

Appendix

Figure 1: Balance sheet of the company Detsky Mir for 2018 year

DETSKY MIR GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 (in millions of Russian Rubles)

	Notes	At 31 December 2018	At 31 December 2017
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	9,226	7,486
Intangible assets	11	1,255	1,362
Right-of-use assets	12	29,606	-
Deferred tax assets	9.2	1,858	1,593
Other non-current assets		133	241
Total non-current assets		42,078	10,682
CURRENT ASSETS:			
Inventories	13	35,063	26,440
Trade receivables	14	4,473	2,244
Advances paid and other receivables	15	2,038	1,215
Prepaid income tax		1	7
Cash and cash equivalents	16	3,335	3,155
Total current assets		44,910	33,061
TOTAL ASSETS		86,988	43,743
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	17	1	1
Treasury shares	17	(214)	(60)
Additional paid-in capital		5,793	5,793
Accumulated deficit		(6,609)	(6,386)
Currency translation reserve		87	130
Total equity/(equity deficit)		(942)	(522)
NON-CURRENT LIABILITIES			
Lease liabilities	18	23,706	-
Long-term loans and borrowings	19	8,928	8,956
Deferred tax liabilities	9.2	152	29
Total non-current liabilities		32,786	8,985
CURRENT LIABILITIES			
Trade payables		29,747	24,388
Short-term loans and borrowings and current portion of long-term loans and borrowings	19	12,542	4,635
Lease liabilities	18	6,840	-
Advances received, other payables and accrued expenses	21	4,938	5,404
Deferred revenue	22	720	606
Income tax payable		357	247
Total current liabilities		55,144	35,280
Total liabilities		87,930	44,265
TOTAL EQUITY AND LIABILITIES		86,988	43,743

The Notes on pages 11 to 52 form an integral part of these consolidated financial statements.

Figure 2: Income statement of the company Detsky Mir for 2018 year

DETSKY MIR GROUP

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	Notes	<u>2018</u>	<u>2017</u>
Revenue	6	110,874	97,003
Cost of sales		<u>(74,045)</u>	<u>(64,205)</u>
GROSS PROFIT		36,829	32,798
Selling, general and administrative expenses	7	(25,550)	(24,766)
Other operating expenses, net		<u>(47)</u>	<u>(8)</u>
OPERATING PROFIT		11,232	8,024
Finance income	8	10	28
Finance expenses	8	(4,427)	(1,866)
Foreign exchange gain/(loss), net		<u>106</u>	<u>(306)</u>
PROFIT BEFORE TAX		6,921	5,880
Income tax expense	9.1	<u>(1,227)</u>	<u>(1,036)</u>
PROFIT FOR THE YEAR		<u>5,694</u>	<u>4,844</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Effect of translation to presentation currency		<u>(43)</u>	<u>16</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,651</u>	<u>4,860</u>
Earnings per share			
Weighted average number of shares outstanding, basic and diluted:	17	737,806,153	738,475,180
Earnings per share, basic and diluted (in Russian Rubles per share)		7.72	6.56

The Notes on pages 11 to 52 form an integral part of these consolidated financial statements.

Figure 3: Statement of Cash Flows of the company Detsky Mir for 2018 year

DETSKY MIR GROUP

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018
(in millions of Russian Rubles)**

