Public Joint Stock Company “M.video”

Interim Condensed Consolidated
Financial Statements (Unaudited)
Half-Year Ended 30 June 2026

PUBLIC JOINT STOCK COMPANY "M.VIDEO"

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PUBLIC JOINT STOCK COMPANY "M.VIDEO"

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2026 (UNAUDITED)

Management is responsible for the preparation of the interim condensed consolidated financial statements that present the consolidated financial position of Public Joint Stock Company "M.video" (the "Company") and its subsidiaries (the "Group") as at 30 June 2026, and the consolidated results of its operations, cash flows and changes in equity for the half-year then ended, in compliance with International Accounting Standard 34 "Interim Financial Reporting".

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

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

Management is also responsible for:

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

The interim condensed consolidated financial statements of the Group for the half-year ended 30 June 2026 were approved on 31 August 2026.

On behalf of the management:

A. Sukhov
Chief Executive Officer

O. Shumova
Chief Accountant

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Report on Review of Interim Condensed Consolidated Financial Statements

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

Introduction

We have performed a review of the accompanying interim condensed consolidated statement of financial performance of Public Joint Stock Company «M.video» (OGRN 5067746789248) and its subsidiaries («the Group») as at 30 June 2026 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and statement of cash flows for the six months then ended and a summary of explanatory notes (interim condensed consolidated financial statements). Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements were not prepared, in all material respects, in accordance with International Accounting Standard 34, Interim Financial Reporting.

Ushakova Lyubov Igorevna,
Power of Attorney No. 46-17/26-8 dated 12 January 2026
Registration No. 21906099483

The auditor:
Russaudit Valuation and Consulting, Limited Liability Company (Russaudit, LLC)
76 Butyrskaya St., bld. 1, Office I, Intra-urban Territory of the Federal City Butyrsky Municipal Okrug, Moscow, 127015, Russia
Registration No. 11606048583

31 August 2026

Translated from the original document executed in the Russian language

PUBLIC JOINT STOCK COMPANY "M.VIDEO"

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026 (UNAUDITED)
(in millions of Russian Rubles)

	Notes	30 June 2026	31 December 2025
NON-CURRENT ASSETS			
Property, plant and equipment	4	12 763	15 222
Investment property		283	285
Intangible assets	6	18 362	18 144
Goodwill	3	48 975	50 007
Right-of-use assets	5	33 900	42 179
Deferred tax assets		50 363	38 550
Other non-current assets		112	312
Total non-current assets		**164 758**	**164 699**
CURRENT ASSETS			
Inventories	7	70 586	82 705
Accounts receivable	8	10 883	23 381
Advances issued	8	7 251	9 619
Loans issued		-	373
Income tax receivable		45	56
Other taxes receivable	9	2 135	3 131
Cash and cash equivalents	10	846	4 737
Total current assets		**91 746**	**124 002**
TOTAL ASSETS		**256 504**	**288 701**
EQUITY			
Share capital	11	1 798	1 798
Prepaid capital	11	31 643	31 643
Other reserves		6 753	6 753
Additional paid-in capital		4 576	4 576
Treasury shares	11	(526)	(526)
Unrealised losses		(125 958)	(89 840)
Total equity		**(81 714)**	**(45 596)**
NON-CURRENT LIABILITIES			
Lease liabilities	5	33 073	42 121
Non-current borrowings and other financial liabilities	12	26 723	2 247
Deferred tax liabilities		1 878	1 999
Other liabilities		160	265
Total non-current liabilities		**61 834**	**46 632**
CURRENT LIABILITIES			
Trade accounts payable		105 536	100 065
Current borrowings and other financial liabilities	12	132 504	150 000
Other payables and accrued expenses	13	14 216	10 988
Contract liabilities	15	2 295	4 620
Lease liabilities	5	16 916	17 114
Income tax payable		15	240
Other taxes payable	14	4 797	4 539
Provisions		105	99
Total current liabilities		**276 384**	**287 665**
Total liabilities		**338 218**	**334 297**
TOTAL EQUITY AND LIABILITIES		**256 504**	**288 701**

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

Signed on 31 August 2026 by:

A. Sukhov
Chief Executive Officer

O. Shumova
Chief Accountant

PUBLIC JOINT STOCK COMPANY "M.VIDEO"

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2026 (UNAUDITED)

(in millions of Russian Rubles, except earnings per share)

	Notes	30 June 2026	30 June 2025
REVENUE	16	108 171	171 233
COST OF SALES	17	(104 069)	(144 244)
GROSS PROFIT		**4 102**	**26 989**
Selling, general and administrative expenses	18	(32 562)	(35 722)
Other operating income	19	2 937	1 383
Other operating expenses		(102)	(337)
Changes in fair value of investment property		-	128
OPERATING LOSS/PROFIT		**(25 625)**	**(30 111)**
Finance income	20	115	505
Finance expenses	20	(22 373)	(26 632)
Other non-operating expenses		(6)	-
LOSS BEFORE INCOME TAX EXPENSE		**(47 889)**	**(33 686)**
Income tax benefit		11 771	8 527
NET LOSS for the period		**(36 118)**	**(25 159)**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Gains on revaluation of property, plant and equipment		-	8 472
Income tax relating to items that will not be reclassified		-	(2 118)
		-	**6 354**
Other comprehensive income for the period, net of income tax		-	8 472
TOTAL COMPREHENSIVE LOSS for the period		**(36 118)**	**(18 805)**
		(202,48)	(141,04)
BASIC and DILUTED LOSS PER SHARE (in Russian Rubles)		**(36 118)**	**(18 805)**

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

Signed on 31 August 2026 by:

A. Sukhov
Chief Executive Officer

O. Shumova
Chief Accountant

PUBLIC JOINT STOCK COMPANY "M.VIDEO"

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2026 (UNAUDITED)
(in millions of Russian Rubles)

	Share capital	Additional paid-in capital	Other reserves	Prepaid capital	Treasury shares	Unrealised losses	Total equity
Balance as at 1 January 2024	**1 798**	**4 576**	**-**	**-**	**(526)**	**(26 202)**	**(20 354)**
Net loss for the period	-	-	-	-	-	(25 159)	(25 159)
Other comprehensive income	-	-	6 734	-	-	-	6 734
Total comprehensive loss for the period	**-**	**-**	**6 734**	**-**	**-**	**(25 159)**	**(18 425)**
Prepaid capital	-	-	-	31 643	-	-	31 643
Balance as at 30 June 2025	**1 798**	**4 576**	**6 734**	**31 643**	**(526)**	**(51 361)**	**(7 136)**
Balance as at 31 December 2025	**1 798**	**4 576**	**6 753**	**31 643**	**(526)**	**(89 840)**	**(45 596)**
Net loss for the period	-	-	-	-	-	(36 118)	(36 118)
Balance as at 30 June 2026	**1 798**	**4 576**	**6 753**	**31 643**	**(526)**	**(125 958)**	**(81 714)**

