



Detsky Mir Grows Adjusted EBITDA 29.3% in 1H 2021

Moscow, Russia, 25 August 2021 – Detsky Mir Group (“Detsky Mir” or the “Company”, MOEX: DSKY), the largest children’s goods retailer in Russia and Kazakhstan, announces its unaudited financial results in accordance with International Financial Reporting Standards (IFRS) for the second quarter and the first half of the year, ended 30 June 2021.

Q2 2021 Operating Highlights¹

- **The Group’s gross merchandise value (GMV)²** increased 32.2% to RUB 41.9 bn (incl. VAT).
- **Total online sales³** in Russia increased 20.1% to RUB 11.7 bn (incl. VAT); the **share of online sales** stood at 29.3%.
- **The Group’s revenue⁴** increased 29.6% to RUB 37.4 bn.
- **Gross profit** increased 34.3% to RUB 11.9 bn, with a **gross margin** of 31.9% (+1.1 p.p. year-on-year).
- **SG&A⁵** as a percentage of revenue increased 1.8 p.p. to 20.2%.
- **Adjusted EBITDA⁶** increased 24.2% to RUB 4.4 bn; **adjusted EBITDA margin** was 11.8% (–0.5 p.p. year-on-year). **EBITDA⁷** totaled RUB 5.5 bn (+55.3% year-on-year).
- **Adjusted net profit⁸** amounted to RUB 2.8 bn vs. RUB 1.4 bn in the same period last year; **net profit** totaled RUB 3.9 bn.
- **The net debt/adjusted EBITDA LTM ratio⁹** stood at 1.3x as at June 2021-end vs. 1.6x at June 2020-end. **Net debt** was RUB 23.7 bn (–5.0% year-on-year).
- **The Company opened 49 new stores:** 19 Detsky Mir branded stores, 27 Detmir Pickup stores and 3 Zoozavr stores.
- **The total number of Group stores** amounted to 929 (+9.3% year-on-year), across 378 cities and towns in Russia, Kazakhstan and Belarus.
- **The Group’s total selling space** increased 8.4% to 922,000 sq. m, while **the total floor space of stores** amounted to 1,148,000 sq. m.

1H 2021 Financial Highlights

- **The Group’s GMV** increased 23.6% to RUB 81.5 bn (incl. VAT).
- **Total online sales** increased 42.4% to RUB 22.5 bn (incl. VAT); the **share of online sales** was 28.9%.
- **The Group’s revenue** increased 22.0% to RUB 73.1 bn.
- **Gross profit** increased 25.1% to RUB 22.5 bn, with a **gross margin** of 30.8% (+0.7 p.p. year-on-year).
- **Share of SG&A** as a percentage of revenue grew 0.3 p.p. to 20.6%.
- **Adjusted EBITDA** increased 29.3% to RUB 7.5 bn; **adjusted EBITDA margin** was 10.3% (+0.6 p.p. year-on-year). **EBITDA** totaled RUB 8.3 bn (+52.4% year-on-year).
- **Adjusted net profit** was RUB 4.3 bn vs. RUB 1.4 bn in the same period last year; **net profit** stood at RUB 5.2 bn.
- **Sales of private labels and direct imports in Russia** grew 25.3%, accounting for 44.3% of total sales (+1.5 p.p. year-on-year).
- **The Company opened 61 new stores:** 24 Detsky Mir branded stores, 33 Detmir Pickup stores and 4 Zoozavr stores.
- **The number of partner pickup points and parcel lockers** increased 3.5x to 20,800 year-to-date.
- **Total warehouse space** was 146,000 sq. m.

Q2 2021 Key Events

- Detsky Mir’s shareholders approved the distribution of the entire net profit for Q4 2020 as a final dividend, totaling RUB 4.5 bn, or RUB 6.07 per ordinary share. The total value of paid dividends for 2020 amounts to RUB 8.2 bn, or RUB 11.15 per ordinary share.
- Detsky Mir’s shareholders elected a new Board of Directors, including the new independent director David Rönnerberg, four incumbent independent directors and five incumbent non-executive directors. More information on the members of the Board and its committees is available on the [Company website](#).

- The Company launched its second regional distribution center – an 8,000 sq. m facility in Kazan operating from Russian Post's fulfillment center. The distribution center's throughput will reach up to 250,000 orders per month.
- Andrey Osokin was appointed Marketing Director and Member of the Management Board at the Company. Mr. Osokin boasts an over 14-year track record in marketing and e-commerce at companies such as Goods.ru, Otto Group Russia and Baon-Desam.

Key Events After the Reporting Date

- Detsky Mir has decided to strengthen its C-suite team, driven by the fast pace at which the Company's new ambitious strategy, business verticals and digital transformation are being implemented and deployed. Anna Garmanova, Chief Financial Officer (CFO) at Detsky Mir, left the Company effective 1 August 2021. Andrey Spivak took up the roles of CFO and Member of the Management Board from 16 August. Mr. Spivak has over 19 years of experience in retail and FMCG (Magnit, X5 Retail Group, Wrigley Ukraine and Wrigley Russia). Sergey Li was appointed Chief Operating Officer (COO) and Member of the Management Board from 15 July. Mr. Li has over 17 years of experience in retail (M.Video-Eldorado, M.Video, Sulpak (Kazakhstan) and Philips). Another appointment was Mikhail Makhyanov, starting as Head of Investor Relations from 16 August. Mr. Makhyanov has more than seven years of experience working at public companies and in capital markets (Polyus and Renaissance Capital).

ESG Highlights

- Detsky Mir has approved its [Policy on Chemicals and Environmental Protection](#), which aims to ensure that chemicals are used responsibly in the production of goods purchased by the Company. In line with this policy, Detsky Mir suppliers are required to comply with an approved list of chemicals that may not be used to produce products purchased by the Company.
- Detsky Mir has developed a methodology and set of standards for auditing suppliers for compliance with sustainability principles. The goal for 2021 is to carry out the first ESG audit of the Russian manufacturers that produce Detsky Mir's private label goods.
- The Detsky Mir Charitable Foundation donated more than 2.7 m gifts to disadvantaged children, along with one tonne of pet food to animal shelters.
- Detsky Mir Group was awarded a prize in the Social Responsibility category of the Retail Week Awards 2021, while the Detsky Mir Charitable Foundation won the Best Russian Social Project 2021 award.
- Over the first six months of 2021, almost two tonnes of waste from shoe and textile manufacturing were collected and handed over for recycling to the Dmitrov RTI Plant, the largest waste recycling enterprise in Russia.
- Every Detsky Mir Group store complies with all COVID-19 protocols, with couriers delivering online orders provided with the necessary personal protective equipment.

