



Investor Presentation

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X5 is a leading Russian food retailer...

9M 2022 Highlights

#1 Russian food retailer by revenue

12.6% market share

vs 9.5% in 2017

20,227 stores

in 67 Russian regions
+8.2% y-o-y

>325 ths

employees

Loyal customer base

65 mln

active loyalty card users
51% of adult population

18.3 mln

MAUs of X5 digital services in Q3 2022
+6% y-o-y growth

>17 mln

average daily purchases

New and digital businesses

+52% y-o-y

digital businesses' sales growth to **RUB 48.3 bln**

>87 ths

average number of daily online orders

>3,000

hard discounters in the next three years

Strong financials

19.0%

revenue growth y-o-y

7.9%

EBITDA margin (under pre-IFRS 16)

+3.6 p.p.

adj. ROIC¹ growth y-o-y

X5 businesses

 Пятёрочка

18,865
Proximity stores

 Перекрёсток

972
Supermarkets

 5post

23,612
Pickup points and
parcel lockers

 Чижик

316
Hard discounter
stores

 Express
delivery

2,633
Stores
45
Dark stores

 Vprok.ru
Перекрёсток

5
Large dark stores

 Много
лосося

56
Dark kitchens (incl. 4 franchisees)



Pyaterochka 5

Proximity stores

83%

Share of revenue
(Q3 2022)



18,865

Stores

>4 THS

SKUs

392 SQM

Average selling space

Perekrestok

Supermarkets

13%

Share of revenue
(Q3 2022)



972

Stores

8-15 THS

SKUs

1,126 SQM

Average selling space

Chizhik

Hard discounter stores

1.5%

Share of revenue
(Q3 2022)



316

Stores

750–800

SKUs

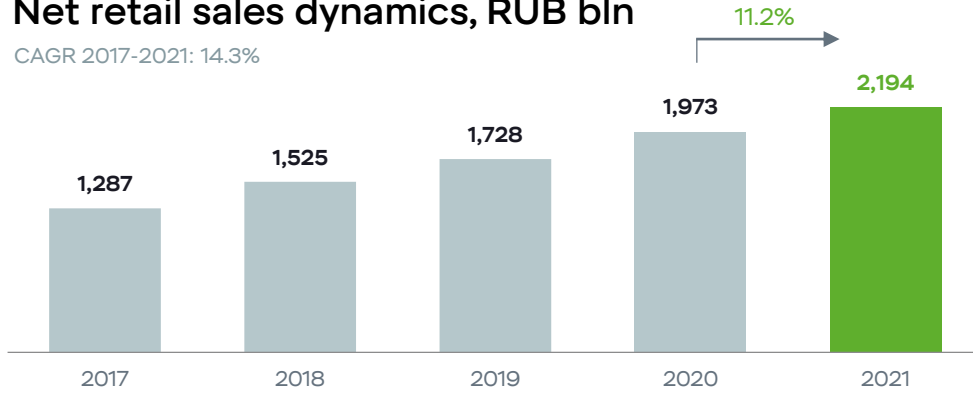
294 SQM

Average selling space

Track record of strong operational performance...

