

# **DME LIMITED and subsidiaries**

Interim Condensed Consolidated  
Financial Information  
for the Six-month Period Ended  
30 June 2022 (unaudited)

# DME LIMITED AND SUBSIDIARIES

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## DME LIMITED AND SUBSIDIARIES

### STATEMENT OF MANAGEMENT RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

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Management is responsible for the preparation of the interim condensed consolidated financial information of DME Limited (the “Company”) and its subsidiaries (the “Group”) which comprise the interim condensed consolidated statement of financial position as of 30 June 2022, and the interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period ended 30 June 2022, in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*.

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

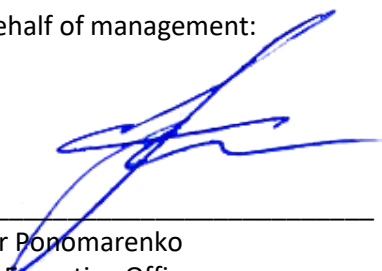
- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient 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 information of the Group complies with IAS 34;
- maintaining statutory accounting records in compliance with local legislation and accounting standards in the respective jurisdictions in which the companies of the Group operate;
- taking such steps as are reasonably available to them to safeguard the assets of the Group; and
- preventing and detecting fraud and other irregularities.

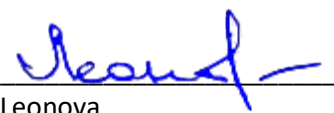
The interim condensed consolidated financial information for the six-month period ended 30 June 2022 was approved by management on 28 October 2022.

On behalf of management:



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Viktor Ponomarenko  
Chief Executive Officer



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Elena Leonova  
Chief Financial Officer

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

To: Shareholders of DME Limited

### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of DME Limited and its subsidiaries as of 30 June 2022, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### Scope of Review

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

### Conclusion

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

### Material Uncertainty Related to Going Concern

We draw attention to Notes 23 and 24 of the interim condensed consolidated financial information, which describes that, following the further escalation of a military conflict between Russia and Ukraine starting since February 2022 and imposition of additional wide-ranging sanctions on the Russian Federation, there has been a significant deterioration in the Group's operating conditions impacting the Group's business and its ability to meet obligations as they become due.

These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. Management's plans with regard to these matters are also discussed in Notes 2 and 24 to the interim condensed consolidated financial statements. Our conclusion is not modified in respect of this matter.

AO BST

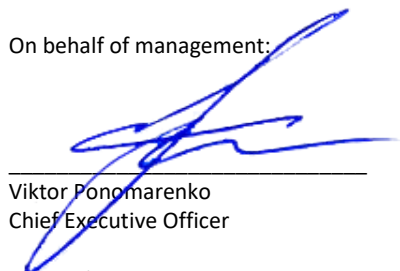
28 October 2022

## DME LIMITED AND SUBSIDIARIES

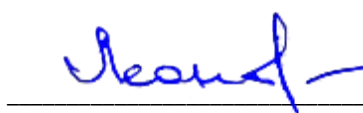
### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (Amounts in millions of Russian Rubles)

	Notes	2022	2021
Revenue	4	15,434	13,743
Operating expenses	5	(13,446)	(10,895)
<b>Operating profit</b>		<b>1,988</b>	<b>2,848</b>
Finance cost	6	(1,448)	(2,519)
Interest income		95	127
Foreign exchange gain, net		13,251	828
<b>Profit before income tax</b>		<b>13,886</b>	<b>1,284</b>
Income tax	7	(154)	(232)
<b>Profit and total comprehensive income for the period</b>		<b>13,732</b>	<b>1,052</b>
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		13,716	1,039
Non-controlling interests		16	13
		<b>13,732</b>	<b>1,052</b>

On behalf of management:

  
Viktor Ponomarenko  
Chief Executive Officer

28 October 2022

  
Elena Leonova  
Chief Financial Officer


The accompanying notes form an integral part of this interim condensed consolidated financial information.

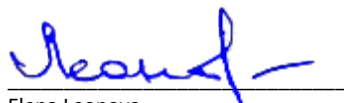
# DME LIMITED AND SUBSIDIARIES

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2022 (UNAUDITED) (Amounts in millions of Russian Rubles)

	Notes	30 June 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	99,573	100,520
Advances for acquisition of non-current assets	8	1,289	1,119
Investment property	9	635	652
Right-of-use assets		257	219
Intangible assets		1,172	1,313
Deferred tax asset		2,784	2,599
Other financial instruments		305	426
Finance lease receivable	10	146	248
Trade and other receivables	11	1,564	1,377
Other non-current assets	13	1,331	2,058
<b>Total non-current assets</b>		<b>109,056</b>	<b>110,531</b>
<b>Current assets</b>			
Inventory	14	1,995	2,170
Trade and other receivables	11	2,001	2,298
Prepayments and other current assets	12	2,311	2,244
Prepaid current income tax		263	261
Finance lease receivable	10	117	182
Other financial instruments		547	32
Cash and cash equivalents	15	3,725	5,521
<b>Total current assets</b>		<b>10,959</b>	<b>12,708</b>
<b>TOTAL ASSETS</b>		<b>120,015</b>	<b>123,239</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	11,877	11,877
Retained earnings	16	39,731	28,098
Equity attributable to the owners of the Company		51,608	39,975
Non-controlling interests		(110)	(126)
<b>Total equity</b>		<b>51,498</b>	<b>39,849</b>
<b>Non-current liabilities</b>			
Deferred tax liability		6,363	6,200
Lease liability		87	73
Debt securities	17	23,021	48,254
Loans	17	615	1,308
Trade and other payables	18	250	119
<b>Total non-current liabilities</b>		<b>30,336</b>	<b>55,954</b>
<b>Current liabilities</b>			
Trade and other payables	18	3,632	4,440
Current income tax payable		1,131	1,161
Taxes other than income tax payable	19	3,567	2,729
Dividends payable	16	1,183	280
Lease liability		124	215
Accrued expenses and other current liabilities	20	1,982	1,581
Loans	17	5,393	686
Debt securities	17	21,169	16,344
<b>Total current liabilities</b>		<b>38,181</b>	<b>27,436</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120,015</b>	<b>123,239</b>

On behalf of management:

  
Viktor Ponomarenko  
Chief Executive Officer

  
Elena Leonova  
Chief Financial Officer

28 October 2022


The accompanying notes form an integral part of this interim condensed consolidated financial information.

# DME LIMITED AND SUBSIDIARIES

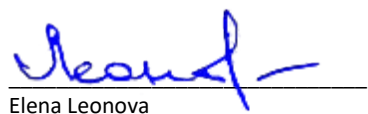
## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (Amounts in millions of Russian Rubles)

