

X5 RETAIL GROUP Q1 2021 NET SALES INCREASE 8.1%
DIGITAL BUSINESS NET SALES UP 363.5%

- ✓ Total sales increased by 8.1% year-on-year (y-o-y) in roubles (RUB), driven by 6.4% growth in offline sales and a 1.7% contribution from digital businesses sales growth.
- ✓ Revenue from digital businesses increased by 363.5% and totalled RUB 10.5 billion in Q1 2021.
- ✓ Adjusted for the high base effect of 14-31 March 2020, which was related to the stock up demand at the start of the COVID lockdown period, total net retail sales (including Vprok.ru Perekrestok and express delivery) increased by 11.5% y-o-y in Q1 2021, with a 5.9% y-o-y increase in Like-for-like (LFL)⁽¹⁾ sales. During the high-demand comparable period of 14-31 March 2020, net retail sales growth totalled 28.0% y-o-y and LFL sales growth reached 18.1%.
- ✓ LFL sales increased by 2.1%. LFL basket remained the main driver of LFL sales as less frequent customer visits to stores and larger basket size persisted as a trend.
- ✓ The average number of total daily orders for Vprok.ru Perekrestok and express delivery services from Pyaterochka and Perekrestok stores exceeded 74 thousand in peak days in March.
- ✓ X5 added 252 net new stores in Q1 2021; 425 proximity stores and one supermarket were refurbished to the new concepts, which continue to show positive customer response.
- ✓ Karusel continued downsizing as part of the hypermarket format transformation programme.

Amsterdam, 16 April 2021 - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), that operates the Pyaterochka, Perekrestok, and Karusel retail chains and offers digital consumer services, announces today the Company's preliminary consolidated net retail sales and operational results for Q1 2021⁽²⁾.

Net Sales⁽³⁾ Performance

Sales of offline and digital businesses⁽⁴⁾

RUB mln	Q1 2021	Q1 2020	change y-o-y, % or multiple
Pyaterochka	403,488	369,943	9.1
Perekrestok	82,836	78,579	5.4
Karusel	9,744	17,800	(45.3)
Offline net sales	496,186	466,322	6.4
Vprok.ru Perekrestok	4,492	2,096	114.3
Express delivery	5,476	104	53x
5Post (e-comm last mile)	459	64	617.2
Digital businesses net sales	10,495	2,264	363.5
Total net sales	506,681	468,586	8.1

(1) LFL comparisons of retail sales between two periods are comparisons of retail sales in local currency (including VAT) generated by the relevant stores. The stores that are included in LFL comparisons are those that have operated for at least 12 full months. Their sales are included in LFL calculation starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period.

(2) Numbers in this press release are preliminary and have not been reviewed or audited by the Company's auditor.

(3) Net retail sales represent revenue from operations of X5-managed stores net of VAT. This number differs from revenue, which also includes proceeds from direct franchisees (royalty payments) and other revenue, which will be reported as part of X5's Q1 2021 financial results.

(4) In the tables and text of this press release, immaterial deviations in calculation of % change, subtotals and totals are due to rounding.

Net retail sales by format (including Vprok.ru Perekrestok and express delivery)

RUB mln	Q1 2021	Q1 2020	change y-o-y, %
Pyaterochka	406,710	370,047	9.9
Perekrestok	89,137	80,614	10.6
Karusel	9,749	17,800	(45.2)
X5 Retail Group	505,783	468,461	8.0

Q1 2021 LFL store performance by format, % change y-o-y

	Sales	Traffic	Basket
Pyaterochka	3.4	(8.5)	13.1
Perekrestok	(2.6)	(13.6)	12.7
Karusel	(12.2)	(17.6)	6.5
X5 Retail Group	2.1	(9.2)	12.4

Q1 2021 monthly net RUB retail sales by format, % or multiple change y-o-y

	January 2021	February 2021	March 2021
Pyaterochka	14.5	10.0	3.8
Perekrestok	10.0	6.9	0.4
Karusel	(40.5)	(44.9)	(49.8)
Offline business total	11.6	7.4	1.3
Vprok.ru Perekrestok	125.8	122.1	99.8
Express delivery	133x	92x	28x
5Post (e-comm last mile)	11x	479.2	534.6
Digital businesses total	401.1	381.4	324.6
Total	13.2	9.1	2.9

Average Ticket and Number of Customer Visits⁽⁵⁾
Q1 2021 average ticket and customer visits by offline format

	Q1 2021	Q1 2020	change y-o-y, %
<u>Average Ticket, RUB</u>			
Pyaterochka	418.5	370.6	12.9
Perekrestok	653.5	578.4	13.0
Karusel	939.3	838.2	12.1
X5 Retail Group	450.7	403.5	11.7
<u># of Customers, mln</u>			
Pyaterochka	1,114.8	1,147.5	(2.8)
Perekrestok	148.5	155.3	(4.4)
Karusel	11.9	24.4	(51.1)
X5 Retail Group	1,275.5	1,327.2	(3.9)

