

## X5 REPORTS 8.1% REVENUE GROWTH IN Q1 2021 7.0% ADJ. EBITDA MARGIN PRE-IFRS 16

- ✓ In Q1 2021, X5 delivered 8.1% year-on-year (y-o-y) revenue growth driven by a 6.4% rise in offline sales and a 1.7% contribution from increasing digital businesses sales, which rose 363.5% y-o-y to RUB 10.5 billion and comprised 2.1% of consolidated revenue.
- ✓ Gross margin<sup>(2)</sup> under IFRS 16 improved by 82 b.p. y-o-y (by 81 b.p. pre-IFRS 16<sup>(3)</sup>) in Q1 2021, driven predominantly by better shrinkage and logistics costs as a result of operating improvements and higher commercial margin due to reduced price investments.
- ✓ SG&A expenses excluding D&A&I, LTI, other one-off share-based payments and the impact of the Karusel transformation increased by 113 b.p. of revenue under IFRS 16 (up by 109 b.p. pre-IFRS 16), on the back of staff costs, utilities, third party services and other expenses.
- ✓ Overall EBITDA increased in line with the revenue growth. Adjusted EBITDA<sup>(4)</sup> margin under IFRS 16 increased by 5 b.p. y-o-y to 12.2% in Q1 2021 (decreased by 4 b.p. to 7.0% pre-IFRS 16), supported by higher lease/sublease and other income.
- ✓ Net profit under IFRS 16 increased by 90.9% y-o-y in Q1 2021 (by 12.1% pre-IFRS 16), reflecting lower interest cost and smaller negative net FX result y-o-y.
- ✓ The net debt/EBITDA ratio under IFRS 16 was 3.18x (1.60x pre-IFRS 16) as of 31 March 2021.

**Amsterdam, 27 April 2021** - X5 Retail Group N.V. ("X5" or the "Company"), a leading Russian food retailer that operates the Pyaterochka, Perekrestok, and Karusel retail chains (LSE and MOEX ticker: FIVE), today released its unaudited condensed consolidated interim financial information for the three months ended 31 March 2021 ("Q1"), in accordance with International Financial Reporting Standards as adopted by the European Union.

### Profit and loss statement highlights<sup>(5)</sup>

Russian Rouble (RUB), million (mln)	IFRS 16			Pre-IFRS 16		
	Q1 2021	Q1 2020	change, y-o-y, %	Q1 2021	Q1 2020	change, y-o-y, %
<b>Revenue</b>	<b>507,191</b>	<b>468,994</b>	<b>8.1</b>	<b>507,191</b>	<b>468,994</b>	<b>8.1</b>
incl. net retail sales <sup>(6)</sup>	505,783	468,461	8.0	505,783	468,461	8.0
Pyaterochka	406,710	370,047	9.9	406,710	370,047	9.9
Perekrestok	89,137	80,614	10.6	89,137	80,614	10.6
Karusel	9,749	17,800	(45.2)	9,749	17,800	(45.2)
<b>Gross profit</b>	<b>129,541</b>	<b>115,936</b>	<b>11.7</b>	<b>127,625</b>	<b>114,200</b>	<b>11.8</b>
Gross profit margin, %	25.5	24.7	82 b.p.	25.2	24.3	81 b.p.
<b>Adj. EBITDA</b>	<b>61,656</b>	<b>56,767</b>	<b>8.6</b>	<b>35,475</b>	<b>32,980</b>	<b>7.6</b>
Adj. EBITDA margin, %	12.2	12.1	5 b.p.	7.0	7.0	(4) b.p.
<b>EBITDA</b>	<b>61,227</b>	<b>56,272</b>	<b>8.8</b>	<b>35,046</b>	<b>32,485</b>	<b>7.9</b>
EBITDA margin, %	12.1	12.0	7 b.p.	6.9	6.9	(2) b.p.
<b>Operating profit</b>	<b>24,500</b>	<b>23,987</b>	<b>2.1</b>	<b>16,868</b>	<b>16,525</b>	<b>2.1</b>
Operating profit margin, %	4.8	5.1	(28) b.p.	3.3	3.5	(20) b.p.
<b>Net profit</b>	<b>7,638</b>	<b>4,001</b>	<b>90.9</b>	<b>9,163</b>	<b>8,175</b>	<b>12.1</b>
Net profit margin, %	1.5	0.9	65 b.p.	1.8	1.7	6 b.p.

