629)	-
Disposals	-	(19,255)	(320,272)	(1,108,648)	(1,448,175)	(610,835)	(2,059,010)
Balance at 31 December 2023	3,756,039	43,571,921	14,627,070	22,301,799	84,256,829	2,430,135	86,686,964
Balance at 1 January 2024	3,756,039	43,571,921	14,627,070	22,301,799	84,256,829	2,430,135	86,686,964
Additions	2,600	23,747	2,312	787,078	815,737	1,095,391	1,911,128
Transfers	-	383,538	711,107	227,969	1,322,614	(1,322,614)	-
Transfer from investment property	-	193,000	-	-	193,000	-	193,000
Disposals	-	(1,481)	(161,567)	(913,425)	(1,076,473)	(2,172)	(1,078,645)
Balance at 31 December 2024	3,758,639	44,170,725	15,178,922	22,403,421	85,511,707	2,200,740	87,712,447
Depreciation and impairment losses							
Balance at 1 January 2023	-	(14,634,738)	(7,724,160)	(14,998,659)	(37,357,557)	(1,307,772)	(38,665,329)
Depreciation for the year	-	(697,560)	(2,237,291)	(1,994,998)	(4,929,849)	-	(4,929,849)
Disposals	-	6,243	248,814	1,016,002	1,271,059	-	1,271,059
Balance at 31 December 2023	-	(15,326,055)	(9,712,637)	(15,977,655)	(41,016,347)	(1,307,772)	(42,324,119)
Balance at 1 January 2024	-	(15,326,055)	(9,712,637)	(15,977,655)	(41,016,347)	(1,307,772)	(42,324,119)
Depreciation for the year	-	(719,184)	(1,769,606)	(1,777,915)	(4,266,705)	-	(4,266,705)
Disposals	-	573	137,006	869,494	1,007,073	-	1,007,073
Balance at 31 December 2024	-	(16,044,666)	(11,345,237)	(16,886,076)	(44,275,979)	(1,307,772)	(45,583,751)
Net book value							
At 1 January 2023	3,735,039	28,098,719	5,112,733	5,663,360	42,609,851	1,326,016	43,935,867
At 31 December 2023	3,756,039	28,245,866	4,914,433	6,324,144	43,240,482	1,122,363	44,362,845
At 31 December 2024	3,758,639	28,126,059	3,833,685	5,517,345	41,235,728	892,968	42,128,696



Depreciation expense of RUB 4,266,705 thousand has been charged to selling, general and administrative expenses (2023: RUB 4,929,849 thousand).

Impairment assessment

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

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

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

As the result of the impairment test performed as at 31 December 2024 no impairment was identified. (31 December 2023: no impairment was identified).

The post-tax discount rate used in the assessment under the value in use approach as at 31 December 2024 was 14.8% (31 December 2023: 12.6%). If the revised estimated post-tax discount rate applied to the discounted cash flows of the CGUs had been 1300 basis

points higher than management's estimates, the Group would need to reduce the carrying value of property, plant and equipment by RUB 4,000 thousand (2023: if the estimated post-tax discount rate had been 800 basis points higher than management's estimates, the Group would need to reduce the carrying value of property, plant and equipment by RUB 4,000 thousand).

Pledged assets

At 31 December 2024, trade stores with carrying value of RUB 7,751,255 thousand have been pledged to third parties as collateral for bank borrowings (31 December 2023: trade stores were pledged with carrying value of RUB 7,769,535 thousand).

15. RIGHT-OF-USE ASSETS

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

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

'000 RUB	Trade premises	Land	Other	Total
Balance at 1 January 2023	14,929,487	3,373,340	913,989	19,216,816
Additions	1,845,165	251,805	7,977	2,104,947
Modifications and reassessments	4,011,602	28,939	3,643,558	7,684,099
Depreciation	(4,616,017)	(168,449)	(830,310)	(5,614,776)
Disposals	-	(81,323)	-	(81,323)
Balance at 31 December 2023	16,170,237	3,404,312	3,735,214	23,309,763
Balance at 1 January 2024	16,170,237	3,404,312	3,735,214	23,309,763
Additions	196,855	-	-	196,855
Modifications and reassessments	1,727,357	(237,945)	119,178	1,608,590
Depreciation	(4,603,574)	(187,929)	(901,577)	(5,693,080)
Balance at 31 December 2024	13,490,875	2,978,438	2,952,815	19,422,128

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

Modifications and reassessments for the year ended 31 December 2024 were driven

by the reassessment of extension options for some of the Group's leases, as well as by the modification and reassessment of a number of other leases, primarily attributable to the Group's trade premises, that changed either the consideration

of the lease, contractual terms, or both, with no change in size of underlying assets.

Depreciation expense of RUB 5,680,729 thousand (2023: RUB 5,599,427 thousand) has

been charged to general, selling and administrative expenses. During 2024 the Group has capitalised depreciation of right of use assets in the amount of RUB 12,351 thousand (2023: RUB 15,349 thousand).

Right-of-use assets are assessed for indication of potential impairment as at each reporting date. For those assets where impairment indicators exist, the Group estimates recoverable amount being the higher

of their value in use and fair value less costs of disposal, on either individual asset or CGU level.

No indicators of impairment were identified for the Group's right-of-use assets that are attributable to individual leased assets and do not relate to stores in operation as at 31 December 2024 and 2023.