	2018	2017
Operating activities:		
Profit for the year	5,694	4,844
Adjustments for:		
Depreciation and amortization expense	9,100	1,818
Finance expense	4,427	1,866
Write-offs of merchandise inventories relating to shrinkage and write-down to net realizable value	1,233	1,320
Income tax expense recognized in profit or loss	1,227	1,036
Impairment recognized for non-current assets	191	-
Expense on equity-settled share-based compensation	182	170
Bad debts written-off and change in allowance for doubtful accounts	8	25
(Gain)/loss on disposal of non-current assets	(1)	14
Finance income	(10)	(28)
Foreign exchange (gain)/loss, net	(106)	306
Changes in working capital:		
(Increase)/decrease in trade receivables	(2,230)	1,606
(Increase)/decrease in advances paid and other receivables	(609)	466
Increase in inventories	(9,856)	(2,964)
Increase/(decrease) in trade payables	5,034	(1,116)
Increase in advances received, other payables and accrued expenses	526	1,095
Increase/(decrease) in deferred revenue	114	(210)
Cash generated by operations	14,924	10,248
Interest paid	(4,233)	(1,658)
Interest received	5	13
Income tax paid	(1,083)	(1,523)
Net cash generated by operating activities	9,613	7,080
Investing activities:		
Payments for property, plant and equipment	(3,487)	(2,072)
Payments for intangible assets	(307)	(396)
Repayment of loans receivable	-	1,074
Proceeds from disposal of property, plant and equipment	-	24
Net cash used in investing activities	(3,794)	(1,370)
Financing activities:		
Purchase of treasury shares	(195)	(375)
Sale of treasury shares	41	43
Repayment of loans and borrowings	(44,173)	(40,666)
Dividends paid	(7,242)	(3,623)
Lease payments	(6,122)	-
Proceeds from loans and borrowings	52,052	39,621
Net cash used in financing activities	(5,639)	(5,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	180	710
CASH AND CASH EQUIVALENTS, beginning of the year	3,155	2,445
CASH AND CASH EQUIVALENTS, end of the year	3,335	3,155

The Notes on pages 11 to 52 form an integral part of these consolidated financial statements.

Figure 4: Balance sheet of the company Detsky Mir for 2019 year

DETSKY MIR GROUP

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019
(in millions of Russian Rubles)**

	Notes	At 31 December 2019	At 31 December 2018 (restated) ¹
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	9,755	9,226
Intangible assets	11	1,464	1,255
Right-of-use assets	12	32,988	29,606
Deferred tax assets	9.2	2,415	1,858
Other non-current assets		138	133
Total non-current assets		46,760	42,078
CURRENT ASSETS			
Inventories	13	38,636	35,063
Trade receivables	14	4,048	4,473
Advances paid and other receivables	15	1,435	2,038
Prepaid income tax		13	1
Cash and cash equivalents	16	1,769	3,335
Total current assets		45,901	44,910
TOTAL ASSETS		92,661	86,988
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	1	1
Treasury shares	17	(317)	(214)
Additional paid-in capital		5,793	5,793
Accumulated deficit		(7,305)	(6,609)
Currency translation reserve		161	87
Total equity deficit		(1,667)	(942)
NON-CURRENT LIABILITIES			
Lease liabilities	18	27,635	24,203
Long-term loans and borrowings	19	8,980	8,928
Deferred tax liabilities	9.2	104	152
Total non-current liabilities		36,719	33,283
CURRENT LIABILITIES			
Trade payables		32,911	29,747
Short-term loans and borrowings and current portion of long-term loans and borrowings	19	10,270	12,542
Lease liabilities	18	7,145	6,343
Advances received, other payables and accrued expenses	21	6,042	4,938
Deferred revenue	22	436	720
Income tax payable		805	357
Total current liabilities		57,609	54,647
Total liabilities		94,328	87,930
TOTAL EQUITY AND LIABILITIES		92,661	86,988

The Notes on pages 11 to 45 form an integral part of these consolidated financial statements.

Figure 5: Income statement of the company Detsky Mir for 2019 year

DETSKY MIR GROUP

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

	Notes	2019	2018
Revenue	6	128,764	110,874
Cost of sales		<u>(87,232)</u>	<u>(74,045)</u>
GROSS PROFIT		41,532	36,829
Selling, general and administrative expenses	7	(28,631)	(25,550)
Other operating expenses, net		<u>(8)</u>	<u>(47)</u>
OPERATING PROFIT		12,893	11,232
Finance income		11	10
Finance expenses	8	(4,878)	(4,427)
Foreign exchange (loss)/ gain, net		<u>(124)</u>	<u>106</u>
PROFIT BEFORE TAX		7,902	6,921
Income tax expense	9.1	<u>(1,360)</u>	<u>(1,227)</u>
PROFIT FOR THE YEAR		6,542	5,694
Other comprehensive income/ (loss):			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Effect of translation to presentation currency		<u>74</u>	<u>(43)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,616	5,651
Earnings per share			
Weighted average number of shares outstanding, basic and diluted:	17	735,675,274	737,806,153
Earnings per share, basic and diluted (in Russian Rubles per share)		8.89	7.72

The Notes on pages 11 to 45 form an integral part of these consolidated financial statements.