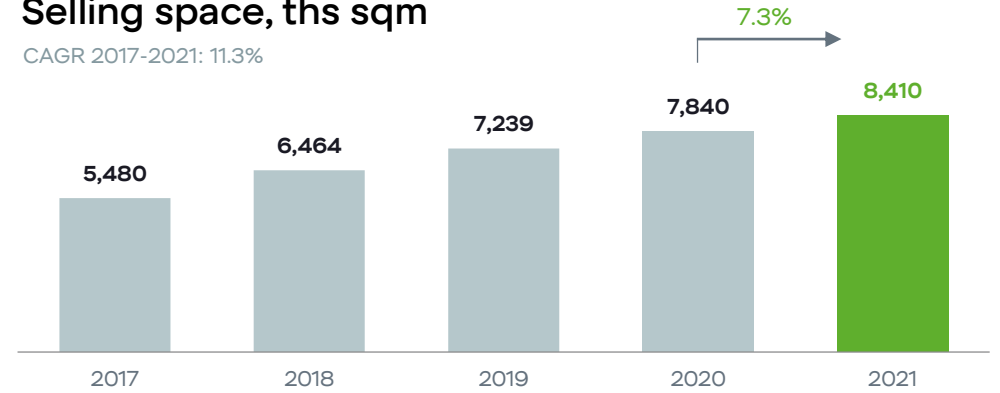
Net retail sales dynamics, RUB bln

CAGR 2017-2021: 14.3%

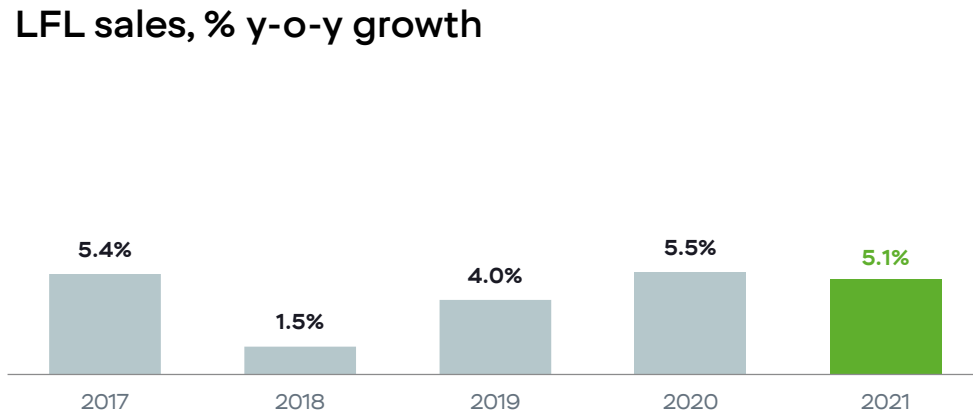


Selling space, ths sqm

CAGR 2017-2021: 11.3%

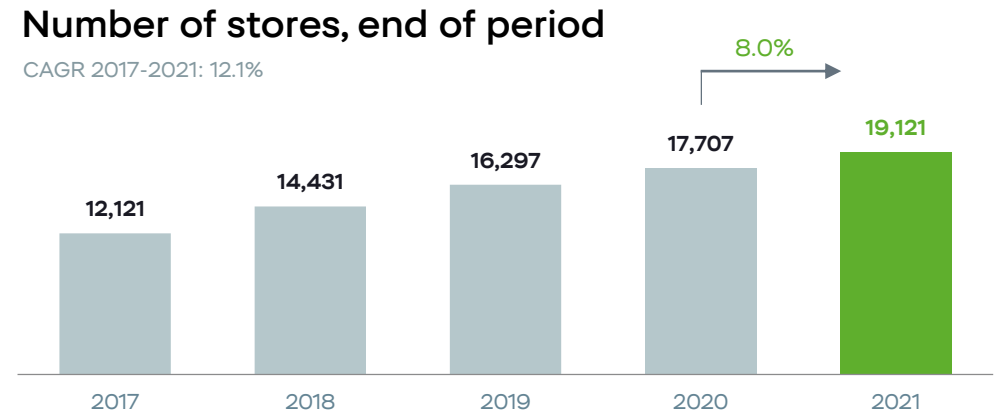


LFL sales, % y-o-y growth



Number of stores, end of period

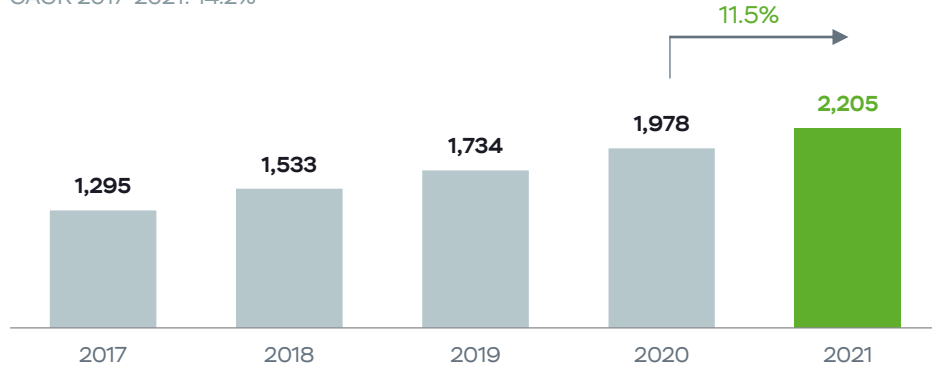
CAGR 2017-2021: 12.1%



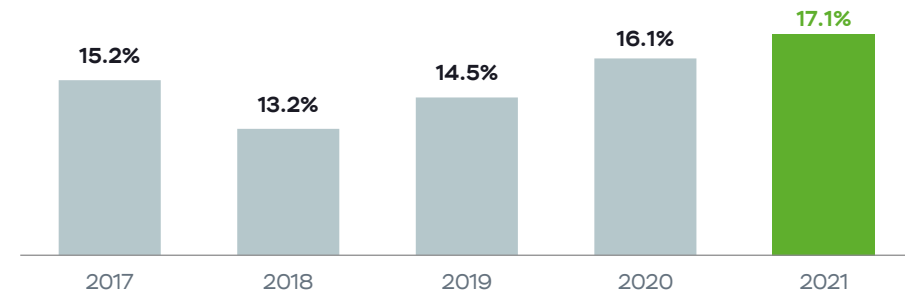
...supported by robust profitability

Revenue CAGR exceeding 14% in 2017-21

CAGR 2017-2021: 14.2%

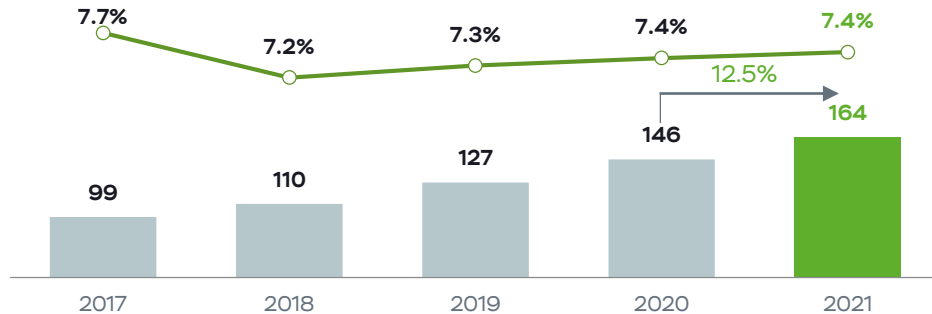


Adj. ROIC² has increased by 4 p.p. since 2018

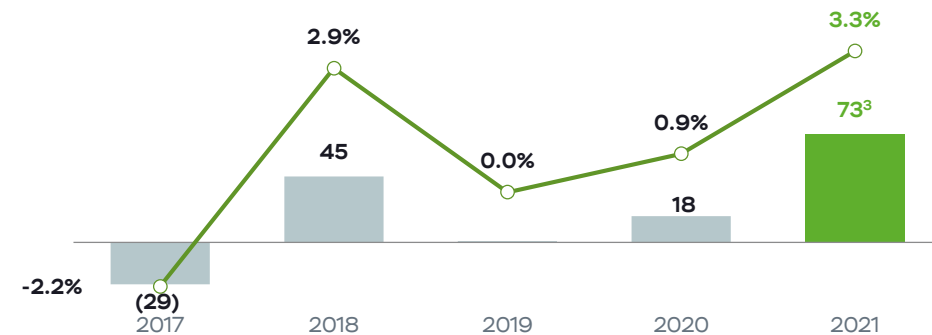


Adj. EBITDA margin¹ consistently above 7%

CAGR 2017-2021: 13.4%



FCF at record high level



● Adj. EBITDA,¹ RUB bln ● Adj. EBITDA margin, %

● FCF, RUB bln ● FCF / Revenue, %

Source: X5 data

- Adjusted for LTI, exit share-based payments and other one-off remuneration payments
- ROIC = NOPAT / average (equity + net debt, including short-term financial investment), adjusted for impact from Karusel transformation, tax on investments and tax accrual related to X5's reorganisation in previous periods
- Adjusted for short-term financial investments

X5 uses its core strengths to create upside potential...