Maria Davydova, CEO of PJSC Detsky Mir:

"The results of 1H 2021 once again prove Detsky Mir to be the recognized leader in the children's goods market, with the Group's GMV increasing 23.6% to RUB 81.5 bn. The Company continues to deliver strong performance both online and offline. Our key strategic priority is to further consolidate the children's goods market by digitizing sales, expanding our selection of private label brands, growing our own marketplace, improving the customer experience, launching new services and strengthening our logistics and retail infrastructure. We will press ahead with transforming the Company into a leading multi-vertical digital retailer and driving up share-of-wallet among Russian shoppers. To achieve these ambitious goals, we have strengthened our C-suite team with experts who have relevant experience in delivering retail digitalization and integrating best-in-class solutions."

Sales (GMV) и Group revenue

GMV RUB m (incl. VAT)	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Russia	39 902	30 738	+29,8%	77 790	63 744	+22,4%
Kazakhstan	1 522	704	+116,2%	2 901	1 792	+61,9%
Belarus	438	218	+100,9%	814	410	+98,5%
Group	41 862	31 660	+32,2%	81 505	65 945	+23,6%

Total online sales, RUB m (incl. VAT)	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Russia	11 695	9 741	+20,1%	22 519	15 814	+42,4%
Kazakhstan	159	84	+89,3%	274	122	+124,6%
Belarus	-	-	-	-	-	-
Group	11 854	9 825	+20,6%	22 793	15 936	+43,0%

Online share in total sales, %	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Russia	29,3%	31,7%	(2,4 p.p.)	28,9%	24,8%	+4,1 p.p.
Kazakhstan	10,4%	12,0%	(1,6 p.p.)	9,4%	6,8%	+2,6 p.p.
Belarus	-	-	-	-	-	-
Group	28,3%	31,0%	(2,7 p.p.)	28,0%	24,2%	+3,8 p.p.

Revenue, RUB m	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Detsky Mir in Russia	35 503	27 855	+27,4%	69 502	57 460	+20,9%
Detsky Mir in Kazakhstan	1 360	634	+114,6%	2 593	1 608	+61,2%
Detmir in Belarus	377	196	+92,0%	703	366	+92,1%
Zoozavr	155	78	+98,5%	268	146	+83,6%
Other	-	72	-	-	276	-
Group	37 395	28 835	+29,6%	73 067	59 856	+22,0%

Detsky Mir accelerated its growth rate in Q2 2021, with the Group's GMV increasing 32.2% year-on-year to RUB 41.9 bn.

The key drivers of this growth included: (1) a normalization in customer traffic to Detsky Mir's mature stores vs. the same period in 2020; (2) a full ramp-up of stores opened in 2019 and 2020; (3) an expansion of selling space; (4) growth in online sales, including due to faster picking and delivery times; (5) the development of an exclusive assortment of private labels and direct imports; and (6) price leadership across all categories.

Despite a high base effect from the spike in demand for online shopping in April and May 2020, the Company's online segment continued its double-digit growth. In Q2 2021, total online sales in Russia rose 20.1%, while the sales growth rate for the same period in 2020 stood at 221.0%. The share of online sales in Russia reached 29.3%.

Stores in Kazakhstan and Belarus have continued to show one of the highest sales growth rates in the retail segment, already accounting for around 5% of the Group's GMV. With an almost 2x growth year-on-year, the Company is increasing sales in its online segment in Kazakhstan. Detmir Pickup and Zoozavr, our new retail chains, also secured significant revenue growth, up 338.4% and 98.5%, respectively.

Toys were the fastest-growing category across all channels in Q2, with sales up 42.6% to make up 25.7% of the Company's total sales (a 2.8 p.p. increase year-on-year). Meanwhile, Apparel and Footwear also posted strong results on the back of the successful launch of our private labels' spring and summer collections: sales grew 28.8% to account for 31.3% of the Company's total sales (up 0.5 p.p. year-on-year).

Detsky Mir was also able to lessen the impact of the ruble depreciation on the cost of goods and curb retail price inflation through an effective procurement campaign at the end of 2020.

Detsky Mir continued to grow its assortment of private labels and switch to direct contracts with manufacturers, securing the best prices on the market. Sales of private labels and direct imports in Russia grew 31.2%, accounting for 48.0% of total sales (up 1.2 p.p. year-on-year). Toys and large-size products were the top-growing categories.

Online sales

Online sales metrics	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Online visitors, m	136,0	106,1	+28,1%	277,6	183,9	+50,9%
Orders, m	8,0	5,8	+38,4%	15,4	9,6	+60,4%
Conversion	5,9%	5,4%	+0,5 p.p.	5,5%	5,2%	+0,3 p.p.

Marketplace (Russia)	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Marketplace sales (inc VAT), m	592	78	+659,0%	991	103	+862,1%
Online sales shares	5,0%	0,8%	+4,2 p.p.	4,4%	0,6%	+3,8 p.p.
Online SKU ¹⁰	422	115	+267,0%	422	115	+267,0%
Online sales, breakdown by delivery type	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Click and Collect	87,2%	78,9%	+8,3 p.p.	86,5%	81,7%	+4,8 p.p.
Courier	12,8%	21,1%	(8,3 p.p.)	13,5%	18,3%	(4,8 p.p.)
Online sales, breakdown by order type (Russia)	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
App	81,7%	56,6%	+25,1 p.p.	78,0%	39,8%	+38,2 p.p.
Web-site	18,3%	43,4%	(25,1 p.p.)	22,0%	60,2%	(38,2 p.p.)
Mobile app metrics	Q2 2021	Q2 2020	Δ, %	H1 2021	H1 2020	Δ, %
Installations ¹¹ , m	9,8	4,4	+123,4%	9,8	4,4	+122,7%
MAU ¹² , m	3,1	1,4	+121,4%	3,0	1,1	+172,7%

Sales continued to grow throughout Q2 2021 following an increase in conversions and web traffic. Around 136.0 m visits to the website and mobile app were recorded, which translated to a 38.4% increase in online orders to 8.0 m.