(5) Excluding Vprok.ru Perekrestok

Q1 2021 average monthly RUB ticket and customer visits by offline format, % change y-o-y

	January 2021	February 2021	March 2021
Average Ticket			
Pyaterochka	17.4	17.6	24.0
Perekrestok	21.0	19.8	18.0
Karusel	22.5	16.4	3.9
X5 Retail Group	17.0	17.1	22.2
# of Customer Visits			
Pyaterochka	(1.6)	(5.9)	(16.0)
Perekrestok	(7.3)	(8.6)	(12.4)
Karusel	(51.5)	(52.5)	(51.6)
X5 Retail Group	(3.2)	(7.0)	(16.1)

Expansion Dynamics
Selling space and # of stores by format

	As at 31-Mar-21	As at 31-Dec-20	change vs 31-Dec-20, %	As at 31-Mar-20	change y-o-y, %
Selling Space, square metres (sq. m)					
Pyaterochka	6,656,879	6,541,622	1.8	6,136,774	8.5
Perekrestok	1,019,854	1,013,860	0.6	874,800	16.6
Karusel	196,134	222,119	(11.7)	295,467	(33.6)
X5 Retail Group	7,935,579	7,840,055	1.2	7,326,991	8.3
# of Stores					
Pyaterochka	16,960	16,709	1.5	15,739	7.8
Perekrestok	940	933	0.8	843	11.5
Karusel	49	56	(12.5)	73	(32.9)
X5 Retail Group	17,959	17,707	1.4	16,658	7.8

Selling space and # of stores added by format

	Net Added Q1 2021	Net Added Q1 2020	change y-o-y, %
Selling Space, square metres (sq. m)			
Pyaterochka	115,257	161,627	(28.7)
Perekrestok	5,994	(3,957)	n/m
Karusel	(25,985)	(68,610)	(62.1)
X5 Retail Group	95,524	87,874	8.7
Net # of Stores			
Pyaterochka	251	385	(34.8)
Perekrestok	7	(5)	n/m
Karusel	(7)	(18)	(61.1)
X5 Retail Group	252	361	(30.2)

Digital Businesses Performance

	Q1 2021	Q1 2020	change y-o-y, % or multiple
Vprok.ru Perekrestok			
Net sales, RUB mln	4,492	2,096	114.3
Number of orders, ths	1,170	591	97.9
Average ticket, RUB	4,355	4,026	8.2
Express Delivery			
Net sales, RUB mln	5,476	104	53x
Number of orders, ths	4,103	68	60x
Average ticket, RUB	1,518	1,734	(12.4)
5Post			
Net sales, RUB mln	459	64	617.2
Number of parcels, ths	3,979	604	558.8
Total net sales, RUB mln	10,495	2,264	363.5

Key Drivers for Q1 2021 Results
External environment

- Food inflation in Q1 2021 accelerated to a quarterly average of 7.4% y-o-y from 5.8% y-o-y in Q4 2020, peaking at 7.7% in February 2021. Key drivers included fruit and vegetables, sugar, eggs and vegetable oil categories, influenced by rising global soft commodities price inflation and the weaker rouble.
- Consumer demand continued to recover and reached -1.1% y-o-y in Q1 2021 compared to -3.8% y-o-y in Q4 2020.
- Unemployment in Q1 2021 decreased to 5.8%, compared to 6.1% in Q4 2020.

Offline business development

- Pyaterochka's offline net sales increased by 9.1% y-o-y, with LFL sales growth at 3.4% in Q1 2021. Excluding the high base effect from the period of 14-31 March 2020, LFL sales growth was 7.3%, close to the level of food inflation for the period of 7.4%. LFL traffic decreased by 8.5% y-o-y while LFL basket grew by 13.1% y-o-y, driven by changes in customer behaviour related to safety considerations with less frequent visits to stores and larger purchases per visit. Other than that, there were no signs of changing consumer behaviour during the quarter.
- Perekrestok's offline net sales increased by 5.4% in Q1 2021, driven mostly by selling space expansion. LFL sales growth was negative in Q1 2021 at minus 2.6% driven by a slower than expected recovery of stores located in shopping malls after the lockdown restrictions were lifted, as approximately half of Perekrestok supermarkets are located in the shopping malls. Excluding the high base effect of 14-31 March 2020, LFL sales growth was positive at 1.1%. Given still low consumer confidence and COVID-related safety considerations by consumers, traffic flow in Perekrestok stores located at shopping malls remains weak.
- In Q1 2021, Karusel's offline net sales decreased by 45.3%, driven by downsizing as part of the format's transformation programme, with LFL sales down by 12.2%. Excluding the high base effect caused during the period from 14 to 31 March 2020, LFL sales declined by 7.8%

Digital businesses development

- Digital business revenue grew 363.5% y-o-y in Q1 2021 and contributed 1.7 p.p. to the consolidated quarterly revenue growth rate of 8.1%. Vprok.ru Perekrestok and express delivery successfully fulfilled more than 74 thousand orders per day at peak periods in March. There was

some seasonal slowdown in the number of online daily orders in March compared to February, but the segment continues its robust growth.