	2022	2021
<b>Cash flows from operating activities:</b>		
Profit before income tax	13,886	1,284
Adjustments for:		
Depreciation and amortization	2,401	2,433
Change in allowance for impairment of accounts receivable, advances to suppliers and advances for acquisition of non-current assets	52	8
Interest income	(95)	(127)
Finance cost	1,448	2,519
Foreign exchange gain, net	(13,251)	(828)
Income obtained under government sponsored COVID-19 program	-	(569)
Other non-cash items	160	292
<b>Net cash from operating activities before working capital changes</b>	<b>4,601</b>	<b>5,012</b>
Decrease in inventory	156	20
Increase in trade and other receivables	(121)	(793)
(Increase)/ decrease in prepayments and other current assets	(45)	251
(Decrease)/ increase in trade and other payables	(749)	129
Decrease in provisions	-	(55)
Increase/ (decrease) in taxes other than income tax payable	818	(167)
Increase in accrued expenses and other current liabilities	291	661
<b>Net cash from operating activities before income tax</b>	<b>4,951</b>	<b>5,058</b>
Income tax paid	(190)	(321)
<b>Net cash provided by operating activities</b>	<b>4,761</b>	<b>4,737</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(1,235)	(1,204)
Purchases of intangible assets	(216)	(154)
Proceeds from disposal of property, plant and equipment	16	10
Other financial instruments issued	(870)	-
Interest received	86	132
<b>Net cash used in investing activities</b>	<b>(2,219)</b>	<b>(1,216)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from loans and debt securities	4,950	33,623
Repayments of loans and debt securities	(5,365)	(35,150)
Repayments of lease liabilities	(85)	(62)
Premium for early redemption paid	-	(603)
Interest paid	(1,964)	(1,564)
Dividends paid (Note 16)	(1,053)	(1,918)
<b>Net cash used in financing activities</b>	<b>(3,517)</b>	<b>(5,674)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(975)</b>	<b>(2,153)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,521</b>	<b>7,658</b>
Foreign exchange loss on cash and cash equivalents	(821)	(621)
<b>Cash and cash equivalents at the end of the period (Note 15)</b>	<b>3,725</b>	<b>4,884</b>

On behalf of management:

  
Viktor Popomarenko  
Chief Executive Officer

28 October 2022

  
Elena Leonova  
Chief Financial Officer

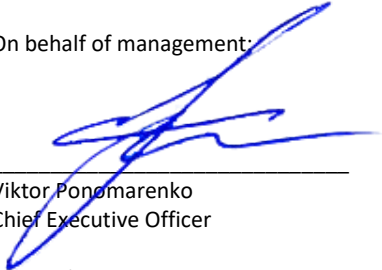
The accompanying notes form an integral part of this interim condensed consolidated financial information.

## DME LIMITED AND SUBSIDIARIES

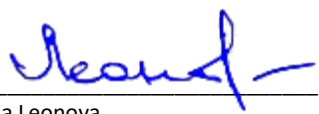
### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (Amounts in millions of Russian Rubles)

	Share capital	Retained earnings	Equity attributable to the owners of the Company	Non-controlling interests	Total
<b>Balance as of 1 January 2021</b>	<b>11,877</b>	<b>25,895</b>	<b>37,772</b>	<b>(138)</b>	<b>37,634</b>
Profit and total comprehensive income for the period	-	1,039	1,039	13	1,052
Dividends (Note 16)	-	(270)	(270)	-	(270)
<b>Balance as of 30 June 2021</b>	<b>11,877</b>	<b>26,664</b>	<b>38,541</b>	<b>(125)</b>	<b>38,416</b>
<b>Balance as of 1 January 2022</b>	<b>11,877</b>	<b>28,098</b>	<b>39,975</b>	<b>(126)</b>	<b>39,849</b>
Profit and total comprehensive income for the period	-	13,716	13,716	16	13,732
Dividends (Note 16)	-	(2,083)	(2,083)	-	(2,083)
<b>Balance as of 30 June 2022</b>	<b>11,877</b>	<b>39,731</b>	<b>51, 608</b>	<b>(110)</b>	<b>51,498</b>

On behalf of management:

  
Viktor Ponomarenko  
Chief Executive Officer

28 October 2022

  
Elena Leonova  
Chief Financial Officer

The accompanying notes form an integral part of this interim condensed consolidated financial information.



## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) *(Amounts in millions of Russian Rubles, unless otherwise stated below)*

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#### 1. NATURE OF THE BUSINESS

DME Limited (previously FML Limited, hereinafter the “Company”) is a limited liability company initially incorporated under the laws of the Isle of Man in February 2001. Immediately following the formation of the Company an entity under common control transferred to the Company a number of entities operating as a group since 1996. The assets and liabilities of the entities were transferred to the Company at their previous carrying amounts. In 2012 the Company transferred its registered office and place of domicile to the Republic of Cyprus.

The principal activities of the Company, together with its subsidiaries (collectively the “Group”) are the management, operation and development of Domodedovo airport, including servicing international and domestic passenger and cargo flights. The Group also sells fuel and pre-packaged meals as well as provides airport-related commercial services such as leasing of retail and advertising space, leasing of other commercial properties and car parking services. The Group’s principal place of business is Domodedovo airport in the Moscow region, Russia.

The Group operates in three business segments: aviation services, auxiliary aviation services and commercial services.

The Group does not have any equity in DME Airport Designated Activity Company. It is a special purpose entity that was established with a sole purpose of serving as a vehicle for the Group to issue loan participation notes (“LPNs”) on the Irish Stock exchange and does not perform any other activities. The LPNs are guaranteed by several companies of the Group in the event of default. Accordingly, the Group concluded that it exercises control over the entity.

The ultimate controlling party of the Group is Mr. Dmitry Kamenshchik.

The interim condensed consolidated financial information of the Group for the six-month period ended 30 June 2022 was authorized for issue by management on 28 October 2022.

#### 2. BASIS OF PRESENTATION

##### Statement of compliance

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

This financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group’s audited annual consolidated financial statements for 2021 prepared in accordance with International Financial Reporting Standards (“IFRS”).

Exchange rates for the main foreign currencies in which the Group transacts were as follows:

	<u>30 June 2022</u>	<u>31 December 2021</u>
<b>Closing exchange rates</b>		
Russian Ruble/USD	51.16	74.29
Russian Ruble/EUR	53.86	84.07
	<u>30 June 2022</u>	<u>30 June 2021</u>
<b>Average exchange rates for the six-month ended</b>		
Russian Ruble/USD	74.79	74.27
Russian Ruble/EUR	81.57	89.54

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) *(Amounts in millions of Russian Rubles, unless otherwise stated below)*

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#### Seasonality

The business of the Group is normally subject to significant seasonal fluctuations in its operations, such as a significant increase in passenger traffic in the summer months and September, typically peaking in August, and a decrease in passenger traffic in the first three months of the calendar year, typically reaching the lowest point in February. However, these normal seasonal trends have significantly been affected or overridden by the impact of international and domestic flight restrictions for Russian airlines as highlighted in this interim condensed consolidated financial information.

#### Going concern

This interim condensed consolidated financial information is prepared under the going concern basis of accounting, which implies the realization of assets and settlement of liabilities in the normal course of business.

As of 30 June 2022, the Group's current liabilities exceeded its current assets by RUB 27,222 million largely because of 2023 LPNs and Five-year debt securities notes issued in 2017 (Note 17) falling due within 12 months from the reporting date.

Management concluded that owing to difficult operating environment following the events described in Notes 23 and 24, there exists a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern.

Management is taking steps to mitigate the negative impact of these conditions, which include:

- Exploring various scenarios for refinancing the Group's debt obligations, including preparations for registration of ruble denominated debt securities issuance program on the Moscow Exchange for up to RUB 50 000 million and negotiations with banks;
- Strengthening credit control and monitoring of cash collections;
- Continuing to negotiate better payment terms with key suppliers;
- Actively engaging with the Russian government to obtain tax payment deferrals and other support, where available.

Management believe they are taking appropriate measures to support the Group's business in the current circumstances and that therefore it is appropriate to prepare these consolidated financial statements on the assumption that the Group will continue as a going concern in the foreseeable future, which implies the realization of assets and settlement of liabilities in the normal course of business.

#### Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements as of 31 December 2021 and for the year then ended, except as discussed below.