For those right-of-use assets that relate to the Group's stores and are therefore assessed

for impairment on the store level together with the other non-current assets attributable to the stores, impairment assessment has been performed as disclosed in Note 14. No impairment attributable to the right-of-use assets was identified as at 31 December 2024 and 31 December 2023.

No reversal of impairment as at 31 December 2024 and 31 December 2023 was made.

16. INTANGIBLE ASSETS

'000 RUB	Software	Other intangible assets	Total
Cost			
Balance at 1 January 2023	1,974,018	309,460	2,283,478
Additions	456,824	272,123	728,947
Disposals	(571,463)	(149,409)	(720,872)
Balance at 31 December 2023	1,859,379	432,174	2,291,553
Balance at 1 January 2024	1,859,379	432,174	2,291,553
Additions	702,821	200,558	903,379
Disposals	(406,585)	(230,085)	(636,670)
Balance at 31 December 2024	2,155,615	402,647	2,558,262
Amortisation and impairment losses			
Balance at 1 January 2023	(916,221)	(161,742)	(1,077,963)
Amortisation for the year	(491,512)	(47,730)	(539,242)
Disposals	520,939	19,266	540,205
Balance at 31 December 2023	(886,794)	(190,206)	(1,077,000)
Balance at 1 January 2024	(886,794)	(190,206)	(1,077,000)
Amortisation for the year	(480,419)	(71,022)	(551,441)
Disposals	412,245	171,514	583,759
Balance at 31 December 2024	(954,968)	(89,714)	(1,044,682)
Carrying amounts			
At 1 January 2023	1,057,797	147,718	1,205,515
At 31 December 2023	972,585	241,968	1,214,553
At 31 December 2024	1,200,647	312,933	1,513,580

Amortisation of RUB 551,441 thousand has been charged to selling, general and administrative expenses (2023: RUB 539,242 thousand).

No indicators of impairment were identified for the Group's intangible assets as at 31 December 2024 and 31 December 2023.



17. PREPAYMENTS

'000 RUB	31 December 2024	31 December 2023
Prepayments for goods	458,205	320,267
Prepayments for variable lease payments – third parties	34,946	126,277
Prepayments for services	430,985	192,597
VAT on prepayments	40,347	86,172
Other prepayments	90,278	74,999
Total prepayments	1,054,761	800,312

18. OTHER NON-CURRENT ASSETS

'000 RUB	31 December 2024	31 December 2023
Financial assets within other non-current assets		
Long-term refundable deposits to lessors	540,823	564,621
Total financial assets within other non-current assets	540,823	564,621
Other non-current assets		
Prepayments for non-current assets	148,707	307,483
Total other non-current assets	689,530	872,104

19. INVENTORIES

'000 RUB	31 December 2024	31 December 2023
Goods for resale	25,871,114	24,145,751
Raw materials and consumables	1,426,329	1,562,829
Write-down to net realisable value	(638,888)	(732,654)
Total inventories	26,658,555	24,975,926

The Group tested the inventories for obsolescence and wrote down the inventories to their net realisable value, which resulted in a decrease of the carrying value of inventories by RUB 638,888 thousand as at

31 December 2024 (31 December 2023: RUB 732,654 thousand). The write down to net realisable value was determined by applying percentages of discount on sales and write-offs of slow-moving

goods to the appropriate ageing of the goods. The percentages of discount were based on the management's best estimate following the experience of the discount sales.

20. TRADE AND OTHER RECEIVABLES

'000 RUB	31 December 2024	31 December 2023
Financial assets within trade and other receivables		
Trade receivables	201,870	420,326
Bonuses receivable from suppliers	1,722,004	1,553,709
Other financial receivables	275,734	169,427
Total financial assets within trade and other receivables	2,199,608	2,143,462
Other receivables		
VAT receivable	319,325	138,294
Prepaid taxes other than income tax	369,072	234,436
Total trade and other receivables	2,888,005	2,516,192

The Group's exposure to credit and currency risks and credit loss allowance as at 31 December 2024 and 31 December 2023 related to trade and other receivables are disclosed in Note 28.

21. CASH AND CASH EQUIVALENTS

'000 RUB	31 December 2024	31 December 2023
Cash on hand	144,641	162,782
Bank current accounts	7,208,300	4,866,560
Term deposits	7,859,865	5,988,729
Cash in transit	615,380	507,720
Total cash and cash equivalents	15,828,186	11,525,791

Term deposits had original maturities of less than three months.

The Group's exposure to currency risk related to cash and cash equivalents is disclosed in Note 28.

22. EQUITY

As at 31 December 2024 and 31 December 2023, the Company's authorised, issued and fully paid share capital of RUB 119,440 thousand, the RUB equivalent of EUR 2,691 thousand, is represented by 269,074,000 ordinary shares with a par value of 0.01 EUR each. Each share is entitled to one vote, except as may be otherwise provided by the Articles of incorporation or by applicable law.

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profits for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders. As at 31 December 2024 and at 31 December 2023, the legal reserve was formed in full.

Additional paid-in capital represents the excess of contributions received over par value of shares issued. There were no movements in additional paid-in capital during the years ended 31 December 2024 and 31 December 2023.

No dividends were declared and paid in 2024 and 2023.