Figure 6: Statement of Cash Flows of the company Detsky Mir for 2019 year

DETSKY MIR GROUP

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019
(in millions of Russian Rubles)**

	<u>2019</u>	<u>2018</u>
Operating activities:		
Profit for the year	6,542	5,694
Adjustments for:		
Depreciation and amortization expense	10,005	9,100
Finance expenses	4,878	4,427
Income tax expense recognized in profit or loss	1,360	1,227
Write-offs of merchandise inventories relating to shrinkage and write-down to net realizable value	1,270	1,233
Impairment recognized for non-current assets	128	191
Foreign exchange loss/(gain), net	124	(106)
Expense on equity-settled share-based compensation	8	182
Finance income	(11)	(10)
Gain on disposal of non-current assets	(22)	(1)
Bad debts written-off and change in loss allowance for doubtful receivables on advances paid and other receivables	(29)	8
Other	(43)	-
Changes in working capital:		
Decrease/(increase) in trade receivables	200	(2,230)
Decrease/(increase) in advances paid and other receivables	226	(609)
Increase in inventories	(4,818)	(9,856)
Increase in trade payables	3,404	5,034
Increase in advances received, other payables and accrued expenses	1,164	526
(Decrease)/increase in deferred revenue	(284)	114
Cash generated by operations	<u>24,102</u>	<u>14,924</u>
Interest paid	(4,599)	(4,233)
Interest received	4	5
Income tax paid	(1,696)	(1,083)
Net cash generated by operating activities	<u>17,811</u>	<u>9,613</u>
Investing activities:		
Payments for property, plant and equipment	(2,789)	(3,487)
Payments for intangible assets	(718)	(307)
Proceeds from sale of property, plant and equipment	40	-
Net cash used in investing activities	<u>(3,467)</u>	<u>(3,794)</u>
Financing activities:		
Purchase of treasury shares	(139)	(195)
Sale of treasury shares	36	41
Repayment of loans and borrowings	(72,522)	(44,173)
Dividends paid	(6,998)	(7,242)
Lease payments	(6,589)	(6,122)
Proceeds from loans and borrowings	70,302	52,052
Net cash used in financing activities	<u>(15,910)</u>	<u>(5,639)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,566)</u>	<u>180</u>
CASH AND CASH EQUIVALENTS, beginning of the year	<u>3,335</u>	<u>3,155</u>
CASH AND CASH EQUIVALENTS, end of the year	<u>1,769</u>	<u>3,335</u>

The Notes on pages 11 to 45 form an integral part of these consolidated financial statements.

Figure 7: Balance sheet of the company Detsky Mir for 2020 year

DETSKY MIR GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

(in millions of Russian Rubles)

	Notes	At 31 December 2020	At 31 December 2019
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	9,274	9,755
Intangible assets	11	1,524	1,464
Right-of-use assets	12	33,726	32,988
Deferred tax assets	9.2	2,811	2,415
Other non-current assets		124	138
Total non-current assets		47,459	46,760
CURRENT ASSETS			
Inventories	13	42,494	38,636
Trade receivables	14	3,670	4,048
Advances paid and other receivables	15	1,535	1,435
Prepaid income tax		10	13
Cash and cash equivalents	16	1,826	1,769
Total current assets		49,535	45,901
TOTAL ASSETS		96,994	92,661
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	1	1
Treasury shares	17	(407)	(317)
Additional paid-in capital		5,793	5,793
Accumulated deficit		(8,145)	(7,305)
Currency translation reserve		126	161
Total equity deficit		(2,632)	(1,667)
NON-CURRENT LIABILITIES			
Lease liabilities	18	28,619	27,635
Long-term loans and borrowings	19	12,200	8,980
Deferred tax liabilities	9.2	92	104
Total non-current liabilities		40,911	36,719
CURRENT LIABILITIES			
Trade payables		35,770	32,911
Short-term loans and borrowings and current portion of long-term loans and borrowings	19	7,582	10,270
Lease liabilities	18	8,227	7,145
Advances received, other payables and accrued expenses	21	5,975	6,042
Deferred revenue	22	527	436
Income tax payable		634	805
Total current liabilities		58,715	57,609
Total liabilities		99,626	94,328
TOTAL EQUITY AND LIABILITIES		96,994	92,661

