Q4 2018
FINANCIAL RESULTS

MOSCOW, RUSSIAN FEDERATION
20 MARCH 2019

X5 RETAIL GROUP

02 DISCLAIMER

This presentation does not constitute or form part of and should not be construed as an advertisement of securities, an offer or invitation to sell or issue or the solicitation of an offer to buy or acquire or subscribe for securities of X5 Retail Group N.V. or any of its subsidiaries or any depositary receipts representing such securities in any jurisdiction or an invitation or inducement to engage in investment activity in relation thereto. In particular, this presentation does not constitute an advertisement or an offer of securities in the Russian Federation.

No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

No representation, warranty or undertaking, express or implied, is given by or on behalf of X5 Retail Group N.V. or any of its directors, officers, employees, shareholders, affiliates, advisers, representatives or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein or any other material discussed at the presentation. Neither X5 Retail Group N.V. nor any of its directors, officers, employees, shareholders, affiliates, advisors, representatives or any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or any other material discussed at the presentation or their contents or otherwise arising in connection with the presentation.

This presentation includes statements that are, or may be deemed to be, "forward- looking statements", with respect to the financial condition, results, operations and businesses of X5 Retail Group N.V. These forward-looking statements can be identified by the fact that they do not only relate to historical or current events.

Forward-looking statements often use words such as" anticipate", "target", "expect", "estimate", "intend", "expected", "plan", "goal" believe", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, a number of which are beyond X5 Retail Group N.V's control. As a result, X5 Retail Group N.V's actual future results may differ materially from the plans, goals and expectations set out in these forward- looking statements. X5 Retail Group N.V. assumes no responsibility to update any of the forward looking statements contained in this presentation.

For Russian law purposes, the securities mentioned in this presentation (the "Securities") represent foreign securities. No prospectus for the issue of the Securities has been or is intended to be registered with the Central Bank of the Russian Federation. The information provided in this presentation is not intended to advertise or facilitate the offer of the Securities in the territory of the Russian Federation. This presentation does not represent an offer to acquire the Securities or an invitation to make offers to acquire the Securities.

The information and opinions contained in this document are provided as at the date of this presentation and are subject to change without notice. Some of the information is still in draft form and neither X5 Retail Group N.V. nor any other party is under any duty to update or inform recipients of this presentation of any changes to such information or opinions. In particular, it should be noted that some of the financial information relating to X5 Retail Group N.V. and its subsidiaries contained in this document has not been audited and in some cases is based on management information and estimates.

Neither X5 Retail Group N.V. nor any of its agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the statements contained in this presentation.

I. HIGHLIGHTS

- X5 is a true **multi-format** retailer with focus on the three largest segments of Russian food retail market and primarily on proximity stores and supermarkets
- According to the new strategy X5 uses **smart and balanced** approach to expansion

- X5 reinforced its **market leadership** in Russian food retail, with **market share reaching 10.7% in 2018**

- Constant adaptation of **value proposition** to Russian consumers' changing needs and current macro environment, including expansion of fresh assortment, widening local assortment, development of loyalty programmes

- Significant **improvements in logistics and transport**: adding new links in the value chain and acquisition of **910 trucks in 2018**
- In the last three years X5 opened 17 DCs, including **4 DCs** in 2018

- Focus on **innovations:** X5 already kicked off joint projects with a number of finance and high-tech companies
- Development and implementation of the **Big Data** strategy

- Approval of the **dividend policy** by the Supervisory Board in September 2017
- The Supervisory Board proposed paying **dividends** in the amount of **RUB 25.0 bln/ RUB 92.06 per GDR**, which represents **87.3%** of X5 Retail Group's 2018 net profit

- Revenue growth remained strong at **16.9%** in Q4 2018 and **18.3%** in FY 2018

- Adjusted EBITDA margin at solid **7.2%** in Q4 2018 and FY 2018

- Net debt / EBITDA at **1.7x** as of 31 December 2018, the lowest level in the Company's public history

- Positive LFL sales growth of **3.7%** in Q4 2018 and **1.5%** in FY 2018
- LFL traffic of Perekrestok was positive for **12 quarters** in a row

- The Company added **746** net new stores in Q4 2018 adding net **309 th. sq. m** of selling space, **89%** of which was **organic growth**

- **All** of Pyaterochka stores and **86%** of Perekrestok stores operating under new concept as of 31 December 2018

- **37.5 mln** loyalty card users as of 31 December 2018

- X5 added **984 th. sq. m** of net selling space in 2018, **down by 16.5%** y-o-y
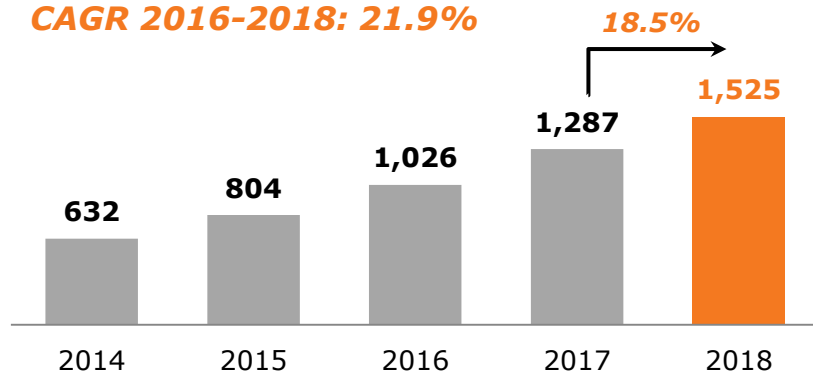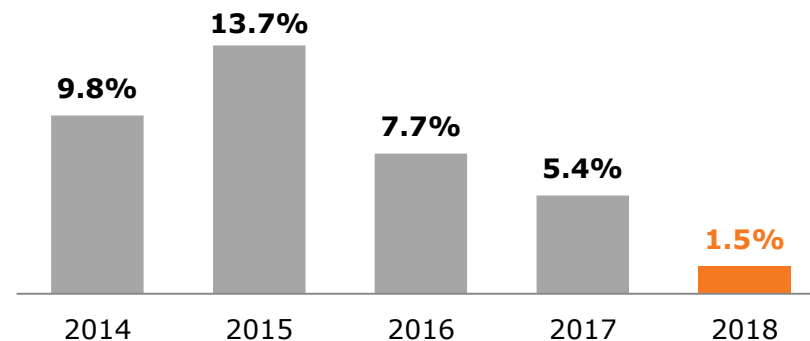
Source: X5 data

X5

Net retail sales dynamics, RUB bn
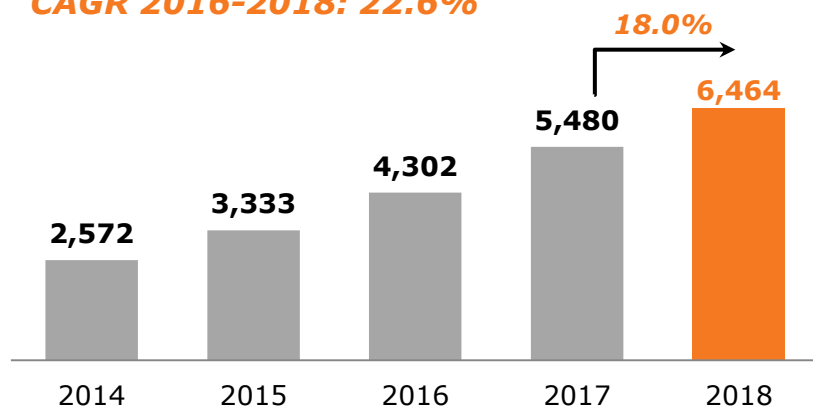
CAGR 2014-2018: 24.6%
CAGR 2016-2018: 21.9%

18.5% →

2014	2015	2016	2017	2018
632	804	1,026	1,287	1,525

LFL sales, % y-o-y growth

2014	2015	2016	2017	2018
9.8%	13.7%	7.7%	5.4%	1.5%

Selling space, th. sq. m

CAGR 2014-2018: 25.9%
CAGR 2016-2018: 22.6%

18.0% →

2014	2015	2016	2017	2018
2,572	3,333	4,302	5,480	6,464

Number of stores, end of period

CAGR 2014-2018: 27.4%
CAGR 2016-2018: 25.3%

19.1% →

2014	2015	2016	2017	2018
5,483	7,020	9,187	12,121	14,431

Source: X5 data

X5
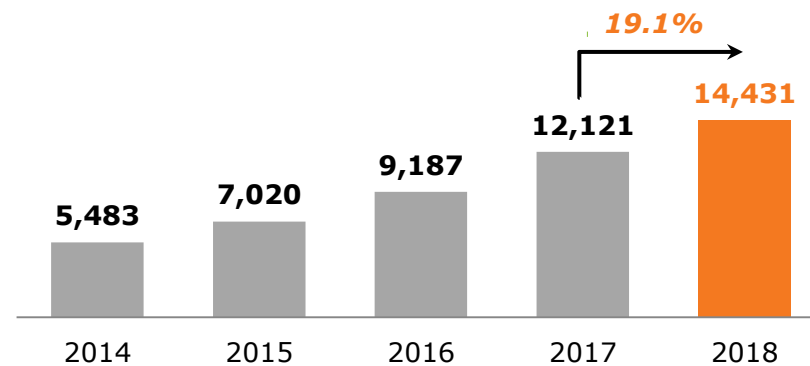
FINANCIAL HIGHLIGHTS

Revenue dynamics, RUB bn

CAGR 2014-2018: 24.7%
CAGR 2016-2018: 21.8%

18.3%

2014	2015	2016	2017	2018
634	809	1,034	1,295	1,533
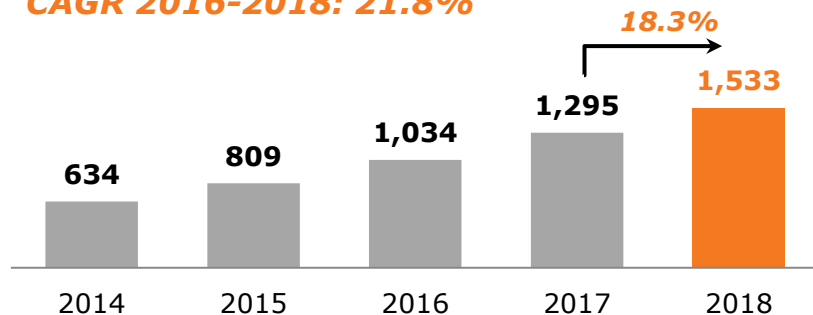
Gross profit & gross margin

CAGR 2014-2018: 24.3%
CAGR 2016-2018: 21.6%

	2014	2015	2016	2017	2018
Gross margin, %	24.5%	24.5%	24.2%	23.9%	24.1%
Gross profit, RUB bn	155	198	250	309	370

19.7%

◼ Gross profit, RUB bn   ─○─ Gross margin, %
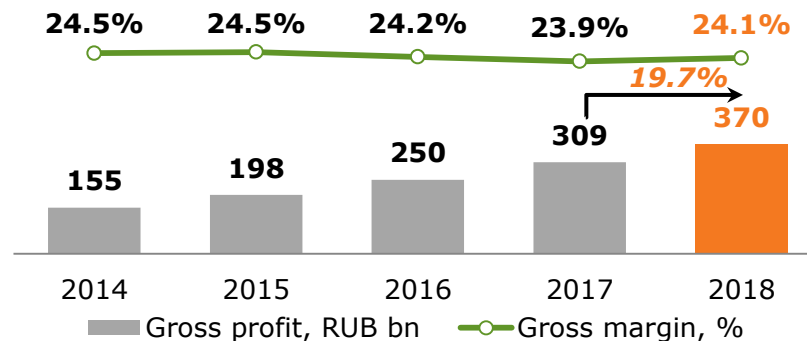
Adj. EBITDA & adj. EBITDA margin[1]

