

Report on Review of the Interim Financial Information  
*Public Joint-Stock Company OR GROUP and its subsidiaries*  
for the six months ended 30 June 2021

*August 2021*

Report on Review of Interim Financial Information  
Public Joint-Stock Company OR GROUP and its subsidiaries

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Translation of the original Russian version

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## Report on Review of Interim Financial Information

### Translation of the original Russian version

To the Board of Directors and shareholders of  
Public Joint-Stock Company OR GROUP

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Public Joint-Stock Company OR GROUP and its subsidiaries, which comprise the interim condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2021, interim condensed consolidated statement of financial position as at 30 June 2021, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (interim financial information). Management of Public Joint-Stock Company OR is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### *Scope of review*

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

## Translation of the original Russian version

### *Conclusion*

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

M.G. KAPITANOV  
Partner  
Ernst & Young LLC

30 August 2021

### *Details of the entity*

Name: Public Joint-Stock Company OR GROUP  
Record made in the State Register of Legal Entities on 12 August 2013, State Registration Number 1135476124101.  
Address: Russia 630110, Novosibirsk, str. Bogdana Khmel'nitskogo, building 56.

### *Details of the auditor*

Name: Ernst & Young LLC  
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.  
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.  
Ernst & Young LLC is a member of Self-regulated organization of auditors Association "Sodruzhestvo".  
Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

## Translation of the original Russian version

### PJSC OR GROUP

#### Interim condensed consolidated statement of comprehensive income for the six months ended 30 June 2021

(in thousands of Russian rubles)

		Six months of 2021 (unaudited)	Six months of 2020 (unaudited) Restated*
	Note		
Revenue	3	3,053,169	2,673,917
Interest income from issuance of cash loans to individuals	3	1,301,636	1,390,501
Cost of sales	4	(1,695,506)	(1,685,693)
<b>Gross profit</b>		<b>2,659,299</b>	<b>2,378,725</b>
Selling and distribution expenses	5	(1,432,695)	(1,498,917)
Administrative expenses	6	(295,808)	(280,166)
Charge of allowance for expected credit losses	7	(410,429)	(543,189)
Other income	8	417,142	179,977
Other expenses	8	(108,461)	(34,025)
Finance income	9	16,576	12,862
Finance expenses	9	(663,596)	(632,159)
<b>Profit/(loss) before tax</b>		<b>182,028</b>	<b>(416,892)</b>
Income tax benefit		41,214	74,853
<b>Net profit/(loss) for the period</b>		<b>223,242</b>	<b>(342,039)</b>
Other comprehensive income		–	–
<b>Total comprehensive income/(loss) for the period</b>		<b>223,242</b>	<b>(342,039)</b>
Weighted average number of ordinary shares (thousand)		113,056	113,056
<b>Basic earnings/(loss) per share, RUB</b>		<b>1.975</b>	<b>(3.025)</b>

\* Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the six months ended 30 June 2020 as they reflect adjustments made, refer to Note 2.5.

General Director

A.M. TITOV

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30 August 2021

## Translation of the original Russian version

### PJSC OR GROUP

#### Interim condensed consolidated statement of financial position as at 30 June 2021 (in thousands of Russian rubles)

	Note	30 June 2021 (unaudited)	31 December 2020 Restated*	1 January 2020 Restated*
<b>Non-current assets</b>				
Property, plant and equipment	10	1,648,883	1,719,229	1,926,756
Right-of-use assets	11	60,909	84,489	140,819
Intangible assets		23,857	26,661	34,957
Other non-current financial assets	14	22,770	30,870	47,070
Advances issued for delivery of goods		-	-	98,667
Advances for construction in progress		196,090	194,083	57,166
Deferred tax assets		424,929	303,308	264,389
<b>Total non-current assets</b>		<b>2,377,438</b>	<b>2,358,640</b>	<b>2,569,824</b>
<b>Current assets</b>				
Inventories	12	19,361,923	18,388,801	14,559,682
Trade and other receivables	13	2,587,920	3,028,124	2,742,266
Advances issued		5,596,896	4,382,593	5,259,434
Income tax receivable		56,118	84,158	22,310
Other taxes receivable and VAT recoverable		89,689	96,697	47,432
Other current financial assets	14	2,347,258	2,410,647	2,150,794
Cash and cash equivalents		331,886	434,328	707,396
<b>Total current assets</b>		<b>30,371,690</b>	<b>28,825,348</b>	<b>25,489,314</b>
<b>Total assets</b>		<b>32,749,128</b>	<b>31,183,988</b>	<b>28,059,138</b>
<b>Equity</b>				
Share capital		11,305,600	11,305,600	11,305,600
Additional paid-in capital		(5,715,802)	(5,715,802)	(5,715,802)
Retained earnings		9,684,060	9,460,818	8,934,635
<b>Total equity</b>		<b>15,273,858</b>	<b>15,050,616</b>	<b>14,524,433</b>
<b>Long-term liabilities</b>				
Interest-bearing loans and borrowings	15	7,492,227	4,536,658	4,355,243
Lease liabilities	11	32,613	47,184	69,848
Deferred tax liabilities		195,946	163,207	55,356
<b>Total long-term liabilities</b>		<b>7,720,786</b>	<b>4,747,049</b>	<b>4,480,447</b>
<b>Short-term liabilities</b>				
Interest-bearing loans and borrowings	15	5,721,855	8,497,138	8,054,078
Lease liabilities	11	34,650	46,877	67,736
Trade and other payables	16	3,745,745	2,633,334	584,219
Contract liabilities		74,448	8,759	4,739
Current income tax liabilities		528	19,538	52,955
Deferred revenue		1,138	1,160	1,445
Other taxes payable		173,150	176,713	286,715
Provisions		2,970	2,804	2,371
<b>Total short-term liabilities</b>		<b>9,754,484</b>	<b>11,386,323</b>	<b>9,054,258</b>
<b>Total liabilities</b>		<b>17,475,270</b>	<b>16,133,372</b>	<b>13,534,705</b>
<b>Total equity and liabilities</b>		<b>32,749,128</b>	<b>31,183,988</b>	<b>28,059,138</b>

\* Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the six months ended 31 December 2020 as they reflect adjustments made, refer to Note 2.5.

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### PJSC OR GROUP

#### Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2021

*(in thousands of Russian rubles)*

	Share capital	Additional paid-in capital	Retained earnings Restated*	Total equity Restated*
<b>Balance at 1 January 2020</b>	<b>11,305,600</b>	<b>(5,715,802)</b>	<b>8,934,635</b>	<b>14,524,433</b>
Net loss for the period (unaudited)	–	–	(342,039)	(342,039)
<b>Total comprehensive loss for the period (unaudited)</b>	<b>–</b>	<b>–</b>	<b>(342,039)</b>	<b>(342,039)</b>
<b>Balance at 30 June 2020 (unaudited)</b>	<b>11,305,600</b>	<b>(5,715,802)</b>	<b>8,592,596</b>	<b>14,182,394</b>
<b>Balance at 31 December 2020</b>	<b>11,305,600</b>	<b>(5,715,802)</b>	<b>9,460,818</b>	<b>15,050,616</b>
Net profit for the period (unaudited)	–	–	223,242	223,242
<b>Total comprehensive income for the period (unaudited)</b>	<b>–</b>	<b>–</b>	<b>223,242</b>	<b>223,242</b>
<b>Balance at 30 June 2021 (unaudited)</b>	<b>11,305,600</b>	<b>(5,715,802)</b>	<b>9,684,060</b>	<b>15,273,858</b>

\* Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the six months ended 30 June 2020 and 31 December 2020 as they reflect adjustments made, refer to Note 2.5.