In-store pickup from chain stores remains the most popular delivery option in the online segment. This channel's share in total online sales increased to 87.2% over the quarter vs. 78.9% for the same period in 2020. This significant increase is due to the low base from April and May 2020, when courier delivery was more in-demand amid lockdown.

The Detsky Mir mobile app is now our main customer touch point, with the share of online orders placed on the app doubling to 81.7% in Q2 2021. Since launch, the app has been downloaded almost 9.8 m times. The monthly active users (MAU) of the mobile platform grew 118.5% to 3.1 m. The mobile app launched in Kazakhstan in early 2021 is also starting to take off, with around 40% of all online orders placed via this channel.

The choice of sales channel directly impacts our sales mix. The online channel's share in the total sales of products for newborns is one of the highest, accounting for over 55% of diaper sales and at least 45% of food sales. As a result, products for newborns comprise almost half of sales in the Group's entire online segment; in brick-and-mortar stores, this category makes up around 30% of total retail sales. With a 109.5% increase, pet supplies posted the highest growth rate of online sales.

Detsky Mir's online assortment has increased more than 1.5x to 422,000 SKUs year to date, with more than 1,400 new brands now available to customers. The marketplace's contribution to the Group's GMV amounted to RUB 1 bn in 1H 2021, representing 4.4% of the Company's total online sales in Russia.

Like-For-Like Revenue at Detsky Mir Stores¹³

Like-for-like (Russia, Kazakhstan and Belarus)	Q2 2021	Q1 2020	Δ, %	H1 2021	H1 2020	Δ, %
Like-for-like revenue growth	13,5%	0,8%	+12,7 p.p.	10,6%	2,5%	+8,1 p.p.
Like-for-like number of tickets growth	24,9%	(11,3%)	+36,2 p.p.	13,5%	(3,0%)	+16,5 p.p.
Like-for-like average ticket growth	(9,1%)	13,7%	(22,8 p.p.)	(2,6%)	5,7%	(8,3 p.p.)
Like-for-like (Russia)	Q2 2021	Q1 2020	Δ, %	H1 2021	H1 2020	Δ, %
Like-for-like revenue growth	12,8%	1,1%	+11,7 p.p.	9,9%	2,4%	+7,5 p.p.
Like-for-like number of tickets growth	24,5%	(11,0%)	+35,5 p.p.	13,0%	(3,1%)	+16,1 p.p.
Like-for-like average ticket growth	(9,4%)	13,5%	(22,9 p.p.)	(2,7%)	5,7%	(8,4 p.p.)

Like-for-like (Kazakhstan)	Q2 2021	Q1 2020	Δ, %	H1 2021	H1 2020	Δ, %
Like-for-like revenue growth	55,0%	(22,1%)	+77,1 p.p.	29,0%	10,4%	+18,6 p.p.
Like-for-like number of tickets growth	63,0%	(37,0%)	+100,0 p.p.	22,0%	1,7%	+20,3 p.p.
Like-for-like average ticket growth	(5,0%)	23,6%	(28,6 p.p.)	5,8%	8,6%	(2,8 p.p.)

Like-for-like (Belarus)	Q2 2021	Q1 2020	Δ, %	H1 2021	H1 2020	Δ, %
Like-for-like revenue growth	29,3%	-	-	35,4%	-	-
Like-for-like number of tickets growth	24,0%	-	-	25,4%	-	-
Like-for-like average ticket growth	4,3%	-	-	8,0%	-	-

In Q2 2021, the average ticket decreased 9.1% due to consumption pattern shift amid COVID-19 restrictions; the decrease was fully offset by a 24.9% traffic increase, while total like-for-like sales in all countries across our footprint increased 13.5% due to the expansion of an exclusive assortment of private labels and direct imports, as well as price leadership across all categories.

The greatest growth in like-for-like sales (55.0%) came from Kazakhstan. This is, in many respects, down to the low base effect: most of our stores in Kazakhstan were forced to temporarily close in Q2 2020 to curb the spread of COVID-19. The same metric hit 29.3% in Belarus, due to low competition and a high share of immature stores, which were only opened in 2019.

The Group's Retail Chains Expansion¹⁴

Number of stores	Q2 2021	Q1 2020	Δ, %
Group	929	850	+9,3%
Detsky Mir in Russia	798	735	+8,6%
Detsky Mir in Kazakhstan	41	39	+5,1%
Detmir in Belarus	17	8	+112,5%
ELC & ABC	-	52	-
Zoozavr	24	11	+118,2%
Detmir Pickup	49	5	+880,0%
Selling space ('000, sq. m)	922	855	+8,4%
Total space ('000, sq. m)	1 148	1 064	+7,3%

As at Q2-end, the total number of Group stores had increased 9.3% year-on-year to 929, spread across 378 cities and towns in Russia, Kazakhstan and Belarus. Detsky Mir opened 49 new stores in Q2 2021: 19 Detsky Mir branded stores, 27 Detmir Pickup stores and 3 Zoozavr stores.

The Group's total selling space increased 8.4% to 922,000 sq. m, while the total floor space of stores amounted to 1,148,000 sq. m. The Company's distribution network also includes partner pickup points and parcel lockers, the number of which has increased 3.5x to 20,800 since the start of 2021.

The Company operates two federal distribution centers in the Moscow Region and two regional warehouses in the Rostov Region and the Kazan Region. Total warehouse space was 146,000 sq. m.