CAGR 2014-2018: 24.0%
CAGR 2016-2018: 17.5%

	2014	2015	2016	2017	2018
Adj. EBITDA margin, %	7.3%	7.3%	7.7%	7.7%	7.2%
Adj. EBITDA, RUB bn	46	59	80	99	110

10.8%

◼ Adj. EBITDA, RUB bn   ─○─ Adj. EBITDA margin, %
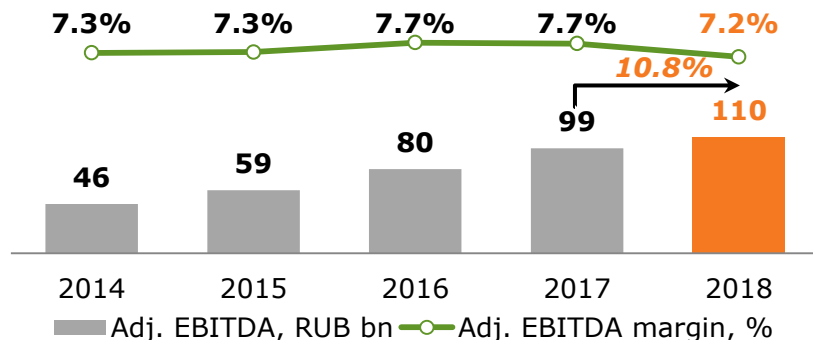
Net profit and net profit margin

CAGR 2014-2018: 22.6%
CAGR 2016-2018: 13.4%

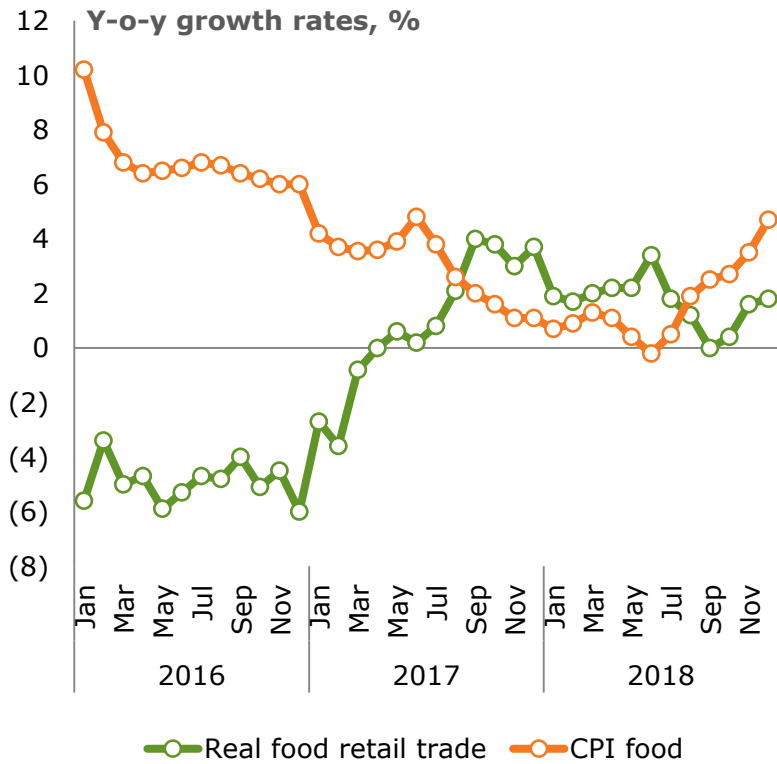|	2014	2015	2016	2017	2018
Net profit margin, %	2.0%	1.8%	2.2%	2.6%	1.9%
Net profit, RUB bn	13	14	22	34	29

◼ Net profit, RUB bn   ─○─ Net profit margin, %
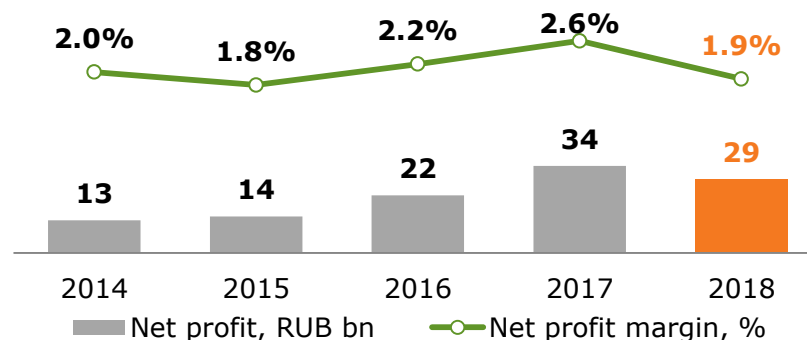
Source: X5 data
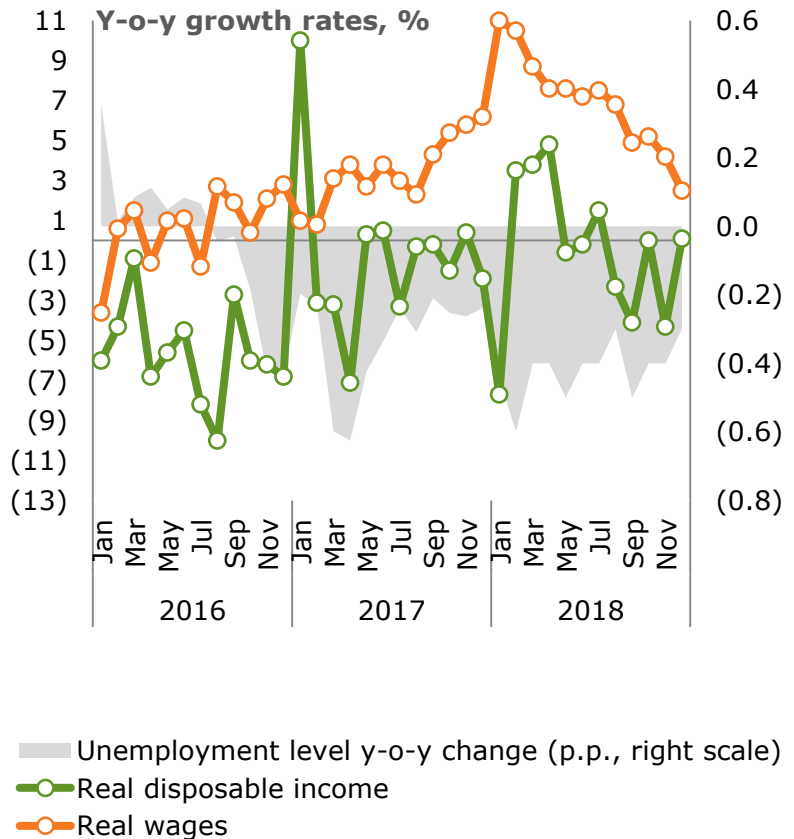*[1] – Adjusted for LTI, exit share-based payments and other one-off remuneration payments*

II. MARKET OVERVIEW

Real food retail trade resumed its moderate recovery in Q4 2018 despite CPI food acceleration

Real income remained weak in Q4 2018 despite persisting growth in real wage and low unemployment rate

Y-o-y growth rates, %

—○— Real food retail trade   —○— CPI food

Y-o-y growth rates, %

Unemployment level y-o-y change (p.p., right scale)
—○— Real disposable income
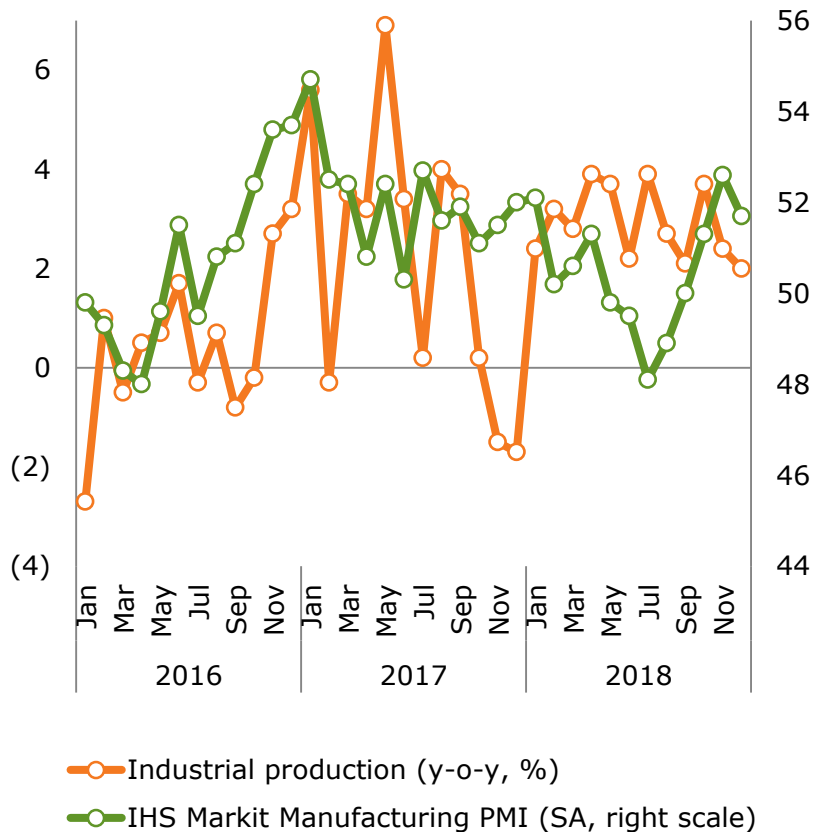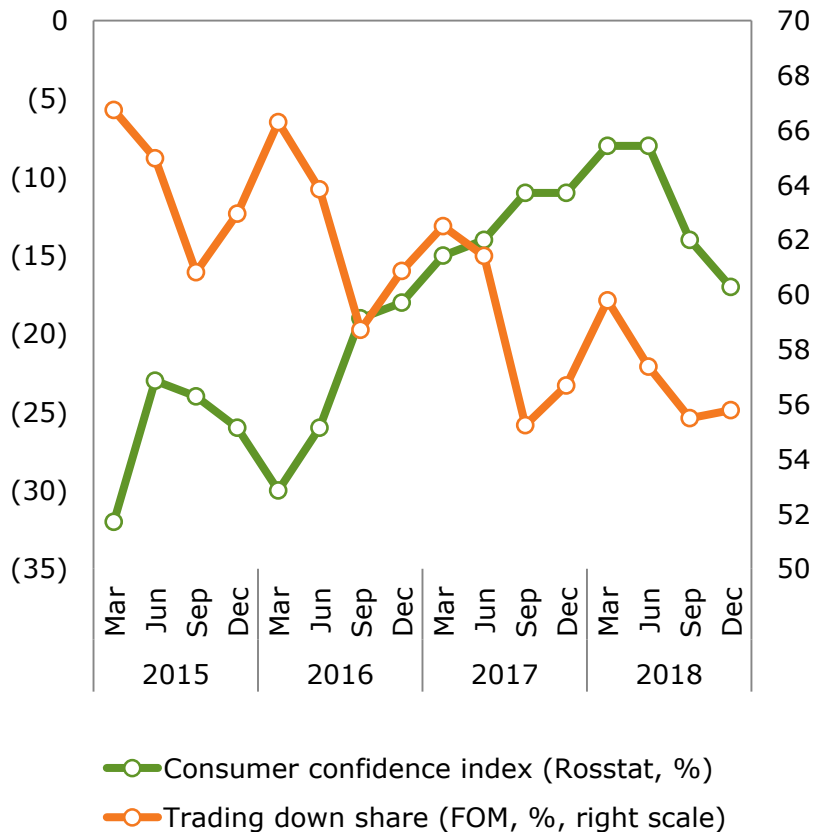—○— Real wages

Source: Rosstat

In 2018 the Russian economy showed small growth in consumer demand despite weak real disposable income dynamics and an increased level of economic uncertainty

Consumer confidence halted its recovery in H2 2018. Trading down continued declining but remained high

Positive growth in industrial production is largely based on mining sector acceleration – without significant improvement in the manufacturing sector

○— Consumer confidence index (Rosstat, %)
○— Trading down share (FOM, %, right scale)

○— Industrial production (y-o-y, %)
○— IHS Markit Manufacturing PMI (SA, right scale)

Source: Rosstat, FOM

X5

The key macroeconomic risks for the sustainability of the economic upturn are the weak consumer demand and uncertainty of recovery on the supply side

RECENT FOOD RETAIL MARKET TRENDS...