Our strengths



Strong brands

X5 brands were among the top Russian brands* in 2021, with Pyaterochka in 1st place



Strong presence in growing market segments

X5 is the leader in the format that has seen the most growth – convenience (43% of the market in 2021) – and is entering the fastest-growing format – hard discounters (32% y-o-y growth)



Strong team

Experienced managers and entrepreneurs



Diverse and reliable supply base

- X5 successfully partners with the largest FMCG and grocery suppliers, relying upon a growing base of local suppliers including producers of private labels
- As the largest food retailer in Russia, X5 has the best possible purchasing terms with suppliers
- Perekrestok and Pyaterochka were ranked #1 and #2, respectively, by the Advantage 2021 supplier survey



Operational efficiency

Continuously strengthening operational efficiency and maintaining EBITDA at the level of 7%+ combined with aggressive geographical expansion

Upside potential



Driving LFL sales growth above food CPI level



Accelerated expansion in the fast-growing hard discounter segment



Adapting Pyaterochka's CVP to customer needs, to increase the proposition to the low-mid-income segment



Organisational model development to achieve more speed and greater flexibility



Growing efficiency of operating and capital expenses



Positive unit economics for digital businesses

Sustaining market leadership and strong financial performance

...and is committed to key strategic objectives

1 Leadership in the food market

- Focus on the largest and fastest-growing market segments: convenience and hard discounters
- Further improving the CVP to reflect changes in the market environment and customer trends by leveraging operational and capex efficiency
- Increasing sales density, growing LFL sales above CPI
- Expanding both organic and non-organic market share growth, incl. regional M&A opportunities

2 Digitalisation

- Focus on express delivery from stores and dark stores, the largest and fastest-growing segment of e-grocery
- Achieving positive unit economics of express delivery
- Digitalisation projects to improve operational efficiency in stores, logistics operations and the back office

3 Focus on efficiency

- Ensuring sourcing leverage and scalability of infrastructure
- Driving operational efficiency and synergies across all business units
- Increasing efficiency of capital investments and working capital optimisation

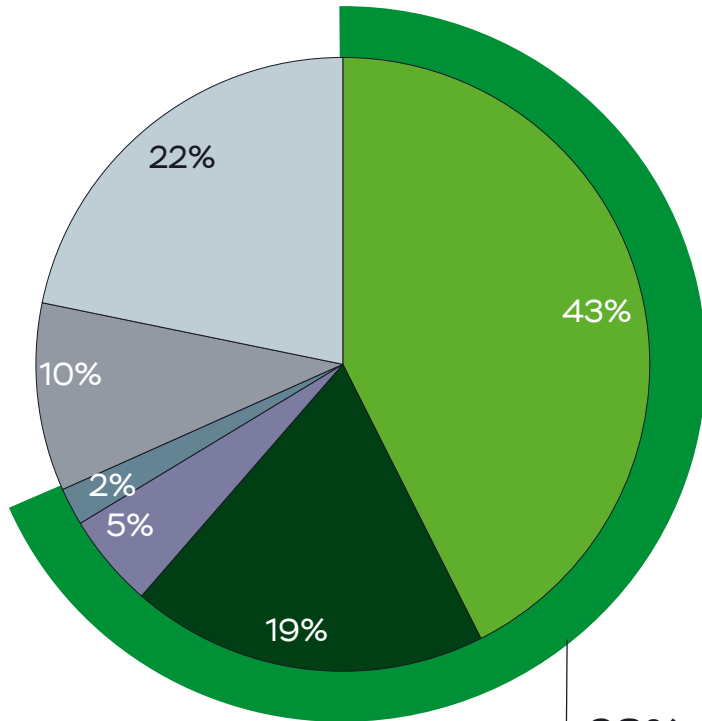
4 Care for the community

- Providing reliable food supply
- ESG targets are integrated into X5's business processes
- Regular ESG reporting under GRI standards