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

Signed on 31 August 2026 by:

A. Sukhov
Chief Executive Officer

O. Shumova
Chief Accountant

PUBLIC JOINT STOCK COMPANY "M.VIDEO"

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2026 (UNAUDITED)
(in millions of Russian Rubles)

	Notes	For the half-year ended 30 June 2026	30 June 2025
OPERATING ACTIVITIES			
Total net loss for the period		(36 118)	(25 159)
Adjustments for:			
Income tax benefit		(11 771)	(8 527)
Depreciation and amortisation	18	10 906	11 512
Disposals of lease liabilities	19	(2 361)	(1 040)
Change in allowance for recievable		19	(20)
Change in allowance for obsolete and slow-moving inventories and inventory losses, net of surpluses		(242)	(461)
Interest income	20	(115)	(397)
Interest expenses	20	22 368	26 632
Gain on disposal of subsidiaries	19	(400)	-
Changes in fair value of investment property		-	(128)
Net foreign exchange expense/(income)		21	(182)
Other non-cash reconciling items, net		(168)	347
Operating cash flows (used in)/ received from operations before movements in working capital		**(17 861)**	**2 577**
Decrease in inventories		12 361	14 837
Decrease receivable and advances paid		13 463	6 648
Decrease in other taxes receivable		626	7 217
(Decrease)/ Increase in trade accounts payable		3 682	(33 810)
Decrease/ (increase) in other payables and accrued expenses		6 001	(1 193)
Decrease in contract liabilities		(1 941)	(122)
(Decrease)/ Increase in other taxes payable		261	(535)
Other changes in working capital, net		(74)	11
Cash received / (used in) from operations		**16 518**	**(4 370)**
Income taxes paid		(99)	(48)
Interest paid		(11 126)	(22 969)
Net cash received / (used in) operating activities		**5 293**	**(27 387)**

PUBLIC JOINT STOCK COMPANY "M.VIDEO"

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2026 (UNAUDITED)
(in millions of Russian Rubles)

	Notes	For the half-year ended 30 June 2026	30 June 2025
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(67)	(504)
Proceeds from disposal of property, plant and equipment		7	23
Purchase of intangible assets		(2 831)	(2 158)
Proceeds from disposal of subsidiaries, net of cash disposed		194	-
Repayment of loans advanced received		87	-
Consumer loans issued		-	(527)
Proceeds from repayment of consumer loans		-	258
Interest received		115	398
Net cash used in investing activities		**(2 495)**	**(2 510)**
FINANCING ACTIVITIES			
Proceeds from bonds	12	-	2 000
Repayment of bonds	12	(1 806)	(5 170)
Proceeds from borrowings		28 379	59 771
Repayment of borrowings		(28 454)	(61 888)
Prepaid capital	11	-	23 000
Repayment of lease liabilities	5	(4 808)	(4 598)
Net cash (used in) /received from financing activities		**(6 689)**	**13 115**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(3 891)**	**(16 782)**
CASH AND CASH EQUIVALENTS, at the beginning of the period		**4 737**	**22 659**
CASH AND CASH EQUIVALENTS, at the end of the period		**846**	**5 877**

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

Signed on 31 August 2026 by:

A. Sukhov
Chief Executive Officer

O. Shumova
Chief Accountant

(in millions of Russian Rubles)

1. GENERAL INFORMATION

The interim condensed consolidated financial statements of Public Joint Stock Company "M.video" ("the Company") and its subsidiaries (the "Group") for the half-year ended 30 June 2026 were authorized for issue by management on 31 August 2026.

The Group is operating a chain of household appliance and consumer electronics stores and online stores in the Russian Federation. The Group specialises in the sale of TV, audio, video, Hi-Fi, home appliances and digital equipment, as well as related services. In addition, the Group is actively developing an integrated online platform with a primary focus on a multi-category marketplace.

As at 30 June 2026 and 31 December 2025, registered shareholders of PJSC "M.video" and their ownership interests are presented as follows:

	30 June 2026	31 December 2025
ILLC "ERICARIA"	50,0000%	50,0000%
CECONOMY AG	15,0556%	15,0556%
LLC "SFI Capital"	9,8735%	9,8735%
Treasury shares	0,7720%	0,7720%
Other shareholders	24,2989%	24,2989%
Total	**100%**	**100%**

As of 30 June 2026 and 31 December 2025, the ultimate controlling party of the Company is Bilan Abdurakhimovich Uzhakhov.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These interim condensed consolidated financial statements for the half-year ended 30 June 2026 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

Functional and presentation currency

The consolidated financial statements are presented in Russian Rubles ("RUB"), the functional currency of each operating company of the Group.

Going concern

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

In making this assessment, the Group's management considered the following circumstances:

- The Group's EBITDA amounted to (14 725), and the Group recognized a net loss of 36 118 for the half-year ended period ended June 30, 2026;
- As of June 30 2026, the Group was in breach of certain financial covenants stipulated in its loan agreements (Note 12), which grants banks the right to demand immediate repayment of the respective obligations. As of the date of authorization of these condensed interim consolidated financial statements, none of the banks or other lenders have exercised this right;
- As of June 30 2026, the Group's current liabilities exceeded its current assets by 184 638, net cash inflows from operating activities were positive and amounted to 5 293, and the accumulated deficit increased to (125 958).
  The Group's management has prepared a cash flow forecast covering a period of at least 12 months after the reporting date, which includes measures to ensure sufficient liquidity.

In addition to ongoing efforts to enhance internal efficiency and reduce operating expenses, these measures include management's actions aimed at implementing the strategic model:

- The Group continues to develop Russia's first multi-category marketplace, leveraged by its own retail footprint and a network of partner pick-up points (hereinafter referred to as "PUPs"). The Group is building a next-generation marketplace that enables sellers to trade through its platform across M.Video's own online channels, as well as on external platforms, including major marketplaces and banking ecosystems.
- To reduce the reliance on banking and insurance instruments used for securing inventory procurement (such as factoring, bank guarantees, and credit insurance limits), the Group successfully transitioned contracts with major household appliances and consumer electronics suppliers (both manufacturers and distributors) to an agency model. Under this framework, M.Video takes goods on a consignment basis, settling with vendors only upon actual sale without upfront procurement. Concurrently, the Group actively expanded the product range sales on its own marketplace, which serves to significantly constrain loan portfolio growth over the long term.
- The Group optimized its capital expenditure program and focused on improving internal efficiency by closing most of its unprofitable stores and streamlining operational formats and processes across the remaining locations. At the same time, to expand its geographical presence and enhance product accessibility for consumers, the Group launched a network of partner pick-up points (PUPs) under the M.Video brand. Furthermore, it continued delivering products via CDEK to more than 4 500 cities across Russia, and through Yandex Market pick-up points, spanning over 12 000 PUPs in 60 regions of the country.
- The Group restructured its loan portfolio, resulting in the extension of the vast majority of its credit obligations for a period of three to five years, thereby substantially improving the service terms of its existing borrowings. These funds will be directed toward working capital replenishment and the expansion of product assortments as part of the strategy implementation.
- The Group fully integrated the online channels of M.Video and Eldorado. Effective July 1, 2026, the Eldorado website and mobile application became part of M.Video's unified digital platform. The M.Video website and application have become the core online channels of the company, serving as the foundation for the continued development of its proprietary omni-channel marketplace. Concurrently, the Group fundamentally upgraded its mobile application, significantly improving its speed and user experience.