(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 the 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) Starting from Q2 2020, the Company reclassified income from the sale of recyclable materials at distribution centres and transportation income as well as costs related to Perekrestok Vprok and express last mile delivery from gross profit. The income from sale of recyclable materials at distribution centres and transportation income is now reported under lease/sublease and other income. Costs related to Perekrestok.ru and express last mile delivery are now reported under SG&A expenses, mostly in staff costs and other expenses.

(3) The pre-IFRS 16 financial measures are calculated by adjusting the applicable IFRS measures to include fixed lease expenses, fixed non-lease components of lease contracts and exclude gain on derecognition of right-of-use assets and lease liabilities, depreciation of right-of-use assets and interest on lease liabilities.

(4) Adjusted EBITDA is EBITDA before costs related to the LTI programme, share-based payments and other one-off remuneration payments expense.

(5) Please note that in this and other tables, and in the text of this press release, immaterial deviations in the calculation of % changes, subtotals and totals are due to rounding.

(6) Net retail sales represents revenue from the operations of X5-managed stores net of VAT. This number differs from revenue, which includes proceeds from wholesale operations, direct franchisees (royalty payments) and other revenue.

## Revenue

Revenue growth reached 8.1% y-o-y in Q1 2021, driven by positive like-for-like (LFL) sales and selling space expansion.

Adjusted for the leap year extra day in Q1 2020, revenue growth would have been 9.2%.

## Selling space by format, square meters (sq. m)

	As at 31-Mar-21	As at 31-Dec-20	change vs 31-Dec-20, %	As at 31-Mar-20	change vs 31-Mar-20, %
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)
<b>X5 Retail Group</b>	<b>7,935,579</b>	<b>7,840,055</b>	<b>1.2</b>	<b>7,326,991</b>	<b>8.3</b>

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

In Q1 2021, LFL sales performance, excluding the additional leap year day in February 2020, remained positive at 2.1% y-o-y. LFL basket remained the main driver of LFL sales growth, with less frequent customer visits to stores and larger purchases per visit mostly due to customers' safety considerations, more customers working from home and the slow recovery of the HoReCa segment.

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

For more details on net retail sales growth please refer to X5's [Q1 2021 Trading Update](#).

## Gross profit margin

The gross profit margin under IFRS 16 increased by 82 b.p. y-o-y to 25.5% (increased by 81 b.p. y-o-y to 25.2% under pre-IFRS 16) in Q1 2021. The increase was mainly due to reduction in shrinkage and logistics costs, as a result of operating improvements, totalling 50 b.p., with the commercial margin on the back of lower price investments driving the other part of the gross margin improvement.