Consolidated Statement of Profit or Loss Highlights¹⁵

Russian Ruble (RUB), million	IAS 17			IFRS 16	
	Q2 2021	Q2 2020	Δ, %	Q2 2021	Q2 2020
Revenue	37 395	28 836	+29,7%	37 395	28 836
Gross profit	11 925	8 881	+34,3%	11 925	8 881
% of revenue	31,9%	30,8%	+1,1 p.p.	31,9%	30,8%
Selling, general and administrative expenses	(7 571)	(5 327)	+42,1%	(4 978)	(3 645)
% of revenue	20,2%	18,5%	+1,8 p.p.	13,3%	12,6%
Forgivable loan (one-off)	1 255	-	-	1 255	-
Other operating income	68	6	-	84	38
EBITDA	5 457	3 514	+55,3%	8 066	5 227
% of revenue	14,6%	12,2%	+2,4 p.p.	21,6%	18,1%
Adjusted EBITDA	4 422	3 560	+24,2%	7 032	5 274
% of revenue	11,8%	12,3%	-0,5 p.p.	18,8%	18,3%
Profit/(loss) for the period	3 859	1 357	+184,4%	3 822	737
% of revenue	10,3%	4,7%	+5,6 p.p.	10,2%	2,6%
Adjusted profit/(loss) for the period	2 781	1 394	+99,4%	2 743	774
% of revenue	7,4%	4,8%	+2,6 p.p.	7,3%	2,7%
Net debt	23 671	24 908	-5,0%	23 671	24 908
Lease liabilities	-	-		37 605	34 919
Net debt / EBITDA	1,2	1,7			
Net Debt / adjusted EBITDA LTM	1,3	1,6			

Russian Ruble (RUB), million	(IAS) "17"		Δ, %	(IFRS) "16"	
	H1 2021	H1 2020		H1 2021	H1 2020
Revenue	73 067	59 856	+22,1%	73 067	59 856
Gross profit	22 475	17 966	+25,1%	22 475	17 966
% of revenue	30,8%	30,0%	+0,7 p.p.	30,8%	30,0%
Selling, general and administrative expenses	(15 049)	(12 153)	+23,8%	(9 905)	(8 031)
% of revenue	20,6%	20,3%	+0,3 p.p.	13,6%	13,4%
Forgivable loan (one-off)	1 255	-	-	1 255	-
Other operating income	99	7	-	125	39
EBITDA	8 287	5 436	+52,4%	13 457	9 589
% of revenue	11,3%	9,1%	+2,3 p.p.	18,4%	16,0%
Adjusted EBITDA	7 525	5 820	29,3%	12 695	9 973
% of revenue	10,3%	9,7%	+0,6 p.p.	17,4%	16,7%
Profit/(loss) for the period	5 173	1 102		5 116	384
% of revenue	7,1%	1,8%	+5,2 p.p.	7,0%	0,6%
Adjusted profit/(loss) for the period	4 312	1 409		4 256	691
% of revenue	5,9%	2,4%	+3,5 p.p.	5,8%	1,2%
Net debt	23 671	24 908	-5,0%	23 671	24 908
Lease liabilities	-	-		37 605	34 919
Net debt / EBITDA	1,2	1,7			
Net Debt / adjusted EBITDA LTM	1,3	1,6			

In Q2 2021, Detsky Mir posted a significant revenue growth of 29.7% year-on-year while gross profit margin increased 1.1 p.p. to 31.9%.

The Company's adjusted EBITDA increased 24.2% in Q2 2021 to RUB 4,4bn. 1H adjusted EBITDA grew 29.3%, and the Company succeeded in increasing adjusted EBITDA margin to 10.3% during 1H 2021, having maintained it in the double-digit range.

Adjusted net profit for Q2 2021 was RUB 2.8 bn vs. RUB 1.4 bn for the same period last year. Adjusted net profit margin was 8.1%.

The loan received from Sberbank in 2020 under the government-sponsored crisis response support program and interest expense were subsidized in full as the Group met the loan waiver criteria under Resolution of the Russian Government No. 696 dated 16 May 2020. The total amount was 1.3 billion rubles.

Driven by a full ramp-up of stores that had limited operations last year and the scheduled renegotiation of commercial leases coming out of the crisis, adjusted SG&A less amortization, depreciation and LTI expenses as a percentage of revenue increased to 20.2% in Q2 2021, up 1.8 p.p. from the same period last year, and to 20.6% in 1H, up 0.3 p.p. year-on-year.

Selling, General and Administrative (SG&A) Expenses

Russian Ruble (RUB), million	(IAS) "17"		Δ, %	(IFRS) "16"	
	Q2 2021	Q2 2020		Q2 2021	Q2 2020
Payroll	2 960	2 153	+37,5%	2 960	2 153
% of revenue	7,9%	7,5%	+0,4 p.p.	7,9%	7,5%
Rent & Utilities	3 042	2 078	+46,4%	449	408
% of revenue	8,1%	7,2%	+0,9 p.p.	1,2%	1,4%
Advertising & Marketing	192	168	+14,4%	192	168
% of revenue	0,5%	0,6%	-0,1 p.p.	0,5%	0,6%
Other	1 377	929	+48,2%	1 377	917
% of revenue	3,7%	3,2%	+0,5 p.p.	3,7%	3,2%
Selling, general and administrative expenses (excl. D&A and LTI)	7 571	5 327	+42,1%	4 978	3 645
% of revenue	20,2%	18,5%	+1,8 p.p.	13,3%	12,6%
Depreciation and amortization expenses	638	715	-10,8%	2 724	2 614
% of revenue	1,7%	2,5%	-0,8 p.p.	7,3%	9,1%
Additional bonus accruals under the LTI program	220	46	+374,5%	220	46
% of revenue	0,6%	0,2%	+0,4 p.p.	0,6%	0,2%

Russian Ruble (RUB), million	(IAS) "17"		Δ, %	(IFRS) "16"	
	H1 2021	H1 2020		H1 2021	H1 2020
Payroll	5 962	4 815	+23,8%	5 962	4 815
% of revenue	8,2%	8,0%	+0,1 p.p.	8,2%	8,0%
Rent & Utilities	6 064	4 888	+24,1%	920	779
% of revenue	8,3%	8,2%	+0,1 p.p.	1,3%	1,3%
Advertising & Marketing	393	427	-7,9%	393	427
% of revenue	0,5%	0,7%	-0,2 p.p.	0,5%	0,7%
Other	2 631	2 024	+30,0%	2 630	2 012
% of revenue	3,6%	3,4%	+0,2 p.p.	3,6%	3,4%
Selling, general and administrative expenses (excl. D&A and LTI)	15 049	12 153	+23,8%	9 905	8 031
% of revenue	20,6%	20,3%	+0,3 p.p.	13,6%	13,4%
Depreciation and amortization expenses	1 265	1 401	-9,7%	5 406	5 220
% of revenue	1,7%	2,3%	-0,6 p.p.	7,4%	8,7%
Additional bonus accruals under the LTI program	493	384	+28,4%	493	384
% of revenue	0,7%	0,6%	+0,1 p.p.	0,7%	0,6%

Detsky Mir's average weighted cost of debt as at the end of the reporting period declined 0.35 p.p. year-on-year to 7.15% per annum.