The Group's management believes that these measures will enable the Group to refinance its current debt for a period exceeding 12 months from the reporting date.

In addition to the aforementioned measures, the shareholders have confirmed their intention to provide financial support to the Group for a period of at least 12 months from the date of authorization of these condensed interim consolidated financial statements.

Management has modeled a range of business development scenarios covering a period of 12 months from the date of authorization of these condensed interim consolidated financial statements. The simulated assumptions are based on the anticipated potential impact of changing economic conditions and expected demand levels, as well as on management's proposed responsive measures during the period under review. Under this scenario, the Group is expected to continue to have a sufficient cushion of resources at its disposal.

Accordingly, management has concluded that there are no material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern; however, reaching this conclusion required significant judgment.

Seasonality of operations

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

Significant accounting policies

The accounting policies and calculation methods applied in the preparation of these interim condensed consolidated financial statements are consistent with the accounting policies and calculation methods applied in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2025, except for:

- New standards, interpretations and amendments, as further detailed below.

Adoption of New Standards and Interpretations

The following revised standards, which became effective on 1 January 2026, did not have a material impact on the Group's financial statements:

Amendments to IFRS 9 and IFRS 7	*«Amendments to the Classification and Measurement of Financial Instruments»*
Amendments to IFRS 9 and IFRS 7	*«Contracts Referencing Nature-dependent Electricity»*
Annual Improvements to IFRS Accounting Standards	

The Group has not early adopted standards, interpretations or amendments that have been issued but are not yet effective for annual reporting periods beginning on or after 1 January 2027:

- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (date to be determined by the IASB);
- IFRS 18 Presentation and Disclosure in Financial Statements (1 January 2027);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 January 2027);
- IFRS 20 Regulatory Assets and Regulatory Liabilities (1 January 2029);
- Amendments to IAS 28 – Amendments to the Fair Value Option for Investments in Associates and Joint Ventures (1 January 2027).

These amendments and new standards are not expected to have a material impact on the Group, with the exception of IFRS 18, for which the Group is currently in the process of assessing the impact on its consolidated financial statements.

3. GOODWILL

Due to the presence of external and internal indicators of potential impairment, including both the current macroeconomic situation and the adaptation of the Group's revised strategy to current performance indicators, the Group's management performed an impairment test for goodwill and other non-current assets as of 30 June 2026.

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

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

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

The key assumptions used in calculating the value in use as of 30 June 2026, to which the recoverable amount is most sensitive, are: an EBITDA-to-revenue margin ranging from -18% to 21%, a pre-tax discount rate applied to projected cash flows of 20.15%, and a terminal growth rate of 4%.

The key assumptions used in calculating the value in use as of 31 December 2025, to which the recoverable amount is most sensitive, are: an EBITDA-to-revenue margin ranging from -9% to 15.2% during the forecast periods, a pre-tax discount rate applied to projected cash flows of 19.5%, and a terminal growth rate of 4%.

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

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

(in millions of Russian Rubles)

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at 30 June 2026 and 31 December 2025 consisted of the following:

	For the half-year ended 30 June 2026	For the half-year ended 30 June 2025
Cost		
As at 31 December	**47 096**	**49 315**
Additions	148	1 380
Revaluation	-	3 258
Disposals	(5 436)	(3 803)
As at 30 June	**41 808**	**50 150**
Accumulated depreciation		
As at 31 December	**31 874**	**39 967**
Charge for the period	2 454	1 803
Revaluation	-	(5 214)
Disposals	(5 283)	(2 916)
Impairment loss	-	48
As at 30 June	**29 045**	**33 688**
Net book value		
As at 31 December	**15 222**	**9 348**
As at 30 June	**12 763**	**16 462**

During the half-year ended 30 June 2026, the Group’s total capital expenditures were 148 (for the half-year ended 30 June 2025: 1 380), which were primarily related to leasehold improvements and trade equipment. Depreciation expenses have been included in “Selling, general and administrative expenses” (Note 18).

Assets with a carrying amount of 153, primarily relating to equipment and machinery of closed stores, as well as real estate properties sold by the Group, were disposed of during the half-year ended 30 June 2026 (for the half-year ended 30 June 2025: 887).

A gain on disposal of 57 (for the half-year ended 30 June 2025: a gain of 4) was recognized within other operating income.

As at 30 June 2026 and 31 December 2025, the Group did not pledge fixed assets.

(in millions of Russian Rubles)

5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

	Right-of-use assets	Lease liabilities
As at 1 January 2026	**42 179**	**(59 235)**
New agreements	451	(416)
Modification of agreements	2 914	(2 664)
Depreciation charge	(6 057)	-
Disposals	(5 587)	7 906
Foreign exchange	-	(5)
Interest expenses	-	(5 221)
Lease payments	-	9 646
As at 30 June 2026	**33 900**	**(49 989)**

	Right-of-use assets	Lease liabilities
As at 1 January 2025	**50 213**	**(67 582)**
New agreements	478	(452)
Recognition of sale-leaseback agreements	415	(343)
Modification of agreements	(6 334)	-
Depreciation charge	(2 361)	3 365
Disposals	-	108
Reassessment of termination options	-	(6 151)
Interest expenses	-	10 641
As at 30 June 2025	**42 411**	**(60 414)**

During the half-year ended 30 June 2026, the Group's Contingent lease expenses were 11 (for the half-year ended 30 June 2025: 304).

Gain from exchange differences on financial liabilities were 5 (for the half-year ended 30 June 2025: 108).