23. EARNINGS/(LOSS) PER SHARE

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

Earnings per share is calculated as follows:

'000 RUB	2024	2023
Profit/(loss) for the year	1,988,344	(2,878,062)
Weighted average number of ordinary shares in issue (thousands)	269,074	269,074
Basic and diluted earnings/(loss) per ordinary share (in RUB per share)	7.4	(10.7)



24. LOANS AND BORROWINGS

'000 RUB	Currency	31 December 2024		31 December 2023	
		Maturity	Carrying value	Maturity	Carrying value
Non-current loans and borrowings					
Secured bank loans	RUB	2026-2027	8,266,667	2025-2027	11,794,118
Unsecured bank facilities	RUB	2026-2028	8,702,632	2025-2028	12,850,000
Unsecured bonds	RUB	2026-2030	19,611,883	2026-2030	16,484,330
Total non-current loans and borrowings			36,581,181		41,128,448
Current loans and borrowings					
Secured bank loans	RUB	2025	3,527,451	-	-
Unsecured bank facilities	RUB	2025	7,147,368	2024	3,500,000
Unsecured bonds	RUB	2025	392,177	2024	2,500,000
Unsecured loans from third parties	RUB	2025	2,850	2024	2,850
Total current loans and borrowings			11,069,846		6,002,850
Unsecured bonds interest	RUB		244,629		240,529
Secured bank loans	RUB		4,944		3,305
Unsecured loans interest	RUB		29,145		10,615
Interest accrued on loans and borrowings			278,718		254,450
Total current loans and borrowings, including interest accrued			11,348,564		6,257,300
Total loans and borrowings			47,929,745		47,385,748

Information about property, plant and equipment pledged as collateral for the Group's loans and borrowings is disclosed in Note 14.

As at 31 December 2024 the Group had RUB 13,050,000 thousand (31 December 2023: RUB 16,560,000 thousand) of undrawn committed borrowing facilities available in RUB on fixed and floating rate basis until March 2024-March 2028 in respect of which all conditions have been met. Proceeds from these facilities may be used to finance operating and investing activities, if necessary.

In 2024 the Group repaid bonds issued during 2019 and due in 2024 in the amount of RUB 2,500,000 thousand.

In 2023 the Group repaid bonds issued during 2019-2020 and due in 2023-2025 in the amount of RUB 6,062,700 thousand.

The following issues of unsecured bonds were also placed by the Group on Moscow exchange in 2019-2024:

- an issue made in April 2019 in the amount of RUB 5,000,000 thousand bearing coupon rate of 9.35% p.a. and maturing in April 2029 with an option for the bondholders to claim early repayment in April 2022. In October and November 2021 bonds were partially repaid in the amount of RUB 2,162,329 thousand. In April 2022 bonds were partially repaid in the amount of RUB 2,445,494 thousand. An option for the bondholders to claim early was prolonged till April 2025 bearing coupon rate of 9.9% p.a.;
- an issue made in December 2019 in the amount of RUB 5,000,000 thousand bearing coupon rate of 7.85% p.a. and maturing in November 2024;
- an issue made in November 2020 in the amount of RUB 5,000,000 thousand bearing coupon rate of 7.50% p.a. and maturing

in October 2030 with an option for the bondholders to claim early repayment in November 2023. In December 2022 bonds were partially repaid in the amount of RUB 1,304,799 thousand;

- an issue made in November 2022 in the amount of RUB 8,500,000 thousand bearing coupon rate of 11.5% p.a. and maturing in November 2032 with an option for the bondholders to claim early repayment in May 2026;
- an issue made in May 2023 in the amount of RUB 7,500,000 thousand bearing coupon rate of 11.75% p.a. and maturing in May 2033 with an option for the bondholders to claim early repayment in May 2026;
- an issue made in March 2024 in the amount of RUB 3,500,000 thousand bearing coupon rate of 15.50% p.a. and maturing in March 2034 with an option for the bondholders to claim early payment in March 2027.

Compliance with loan covenants

The Group monitors compliance with loan covenants on an ongoing basis. Where noncompliance is unavoidable in management's view, the Group requests waiver letters

from the banks before the year-end, confirming that the banks waive their rights to demand early redemption.

At 31 December 2024 and during the years then ended the Group complied with all its loan covenants.

In 2023 the Group requested waiver letters from the banks, confirming that the banks waive their rights to demand early redemption.

25. LEASE LIABILITIES

'000 RUB	2024	2023
Balance at 1 January	26,722,381	22,544,804
Additions	196,855	2,000,248
Modifications and reassessments	849,803	7,090,769
Repayment	(8,282,395)	(7,759,668)
Interest expense	2,914,997	2,491,371
Foreign exchange gain	32,933	356,113
Disposals	-	(1,256)
Balance at 31 December	22,434,574	26,722,381
Non-current lease liabilities	16,978,580	20,760,179
Current lease liabilities	5,455,994	5,962,202

Interest expense in the amount of RUB 2,914,977 thousand (2023: RUB 2,489,530 thousand) has been charged to finance costs.

Total cash outflow for leases in 2024 amounted to RUB 8,757,220 thousand (2023: RUB 8,207,325 thousand).

Some property leases contain variable payment terms that are linked to sales generated by a store.

Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Expense relating to variable lease payments not included in lease liabilities included in selling, general

and administrative expenses for 2024 was RUB 489,374 thousand (2023: RUB 379,814 thousand).

Expenses relating to short-term leases and to leases of low-value assets that are not included in lease liabilities, both included in selling, general and administrative expenses, amounted to RUB 74 thousand (2023: RUB 310 thousand) and RUB 74,401 thousand (2023: RUB 59,507 thousand), respectively.

26. TRADE AND OTHER PAYABLES

'000 RUB	31 December 2024	31 December 2023
Financial liabilities at amortised cost		
Trade payables	30,610,479	27,883,950
Other financial payables	99,571	198,290
Total financial liabilities at amortised cost	30,710,050	28,082,240
Payables to staff	1,618,720	1,472,151
Taxes payable other than income tax	1,375,835	1,028,784
Advances received from lessees	474,447	391,144
Contract liability related to gift cards	92,885	87,764
Total trade and other payables	34,271,937	31,062,083

The Group's contract liabilities relate to contracts with customers for periods of less than one year. RUB 92,885 thousand of revenue was recognised in the current reporting period related to the contract liabilities as at 31 December 2024, all of which related to gift cards.

The Group's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 28.



27. RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

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

'000 RUB	Note	Loans and borrowings	Lease liabilities	Total
Balance at 1 January 2024		47,385,748	26,722,381	74,108,129
Cash flows from financing activities				
Proceeds from loans and borrowings		6,500,000	-	6,500,000
Repayment of loans and borrowings		(5,999,900)	-	(5,999,900)
Interest paid on loans and borrowings		(6,074,626)	-	(6,074,626)
Repayment of principal amount of lease liabilities		-	(4,684,249)	(4,684,249)
Interest paid on lease liabilities		-	(2,914,997)	(2,914,997)
Total cash flows from financing activities		(5,574,526)	(7,599,246)	(13,173,772)
Non-cash changes				
Additions to lease liabilities	25	-	196,855	196,855
Modifications and reassessments of lease liabilities	25	-	849,803	849,803
Accrued interest	10,25	6,120,246	2,914,977	9,035,223
Disposals	25	-	-	-
Difference between the par value of the placed bond and the actual cost of the bond redemption (income)		(1,723)	-	(1,723)
Other non-cash changes (offsetting the advance payment)		-	(683,129)	(683,129)
Effect of changes in foreign exchange rates		-	32,933	32,933
Total non-cash changes		6,118,523	3,311,439	9,429,962
Balance at 31 December 2024		47,929,745	22,434,574	70,364,319
Balance at 1 January 2023		45,701,745	22,544,804	68,246,549
Cash flows from financing activities				
Proceeds from loans and borrowings		15,500,003	-	15,500,003
Repayment of loans and borrowings		(13,834,268)	-	(13,834,268)
Interest paid on loans and borrowings		(4,939,018)	-	(4,939,018)
Repayment of principal amount of lease liabilities		-	(5,268,297)	(5,268,297)
Interest paid on lease liabilities		-	(2,491,371)	(2,491,371)
Other financial payments		(125,188)	-	(125,188)
Total cash flows from financing activities		(3,398,471)	(7,759,668)	(11,158,139)
Non-cash changes				
Additions to lease liabilities	25	-	2,000,248	2,000,248
Modifications and reassessments of lease liabilities	25	-	7,090,769	7,090,769
Accrued interest	10,25	5,029,949	2,491,371	7,521,321
Disposals	25	-	(1,256)	(1,256)
Difference between the par value of the placed bond and the actual cost of the bond redemption (income)		(40,348)	-	(40,348)
Effect of changes in foreign exchange rates		92,873	356,113	448,986
Total non-cash changes		5,082,474	11,937,245	17,019,720
Balance at 31 December 2023		47,385,748	26,722,381	74,108,363

28. FINANCIAL RISK MANAGEMENT

(a) Overview

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

Risk management framework

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

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

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

reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(b) Credit risk

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

(i) Exposure to credit risk

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

'000 RUB	Note	Carrying amount	
		31 December 2024	31 December 2023
Long-term refundable deposits to lessors	18	540,823	564,621
Trade and other receivables	20	2,199,608	2,143,462
Cash and cash equivalents	21	15,683,544	11,363,009
Total		18,423,975	14,071,092

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

(ii) Trade and other receivables

The Group has no considerable balance of trade receivables because the majority of its customers are retail consumers, who are not provided with any credit. The Group's trade receivables primarily include receivables from tenants and receivables connected

to provision of services. Other receivables are primarily represented by bonuses receivable from suppliers. The Group manages credit risk in respect of those bonuses receivable by maintaining a stable suppliers base and monitoring collectability of amounts due on an ongoing basis.

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 and 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss

rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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

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



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

The credit loss allowance as at 31 December 2023 determined with the use of provision matrix is summarised in the table below.

'000 RUB	Gross amount	ECL	Carrying amount
Trade receivables	444,579	(24,253)	420,326
Bonuses receivable from suppliers	1,560,372	(6,663)	1,553,709
Other financial receivables	207,718	(38,291)	169,427
Total	2,212,669	(69,207)	2,143,462

(iii) Cash and cash equivalents

The Group assesses credit risk for cash and cash equivalents based on external ratings that are available publicly. Cash and cash equivalents are mainly held with banks which are rated from Baa3 to Ca based on Moody's rating.