**Income tax expense** – Income tax expenses are recognized in interim periods based on the best accounting estimate of the weighted average annual income tax rate expected for the full financial year.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) *(Amounts in millions of Russian Rubles, unless otherwise stated below)*

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#### IFRS and IFRS IC interpretations adopted by the Group

During the six-month period ended 30 June 2022 the Group has adopted all new and revised standards and interpretations issued by the IASB and the IFRS IC of the IASB that are mandatory for adoption in the annual period ending 31 December 2022:

Standards and Interpretations	Effective from
Amendments to IFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022

These changes and improvements to the standards have not resulted in any significant changes to the interim condensed consolidated financial information of the Group.

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the Group's annual consolidated financial statements for 2021 prepared in accordance with IFRS.

### 4. SEGMENT INFORMATION

Information reported to the chief operating decision maker of the Group ("CODM") for the purposes of resource allocation and assessment of segment performance is focused on the nature of services provided.

The Group's reportable segments are as follows:

**Aviation services** – includes aviation services, such as use of terminal, take-off and landing, and aviation security.

**Auxiliary aviation services** – includes certain passenger-related services, ground handling, fuelling services, in-flight catering and cargo handling.

**Commercial services** – includes retail concessions and advertising, leasing of other commercial properties and car parking.

Segment information is prepared based on IFRS measures.

The performance of each reportable segment is assessed by the CODM by reference to segment operating profit. Segment operating profit is calculated after headquarters expenses have been allocated between the reportable segments and after elimination intra segment profits and losses.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

The key financial information for the Group's segments for the six-month period ended 30 June 2022 is presented below:

	Aviation services	Auxiliary aviation services	Commercial services	Inter-segment eliminations	Group
Ground handling	-	4,181	-	-	4,181
Airport and other related charges	3,207	-	-	-	3,207
Rental income	26	12	1,582	-	1,620
Jet fueling and storage services	-	1,042	-	-	1,042
Catering	-	1,210	-	-	1,210
Aviation security	916	-	-	-	916
Jet fuel sales	-	2,606	-	-	2,606
Parking fees	-	-	322	-	322
Other revenue	49	89	192	-	330
<b>Third-party revenue</b>	<b>4,198</b>	<b>9,140</b>	<b>2,096</b>	<b>-</b>	<b>15,434</b>
Intersegment revenue	1,293	193	819	(2,305)	-
<b>Total revenue</b>	<b>5,491</b>	<b>9,333</b>	<b>2,915</b>	<b>(2,305)</b>	<b>15,434</b>
<b>Operating (loss)/ profit</b>	<b>(820)</b>	<b>1,753</b>	<b>1,055</b>	<b>-</b>	<b>1,988</b>
<b>Other segment information</b>					
Depreciation and amortization	(1,345)	(690)	(366)	-	(2,401)

Below presented the reconciliation of the segments' operating profit to the Group's profit for the six-month period ended 30 June 2022:

<b>Operating profit</b>	<b>1,988</b>
Finance cost	(1,448)
Interest income	95
Foreign exchange gain, net	13,251
<b>Profit before tax</b>	<b>13,886</b>
Income tax	(154)
<b>Profit for the period</b>	<b>13,732</b>

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

The key financial information for the Group's segments for the six-month period ended 30 June 2021 is presented below:

	Aviation services	Auxiliary aviation services	Commercial services	Inter-segment eliminations	Group
Ground handling	-	4,168	-	-	4,168
Airport and other related charges	3,130	-	-	-	3,130
Rental income	23	13	1,795	-	1,831
Jet fueling and storage services	-	1,169	-	-	1,169
Catering	-	1,135	-	-	1,135
Aviation security	958	-	-	-	958
Jet fuel sales	-	694	-	-	694
Parking fees	-	-	300	-	300
Other revenue	49	103	206	-	358
<b>Third-party revenue</b>	<b>4,160</b>	<b>7,282</b>	<b>2,301</b>	<b>-</b>	<b>13,743</b>
Intersegment revenue	1,189	178	614	(1,981)	-
<b>Total revenue</b>	<b>5,349</b>	<b>7,460</b>	<b>2,915</b>	<b>(1,981)</b>	<b>13,743</b>
<b>Operating (loss)/ profit</b>	<b>(188)</b>	<b>1,809</b>	<b>1,227</b>	<b>-</b>	<b>2,848</b>
<b>Other segment information</b>					
Depreciation and amortization	(1,343)	(723)	(367)	-	(2,433)

Below presented the reconciliation of the segments' operating profit to the Group's loss for the six-month period ended 30 June 2021:

<b>Operating profit</b>	<b>2,848</b>
Finance cost	(2,519)
Interest income	127
Foreign exchange loss, net	828
<b>Loss before tax</b>	<b>1,284</b>
Income tax	(232)
<b>Loss for the period</b>	<b>1,052</b>

The following is the analysis of the Group's largest customers (10% or more of total revenue):

	2022		2021	
	Amount	% of total revenue	Amount	% of total revenue
<b>S7 Group</b>	<b>4,376</b>	<b>28%</b>	<b>4,531</b>	<b>33%</b>
Auxiliary aviation services segment	2,670		2,802	
Aviation services segment	1,461		1,420	
Commercial services segment	245		309	
<b>Emirates</b>	<b>2,023</b>	<b>13%</b>	<b>812</b>	<b>6%</b>
Auxiliary aviation services segment	1,780		625	
Aviation services segment	240		184	
Commercial services segment	3		3	
<b>URAL AIRLINES</b>	<b>1,342</b>	<b>9%</b>	<b>1,524</b>	<b>11%</b>
Auxiliary aviation services segment	843		900	
Aviation services segment	485		612	
Commercial services segment	14		12	

Substantially all assets, management and administrative facilities of the Group are located in the Russian Federation and are not separately reported to the CODM. Furthermore, all revenue is earned within the Russian Federation. Accordingly, geographical revenue and asset information is not presented as part of segmental information.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### 5. OPERATING EXPENSES

	2022	2021
Payroll and related charges:		
Wages and salaries	4,526	4,164
Social taxes	1,256	1,166
Depreciation and amortization	2,401	2,433
Cost of jet fuel	1,865	612
Materials	1,219	1,029
Maintenance	530	493
Public utilities	321	243
Cleaning and waste management	224	351
Transport	216	115
Consulting, audit and other services	214	148
Rent	195	190
Taxes other than income tax	76	72
Staff development and training	65	87
Change in provision for impairment of receivables, advances to suppliers and advances for acquisition of non-current assets	52	8
Communication services expense	35	41
Certification and licensing	26	32
Charity donations	15	15
Advertising expenses	12	24
Government subsidy	-	(569)
Other expenses	198	241
<b>Total operating expenses</b>	<b>13,446</b>	<b>10,895</b>

Other expenses include direct expenses arising from investment property of RUB 20 million and RUB 15 million for the six-month periods ended 30 June 2022 and 2021, respectively.

Rent expenses include variable lease payments that are not dependent on index or rate.

In April 2021 the Group was released from the obligation to repay the outstanding principle amount of the debt under non-revolving credit facility agreements with commercial bank D in accordance with the terms and conditions of government sponsored COVID-19 program. Income from extinguishment of this debt amounting of RUB 569 million was recognized as government subsidy.

#### 6. FINANCE COST

	2022	2021
Interest expense on the LPNs (Note 17)	1,060	1,385
Interest expense on RUB debt securities (Note 17)	619	620
Interest expense on bank loans (Note 17)	31	87
Interest expense on lease liability (Note 17)	18	15
<b>Total interest expense</b>	<b>1,728</b>	<b>2,107</b>
Early redemption charge	-	603
Loss on LPNs modification due to early redemption	-	130
Less: capitalized interest (Note 8)	(280)	(321)
<b>Total finance cost</b>	<b>1,448</b>	<b>2,519</b>

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### 7. INCOME TAX

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 1.11% (2021: 17.97%).