(in millions of Russian Rubles)

6. INTANGIBLE ASSETS

Intangible assets as at 30 June 2026 and 31 December 2025 consisted of the following:

	For the half-year ended 30 June 2026	For the half-year ended 30 June 2025
Cost		
As at 1 January	**36 579**	**42 595**
Additions	3 012	2 235
Disposals	(11 250)	(5 511)
As at 30 June	**28 341**	**39 319**
Accumulated amortisation		
As at 1 January	**18 435**	**21 702**
Charge for the period	2 395	3 375
Disposals	(10 851)	(5 434)
As at 30 June	**9 979**	**19 643**
Net book value		
As at 31 December	**18 144**	**20 893**
As at 30 June	**18 362**	**19 676**

Total additions to intangible assets amounted to 3 012 and 2 235 for the for the half-year ended 30 June 2026 and 2025, respectively, which primarily related to the development of back-end and front-end systems, the website platform, the mobile application, the development of business process automation software, and the purchase of licenses. Amortization charges were recognized within selling, general and administrative expenses (Note 18).

As part of its assessment of the useful life of the "Eldorado" trademark as of 30 June 2026, the Group updated the forecast period of its use. Based on the results of this analysis, it was decided to determine the useful life of this asset as finite. The useful life was set at 13.5 years. This change is accounted for as a change in accounting estimate in accordance with IAS 8 «Accounting Policies, Changes in Accounting Estimates and Errors».

7. INVENTORIES

Inventories as at 30 June 2026 and 31 December 2025 consisted of the following:

	30 June 2026	31 December 2025
Goods for resale	69 242	80 718
Right of return assets	1 162	1 802
Other inventories	182	185
Total	**70 586**	**82 705**

The cost of inventories recognized as an expense amounting to 101 854 and 139 658 for the half-year ended 30 June 2026 and 2025, respectively, and inventory losses net of surpluses and unclaimed returns amounting to 165 for the for the half-year ended 30 June 2026 (for the half-year ended 30 June 2025: net surpluses of 318) were recognized within cost of sales in the interim condensed consolidated statement of profit or loss and other comprehensive income.

(in millions of Russian Rubles)

8. ACCOUNTS RECEIVABLE AND ADVANCES PAID

Accounts receivable and advances paid as at 30 June 2026 and 31 December 2025 consisted of the following:

	30 June 2026	31 December 2025
Accounts receivable		
Bonuses receivable from suppliers	4 285	14 990
Accounts receivable from marketplaces	1 795	3 609
Other accounts receivable	5 311	4 803
Expected credit losses on accounts receivable	(508)	(21)
Total accounts receivable	**10 883**	**23 381**
Advances paid		
Advances paid to suppliers and prepaid expenses	7 365	10 217
Impairment allowance for advances paid	(114)	(598)
Total advances paid	**7 251**	**9 619**
Total	**18 134**	**33 000**

As of 30 June 2026, accounts receivable include agency fees amounting to 2 615 (as of 31 December 2025: 230).

As of 30 June 2026, the financial trade and other receivables amounted to 10 883 (as of 31 December 2025: 23 381).

9. OTHER TAXES RECEIVABLE

Other taxes receivable as at 30 June 2026 and 31 December 2025 comprised the following:

	30 June 2026	31 December 2025
VAT recoverable	2 022	2 895
Other taxes receivable	113	236
Total	**2 135**	**3 131**

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30 June 2026 and 31 December 2025 comprised the following:

	30 June 2026	31 December 2025
Cash at banks	712	2 924
Cash in transit	20	1 549
Cash on hand in stores and petty cash	114	224
Short-term bank deposits	-	40
Total	**846**	**4 737**

(in millions of Russian Rubles)

Cash was denominated in the Russian Ruble.

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

11. EQUITY

Share capital

As at 30 June 2026 and 31 December 2025, the Company had the following number of authorised, issued and outstanding ordinary shares:

	Outstanding ordinary shares	Issued ordinary shares	Authorised ordinary shares
Balance as at 31 December 2025 and 30 June 2026	**178 380 477**	**179 768 227**	**209 768 227**

Each share has par value of RUB 10 per share. All issued ordinary shares were fully paid.

Prepaid capital

Prepaid capital reflects contributions to the Group's equity made prior to the registration and placement of additional shares. The decision for this capital increase was approved during the half-year period ended 31 December 2025 for an amount of no less than 30 000. As of the reporting date, these funds had been received in full by the Group: 7 000 was received in 2024, and 23 000 was received during 2025 and 1 643 represents interest accrued on the received funding as of the reporting date. On 12 August 2026, the Group registered an additional issue of 500 million shares.

Treasury shares

As at 30 June 2026 and 31 December 2025, the Group owned 1 387 750 (31 December 2025: 1 387 750) treasury shares held at cost of 526 (31 December 2024: 526).

Dividends declared

In June 2026, the General Meeting of Shareholders of the Company decided not to pay dividends.

In June 2025, the General Meeting of Shareholders of the Company decided not to pay dividends.

As at 30 June 2026 and 31 December 2025, the Group had no outstanding dividend obligations.

(in millions of Russian Rubles)

12. BORROWINGS AND OTHER FINANCIAL LIABILITIES

This note provides information about the contractual terms of the Group's long-term and short-term interest-bearing bank borrowings and other financial liabilities measured at amortised cost. The borrowings described below are denominated in the Russian Ruble.

	Maturity	30 June 2026	31 December 2025
Long-term loans			
LLC A-FINANCE PROJECT	December 2032	14 894	-
LLC AM GPI	December 2032	11 237	-
LLC Capitalguard	March 2030	592	281
		26 723	**281**
Long-term financial liabilities			
Bonds issued		-	1 966
		-	**1 966**
Total long-term loans and other financial liabilities		**26 723**	**2 247**
Short-term loans and credit lines			
Unsecured loans and credit lines			
Bank 1	September 2026 – December 2027	65 316	61 836
Bank 2	October 2026 –June 2027	35 675	33 809
Bank 3	October 2026	5 269	5 272
Bank 4	September 2028	13 686	12 680
Bank 6	September 2027	5 348	5 068
		125 294	**118 665**
Short-term loans			
PJSC SFI	October 2026	1 228	898
LLC SFI CAPITAL	October 2026	140	23
LLC Lanbury	October 2026	36	18
LLC GRAND SMV	December 2028	-	10 419
LLC A-FINANCE PROJECT	December 2028	-	14 218
		1 404	**25 576**
Bonds			
Bonds issued	August 2026 – April 2027	5 806	5 759
		5 806	**5 759**
Total short-term loans, credit lines and other financial liabilities		**132 504**	**150 000**
Total loans, credit lines and other financial liabilities		**159 227**	**152 247**

During the first half of 2026, LLC "GRAND SMV" entered into an assignment of claims agreement with LLC "AM GPI" (LLC "UK GPI"), under which the Group's entire debt outstanding to LLC "GRAND SMV" was transferred to LLC "AM GPI".

On March 13, 2026, the Group accepted a payment deferral notice from LLC "A-FINANCE PROJECT" extending the maturity date until December 2028. As a result, this liability was reclassified into long-term debt in the statement of financial position as of June 30, 2026. Furthermore, during the six-month period ended June 30, 2026, an additional agreement was signed with LLC "A-FINANCE PROJECT" to further extend the contract maturity until December 2032.