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

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always

have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

- Maintaining financial independence: a share of one creditor in debt portfolio should not exceed 30%;
- Maintaining financial stability: the Net Debt / EBITDA ratio should not exceed 5.0 (at some agreements 5.5), where Net Debt is the total of long-term and short-term loans and borrowings and lease liabilities less cash and cash equivalents as presented in the consolidated financial statements;
- Monitoring of compliance with debt covenants;

- Planning: timely preparation of operating, investing and financing cash flow forecasts on rolling basis.

(i) Exposure to liquidity risk

The table below shows liabilities at 31 December 2024 by their remaining contractual maturity. The amounts disclosed in the maturity table are the contractual undiscounted cash flows, including gross loan commitments. Such undiscounted cash flows may differ from the amount included in the consolidated statement of financial position because the consolidated statement of financial position amounts are based on discounted cash flows. Where the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the end of the reporting period. Foreign currency payments are translated using the spot exchange rate at the end of the reporting period.

31 December 2024						
'000 RUB	Carrying amount	Contractual cash flows	Demand and less than 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years
Financial liabilities at amortised cost						
Secured bank loans	11,799,062	14,079,342	2,337,852	2,403,392	9,338,098	-
Unsecured bonds	20,248,689	23,918,720	1,577,459	1,215,503	21,125,758	-
Unsecured bank facilities	15,879,145	19,047,233	6,045,670	3,350,030	9,651,533	-
Unsecured loans from third parties	2,850	2,899	49	2,850	-	-
Lease liabilities	22,434,574	34,994,719	4,117,177	4,014,467	18,636,202	8,226,873
Trade and other payables	30,710,050	30,710,050	30,710,050	-	-	-
Total future payments, including future principal and interest payments	101,074,370	122,752,963	44,788,257	10,986,242	58,751,591	8,226,873

As at 31 December 2024, the Group's current liabilities exceeded its current assets by RUB 4,727,437 thousand (31 December 2023: RUB 3,431,679 thousand). An excess of current liabilities over current

assets is usual for the retail industry. The Group uses excess of trade and other payables over inventory to finance its operating and investing activities. The Group has reviewed its cash flow forecasts in the context

of current and projected market conditions, as well as available undrawn credit facilities disclosed in Note 24, and is confident that it will be able to meet its obligations as they fall due.

31 December 2023						
'000 RUB	Carrying amount	Contractual cash flows	Demand and less than 6 months	From 6 to 12 month	From 1 to 5 years	More than 5 years
Financial liabilities at amortised cost						
Secured bank loans	11,797,423	15,555,668	696,379	700,690	14,158,599	-
Unsecured bonds	19,224,859	23,922,236	2,516,287	2,237,253	19,028,082	140,614
Unsecured bank facilities	16,360,615	20,665,411	4,501,323	890,651	15,273,437	-
Unsecured loans from third parties	2,850	2,896	46	2,850	-	-
Lease liabilities	26,722,381	37,560,913	4,045,518	4,005,828	19,968,013	9,541,554
Trade and other payables	28,082,240	28,082,240	28,082,240	-	-	-
Total future payments, including future principal and interest payments	102,190,368	125,789,364	39,841,793	7,837,272	68,428,131	9,682,168



(d) Market risk

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

(i) Currency risk

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

Thus, the Group is exposed to currency risk, which may materially influence the financial position and financial results of the Group through the change in carrying value of financial assets and liabilities and amounts on foreign exchange rate gains or losses. The Group

ensures that its exposure is kept to an acceptable level by keeping the proportion of financial assets and liabilities in foreign currencies to total financial liabilities at an acceptable level. From time to time the Group converts assets and liabilities from one currency to another.

Exposure to currency risk

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

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

'000 RUB	31 December 2024	31 December 2023
Trade and other receivables	8,731	7,283
Cash and cash equivalents	329,137	361,035
Trade and other payables	(365,641)	(163,988)
Total	(27,773)	204,330

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

'000 RUB	31 December 2024	31 December 2023
Cash and cash equivalents	38,182	49,089
Lease liabilities	-	(1,509,597)
Trade and other payables	(327)	(49,088)
Total	37,855	(1,509,596)

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

'000 RUB	31 December 2024	31 December 2023
Trade and other receivables	28,672	7,815
Cash and cash equivalents	19,287	693
Trade and other payables	(125,438)	(119,268)
Total	(77,479)	(110,760)

Sensitivity analysis

A 20% weakening/strengthening of the RUB against the USD at 31 December 2024 would have decreased/increased equity and profit or loss by RUB 5,554 thousand (31 December 2023: 20% weakening/strengthening of the RUB against the USD would have decreased/increased equity and profit or loss by RUB 40,866 thousand).

A 20% weakening/strengthening of the RUB against the EUR at 31 December 2024 would have decreased/increased equity and profit or loss by RUB 7,571 thousand (31 December 2023: 20% weakening/strengthening of the RUB against the EUR would have decreased/increased equity and profit or loss by RUB 301,919 thousand).

A 20% weakening/strengthening of the RUB against the CNY at 31 December 2024 would have decreased/increased equity and profit or loss by RUB 15,496 thousand (31 December 2023: 20% weakening/strengthening of the RUB against the CNY would have decreased/increased equity and profit or loss by RUB 22,152 thousand).