1 Focus on the fastest-growing market segment

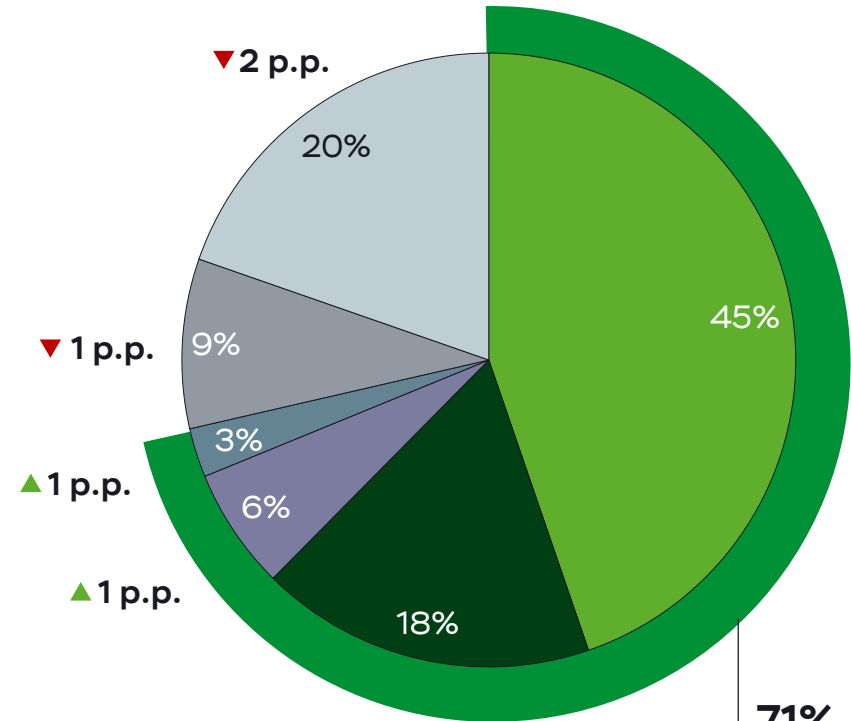
Diverse grocery business with growth potential across convenience, hard discounter and online segments