As of December 31, 2025, the Group received a notice from LLC "A-FINANCE PROJECT" regarding a payment deferral until December 2028. However, this notice had not been formally accepted by the Group as of that date, and consequently, the respective liability was recognized within short-term borrowings.

As of June 30, 2026, the carrying amount of existing loans and credit lines was recalculated as a result of amendments to the terms of the loan agreements. The modification gain recognized in the interim consolidated statement of profit or loss and other comprehensive income amounted to 491. For comparison, as of December 31, 2025, the modification loss recognized in the consolidated statement of profit or loss and other comprehensive income was (712).

As of June 30, 2026, the Group was in breach of certain financial covenants stipulated in its loan and credit facility agreements, which grants banks and other lenders the contractual right to demand immediate repayment of the respective obligations. As of the date of authorization of these condensed interim consolidated financial statements, none of the banks or other lenders have exercised this right. The Group also expects breaches of several financial covenants under existing loan agreements during the second half of 2026; however, management believes that these covenants will be renegotiated as a result of ongoing discussions with the banks.

In April 2026, the Group fully repaid the remaining outstanding principal amount of its fourth bond issue in the amount of 1 848.

In April 2025, investors partially exercised their put option rights under the fourth bond issue, resulting in the Group repurchasing bonds for a total consideration of 5 152 and fully satisfying all obligations under the tendered bonds.

In April 2025, the Group issued long-term non-convertible Ruble-denominated bonds with a fixed coupon rate for a total amount of 2 000, maturing in April 2027.

In July 2025, the Group fully settled its obligations under the third bond issue in the amount of 5 000.

As of June 30, 2026, the Group had unutilized credit lines amounting to 112, for which, however, the banks have no firm commitments to provide funding (December 31, 2025: 112). The unutilized bond issuance limit as of June 30, 2026 stood at 13 250 (December 31, 2025: 13 250).

(in millions of Russian Rubles)

13. OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses as at 30 June 2026 and 31 December 2025 comprised the following:

	30 June 2026	31 December 2025
Advances received	6 579	1 383
Wages and bonuses	1 551	2 098
Refund liabilities	1 000	1 514
Payables for property, plant and equipment and intangible assets	668	764
Repair services payables	626	558
Variable lease and utility payables	579	567
Payables to marketplaces	567	543
Consulting services payables	565	383
Warehousing services payables	316	238
Insurance services payables	211	351
Service center payables	145	92
Packaging services payables	83	81
Other payables and accrued expenses	1 326	2 416
Total	**14 216**	**10 988**

14. OTHER TAXES PAYABLE

Other taxes payable as at 30 June 2026 and 31 December 2025 comprised the following:

	30 June 2026	31 December 2025
VAT payable	3 673	3 111
Payroll taxes	756	792
Other taxes payable	368	636
Total	**4 797**	**4 539**

15. CONTRACT LIABILITIES

Liabilities to customers as at 30 June 2026 and 31 December 2025 comprised the following:

	30 June 2026	31 December 2025
Prepayments received for goods	1 289	3 178
Deferred revenue	1 006	1 442
Total	**2 295**	**4 620**

(in millions of Russian Rubles)

Deferred revenue for half-year periods ended 30 June 2026 and 30 June 2025 consisted of the following:

	For the half-year ended 30 June 2026				For the half-year ended 30 June 2025			
	Customer loyalty programs	Gift certificates	Additional services	Total	Customer loyalty programs	Gift certificates	Additional services	Total
As at 1 January	**766**	**676**	**-**	**1 442**	**247**	**704**	**-**	**951**
Revenue deferred during the period	561	192	126	879	5 637	272	-	5 909
Revenue recognised in the consolidated statement of profit or loss and other comprehensive income	(950)	(365)	-	(1 315)	(5 330)	(353)	-	(5 683)
As at 31 December	**377**	**503**	**126**	**1 006**	**554**	**623**	**-**	**1 177**

Revenue for the half-year ended 30 June 2026 includes the amount of obligations under the contract with customers at the beginning of the year in the amount of 4 544 (for the half-year ended 30 June 2025: 2 856).

(in millions of Russian Rubles)

16. REVENUE

Revenue for the years ended 30 June 2026 and 2025 comprised the following:

	30 June 2026	30 June 2025
Retail revenue	106 994	167 677
including revenue agency fees	*38 012*	*1 956*
Fintech revenue	483	2 136
Rental income from investment property	157	184
Other revenue	537	1 236
Total	**108 171**	**171 233**

Retail revenue includes sales of goods in stores, pick-up in-store, home-delivery and commission fees.

Other revenue for the years, ended 30 June 2026 and 2025 includes revenue from services of installation, recycling of home appliances and digital assistance.

Revenue for the half-year ended 30 June 2026 recognized at a point in time was 108 014 (for the half-year ended 30 June 2025: 171 049), and revenue for the half-year ended 30 June 2026 recognized over a period of time was 157 (for the half-year ended 30 June 2025: 184).

17. COST OF SALES

Cost of sales for the half-year periods ended 30 June 2026 and 30 June 2025 consisted of the following:

	For the half-year ended	
	30 June 2026	30 June 2025
Cost of goods sold		
- Cost of goods sold	101 447	139 513
including the cost of agency sales	*33 016*	*1 014*
- Transportation to stores	1 489	1 289
- Inventory losses net of surpluses and related compensations from suppliers	165	(318)
Cost of fintech services		
- Payroll of credit broker staff and related taxes	186	1 426
- Consumer credit services	-	1 027
Cost of other services	782	1 307
Total	**104 069**	**144 244**

For the half-year ended 30 June 2026, cost of goods sold includes supplier bonuses of 3 975 (for the half-year ended 30 June 2025: 36 127).

(in millions of Russian Rubles)

18. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses for the half-year periods ended 30 June 2026 and 30 June 2025 consisted of the following:

	For the half-year ended	
	30 June 2026	**30 June 2025**
Wages, salaries and related taxes	11 952	12 774
Depreciation and amortization of property, plant and equipment, investment property, intangible assets and right-of-use assets	10 906	11 512
Marketplace commissions	1 979	1 452
Utilities	1 316	1 422
Repair and maintenance	960	1 076
Bank services	866	1 379
Advertising and promotion expenses, net	823	2 120
Security	804	1 009
Warehouse expenses	710	657
Consulting services	626	802
Taxes other than income tax	191	137
Packaging expenses	134	155
Office expenses	123	170
Communication	99	130
Operating expenses	98	93
Variable lease expenses	11	304
Other Expenses	964	530
Total	**32 562**	**35 722**

Payroll and related taxes for the half-year ended 30 June 2026 include 2 490 of contribution to the social and medical insurance (for the half-year ended 30 June 2025: 2 630).