## Translation of the original Russian version

### PJSC OR GROUP

#### Interim condensed consolidated statement of cash flows for the six months ended 30 June 2021 (in thousands of Russian rubles)

		Six months of 2021 (unaudited)	Six months of 2020 (unaudited) Restated*
	Note		
<b>Profit/(loss) before tax</b>		<b>182,028</b>	<b>(416,892)</b>
<i>Adjustments:</i>			
Depreciation of property, plant and equipment and amortization of intangible assets	10	97,495	141,193
Depreciation of right-of-use assets	11	20,607	36,949
Allowances for expected credit losses	7	410,429	543,189
Reversal of allowances for expected credit losses	8	(23,825)	(12,959)
Write-down of goods for resale	8	20,797	13,311
Foreign exchange differences	8	(6,398)	3,085
Supplier discounts		102,237	154,304
Taxes and other penalties	8	59,081	(22,913)
Finance income	9	(16,576)	(12,862)
Finance expenses	9	663,596	632,159
Loss on disposal of property, plant and equipment	8	18,579	2,108
Other		(9,523)	72,230
<b>Operating profit before changes in working capital</b>		<b>1,518,527</b>	<b>1,132,902</b>
<b>Changes in working capital</b>			
Decrease in trade and other receivables (except for the use of allowances for expected credit losses)		389,862	949,951
(Increase) in inventories		(2,346,318)	(2,088,970)
(Increase)/decrease in advances issued		58,445	(106,472)
Decrease/(increase) in VAT recoverable		7,008	(185,872)
(Increase) in cash loans to individuals (except for the use of allowances for expected credit losses)		(248,825)	(344,795)
Increase in trade and other payables		1,120,027	1,202,378
(Decrease) in other tax liabilities		(62,644)	(103,506)
Increase in payables to employees		4,987	5,017
(Decrease)/increase in deferred revenue		(22)	364
Increase in advances from customers		65,689	80,696
<b>Net cash from operating activities before income tax and interest paid</b>		<b>506,736</b>	<b>541,684</b>
Interest paid		(821,692)	(517,643)
Income tax paid		(50,952)	(180,233)
<b>Net cash used in operating activities</b>		<b>(365,908)</b>	<b>(156,192)</b>



## Translation of the original Russian version

### PJSC OR GROUP

Interim condensed consolidated statement  
of cash flows  
for the six months ended 30 June 2021  
(continued)  
(in thousands of Russian rubles)

		Six months of 2021 (unaudited)	Six months of 2020 (unaudited) Restated*
	Note		
<b>Investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(39,688)	(22,372)
Advances for construction in progress		(4,986)	(152,397)
Proceeds from sale of property, plant and equipment and intangible assets		–	7,761
Loans issued		(45,259)	(300)
Repayment of loans issued		19,000	9,001
Interest received on loans issued		8,074	7,411
Interest received on deposits		7,938	4,147
<b>Net cash used in investing activities</b>		<b>(54,921)</b>	<b>(146,749)</b>
<b>Financing activities</b>			
Proceeds from loans and borrowings		6,140,527	1,275,643
Repayment of loans and borrowings		(5,801,995)	(878,249)
Repayment of principal under leases		(20,145)	(25,867)
<b>Net cash from financing activities</b>		<b>318,387</b>	<b>371,527</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(102,442)</b>	<b>68,586</b>
Cash and cash equivalents at the beginning of the year		434,328	707,396
<b>Cash and cash equivalents at the end of the period</b>		<b>331,886</b>	<b>775,982</b>

*Certain amounts shown in this column do not correspond to the interim condensed consolidated financial statements for the six months ended 30 June 2020 as they reflect adjustments made, refer to Note 2.5.*

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

## 1. Corporate information

### 1.1. Information on the Company

The interim condensed consolidated financial statements of Public Joint-Stock Company OR GROUP ("PJSC ORG") and its subsidiaries for the six months ended 30 June 2021 were authorized for issue by its General Director A.M. Titov on 30 August 2021.

PJSC ORG (the "Company") and its subsidiaries (together referred to as "the Group") form a federal retail footwear chain, one of major players in the Russian footwear market. The Group was established in 2003 with the head office located in Novosibirsk at Bogdana Khmel'nitskogo street, 56. The Company was founded on 12 August 2013 as a holding company of the Group.

The Group is developing several business lines:

- ▶ Retail trade of footwear, accessories and related goods
- ▶ Omnichannel sales and e-commerce
- ▶ Financial services: sale of goods via the Company's stores with payments made by installments; issuance of cash loans
- ▶ Manufacturing of footwear and accessories
- ▶ Distribution of postal orders.

The Group's brand portfolio comprises the following:

- ▶ Westfalika is the main retail chain of the Group that comprises mid-priced segment mono-brand stores selling classic shoes.
- ▶ Rossita is a chain of multi-brand family-centered stores selling footwear of various styles.
- ▶ Lisette is a chain of mono-brand stores selling French design youth footwear of mid-price segment.
- ▶ Emilia Estra is a chain of specialized boutiques selling fashionable footwear for young women and youth accessories.
- ▶ Peshekhod is a chain of multi-brand footwear supermarkets that are used as outlet centers for the retail network of the Group.
- ▶ S-TEP is a casual brand of comfortable sport everyday footwear made of natural leather and fur.
- ▶ All.go is a brand of hiking footwear for different seasons that is manufactured using polymeric materials (EVA).
- ▶ Snow Guard is a brand of comfortable and fashionable outdoor clothes for all seasons.

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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

## 1. Corporate information (continued)

### 1.1. Information on the Company (continued)

The Group comprises:

Entity	Principal activity	Six months of 2021 (unaudited)	2020
PJSC OR <sup>***</sup>	Operations management	Parent	Parent
OR LLC <sup>**</sup>	Trade	100%	100%
OBUV ROSSII LLC	Manufacturing	100%	100%
Design Studia LLC	Trade	100%	100%
RNKO Platezhny Standard LLC*	Financial transactions	100%	100%
MKK Arifmetika LLC	Financial transactions	100%	100%
EvaLink LLC	Manufacturing	100%	100%

\* On 25 December 2020, the CBR revoked the banking license of RNKO Platezhny Standard LLC.

