

X5 announces Q4 and FY 2021 financial results

Amsterdam

16 March 2022

X5 Retail Group N.V. ("X5" or the "Company", LSE and MOEX ticker: FIVE), a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Chizhik retail chains, today released its unaudited¹ condensed consolidated financial information for the year ended 31 December 2021.

Profit and loss statement highlights²

RUB mln	IFRS 16			Pre-IFRS 16 ³		
	Q4 2021	Q4 2020	change, y-o-y, %	Q4 2021	Q4 2020	change, y-o-y, %
Revenue	607,530	528,760	14.9	607,530	528,760	14.9
incl. net retail sales ⁴	603,567	526,358	14.7	603,567	526,358	14.7
Pyaterochka (incl. express delivery)	491,290	421,558	16.5	491,290	421,558	16.5
Perekrestok (incl. Vprok.ru Perekrestok and express delivery)	103,034	91,930	12.1	103,034	91,930	12.1
Karusel	6,993	12,818	(45.5)	6,993	12,818	(45.5)
Chizhik	1,854	50	37x	1,854	50	37x
Mnogo Lososya	397	-	n/a	397	-	n/a
Gross profit	149,510	128,094	16.7	147,485	126,070	17.0
Gross profit margin, %	24.6	24.2	38 b.p.	24.3	23.8	43 b.p.
Adj. EBITDA⁵	67,462	58,003	16.3	40,494	31,972	26.7
Adj. EBITDA margin, %	11.1	11.0	13 b.p.	6.7	6.0	62 b.p.
EBITDA	67,095	58,654	14.4	40,127	32,623	23.0
EBITDA margin, %	11.0	11.1	(5) b.p.	6.6	6.2	44 b.p.
Operating profit	28,085	20,818	34.9	19,010	13,004	46.2
Operating profit margin, %	4.6	3.9	69 b.p.	3.1	2.5	67 b.p.
Net profit	7,955	1,730	359.8	9,570	2,781	244.1
Net profit margin, %	1.3	0.3	98 b.p.	1.6	0.5	105 b.p.

1. For details please see "Issuance of audited 2021 Annual Report and financial statements".

2. 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.

3. The pre-IFRS 16 financial measures are calculated by adjusting the applicable IFRS measures to include fixed lease expenses and fixed non-lease components of lease contracts and to exclude any gain on derecognition of right-of-use assets and lease liabilities, depreciation of right-of-use assets and interest on lease liabilities and gain/loss from sale of asset under sale and leaseback operations for the proportion of the rights retained recognised under IFRS 16.

4. Net retail sales represent 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.

5. Adjusted EBITDA is EBITDA before costs related to the LTI programme, share-based payments, other one-off remuneration payment expenses and the impact of the Karusel transformation.

RUB mln	IFRS 16			Pre-IFRS 16		
	FY 2021	FY 2020	change, y-o-y, %	FY 2021	FY 2020	change, y-o-y, %
Revenue	2,204,819	1,978,026	11.5	2,204,819	1,978,026	11.5
incl. net retail sales ⁴	2,194,477	1,973,346	11.2	2,194,477	1,973,346	11.2
Pyaterochka (incl. express delivery)	1,793,676	1,597,174	12.3	1,793,676	1,597,174	12.3
Perekrestok (incl. Vprok.ru Perekrestok and express delivery)	365,119	320,459	13.9	365,119	320,459	13.9
Karusel	31,742	55,662	(43.0)	31,742	55,662	(43.0)
Chizhik	2,940	50	59x	2,940	50	59x
Mnogo Lososya	999	-	n/a	999	-	n/a
Gross profit	561,317	494,620	13.5	553,363	487,223	13.6
Gross profit margin, %	25.5	25.0	45 b.p.	25.1	24.6	47 b.p.
Adj. EBITDA⁵	271,023	244,501	10.8	164,197	146,016	12.5
Adj. EBITDA margin, %	12.3	12.4	(7) b.p.	7.4	7.4	7 b.p.
EBITDA	267,850	243,622	9.9	161,024	145,137	10.9
EBITDA margin, %	12.1	12.3	(17) b.p.	7.3	7.3	(3) b.p.
Operating profit	117,572	105,717	11.2	84,359	76,785	9.9
Operating profit margin, %	5.3	5.3	(1) b.p.	3.8	3.9	(6) b.p.
Net profit	42,738	28,344	50.8	48,513	39,180	23.8
Net profit margin, %	1.9	1.4	51 b.p.	2.2	2.0	22 b.p.