## Selling, general and administrative (SG&A) expenses (excl. D&A&I)

RUB mln	IFRS 16			Pre-IFRS 16		
	Q1 2021	Q1 2020	change, y-o-y, %	Q1 2021	Q1 2020	change, y-o-y, %
<b>Staff costs</b>	<b>(43,484)</b>	<b>(38,284)</b>	<b>13.6</b>	<b>(43,484)</b>	<b>(38,284)</b>	<b>13.6</b>
% of Revenue	8.6	8.2	41 b.p.	8.6	8.2	41 b.p.
incl. LTI and share-based payments	(422)	(495)	(14.7)	(422)	(495)	(14.7)
staff costs excl. LTI % of Revenue	8.5	8.1	43 b.p.	8.5	8.1	43 b.p.
<b>Lease expenses</b>	<b>(2,902)</b>	<b>(2,404)</b>	<b>20.7</b>	<b>(25,288)</b>	<b>(23,439)</b>	<b>7.9</b>
% of Revenue	0.6	0.5	6 b.p.	5.0	5.0	(1) b.p.
<b>Utilities</b>	<b>(11,947)</b>	<b>(10,429)</b>	<b>14.6</b>	<b>(11,947)</b>	<b>(10,429)</b>	<b>14.6</b>
% of Revenue	2.4	2.2	13 b.p.	2.4	2.2	13 b.p.
<b>Other store costs</b>	<b>(5,170)</b>	<b>(4,653)</b>	<b>11.1</b>	<b>(5,385)</b>	<b>(4,895)</b>	<b>10.0</b>
% of Revenue	1.0	1.0	3 b.p.	1.1	1.0	2 b.p.
<b>Third party services</b>	<b>(4,252)</b>	<b>(2,962)</b>	<b>43.6</b>	<b>(4,222)</b>	<b>(2,884)</b>	<b>46.4</b>
% of Revenue	0.8	0.6	21 b.p.	0.8	0.6	22 b.p.
<b>Other expenses<sup>(5)</sup></b>	<b>(6,348)</b>	<b>(4,602)</b>	<b>37.9</b>	<b>(7,245)</b>	<b>(5,265)</b>	<b>37.6</b>
% of Revenue	1.3	1.0	27 b.p.	1.4	1.1	31 b.p.
<b>SG&amp;A (excl. D&amp;A&amp;I and impact from Karusel transformation)</b>	<b>(74,103)</b>	<b>(63,334)</b>	<b>17.0</b>	<b>(97,571)</b>	<b>(85,196)</b>	<b>14.5</b>
% of Revenue	14.6	13.5	111 b.p.	19.2	18.2	107 b.p.
<b>SG&amp;A (excl. D&amp;A&amp;I, LTI, share-based payments and impact from Karusel transformation)</b>	<b>(73,681)</b>	<b>(62,839)</b>	<b>17.3</b>	<b>(97,149)</b>	<b>(84,701)</b>	<b>14.7</b>
% of Revenue	14.5	13.4	113 b.p.	19.2	18.1	109 b.p.
<b>SG&amp;A (excl. D&amp;A&amp;I, LTI, share-based payments and impact from Karusel transformation) before reclassification<sup>(2)</sup></b>	<b>(72,584)</b>	<b>(62,839)</b>	<b>15.5</b>	<b>(95,982)</b>	<b>(84,701)</b>	<b>13.3</b>
% of Revenue	14.3	13.4	91 b.p.	18.9	18.1	86 b.p.

In Q1 2021, SG&A expenses excluding D&A&I, LTI, other one-off share-based payments and the impact of the Karusel transformation under IFRS 16 as a percentage of revenue increased by 113 b.p. to 14.5% (increased by 109 b.p. to 19.2% under pre-IFRS 16), mainly driven by staff costs, utilities, third party services and other expenses.

Staff costs (excluding LTI, other one-off share-based payments and the impact of the Karusel transformation) increased by 43 b.p. to 8.5% in Q1 2021 compared to Q1 2020 driven by negative operating leverage effect and reclassification<sup>(2)</sup>.

LTI and share-based payments expenses related to the LTI programme 2018-2020 amounted to RUB 422 mln in Q1 2021. The remaining accruals related to the old programme are estimated at RUB 1.3 bln and will be spread out over the period of FY 2021-H1 2022.

Lease expenses under IFRS 16 as a percentage of revenue in Q1 2021 increased by 6 b.p. y-o-y to 0.6% (decreased by 1 b.p. y-o-y under pre-IFRS 16) due to the higher number of stores with leases linked to revenue and accounted for as part of operating activities under IFRS 16. The share of leased space in X5's total real estate portfolio increased to 80% as of 31 March 2021 compared to 79% as of 31 March 2020. The company continues to improve its lease terms for the existing portfolio on an ongoing basis.

Utilities costs as a percentage of revenue in Q1 2021 increased by 13 b.p. y-o-y to 2.4% due to negative operating leverage effect and the lower year-on-year average temperature and higher snowfall, requiring additional outdoors cleaning activities around the Company's premises during the quarter.

Third party services expense under IFRS 16 as a percentage of revenue in Q1 2021 increased by 21 b.p. y-o-y (increased by 22 b.p. under pre-IFRS 16) mainly due to negative operating leverage effect and planned marketing expenses in Pyaterochka.