2021



68%
share of grocery market
addressable by X5

2022E

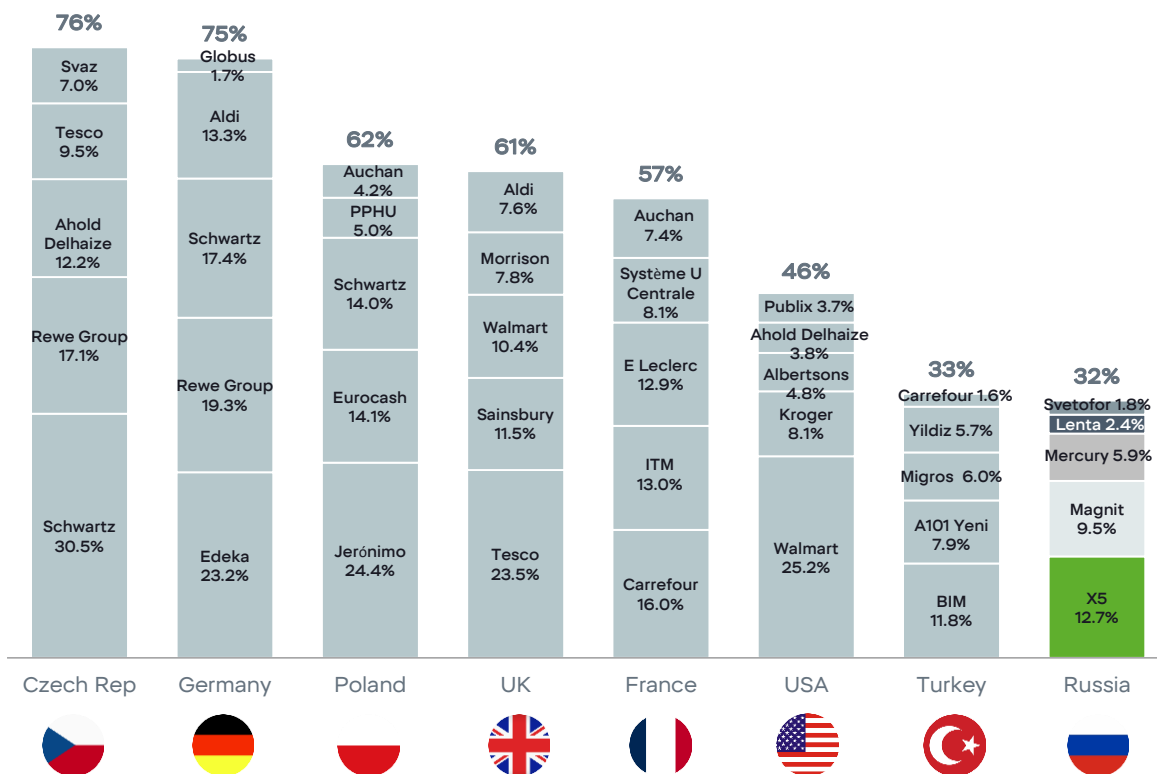


71% ▲ 3 p.p.
share of grocery market
addressable by X5

- Convenience
 - Supermarkets
 - Other (Hard Discounters, variety and other.)
 - Online (without aggregators)
 - Hypermarkets
 - Traditional trade
- ▲ x p.p. - y-o-y growth

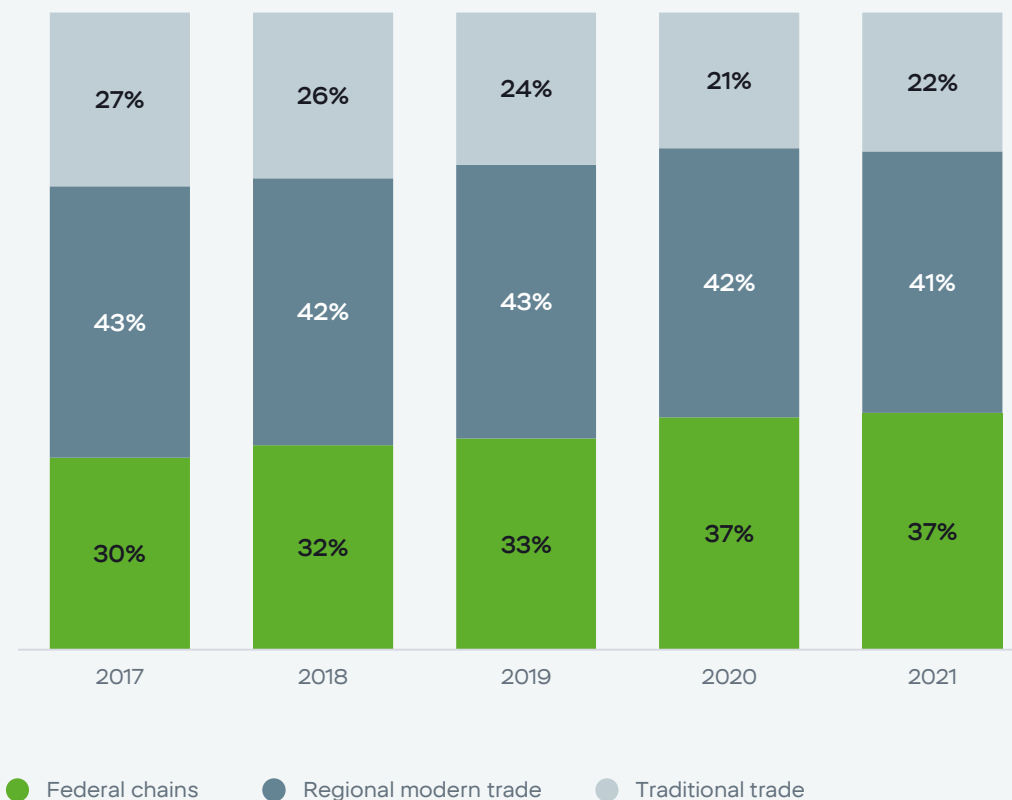
1 Market consolidation is the key source of growth for the top players

Potential for growth in the market shares of top-5 players



Source: Euromonitor, Infoline (for Russian market only), Company reports, X5 analysis