KEY TRENDS	DESCRIPTION	CONCLUSIONS
Changing consumer behavior	▪ Consumers are raising the bar on product quality and costumer experience	▪ Opportunity to improve competitiveness through service and personalisation
Increasing popularity of fruit and vegetables, ready-to-eat and fresh categories	▪ Consumer preferences shift towards a unique and local assortment, with healthy, ready-to-eat and ready-to-cook options becoming more popular	▪ Traditional retailers need to adapt to changing preferences and growing popularity of specialised retailers
Online offer	▪ Online shopping starting to replace regular shopping outings, especially in hypermarkets	▪ Opportunity to improve competitiveness through online service development
Emergence of non-traditional players	▪ New players entering the market are able to challenge and disrupt the status quo, and are starting to transform the market	▪ Traditional retailers need to adapt to changing competitive environment
Increasing competition	▪ Retail space saturation ▪ "Value" format development (e.g., specialists, hard discounters, dollar stores)	▪ Increasing pressure on LFL ▪ Increased pressure on margins (need for opex reduction)
Aging population	▪ Growth of over working age population by 2% p.a. vs. reduction of working age group by 1% p.a.	▪ Growth of price-sensitive consumer segment ▪ Growth of proximity format popularity

...AND X5'S RESPONSE

| KEY TRENDS	X5 RESPONSE
Changing consumer behavior	▪ Constant adaptation of CVPs to customers' needs leveraging extensive knowledge from our loyalty programs across all formats ▪ Personalised offers based on the loyalty programmes
Increasing popularity of fruit and vegetables, ready-to-eat and fresh categories	▪ Improving the quality of the fresh category, especially fruits and vegetables, and adding new positions in the product range, including ready-to-eat category ▪ Launch of own brand of products with ultra-short shelf life, Green Line, in Perekrestok. In Moscow, the project is run jointly with the suppliers of VkusVill
Online offer	▪ Perekrestok Online expansion covering Moscow, Moscow region (partially) and St. Petersburg ▪ Pilot of Click & Collect and express delivery in supermarkets and hypermaerkets
Emergence of non-traditional players	▪ Constant adaptation of the assortment and service in accordance with market trends and consumer needs ▪ Development of detailed roadmaps for innovative projects across X5 Retail Group, and expansion of the "big data" division to further improve the efficiency of the business in all areas
Increasing competition	▪ Clusterisation of Pyaterochka stores into different segments to specifically target consumer needs ▪ Smart regional expansion with effective CVP for small cities and towns ▪ Effective GIS system to help find optimal locations
Aging population	▪ Continued expansion of proximity segment (c. 80% of X5 revenue) ▪ 5-10% discounts for pensioners from 9:00 until 13:00 ▪ Focus on mothers with children

X5

X5 VS. RUSSIAN FOOD RETAIL IN TOP-LINE GROWTH

Legend: X5 y-o-y revenue growth | Top-10 | Market
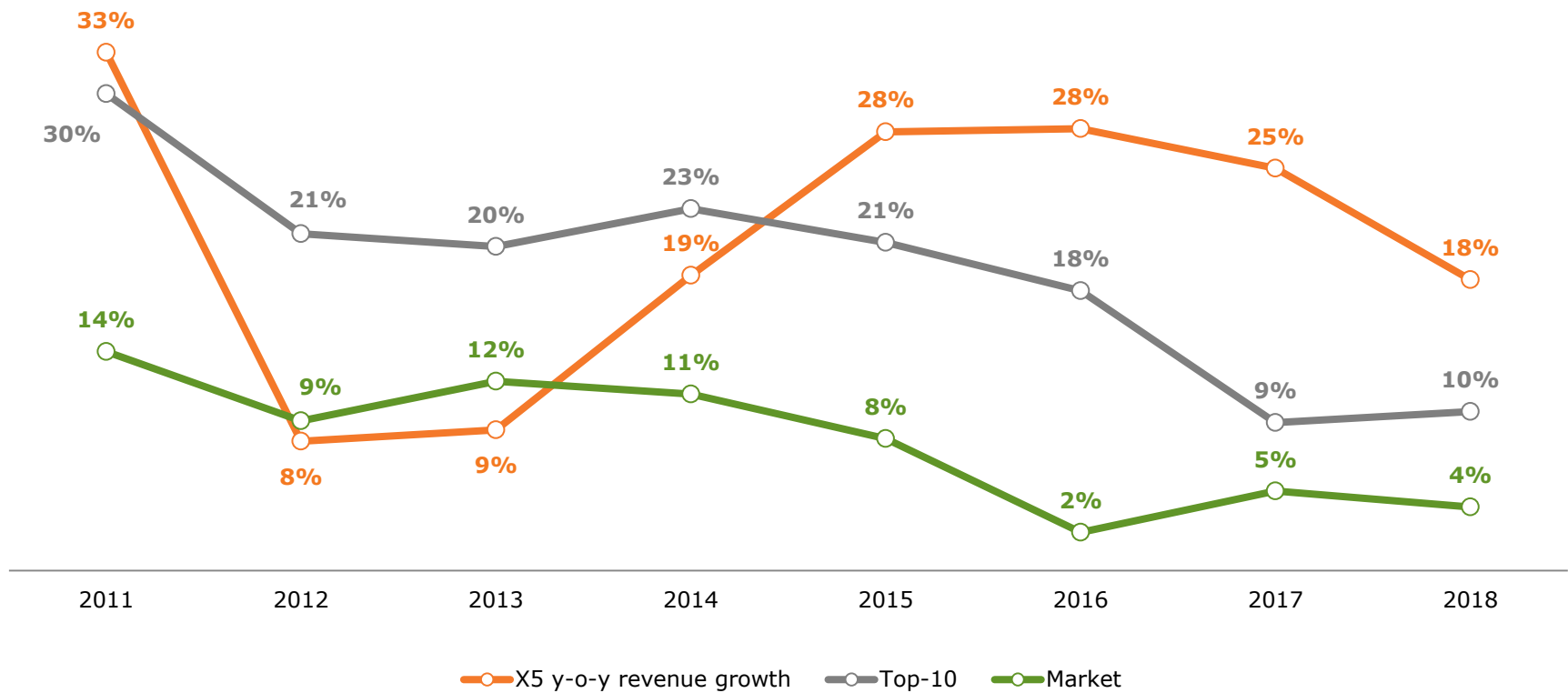
Source: Infoline, X5 analysis

Starting from 2015, X5 has constantly outperformed the market and competition

RUSSIAN RETAIL MARKET SNAPSHOT

Top 10 Russian food retailers

#	Company name		% market share 2017	% market share 2018
1	X5 RETAIL GROUP X5	⬆	9.5%	10.7%
2	МАГНИТ Magnit	⬆	7.5%	7.7%
3	ЛЕНТА Lenta	⬆	2.5%	2.8%
4	Красное&Белое SPS Holding (Red and White)	⬇	1.8%	2.4%
5	ДИКСИ Dixy	↔	2.1%	2.1%
6	Auchan Auchan	⬇	2.2%	1.9%
7	METRO Metro	⬇	1.4%	1.3%
8	O'KEY O'Key	⬇	1.2%	1.1%
9	МОНЕТКА Monetka	↔	0.6%	0.6%
10	globus Globus	↔	0.6%	0.6%
	Total Top 10	⬆	**29.4%**	**31.2%**

Source: InfoLine

X5's market share increased from 9.5% in 2017 to 10.7% in 2018

X5

III. OPERATIONAL RESULTS Q4 2018

Q4 2018 RESULTS: OPERATIONAL HIGHLIGHTS

Net retail sales
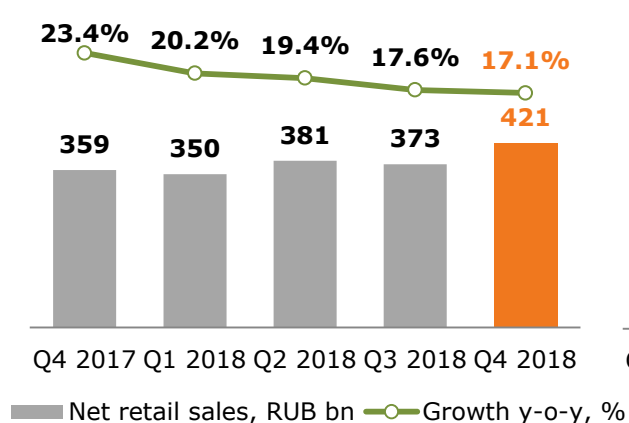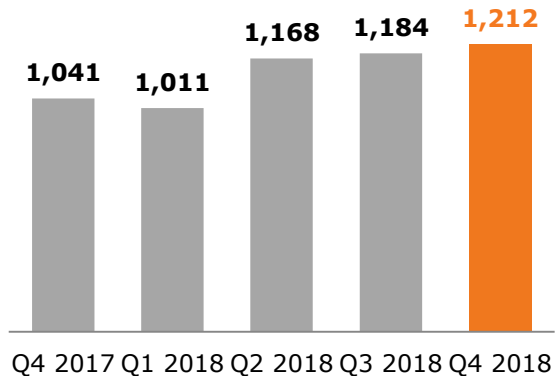
23.4% 20.2% 19.4% 17.6% **17.1%**

359 350 381 373 **421**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

Net retail sales, RUB bn —○— Growth y-o-y, %

Traffic, mln customers

1,041 1,011 1,168 1,184 **1,212**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

Net selling space (eop)

27.4% 26.0% 23.3% 19.6% **18.0%**

5,480 5,733 5,946 6,155 **6,464**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

Selling space, th. sq. m —○— Growth y-o-y, %

LFL sales, y-o-y

3.5% 0.5% 1.0% 0.5% **3.7%**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

LFL traffic, y-o-y

3.1% (1.6)% 1.7% 0.9% **2.2%**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

LFL basket, y-o-y

1.3% 1.0% 0.4% 1.6% **3.6%**

0.3% 2.2% (0.7)% (0.4)% **1.4%**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