	2022	2021
Current income tax expense	(177)	(364)
Deferred income tax benefit	23	132
<b>Income tax</b>	<b>(154)</b>	<b>(232)</b>

The decrease in the estimated average annual effective tax rate for the six-month period ended 30 June 2022 is mostly attributable to non-taxable foreign exchange gains and losses recognized.

#### 8. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and equipment	Other	CIP	Total
<b>Cost</b>					
<b>1 January 2021</b>	<b>93,812</b>	<b>13,635</b>	<b>1,591</b>	<b>22,723</b>	<b>131,761</b>
Additions	61	108	10	1,695	1,874
Transfers	65	391	18	(474)	-
Disposals	(38)	(113)	(21)	(25)	(197)
<b>30 June 2021</b>	<b>93,900</b>	<b>14,021</b>	<b>1,598</b>	<b>23,919</b>	<b>133,438</b>
Additions	546	23	22	1,130	1,721
Transfers	13	105	18	(136)	-
Disposals	(1)	(81)	(30)	(8)	(120)
<b>31 December 2021</b>	<b>94,458</b>	<b>14,068</b>	<b>1,608</b>	<b>24,905</b>	<b>135,039</b>
Additions	151	39	12	932	1,134
Transfers	77	20	15	(112)	-
Disposals	(1)	(151)	(8)	(12)	(172)
<b>30 June 2022</b>	<b>94,685</b>	<b>13,976</b>	<b>1,627</b>	<b>25,713</b>	<b>136,001</b>
<b>Accumulated depreciation</b>					
<b>1 January 2021</b>	<b>(18,685)</b>	<b>(10,530)</b>	<b>(1,345)</b>	-	<b>(30,560)</b>
Depreciation charge	(1,524)	(508)	(54)	-	(2,086)
Disposals	24	112	21	-	157
<b>30 June 2021</b>	<b>(20,185)</b>	<b>(10,926)</b>	<b>(1,378)</b>	-	<b>(32,489)</b>
Depreciation charge	(1,607)	(479)	(55)	-	(2,141)
Disposals	1	80	30	-	111
<b>31 December 2021</b>	<b>(21,791)</b>	<b>(11,325)</b>	<b>(1,403)</b>	-	<b>(34,519)</b>
Depreciation charge	(1,546)	(468)	(51)	-	(2,065)
Disposals	1	147	8	-	156
<b>30 June 2022</b>	<b>(23,336)</b>	<b>(11,646)</b>	<b>(1,446)</b>	-	<b>(36,428)</b>
<b>Net book value</b>					
<b>30 June 2021</b>	<b>73,715</b>	<b>3,095</b>	<b>220</b>	<b>23,919</b>	<b>100,949</b>
<b>31 December 2021</b>	<b>72,667</b>	<b>2,743</b>	<b>205</b>	<b>24,905</b>	<b>100,520</b>
<b>30 June 2022</b>	<b>71,349</b>	<b>2,330</b>	<b>181</b>	<b>25,713</b>	<b>99,573</b>

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) *(Amounts in millions of Russian Rubles, unless otherwise stated below)*

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“Buildings” consist primarily of passenger and cargo terminals, catering facility, car park and auxiliary buildings.

“Plant and equipment” mainly consists of baggage-processing systems, aircraft servicing equipment, tow tractors, passenger shuttles, parking equipment, machines for disposition of de-icing liquids, introsopes and other operating equipment.

“Construction in-progress” (CIP) consists mainly of capital expenditures related to the construction of passenger terminal T-2, construction of baggage handling system at terminal T-2, reconstruction and extension of cargo terminal.

During the six-month periods ended 30 June 2022 and 2021 the Group capitalized borrowing costs of RUB 280 million and RUB 321 million, respectively.

The weighted average capitalization rate on borrowed funds was 5.5% and 6.8% per annum for the six-month periods ended 30 June 2022 and 2021, respectively.

As of 30 June 2022, no Group’s property, plant and equipment was pledged as collateral for the Group’s borrowings.

#### **Advances for acquisition of non-current assets**

As of 30 June 2022 and 31 December 2021 advances for acquisition of non-current assets in the amounts of RUB 1,289 million and RUB 1,119 million, respectively, consisted of amounts paid for construction of the passenger and cargo terminals and implementation of additional functionalities, modernization of planning and resource management system. The amount of accumulated impairment of advances for acquisition of non-current assets amounted to RUB 21 million as of 30 June 2022 (31 December 2021: RUB 21 million).

#### **Impairment review of the Group’s property, plant and equipment and other non-current non-financial assets**

As of 30 June 2022 management performed an impairment test of its property, plant and equipment and other long-term non-financial assets. The recoverable amount of the Group’s cash generating units was determined by reference to their value in use determined as discounted cash flows resulting from their activities. This recoverable amount was compared with the carrying amount of non-current assets engaged in generating the cash flows. The key assumptions for calculating the recoverable amounts are the discount rate and the length of the period in which passenger traffic would remain depressed due to the current operating conditions. The discount rate used was the Group’s weighted average cost of capital (WACC), which equals 13.37% p.a. for the entire forecasting period. The forecast is based on the general assumption of passenger traffic recovering to pre-COVID 2019 level by 2024. Based on the review performed, no impairment charge was recognized.



## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### 9. INVESTMENT PROPERTY

The Group's investment property consists of administrative buildings, which are leased to several airlines, and a hotel building.

	30 June 2022	31 December 2021
Cost	1,115	1,115
Accumulated depreciation	(480)	(463)
<b>Net book value</b>	<b>635</b>	<b>652</b>

Fair value of the investment properties as of 30 June 2022 was RUB 4,197 million (RUB 4,307 million as of 31 December 2021) and has been arrived at on the basis of a valuation carried out at these dates by an internal professional appraiser with appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to the future cash flows, based on the market evidence for similar properties, discounted at an estimated relevant rate (Level 2 category for determining fair value).

#### 10. LEASES

##### The Group as a lessor

The Group leases out one of the Group's hangars under finance lease terms. The remaining lease term is 5 years. Present value of minimum lease payments is recognized as finance lease receivable.

Presented below is the reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable at the end of the reporting period.

	30 June 2022		31 December 2021	
	Minimum lease payments receivable	Present value of minimum lease payments receivable	Minimum lease payments receivable	Present value of minimum lease payments receivable
Due within one year	147	117	229	182
Due after one year but not more than five years	392	146	727	248
Due after more than five years	-	-	-	-
<b>Total gross / net investment in the lease</b>	<b>539</b>	<b>263</b>	<b>956</b>	<b>430</b>
Less unearned finance income	(276)	-	(526)	-
<b>Present value of minimum lease payments</b>	<b>263</b>	<b>263</b>	<b>430</b>	<b>430</b>

Operating lease agreements consist mainly of short-term contracts for the lease of the Group's trading space and catering areas. Lessees are selected based on the results of tenders. Contracts with the selected lessees are signed for a term of less than one year, and contain an automatic extension clause. The contracts are automatically extended for the subsequent period, unless one of the parties exercises, in due time, its option not to extend the rental period. The lessees do not have an option to purchase the property at the end of the lease period.

Total income from operating lease arrangements is presented in Note 4 as rental income. Rental income includes rentals contingent on passenger traffic volume and shops' turnover of RUB 952 million and RUB 1,110 million for the six-month periods ended 30 June 2022 and 2021, respectively, and rental income from investment properties in the amount of RUB 162 million and RUB 174 million for the six-month periods ended 30 June 2022 and 2021, respectively.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### Group as a lessee

In May 1998 the Group entered into lease arrangement with FGUP "Administration of the Airport Domodedovo" (a state-owned enterprise) for the use of the airport's runways, aprons, taxiways and related equipment for a term of 75 years (the "75-year Lease"). The Group also leases the land on which the airfield is located from the Federal Air Transportation Agency. The term of the lease of land is 49 years from the inception of lease agreement in May 1998.