- Digital business net sales as a share of X5's consolidated net sales saw the fastest growth in Moscow and the Moscow region, where the share of digital sales for Q1 2021 reached 4.0%, up from 3.3% in Q4 2020.
- Vprok.ru Perekrestok continued to expand. The total number of orders doubled y-o-y and exceeded 1.2 million in Q1 2021. The average number of daily orders in Q1 2021 exceeded 13 thousand, reaching over 15 thousand on peak days. The average Vprok.ru Perekrestok basket in Q1 2021 increased by 8.2% y-o-y, reflecting the expansion in the assortment to 50 thousand SKUs.
- X5 continues to expand express delivery services from Pyaterochka proximity stores and Perekrestok supermarkets. As of March 2021, the express delivery service was available from 1,296 stores (818 Pyaterochka stores, 475 Perekrestok supermarkets and 3 Karusel hypermarkets) in 24 regions. In Q1 2021, the number of orders for express delivery was 45.6 thousand per day, with an average ticket of RUB 1,518 and a delivery time of 50-60 min. Despite being launched only in December 2019, express delivery contributed 52% to the Q1 2021 revenue of X5's digital businesses, which underscores this segment's high growth potential. The daily number of fulfilled orders during Q1 peaked in March at almost 60 thousand orders on the busiest days.
 - In Q1 2021, the total MAU of X5 digital services was 14.7 million, increasing by 91% y-o-y.
 - Orders fulfilled by the 5Post e-commerce delivery service reached 4.0 million in Q1 2021 on the back of around 17 thousand pickup points in operation. Additional LFL traffic generated by parcel lockers and pick-up points in stores is up to 2-3%.
 - In Q1 2021, Vprok.ru Perekrestok expanded its regional delivery network to ten new regions by using existing 5Post infrastructure. The traditional delivery model will be expanded to include a self-pickup option that enables customers to collect their orders made on vprok.ru from 5Post parcel lockers or Pyaterochka checkout counters. By the end of Q2 2021, the service will be available in 43 regions.

Loyalty programmes

- X5 continued to develop its loyalty card programmes. In total, X5's three retail formats had 47.4 million active loyalty card users in Q1 2021, up 9.9% y-o-y. Loyalty cards penetration in sales in March reached 83% at Pyaterochka, 80% at Perekrestok and 93% at Karusel.

Expansion and retail portfolio improvement

- 425 Pyaterochka stores were refurbished into the new concept in Q1 2021, in addition to 311 gross new concept stores opened. The total number of stores operating under the new concept reached 2,845 or 17% of the Pyaterochka store base as of 31 March 2021. The new concept stores continue to demonstrate significantly higher LFL sales growth as well as 50% higher NPS compared to other Pyaterochka stores.
- One Perekrestok supermarket was opened following refurbishment. As of 31 March 2021, 127 supermarkets, or 14% of the Perekrestok store base were operating under the new concept.
- In Q1 2021, as part of the Company's ongoing rationalisation programme, X5 closed 63 proximity stores, 8 supermarkets and 7 hypermarkets (of which four were transferred to Perekrestok).
- In Q1 2021, X5 closed four leased distribution centres in the Moscow region to be replaced by the new and larger Severniy DC, which was also opened under lease.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody's – ‘Ba1’, S&P – ‘BB+’, RAEX – ‘ruAA+’) is a leading Russian food retailer. The Company operates proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Karusel hypermarkets. X5 provides an omnichannel experience to customers, integrating retail stores and e-commerce, through its businesses Vprok.ru Perekrestok, 5Post and Okolo.

As of 31 March 2021, X5 had 17,959 Company-operated stores. It has the leading market position in both Moscow and St Petersburg and a significant presence in the European part of Russia. Its store base includes 16,960 Pyaterochka proximity stores, 940 Perekrestok supermarkets and 49 Karusel hypermarkets. The Company operates 41 DCs and 4,014 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 339 thousand people.

For the full year 2020, revenue totalled RUB 1,978,026 mln (USD 27,417 mln), EBITDA pre-IFRS 16 reached RUB 145,137 mln (USD 2,012 mln), and net profit pre-IFRS 16 for the period amounted to RUB 39,180 mln (USD 543 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.09%, treasury shares – 0.01%, Shareholders with less than 3% – 40.61%.

Forward looking statements:

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". 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, actual future results may differ materially from the plans, goals and expectations set out in these forward-looking statements.

Any forward-looking statements made by or on behalf of X5 Retail Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail Group N.V. undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this document that may occur due to any change in its expectations or to reflect events or circumstances after the date of this document.

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