Continued shift to modern trade and the growing role of nationwide players

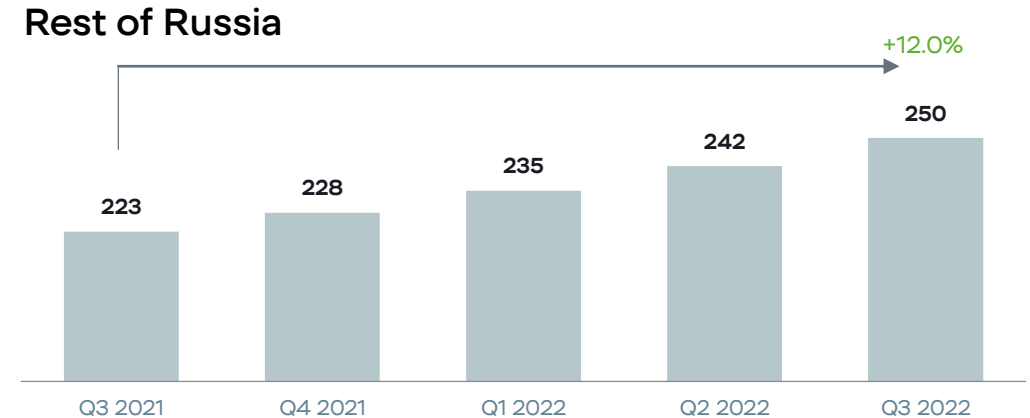
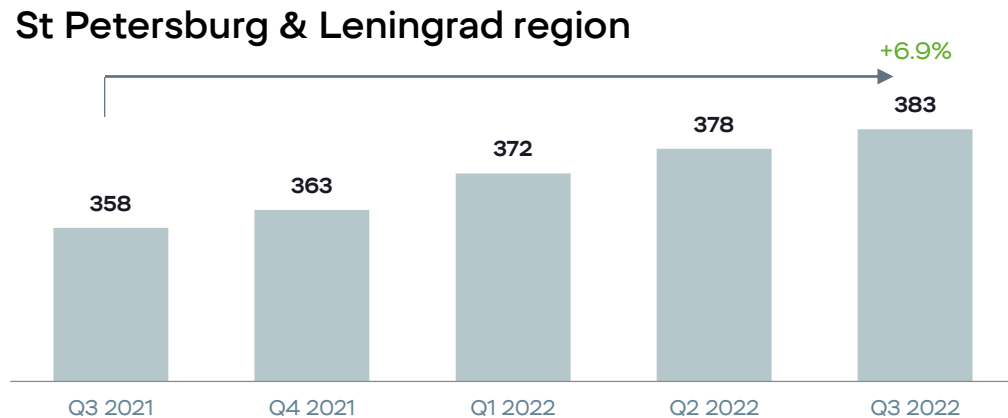
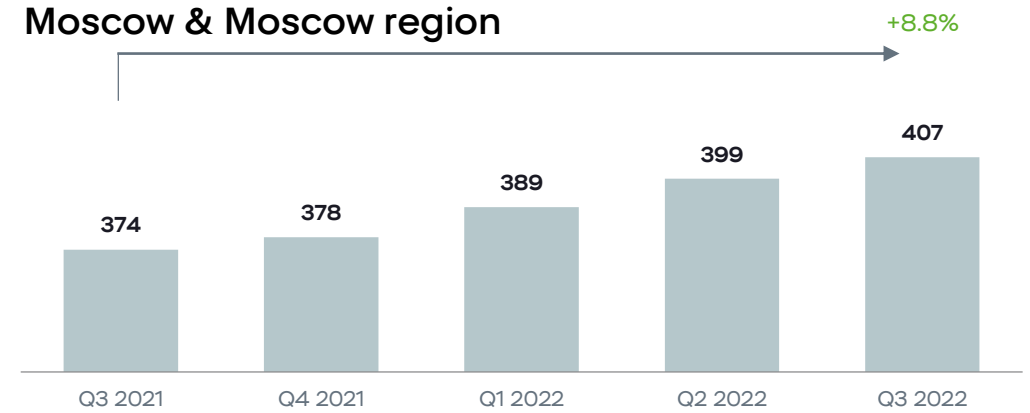
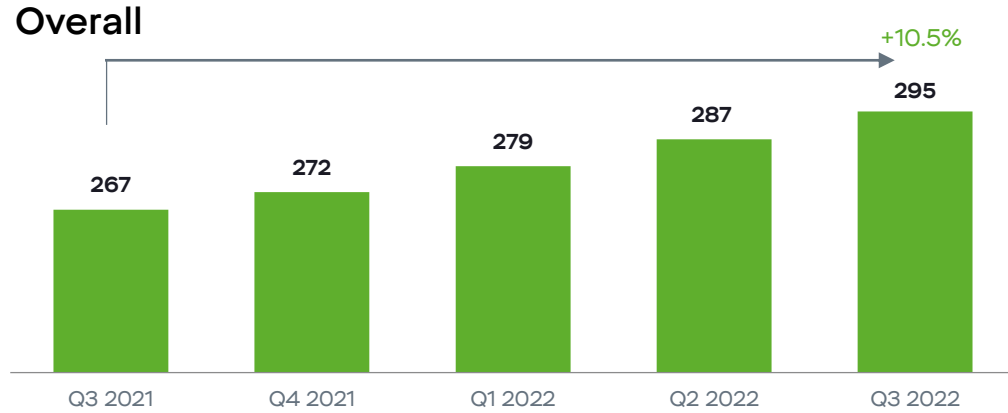