Costs related to the depreciation of fixed assets and the amortization of intangible assets fell 9.7% year-on-year to RUB 1,265 m, driven by the growth in the share of fully depreciated fixed assets.

During the reporting period, Detsky Mir's FX gains totaled RUB 114 m, compared to a loss of RUB 204 m in the same period last year. The key drivers included the revaluation of foreign currency liabilities (accounts payable to suppliers of goods), as well as the result of executing previously opened forwards and revaluing new ones.

Consolidated Cash Flow Statement Highlights

Russian Ruble (RUB), million	(IAS) "17"		Δ, %	(IFRS) "16"	
	Q2 2021	Q2 2020		Q2 2021	Q2 2020
Adjusted EBITDA	4 422	3 560	24,2%	7 031	5 274
Add / (deduct):	-	-		-	-
Change in working capital	(3 433)	(3 067)	+11,9%	(3 513)	(3 202)
Net interest and income tax paid	(1 082)	(937)	+15,5%	(1 654)	(1 527)
Other operating cash flows	171	480	-64,3%	158	438
Net cash used in operating activities	79	36	119,4%	2 022	983
Net cash used in investing activities	(989)	(322)	+207,1%	(989)	(322)
Net cash generated from financing activities	673	(7 255)	-	(1 270)	(8 202)
Net increase in cash & cash equivalents	(237)	(7 905)	-97,0%	(237)	(7 905)
Effect of changes in foreign exchange rates	43	(364)	-	43	(364)

Russian Ruble (RUB), million	(IAS) "17"		Δ, %	(IFRS) "16"	
	H1 2021	H1 2020		H1 2021	H1 2020
Adjusted EBITDA	7 525	5 820	29,3%	12 695	9 973
Add / (deduct):					
Change in working capital	(10 801)	(10 747)	+0,5%	(10 793)	(10 818)
Net interest and income tax paid	(2 131)	(1 818)	+17,2%	(3 234)	(3 050)
Other operating cash flows	542	401	+35,2%	516	357
Net cash used in operating activities	(4 865)	(6 344)	-23,3%	(817)	(3 537)
Net cash used in investing activities	(1 934)	(648)	+198,5%	(1 934)	(648)
Net cash generated from financing activities	5 946	8 499	-30,0%	1 898	5 692
Net increase in cash & cash equivalents	(853)	1 162		(853)	1 162
Effect of changes in foreign exchange rates	(153)	(345)		(153)	(345)

In Q2 2021, operating cash flow before changes in working capital (adjusted EBITDA) grew 24.2% year-on-year, reaching RUB 4.4 bn. The Company's investments in working capital increased 11.9% year-on-year to RUB 3.4 bn.

Net interest expenses and income tax in the reporting period increased 15.5% to RUB 1.1 bn. The Company's other operating cash income was RUB 171 m vs. a cash inflow of RUB 480 m in the same period last year. The growth in other operating cash flows was primarily driven by changes in non-cash items (provisions for inventory write-downs and depreciation of fixed assets, LTI expenses, etc.).

As a result, cash from operations increased to RUB 79 m in Q2 2021 vs. RUB 36 m in the same period last year.

Cash used to finance investment activities and to acquire fixed and intangible assets increased 2.1x year-on-year to RUB 989 m. A significant increase in capital investments is associated with the advance payment for the construction of the third federal distribution center in the Urals in the amount of 460 million rubles. The amount of capital investments in the expansion of the retail network amounted to 227 million rubles at the end of the 2nd quarter of 2021.

Cash from financing activities in the reporting period amounted to RUB 673 m vs. an outflow of RUB 7.3 bn in the same period last year. The change was due to the repayment of loans in the 2nd quarter of 2020 that were opened in the 1st

quarter of 2020 to increase cash liquidity in order to mitigate the liquidity risks on the back of the coronavirus pandemic, while in 2021 there were no reasons for increasing the volume of borrowings.

As of 30 June 2021, Detsky Mir's total debt was RUB 24.5 bn, with short-term loans accounting for 38.3% and long-term loans accounting for 61.7%. Net debt decreased 5.0% year-on-year to RUB 23.7 bn amid higher cash liquidity at the Company. All of the Company's debt is denominated in Russian rubles. As of 30 June 2021, the Company's available undrawn credit limit with leading Russian and international banks totaled RUB 33.9 bn. Net debt/adjusted EBITDA decreased to 1.3x compared to 1.6x at June 2020-end.

Conference Call Information

Detsky Mir's management will host a conference call on 25th August at 16:00 (Moscow time)/14:00 (London time)/9:00 (New York time) to discuss the Company's Q2 & H1 2021 unaudited IFRS Financial Results.

The dial-in numbers for the conference call are:

Russia

+7 495 283 98 58

UK

+44 203 984 98 44

USA

+1 718 866 46 14

PIN

288 543#

Web dial-in and presentation: [Q2 2021 Unaudited IFRS Results Presentation](#)

Replay link: ir.detmir.ru

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Detsky Mir Group (MOEX: DSKY) is a multi-vertical digital retailer and the leader in the children's goods sector in Russia and Kazakhstan, as well as a significant player in Belarus. The Group comprises the Detsky Mir and the Detmir Pickup retail chains, the detmir.ru online store and marketplace, as well as the Zozavr pet supplies retail chain. Detsky Mir Group operates 956 stores located in 393 cities and towns in Russia, Kazakhstan and Belarus as of 31 July 2021. The total space of the retail chains was approximately 1,156,000 sq. m. The total warehouse space was 146,000 sq. m.

Detsky Mir's shareholder structure: Gulf Investments Limited (Altus Capital) – 29.9%; Free-float – 70.1% (incl. quasi-treasury shares and shares held by management and directors – 0.3% of total shares).

Websites: detmir.ru, ir.detmir.ru

Disclaimer

Some of the information in these materials may contain projections or other forward-looking statements regarding future events or the future financial performance of Detsky Mir. You can identify forward-looking statements by terms such as "expect", "believe", "anticipate", "estimate", "intend", "will", "could," "may" or "might", the negative of such terms or other similar expressions.