LFL basket, y-o-y —○— Food CPI, %
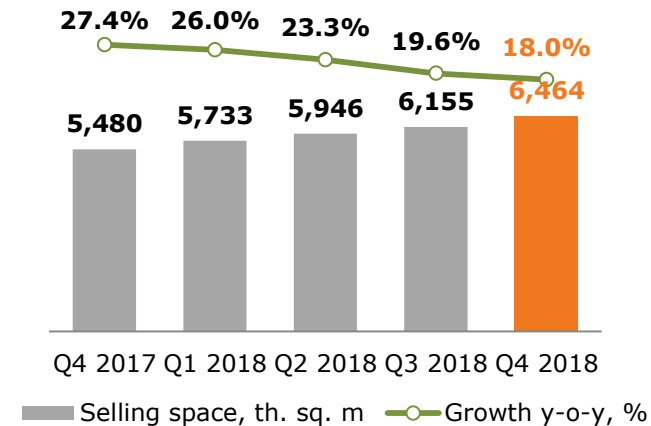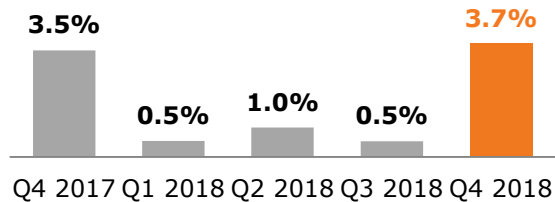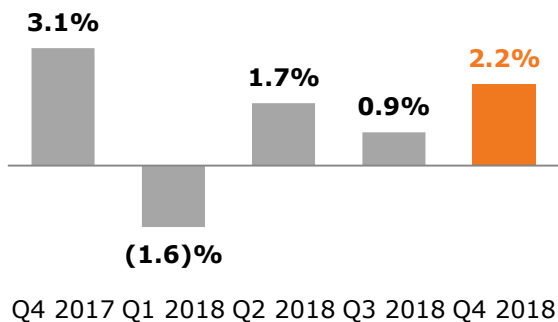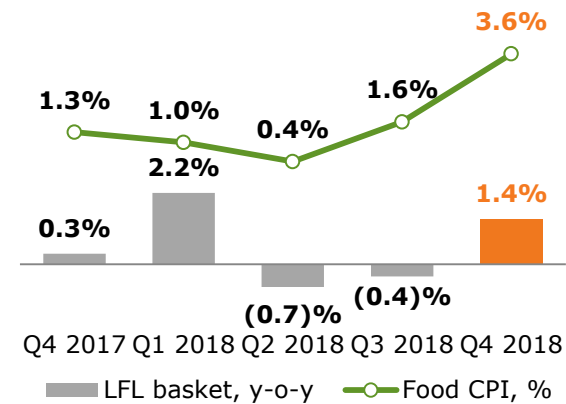
Source: X5 data

Q4 2018 RESULTS: NET RETAIL SALES SUMMARY

Net retail sales breakdown by retail format, RUB mln

КАРУСЕЛЬ ГИПЕРМАРКЕТ
Hypermarkets 25,967

Пер=крёсток СУПЕРМАРКЕТ
Supermarkets 54,624

X5 359,467

276,443

Пятёрочка УНИВЕРСАМ
Proximity stores

Q4 2017

+17.1%

КАРУСЕЛЬ ГИПЕРМАРКЕТ
Hypermarkets 26,095

Пер=крёсток СУПЕРМАРКЕТ
Supermarkets 67,215

X5 420,883

326,513

Пятёрочка УНИВЕРСАМ
Proximity stores

Q4 2018

KEY DRIVERS

- Pyaterochka, which continues to meet customers' needs in a challenging macro environment, was the key driver for X5's growth thanks to:
  - Value proposition that is one of the best-adapted to Russian consumers' needs
  - Smart expansion programme

Source: X5 data

Net retail sales growth of 17.1% was driven by a 3.7% increase in like-for-like sales and a 13.4% sales growth contribution from a 18.0% rise in selling space

Q4 2018 RESULTS: EXPANSION SUMMARY

- Total store base increased to 14,431 stores as of 31 December 2018
- Pyaterochka was the main driver for the store base increase with a 256 th. sq. m selling space addition in Q4 2018

Net selling space, th. sq. m

18.0%

6,464

5,480

Q4 2017   Q4 2018
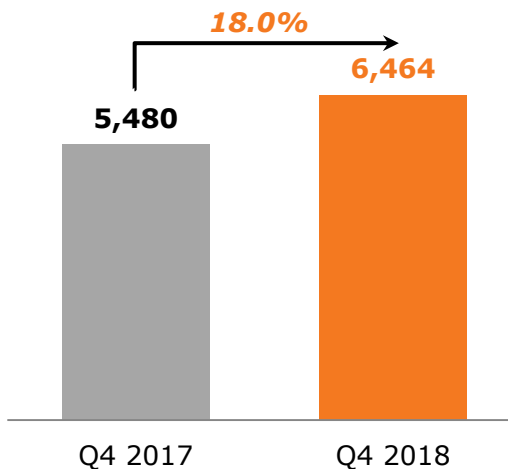
Net selling space added in Q4 2018, th. sq. m

Перекресток
Supermarkets

(0) КАРУСЕЛЬ
ГИПЕРМАРКЕТ

53

309

256

Пятёрочка

Total stores base

14,431

12,121

Q4 2017   Q4 2018

Source: X5 data
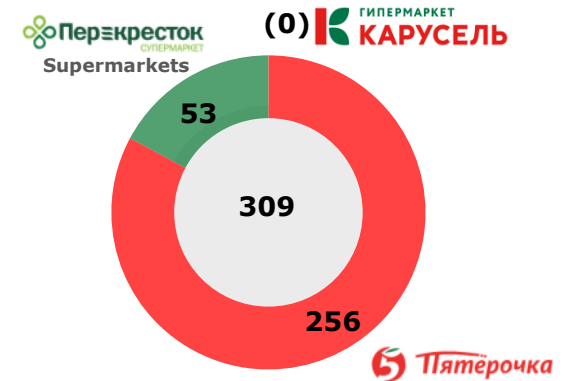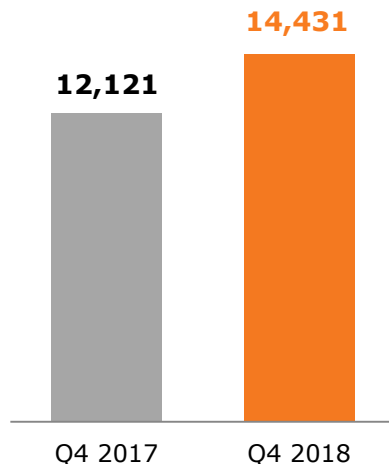
Stores added (net) in Q4 2018 by formats and by regions

Пятёрочка УНИВЕРСАМ
Proximity stores

Other – 431

Central – 194

700

North West – 75

Перекресток СУПЕРМАРКЕТ
Supermarkets

Other – 8

Central – 31

48

North-West – 9

КАРУСЕЛЬ ГИПЕРМАРКЕТ
Hypermarkets

Central – 2

2
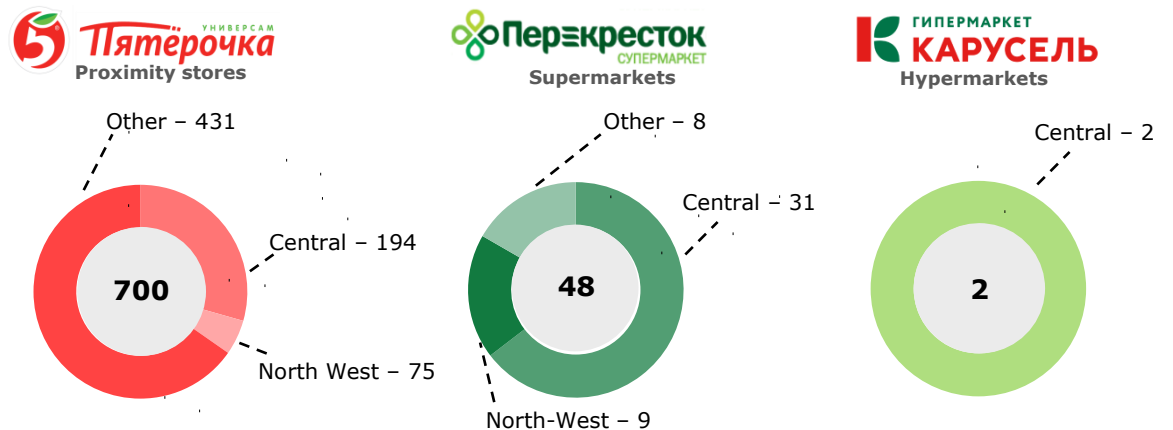
X5 REGIONAL PRESENSE

X5 today

- Multi-format presence in **seven** Federal Districts
- Total stores – 14,431, including:
  — 13,522 Pyaterochka stores
  — 760 Perekrestok supermarkets
  — 94 Karusel hypermarkets
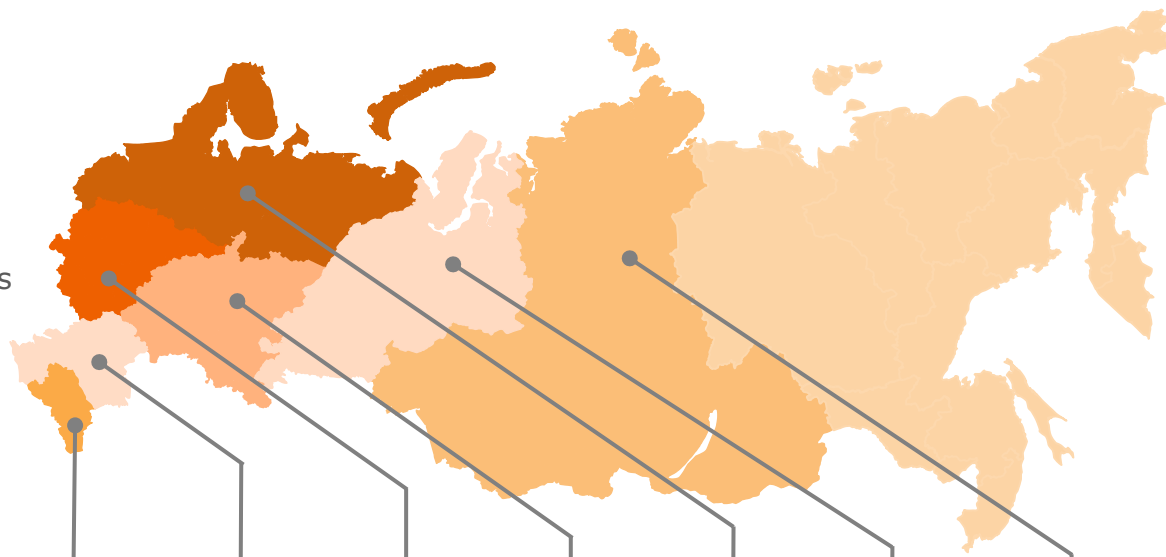
Format	Unit	North Caucasus	Southern	Central	Volga	North Western	Ural	Siberian	Total
Пятёрочка		242	1,174	5,279	3,676	1,552	1,120	479	**13,522**
Перекрёсток СУПЕРМАРКЕТ	Number of stores, #	9	43	449	119	98	42	0	**760**
ГИПЕРМАРКЕТ КАРУСЕЛЬ		1	5	39	25	18	6	0	**94**
X5 RETAIL GROUP	Net retail sales (12M 2018), %	*0.9%*	*5.4%*	*53.0%*	*18.8%*	*14.4%*	*6.2%*	*1.4%*	***100%***

Source: X5 data

X5 DISTRIBUTION CAPABILITIES

Warehouse space as of 31 December 2018

Federal district	Space, th. sq. m	# of DCs
Central	600	17
North-Western	131	5
Volga	195	9
Ural	139	6
Southern	96	4
Siberian	18	1
Total	**1,179**	**42**

Centralisation levels

2012	2013	2014	2015	2016	2017	2018
75%	78%	78%	85%	88%	93%	95%
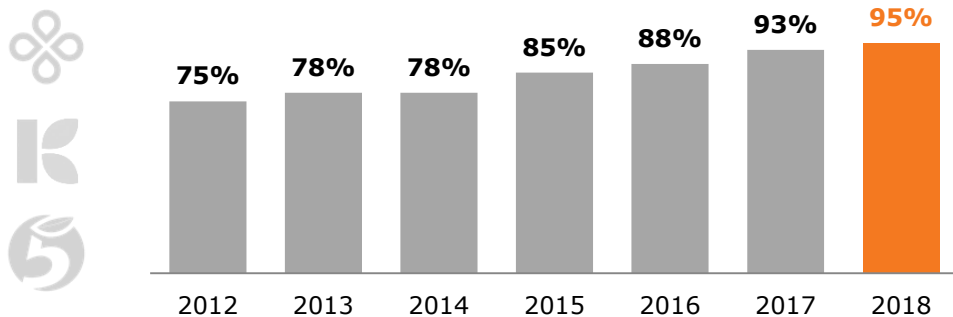
Source: X5 data

Highlights for Q4 2018

- X5 continued the implementation of the new Logistics and Transportation Strategy covering the period until 2025.