Revenue

Revenue growth reached 14.9% year-on-year in Q4 2021, driven by positive LFL sales, selling space expansion and 92.9% revenue growth in X5's digital businesses. The latter reflected higher demand from customers for online services, an incremental increase in the number of new online customers, expansion of express delivery and Vprok.ru Perekrestok operations to new geographies, expansion of the 5Post delivery network, additional new e-commerce partners for 5Post and the acquisition of Mnogo Lososya dark kitchens.

Selling space by format, square metres (sqm)

	31 DECEMBER 2021	31 DECEMBER 2020	CHANGE VS 31 DECEMBER 2020, %
Selling space, sqm			
Pyaterochka	7,048,488	6,541,622	7.7
Perekrestok	1,098,905	1,013,860	8.4
Karusel	128,063	222,119	(42.3)
Chizhik	20,327	980	21x
Mnogo Lososya	4,992	-	n/a
X5 Group⁶	8,409,757	7,840,055	7.3

Q4 and FY 2021 LFL⁷ store performance by format, % change y-o-y

In Q4 2021, LFL sales performance accelerated year-on-year to 9.0%, supported by solid LFL results at Pyaterochka and Perekrestok at 9.8% and 6.0%, respectively.

The LFL basket was the main driver of LFL sales in Q4 2021, with LFL traffic in positive territory at 1.5% year-on-year.

	Q4 2021			FY 2021		
	SALES	TRAFFIC	BASKET	SALES	TRAFFIC	BASKET
Pyaterochka	9.8	1.7	8.0	5.6	1.4	4.1
Perekrestok	6.0	0.8	5.2	3.8	3.2	0.5
Karusel	(8.0)	(14.8)	8.0	(8.4)	(9.3)	1.0
X5 Group	9.0	1.5	7.3	5.1	1.5	3.5

For more details on net retail sales performance, please refer to X5's [Q4 2021 Trading Update](#).

6. Including Vprok.ru Perekrestok dark stores and Chizhik stores

7. 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

Selling, general and administrative (SG&A) expenses (excl. D&A&I and the impact of the Karusel transformation)

RUB mln	IFRS 16			Pre-IFRS 16		
	Q4 2021	Q4 2020	change, y-o-y, %	Q4 2021	Q4 2020	change, y-o-y, %
Staff costs	(50,332)	(42,358)	18.8	(50,332)	(42,358)	18.8
% of revenue	8.3	8.0	27 b.p.	8.3	8.0	27 b.p.
incl. LTI and share-based payments	(516)	1,185	n/m	(516)	1,185	n/m
staff costs excl. LTI and share-based payments as % of revenue	8.2	8.2	(4) b.p.	8.2	8.2	(4) b.p.
Lease expenses	(4,296)	(2,941)	46.1	(27,498)	(25,009)	10.0
% of revenue	0.7	0.6	15 b.p.	4.5	4.7	(20) b.p.
Utilities	(12,487)	(11,019)	13.3	(12,487)	(11,019)	13.3
% of revenue	2.1	2.1	(3) b.p.	2.1	2.1	(3) b.p.
Other store costs	(6,150)	(5,988)	2.7	(6,360)	(6,246)	1.8
% of revenue	1.0	1.1	(12) b.p.	1.0	1.2	(13) b.p.
Third-party services	(8,017)	(6,162)	30.1	(7,923)	(6,063)	30.7
% of revenue	1.3	1.2	15 b.p.	1.3	1.1	16 b.p.
Other expenses	(7,824)	(5,784)	35.3	(9,127)	(6,634)	37.6
% of revenue	1.3	1.1	19 b.p.	1.5	1.3	25 b.p.
SG&A (excl. D&A&I and the impact of the Karusel transformation)	(89,106)	(74,252)	20.0	(113,727)	(97,329)	16.8
% of revenue	14.7	14.0	62 b.p.	18.7	18.4	31 b.p.
SG&A (excl. D&A&I, LTI, share-based payments and the impact of the Karusel transformation)	(88,590)	(75,437)	17.4	(113,211)	(98,514)	14.9
% of revenue	14.6	14.3	32 b.p.	18.6	18.6	0 b.p.