Other expenses under IFRS 16 as a percentage of revenue in Q1 2021 increased by 27 b.p. y-o-y to 1.3% (increased by 31 b.p. y-o-y to 1.4% under pre-IFRS 16) primarily due to negative operating leverage effect and the cost of courier services for express delivery with the number of orders increasing by 60 times y-o-y.

## Lease/sublease and other income

As a percentage of revenue, the Company's income from lease, sublease and other operations under IFRS 16 totalled 1.2% (1.0% under pre-IFRS 16), an increase of 37 b.p. y-o-y (an increase of 25 b.p. y-o-y under pre-IFRS 16) in Q1 2021 driven by reclassification<sup>(2)</sup> and other one-off factors.

## EBITDA and EBITDA margin

RUB mln	IFRS 16			Pre-IFRS 16		
	Q1 2021	Q1 2020	change, y-o-y, %	Q1 2021	Q1 2020	change, y-o-y, %
<b>Gross profit</b>	<b>129,541</b>	<b>115,936</b>	<b>11.7</b>	<b>127,625</b>	<b>114,200</b>	<b>11.8</b>
<i>Gross profit margin, %</i>	25.5	24.7	82 b.p.	25.2	24.3	81 b.p.
<b>SG&amp;A (excl. D&amp;A&amp;I, LTI, share-based payments and impact from Karusel transformation)</b>	<b>(73,681)</b>	<b>(62,839)</b>	<b>17.3</b>	<b>(97,149)</b>	<b>(84,701)</b>	<b>14.7</b>
<i>% of Revenue</i>	14.5	13.4	113 b.p.	19.2	18.1	109 b.p.
<b>Net impairment losses on financial assets</b>	<b>(121)</b>	<b>(69)</b>	<b>75.4</b>	<b>(121)</b>	<b>(69)</b>	<b>75.4</b>
<i>% of Revenue</i>	0.024	0.015	1 b.p.	0.024	0.015	1 b.p.
<b>Lease/sublease and other income</b>	<b>5,917</b>	<b>3,739</b>	<b>58.3</b>	<b>5,120</b>	<b>3,550</b>	<b>44.2</b>
<i>% of Revenue</i>	1.2	0.8	37 b.p.	1.0	0.8	25 b.p.
<b>Adj. EBITDA</b>	<b>61,656</b>	<b>56,767</b>	<b>8.6</b>	<b>35,475</b>	<b>32,980</b>	<b>7.6</b>
<i>Adj. EBITDA margin, %</i>	12.2	12.1	5 b.p.	7.0	7.0	(4) b.p.
LTI, share-based payments and other one-off remuneration payments expense and SSC	(422)	(495)	(14.7)	(422)	(495)	(14.7)
<i>% of Revenue</i>	(0.1)	(0.1)	2 b.p.	(0.1)	(0.1)	2 b.p.
Effect of Karusel transformation	(7)	-	n/m	(7)	-	n/m
<i>% of Revenue</i>	(0.0)	-	(0) b.p.	(0.0)	-	(0) b.p.
<b>EBITDA</b>	<b>61,227</b>	<b>56,272</b>	<b>8.8</b>	<b>35,046</b>	<b>32,485</b>	<b>7.9</b>
<i>EBITDA margin, %</i>	12.1	12.0	7 b.p.	6.9	6.9	(2) b.p.

Pyaterochka's EBITDA margin demonstrated a 63 b.p. increase compared with Q1 2020, driven mostly by its commercial margin improvement, as well as logistics and shrinkage reduction.

The negative impact on the quarterly EBITDA margin from fast-growing digital and other new businesses<sup>(7)</sup> totalled 19 b.p., up from 13 b.p. in Q1 2020.

## D&A&I

Depreciation, amortisation and impairment costs under IFRS 16 in Q1 2021 totalled RUB 36,727 mln (RUB 18,178 mln under pre-IFRS 16), increasing as a percentage of revenue by 36 b.p. y-o-y to 7.2% (increasing by 18 b.p. y-o-y to 3.6% under pre-IFRS 16). This was mainly due to the gross book value of assets growth outpacing revenue growth and the accelerated depreciation rate driven by the increased number of refurbishments at Pyaterochka and Perekrestok due to the new store concepts.