- Two new distribution centres in Moscow and Saratov were opened in Q4 2018.

- As of 31 December 2018 the Company owned 3,830 trucks.

**IV. FINANCIAL RESULTS
Q4 2018**

Q4 2018 RESULTS: FINANCIAL HIGHLIGHTS

Revenue

23.0% 19.9% 19.3% 17.6% **16.9%**

361.7 351.5 382.6 375.5 **423.0**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

Revenue, RUB bn — Growth y-o-y, %

Gross profit & gross margin

24.6%

23.8% 23.8% 24.0% **24.1%**

101.8

85.9 83.7 91.8 92.5

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

Gross profit, RUB bn — Margin, %

SG&A (excl. D&A&I&LTI)

17.7% 18.2% 16.9% 17.9% **18.0%**

76.0

64.0 63.9 64.8 67.0

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

SG&A (excl. D&A&I&LTI), RUB bn
— As % of revenue

EBITDA & EBITDA margin[1]

6.7% 6.3% 7.7% 7.4% **7.2%**

24.1 22.3 29.5 27.8 **30.4**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018
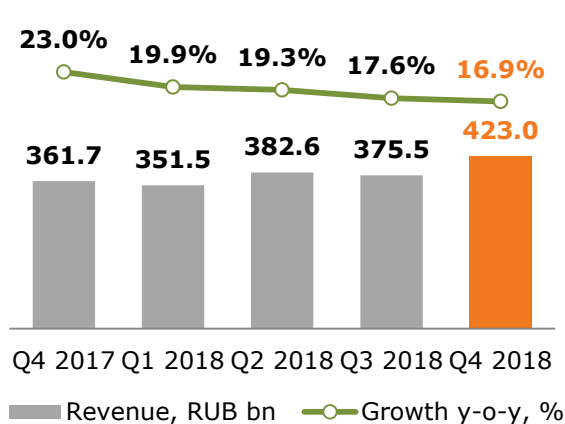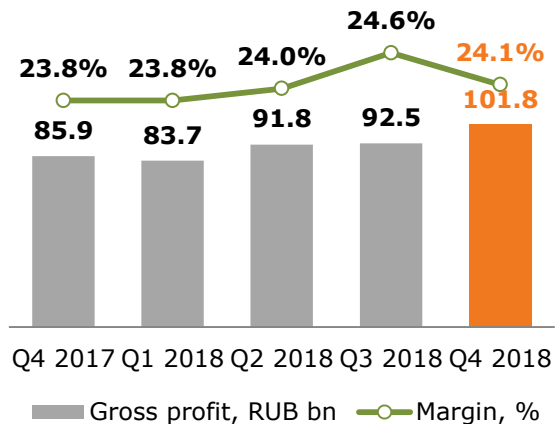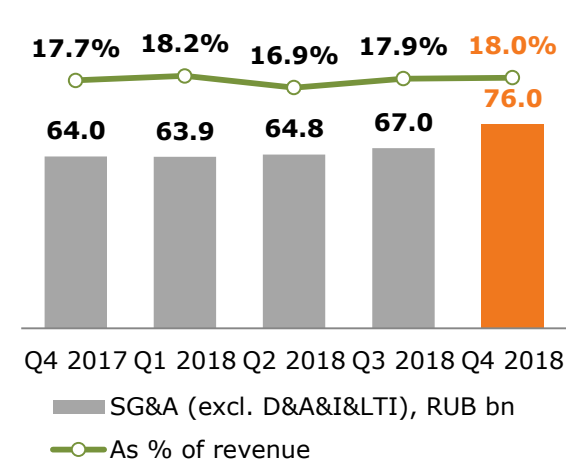
EBITDA, RUB bn — EBITDA margin, %
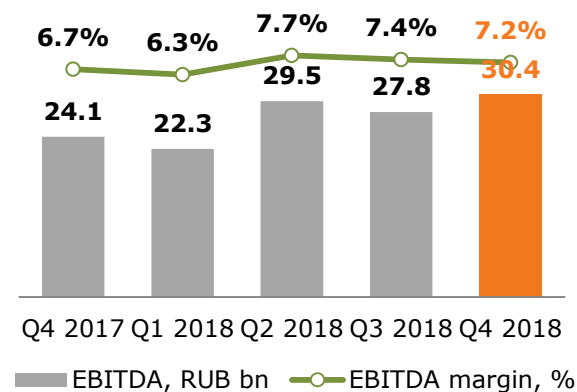
Net profit & net profit margin

2.3% 2.2%

1.5% 1.6% **1.5%**

5.4 5.6 8.7 8.1 **6.2**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018

Net profit, RUB bn — Net profit margin, %
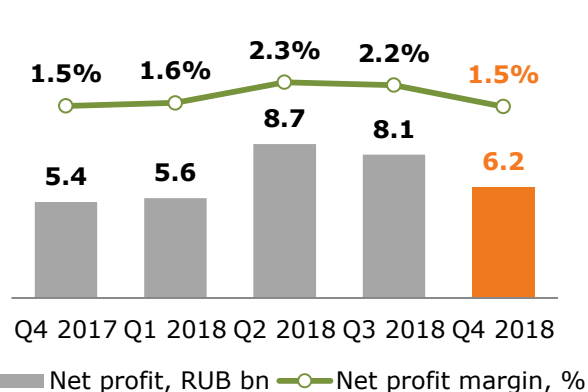
Capital expenditures, RUB bn

38.1

16.4 20.4 18.8 **28.0**

Q4 2017 Q1 2018 Q2 2018 Q3 2018 Q4 2018
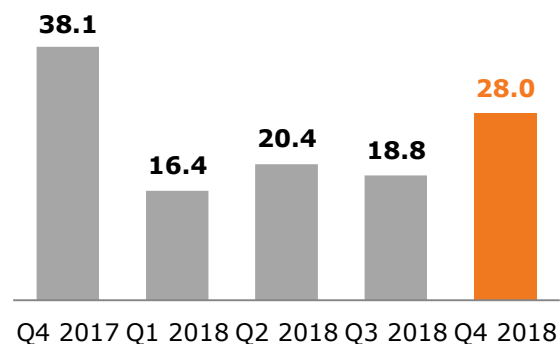
Source: X5 data
[1] – Adjusted for LTI, exit payments and share-based payments and other one-off remuneration payments

Q4 AND FY 2018 RESULTS: CAPITAL EXPENDITURE

Capex breakdown, %

Q4 2018
- 55% New store openings
- 5% Refurbishments
- 11% Logistics
- 11% Maintenance
- 18% IT and other

FY 2018
- 61% New store openings
- 8% Refurbishments
- 9% Logistics
- 10% Maintenance
- 13% IT and other

Legend:
- ■ New store openings
- ■ Refurbishments
- ■ Logistics
- ■ Maintenance
- ■ IT and other
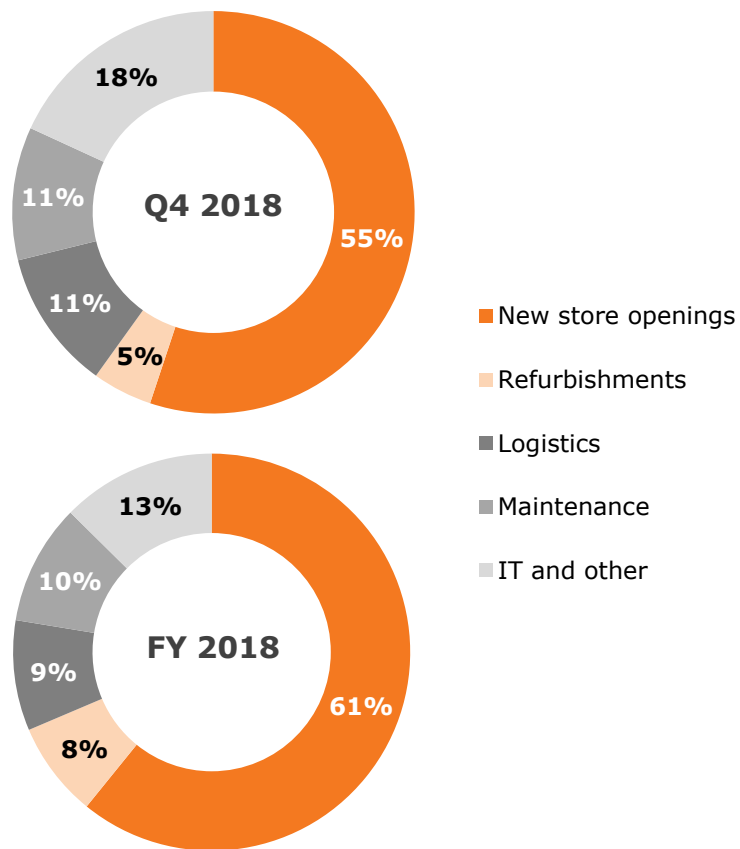
Capex dynamics by quarter, RUB mln

Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
38,131	16,433	20,440	18,757	28,037
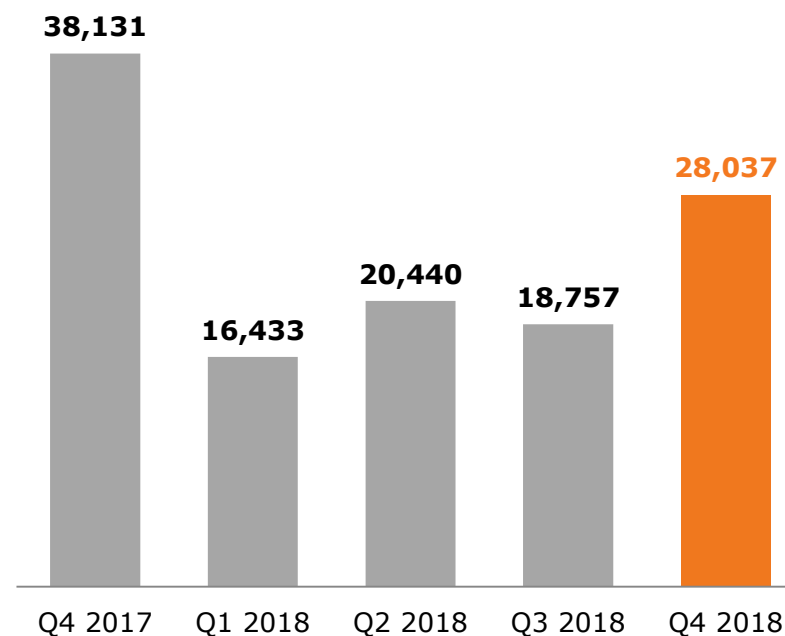
Source: X5 data