\*\* The first stage of rebranding was completed on 2 March 2021. The Group was renamed Obuv Rossii LLC. The new name OR LLC was entered into the Uniform State Register of Legal Entities.

\*\*\*On 18 June 2021, the general shareholders' meeting of PJSC OR decided to rename PJSC OR and approve the amended Charter. On 25 June 2021, an entry was made in the Uniform State Register of Legal Entities and the amended Charter was registered. PJSC OR was renamed PJSC OR Group.

As at 30 June 2021 and 31 December 2020, Anton Michailovich Titov was the ultimate controlling party holding 50% of the Company's shares.

## 2. Basis of preparation and changes in accounting policies of the Group

### 2.1. Basis of preparation

These interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS (34) *Interim Financial Reporting*. These interim condensed consolidated financial statements rely on accounting policies and calculation methods that were adopted in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2020. The Group's management believes that explanations of events and transactions disclosed in the notes to the interim condensed consolidated financial statements are sufficient to provide an understanding of significant changes in financial position and performance of the Group since the end of 2020.

All values in the financial statements are rounded to the nearest thousand except where otherwise indicated.

*The notes are an integral part of these interim condensed consolidated financial statements.*

## **Translation of the original Russian version**

PJSC OR GROUP

Notes to the interim condensed consolidated  
financial statements  
for the six months ended 30 June 2021  
(continued)

### **2. Basis of preparation and changes in accounting policies of the Group (continued)**

#### **2.2. Going concern**

These interim condensed consolidated financial statements have been prepared on a going concern basis, assuming that the Group will continue its operations in the foreseeable future and will be able to realize its assets and meet its liabilities in the normal course of business.

#### **2.3. Functional and presentation currency**

These interim condensed consolidated financial statements are presented in the national currency of the Russian Federation – Russian ruble (“RUB”), which is the functional currency of the Group.

#### **2.4. New standards, interpretations and amendments to existing standards and interpretations**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. New amended IFRS were adopted in 2021.

##### ***Interest Rate Benchmark Reform - Phase 2 Amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16***

The amendments provide temporary exemptions that remove consequences for the financial statements of replacing the interbank offered rate (IBOR) with the alternative nearly risk-free interest rate (RFR).

In 2021, the amendments had no effect on the Group's interim condensed consolidated financial statements. The Group intends to use practical expedients in future periods, if necessary.

#### **2.5 Correction of errors for the previous period**

In the course of preparing the interim condensed consolidated financial statements for the six months ended 30 June 2021, the Group identified the following misstatements:

- 1) Interest revenue calculated using the effective interest rate method was not presented in a separate line of the statement of comprehensive income
- 2) Revenue from agency operations was presented within other income
- 3) Interest income from impaired cash loans were not accrued and presented in full
- 4) Allowance for expected credit losses from cash loans to individuals were not calculated in full.

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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

## 2. Basis of preparation and changes in accounting policies of the Group (continued)

### 2.5 Correction of errors for the previous period (continued)

These misstatements were corrected as indicated below in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

#### 2.5.1. Overall restatements of comparative data as at 31 December 2020 and for the 12 months ended 31 December 2020

Effect on the items of the consolidated statement of financial position as at 31 December 2020 and 1 January 2020

Line	Before restatement at 31 December 2020	Restatements	After restatement at 31 December 2020	Before restatement at 1 January 2020	Restatements	After restatement at 1 January 2020
Deferred tax assets	308,691	(5,383)	303,308	278,925	(14,536)	264,389
<b>Total non-current assets</b>	<b>2,364,023</b>	<b>(5,383)</b>	<b>2,358,640</b>	<b>2,584,360</b>	<b>(14,536)</b>	<b>2,569,824</b>
Other current financial assets	2,383,734	26,913	2,410,647	2,078,113	72,681	2,150,794
<b>Total current assets</b>	<b>28,798,435</b>	<b>26,913</b>	<b>28,825,348</b>	<b>25,416,633</b>	<b>72,681</b>	<b>25,489,314</b>
<b>Total assets</b>	<b>31,162,458</b>	<b>21,530</b>	<b>31,183,988</b>	<b>28,000,993</b>	<b>58,145</b>	<b>28,059,138</b>
<b>Net effect on equity</b>	<b>15,029,086</b>	<b>21,530</b>	<b>15,050,616</b>	<b>14,466,288</b>	<b>58,145</b>	<b>14,524,433</b>

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### PJSC OR GROUP

Notes to the interim condensed consolidated  
financial statements  
for the six months ended 30 June 2021  
(continued)

## 2. Basis of preparation and changes in accounting policies of the Group (continued)

### 2.5 Correction of errors for the previous period (continued)

#### 2.5.1. Overall restatements of comparative data as at 31 December 2020 and for the 12 months ended 31 December 2020 (continued)

*Effect on the items of the consolidated statement of comprehensive income for the year ended 31 December 2020*

Line	Before restatement for the 12 months of 2020	Restatements	After restatement for the 12 months of 2020
Revenue	10,771,686	(2,695,582)	8,076,104
Interest income	-	2,792,037	2,792,037
Charge of allowance for expected credit losses	(776,441)	(142,223)	(918,664)
<b>Profit before tax</b>	<b>753,127</b>	<b>(45,768)</b>	<b>707,359</b>
Income tax expense	(190,329)	9,154	(181,175)
<b>Net effect on profit</b>	<b>562,798</b>	<b>(36,614)</b>	<b>526,184</b>

*Effect on basic earnings per share*

	Before restatement for the 12 months of 2020	Restatements	After restatement for the 12 months of 2020
Basic earnings per share, RUB	4.978	(0.32)	4.654

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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

## 2. Basis of preparation and changes in accounting policies of the Group (continued)

### 2.5 Correction of errors for the previous period (continued)

#### 2.5.1. Overall restatements of comparative data as at 31 December 2020 and for the 12 months ended 31 December 2020 (continued)

*Effect on the items of the consolidated statement of cash flows for the year ended 31 December 2020.*

	Before restatement for the 12 months of 2020	Restatements	After restatement for the 12 months of 2020
<b>Operating activity</b>			
Profit before tax for the year	753,127	(45,768)	707,359
Allowances for expected credit losses	776,441	142,223	918,664
<b>Operating profit before changes in working capital</b>	<b>3,346,256</b>	<b>96,455</b>	<b>3,442,711</b>
Increase in cash loans to individuals (except for the use of allowances for expected credit losses)	(936,798)	(96,455)	(1,033,253)
<b>Net cash from operating activities before income tax and interest paid</b>	<b>749,464</b>	<b>-</b>	<b>749,464</b>