For the half-year ended 30 June 2026 the Group received 107 from its suppliers as a compensation of advertising and promotional expenses (for the half-year ended 30 June 2025: 625).

19. OTHER OPERATING INCOME

Other operating income for the half-year ended June 30, 2026, primarily consisted of gains from the termination of lease agreements for closed retail stores in the amount of 2 319, and a gain on the disposal of fintech subsidiaries in the amount of 400. In January 2026, the Group entered into agreements with a related party for the sale of LLC "Alliance Credit" and LLC "DIRECT TECH" for a total cash consideration of 75. As of the disposal date, the carrying amount of the net liabilities disposed of was (1 308). In connection with this disposal, the allocated goodwill in the amount of 1 032 was also derecognized. The net gain on the disposal of these subsidiaries amounted to 351. Additionally, the Group sold its remaining stake in LLC MCC "DC Pay" for a cash consideration of 119, resulting in a recognized gain of 49.

For the half-year ended June 30, 2025, other operating income primarily consisted of gains from the termination of lease agreements for closed retail stores in the amount of 1 040.

(in millions of Russian Rubles)

20. FINANCE INCOME AND EXPENSES

Finance income and expenses for the half-year periods ended 30 June 2026 and 30 June 2025 consisted of the following:

	For the half-year ended	
	30 June 2026	**30 June 2025**
Interest income	115	397
Exchange differences on lease	-	108
Total financial income	**115**	**505**
Interest on borrowings, credit lines and other	(17 147)	(20 481)
Interest expense on lease liabilities, net of interest income	(5 221)	(6 151)
Exchange differences on lease	(5)	-
Total financial expenses	**(22 373)**	**(26 632)**
Total	**(22 258)**	**(26 127)**

21. EARNINGS PER SHARE

Basic loss per share is calculated by dividing the net loss for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, excluding treasury shares.

Diluted loss per share is calculated by dividing the net loss attributable to the owners of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of all potentially dilutive ordinary shares.
The following reflects the net loss and share data used in the basic and diluted loss per share computations:

	For the half-year ended	
	30 June 2026	**30 June 2025**
Net loss attributable to equity holders of the Company	(36 118)	(25 159)
Weighted average number of ordinary shares in issue (millions of shares)	178,38	178,38
Basic loss per share (in Russian Rubles)	**(202,48)**	**(141,04)**
Net loss attributable to equity holders of the Company, adjusted for the effect of dilution	(36 118)	(25 159)
Weighted average number of ordinary shares for the purpose of diluted earnings per share (millions of shares)	178,38	178,38
Diluted loss per share (in Russian Rubles)	**(202,48)**	**(141,04)**

22. RELATED PARTIES

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

(in millions of Russian Rubles)

The following table provides the total amount of transactions, which have been entered into with related parties during the half-year periods ended 30 June 2026 and 30 June 2025 and the outstanding balances owed by/to related parties as at 30 June 2026 and 31 December 2025, respectively:

	For the half-year ended 30 June 2026		30 June 2026		For the half-year ended 30 June 2025		31 December 2025	
	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
Entities under common control (i)	-	-	-	3 487	-	-	-	680
Entities under significant influence of the controlling shareholder (ii)	-	-	-	-	2	-	-	-
Entities under control of key management personnel (iii)	-	-	-	4 379	-	-	-	-
Other related parties (iv)	2	-	-	-	-	-	-	-
Total	**2**	**-**	**-**	**7 866**	**2**	**-**	**-**	**680**

The nature of transactions with related parties is as follows:

(i) Entities under common control – purchase and sale of Group's goods, warehouses and trade premises rent, consulting services, charity, reimbursement of tax charges and fines, etc.

(ii) Entities under significant influence of the controlling shareholder – agent services for sales of insurance policies, credit broker services.

(iii) (iEntities under control of key management personnel – provision of services;

(iv) Other related parties – purchase and sale of the Group's goods, provision of services.

(in millions of Russian Rubles)

The following table provides the total amount of financial transactions, which have been entered into with related parties during the half-year periods ended 30 June 2026 and 30 June 2025 and the outstanding balances owed by/to related parties as at 30 June 2026 and 31 December 2025, respectively:

	For the half-year ended 30 June 2026		30 June 2026		For the half-year ended 30 June 2025		31 December 2025	
	Financial income from related parties	Financial expense from related parties	Amounts owed by related parties	Amounts owed to related parties	Financial income from related parties	Financial expenses from related parties	Amounts owed by related parties	Amounts owed to related parties
Entities under common control (i)	-	309	-	591	-	-	-	(281)
Entities under significant influence of the controlling shareholder (ii)	-	-	-	-	-	-	-	-
Other related parties (iii)	-	368		1 405			-	(939)
Total	**-**	**677**	**-**	**1 996**	**-**	**-**	**-**	**(1 220)**

The nature of transactions with related parties is as follows:

(i) Entities under common control – financial expenses and lease obligations;

(ii) Entities under significant influence of the controlling shareholder – financial expenses and insurance obligations.

(iii) Other related parties – finance costs incurred in connection with funds received from non-controlling shareholders for capital increase purposes.

(in millions of Russian Rubles)

Terms and conditions of transactions with related parties

Related party transactions may be entered into on terms and conditions that might not be available to unrelated parties, and transactions between related parties may not be conducted on the same terms and for the same amounts as transactions between unrelated parties. Outstanding balances with related parties as of June 30, 2026, and December 31, 2025, were unsecured and are to be settled in cash. No guarantees have been received or provided in respect of any related party receivables or payables. As of June 30, 2026, and December 31, 2025, there was no doubtful related party debt.

Compensation of key management personnel of the Group

The remuneration of directors and other members of key management paid during the half-year periods ended 30 June 2026 and 30 June 2025 was as follows:

	For the half-year ended	
	30 June 2026	**30 June 2025**
Short-term benefits *	297	246
Total	**297**	**246**

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

As at 30 June 2026, outstanding payables to key management personnel amounted to 0 (31 December 2025: 0).

During the reporting period, the Group did not incur any material post-employment benefit obligations or other obligations to key management personnel, nor did it incur obligations to pay contributions to the state pension fund and social security funds as part of social contributions on wages, salaries and bonuses. Social security contributions paid on the remuneration of key management personnel for the half year ended June 30, 2026, amounted to 44 (for the half year ended June 30, 2025: 35). These payments are included in the data presented above.