The most recent revision of the 75-year Lease took place in 2019 and is effective from 1 January 2019. The Group is required to make monthly payments for the right to use the assets during the remaining term of the agreement based on specific methodology issued by the Russian Government in December 2017. Under this methodology the total amount of annual payments depends on average passengers and cargo volumes for the last three years adjusted for multiplier specified in this additional agreement and investments deflator confirmed by the Ministry of Economic Development of the Russian Federation, subject to a minimum annual payment of RUB 1.5 million.

The Group also leases buildings, certain items of movable property and land, and is subject to lease payments which could be modified by the lessor from time to time and which are treated as variable lease payments not dependent on an index or rate under IFRS 16. Total lease expense in respect of such leases is reported in Note 5 as 'Rent'.

#### 11. TRADE AND OTHER RECEIVABLES

	Outstanding balance, gross	Allowance for expected credit losses	Outstanding balance, net
<b>30 June 2022</b>			
Trade receivables	1,159	(154)	1,005
Other receivables	769	(210)	559
<b>Total non-current trade and other receivables</b>	<b>1,928</b>	<b>(364)</b>	<b>1,564</b>
Trade receivables	3,584	(1,631)	1,953
Other receivables	160	(112)	48
<b>Total current trade and other receivables</b>	<b>3,744</b>	<b>(1,743)</b>	<b>2,001</b>
<b>Total</b>	<b>5,672</b>	<b>(2,107)</b>	<b>3,565</b>
<b>31 December 2021</b>			
Trade receivables	1,025	(144)	881
Other receivables	704	(208)	496
<b>Total non-current trade and other receivables</b>	<b>1,729</b>	<b>(352)</b>	<b>1,377</b>
Trade receivables	3,837	(1,636)	2,201
Other receivables	207	(110)	97
<b>Total current trade and other receivables</b>	<b>4,044</b>	<b>(1,746)</b>	<b>2,298</b>
<b>Total</b>	<b>5,773</b>	<b>(2,098)</b>	<b>3,675</b>

The average credit period for the Group's receivables (other than sales carried out on a prepayment basis) is 42 days (2021: 37 days).

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) *(Amounts in millions of Russian Rubles, unless otherwise stated below)*

Included in the Group's total trade and other receivables are debtors with carrying amounts of RUB 1,299 million and RUB 1,097 million as of 30 June 2022 and 31 December 2021, respectively, which are past due at the respective reporting date and which the Group considers to be recoverable (i.e. not impaired). The Group does not hold any collateral over these outstanding balances.

As of 30 June 2022 and 31 December 2021, the current trade receivables related to the largest customer is RUB 870 million and RUB 846 million respectively.

#### 12. PREPAYMENTS AND OTHER CURRENT ASSETS

	30 June 2022	31 December 2021
VAT receivable	1,709	1,506
Advances to suppliers, net of impairment	408	540
Taxes receivable other than income tax and VAT receivable	91	126
Other current assets	103	72
<b>Total</b>	<b>2,311</b>	<b>2,244</b>

#### 13. OTHER NON-CURRENT ASSETS

	30 June 2022	31 December 2021
Restricted cash in FBME bank, net of impairment loss recognized	1,287	1,995
Other non-current receivable	44	63
<b>Other non-current assets</b>	<b>1,331</b>	<b>2,058</b>

Restricted cash in FBME represents cash balances held by the Group at a Cyprus branch of Federal Bank of the Middle East Ltd. ("FBME"), registered in Tanzania, whose banking license was revoked by the Central Bank of Cyprus on 21 December 2015 after investigation of the U.S. Department of the Treasury's Financial Crimes Enforcement Network into money laundering.

The relevant authorities in Cyprus and Tanzania initiated liquidation process for the bank, however there is a continuing legal uncertainty as to the appropriate sequencing of the liquidation process that affects the timing of expected recovery of the Group's cash balances. The bank's liquidation process, which has not yet started, could take a minimum of one to two years to complete.

Based on the information available to the Group, FBME has sufficient solvent funds to honour substantially all of the bank's obligations. The Group expects that once the legal position is finalized and an appropriate liquidator is established the bank's funds will be released, and the Group will recover most of its cash balances with FBME. The Group reassesses an impairment allowance it holds against these balances at each reporting date based on changes in the management's estimate of the likely amounts to be recovered. The total amount of lifetime expected credit losses recognized as of 30 June 2022 was RUB 429 million (as of 31 December 2021 – RUB 665 million). The change in the balance of expected credit losses during the period is primarily attributable to currency revaluation.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) *(Amounts in millions of Russian Rubles, unless otherwise stated below)*

#### 14. INVENTORY

	30 June 2022	31 December 2021
Spare parts	865	850
Supplies	550	579
Raw materials	289	255
Jet fuel	147	322
Other inventory	144	164
<b>Total inventory</b>	<b>1,995</b>	<b>2,170</b>

#### 15. CASH AND CASH EQUIVALENTS

	30 June 2022	31 December 2021
USD-denominated current account balances with banks	2,928	4,241
RUB-denominated cash on hand and balances with banks	781	679
EUR-denominated current account balances with banks	16	7
USD-denominated short-term bank deposits	-	594
<b>Total cash and cash equivalents</b>	<b>3,725</b>	<b>5,521</b>

#### 16. EQUITY

##### Share capital and dividends

There have been no changes in the share capital of the Company during the period.

During six-month period ended 30 June 2022 dividends of USD 7 million and EUR 25 million (RUB 2,083 million at the Central Bank of Russia exchange rate as at the declaration date) were declared out of which USD 2 million and EUR 7.9 million (RUB 794 million at the Central Bank of Russia exchange rate as at the payment date) were paid to the shareholders of the Group. EUR 2.9 million (RUB 259 million at the Central Bank of Russia exchange rate as at the payment date) of dividends declared prior to 1 January 2022 were paid to the shareholders of the Group.

During six-month period ended 30 June 2021 dividends of USD 3.6 million (RUB 270.4 million at the Central Bank of Russia exchange rate as at the declaration date) were declared. USD 2.0 million, EUR 19.4 million (RUB 1,898 million at the Central Bank of Russia exchange rate as at the payment date) and RUB 20 million of dividends declared prior to 1 January 2021 were paid to the shareholders of the Group.

As of 30 June 2022, the remaining balance of dividends payable is RUB 1,183 million (as of 31 December 2021: RUB 280 million).