Detsky Mir wishes to warn you that these statements are only predictions and that actual events or results may differ materially. Detsky Mir does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of Detsky Mir, including, among others, general economic conditions, the competitive environment, risks associated with operating in the Russian Federation, rapid technological and market changes in the industries in which Detsky Mir operates, the impact of the COVID-19 pandemic on the macroeconomic situation in said markets and on the financial results of Detsky Mir Group, as well as many other risks specifically related to Detsky Mir and its operations.

Notes:

- (1) Hereinafter, the data on comparative dynamics are given year-on-year and exclude the effect of the new IFRS 16 – Leases accounting standard. The Company's consolidated financial metrics for 2020–2021 and related interim periods are based on proforma financial information prepared as if IFRS 16 – Leases had not been adopted, and thus do not represent IFRS measures.
- (2) Hereinafter, GMV (gross merchandise value) includes purchases at the Group's retail stores and goods and services sold through the website and mobile application, which may be own or third-party goods and services. GMV includes value added tax, net of discounts given to customers and net of returns and canceled orders during the reporting period.
- (3) Hereinafter, total online sales include all sales through the Company website and mobile app, including home delivery and in-store pickup. It includes value added tax, net of discounts given to customers and net of returns and cancelled orders during the reporting period.
- (4) Hereinafter, revenue is net of value added tax and includes revenue from the sale of goods as well as fees charged by the Group to third-party sellers for selling their goods through the Group marketplace. "Detsky Mir in Russia" includes all sales of children's goods in Russia, as well as the sales results of the Detmir Pickup chain. "Zoozavr" includes all sales of pet products, including sales made via the Company website and mobile app. "Other" includes the results of ELC and ABC stores.
- (5) Hereinafter, selling, general and administrative expenses (SG&A) are calculated as selling, general and administrative expenses adjusted for depreciation of fixed assets and amortization of intangible assets, as well as share-based and cash bonus payments to the management under the Long-Term Incentive (LTI) program.
- (6) Hereinafter, adjusted EBITDA is calculated as profit for the period before income tax, foreign exchange (loss)/gain, finance income, finance expense, depreciation of fixed assets and amortization of intangible assets, adjusted for a one-off forgivable loan and share-based and cash bonus payments to the management under the Long-Term Incentive (LTI) program. See Attachment A.
- (7) Hereinafter, see Attachment A for definitions and reconciliation of EBITDA to IFRS financial metrics.
- (8) Hereinafter, adjusted net profit (net profit) is calculated as profit for the period adjusted for a one-off forgivable loan and the share-based and cash bonus payments to the management under the Long-Term Incentive (LTI) program. See Attachment A.
- (9) Hereinafter, net debt is calculated as total borrowings (defined as long-term loans and borrowings, short-term loans and borrowings, and the current portion of long-term loans and borrowings) less cash and cash equivalents. Lease liabilities are not included in the calculation of net debt. Adjusted EBITDA LTM is calculated as adjusted EBITDA for the last 12 months.
- (10) Includes all merchandise featured on the Company website and mobile app.
- (11) Reflects the total number of app installations between its launch (December 2019) and the end of the reporting period.
- (12) MAU – monthly active users – indicates the average number of active mobile app users in a month.
- (13) LFL sales growth in Russian rubles, LFL number of tickets growth and LFL average ticket growth are based on stores in operation for at least 12 full calendar months preceding the reporting date. A store is considered comparable and is included in the calculation of the monthly LFL if the difference between the number of days worked in comparable months does not exceed three working days.
- (14) In order to improve margins by accelerating the opening of our small-format Detmir Pickup stores, the Group decided to close its ELC and ABC stores in Q3 2020, which accounted for less than 0.8% of total Group revenue in 2019.
- (15) Hereinafter, despite the fact that the Company has adopted IFRS 16 – Leases for its audited financial results early (from 1 January 2018), key financial metrics in the unaudited statements have been compared as though IFRS 16 had not been applied, as in management's opinion, this approach allows the Company to more accurately assess the trends and dynamics of its business growth. This table also sets out our financial results in accordance with IFRS 16 – Leases.

Appendix A

EBITDA is calculated as profit for the period before income tax, FX gain/(loss), finance expense, finance income, depreciation of fixed assets and amortization of intangible assets, as well as profit from acquiring controlling stakes in subsidiary companies. EBITDA margin is calculated as EBITDA expressed as a percentage of revenue. Our definition of EBITDA may differ from that of other companies; it is not an IFRS measure and should be considered in addition to, but not as a substitute for, the information contained in our consolidated financial statements. We believe that EBITDA provides useful information to investors because it is an indicator of the strength and performance of our ongoing business operations, including our ability to fund capital expenditures, acquisitions of businesses and other investments and our ability to raise finance and service debt. While depreciation and amortization are considered operating costs under IFRS, these expenses primarily represent the non-cash expenses associated with long-term assets acquired or created in prior periods. Our approach to EBITDA calculation is commonly used by investors and analysts to evaluate and compare the current and future operating performance and value of companies.


Adjusted EBITDA and adjusted profit for the period are used to evaluate the operating performance of companies and represent financial metrics adjusted for one-off gains and losses beyond business operations. We believe that adjusted metrics provide investors with additional useful information to measure our financial performance, particularly comparable data from period to period, because they exclude one-off gains and losses.

RUB m	IAS "17"		IFRS "16"	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Profit / (Loss) for the period	3 859	1 357	3 822	737
Add / (deduct):				
Finance income	(2)	(57)	(3)	(57)
Finance expense	464	765	1 035	1 355
Foreign exchange loss	(114)	205	(114)	205
Income tax expense / (benefit)	611	529	601	374
Depreciation and amortization	639	715	2 722	2 614
EBITDA	5 457	3 514	8 064	5 227
Reverse effect of:				
Additional bonus accruals under the LTI program / (Income received from partial termination of employees' right to receive shares under the LTI program)	220	46	220	46
Forgivable loan (one-off)	(1 255)	-	(1 255)	-
Adjusted EBITDA	4 422	3 560	7 029	5 274

RUB m	IAS "17"		IFRS "16"	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Profit / (Loss) for the period	3 859	1 357	3 822	737
Reverse effect of:				
Additional bonus accruals under the LTI program / (Income received from partial termination of employees' right to receive shares under the LTI program) with related tax effects	176	37	176	37
Forgivable loan (one-off)	(1 255)	-	(1 255)	-
Adjusted net profit	2 781	1 394	2 743	774