(7) Including Vprok.ru Perekrestok, 5Post, Okolo and Chizhik.

## Non-operating gains and losses

RUB mln	IFRS 16			Pre-IFRS 16		
	Q1 2021	Q1 2020	change, y-o-y, %	Q1 2021	Q1 2020	change, y-o-y, %
<b>Operating profit</b>	<b>24,500</b>	<b>23,987</b>	<b>2.1</b>	<b>16,868</b>	<b>16,525</b>	<b>2.1</b>
Net finance costs	(13,365)	(14,053)	(4.9)	(3,845)	(4,032)	(4.6)
Net FX result	(120)	(3,705)	(96.8)	(101)	(1,047)	(90.4)
<b>Profit before tax</b>	<b>11,015</b>	<b>6,229</b>	<b>76.8</b>	<b>12,922</b>	<b>11,446</b>	<b>12.9</b>
Income tax expense	(3,377)	(2,228)	51.6	(3,759)	(3,271)	14.9
<b>Net profit/(loss)</b>	<b>7,638</b>	<b>4,001</b>	<b>90.9</b>	<b>9,163</b>	<b>8,175</b>	<b>12.1</b>
Net profit margin, %	1.5	0.9	65 b.p.	1.8	1.7	6 b.p.
<b>Effect of Karusel transformation</b>	<b>463</b>	<b>393</b>	<b>17.8</b>	<b>256</b>	<b>393</b>	<b>(34.9)</b>
% of Revenue	0.1	0.1	1 b.p.	0.1	0.1	(3) b.p.
<b>Adj. net profit</b>	<b>8,101</b>	<b>4,394</b>	<b>84.4</b>	<b>9,419</b>	<b>8,568</b>	<b>9.9</b>
Adj. net profit margin, %	1.6	0.9	66 b.p.	1.9	1.8	3 b.p.

Net finance costs under IFRS 16 in Q1 2021 decreased by 4.9% y-o-y to RUB 13,365 mln (decreased by 4.6% to RUB 3,845 mln under pre-IFRS 16) due to the lower weighted average effective interest rate as a result of declining interest rates in Russia as well as actions taken by X5 to minimise interest expenses.

The negative net FX result of RUB (120) mln (RUB (101) mln under pre-IFRS 16) in Q1 2021, compared to negative RUB (3,705) mln (RUB (1,047) mln under pre-IFRS 16) in Q1 2020, was due to lower rouble volatility in Q1 2021 compared with Q1 2020.

In Q1 2021, income tax expense under IFRS 16 increased by 51.6% y-o-y to RUB 3,377 mln (increased by 14.9% to RUB 3,759 mln under pre-IFRS 16), in line with the profit before tax increase.

## Consolidated cash flow statement highlights

RUB mln	IFRS 16			Pre-IFRS 16		
	Q1 2021	Q1 2020	change, y-o-y, %	Q1 2021	Q1 2020	change, y-o-y, %
Net cash from operating activities before changes in working capital	60,407	55,383	9.1	35,023	31,786	10.2
Change in working capital	(4,915)	15,652	n/m	(5,035)	15,082	n/m
Net interest and income tax paid	(15,072)	(16,823)	(10.4)	(5,575)	(6,827)	(18.3)
Net cash flows generated from operating activities	40,420	54,212	(25.4)	24,413	40,041	(39.0)
Net cash used in investing activities	(18,704)	(17,294)	8.2	(18,704)	(17,294)	8.2
Net cash used in financing activities	(29,511)	(43,611)	(32.3)	(13,504)	(29,440)	(54.1)
Effect of exchange rate changes on cash & cash equivalents	-	(37)	n/m	-	(37)	n/m
<b>Net decrease in cash &amp; cash equivalents</b>	<b>(7,795)</b>	<b>(6,730)</b>	<b>15.8</b>	<b>(7,795)</b>	<b>(6,730)</b>	<b>15.8</b>

In Q1 2021, the Company's net cash from operating activities before changes in working capital under IFRS 16 increased by RUB 5,024 mln to RUB 60,407 mln (increased by RUB 3,237 mln and totalled 35,023 mln under pre-IFRS 16), from a year ago, reflecting the rate of y-o-y revenue growth.