##### Retained earnings

In accordance with statutory legislation of operating companies located in the Russian Federation, dividends may only be declared to the shareholders of the Group from accumulated undistributed and unreserved earnings as shown in the Group's individual companies' statutory financial statements. As of 30 June 2022 and 31 December 2021 such accumulated earnings and deficit amounted to RUB 12,195 million and RUB 821 million, respectively.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### 17. DEBT SECURITIES AND LOANS

	Effective interest rate, %	30 June 2022	31 December 2021
Seven-year USD loan participation notes issued in 2021 (the "2028 LPNs") <sup>(i)</sup>	5.49%	23,510	34,126
Five-year USD loan participation notes issued in 2018 (the "2023 LPNs") <sup>(ii)</sup>	5.46%	10,660	15,452
Five-year RUB debt securities issued in 2017 <sup>(iii)</sup>	8.32%	10,020	10,020
Three-year RUB debt securities issued in 2019 <sup>(iv)</sup>	9.01%	-	5,000
Loan from bank A <sup>(v)</sup>	11.94%	4,950	-
Loan from bank B <sup>(vi)</sup>	4.11%	1,058	1,994
<b>Total</b>		<b>50,198</b>	<b>66,592</b>
<b>Less:</b> due within twelve months, including accrued interest		(26,562)	(17,030)
<b>Long-term portion of debt securities and loans</b>		<b>23,636</b>	<b>49,562</b>

- (i) In February 2021 the Group issued the 2028 LPNs for the total amount of USD 453 million (RUB 34,025 million at the Central Bank of Russia exchange rate as at the inception date) on the Irish Stock Exchange. Net proceeds from the issuance, after the deduction of related offering costs, amounted to USD 449.4 million (RUB 33,754 million at the Central Bank of Russia exchange rate as at the inception date). The annual coupon rate of the 2028 LPNs is 5.35% with interest being paid semi-annually. The Group used net proceeds from the issuance for refinancing of the 2021 LPNs and partial redemption of 2023 LPNs. Partial redemption of LPNs 2023 was amounted to USD 95.3 million (RUB 6,985 million at the Central Bank of Russia exchange rate as at the inception date). Premium for early redemption paid to bondholders of LPNs 2021 and 2023 was equal to RUB 717 million. The 2028 LPNs are guaranteed by certain entities of the Group. The 2028 LPNs mature in February 2028. The financial covenants set under the terms of the 2028 LPNs are consistent with 2021 and 2023 LPNs terms.
- (ii) In February 2018 the Group issued non-convertible five-year loan participation notes for the total amount of USD 300 million (RUB 17,277 million at the Central Bank of Russia exchange rate as at the inception date) on the Irish Stock Exchange. The annual coupon rate of the 2023 LPNs is 5.075% with interest being paid semi-annually. The 2023 LPNs are guaranteed by certain entities of the Group. The outstanding amount due is USD 204.7 million and mature in February 2023.
- (iii) In December 2017 the Group issued non-convertible five-year debt securities for the total amount of RUB 10,000 million on the Moscow Stock Exchange. The annual coupon rate of the debt securities is 8.1% with interest being paid semi-annually. The debt securities mature in December 2022.
- (iv) In July 2019 the Group issued non-convertible three-year debt securities for the total amount of RUB 5,000 million on the Moscow Stock Exchange. The annual coupon rate of the debt securities is 8.65% with interest being paid quarterly. The debt securities mature in June 2022.
- (v) In June 2022 the Group entered into a loan facility agreement for a total amount of RUB 10,000 million provided by commercial bank A to refinance debt securities. The floating annual interest rate is key interest rate Central Bank of Russia + 2.25%. Interest being paid quarterly. As of 30 June 2022 the undrawn amount of the loan facility was RUB 5,000 million.
- (vi) In October 2021 the Group refinanced it's outstanding balance with commercial bank C by entering into a new EUR-denominated three-year agreement with commercial bank B for the total amount of EUR 23.8 million (RUB 2,009 million at the Central Bank of Russia exchange rate as at the inception date). The floating annual interest rate is EURIBOR + Margin, where the Margin is determined by reference to the Group's leverage ratio as defined in the agreement. Interest being paid semi-annually.

#### Covenants

In accordance with the terms of the 2023 and 2028 LPNs, the Group is subject to certain covenants, which are calculated semi-annually on the basis of the consolidated financial statements of the Group prepared in accordance with IFRS. Such financial covenants mainly consist of limitations on the Consolidated Net Debt to Consolidated EBITDA ratio, Consolidated Equity to Consolidated Total Assets ratio and Obligor Cover ratios.

As of 30 June 2022, the Group was in compliance with these covenants.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	31 December 2021	Financing cash flows (i)	Non-cash flow changes			30 June 2022
			Exchange rate changes	Accrual of finance cost	Other changes (ii)	
Debt securities	64,598	(6,929)	(15,158)	1,679	-	44,190
Loans	1,994	4,550	(567)	31	-	6,008
Dividends payable	280	(1,053)	(127)	-	2,083	1,183
Lease liability	288	(85)	(18)	18	9	212
	<b>67,160</b>	<b>(3,517)</b>	<b>(15,870)</b>	<b>1,728</b>	<b>2,092</b>	<b>51,593</b>

- (i) The cash flows from bank loans and debt securities represents the net amount of proceeds from loans and repayments of borrowings in the consolidated statement of cash flows.  
(ii) Included as other changes is mainly dividends declaration.

#### 18. TRADE AND OTHER PAYABLES

	30 June 2022	31 December 2021
Amounts payable for the acquisition of property, plant and equipment	250	119
<b>Total non-current financial liabilities</b>	<b>250</b>	<b>119</b>
Amounts payable for the acquisition of property, plant and equipment	901	1,243
Rent deposits received	1,273	1,286
Trade payables	778	1,179
<b>Total current financial liabilities</b>	<b>2,952</b>	<b>3,708</b>
Advances received	680	732
<b>Total current non-financial liabilities</b>	<b>680</b>	<b>732</b>
<b>Total</b>	<b>3,882</b>	<b>4,559</b>

#### 19. TAXES OTHER THAN INCOME TAX PAYABLE

	30 June 2022	31 December 2021
Value added tax	2,604	1,972
Social insurance tax	888	714
Property tax	15	20
Other taxes	60	23
<b>Total taxes other than income tax payable</b>	<b>3,567</b>	<b>2,729</b>

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### 20. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	30 June 2022	31 December 2021
Accrued employee expenses	1,822	1,389
Other liabilities	160	192
<b>Total accrued expenses and other current liabilities</b>	<b>1,982</b>	<b>1,581</b>

Accrued employee expenses as of 30 June 2022 and 31 December 2021 comprised accrued salaries and bonuses of RUB 1,023 million and RUB 701 million, respectively, and an accrual for unused vacation of RUB 799 million and RUB 688 million, respectively.

#### 21. FAIR VALUES

According to the accounting policy the Group uses the following hierarchy to determine and disclose fair value of financial instruments:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

With the exception of listed debt securities of the Group for which fair value is determined with reference to the market prices (Level 1), all other financial assets and financial liabilities classified within Level 2 category of the above hierarchy. Except as detailed in the following table management of the Group believes that the carrying value of financial instruments approximates their fair value.

The estimated fair values of financial instruments have been determined by the Group using available market information, where it exists, and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to determine the estimated fair value. Management has used all available market information in estimating the fair value of financial instruments.

#### Fair value of financial assets and liabilities

	30 June 2022		31 December 2021	
	Fair value	Carrying value	Fair value	Carrying value
<b>Financial assets</b>				
Other financial instruments	779	852	398	458
<b>Total</b>	<b>779</b>	<b>852</b>	<b>398</b>	<b>458</b>
<b>Financial liabilities</b>				
2028 LPNs (Note 17)	3,112	23,510	33,983	34,126
2023 LPNs (Note 17)	8,377	10,660	15,171	15,452
Five-year RUB debt securities issued in 2017 (Note 17)	10,150	10,020	9,741	10,020
Three-year RUB debt securities issued in 2019 (Note 17)	-	-	4,950	5,000
Loan from bank A (Note 17)	4,990	4,950	-	-
Loan from bank B (Note 17)	681	1,058	1,988	1,994
<b>Total</b>	<b>27,310</b>	<b>50,198</b>	<b>65,833</b>	<b>66,592</b>

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) *(Amounts in millions of Russian Rubles, unless otherwise stated below)*

#### 22. TRANSACTIONS WITH RELATED PARTIES

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The following tables provide the total amount of transactions, which have been entered into with related parties during the six-month periods ended 30 June 2022 and 2021 as well as closing balances as of 30 June 2022 and 31 December 2021.