RUB mln	IFRS 16			Pre-IFRS 16		
	FY 2021	FY 2020	change, y-o-y, %	FY 2021	FY 2020	change, y-o-y, %
Staff costs	(185,572)	(159,261)	16.5	(185,572)	(159,261)	16.5
% of revenue	8.4	8.1	37 b.p.	8.4	8.1	37 b.p.
incl. LTI and share-based payments	(3,011)	(345)	772.8	(3,011)	(345)	772.8
staff costs excl. LTI and share-based payments as % of revenue	8.3	8.0	25 b.p.	8.3	8.0	25 b.p.
Lease expenses	(14,452)	(11,291)	28.0	(105,451)	(96,573)	9.2
% of revenue	0.7	0.6	8 b.p.	4.8	4.9	(10) b.p.
Utilities	(45,539)	(39,819)	14.4	(45,539)	(39,819)	14.4
% of revenue	2.1	2.0	5 b.p.	2.1	2.0	5 b.p.
Other store costs	(22,568)	(21,625)	4.4	(23,418)	(22,621)	3.5
% of revenue	1.0	1.1	(7) b.p.	1.1	1.1	(8) b.p.
Third-party services	(22,016)	(16,257)	35.4	(21,718)	(15,894)	36.6
% of revenue	1.0	0.8	18 b.p.	1.0	0.8	18 b.p.
Other expenses	(26,881)	(19,697)	36.5	(31,518)	(23,015)	36.9
% of revenue	1.2	1.0	22 b.p.	1.4	1.2	27 b.p.
SG&A (excl. D&A&I and impact from the Karusel transformation)	(317,028)	(267,950)	18.3	(413,216)	(357,183)	15.7
% of revenue	14.4	13.5	83 b.p.	18.7	18.1	68 b.p.
SG&A (excl. D&A&I, LTI, share-based payments and impact from the Karusel transformation)	(314,017)	(267,605)	17.3	(410,205)	(356,838)	15.0
% of revenue	14.2	13.5	71 b.p.	18.6	18.0	56 b.p.

In Q4 2021, SG&A expenses excluding D&A&I, LTI, share-based payments and the impact of the Karusel transformation under IFRS 16 as a percentage of revenue increased by 32 b.p. to 14.6% (flat at 18.6% pre-IFRS 16), driven by higher other expenses, third-party services and lease expenses.

In 2021, SG&A expenses excluding D&A&I, LTI, share-based payments and the impact of the Karusel transformation under IFRS 16 as a percentage of revenue increased by 71 b.p. to 14.2% (increased by 56 b.p. to 18.6% pre-IFRS 16), driven by higher staff costs, lease expenses, utilities, third-party services and other expenses.

As a percentage of revenue, the Company's income from leases, subleases and other operations⁸ under IFRS 16 totalled 1.1%, an increase of 6 b.p. year-on-year in Q4 2021 (an increase of 18 b.p. to 1.0% pre-IFRS 16), due to the increase in revenue from sales of recyclable materials on the back of improved efficiency of internal processes.