*Effect on Note 21 Other financial assets*

	Before restatement at 31 December 2020	Restatements	After restatement at 31 December 2020
Interest on cash loans receivable	1,831,410	1,493,919	3,325,329
<i>Neither past due nor impaired</i>	<i>94,901</i>	<i>-</i>	<i>94,901</i>
<i>1 to 90 days overdue</i>	<i>70,246</i>	<i>96,455</i>	<i>166,701</i>
<i>91 to 540 days overdue</i>	<i>618,804</i>	<i>101,076</i>	<i>719,880</i>
<i>More than 540 days overdue</i>	<i>1,047,459</i>	<i>1,296,388</i>	<i>1,443,847</i>
Allowance for expected credit losses on cash loans	(1,238,062)	(1,467,006)	(2,705,068)
<b>Carrying amount</b>	<b>593,348</b>	<b>26,913</b>	<b>620,261</b>

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

## 2. Basis of preparation and changes in accounting policies of the Group (continued)

### 2.5 Correction of errors for the previous period (continued)

#### 2.5.2. Overall restatements of comparative data as at 30 June 2020 and for the six months ended 30 June 2020

Overall restatements of comparative data as at 30 June 2020 and for the six months ended 30 June 2020 are as follows:

*Effect on the items of the consolidated statement of comprehensive income for the six months ended 30 June 2020*

Line	Before restatement for the six months of 2020	Restatements	After restatement for the six months of 2020
Revenue	3,963,440	(1,289,523)	2,673,917
Interest income	-	1,390,499	1,390,499
Charge of allowance for expected credit losses	(432,061)	(111,128)	543,189
Other income	215,265	(35,288)	179,977
<b>Profit before tax</b>	<b>(371,452)</b>	<b>(45,440)</b>	<b>(416,892)</b>
Income tax expense	65,765	9,088	74,853
<b>Net effect on profit</b>	<b>(305,687)</b>	<b>(36,352)</b>	<b>342,039</b>

*Effect on basic earnings per share*

	Before restatement for the six months of 2020	Restatements	After restatement for the six months of 2020
Basic earnings per share, RUB	2.704	0.321	3.025



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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

## 2. Basis of preparation and changes in accounting policies of the Group (continued)

### 2.5 Correction of errors for the previous period (continued)

#### 2.5.2. Overall restatements of comparative data as at 30 June 2020 and for the six months ended 30 June 2020

*Effect on the items of the consolidated statement of cash flows for the six months ended 30 June 2020*

	Before restatement for the six months of 2020	Restatements	After restatement for the six months of 2020
<b>Operating activity</b>			
Profit before tax for the year	(371,452)	(45,440)	(416,892)
Allowances for expected credit losses	432,061	111,128	543,189
<b>Operating profit before changes in working capital</b>	<b>1,067,214</b>	<b>65,679</b>	<b>1,132,893</b>
<b>Increase in cash loans to individuals (except for the use of allowances for expected credit losses)</b>	<b>(279,116)</b>	<b>(65,679)</b>	<b>(344,795)</b>
<b>Net cash from operating activities before income tax and interest paid</b>	<b>541,684</b>	<b>-</b>	<b>541,684</b>

## 3. Revenue

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited) Restated*
Revenue from retail	1,654,094	1,938,657
Revenue from wholesale	1,399,075	735,260
<b>Total</b>	<b>3,053,169</b>	<b>2,673,917</b>

## 4. Cost

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited)
Cost of sales	1,577,223	1,627,747
Material costs	62,606	14,537
Transportation expenses	27,980	12,930
Depreciation of property, plant and equipment and amortization of intangible assets	19,253	23,566
Payroll and social charges	6,623	4,965
Depreciation of right-of-use assets	-	267
Other	1,821	1,681
<b>Total</b>	<b>1,695,506</b>	<b>1,685,693</b>

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 5. Selling and distribution expenses

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited)
Leases	599,966	540,609
Payroll and social charges	508,345	543,315
Bank fees, cash collection in stores	76,841	106,621
Advertising and marketing expenses	58,894	41,108
Depreciation of property, plant and equipment and amortization of intangible assets	55,731	95,281
Warehouse expenses	35,621	29,828
Material costs	31,762	39,472
Depreciation of right-of-use assets	20,592	36,665
Agency fee on sales of goods	3,431	10,746
Information technologies	3,229	1,913
Property insurance	1,649	1,472
Other	36,634	51,887
<b>Total</b>	<b>1,432,695</b>	<b>1,498,917</b>

#### 6. Administrative expenses

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited)
Payroll and social charges	129,139	113,053
Communication, post	54,488	53,220
Leases	45,189	34,359
Depreciation of property, plant and equipment and amortization of intangible assets	22,511	22,346
Information, advisory, audit and legal services	10,233	11,839
Material costs	8,492	8,876
Remuneration to the members of the Board of Directors	8,164	8,717
Taxes other than income tax	6,217	7,478
Travel expenses	5,991	6,464
Depreciation of right-of-use assets	15	17
Fee and commission expenses	3	10,842
Other	5,366	2,955
<b>Total</b>	<b>295,808</b>	<b>280,166</b>

#### 7. Charge of allowance for expected credit losses

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited) Restated*
Allowance for expected credit losses on cash loans (Note 14)	360,345	453,523
Allowance for expected credit losses on receivables from retail customers (Note 13)	48,409	89,610
Allowance for expected credit losses on receivables from wholesale and other customers (Note 13)	1,675	56
<b>Total</b>	<b>410,429</b>	<b>543,189</b>

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 8. Other income and expenses

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited) Restated*
<b>Other income</b>		
Income from write-off of loans issued at below market rates	325,455	–
Reversal of allowance for expected credit losses	23,826	12,979
Lease of premises and motor vehicles	23,071	1,885
Penalties received	14,838	87,606
COVID-19-related rent concessions	11,930	8,078
Foreign exchange differences	6,398	–
Write-off of payables	6,024	10,161
Reversal of taxes and other penalties	–	22,913
Income from transfer of a right of claim	–	24,210
Other	5,600	12,145
<b>Other income</b>	<b>417,142</b>	<b>179,977</b>

Penalties received comprise penalties paid by individuals for overdue payments under installment agreements and cash loans issued.

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited)
<b>Other expenses</b>		
Taxes and other penalties	59,081	–
Write-down of goods for resale	20,797	13,311
Loss on disposal of property, plant and equipment	18,579	2,108
Foreign exchange difference	–	3,085
Other expenses	10,004	15,521
<b>Other expenses</b>	<b>108,461</b>	<b>34,025</b>

#### 9. Finance income and expenses

	Six months of 2021 (unaudited)	Six months of 2020 (unaudited)
<b>Finance income</b>		
Interest receivable on loans	16,576	12,862
<b>Total</b>	<b>16,576</b>	<b>12,862</b>
<b>Finance expenses</b>		
Interest on loans	344,116	438,151
Interest on bonds	315,266	187,119
Interest expense on leases (Note 11)	4,214	6,889
<b>Total</b>	<b>663,596</b>	<b>632,159</b>

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 10. Property, plant and equipment