	Entities under common control	
	30 June 2022	31 December 2021
Trade and other receivables	1,760	1,409
Advances for acquisition of non-current assets	992	1,012
Other financial instruments	845	426
Advances to suppliers, net of impairment	110	105
<b>Total assets</b>	<b>3,707</b>	<b>2,952</b>
Trade and other payables	10	34
<b>Total liabilities</b>	<b>10</b>	<b>34</b>

Expected credit losses were recognized for trade and other receivables, other financial instruments in amount of RUB 394 million and RUB 352 million as of 30 June 2022 and 31 December 2021 respectively.

The income and expense items with related parties for the six-month periods ended 30 June 2022 and 2021 were as follows:

	Entities under common control	
	30 June 2022	30 June 2021
Sales to related parties	157	46
Purchases from related parties	94	69
Interest income	11	11

#### Compensation of key management personnel

Key management comprised 6 persons of 30 June 2022 and 31 December 2021. Total gross compensation to those individuals was comprised of short-term employee benefits included in payroll and related charges in the consolidated profit or loss amounted to RUB 56 million (including social insurance tax of RUB 9 million) and RUB 36 million (including social insurance tax of RUB 5 million) for the six-month periods ended 30 June 2022 and 30 June 2021, respectively. The outstanding balances due to key management personnel amounted to RUB 16 million and RUB 21 million as of 30 June 2022 and 31 December 2021, respectively, and comprised accrued salaries, bonuses, accrual for unused vacation and other monetary benefits.



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#### 23. COMMITMENTS, CONTINGENCIES AND OPERATING RISKS

##### Capital commitments

The Group's contracted capital commitments related to construction of passenger and cargo terminals and modernization of existing assets as of 30 June 2022 and 31 December 2021 consisted of the following:

	30 June 2022	31 December 2021
Reconstruction and expansion of passenger terminal	2,333	3,204
Reconstruction of office buildings	167	160
Construction of transport maintenance building	125	125
Reconstruction of fuel storage facilities	77	175
Construction of a canine center	69	69
Construction of multilevel parking	5	5
Other	195	255
<b>Total capital commitments</b>	<b>2,971</b>	<b>3,993</b>

##### Operating environment of the Group

Emerging markets such as Russia are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. Laws and regulations affecting businesses in Russia continue to change rapidly, tax and regulatory frameworks are subject to varying interpretations. The future economic direction of Russia is heavily influenced by the fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment. Because Russia produces and exports large volumes of oil and gas, its economy is particularly sensitive to the price of oil and gas on the world market.

Starting from 2014, sanctions have been imposed in several packages by the US, UK, EU and others on certain Russian officials, businessmen and companies. On 21 February 2022, the President of Russia signed the executive orders on the recognition of the Donetsk People's Republic and the Lugansk People's Republic. On 24 February 2022, a decision to carry out a special military operation in Ukraine was announced. Subsequent to these events, the US, UK, EU and other countries announced an extension of sanctions on certain Russian officials, businessmen and companies. These developments may result in reduced access of the Russian businesses to international capital and export markets, decline in capitals markets and other negative economic consequences. Also sanctions were imposed on Russian air carries including a suspension of sale and leasing of aircraft and spare parts, insurance services and other restrictions. These restrictions may have a negative impact on the ability of the Group's most significant customers to meet its obligations, operate aircraft and carry out maintenance. The international flights of Russian airlines to EU, US and other countries, which imposed sanctions, were mostly canceled, flights to a number of airports in the South of Russia were also temporarily suspended. The share of domestic flights in the total flights of airlines using Domodedovo airport in 2021 was about 80%. Circumstances described above led to a decline in passenger flow approximately by 15% compared to 2021. The impact of these and further developments on future operations and financial position of the Group might be significant.

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**Taxation**

Russian legislation on taxation for business purposes continues to change rapidly. Management's interpretation of such legislation as applied to the activity of the Group may be challenged by the relevant regional and federal authorities. Recent events suggest that the tax authorities are taking a more assertive position in their interpretation of the legislation and assessments and as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. Fiscal periods generally remain open to tax audit by the authorities in respect of taxes for three calendar years preceding the year of tax audit. Under certain circumstances reviews may cover longer periods.

Russian transfer pricing legislation was amended starting from 1 January 2012 to introduce additional reporting and documentation requirements. The new legislation allows the tax authorities to impose additional tax liabilities in respect of certain transactions, including but not limited to transactions with related parties, if they consider transaction to be priced not at arm's length. As the practice of implementation of the new transfer pricing rules has not yet developed and wording of some clauses may have more than one interpretation, the impact of challenge of the Group's transfer pricing positions by the tax authorities cannot be reliably estimated.

Starting 2015, the Russian "de-offshorization law" came into force introducing several new rules and concepts and amending others, which may have an impact on the Group's tax obligations, including taxation of profit of controlled foreign companies, the concept of beneficial ownership and the broader rules for determining the tax residency of legal entities.

According to these changes, the undistributed profits of the Group foreign subsidiaries, considered as controlled foreign companies, may result in an increase of the tax base of the controlling entities, and the benefits of enjoying reduced tax rates to the income paid to foreign entities under double tax treaties ("DTTs") may come under additional scrutiny.

Current withholding tax and DTTs administration practice in Russia require foreign tax residents to demonstrate and substantiate with documents their beneficial ownership rights to the Russian-sourced income received in order to obtain a tax exemption or apply a reduced withholding tax rate under an applicable double tax treaty. The criteria to establish beneficial ownership rights are evolving with the development of court practice in Russia. Although the practice is still in its early stage of development, it is clear that in many cases foreign tax residents receiving income from Russian sources are disallowed DTTs benefits due to inability to confirm their beneficial ownership rights to the income received. The Group relies on the application of DTTs in its cross-border activities and treats its foreign tax resident companies as beneficial owners of the income received. As determination of the beneficial owner requires significant judgement and is frequently challenged by the tax authorities, the Group faces a risk of not being qualified to apply the DTTs. If crystalized, this risk would result in significantly increased withholding tax liabilities in Russia.

Management believes that it has provided adequately for tax liabilities based on its interpretations of tax legislation. Where uncertainty exists, the Group has accrued tax liabilities as management's best estimate of the probable outflow of resources which will be required to settle such liabilities. However, the relevant authorities may have differing interpretations, and the effects on the interim condensed consolidated financial information could be significant. Management's estimate of the possible exposure in relation the imposition of additional income tax and other taxes (e.g. VAT), including penalties and other charges, that is more than remote, but for which no liability is required to be recognized under IFRS is not disclosed as in the management's view such disclosure may prejudice the Group's position in any possible future dispute with the tax authorities.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

#### Environmental matters

The enforcement of environmental regulation in the Russian Federation is continually evolving. The Group periodically evaluates its obligations under environmental regulations. Potential liabilities, which might arise as a result of changes in existing regulations, civil litigation or legislation, cannot be estimated but could be material. In the current enforcement climate under existing legislation, management believes that the Group has met the government's federal and regional requirements concerning environmental matters. Therefore, there are no significant liabilities for environmental damage or remediation.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle all liabilities as they fall due. The Group's liquidity position is carefully monitored and managed by the treasury function. Management controls current liquidity based on expected cash flows and revenue receipts through establishing and maintaining a cash fund sufficient to cover its contractual obligations for the period of three to six upcoming months. Such funds are normally kept as highly liquid short-term bank deposits or on current bank accounts, and are available on demand. In addition, the Group's policy is to continually maintain a diversified portfolio of open credit lines with reputable banks, which serve to secure for the Group a stable ad hoc borrowing capability.