23. COMMITMENTS AND CONTINGENCIES

Operating environment

M.Video Group is one of the largest omni-channel household appliances and consumer electronics retailers in Russia, operating within a transforming economic environment. In 2026, the Group continued to actively adapt its operational model to external challenges, ensuring business resilience and maintaining its competitive positioning. This was achieved through the initiation of its transformation into a multi-category marketplace alongside the preservation of brick-and-mortar retail, the active expansion of online sales, the development of a partner pick-up point network, and the transition to an agency supply model with key vendors.

The Group conducts its operations within the Russian Federation, where economic reforms continue. These reforms are aimed at increasing fiscal revenues, promoting industrial and socially significant sectors, and improving regulatory frameworks across various industries. These structural changes are designed to mitigate the impact of political and economic sanctions imposed against the Russian Federation by the United States of America, the European Union, and certain other nations.

Consequently, M.Video Group operates in the economic and financial markets of the Russian Federation, which are undergoing a period of significant economic transition driven by structural adjustments. This transition is characterized by elevated inflation, tight monetary policy, rising borrowing costs, and a temporary slowdown in consumer activity resulting from increased retail bank deposits and reduced lending volumes. Additionally, the environment is impacted by labor market fluctuations, as well as complexities in supply chains and international settlement mechanisms.

Nevertheless, positive macroeconomic trends continued during the first half year of 2026. Inflation in Russia for the half year ended June 30, 2026, was 4.19%, compared to 5.6% recorded in 2025. The Central Bank of Russia continues to maintain policies aimed at price stabilization and supporting the Ruble despite ongoing economic headwinds. During the first half year of 2026, the Bank of Russia continued to ease its monetary policy by lowering the key interest rate. Consequently, by the end of the reporting period, the key rate was reduced from 16% to 14.25%. The gradual reduction of the key interest rate is expected to enable the Group to leverage improved borrowing conditions to optimize its debt structure and refinance its obligations on more favorable terms.

The Group's anchor market is the retail trade of household appliances and consumer electronics, where demand is highly sensitive to abrupt shifts in economic and social conditions that impact consumer spending. A volatile economic environment can influence consumer spending patterns and preferences. Significant changes in the growth rates of both the Russian and global economies, coupled with disruptions in global production and/or logistics processes and international settlement mechanisms, may affect the assortment of appliances and electronics available in local markets, including the domestic market. All these factors could directly affect the operational and financial performance of M.Video Group.

To minimize the impact of these external factors, the Group implements an operational flexibility strategy. This strategy encompasses the development of its own logistics capabilities and warehouse infrastructure, increasing the share of direct import contracts within total procurement, adapting its product assortment policy to reflect evolving consumer preferences, and dynamically managing pricing and promotional activities.

A key focus of the Group's management has been the continued transition of the business model to an agency supply framework. Amid an elevated key interest rate environment, the traditional retail model based on upfront inventory procurement onto the Group's balance sheet proved to be economically unsustainable due to capital being tied up in inventories, coupled with expensive bank financing, factoring, and credit insurance limits. The agency model has enabled assortment expansion without relying on debt financing, as goods from vendors are received on a consignment basis, with settlements conducted upon actual sale and subject to deferred payment terms.

The Group conducts its own import operations, procuring goods both in the domestic market and abroad from friendly nations, including China, the UAE, Turkey, EAEU countries, and others. This enables the Group to maintain a wide product assortment within Russia and increase trade volumes with these counterparts. The Group has established all necessary supply chains, documentation flows, payment instruments, and related infrastructure. Concurrently, M.Video Group has minimized settlements with suppliers in foreign currencies. The diversification of the supplier portfolio has enabled the Group to preserve its product assortment matrix, ensure uninterrupted deliveries across key product categories, and minimize reliance on traditional import channels.

As part of its development strategy, M.Video Group continues to invest in 2026 in the development of its IT infrastructure, digital products, artificial intelligence, and the automation of core business processes, as well as a new website and mobile application featuring an overhauled technology stack and an updated design. These investments are aimed at further digital transformation of the Group, enhancing operational efficiency, and advancing customer services. Recently, M.Video has implemented a number of large-scale projects, including the creation of its own IT framework for cross-border trade and integration with international partners, the development of a microservices architecture, the modernization of customer platforms and logistics systems, the launch of new development workflows, and the phased replacement of critical legacy monolithic solutions with modern distributed systems.

A substantial portion of capital expenditures is directed toward the development of digital products for customers. The Group has carried out a major upgrade of the M.Video website and mobile application, which includes enhancing personalized customer experiences, improving search and recommendation engines, increasing service performance, updating the visual design, and introducing new tools for both buyers and marketplace partners.

According to current forecasts, the total volume of online sales in Russia may exceed RUB 15 trillion in 2026. The share of e-commerce in total retail turnover is projected to reach 27% in 2026 and 30% by 2027. This enabling environment allows M.Video Group to successfully expand into new market segments utilizing its new marketplace model.

These condensed interim consolidated financial statements reflect management's current assessment of the impact that business conditions in the Russian Federation have on the operations and financial position of the Group. The established operational infrastructure, diversified supplier base, and flexible business model provide the Group with resilience against potential external challenges.

Nevertheless, a high degree of uncertainty persists regarding the impact of these developments and potential subsequent changes in the economic and geopolitical environment on the Group's future operations and financial position. The actual impact of future operating conditions may differ from management's current estimates.

24. TAX RISK MANAGEMENT

As of June 30, 2026, and December 31, 2025, the Group recognized a deferred tax asset in respect of tax losses in the amount of 43 801 and 31 142, respectively.

The amount of tax losses carried forward for which deferred tax assets were recognized as of June 30, 2026, and December 31, 2025, amounted to 175 203 and 124 568, respectively.

Management believes that the recognition of the deferred tax asset is appropriate as the Group accumulated a sufficient history of profitable operations up until 2022. The Group also considers it probable that future taxable profits will be available against which the accumulated tax losses can be utilized. In performing this assessment, the Group took into account that, in accordance with its long-term strategic model, it will begin to utilize the accumulated losses in 2030.

In 2025, the Group developed a new strategy and a long-term development model, which envisions a transition from traditional retail to a multi-platform ecosystem. The Group is creating an integrated online platform aimed at expanding its product assortment far beyond traditional electronics and household appliances, with a primary focus on a multi-category marketplace. Transitioning a significant portion of retail sales to an agency framework will optimize expenses and reduce reliance on working capital, serving as a driver for sustainable development. The launch of a retail media platform will also represent a key milestone in M.Video's transformation into a multi-category marketplace.

The key assumptions in the Group’s long-term model for 2026–2033 include: the closure of at least 100 stores in 2026 with the store count remaining constant in subsequent years, while focusing on the development of the multi-category marketplace; an annual earnings before interest, taxes, depreciation, and amortization (hereinafter referred to as "EBITDA") to revenue margin ranging from -18% to 21%; the key interest rate determined in accordance with the current long-term forecast of the Central Bank of the Russian Federation; and a gradual reduction in the share of semi-fixed expenses due to economies of scale. The recognition of the deferred tax asset depends on the Group’s ability to adhere to these key assumptions in the long-term model.