	Land	Buildings	Machinery and equipment, office equipment	Vehicles	Retail space equipment	Other property, plant and equipment	Construction in progress	Total
<b>Carrying amount at 1 January 2021</b>	<b>19,743</b>	<b>550,020</b>	<b>318,181</b>	<b>3,611</b>	<b>379,027</b>	<b>15,162</b>	<b>433,485</b>	<b>1,719,229</b>
<b>Cost</b>								
<b>Balance at the beginning of the year</b>	<b>19,743</b>	<b>734,802</b>	<b>570,751</b>	<b>20,812</b>	<b>988,059</b>	<b>75,957</b>	<b>433,485</b>	<b>2,843,609</b>
Additions	–	–	–	–	–	–	43,030	43,030
Commissioning	–	–	12,703	–	20,477	3,842	(37,022)	–
Disposals	–	–	(12)	–	(234,549)	(341)	(2,655)	(237,557)
<b>Balance at 30 June 2021 (unaudited)</b>	<b>19,743</b>	<b>734,802</b>	<b>583,442</b>	<b>20,812</b>	<b>773,987</b>	<b>79,458</b>	<b>436,838</b>	<b>2,649,082</b>
<b>Accumulated depreciation</b>								
<b>Balance at the beginning of the year</b>	–	(184,782)	(252,570)	(17,201)	(609,032)	(60,795)	–	(1,124,380)
Depreciation charge	–	(14,361)	(22,634)	(674)	(51,617)	(5,511)	–	(94,797)
Depreciation disposal	–	–	12	–	218,791	175	–	218,978
<b>Balance at 30 June 2021 (unaudited)</b>	–	(199,143)	(275,192)	(17,875)	(441,858)	(66,131)	–	(1,000,199)
<b>Carrying amount at 30 June 2021 (unaudited)</b>	<b>19,743</b>	<b>535,659</b>	<b>308,250</b>	<b>2,937</b>	<b>332,129</b>	<b>13,327</b>	<b>436,838</b>	<b>1,648,883</b>

  

	Land	Buildings	Machinery and equipment, office equipment	Vehicles	Retail space equipment	Other property, plant and equipment	Construction in progress	Total
<b>Carrying amount at 1 January 2020</b>	<b>29,061</b>	<b>578,741</b>	<b>367,973</b>	<b>5,021</b>	<b>493,764</b>	<b>20,167</b>	<b>432,029</b>	<b>1,926,756</b>
<b>Cost</b>								
<b>Balance at the beginning of the year</b>	<b>29,061</b>	<b>734,802</b>	<b>568,718</b>	<b>21,611</b>	<b>958,320</b>	<b>68,393</b>	<b>432,029</b>	<b>2,812,934</b>
Additions	–	–	–	–	–	–	43,351	43,351
Commissioning	–	–	1,624	–	35,031	4,910	(41,565)	–
Disposals	(9,318)	–	(125)	–	(1,419)	(49)	(160)	(11,071)
<b>Balance at 30 June 2020 (unaudited)</b>	<b>19,743</b>	<b>734,802</b>	<b>570,217</b>	<b>21,611</b>	<b>991,932</b>	<b>73,254</b>	<b>433,655</b>	<b>2,845,214</b>
<b>Accumulated depreciation</b>								
<b>Balance at the beginning of the year</b>	–	(156,061)	(200,745)	(16,590)	(464,556)	(48,226)	–	(886,178)
Depreciation charge	–	(14,360)	(27,002)	(705)	(89,514)	(6,369)	–	(137,950)
Depreciation disposal	–	–	94	–	1,059	49	–	1,202
<b>Balance at 30 June 2020 (unaudited)</b>	–	(170,421)	(227,653)	(17,295)	(553,011)	(54,546)	–	(1,022,926)
<b>Carrying amount at 30 June 2020 (unaudited)</b>	<b>19,743</b>	<b>564,381</b>	<b>342,564</b>	<b>4,316</b>	<b>438,921</b>	<b>18,708</b>	<b>433,655</b>	<b>1,822,288</b>

The notes are an integral part of these interim condensed consolidated financial statements. 20

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 11. Leases

The carrying amounts of right-of-use assets held by the Group and respective movements during the period are as follows:

	Lease of stores	Lease of other facilities	Total
<b>Carrying amount at 1 January 2021</b>	<b>77,576</b>	<b>6,913</b>	<b>84,489</b>
<b>Cost</b>			
<b>Balance at the beginning of the year</b>	<b>152,161</b>	<b>9,462</b>	<b>161,623</b>
Additions	–	7,370	<b>7,370</b>
Remeasurement	(3,975)	–	<b>(3,975)</b>
Disposals	(36,434)	(886)	<b>(37,320)</b>
<b>Balance at 30 June 2021 (unaudited)</b>	<b>111,752</b>	<b>15,946</b>	<b>127,698</b>
<b>Accumulated depreciation</b>			
<b>Balance at the beginning of the year</b>	<b>(74,585)</b>	<b>(2,549)</b>	<b>(77,134)</b>
Depreciation charge	(18,510)	(2,097)	<b>(20,607)</b>
Remeasurement	999	–	<b>999</b>
Depreciation disposal	29,574	379	<b>29,953</b>
<b>Balance at 30 June 2021 (unaudited)</b>	<b>(62,522)</b>	<b>(4,267)</b>	<b>(66,789)</b>
<b>Carrying amount at 30 June 2021 (unaudited)</b>	<b>49,230</b>	<b>11,679</b>	<b>60,909</b>
	Lease of stores	Lease of other facilities	Total
<b>Carrying amount at 1 January 2020</b>	<b>135,734</b>	<b>5,085</b>	<b>140,819</b>
<b>Cost</b>			
<b>Balance at the beginning of the year</b>	<b>201,299</b>	<b>7,989</b>	<b>209,288</b>
Additions	7,080	3,408	<b>10,488</b>
Remeasurement	34,842	2,346	<b>37,188</b>
Disposals	(25,960)	(4,030)	<b>(29,990)</b>
<b>Balance at 30 June 2020 (unaudited)</b>	<b>217,261</b>	<b>9,713</b>	<b>226,974</b>
<b>Accumulated depreciation</b>			
<b>Balance at the beginning of the year</b>	<b>(65,565)</b>	<b>(2,904)</b>	<b>(68,469)</b>
Depreciation charge	(34,448)	(2,501)	<b>(36,949)</b>
Remeasurement	(30,539)	(68)	<b>(30,607)</b>
Depreciation disposal	19,892	2,930	<b>22,822</b>
<b>Balance at 30 June 2020 (unaudited)</b>	<b>(110,660)</b>	<b>(2,543)</b>	<b>(113,203)</b>
<b>Carrying amount at 30 June 2020 (unaudited)</b>	<b>106,601</b>	<b>7,170</b>	<b>113,771</b>

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 11. Leases (continued)

The carrying amounts of lease liabilities held by the Group and respective movements during the period are as follows:

<b>Lease liabilities</b>	<b>Six months of 2021 (unaudited)</b>	<b>Six months of 2020 (unaudited)</b>
<b>Carrying amount at 1 January</b>	<b>94,061</b>	<b>137,584</b>
New leases	6,920	10,238
Remeasurement	(2,976)	6,581
Lease payments for the period	(24,359)	(32,756)
Interest expense on leases	4,214	6,889
Disposal of leases	(10,597)	(7,554)
<b>Carrying amount at 30 June (unaudited)</b>	<b>67,263</b>	<b>120,982</b>
<b>Including:</b>		
Long-term lease liabilities (unaudited)	32,613	64,366
Short-term lease liabilities (unaudited)	34,650	56,616

#### 12. Inventories

	<b>Six months of 2021 (unaudited)</b>	<b>2020</b>
Raw materials and supplies	145,242	166,181
Work in progress	30,515	29,513
Finished goods and goods for resale	19,186,166	18,193,107
<b>Total</b>	<b>19,361,923</b>	<b>18,388,801</b>

The allowance for impairment of finished goods and goods for resale to net realizable value amounted to RUB 127,401 thousand (2020: RUB 127,836 thousand).