EBITDA and EBITDA margin

RUB mln	IFRS 16			Pre-IFRS 16		
	Q4 2021	Q4 2020	change, y-o-y %	Q4 2021	Q4 2020	change, y-o-y %
Gross profit	149,510	128,094	16.7	147,485	126,070	17.0
Gross profit margin, %	24.6	24.2	38 b.p.	24.3	23.8	43 b.p.
SG&A (excl. D&A&I, LTI, share-based payments and the effect of the Karusel transformation)	(88,590)	(75,437)	17.4	(113,211)	(98,514)	14.9
% of revenue	14.6	14.3	32 b.p.	18.6	18.6	0 b.p.
Net impairment losses on financial assets	73	39	87.2	73	39	87.2
% of revenue	0.012	0.007	0 b.p.	0.012	0.007	0 b.p.
Lease/sublease and other income (excl. the effect of the Karusel transformation)	6,469	5,307	21.9	6,147	4,377	40.4
% of revenue	1.1	1.0	6 b.p.	1.0	0.8	18 b.p.
Adj. EBITDA	67,462	58,003	16.3	40,494	31,972	26.7
Adj. EBITDA margin, %	11.1	11.0	13 b.p.	6.7	6.0	62 b.p.
LTI, share-based payments and other one-off remuneration payment expenses and SSC	(516)	1,185	n/m	(516)	1,185	n/m
% of revenue	0.1	(0.2)	31 b.p.	0.1	(0.2)	31 b.p.
Effect of the Karusel transformation	150	(534)	-	150	(534)	-
% of revenue	(0.0)	0.1	(13) b.p.	(0.0)	0.1	(13) b.p.
EBITDA	67,095	58,654	14.4	40,127	32,623	23.0
EBITDA margin, %	11.0	11.1	(5) b.p.	6.6	6.2	44 b.p.

8. Mainly consists of lease/sublease income, income from the sale of recyclable materials and other one-off gains

RUB mln	IFRS 16			Pre-IFRS 16		
	FY 2021	FY 2020	change, y-o-y %	FY 2021	FY 2020	change, y-o-y %
Gross profit	561,317	494,620	13.5	553,363	487,223	13.6
Gross profit margin, %	25.5	25.0	45 b.p.	25.1	24.6	47 b.p.
SG&A (excl. D&A&I, LTI, share-based payments and the effect of the Karusel transformation)	(314,017)	(267,605)	17.3	(410,205)	(356,838)	15.0
% of revenue	14.2	13.5	71 b.p.	18.6	18.0	56 b.p.
Net impairment losses on financial assets	(154)	(251)	(38.6)	(154)	(251)	(38.6)
% of revenue	0.007	0.013	(1) b.p.	0.007	0.013	(1) b.p.
Lease/sublease and other income (excl. the effect of the Karusel transformation)	23,877	17,737	34.6	21,193	15,882	33.4
% of revenue	1.1	0.9	19 b.p.	1.0	0.8	16 b.p.
Adj. EBITDA	271,023	244,501	10.8	164,197	146,016	12.5
Adj. EBITDA margin, %	12.3	12.4	(7) b.p.	7.4	7.4	7 b.p.
LTI, share-based payments and other one-off remuneration payment expenses and SSC	(3,011)	(345)	772.8	(3,011)	(345)	772.8
% of revenue	0.1	0.0	12 b.p.	0.1	0.0	12 b.p.
Effect of the Karusel transformation	(162)	(534)	(69.6)	(162)	(534)	(69.9)
% of revenue	0.0	0.0	(2) b.p.	0.0	0.0	(2) b.p.
EBITDA	267,850	243,622	9.9	161,024	145,137	10.9
EBITDA margin, %	12.1	12.3	(17) b.p.	7.3	7.3	(3) b.p.

D&A&I

Depreciation, amortisation and impairment costs under IFRS 16 decreased as a percentage of revenue by 73 b.p. year-on-year to 6.4% (down 23 b.p. year-on-year to 3.5% pre-IFRS 16) in Q4 2021, totalling RUB 39,010 million (RUB 21,117 million pre-IFRS 16). This was mainly driven by the optimisation of the Company's refurbishment plan, which was partially offset by additional impairment. In 2021, depreciation, amortisation and impairment costs under IFRS 16 decreased by 16 b.p. year-on-year to 6.8% (increased by 2 b.p. year-on-year to 3.5% pre-IFRS 16), totalling RUB 150,278 million (RUB 76,665 million pre-IFRS 16).