RUB m	IAS "17"		IFRS "16"	
	H1 2021	H1 2020	H1 2021	H1 2020
Profit / (Loss) for the period	5 173	1 102	5 116	384
Add / (deduct):				
Finance income	(4)	(66)	(7)	(66)
Finance expense	867	1 250	1 970	2 481
Foreign exchange loss	(58)	1 471	(58)	1 471
Income tax expense / (benefit)	1 044	278	1 030	99
Depreciation and amortization	1 266	1 401	5 404	5 220
EBITDA	8 287	5 436	13 454	9 590
Reverse effect of:				
Additional bonus accruals under the LTI program / (Income received from partial termination of employees' right to receive shares under the LTI program)	493	384	493	384
Forgivable loan (one-off)	(1 255)	-	1 255	-
Adjusted EBITDA	7 525	5 820	12 695	9 973

RUB m	МСФО (IAS) "17"	МСФО (IFRS) "16"
	1 пол. 2021	1 пол. 2021



		1 пол. 2020	1 пол. 2020	1 пол. 2020
Profit / (Loss) for the period	5 173	1 102	5 116	384
<i>Reverse effect of:</i>				
Additional bonus accruals under the LTI program / (Income received from partial termination of employees' right to receive shares under the LTI program) with related tax effects	394	307	394	307
Forgivable loan (one-off)	(1 255)	-	(1 255)	-
Adjusted net profit	4 312	1 409	4 256	691

Attachment B

DETSKY MIR GROUP

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME WITH APPLICATION OF IFRS 16 "LEASES" (IN MILLIONS OF RUSSIAN RUBLES)

	For the half-year ended	
	30 June 2021	30 June 2020
Revenue	73,067	59,856
Cost of sales	(50,592)	(41,890)
GROSS PROFIT	22,475	17,966
Selling, general and administrative expenses	(15,804)	(13,636)
Forgivable loan	1,255	-
Other operating income, net	125	39
OPERATING PROFIT	8,051	4,369
Finance income	7	66
Finance expenses	(1,970)	(2,481)
Foreign exchange gain/(loss), net	58	(1,471)
PROFIT BEFORE INCOME TAX	6,146	483
Income tax expense	(1,030)	(99)
PROFIT FOR THE PERIOD	5,116	384
Other comprehensive loss:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Effect of translation to presentation currency	(6)	(30)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,110	354

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021 (UNAUDITED)
(IN MILLIONS OF RUSSIAN RUBLES)

	30 June 2021	31 December 2020
ASSETS		
NON-CURRENT ASSETS:		
Property, plant and equipment	10,074	9,274
Intangible assets	1,369	1,524
Right-of-use assets	34,432	33,726
Deferred tax assets	2,543	2,811
Other non-current assets	133	124
Total non-current assets	48,551	47,459
CURRENT ASSETS:		
Inventories	48,163	42,494
Trade receivables	2,990	3,670
Advances paid and other receivables	1,801	1,535
Prepaid income tax	25	10
Cash and cash equivalents	820	1,826
Total current assets	53,799	49,535
TOTAL ASSETS	102,350	96,994
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	1	1
Treasury shares	(323)	(407)
Additional paid-in capital	5,793	5,793
Accumulated deficit	(7,522)	(8,145)
Currency translation reserve	120	126
Total equity deficit	(1,931)	(2,632)
NON-CURRENT LIABILITIES:		
Lease liabilities	29,437	28,619
Long-term loans and borrowings	15,110	12,200
Deferred tax liabilities	101	92
Total non-current liabilities	44,648	40,911
CURRENT LIABILITIES:		
Trade payables	31,103	35,770
Short-term loans and borrowings and current portion of long-term loans and borrowings	9,382	7,582
Lease liabilities	8,169	8,227
Advances received, other payables and accrued expenses	10,480	5,975
Deferred revenue	481	527
Income tax payable	18	634
Total current liabilities	59,633	58,715
Total liabilities	104,281	99,626
TOTAL EQUITY AND LIABILITIES	102,350	96,994

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2021 (UNAUDITED)
(IN MILLIONS OF RUSSIAN RUBLES)**

	For the half-year ended	
	30 June 2021	30 June 2020 (restated) ¹
OPERATING ACTIVITIES:		
Profit for the period	5,116	384
Adjustments for:		
Depreciation and amortization expense	5,406	5,220
Finance expenses	1,970	2,481
Write-offs of merchandise inventories relating to shrinkage and write-down to net realizable value	1,066	799
Income tax expense recognized in profit or loss	1,030	99
Expense on equity-settled share-based compensation	153	22
Finance income	(7)	(66)
Gain on settlement of equity-settled share-based compensation	(52)	-
Foreign exchange (gain)/loss, net	(58)	1,471
Change in estimated breakage of bonus points under loyalty program	(97)	(36)
Forgivable loan	(1,255)	-
Other	(62)	(43)
Changes in working capital:		
Decrease in trade receivables	680	2,287
(Increase)/decrease in advances paid and other receivables	(292)	494
Increase in inventories	(6,695)	(4,150)
Decrease in trade payables	(4,500)	(8,671)
Decrease in advances received, other payables and accrued expenses	(37)	(854)
Increase in deferred revenue	51	76
Cash generated by/(used in) operations	2,417	(487)
Interest paid	(1,871)	(2,390)
Interest received	4	52
Income taxes paid	(1,367)	(712)
Net cash used in operating activities	(817)	(3,537)
INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(1,756)	(576)
Payments for intangible assets	(189)	(93)
Proceeds from disposal of property, plant and equipment	11	21
Net cash used in investing activities	(1,934)	(648)
FINANCING ACTIVITIES:		
Purchase of treasury shares	-	(90)
Proceeds from loans and borrowings	30,987	49,800
Repayment of loans and borrowings	(25,041)	(41,211)
Lease payments	(4,048)	(2,807)
Net cash generated by financing activities	1,898	5,692
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(853)	1,507
CASH AND CASH EQUIVALENTS, beginning of the period	1,826	1,769
Effect of changes in foreign exchange rates	(153)	(345)
CASH AND CASH EQUIVALENTS, end of the period	820	2,931

¹ In order to improve the presentation of certain lines in the interim condensed consolidated statement of cash flows the Group made the following presentation changes:

1) Separation of the effect of changes in foreign exchange rates for the half-year ended 30 June 2020: "Decrease in trade payables" line was increased by RUB 345 million, whereas "Effect of changes in foreign exchange rates" line was changed for the respective amount.