The Notes on pages 11 to 55 form an integral part of these consolidated financial statements.

Figure 8: Income statement of the company Detsky Mir for 2020 year

DETSKY MIR GROUP

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Notes	2020	2019
Revenue	6	142,882	128,764
Cost of sales		(98,909)	(87,232)
GROSS PROFIT		43,973	41,532
Selling, general and administrative expenses	7	(29,490)	(28,631)
Other operating income/(expenses), net		82	(8)
OPERATING PROFIT		14,565	12,893
Finance income		82	11
Finance expenses	8	(4,496)	(4,878)
Foreign exchange loss, net		(2,093)	(124)
PROFIT BEFORE TAX		8,058	7,902
Income tax expense	9.1	(1,309)	(1,360)
PROFIT FOR THE YEAR		6,749	6,542
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Effect of translation to presentation currency		(35)	74
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		6,714	6,616
Earnings per share			
Weighted average number of shares outstanding, basic and diluted:	17	734,561,783	735,675,274
Earnings per share, basic and diluted (in Russian Rubles per share)		9.19	8.89

The Notes on pages 11 to 55 form an integral part of these consolidated financial statements.

Figure 9: Statement of Cash Flows of the company Detsky Mir for 2020 year

DETSKY MIR GROUP

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020
(in millions of Russian Rubles)**

	2020	2019 (restated) ¹
Operating activities:		
Profit for the year	6,749	6,542
Adjustments for:		
Depreciation and amortization expense	10,413	10,005
Finance expenses	4,496	4,878
Foreign exchange loss, net	2,093	124
Write-offs of merchandise inventories relating to shrinkage and write-down to net realizable value	2,081	1,270
Income tax expense recognized in profit or loss	1,309	1,360
Expense on equity-settled share-based compensation	188	8
Finance income	(82)	(11)
Other	12	34
Changes in working capital:		
Decrease in trade receivables	373	200
(Increase)/decrease in advances paid and other receivables	(132)	226
Increase in inventories	(5,912)	(4,818)
Increase in trade payables	1,507	3,819
(Decrease)/increase in advances received, other payables and accrued expenses	(267)	1,164
Increase/(decrease) in deferred revenue	91	(284)
Cash generated by operations	22,919	24,517
Interest paid	(4,297)	(4,599)
Interest received	78	4
Income tax paid	(1,980)	(1,696)
Net cash generated by operating activities	16,720	18,226
Investing activities:		
Payments for property, plant and equipment	(1,705)	(2,789)
Payments for intangible assets	(695)	(718)
Proceeds from sale of property, plant and equipment	42	40
Net cash used in investing activities	(2,358)	(3,467)
Financing activities:		
Purchase of treasury shares	(90)	(139)
Sale of treasury shares	-	36
Repayment of loans and borrowings	(63,315)	(72,522)
Dividends paid	(7,775)	(6,998)
Lease payments	(6,369)	(6,589)
Proceeds from loans and borrowings	63,878	70,302
Net cash used in financing activities	(13,671)	(15,910)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	691	(1,151)
CASH AND CASH EQUIVALENTS, beginning of the year	1,769	3,335
Effect of changes in foreign exchange rates on cash and cash equivalents	(634)	(415)
CASH AND CASH EQUIVALENTS, end of the year	1,826	1,769

The Notes on pages 11 to 55 form an integral part of these consolidated financial statements.