The negative change in working capital under IFRS 16 of RUB (4,915) mln (RUB (5,035) mln under pre-IFRS 16) in Q1 2021, compared to a positive change of RUB 15,652 mln (positive change of RUB 15,082 mln under pre-IFRS 16) a year before, reflects the normalised seasonality of working capital trends. The abnormal changes in working capital that occurred in 2020 (positive in Q1 2020 and negative in Q2 2020) were driven by accounts payable and inventory turnover changes on the back of massive stockpiling of consumer perishables and dry groceries in March 2020 ahead of strict COVID restrictions.

Net interest and income tax paid under IFRS 16 in Q1 2021 decreased by RUB 1,751 mln, or 10.4% y-o-y and totalled RUB 15,072 mln (decreased by RUB 1,252 mln, or 18.3% and totalled RUB 5,575 mln under pre-IFRS 16). Income tax paid decreased y-o-y due to utilisation of advance tax payments made earlier.

As a result, in Q1 2021 net cash flow from operating activities under IFRS 16 totalled RUB 40,420 mln, down from the abnormally high level of RUB 54,212 mln (RUB 24,413 mln, down from 40,041 mln under pre-IFRS 16) in Q1 2020.

Net cash used in investing activities, which generally consists of payments for property, plant and equipment, increased by 8.2% y-o-y to RUB 18,704 mln in Q1 2021 compared to RUB 17,294 mln in Q1 2020, in line with revenue growth and reflecting network expansion, higher investments made into refurbishments and digital transformation, including the development of digital businesses.

Net cash used in financing activities under IFRS 16 totalled RUB 29,511 mln (RUB 13,504 mln under pre-IFRS 16) in Q1 2021 compared to net cash used in financing activities of RUB 43,611 mln (RUB 29,440 mln under pre-IFRS 16) in Q1 2020.

## Liquidity update

RUB mln	31-Mar-21	% in total	31-Dec-20	% in total	31-Mar-20	% in total
<b>Total debt</b>	<b>248,009</b>		<b>261,947</b>		<b>198,632</b>	
Short-term debt	78,081	31.5	77,026	29.4	66,410	33.4
Long-term debt	169,928	68.5	184,921	70.6	132,222	66.6
<b>Net debt (under Pre-IFRS 16)</b>	<b>235,796</b>		<b>241,939</b>		<b>186,760</b>	
<b>Net debt/ EBITDA (under Pre-IFRS 16)</b>	<b>1.60x</b>		<b>1.67x</b>		<b>1.48x</b>	
<b>Lease liabilities (IFRS 16)</b>	<b>555,815</b>		<b>548,501</b>		<b>494,467</b>	
<b>Net debt/ EBITDA (under IFRS 16)</b>	<b>3.18x</b>		<b>3.24x</b>		<b>3.14x</b>	

The Company's debt under pre-IFRS 16 is 100% denominated in Russian Roubles.

As of 31 March 2021, the Company had access to RUB 483,218 mln in available credit limits with major Russian and international banks.



**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). In Q1 2021, revenue totalled RUB 507,191 mln (USD 6,822 mln), adjusted EBITDA pre-IFRS 16 reached RUB 35,475 mln (USD 477 mln), and net profit pre-IFRS 16 amounted to RUB 9,163 mln (USD 123 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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## **X5 Retail Group N.V.**

### **Condensed Consolidated Interim Financial Information**

**Three months ended 31 March 2021**

The attached condensed consolidated interim statement of financial position, condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity have been prepared on the basis of the X5 Retail Group NV accounting policies as disclosed in the audited annual financial statements for the year ended 31 December 2020. These accounting policies have been consistently applied in the preparation of these statements except for adoption of new standards that are mandatory for financial annual periods beginning on 1 January 2021 and the fact that these statements do not comprise a full set of financial statements as required by International Financial Reporting Standards as adopted by the EU.