This analysis was performed only for the foreign currency denominated monetary balances in the consolidated statement of financial position related to the Group's entities whose functional currency is the RUB and is based on foreign

currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

(ii) Interest rate risk

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

Profile

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

'000 RUB	31 December 2024	31 December 2023
Fixed rate instruments		
Cash and cash equivalents	15,068,164	10,855,289
Loans and borrowings	(34,852,955)	(37,328,691)
Lease liabilities	(22,434,574)	(26,722,381)
Total	(42,219,365)	(53,195,783)
Variable rate instruments		
Loans and borrowings	(13,076,790)	(10,057,057)
Total	(13,076,790)	(10,057,057)

(e) Cash flow sensitivity analysis for variable rate instruments

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

'000 RUB	Profit or loss		Equity	
	1,000 bp increase	1,000 bp decrease	1,000 bp increase	1,000 bp decrease
31 December 2024				
Variable rate instruments	1,307,679	(1,307,679)	-	-
Cash flow sensitivity (net)	1,307,679	(1,307,679)	-	-
31 December 2023				
Variable rate instruments	1,005,706	(1,005,706)	-	-
Cash flow sensitivity (net)	1,005,706	(1,005,706)	-	-

(f) Offsetting of financial assets and financial liabilities

The Group may enter into sales and purchase agreements with the same counterparty in the normal course of business. The related amounts receivable and payable do not always meet the criteria for offsetting in the consolidated statement

of financial position. This is because, while generally there is an intention to settle on net basis, the Group may not have any currently legally enforceable right to offset recognised amounts, because the right to offset may be enforceable only on the occurrence of future events. In particular, in accordance with the Russian civil law an obligation

can be settled by offsetting against a similar claim if it is due, has no maturity or is payable on demand, unless otherwise stated in the agreement.

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



'000 RUB	Trade and other receivables	Trade and other payables
31 December 2023		
Gross amounts before offsetting	3,376,647	29,315,426
Amounts offset	(1,233,185)	(1,233,185)
Net amounts presented in the consolidated statement of financial position	2,143,462	28,082,241
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(1,160,394)	(1,160,394)
Net amount	983,068	26,921,847
31 December 2024		
Gross amounts before offsetting	2,869,327	31,379,751
Amounts offset	(669,719)	(669,719)
Net amounts presented in the consolidated statement of financial position	2,199,608	30,710,032
Amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria	(978,934)	(978,934)
Net amount	1,220,674	29,731,098

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

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

(g) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements, except for statutory requirement in relation to minimum level of share capital and requirement in respect of positive net assets of LLC "O'KEY" for external loan agreement; the Group follows all requirements.

29. CAPITAL COMMITMENTS

The Group has capital commitments to acquire property, plant and equipment, mostly relating to construction of stores,

and intangible assets amounting to RUB 222,694 thousand as at 31 December 2024 (31 December 2023: RUB 364,249 thousand). The Group has already allocated the necessary resources in respect of these commitments. The Group believes that future net income and funding will be sufficient to cover these and any similar commitments.

30. CONTINGENCIES

(a) Legal proceedings

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

(b) Tax contingencies

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

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

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

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

The Group includes companies incorporated outside of Russia. The tax liabilities of the Group are determined on the assumption

that these companies are not subject to Russian profits tax, because they do not have a permanent establishment in Russia. This interpretation of relevant legislation may be challenged.

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

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

In addition to the above matters, management estimates that as at 31 December 2024 the Group has other possible obligations of approximately 1.2 % of revenue (31 December 2023: 1.2 % of revenue) from exposure to other than remote tax risks arising from certain transactions. These exposures are estimates that result from uncertainties in interpretation of applicable legislation and related documentation requirements. Management will vigorously defend the Group's positions and interpretations that were applied in determining taxes recognised in these consolidated financial statements if these are challenged by the authorities.

31. RELATED PARTY TRANSACTIONS

Parties are generally considered to be related if the parties are under common control or if one party has

the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

Related parties of the Group fall into the following categories:

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

(a) Transactions with key management personnel

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

'000 RUB	2024	2023
Short-term employee benefits:		
Salaries and short-term bonuses	428,346	461,371
Social security contributions	45,247	23,170
Total	473,593	484,541

In addition, members of the Company's Board of Directors received remuneration in the amount of RUB 60,516 thousand for the year ended 31 December 2024 (2023: RUB 82,114 thousand) which is included in legal and professional expenses.

(b) Transactions with other related parties

(i) Revenue

'000 RUB	Income		Receivables	
	2024	2023	31 December 2024	31 December 2023
Sale of services	3,076	2,204	-	-
Total	3,076	2,204	-	-

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



(ii) Expenses

'000 RUB	Expenses	
	2024	2023
Variable lease expenses and expenses relating to short-term and low value leases	93,909	84,622
Interest expense on lease liabilities	100,075	119,629
Total	193,984	204,251

(iii) Leases with other related parties

Lease liabilities under related party arrangements were as follows:

'000 RUB	31 December 2024	31 December 2023
Lease liabilities due to other related parties, including:	967,058	1,380,514
Current lease liabilities	565,846	536,736
Non-current lease liabilities	401,212	843,778

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

The significance of a valuation input is assessed against the fair value measurement in its entirety.