The following tables detail the Group's remaining contractual maturity for financial liabilities. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	Effective interest rate, %	Less than 1 month	1-3 months	3 months- 1 year	1-5 years	Over 5 years	Total
<b>30 June 2022</b>							
Non-interest bearing liabilities		1,390	324	1,377	57	193	3,341
Debt securities and loans	4.11%-9.01%	958	404	27,744	5,614	23,742	58,462
Lease liability	9.9%-12.33%	26	9	109	84	68	296
<b>Total</b>		<b>2,374</b>	<b>737</b>	<b>29,230</b>	<b>5,755</b>	<b>24,003</b>	<b>62,099</b>
<b>31 December 2021</b>							
Non-interest bearing liabilities	-	1,102	750	2,045	62	57	4,016
Debt securities and loans	4.11%-9.01%	295	1,305	18,085	26,337	33,577	79,599
Lease liability	9.9%-12.33%	29	10	182	90	70	381
<b>Total</b>		<b>1,426</b>	<b>2,065</b>	<b>20,312</b>	<b>26,489</b>	<b>33,704</b>	<b>83,996</b>

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

The following tables detail the Group's expected maturity for its financial assets, except for cash and cash equivalents. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those.

	Effective interest rate, %	Less than 1 month	1-3 months	3 months- 1 year	1-5 years	Over 5 years	Total
<b>30 June 2022</b>							
Accounts receivable		1,795	94	112	1,564	-	3,565
Other financial instruments	5%-11%	12	-	540	336	-	888
Finance lease receivable	45%	12	24	111	392	-	539
<b>Total</b>		<b>1,819</b>	<b>118</b>	<b>763</b>	<b>2,292</b>	<b>-</b>	<b>4,992</b>
<b>31 December 2021</b>							
Accounts receivable		1,999	292	7	1,377	-	3,675
Other financial instruments	7%-11%	22	-	-	489	-	511
Finance lease receivable	45%	19	38	172	727	-	956
<b>Total</b>		<b>2,040</b>	<b>330</b>	<b>179</b>	<b>2,593</b>	<b>-</b>	<b>5,142</b>

#### Currency risk

Currency risk is the risk that the financial results of the Group will be adversely impacted by changes in exchange rates to which the Group is exposed. The Group has revenue and purchases third-party services, which are denominated in foreign currencies. Certain receivable and payable balances, related primarily to settlements with customers and suppliers and most of loans and borrowings of the Group are denominated in currencies other than the Russian Ruble, the functional currency of the Company and most of the subsidiaries of the Group.

Currency risk is regularly assessed and managed by Corporate Treasury department. The Group's foreign currency position for net current assets is evaluated daily. The consolidated foreign currency position of all of the Group's assets and liabilities is assessed quarterly. The Group mitigates potential negative impact of exchange rate movements primarily through aiming to maintain a balanced structure of foreign currency assets and liabilities. Available cash and cash equivalents are the key instrument used by management to correct an imbalanced foreign currency position. Management also continually monitors market trends in order to appropriately adjust the Group's contractual payment terms to take advantage of favorable changes in exchange rates.

For the six-month period ended 30 June 2022 the Russian Ruble appreciated against the US Dollar, EURO by 31% and 36%, respectively (depreciated against the US Dollar by 1% and appreciated the EURO by 7% for the year ended 31 December 2021). The Group does not have or use any arrangements (i.e. derivatives) to manage foreign currency risk exposure.

## DME LIMITED AND SUBSIDIARIES

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (UNAUDITED) (CONTINUED) (Amounts in millions of Russian Rubles, unless otherwise stated below)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities as of the reporting date are as follows:

	Denominated in USD		Denominated in EUR	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<b>Assets</b>				
Cash and cash equivalents	2,928	4,835	16	7
Trade and other receivables	830	1,124	79	156
Other financial instruments	303	438	514	-
Finance lease receivable	-	-	263	430
Restricted cash	1	1	1,261	1,969
<b>Total assets</b>	<b>4,062</b>	<b>6,398</b>	<b>2,133</b>	<b>2,562</b>
<b>Liabilities</b>				
Debt securities and loans	34,171	49,578	1,058	1,660
Trade and other payables	1,169	1,206	24	48
<b>Total liabilities</b>	<b>35,340</b>	<b>50,784</b>	<b>1,082</b>	<b>1,708</b>

The table below details the Group's sensitivity to weakening of the Russian Ruble against the respective foreign currencies by 10%, all other variables being held constant. The analysis was applied to monetary items at the reporting dates denominated in respective currencies.

	USD – impact		EUR – impact	
	6m 2022	2021	6m 2022	2021
<b>Loss/ (gain)</b>	<b>3,128</b>	<b>4,439</b>	<b>(105)</b>	<b>(85)</b>

The strengthening of the Russian Ruble in relation to the same currencies by the same percentage will produce an equal and opposite effect on the interim condensed consolidated financial information of the Group to that shown above.

#### Legal proceedings

During the six-month period ended 30 June 2022, the Group was involved in a number of court proceedings (both as a plaintiff and a defendant) arising in the ordinary course of business. In the opinion of management, there are no current legal proceedings or other claims outstanding, which management believes could have a material effect on the result of operations or financial position of the Group, other than those for which provision has been made in these interim condensed consolidated financial information.

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**24. SUBSEQUENT EVENTS**

**Dividends** – During July-October 2022, dividends of USD 3.6 million and EUR 16.8 million (RUB 1,260 million at the Central Bank of Russia exchange rate as at the declaration date) were declared out of which EUR 7.5 million (RUB 459 million at the Central Bank of Russia exchange rate as at the payment date) were paid to the shareholders of the Group. USD 2 million and EUR 4.9 million (total of RUB 418 million at the Central Bank of Russia exchange rate as at the payment date) of dividends declared prior to 1 January 2022 were paid to the shareholders of the Group.

**Coupons on LPNs** – the Group was unable to process a timely payment of the coupons on the 2023 and 2028 LPNs of USD 17.3 million (approx. RUB 913 million) falling due in August 2022 as the appointed trustee (paying agent) stopped acting in connection with these LPNs following the events in Ukraine and the imposition of various restrictions on Russia-related businesses. In October 2022, the Group received the noteholders' consent to remove the original trustee and appoint i2 Capital Trust Corporation Ltd as a new trustee. The Group has also received the noteholders' consent for new payment mechanics which are expected to enable the Group's to satisfy all of its obligations to noteholders in the future, simplified cancellation of the notes and deferral of August 2022 coupon payments to November 2022.

**Events in Ukraine** – In September 2022, according to the results of referendums, Donetsk and Lugansk People's Republics, Kherson and Zaporozhye regions joined the Russian Federation, also partial mobilization was announced. In response to these actions, additional sanctions were imposed against the Russian Federation by the EU, the United States and a number of other countries, including restrictions on the price of oil, a ban on the export and import of goods, including steel products, machinery, chemicals, etc.

In October 2022, martial law was imposed in Donetsk and Lugansk People's Republics, Kherson and Zaporozhye regions.

As the situation is developing rapidly and may significantly affect the activities of many companies in different sectors of the economy, including, but not limited to disruption of operational activities as a result of suspension or closure of production, loss of key personnel as a result of partial mobilization, disruption of supply chains, reduced demand and difficulties in obtaining financing, the significance of the impact of these events on the Group's operations in to a significant extent depends on the further development of events in Ukraine, as well as the duration and scale of sanctions against the Russian Federation.

**Loan from commercial bank A** – In September 2022, the Group additionally borrowed RUB 2,899 million (Note 17).