Non-operating gains and losses

RUB mln	IFRS 16			Pre-IFRS 16		
	Q4 2021	Q4 2020	change, y-o-y %	Q4 2021	Q4 2020	change, y-o-y %
Operating profit	28,085	20,818	34.9	19,010	13,004	46.2
Net finance costs	(14,956)	(14,147)	5.7	(4,118)	(4,187)	(1.6)
Share of loss of associates	-	(5)	n/m	-	(5)	n/m
Net FX result	(299)	1,112	n/m	(41)	291	n/m
Profit before tax	12,830	7,778	65.0	14,851	9,103	63.1
Income tax expense	(4,875)	(6,048)	(19.4)	(5,281)	(6,322)	(16.5)
Net profit	7,955	1,730	359.8	9,570	2,781	244.1
Net profit margin, %	1.3	0.3	98 b.p.	1.6	0.5	105 b.p.

RUB mln	IFRS 16			Pre-IFRS 16		
	FY 2021	FY 2020	change, y-o-y %	FY 2021	FY 2020	change, y-o-y %
Operating profit	117,572	105,717	11.2	84,359	76,785	9.9
Net finance costs	(57,229)	(56,636)	1.0	(16,569)	(16,627)	(0.3)
Share of loss of associates	-	(20)	n/m	-	(20)	n/m
Net FX result	399	(3,391)	n/m	175	(913)	n/m
Profit before tax	60,742	45,670	33.0	67,965	59,225	14.8
Income tax expense	(18,004)	(17,326)	3.9	(19,452)	(20,045)	(3.0)
Net profit	42,738	28,344	50.8	48,513	39,180	23.8
Net profit margin, %	1.9	1.4	51 b.p.	2.2	2.0	22 b.p.

Consolidated cash flow statement highlights

RUB mln	IFRS 16			Pre-IFRS 16		
	Q4 2021	Q4 2020	change, y-o-y, %	Q4 2021	Q4 2020	change, y-o-y, %
Net cash from operating activities before changes in working capital	66,274	57,957	14.4	39,628	32,859	20.6
Change in working capital	31,415	5,163	508.5	31,582	4,621	583.4
Net interest and income tax paid	(24,444)	(27,063)	(9.7)	(13,632)	(17,126)	(20.4)
Net cash flows generated from operating activities	73,245	36,057	103.1	57,578	20,354	182.9
Adj. net cash used in investing activities ⁹	(25,615)	(25,612)	0.0	(25,797)	(25,612)	0.7
Short-term financial investments	(50,000)	-	n/m	(50,000)	-	n/m
Net cash generated from/(used in) financing activities	15,540	(2,114)	n/m	31,389	13,589	131.0
Effect of exchange rate changes on cash and cash equivalents	(5)	5	n/m	(5)	5	n/m
Net increase in cash and cash equivalents	13,165	8,336	57.9	13,165	8,336	57.9

RUB mln	IFRS 16			Pre-IFRS 16		
	FY 2021	FY 2020	change, y-o-y, %	FY 2021	FY 2020	change, y-o-y, %
Net cash from operating activities before changes in working capital	265,528	240,801	10.3	161,387	144,312	11.8
Change in working capital	32,415	2,247	1,342.6	32,244	1,261	2,457.0
Net interest and income tax paid	(70,481)	(83,488)	(15.6)	(29,919)	(43,570)	(31.3)
Net cash flows generated from operating activities	227,462	159,560	42.6	163,712	102,003	60.5
Adj. net cash used in investing activities ⁹	(89,435)	(84,314)	6.1	(90,295)	(84,314)	7.1
Short-term financial investments	(50,000)	-	n/m	(50,000)	-	n/m
Net cash generated from/(used in) financing activities	(81,890)	(73,805)	11.0	(17,280)	(16,248)	6.4
Effect of exchange rate changes on cash & cash equivalents	(83)	(35)	137.1	(83)	(35)	137.1
Net increase in cash and cash equivalents	6,054	1,406	330.6	6,054	1,406	330.6

In Q4 2021, the Company's net cash from operating activities before changes in working capital under IFRS 16 increased by RUB 8,317 million (up RUB 6,769 million under pre-IFRS 16) and totalled RUB 66,274 million (RUB 39,628 million under pre-IFRS 16), reflecting business growth.