In Q4 2018, capex programme focused on organic expansion, IT and logistics

X5

Q4 2018 RESULTS: DEBT STRUCTURE

Debt profile

RUB mln	31 Dec 2018	31 Dec 2017
Total Debt	**207,764**	**194,296**
Short-Term Debt	60,435	58,674
% of total debt	*29.1%*	*30.2%*
Long-Term Debt	147,329	135,622
% of total debt	*70.9%*	*69.8%*
Net Debt	**183,396**	**166,691**

Debt portfolio maturity

	100%	29%	32%	39%
	31 Dec 2018	2019	2020	2021
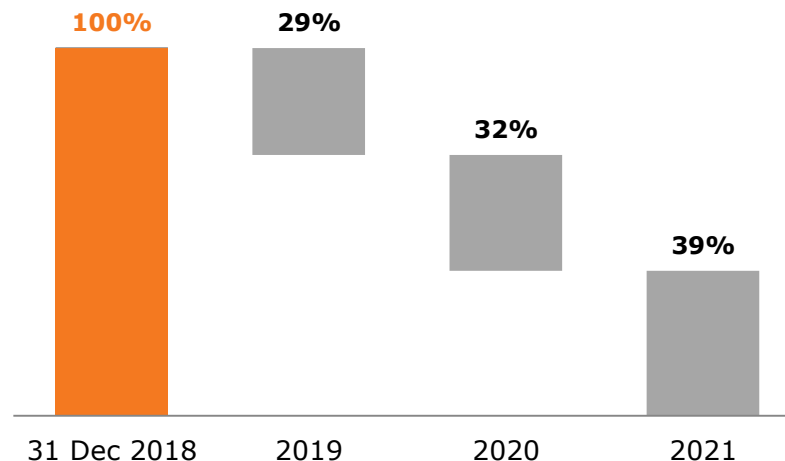
Covenants & liquidity update

Covenant metrics & liquidity sources	31 Dec 2018	31 Dec 2017
Net Debt / EBITDA	1.70x	1.73x
Cash & cash equiv., RUB mln	24,368	27,605
Available credit limits, RUB mln	341,502	314,838

Highlights

- X5's debt portfolio is 100% RUB-denominated

- All of the X5's loans and bonds have fixed interest rates

- X5's available credit limits amounted to RUB 341.5 bn

Source: X5 data

Q4 2018 RESULTS: ADJUSTED SG&A [1] EXPENSES ANALYSIS

Q4 2018 analysis
as percentage of revenue

18.0% *29 b.p.* **17.7%**

0.9%	(10) b.p.	1.0%
1.6%	47 b.p.	1.1%
1.1%	(15) b.p.	1.2%
2.1%	16 b.p.	1.9%
4.7%	6 b.p.	4.6%
7.6%	(14) b.p.	7.8%

Q4 2018   Q4 2017

12M 2018 analysis
as percentage of revenue

17.7% *91 b.p.*

16.8%

0.8%	(2) b.p.	0.8%
1.1%	21 b.p.	0.9%
1.1%	(7) b.p.	1.2%
2.1%	23 b.p.	1.8%
4.9%	28 b.p.	4.6%
7.7%	25 b.p.	7.4%
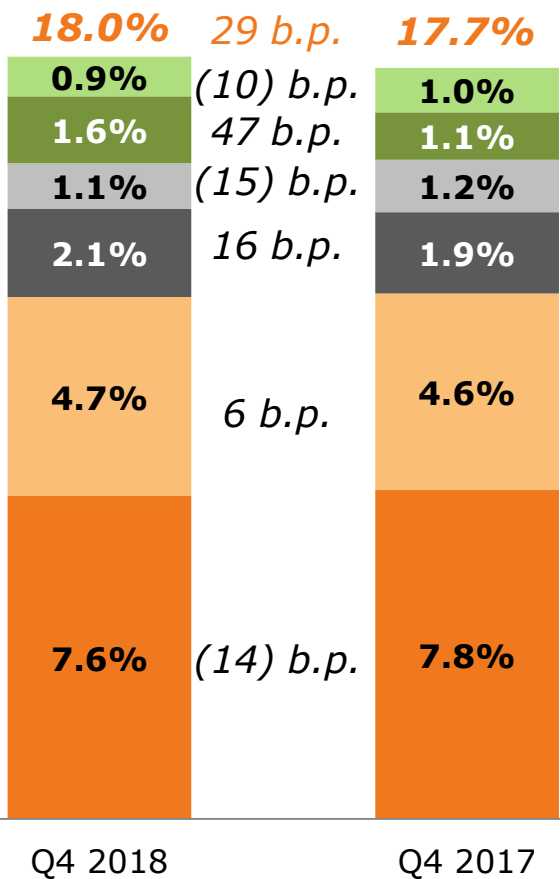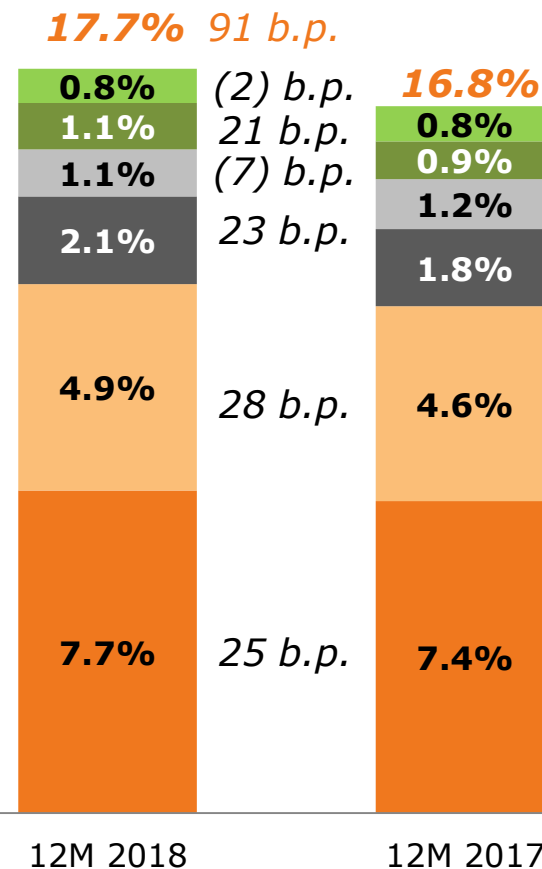
12M 2018   12M 2017

- Third party services
- Other expenses
- Other store costs
- Utilities
- Lease expenses
- Staff costs

Source: X5 data
[1] – Adjusted for D&A&I, LTI, exit share-based payments

FINANCIAL STATEMENTS (1/3)
PROFIT AND LOSS STATEMENT

RUB mln	Q4 2018	Q4 2017	+/(-)	+/(-), %	12M 2018	12M 2017	+/(-)	+/(-), %
Revenue	**422,955**	**361,705**	**61,250**	*16.9%*	**1,532,537**	**1,295,008**	**237,529**	*18.3%*
Net retail sales	420,883	359,467	61,416	*17.1%*	1,525,015	1,286,949	238,066	*18.5%*
COGS	(321,175)	(275,765)	(45,410)	*16.5%*	(1,162,817)	(986,070)	(176,747)	*17.9%*
Gross profit	**101,780**	**85,940**	**15,840**	*18.4%*	**369,720**	**308,938**	**60,782**	*19.7%*
Gross profit margin	*24.1%*	*23.8%*		*30 b.p.*	*24.1%*	*23.9%*		*27 b.p.*
SG&A	(91,088)	(75,640)	(15,448)	*20.4%*	(323,358)	(259,146)	(64,212)	*24.8%*
EBITDA	**29,801**	**23,802**	**5,999**	*25.2%*	**107,628**	**96,193**	**11,435**	*11.9%*
EBITDA margin	*7.0%*	*6.6%*		*47 b.p.*	*7.0%*	*7.4%*		*(41) b.p.*
Operating profit	**15,316**	**12,416**	**2,900**	*23.4%*	**58,154**	**57,758**	**396**	*0.7%*
Operating margin	*3.6%*	*3.4%*		*19 b.p.*	*3.8%*	*4.5%*		*(67) b.p.*
Net profit	**6,242**	**5,419**	**823**	*15.2%*	**28,642**	**31,394**	**(2,752)**	*(8.8)%*
Net profit margin	*1.5%*	*1.5%*		*(2) b.p.*	*1.9%*	*2.4%*		*(56) b.p.*

Source: X5 data

FINANCIAL STATEMENTS (2/3)
BALANCE SHEET

RUB mln	31 Dec 2018	31 Dec 2017	+/(-)	+/(-)%
Total current assets	**170,840**	**159,273**	**11,567**	**7.3%**
Cash & cash equivalents	24,368	27,605	(3,237)	(11.7)%
Inventories	115,990	99,300	16,690	16.8%
Total non-current assets	**439,959**	**405,985**	**33,974**	**8.4%**
Net PP&E	303,802	278,928	24,874	8.9%
Goodwill	94,627	90,276	4,351	4.8%
Total assets	**610,799**	**565,258**	**45,541**	**8.1%**
Total current liabilities	**291,203**	**264,175**	**27,028**	**10.2%**
ST debt	60,435	58,674	1,761	3.0%
Trade accounts payable	154,873	130,766	24,107	18.4%
Total non-current liabilities	**154,121**	**142,641**	**11,480**	**8.0%**
LT debt	147,329	135,622	11,707	8.6%
Total liabilities	**445,324**	**406,816**	**38,508**	**9.5%**
Total equity	**165,475**	**158,442**	**7,033**	**4.4%**
Total liabilities & equity	**610,799**	**565,258**	**45,541**	**8.1%**

Source: X5 data

RUB mln	Q4 2018	Q4 2017	+/(-)	+/(-)%	12M 2018	12M 2017	+/(-)	+/(-)%
Net cash generated from operating activities	**42,255**	**21,060**	**21,195**	*100.6%*	**98,034**	**58,658**	**39,376**	*67.1%*
Net cash from operating activities before changes in working capital	30,101	24,268	5,833	*24.0%*	107,827	96,830	10,997	*11.4%*
Change in Working Capital, incl.:	21,148	4,480	16,668	*372.1%*	19,609	(11,386)	30,995	*n/a*
Decrease/(increase) in trade and other AR	(2,114)	(6,809)	4,695	*(69.0)%*	4,360	4,290	70	*1.6%*
Decrease/(increase) in inventories	(16,235)	(14,346)	(1,889)	*13.2%*	(16,690)	(25,498)	8,808	*(34.5)%*
(Increase)/decrease in trade payable	35,367	22,247	13,120	*59.0%*	24,183	448	23,735	*5,298.0%*
(Decrease)/increase in other AP	4,130	3,388	742	*21.9%*	7,756	9,374	(1,618)	*(17.3)%*
Net interest and income tax paid	(8,994)	(7,688)	(1,306)	*17.0%*	(29,402)	(26,786)	(2,616)	*9.8%*
Net cash used in investing activities	**(23,774)**	**(27,364)**	**3,590**	*(13.1)%*	**(92,760)**	**(87,274)**	**(5,486)**	*6.3%*
Net cash generated from/(used in) financing activities	**(9,451)**	**22,187**	**(31,638)**	*n/a*	**(8,436)**	**38,017**	**(46,453)**	*n/a*
Effect of exchange rate changes on cash & cash equiv.	-	8	(8)	*(100.0)%*	(75)	14	(89)	*n/a*
Net increase/(decrease) in cash & cash equiv.	**9,030**	**15,891**	**(6,861)**	*(43.2)%*	**(3,237)**	**9,415**	**(12,652)**	*n/a*