Fair value of the Group's financial assets and liabilities measured at amortised cost approximate their carrying amounts except for fair value of the Group's bonds. The bonds listed on Moscow exchange are determined based on active market quotations (Level 1 fair value), fair value of which differs by no more than 20% from their carrying amount. Fair value of the Group's other financial assets and liabilities at amortised cost belongs to Level 2 measurements in the fair value hierarchy.

32. FAIR VALUE DISCLOSURES

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

- Level 1 are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 measurements are valuations not based on observable market data (that is, unobservable inputs).

Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement.

(a) Recurring fair value measurements

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

Investment property. Fair value of the investment property is updated by the Group annually on 31 December applying the income approach and market approach. Refer to Note 13.

(b) Non-recurring fair value measurements

As at 31 December 2024, recoverable amount of some of the Group's non-current assets tested for impairment was determined on the basis of the fair value less costs of disposals approach. Refer to Note 14.

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

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

There were no transfers between the levels of the fair value hierarchy or changes in valuation techniques for fair value measurements during 2024 and 2023.

33. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Financial instruments

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

The Group applies the IFRS 9 simplified approach to measuring ECL which

uses a lifetime expected loss allowance for trade and lease receivables. For other financial assets the Group applies a three stage model for impairment, based on changes in credit quality since initial recognition.

(ii) Offsetting financial instruments

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

(iii) Capitalisation of borrowing costs

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

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

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

The Group capitalises borrowing costs that could have been avoided if it had not made capital expenditure on qualifying assets. Borrowing costs capitalised are calculated at the Group's average funding cost (the weighted average interest

cost is applied to the expenditures on the qualifying assets), except to the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset. Where this occurs, actual borrowing costs incurred on the specific borrowings less any investment income on the temporary investment of these borrowings are capitalised.

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

(i) Recognition and measurement

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

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

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

(ii) Depreciation

Land and construction in progress are not depreciated. Other items of property, plant and equipment are depreciated from the date that they are installed and are ready

for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

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

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

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

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

(c) Investment property

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

Investment property, including assets under construction for future use as investment property, is initially recognised at cost, including transaction costs, and subsequently remeasured at fair value with any change therein recognised in profit or loss within "other operating income and expenses". If fair value of investment property



under construction is not reliably determinable, the Group measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

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

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

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

(d) Intangible assets

(i) Amortisation

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

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

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

Amortisation methods, useful lives and residual values are reviewed

at each financial year end and adjusted if appropriate.

(e) Leases

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

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

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

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful

life and the lease term on a straight-line basis.

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

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

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

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

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

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

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds

necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral and conditions.

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

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

(f) Inventories

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

(g) Revenue

(i) Revenue from contracts with customers

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

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

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

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

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

(h) Income tax

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

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including

interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

(j) Presentation of the consolidated statement of cash flows

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

34. EVENTS SUBSEQUENT TO THE REPORTING DATE

In March 2025, the Group has decided to change its' legal registration from the Grand Duchy of Luxembourg to the Russian Federation ("redomiciliation"), subject to compliance with the applicable legal and regulatory requirements. Prior to finalising the redomiciliation procedure, all actions required by law to terminate operations in Luxembourg must be completed. In the meantime, the Group will continue to operate as a Luxembourg-registered company until the redomiciliation has been completed. The process of changing the Group's legal registration will not affect the business operations of its retail chains or its subsidiaries. The Group will continue to meet all its obligations to its partners and customers on time and in full.

In March 2025, the Group placed unsecured bonds on Moscow exchange for rate of 25% p.a. and maturing in March 2035 with an option for the bondholders to claim early repayment in June 2026.



Glossary

3PL (Third Party Logistics) – is a type of logistics in which a retailer uses outsourcing services (3PL operators) in managing its supply chain

Average Ticket – the figure calculated by dividing total sales, net of VAT, at all stores during the relevant year by the number of tickets in that year

Alternative Transients Programme (ATP) – a universal programme system for simulation of transient phenomena of electromagnetic as well as electromechanical nature, which is used within the DA! discounters network

Business Intelligence (BI) – comprises the strategies and technologies used by enterprises for the data analysis of business information. BI technologies provide historical, current, and predictive views of business operations

Content Management System (CMS) – computer software used to manage the creation and modification of digital content

Corporate Social Responsibility – responsible attitude in managing our impact on a range of stakeholders: customers, colleagues, investors, suppliers, the community, and the environment

Customer Relations Management (CRM) – a process in which a business or other organisation administers its interactions with customers, typically using data analysis to study large amounts of information

Customer Value Proposition (CVP) – a business or marketing statement that describes why a customer should buy a product or use a service

Endpoint Detection and Response (EDR) – a cybersecurity technology that continually monitors an “endpoint” (e.g., mobile, phone, laptop, and Internet-of-things devices) to mitigate malicious cyber threats, which is used within the DA! discounter chain

Every Day Low Price (EDLP) – a pricing strategy promising consumers a low price without the need to wait for sale price events or comparison shopping

Enterprise Resource Planning (ERP) – a modular software system designed to integrate the main functional areas of an organisation’s business processes into a unified system

Extended Warehouse Management (SAP EWM) – an IT system, which is used to efficiently manage inventory in the warehouse and for supporting processing of the movement of goods, which is used in the Company’s’ distribution centres