As at 30 June 2021, finished goods and goods for resale amounted to RUB 19,186,166 thousand, of which finished goods and goods for resale of RUB 5,120,820 thousand are expected to be sold within 12 months after the end of the reporting period. As at 31 December 2020, finished goods and goods for resale amounted to RUB 18,193,107 thousand, of which finished goods and goods for resale of RUB 3,480,860 thousand are expected to be sold within 12 months after the end of the reporting period.

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 13. Trade and other receivables

	Six months of 2021 (unaudited)	2020
Trade receivables from wholesale customers	1,227,199	1,188,330
Allowance for expected credit losses related to wholesale customers	(6,458)	(5,988)
<b>Carrying amount</b>	<b>1,220,741</b>	<b>1,182,342</b>
Other receivables	430,367	428,168
Allowance for expected credit losses on other receivables	(38,394)	(37,189)
<b>Carrying amount</b>	<b>391,973</b>	<b>390,979</b>
Trade receivables from retail customers	2,129,183	2,562,198
<i>Neither past due nor impaired</i>	<i>544,120</i>	<i>1,021,155</i>
<i>1 to 90 days overdue</i>	<i>61,632</i>	<i>56,449</i>
<i>91 to 540 days overdue</i>	<i>276,236</i>	<i>287,811</i>
<i>More than 540 days overdue</i>	<i>1,247,195</i>	<i>1,196,783</i>
Allowance for expected credit losses related to retail customers	(1,164,780)	(1,116,679)
<b>Carrying amount</b>	<b>964,403</b>	<b>1,445,519</b>
Receivables from related parties (Note 17)	10,803	9,284
<b>Carrying amount</b>	<b>10,803</b>	<b>9,284</b>
<b>Total</b>	<b>2,587,920</b>	<b>3,028,124</b>

Trade receivables from wholesale customers and other receivables are denominated in Russian rubles and are normally settled within 12 months. Trade receivables of wholesale customers and other receivables are interest free.

Trade receivables from retail customers are denominated in Russian rubles and arise on sales with deferred payments. Terms of installment range from three to ten months. Trade receivables from retail customers are subject to commission ranging from 0% to 20% from the purchase amount depending on the terms of special offers effective at the certain date.

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 14. Other financial assets

	Six months of 2021 (unaudited)	2020 Restated*
Long-term loans issued to third parties (neither past due nor impaired)	25,300	34,300
Allowance for expected credit losses on other financial assets	(2,530)	(3,430)
<b>Total other non-current financial assets</b>	<b>22,770</b>	<b>30,870</b>
Loans issued to third parties (neither past due nor impaired)	18,125	18,068
Allowance for expected credit losses on other financial assets	(1,813)	(1,807)
<b>Carrying amount</b>	<b>16,312</b>	<b>16,261</b>
Cash loans issued to individuals	2,990,369	2,934,328
<i>Neither past due nor impaired</i>	1,101,977	1,279,319
<i>1 to 90 days overdue</i>	188,078	171,757
<i>91 to 540 days overdue</i>	673,532	613,025
<i>More than 540 days overdue</i>	1,026,782	870,227
Allowance for expected credit losses on cash loans	(1,492,916)	(1,160,247)
<b>Carrying amount</b>	<b>1,497,453</b>	<b>1,774,081</b>
Interest on cash loans receivable	3,530,335	1,831,410
<i>Neither past due nor impaired</i>	71,311	94,901
<i>1 to 90 days overdue</i>	207,804	70,246
<i>91 to 540 days overdue</i>	745,059	618,804
<i>More than 540 days overdue</i>	2,506,161	1,047,459
Allowance for expected credit losses on cash loans	(2,732,652)	(1,238,062)
<b>Carrying amount</b>	<b>797,683</b>	<b>593,348</b>
Loans issued to related parties (neither past due nor impaired)	35,810	44
<b>Carrying amount</b>	<b>35,810</b>	<b>44</b>
<b>Total other current financial assets</b>	<b>2,347,258</b>	<b>2,383,734</b>

For the six months of 2021 and six months of 2020, no loans to third parties were issued. Loans previously issued to third parties are secured by property collateral.

Cash loans issued to individuals comprise RUB-denominated unsecured amounts of less than RUB 70 thousand with maturities ranging from 1 to 12 months (2020: less than RUB 102 thousand with maturities ranging from 1 to 12 months). Interest rates on such cash loans range from 21.9% to 365% p.a. and mainly depend on the amount of the cash loan and its maturity (2020: from 21.9% to 365%).



## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 15. Interest-bearing loans and borrowings

<b>Long-term loans and borrowings</b>	<b>Six months of 2021 (unaudited)</b>	<b>2020</b>
Bank loans	4,295,483	4,052,433
Bonded loans	3,196,744	484,225
<b>Total</b>	<b>7,492,227</b>	<b>4,536,658</b>

  

<b>Short-term loans and borrowings</b>	<b>Six months of 2021 (unaudited)</b>	<b>2020</b>
Bank loans	3,776,774	5,199,239
Bonded loans	1,942,438	3,295,484
Loans from organizations	2,643	2,415
<b>Total</b>	<b>5,721,855</b>	<b>8,497,138</b>

Bank loans are denominated in Russian rubles and bear interest rates ranging from 7.3% to 10.5% p.a. (2020: from 6.05% to 9.95% p.a.). Long-term bank loans mature in 2022-2026.

A bonded loan issued in 2017 (stock exchange bonds with identification number 4B02-07-16005-R dated 21 March 2016) is represented by 500 bonds with a nominal value of RUB 2,000 thousand each and matures on 20 January 2022. On 25 October 2018, 100 bonds were purchased by the Group and recorded on a treasury account. The coupon is paid on a quarterly basis during the entire maturity term. As at 30 June 2021, the coupon rate was 10% p.a. (2020: 10%). The effective rate was 10% p.a.

A bonded loan (stock-exchange bonds with identification number 4B02-07-16005-R dated 21 March 2016) provides for offers dated 30 September 2021, 29 October 2021 and 30 November 2021 allowing the bondholders to demand redemption of the bonds in the amount of RUB 100,000 thousand.