Net cash flow generated from operating activities under IFRS 16 totalled RUB 73,245 million in Q4 2021, up from RUB 36,057 million in Q4 2020 (RUB 57,578 million, up from RUB 20,354 million in Q4 2020 pre-IFRS 16), reflecting business growth and optimisation of cash flow management.

In Q4 2021, adj. net cash used in investing activities, which generally consists of payments for property, plant and equipment, under IFRS 16 increased immaterially and totalled

RUB 25,615 million (totalled RUB 25,797 million under pre-IFRS 16). For 2021, adjusted net cash used in investing activities under IFRS 16 increased to RUB 89,435 million (RUB 90,295 million under pre-IFRS 16) from RUB 84,314 million (RUB 84,314 million under pre-IFRS 16) in 2020.

Net cash generated from financing activities under IFRS 16 totalled RUB 15,540 million (RUB 31,389 million pre-IFRS 16) in Q4 2021, compared with negative RUB 2,114 million (positive RUB 13,589 million pre-IFRS 16) in Q4 2020. In 2021, net cash used in financing activities under IFRS 16 increased to RUB 81,890 million from RUB 73,805 million (and increased to RUB 17,280 million from RUB 16,248 million pre-IFRS 16) in 2020.

Liquidity update

RUB mln	31-Dec-21	% of total	31-Dec-20	% of total	31-Dec-19	% of total
Total debt	294,338		261,947		227,933	
Short-term debt	87,767	29.8%	77,026	29.4%	74,755	32.8%
Long-term debt	206,571	70.2%	184,921	70.6%	153,178	67.2%
Net debt (pre-IFRS 16)	268,276		241,939		209,331	
Net debt/EBITDA (pre-IFRS 16)	1.67		1.67		1.71	
Lease liabilities (IFRS 16)	577,363		548,501		484,795	
Net debt/EBITDA (IFRS 16)	3.16		3.24		3.28	

The Company's net debt/EBITDA ratio under IFRS 16 was 3.16x (1.67x pre-IFRS 16) as of 31 December 2021.

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

As of 31 December 2021, the Company had access to RUB 482,263 million in available credit limits with major Russian and international banks.

Dividends

In view of the current difficult market conditions and the need to allocate all resources towards supporting X5's ongoing operations, the Supervisory Board recommends that X5 does not pay a final dividend for 2021. This decision is guided by considerations that include X5's crucial role in providing food retail services with over 19,000 stores across Russia; the growing focus on supporting customers as inflation impacts their

household budgets; and the need to support suppliers through difficult times in order to maintain a reliable supply chain and keep store shelves sufficiently stocked. The Supervisory Board believes that successful execution of these priorities will require financial resources, and that all stakeholders of the Company will benefit in the long term from X5 strengthening its reputation as a reliable partner for both customers and suppliers.

Issuance of audited 2021 Annual Report and financial statements

The Group expects a delay in the completion of the Dutch statutory audit of the annual report due to additional procedures required for companies operating in a primarily Russian environment. The date of release of the audited financial statements and annual report will be communicated in due course.

Note to Editors

X5 Retail Group N.V. (LSE and MOEX: FIVE; Fitch, BB+; Moody's, Ba1; S&P, BB+; RAEX, ruAA+ as of 31 December 2021) is a leading Russian food retailer. The Company operates proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Chizhik hard discounters. X5 provides an omnichannel experience to its customers, integrating retail stores and e-commerce through its businesses Vprok.ru Perekrestok, 5Post and Mnogo Lososya.