Global Depository Receipt (GDR) – a bank certificate issued in more than one country for shares in a foreign company

Global Food Safety Initiative (GFSI) – a private organisation established and managed by the international trade association the Consumer Goods Forum under Belgian law in May 2000, the GFSI maintains a scheme to benchmark food safety standards for manufacturers as well as farm assurance standards

GOST R ISO – Russian Federation national standards for quality management correlating to international quality standards (ISO)

Hazard Analysis and Critical Control Points (HACCP) – a systematic preventive approach to food safety from biological, chemical, and physical hazards in production processes that can cause the finished product to be unsafe, and designs measurements to reduce these risks to a safe level

High-Performance Analytical Appliance In-Memory Database (HANA) – an in-memory data platform that is deployable as an on-premise appliance, or in the cloud, which is used in the Company’s distribution centres

Human Resource Management (HRM) – the strategic approach to nurturing and supporting employees and ensuring a positive workplace environment

Like-for-Like Sales (LFL) – the method of comparing current year sales figures to prior year sales figures excluding the expansion effect

Network Traffic Analysis (NTA) – a method of monitoring network availability and activity to identify anomalies, including security and operational issues, which is used within the DA! discounter chain

Net Revenue – the amount of a company’s gross revenue plus all negative revenue items

Pick by Line (PBL) – an effective method of picking orders used in logistics and warehouse management based on the organisation of stocks by ordered product lines, often in accordance with the sequence of their completion or along the delivery route

Planogram – a diagram that shows how and where specific retail products should be placed on retail shelves or displays in order to increase customer purchases

Point of Sale (POS) platform – a system which allows the processing and recording of transactions between a company and their consumers, at the time in which goods and/or services are purchased

Private Label (PL) – a brand owned not by a manufacturer or producer but by a retailer or supplier, who has its goods made by a contract manufacturer under its own label

Real Disposable Income – the post-tax and benefit income available to households after an adjustment has been made for price changes

Retail Predictive Application Server (RPAS) – configurable software platform for developing forecasting and planning applications

Selling Space – the area inside stores used to sell products, excluding areas rented out to third parties, own-production areas, storage areas and the space between store entry and the cash desk line

Stock Keeping Unit (SKU) – a number assigned to a particular product to identify the price, product options and manufacturer of the merchandise

Stakeholder – any individual, group, or party with an interest in an organisation and the outcomes of its actions

Supply Chain Management (SCP) – the process of anticipating the demand for products and planning their materials and components, production, marketing, distribution and sale

Traffic – the number of tickets issued for the period under review

Transport Management System (TMS) – software for planning and executing the physical movement of goods in the supply chain

Quality Management System (QMS) – a formalised system that documents processes, procedures, and responsibilities for achieving quality policies and objectives

Warehouse Management Systems (WMS) – a set of policies and processes intended to organise the work of a warehouse or distribution centre and ensure that such a facility can operate efficiently and meet its objectives

Yard Management System (YMS) – a software solution designed to monitor the movement of trailers in the yard and dock of a facility, distribution centre, or warehouse



Abbreviations

3PL – Third Party Logistics	FY – Financial Year	mn – Million
ACORT – Association of Retail Trade Companies	GDR – Global Depository Receipt	MOEX – Moscow Exchange
AIX – Astana International Exchange	GFSI – Global Food Safety Initiative	NCR – National Credit Rating agency
BMS – Building Management System	GPS – Global Positioning System	NGO – Non-Governmental Organisation
bn – Billion	HACCP – Hazard Analysis and Critical Control Points	OHS – Occupational Health and Safety
C&D – Cats and Dogs	HIPO – High-potential (personnel)	OHSCS – Occupational Health and Safety Control System
CEO – Chief Executive Officer	HIPro – High-professional (personnel)	OOST – Out of Stock
CI – Conditions Improvement	HR – Human Resources	p.p. – Percentage Point
CJSC – Closed Joint Stock Company	HVAC – Heating, Ventilation and Air Conditioning	PBL – Pick by Line
CRM – Customer Relationship Management	IFRS – International Financial Reporting Standards	PL – Private Label
DC – Distribution Centre	IPO – Initial Public Offering	Q – Quarter of the Year
DLP – Data Loss Prevention	IR – Investor Relations	QMS – Quality Management System
EBITDA – Earnings before Interest, Taxes, Depreciation and Amortisation	ISO – International Organization for Standardization	RUB – Russian Rouble
EDLP – Every Day Low Price	IT – Information Technology	SG&A – Selling, General and Administrative Expenses
EDPP – Every Day Promo Price	JSC – Joint Stock Company	SKU – Stock Keeping Unit
ESG – Environmental, Social, and Governance	k – Thousand	VAT – Value Added Tax
EVP – Employee Value Proposition	KPI – Key Performance Indicators	VMI – Voluntary Medical Insurance
Expert RA – Expert Rating Agency	LED – Light Emitting Diodes	WHT – Withholding Tax
F&V – Fruits and Vegetables	LFL – Like-for-Like Sales	WMS – Warehouse Management System
FGIS Mercury – Federal State Information System “Mercury”	LLC – Limited Liability Company	YMS – Yard Management System
FMCG – Fast-Moving Consumer Goods	LSE – London Stock Exchange	YoY – Year-on-Year
	m² – Square Metre	

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