A bonded loan issued in 2019 (stock exchange bonds with identification number 4B02-01-00412-R-001P dated 12 August 2019) is represented by 1,500,000 bonds with the nominal value of RUB 1,000 thousand each and matures on 22 September 2022. On 28 April 2021, a bonded loan (identification number 4B02-01-00412-R-001P dated 12 August 2019) represented by 16,850 bonds of RUB 16,850 thousand was repaid early. As at 30 June 2021, the Group purchased bonds in the amount of RUB 37,497 thousand. The coupon is paid on a quarterly basis during the entire maturity term. As at 30 June 2021, the coupon rate was 12% p.a. (2020: 12%). The effective rate was 12.18% p.a.

A bonded loan issued in 2019 (stock exchange bonds with identification number 4B02-02-00412-R-001P dated 9 December 2019) is represented by 1,000,000 bonds with the nominal value of RUB 1,000 thousand each and matures on 14 November 2024.

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 15. Interest-bearing loans and borrowings (continued)

On 28 April 2021, a bonded loan (identification number 4B02-02-00412-R-001P dated 12 August 2019) represented by 14,485 bonds of RUB 14,485 thousand was repaid early. The coupon is paid on a monthly basis during the entire maturity term.

As at 30 June 2021, the coupon rate was 12% p.a. (2020: 12%). The effective rate was 12.52% p.a.

A bonded loan issued in 2020 (stock exchange bonds with identification number 4B02-03-00412-R-001P dated 12 August 2020) is represented by 500,000 bonds with the nominal value of RUB 1,000 thousand each and matures on 28 July 2024. The coupon is paid on a monthly basis during the entire maturity term. As at 30 June 2021, the coupon rate was 11.5% p.a. (2020: 11.5%). The effective rate was 12.08% p.a.

A bonded loan issued in 2021 (stock exchange bonds with identification number 4B02-04-00412-R-001P dated 14 January 2021) is represented by 1,500,000 bonds with the nominal value of RUB 1,000 thousand each and matures on 29 December 2024.

As at 30 June 2021, the Group purchased bonds in the amount of RUB 46,056 thousand. The coupon is paid on a monthly basis during the entire maturity term. As at 30 June 2021, the coupon rate was 11% p.a. The effective rate was 11.96% p.a.

As at 30 June 2021, the Group has undrawn credit lines of RUB 1,527,572 thousand (31 December 2020: RUB 1,962,749 thousand).

#### Pledges

As at 30 June 2021, the contract value of property, plant and equipment pledged as collateral for the loans received was RUB 546,539 thousand (31 December 2020: RUB 656,256 thousand). As at 30 June 2021, the carrying amount of such property, plant and equipment was RUB 781,571 thousand (31 December 2020: RUB 805,037 thousand).

#### 16. Trade and other payables

	Six months of 2021 (unaudited)	2020
Trade payables	3,482,912	2,415,245
Payables to employees	85,265	80,278
Other payables	177,387	137,243
Payables to related parties	181	568
<b>Total</b>	<b>3,745,745</b>	<b>2,633,334</b>

## Translation of the original Russian version

### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 17. Related party transactions

In accordance with IAS 24 *Related Party Disclosures*, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or 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 include key management personnel, entities controlled by management personnel and other related parties.

The following table provides the total amount of transactions with related parties and respective balances:

<b>Six months of 2021 (unaudited)</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Advances issued to related parties</b>	<b>Payables to related parties</b>
Entities controlled by key management personnel	1,617	1,640	10,793	195,013	181
Other related parties	–	30	10	–	–
<b>Total</b>	<b>1,617</b>	<b>1,670</b>	<b>10,803</b>	<b>195,013</b>	<b>181</b>

  

<b>Six months of 2020 (unaudited)</b>	<b>Sales to related parties</b>	<b>Purchases from related parties</b>	<b>Receivables from related parties</b>	<b>Advances issued to related parties</b>	<b>Payables to related parties</b>
Entities controlled by key management personnel	2,503	1,927	9,274	190,027	568
Other related parties	–	1,950	10	–	–
<b>Total</b>	<b>2,503</b>	<b>3,877</b>	<b>9,284</b>	<b>190,027</b>	<b>568</b>

Sales to related parties primarily included sales of goods and provision of services.

#### Terms and conditions of related party transactions

Related parties may enter into transactions, which unrelated parties might not, and the terms, conditions and amounts of those may differ from the terms, conditions and amounts of transactions between unrelated parties. Balances with related parties outstanding as at the end of the year were unsecured; respective settlements were made in cash. No guarantees were provided or received for any related party receivables or payables. The Group assesses whether there are any indicators of impairment in each financial year by analyzing the financial position of the respective related party and conditions existing on the market where such related party operates.

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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 17. Related party transactions (continued)

Loans issued to and received from related parties are detailed below:

<b>Six months of 2021 (unaudited)</b>	<b>Loans receivable from related parties</b>	<b>Interest income</b>
Entities controlled by key management personnel	35,766	3,570
Key management personnel	44	–
<b>Total</b>	<b>35,810</b>	<b>3,570</b>

<b>Six months of 2020 (unaudited)</b>	<b>Loans receivable from related parties</b>	<b>Interest income</b>
Entities controlled by key management personnel	–	4,407
Key management personnel	44	–
<b>Total</b>	<b>44</b>	<b>4,407</b>

For the six months of 2021, the interest rate on loans issued to related parties was 8% p.a. Interest rates on previously issued loans ranged from 0% to 14%.

#### Compensation to key management personnel of the Group

As at 30 June 2021, key management personnel comprised the Group's top-managers and the members of the Board of Directors, totaling 12 persons (31 December 2020: 11). For the six months of 2021, compensation paid to key management personnel amounted to RUB 25,058 thousand (six months of 2020: RUB 24,709 thousand). The amount of compensation included payroll, bonuses, paid vacations, payments for serving on the management bodies and other short-term payments.

#### 18. Commitments and contingencies

##### Litigations

In the course of its business activity, the Group is exposed to various legal actions and complaints. While there are inherent uncertainties and the outcome of those litigations cannot be reliably predicted, the Group's management believes that these issues will not significantly affect the Group's financial position or annual performance.

As at 30 June 2021, the Group's management is unaware of any significant litigations, suits or claims against the Group, that could result in potential losses.

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### **PJSC OR GROUP**

#### **Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)**

#### **18. Commitments and contingencies (continued)**

##### **Litigations (continued)**

In the Russian Federation tax returns remain open and subject to inspection for a period of up to three years. The fact that a year has been reviewed does not close that year, or any tax return applicable to that year, from further review during the three-year period.

Management believes that the Group has paid or accrued all applicable taxes. For taxes where uncertainty exists, the Group has accrued tax liabilities based on management's best estimate of the probable outflow of resources embodying economic benefits, which will be required to settle these liabilities.