As of 31 December 2021, X5 had 19,121 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 17,972 Pyaterochka proximity stores, 990 Perekrestok supermarkets and 72 Chizhik hard discounters. The Company operates 47 DCs and 4,654 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 340 thousand people.

For the full year 2021, revenue totalled RUB 2,204,819 million (USD 29,935 million*), EBITDA pre-IFRS 16 reached RUB 161,024 million (USD 2,186 million), and net profit pre-IFRS 16 for the period amounted to RUB 48,513 million (USD 659 million).

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.
**Unaudited Condensed Consolidated
Financial Information**
31 December 2021

The attached unaudited condensed consolidated statement of financial position, condensed consolidated statement of profit or loss, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows and condensed consolidated 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 Statement of Financial Position
at 31 December 2021
(expressed in millions of Russian Roubles, unless otherwise stated)

	31 December 2021	31 December 2020
Assets		
Non-current assets		
Property, plant and equipment	332,144	322,707
Right-of-use assets	502,325	480,511
Investment properties	4,461	4,502
Goodwill	105,028	104,890
Other intangible assets	39,006	30,757
Investments in associates and joint ventures	50	–
Other non-current assets	4,209	3,120
Deferred tax assets	23,047	20,458
	1,010,270	966,945
Current assets		
Inventories	166,840	144,393
Indemnification asset	435	171
Trade, other accounts receivable and prepayments	20,190	19,277
Current income tax receivable	4,057	12,119
VAT and other taxes receivable	8,802	10,316
Short-term financial investments	50,092	–
Cash and cash equivalents	26,062	20,008
	276,478	206,284
Total assets	1,286,748	1,173,229
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share capital	2,458	2,458
Share premium	46,127	46,086
Retained earnings	38,926	46,194
Share-based payment reserve	118	104
	87,629	94,842
Total equity	87,629	94,842
Non-current liabilities		
Long-term borrowings	206,571	184,921
Long-term lease liabilities	507,099	480,059
Deferred tax liabilities	928	2,769
Other non-current liabilities	1,670	1,954
	716,268	669,703
Current liabilities		
Trade accounts payable	212,949	170,909
Short-term borrowings	87,767	77,026
Interest accrued	1,792	1,380
Short-term lease liabilities	70,264	68,442
Short-term contract liabilities	2,392	2,198
Current income tax payable	3,014	2,753
Provisions and other liabilities	104,673	85,976
	482,851	408,684
Total liabilities	1,199,119	1,078,387
Total equity and liabilities	1,286,748	1,173,229

Igor Shekhterman
Chief Executive Officer

Vsevolod Starukhin
Chief Financial Officer

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

	2021	2020
Revenue	2,204,819	1,978,026
Cost of sales	(1,643,502)	(1,483,406)
Gross profit	561,317	494,620
Selling, general and administrative expenses	(467,468)	(406,389)
Net impairment losses on financial assets	(154)	(251)
Lease/sublease and other income	23,877	17,737
Operating profit	117,572	105,717
Finance costs	(57,815)	(56,686)
Finance income	586	50
Share of loss of associates and joint ventures	-	(20)
Net foreign exchange gain/(loss)	399	(3,391)
Profit before tax	60,742	45,670
Income tax expense	(18,004)	(17,326)
Profit for the year	42,738	28,344
Profit for the year attributable to:		
Equity holders of the parent	42,738	28,344
Basic earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	629.55	417.54
Diluted earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	629.54	417.52

Igor Shekhterman
Chief Executive Officer

Vsevolod Starukhin
Chief Financial Officer

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

	2021	2020
Profit for the year	42,738	28,344
Total comprehensive income for the year, net of tax	42,738	28,344
Total comprehensive income for the year attributable to:		
Equity holders of the parent	42,738	28,344