APPENDIX

PERFORMANCE SUMMARY OF KEY FORMATS

PYATEROCHKA SUMMARY (1/3)
RUSSIA'S #1 PROXIMITY NETWORK BY REVENUE

13,522 stores as of 31 December 2018, 20.5% increase y-o-y

5,291 th. sq. m of selling space as of 31 December 2018, 19.5% increase y-o-y

Q4 2018 net retail sales – RUB 326.5 bn, 18.1% increase y-o-y

1,032 mln of customer visits in Q4 2018, 17.0% increase y-o-y

Share of X5's Q4 2018 sales: **~78%**

Q4 2018 LFL Results
- Sales: **3.3%**
- Traffic: **1.7%**
- Basket: **1.6%**

Average check: **RUB 362** (Q4 2018)

- Avg. net selling space: **391 sq. m.**
- **Formats**
  - 250-330 sq. m.
  - 330-430 sq. m.
  - 430-620 sq. m.
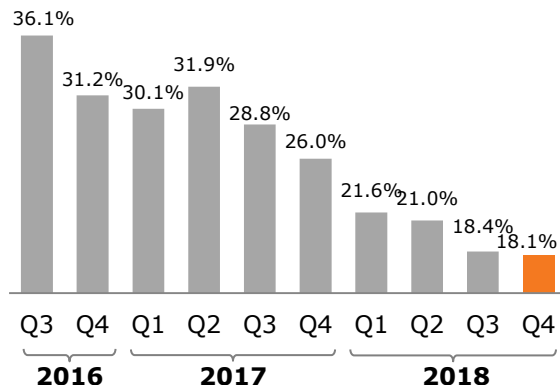 - 620-and more

Average number of SKUs: **4,500**
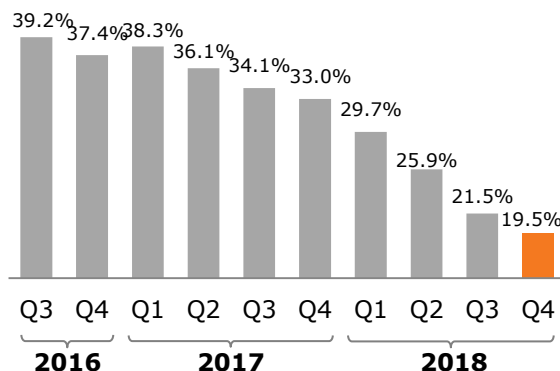
Capex per leased store: **RUB 12-15 mln**

The proximity store for your daily shopping needs

PYATEROCHKA SUMMARY (2/3)

**Q4 2018 net retail sales:
18.1% increase y-o-y**

Net sales growth (% y-o-y)

36.1%
31.2%
30.1%
31.9%
28.8%
26.0%
21.6%
21.0%
18.4%
18.1%

Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4
2016 | **2017** | **2018**

**Q4 2018 selling space:
19.5% increase y-o-y**

Net selling space growth (% y-o-y)

39.2%
37.4%
38.3%
36.1%
34.1%
33.0%
29.7%
25.9%
21.5%
19.5%

Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4
2016 | **2017** | **2018**

**Q4 2018 sales densities:
4.6% decline y-o-y**

Net sales densities (th. RUB/sq. m[1])

275
272
268
266
262
259
254
251
249
247

Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4
2016 | **2017** | **2018**
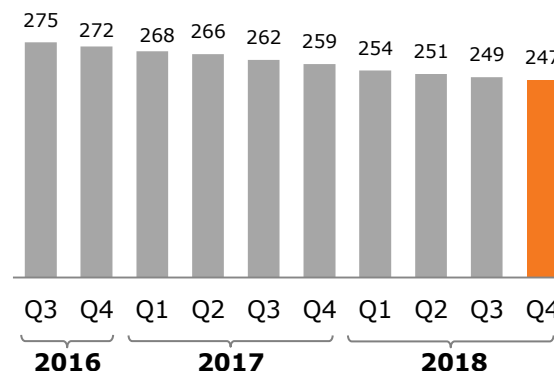
**Q4 2018 LFL sales:
3.3% increase y-o-y**

Total LFL sales growth (% y-o-y)

11.2%
7.5%
6.7%
6.0%
4.0%
2.4%
(0.8)%
0.5%
0.1%
3.3%

Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4
2016 | **2017** | **2018**
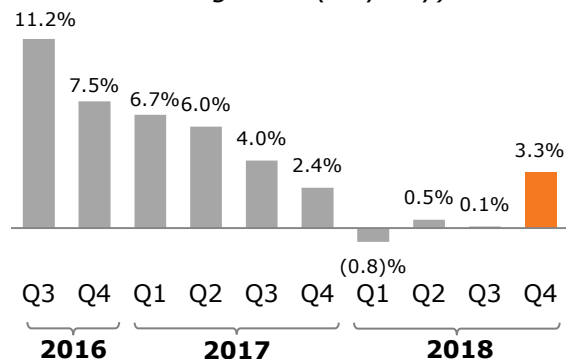
**Q4 2018 LFL traffic:
1.7% increase y-o-y**

Total LFL traffic growth (% y-o-y)

4.1%
1.6%
4.4%
2.0%
2.4%
2.8%
(2.2)%
1.3%
0.5%
1.7%

Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4
2016 | **2017** | **2018**
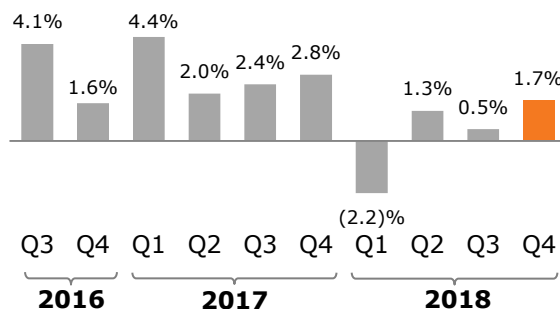
**Q4 2018 LFL basket:
1.6% increase y-o-y**

Total LFL basket growth (% y-o-y)
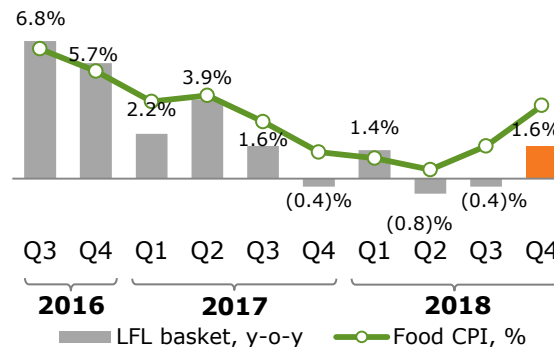
6.8%
5.7%
2.2%
3.9%
1.6%
(0.4)%
1.4%
(0.8)%
(0.4)%
1.6%

Q3 Q4 | Q1 Q2 Q3 Q4 | Q1 Q2 Q3 Q4
2016 | **2017** | **2018**

LFL basket, y-o-y — Food CPI, %

Source: X5 data
[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters

- **Maximise the share of customers, and maximise share of these customers' wallet**:

  - Further **adaptation of CVP** and **assortment**

  - **Leadership in NPS** and service level

  - **Decrease personnel turnover**; improve loyalty

  - Improvement in **operational efficiency**, incl. shrinkage

  - Roll-out of **personalised promotions**

  - Improve efficiency of **regional model**

- **Improve efficiency and reduce costs:**

  - **Further** improvements in opex and purchasing terms

  - Increase the share of **direct import**

  - Grow the share of **private label** to >20% during the next 3-5 years
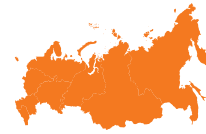
  - **Lean and agile** approach

PEREKRESTOK SUMMARY (1/3)
RUSSIA'S #1 SUPERMARKET

760 stores as of 31 December 2018, 19.1% increase y-o-y

782 th. sq. m. of selling space as of 31 December 2018, 22.6% increase y-o-y

Q4 2018 net retail sales of RUB 67.2 bn, 23.0% increase y-o-y

141 mln customers in Q4 2018, 24.2% increase y-o-y

Share of X5's Q4 2018 sales: **~16%**

Q4 2018 LFL Results
- Sales: **7.5%**
- Traffic: **8.2%**
- Basket: **(0.7)%**

Average check: **RUB 546** (Q4 2018),

Avg. net selling space : **1,028 sq. m.**
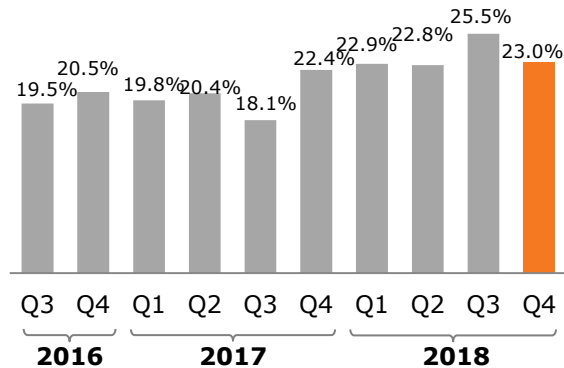
Average number of SKUs: **8,000 – 15,000**

Capex per leased store: **RUB 50-60 mln**

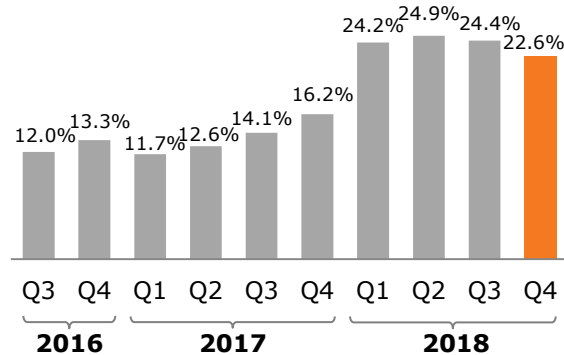**The main supermarket in every neighbourhood**

X5

PEREKRESTOK SUMMARY (2/3)

Q4 2018 net retail sales: 23.0% increase y-o-y

Net sales growth (% y-o-y)

19.5% 20.5% 19.8% 20.4% 18.1% 22.4% 22.9% 22.8% 25.5% 23.0%

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2016		**2017**				**2018**			

Q4 2018 selling space: 22.6% increase y-o-y

Net selling space growth (% y-o-y)

12.0% 13.3% 11.7% 12.6% 14.1% 16.2% 24.2% 24.9% 24.4% 22.6%

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2016		**2017**				**2018**			

Q4 2018 sales densities: 0.8% increase y-o-y

Net sales densities (th. RUB/sq. m[1])

302 306 312 318 320 324 326 326 327 326

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2016		**2017**				**2018**			
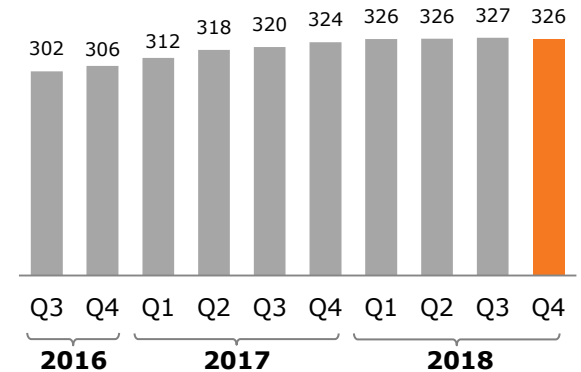
Q4 2018 LFL sales: 7.5% increase y-o-y