**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Financial Position**  
**at 31 March 2021**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

	31 March 2021	31 December 2020
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	322,753	322,707
Right-of-use assets	486,628	480,511
Investment properties	4,300	4,502
Goodwill	104,917	104,890
Other intangible assets	31,885	30,757
Other non-current assets	3,277	3,120
Deferred tax assets	19,267	20,458
	<b>973,027</b>	<b>966,945</b>
<b>Current assets</b>		
Inventories	141,458	144,393
Indemnification asset	390	171
Trade, other accounts receivable and prepayments	17,008	19,277
Current income tax receivable	12,813	12,119
VAT and other taxes receivable	9,054	10,316
Cash and cash equivalents	12,213	20,008
	<b>192,936</b>	<b>206,284</b>
<b>Total assets</b>	<b>1,165,963</b>	<b>1,173,229</b>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	2,458	2,458
Share premium	46,086	46,086
Retained earnings	53,832	46,194
Share-based payment reserve	140	104
	<b>102,516</b>	<b>94,842</b>
<b>Total equity</b>	<b>102,516</b>	<b>94,842</b>
<b>Non-current liabilities</b>		
Long-term borrowings	169,928	184,921
Long-term lease liabilities	486,862	480,059
Deferred tax liabilities	3,009	2,769
Other non-current liabilities	2,122	1,954
	<b>661,921</b>	<b>669,703</b>
<b>Current liabilities</b>		
Trade accounts payable	160,410	170,909
Short-term borrowings	78,081	77,026
Interest accrued	1,888	1,380
Short-term lease liabilities	68,953	68,442
Short-term contract liabilities	2,205	2,198
Current income tax payable	3,054	2,753
Provisions and other liabilities	86,935	85,976
	<b>401,526</b>	<b>408,684</b>
<b>Total liabilities</b>	<b>1,063,447</b>	<b>1,078,387</b>
<b>Total equity and liabilities</b>	<b>1,165,963</b>	<b>1,173,229</b>

Svetlana Demyashkevich  
Chief Financial Officer  
26 April 2021

**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Profit or Loss**  
**for the three months ended 31 March 2021**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

	<b>Three months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
Revenue	507,191	468,994
Cost of sales	(377,650)	(353,058)
<b>Gross profit</b>	<b>129,541</b>	<b>115,936</b>
Selling, general and administrative expenses	(110,837)	(95,619)
Net impairment losses on financial assets	(121)	(69)
Lease/sublease and other income	5,917	3,739
<b>Operating profit</b>	<b>24,500</b>	<b>23,987</b>
Finance costs	(13,370)	(14,073)
Finance income	5	20
Net foreign exchange loss	(120)	(3,705)
<b>Profit before tax</b>	<b>11,015</b>	<b>6,229</b>
Income tax expense	(3,377)	(2,228)
<b>Profit for the period</b>	<b>7,638</b>	<b>4,001</b>
<b>Profit for the period attributable to:</b>		
Equity holders of the parent	7,638	4,001
Basic earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	<b>112.52</b>	<b>58.93</b>
Diluted earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	<b>112.51</b>	<b>58.93</b>

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Svetlana Demyashkevich  
Chief Financial Officer  
26 April 2021

**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Comprehensive Income**  
**for the three months ended 31 March 2021**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

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	<b>Three months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
Profit for the period	7,638	4,001
<b>Total comprehensive income for the period, net of tax</b>	<b>7,638</b>	<b>4,001</b>
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the parent	7,638	4,001

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Svetlana Demyashkevich  
Chief Financial Officer  
26 April 2021

**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Cash Flows**  
**for the three months ended 31 March 2021**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