Igor Shekhterman
Chief Executive Officer

Vsevolod Starukhin
Chief Financial Officer

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

	Note	2021	2020
Profit before tax		60,742	45,670
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets, investment properties, other intangible assets and goodwill		150,278	137,905
Gain on disposal of property plant and equipment, investment properties and intangible assets and gain on derecognition of right-of-use assets		(3,345)	(3,705)
Finance costs, net		57,229	56,636
Net impairment losses on financial assets		154	251
Impairment of prepayments		221	237
Share-based compensation expense		89	60
Net foreign exchange (gain)/loss		(399)	3,391
Share of loss of associates and joint ventures		-	20
Other non-cash items		559	336
Net cash from operating activities before changes in working capital		265,528	240,801
Increase in trade, other accounts receivable and prepayments and VAT and other taxes receivable		(1,198)	(2,119)
Increase in inventories		(22,447)	(16,931)
Increase in trade payable		42,108	10,491
Increase in other accounts payable and contract liabilities		13,952	10,806
Net cash flows from operations		297,943	243,048
Interest paid		(56,561)	(55,461)
Interest received		60	44
Income tax paid		(13,980)	(28,071)
Net cash flows from operating activities		227,462	159,560
Cash flows from investing activities			
Purchase of property, plant and equipment and initial direct costs associated with right-of-use assets		(76,574)	(73,427)
Acquisition of businesses, net of cash acquired		(1,771)	(3,138)
Proceeds from disposal of property, plant and equipment, investment properties and intangible assets		4,392	4,365
Purchase of other intangible assets		(15,482)	(12,084)
Acquisition of interest in associates and joint ventures		-	(150)
Proceeds from sale of interest in associates and joint ventures		-	120
Payments for financial investments		(50,000)	-
Net cash flows used in investing activities		(139,435)	(84,314)
Cash flows from financing activities			
Proceeds from loans		132,345	203,046
Repayment of loans		(99,585)	(169,175)
Purchase of treasury shares		(34)	(126)
Payments of principal portion of lease liabilities		(64,610)	(57,557)
Dividends paid to equity holders of the parent		(50,006)	(49,993)
Net cash flows used in financing activities		(81,890)	(73,805)
Effect of exchange rate changes on cash and cash equivalents		(83)	(35)
Net increase in cash and cash equivalents		6,054	1,406
Movements in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		20,008	18,602
Net increase in cash and cash equivalents		6,054	1,406
Cash and cash equivalents at the end of the year		26,062	20,008

Igor Shekhterman
Chief Executive Officer

Vsevolod Starukhin
Chief Financial Officer

X5 Retail Group N.V.
Condensed Consolidated Statement of Changes In Equity
for the year ended 31 December 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	
Balance as at 1 January 2020	67,890,054	2,458	46,150	105	67,843	116,556	116,556
Profit for the period	-	-	-	-	28,344	28,344	28,344
Total comprehensive income for the period	-	-	-	-	28,344	28,344	28,344
Acquisition of treasury shares	(12,870)	-	(107)	-	-	(107)	(107)
Dividends	-	-	-	-	(49,993)	(49,993)	(49,993)
Share-based payment compensation	-	-	-	60	-	60	60
Transfer and waiving of vested equity rights	5,260	-	43	(61)	-	(18)	(18)
Balance as at 31 December 2020	67,882,444	2,458	46,086	104	46,194	94,842	94,842
Balance as at 1 January 2021	67,882,444	2,458	46,086	104	46,194	94,842	94,842
Profit for the period	-	-	-	-	42,738	42,738	42,738
Total comprehensive income for the period	-	-	-	-	42,738	42,738	42,738
Dividends	-	-	-	-	(50,006)	(50,006)	(50,006)
Share-based payment compensation	-	-	-	89	-	89	89
Transfer and waiving of vested equity rights	6,252	-	41	(75)	-	(34)	(34)
Balance as at 31 December 2021	67,888,696	2,458	46,127	118	38,926	87,629	87,629

Igor Shekhterman
Chief Executive Officer

Vsevolod Starukhin
Chief Financial Officer