Total LFL sales growth (% y-o-y)

7.2% 8.7% 10.3% 11.1% 9.9% 9.3% 6.4% 4.4% 4.7% 7.5%

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2016		**2017**				**2018**			
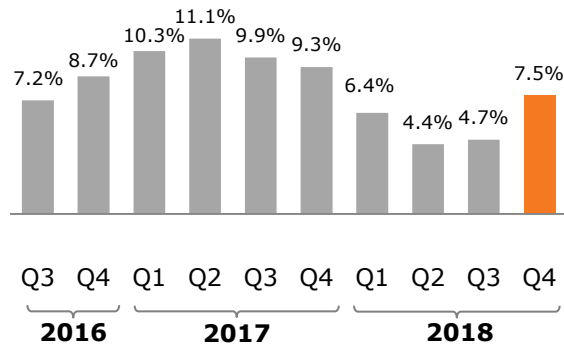
Q4 2018 LFL traffic: 8.2% increase y-o-y

Total LFL traffic growth (% y-o-y)

2.4% 4.3% 7.2% 5.7% 6.6% 7.5% 3.3% 6.4% 6.7% 8.2%

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2016		**2017**				**2018**			
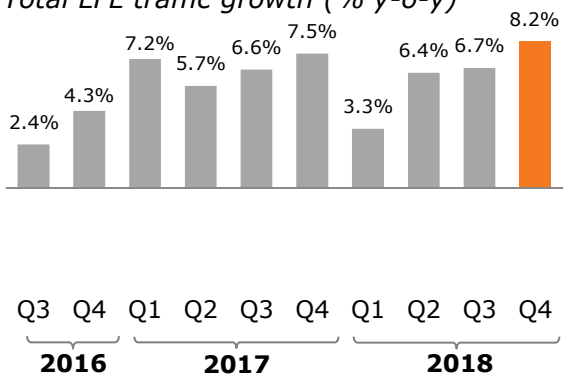
Q4 2018 LFL basket: 0.7% decline y-o-y

Total LFL basket growth (% y-o-y)
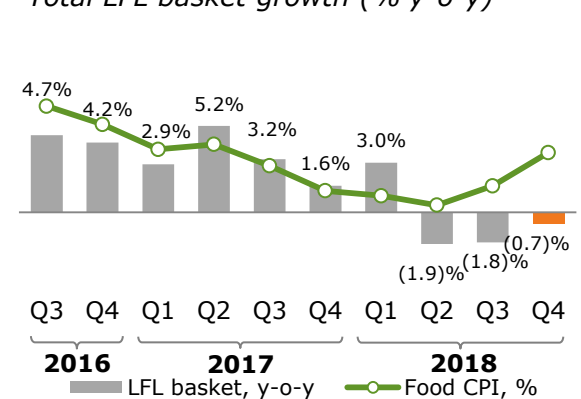
4.7% 4.2% 2.9% 5.2% 3.2% 1.6% 3.0% (1.9)% (1.8)% (0.7)%

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2016		**2017**				**2018**			

LFL basket, y-o-y — Food CPI, %

Source: X5 data

[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters

PEREKRESTOK SUMMARY (3/3)
STRATEGY OVERVIEW

- **Fine-tuning value proposition and adapting to customer needs:**

  - Further adaptation of assortment with focus on **fresh, F&V, ready-to-eat**

  - **Omni-channel** development

  - Targeted **loyalty system** and **personalised** promo

  - **Best-in-class service**, further increase of NPS

  - **Comfort and positive emotions** from shopping

  - Chain expansion with aim of being **closer to the customer**

- **Improve efficiency and reduce costs:**

  - Increase the share of **private labels**

  - Increase the share of **direct import**

  - **Further improve logistics** (forecasting, stock replenishment system)
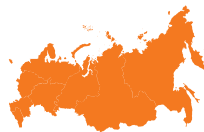
  - **Further** improvements in opex and purchasing terms

94 stores as of 31 December 2018: 1.1% increase y-o-y

382 th. sq. m. of selling space as of 31 December 2018, 0.8% decrease y-o-y

Q4 2018 net retail sales: **RUB 26.1 bn**, 0.5% increase y-o-y

35 mln customer visits in Q4 2018, 3.3% decrease y-o-y

Share of X5's Q4 2018 sales: **~6%**

Q4 2018 LFL Results
- Sales: **(0.4)%**
- Traffic: **(2.8)%**
- Basket: **2.5%**

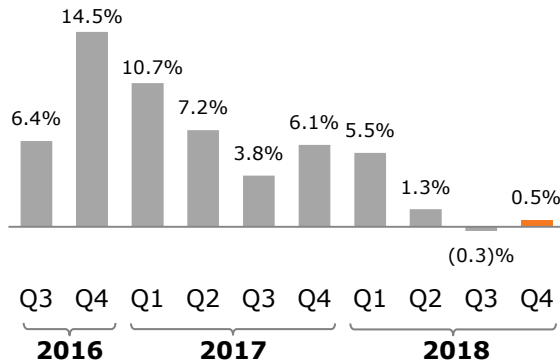Average ticket: **RUB 856** (Q4 2018) 3.1% increase y-o-y

Avg. net selling space: **4,064 sq. m.**

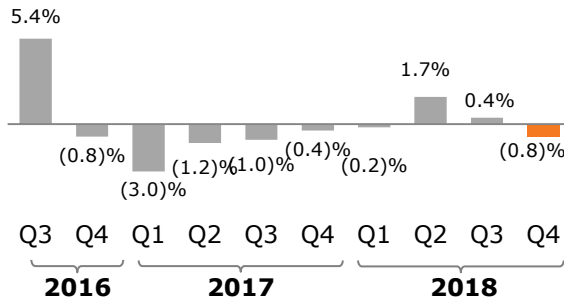**Destination store for all your food & household needs**

KARUSEL SUMMARY (2/3)

Q4 2018 net retail sales:
0.5% increase y-o-y

Net sales growth (% y-o-y)

Values by quarter: 6.4%, 14.5%, 10.7%, 7.2%, 3.8%, 6.1%, 5.5%, 1.3%, (0.3)%, 0.5%

Q3 Q4 (2016) | Q1 Q2 Q3 Q4 (2017) | Q1 Q2 Q3 Q4 (2018)

Q4 2018 selling space:
0.8% decrease y-o-y

Net selling space growth (% y-o-y)

Values by quarter: 5.4%, (0.8)%, (3.0)%, (1.2)%, (1.0)%, (0.4)%, (0.2)%, 1.7%, 0.4%, (0.8)%

Q3 Q4 (2016) | Q1 Q2 Q3 Q4 (2017) | Q1 Q2 Q3 Q4 (2018)

Q4 2018 sales densities:
1.6% increase y-o-y

Net sales densities (th. RUB/sq. m[1])

Values by quarter: 210, 215, 221, 227, 229, 233, 237, 237, 237, 237

Q3 Q4 (2016) | Q1 Q2 Q3 Q4 (2017) | Q1 Q2 Q3 Q4 (2018)
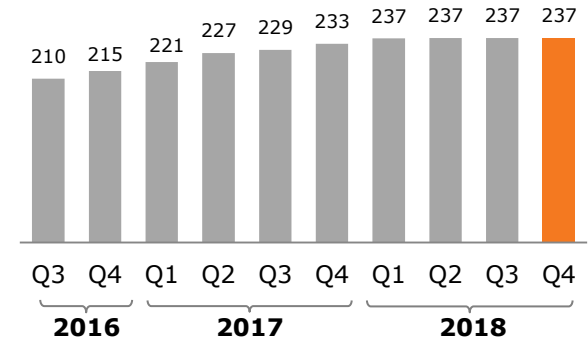
Q4 2018 LFL sales:
0.4% decline y-o-y

Total LFL sales growth (% y-o-y)

Values by quarter: (1.7)%, 8.1%, 9.4%, 6.3%, 2.5%, 4.0%, 3.3%, (0.4)%, (2.5)%, (0.4)%

Q3 Q4 (2016) | Q1 Q2 Q3 Q4 (2017) | Q1 Q2 Q3 Q4 (2018)
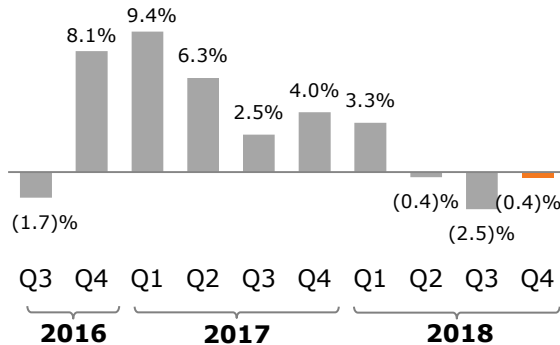
Q4 2018 LFL traffic:
2.8% decline y-o-y

Total LFL traffic growth (% y-o-y)

Values by quarter: (3.7)%, 2.5%, 5.9%, (2.3)%, (2.4)%, (0.2)%, (2.0)%, (2.8)%, (4.8)%, (2.8)%

Q3 Q4 (2016) | Q1 Q2 Q3 Q4 (2017) | Q1 Q2 Q3 Q4 (2018)
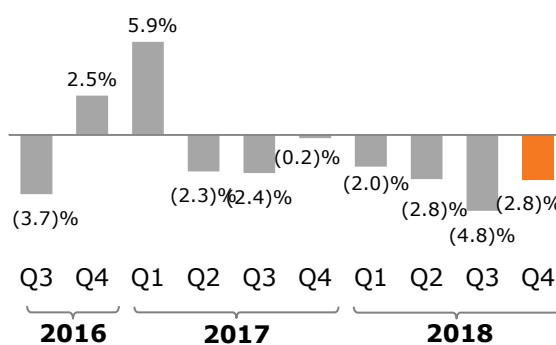
Q4 2018 LFL basket:
2.5% increase y-o-y

Total LFL basket growth (% y-o-y)
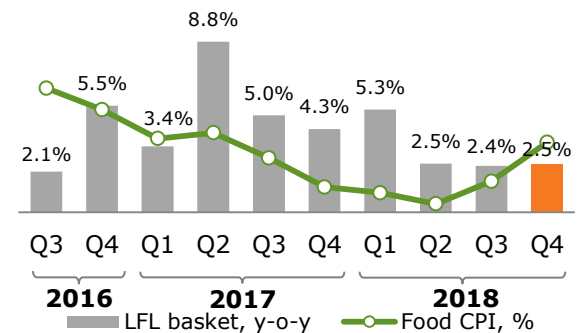
LFL basket values by quarter: 2.1%, 5.5%, 3.4%, 8.8%, 5.0%, 4.3%, 5.3%, 2.5%, 2.4%, 2.5%

Q3 Q4 (2016) | Q1 Q2 Q3 Q4 (2017) | Q1 Q2 Q3 Q4 (2018)

— LFL basket, y-o-y
—○— Food CPI, %

Source: X5 data

[1] – Total net sales from trailing four quarters divided by average selling space of trailing four quarters

- **Increasing sales density and increasing customer loyalty:**

  – Further **adapt assortment**

  – Improve **price perception**

  – Increase **share of private label**

  – Expand **omni-channel** offering & digital **innovations**

  – Improve **personnel engagement**

  – Reduce lease costs, shrinkage and increase **operational efficiency**

  – Gradually renovate stores using **new branding**

In 2018, we began full-scale rollout of new CVP and branding with refurbishment of eight stores in 2018