	Three months ended 31 March	
	2021	2020
<b>Profit before tax</b>	<b>11,015</b>	<b>6,229</b>
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets	36,727	32,285
Gain on disposal of property, plant and equipment, investment property and intangible assets and gain on derecognition of right-of-use assets	(1,234)	(1,034)
Finance costs, net	13,365	14,053
Net impairment losses on financial assets	121	69
Impairment of prepayments	62	32
Share-based compensation expense	36	18
Net foreign exchange loss	120	3,705
Other non-cash items	195	26
<b>Net cash from operating activities before changes in working capital</b>	<b>60,407</b>	<b>55,383</b>
Decrease in trade, other accounts receivable and prepayments and VAT and other taxes receivable	2,745	7,074
Decrease in inventories	2,935	7,873
Decrease in trade payable	(10,483)	(7,596)
(Decrease)/Increase in other accounts payable and contract liabilities	(112)	8,301
<b>Net cash flows from operations</b>	<b>55,492</b>	<b>71,035</b>
Interest paid	(12,670)	(13,551)
Interest received	7	20
Income tax paid	(2,409)	(3,292)
<b>Net cash flows from operating activities</b>	<b>40,420</b>	<b>54,212</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and initial direct costs associated with right-of-use assets	(16,736)	(14,694)
Acquisition of businesses, net of cash acquired	(98)	(392)
Proceeds from disposal of property, plant and equipment, investment property and intangible assets	1,492	1,018
Purchase of other intangible assets	(3,362)	(3,076)
Acquisition of interest in associates and joint ventures	-	(150)
<b>Net cash flows used in investing activities</b>	<b>(18,704)</b>	<b>(17,294)</b>
<b>Cash flows from financing activities</b>		
Proceeds from loans	42,685	18,246
Repayment of loans	(56,189)	(47,579)
Purchase of treasury shares	-	(107)
Payments of principal portion of lease liabilities	(16,007)	(14,171)
<b>Net cash flows used in financing activities</b>	<b>(29,511)</b>	<b>(43,611)</b>
Effect of exchange rate changes on cash and cash equivalents	-	(37)
<b>Net decrease in cash and cash equivalents</b>	<b>(7,795)</b>	<b>(6,730)</b>
<b>Movements in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	20,008	18,602
Net decrease in cash and cash equivalents	(7,795)	(6,730)
<b>Cash and cash equivalents at the end of the period</b>	<b>12,213</b>	<b>11,872</b>

Svetlana Demyashkevich  
Chief Financial Officer  
26 April 2021

**X5 Retail Group N.V.**  
**Condensed Consolidated Interim Statement of Changes In Equity**  
**for the three months ended 31 March 2021**  
*(expressed in millions of Russian Roubles, unless otherwise stated)*

	Attributable to equity holders of the parent						Total
	Number of shares	Share capital	Share premium	Share-based payment reserve	Retained earnings	Total shareholders' equity	
<b>Balance as at 1 January 2020</b>	<b>67,890,054</b>	<b>2,458</b>	<b>46,150</b>	<b>105</b>	<b>67,843</b>	<b>116,556</b>	<b>116,556</b>
Profit for the period	-	-	-	-	4,001	4,001	4,001
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,001</b>	<b>4,001</b>	<b>4,001</b>
Acquisition of treasury shares	(12,870)	-	(107)	-	-	(107)	(107)
Share-based payment compensation	-	-	-	18	-	18	18
<b>Balance as at 31 March 2020</b>	<b>67,877,184</b>	<b>2,458</b>	<b>46,043</b>	<b>123</b>	<b>71,844</b>	<b>120,468</b>	<b>120,468</b>
<b>Balance as at 1 January 2021</b>	<b>67,882,444</b>	<b>2,458</b>	<b>46,086</b>	<b>104</b>	<b>46,194</b>	<b>94,842</b>	<b>94,842</b>
Profit for the period	-	-	-	-	7,638	7,638	7,638
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,638</b>	<b>7,638</b>	<b>7,638</b>
Acquisition of treasury shares	-	-	-	-	-	-	-
Share-based payment compensation	-	-	-	36	-	36	36
<b>Balance as at 31 March 2021</b>	<b>67,882,444</b>	<b>2,458</b>	<b>46,086</b>	<b>140</b>	<b>53,832</b>	<b>102,516</b>	<b>102,516</b>

Svetlana Demyashkevich  
Chief Financial Officer  
26 April 2021