Russian legislation governing business operations is constantly changing. Management's interpretation of legislation as applied to the Group's activities may be challenged by the relevant regional or federal authorities. Recently, the tax authorities have been taking a more assertive position in their interpretation of legislation. As a result, the approaches to calculation of taxes that have not been challenged by tax authorities in the past may be challenged during future tax audits. As a rule, tax audits by the tax authorities may cover three years preceding the reporting year. Under certain circumstances, reviews may cover longer periods. Based on its interpretation of the tax legislation, management of the Group believes that all applicable taxes had been accrued. Nevertheless, tax authorities may apply a different interpretation of applicable tax legislation, which may have a significant effect on the consolidated financial statements of the Group.

The Group also identified potential contingent liabilities for the three-year period ended 30 June 2021. Management assessed that possible tax risks, if they realize, will not exceed RUB 249,714 thousand (31 December 2020: RUB 249,714 thousand).

Management continues to track changes related to these risks and regularly reassesses risks and respective liabilities, provisions and disclosures.

##### **Evaluation of the effect of COVID-19 on the Group**

As at the date of issue of these interim condensed consolidated financial statements, the COVID-19 outbreak continues, and there remains uncertainty about further developments of the pandemic, its duration and the extent of the possible economic recovery in the nearest future. The government continues to take various measures as the future stability of the Russian economy is also largely dependent upon the impact of the COVID-19 pandemic, the virus containment measures and further state reforms. The Group's advantages include a stable financial position, a low debt burden and significant liquidity cushion.

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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 18. Commitments and contingencies (continued)

##### Evaluation of the effect of COVID-19 on the Group

As at 30 June 2021, the Group's liquidity cushion amounted to RUB 5,084,269 thousand, including assets with instant liquidity, such as cash and cash equivalents, and highly liquid receivables from individuals related to installments and cash loans issued to individuals, as well as available and undrawn loan facilities in the amount of RUB 1,527,572 thousand. In addition, in 2021 the Group plans to repay bank loans and redeem bonds in the amount of RUB 1,624,855 thousand and RUB 670,788 thousand, respectively.

The Group developed and implemented plans to mitigate the impact of negative factors on its business, and analyzed the economic situation, demand for the Group's goods, its supply chain, available bank financing and potential effect on its cash flows and liquidity status, as well as compliance with debt covenants. The Group takes a number of comprehensive measures to increase the turnover of the stores.

Management considered events and conditions, which may cause significant uncertainty with respect to the Group's ability to continue as a going concern and concluded that the range of possible event scenarios cast no significant doubts on the Group's ability to continue its operations in the foreseeable future.

Management closely monitors the situation with coronavirus and takes all necessary measures to mitigate negative consequences.

During the first six months of 2021, the Group entered into additional loan agreements with VTB Bank, Promsvyazbank and Rosbank in order to defer the principal and interest repayment for at least one year.

The Group reduced its rental expenses to mitigate the consequences of the COVID-19 pandemic. The Group entered into additional agreements with the lessors to receive discounts or enjoy a rent-free period. The weighted average discount related to lease expenses was 6% for the first six months of 2021.

#### 19. Operating segments

For management purposes, the Group is divided into two reportable operating segments:

- 1) Retail and wholesale trade of footwear, accessories and related goods (sale of goods)
- 2) Issuance of cash loans.

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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 19. Operating segments (continued)

Management of the Group evaluates performance of its operating segments on the basis of consolidated data prepared in accordance with the International Financial Reporting Standards. The segment performance indicator communicated to management of the Group is EBITDA of the segments, which represents operating earnings before interest, taxes, depreciation and amortization, and group-wide income and expenses.

EBITDA of the reporting segments includes items of income and expenses, which are directly attributable to the segment on a reasonable basis:

- ▶ Revenue
- ▶ Cost of sales
- ▶ Selling and distribution expenses
- ▶ Charge of allowance for expected credit losses
- ▶ Other income/expenses allocated to segments:
  - ▶ Income/expenses from transfer of right to claim on installments and from cash loans to individuals
  - ▶ Foreign exchange differences
  - ▶ Write-down of accounts receivable/payable and advances issued
  - ▶ Penalties received
  - ▶ Write-down of goods for resale.

The following expenses are not allocated to segments:

- ▶ Administrative (corporate) expenses, other (corporate) income and expenses
- ▶ Depreciation of property, plant and equipment and right-of-use assets, amortization of intangible assets
- ▶ Finance income and expenses
- ▶ Income tax expense.

Assets are not allocated to operating segments and are not subject to analysis by an operating decision-maker.

An analysis of financial information on reporting segments performed by management for the six month periods ended 30 June 2021 and 2020 is presented in the tables below. Revenue and EBITDA of reporting segments for the period ended 30 June 2021 comprise the following:



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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 19. Operating segments (continued)

Six months of 2021 (unaudited)	Sale of goods	Issuance of cash loans
<b>Revenue</b>		
Revenue from external customers	3,005,502	1,349,303
Cost, selling and distribution expenses	(2,540,976)	(491,649)
Administrative expenses	(193,761)	(79,521)
Charge of allowance for expected credit losses	(50,084)	(360,345)
Other income	458,764	6,266
Other expenses	(102,897)	(53,452)
<b>Segment EBITDA</b>	<b>576,548</b>	<b>370,602</b>

A reconciliation of EBITDA of reporting segments and net profit for the six months ended 30 June 2021 is presented in the table below:

<b>Total segment EBITDA</b>	<b>947,150</b>
<i>Unallocated items by segment</i>	
Depreciation of property, plant and equipment and amortization of intangible assets	(97,495)
Depreciation of right-of-use assets	(20,607)
Finance income	16,576
Finance expenses	(663,596)
Income tax benefit	41,214
<b>Net profit</b>	<b>223,242</b>

Revenue and EBITDA of reporting segments for the six months ended 30 June 2020 comprise the following:

Six months of 2020 (unaudited)	Sale of goods	Issuance of cash loans Restated*
<b>Revenue</b>		
Revenue from external customers	2,673,820	1,390,565
Cost, selling and distribution expenses	(2,536,247)	(492,584)
Administrative expenses	(182,387)	(75,416)
Charge of allowance for expected credit losses	(89,666)	(453,523)
Other income	168,787	11,190
Other expenses	(29,584)	(4,441)
<b>Segment EBITDA</b>	<b>4,723</b>	<b>375,791</b>



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### PJSC OR GROUP

#### Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2021 (continued)

#### 19. Operating segments (continued)

A reconciliation of EBITDA of reporting segments and net profit for the six months ended 30 June 2020 is presented in the table below:

<b>Total segment EBITDA</b>	<b>380,514</b>
<i>Unallocated items by segment</i>	
Depreciation of property, plant and equipment and amortization of intangible assets	(141,193)
Depreciation of right-of-use assets	(36,949)
Finance income	12,862
Finance expenses	(632,159)
Income tax benefit	74,853
<b>Net loss</b>	<b><u>(342,039)</u></b>

#### 20. Subsequent events

There were no significant events after the reporting date.