Furthermore, in assessing the recoverability of deferred tax assets recognized in respect of accumulated tax losses carried forward, the Group’s management assumed that the tax legislation of the Russian Federation will allow for an indefinite carry-forward of accumulated tax losses throughout the entire projection period of the long-term model.

Based on the sensitivity analysis performed, the Group estimated that a 5.8% reduction in the annual EBITDA margin compared to the long-term model, all other assumptions remaining unchanged, would delay the full utilization of the deferred tax asset from 2033 to 2034. The Group also estimated that a 2.4 percentage point increase in the key interest rate of the Bank of Russia (and consequently, the Group's borrowing costs) compared to the long-term model, all other assumptions remaining unchanged, would cause an identical delay from 2033 to 2034.

Based on the results of the assessment performed, the Group’s management believes that the deferred tax asset is recoverable and assumes that any shift in the timeline does not affect the probability of the deferred tax asset being realized, since tax losses can be carried forward indefinitely and have no expiration limit under the legislation of the Russian Federation.

25. FINANCIAL GUARANTEES

In the normal course of its operating activity the Group from time-to-time enters into financial guarantee contracts with banks. Under these contracts banks provide guarantees in favour of the Group’s suppliers and the Group may be required to pay under those contracts only if it fails to make timely payments to its suppliers. As at 30 June 2026 the Group entered into such guarantee contracts for the total amount of 3 046 (31 December 2025: 4 479). As at 30 June 2026 and 31 December 2025, the Group has not pledged any assets as collateral under these guarantee contracts.

(in millions of Russian Rubles)

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Categories of financial instruments

The carrying values of financial assets and liabilities grouped by each category of financial instruments as at 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026	31 December 2025
Financial assets		
Assets carried at amortized cost	11 719	28 571
Financial liabilities		
Liabilities carried at amortized cost	328 917	322 535

Fair value of financial instruments

	30 June 2026		31 December 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Borrowings and other financial liabilities	153 421	146 429	144 522	152 211
Market value bonds	5 806	5 721	7 725	7 123
Total	**159 227**	**152 150**	**152 247**	**159 334**

To calculate the fair value of Ruble-denominated bank loans outstanding as of June 30, 2026, and December 31, 2025, market borrowing rates of 18.5% and 20.2%, respectively, were applied. Market quotations were used to measure the fair value of bonds. The fair value measurement of bonds was categorized within Level 1 of the fair value hierarchy.

The fair value of financial assets and liabilities such as cash and cash equivalents, trade and other receivables, trade and other payables approximates their carrying amounts due to the short-term maturities of these financial instruments.

Liquidity risk management

The Group’s treasury monitors the risk of a potential shortage of funds using a continuous liquidity planning model. This tool analyzes the maturities of both the Group’s financial investments and financial assets (e.g., trade and other receivables, other financial assets) and projected cash flows from operating activities.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group performs an annual analysis of its cash requirements and expected cash flows to determine its funding obligations. This assessment is based on the seasonal nature of operations and the Group's projected working capital requirements. To cover a significant portion of its core cash requirements, the Group utilizes financial instruments such as loans, borrowings, and bonds. Short-term loans and bank overdrafts are deployed to meet immediate liquidity demands. The Group reviews its liquidity forecasts on a quarterly basis and secures access to debt financing across multiple banks to ensure it maintains a sufficient level of committed but unutilized credit facilities.

(in millions of Russian Rubles)

Furthermore, to manage liquidity, the Group applies a working capital management approach that balances inventory turnover with trade payables turnover, under which specific payment deferral requirements are extended to suppliers. Various mechanisms, including factoring agreements and commercial credit, are utilized to obtain the necessary payment deferrals. Since the Group does not receive significant benefits from these deferrals beyond standard market terms and provides no additional collateral, the respective obligations are recognized within trade payables, interest expenses are presented within finance costs, and the related cash flows are classified within cash flows from operating activities.

The Group is actively transitioning to an agency supply model. This agency framework has enabled assortment expansion without relying on debt financing, thereby releasing liquidity.

As of June 30, 2026, trade payables for which the Group utilized mechanisms to obtain additional payment deferrals involving financial institutions amounted to 14 754 (December 31, 2025: 13 867), with the related interest expenses for the half year ended June 30, 2026, amounting to 1 701 (half year ended June 30, 2025: 2 193). Additionally, as of June 30, 2026, the Group had trade payables to suppliers amounting to 4 450 (December 31, 2025: 4 450), under which a fee-bearing payment deferral was provided. Finance costs incurred by the Group in connection with such supplier-provided deferrals amounted to 672 for the half year ended June 30, 2026, and 2 543 for the half year ended June 30, 2025.

The table below summarises the information of the Group's supplier finance arrangements:

	30 June 2026	31 December 2025
Carrying value of financial liabilities		
Presented within trade accounts payable:	14 754	13 867
- from which suppliers received payment from factor	14 754	13 867
Range of payment terms		
Liabilities, which are the part of arrangements	327-344 days after financing date	174-252 days after financing date
Comparable trade payables, not part of the arrangements	1-222 days after date of acceptance of goods	1-180 days after date of acceptance of goods

Comparable trade payables also include deferrals granted by suppliers, most of whom include the cost of such deferrals in the price of the goods or have direct factoring arrangements

The table below summarizes the maturity profile of the Group's financial liabilities as at 30 June 2026 and 31 December 2025 based on contractual undiscounted payments:

	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at 30 June 2026					
Borrowings and other financial liabilities	50 243	101 362	6 812	44 450	202 867
Trade accounts payable	93 781	15 111	-	-	108 892
Lease liabilities	4 663	12 833	44 908	13 567	75 971
Other accounts payable and accrued expenses	12 948	1 268	-	-	14 216
Total	**161 635**	**130 574**	**51 720**	**58 017**	**401 946**

(in millions of Russian Rubles)

	Less than 3 months	3-12 months	1-5 years	More than 5 years	Total
As at 31 December 2025					
Trade accounts payable	75 456	24 609	-	-	100 065
Borrowings and other financial liabilities	75 480	30 113	96 884	-	202 477
Lease liabilities	5 575	15 300	55 774	19 733	96 382
Other accounts payable and accrued expenses	10 988	-	-	-	10 988
Total	**167 499**	**70 022**	**152 658**	**19 733**	**409 912**

27. SUBSEQUENT EVENTS

In August 2026, the Group repaid the remaining amount of its obligations under the fourth bond issue in the amount of 3 807.

In August 2026, a new agreement was signed with a key lender to open a credit facility for a total amount of RUB 17.5 billion, with a maturity date in September 2033.