2) Separation of the change in estimated breakage of bonus points under loyalty program for the half-year ended 30 June 2020: "Increase in deferred revenue" line was increased by RUB 36 million, whereas "Change in estimated breakage of bonus points under loyalty program" line was changed for the respective amount.

DETSKY MIR GROUP

HAD THE GROUP CONTINUED APPLYING IAS 17 INSTEAD OF IFRS 16, UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME WOULD HAVE BEEN AS FOLLOWS:
(IN MILLIONS OF RUSSIAN RUBLES)

	For the half-year ended	
	30 June 2021	30 June 2020
As if IAS 17 "Leases" was applied		
Revenue	73,067	59,856
Cost of sales	(50,592)	(41,890)
GROSS PROFIT	22,475	17,966
Selling, general and administrative expenses	(16,807)	(13,938)
Forgivable loan	1,255	-
Other operating income, net	99	7
OPERATING PROFIT	7,022	4,035
Finance income	4	66
Finance expenses	(867)	(1,250)
Foreign exchange gain/(loss), net	58	(1,471)
PROFIT BEFORE INCOME TAX	6,217	1,380
Income tax expense	(1,044)	(278)
PROFIT FOR THE PERIOD	5,173	1,102
Other comprehensive loss:		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Effect of translation to presentation currency	(14)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,159	1,099

HAD THE GROUP CONTINUED APPLYING IAS 17 INSTEAD OF IFRS 16, UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION WOULD HAVE BEEN AS FOLLOWS:
(IN MILLIONS OF RUSSIAN RUBLES)

	30 June 2021	31 December 2020
As if IAS 17 "Leases" was applied		
ASSETS		
NON-CURRENT ASSETS:		
Property, plant and equipment	10,074	9,274
Intangible assets	1,369	1,524
Deferred tax assets	1,858	2,140
Other non-current assets	229	219
Total non-current assets	13,530	13,157
CURRENT ASSETS:		
Inventories	48,163	42,494
Trade receivables	2,990	3,670
Advances paid and other receivables	2,087	1,812
Prepaid income tax	25	10
Cash and cash equivalents	820	1,826
Total current assets	54,085	49,812
TOTAL ASSETS	67,615	62,969
EQUITY AND LIABILITIES		
EQUITY:		
Share capital	1	1
Treasury shares	(323)	(407)
Additional paid-in capital	5,793	5,793
Accumulated deficit	(4,799)	(5,462)
Currency translation reserve	114	127
Total equity	786	52
NON-CURRENT LIABILITIES:		
Long-term loans and borrowings	15,110	12,200
Deferred tax liabilities	101	92
Total non-current liabilities	15,211	12,292
CURRENT LIABILITIES:		
Trade payables	31,103	35,770
Short-term loans and borrowings and current portion of long-term loans and borrowings	9,382	7,582
Advances received, other payables and accrued expenses	10,634	6,112
Deferred revenue	481	527
Income tax payable	18	634
Total current liabilities	51,618	50,625
Total liabilities	66,829	62,917
TOTAL EQUITY DEFICIT AND LIABILITIES	67,615	62,969

HAD THE GROUP CONTINUED APPLYING IAS 17 INSTEAD OF IFRS 16, UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS WOULD HAVE BEEN AS FOLLOWS:

(IN MILLIONS OF RUSSIAN RUBLES)

	For the half-year ended	
	30 June 2021	30 June 2020 (restated) ²
As if IAS 17 "Leases" was applied		
OPERATING ACTIVITIES:		
Profit for the period	5,173	1,102
Adjustments for:		
Depreciation and amortization expense	1,265	1,401
Write-offs of merchandise inventories relating to shrinkage and write-down to net realizable value	1,066	799
Income tax expense recognized in profit or loss	1,044	278
Finance expenses	867	1,250
Expense on equity-settled share-based compensation	153	22
Finance income	(4)	(66)
Gain on settlement of equity-settled share-based compensation	(52)	-
Foreign exchange (gain)/loss, net	(58)	1,471
Change in estimated breakage of bonus points under loyalty program	(97)	(36)
Forgivable loan	(1,255)	-
Other	(35)	-
Changes in working capital:		
Decrease in trade receivables	680	2,287
(Increase)/decrease in advances paid and other receivables	(300)	625
Increase in inventories	(6,695)	(4,150)
Decrease in trade payables	(4,500)	(8,671)
Decrease in advances received, other payables and accrued expenses	(37)	(914)
Increase in deferred revenue	51	76
Cash used in operations	(2,734)	(4,526)
Interest paid	(768)	(1,158)
Interest received	4	52
Income tax paid	(1,367)	(712)
Net cash used in operating activities	(4,865)	(6,344)
INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(1,756)	(576)
Payments for intangible assets	(189)	(93)
Proceeds from disposal of property, plant and equipment	11	21
Net cash used in investing activities	(1,934)	(648)
FINANCING ACTIVITIES:		
Purchase of treasury shares	-	(90)
Proceeds from loans and borrowings	30,987	49,800
Repayment of loans and borrowings	(25,041)	(41,211)
Net cash generated by financing activities	5,946	8,499
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(853)	1,507
CASH AND CASH EQUIVALENTS, beginning of the period	1,826	1,769
Effect of changes in foreign exchange rates	(153)	(345)
CASH AND CASH EQUIVALENTS, end of the period	820	2,931

² In order to improve the presentation of certain lines in the interim condensed consolidated statement of cash flows the Group made the following presentation changes:

1) Separation of the effect of changes in foreign exchange rates for the half-year ended 30 June 2020: "Decrease in trade payables" line was increased by RUB 345 million, whereas "Effect of changes in foreign exchange rates" line was changed for the respective amount.

2) Separation of the change in estimated breakage of bonus points under loyalty program for the half-year ended 30 June 2020: "Increase in deferred revenue" line was increased by RUB 36 million, whereas "Change in estimated breakage of bonus points under loyalty program" line was changed for the respective amount.