Source: Infoline

1 Growth and profitability supported by improving sales density

Maintain sales density leadership in proximity segment in key geographies (Moscow and St Petersburg)

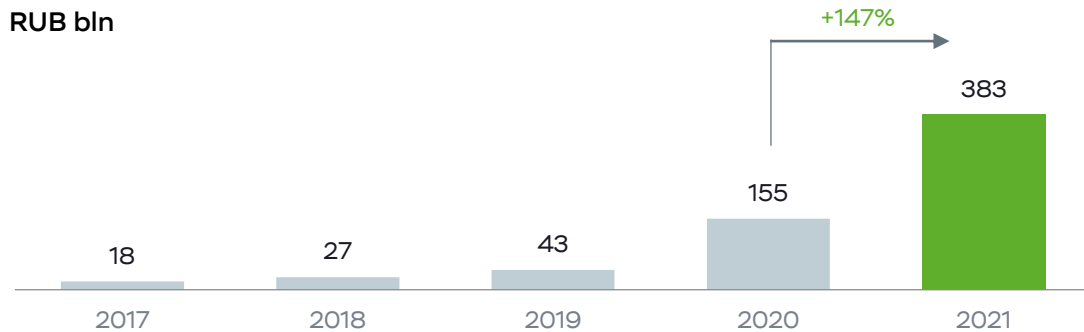
Unit: '000 RUB/sqm (annualised)



Source: X5 data

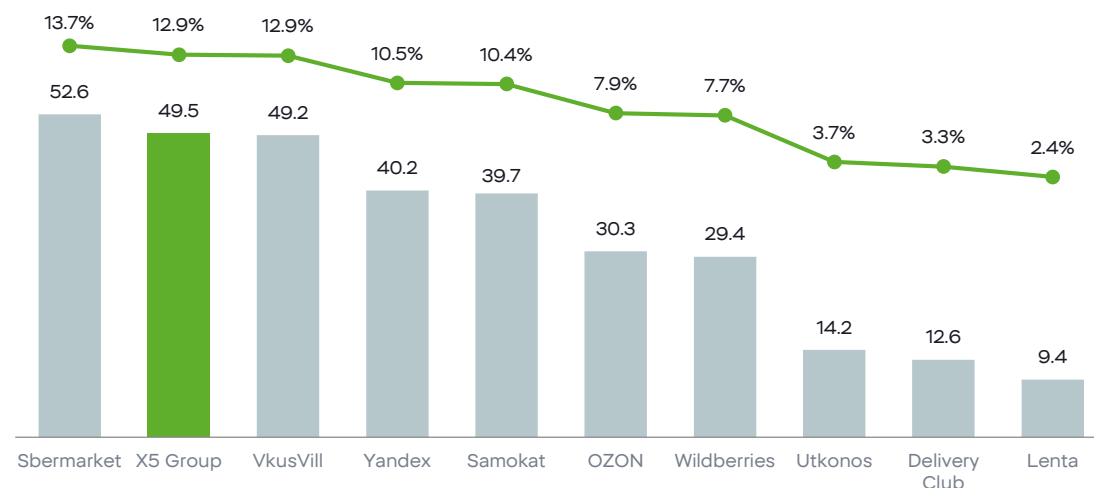
2 X5 is among the leaders in e-grocery

Fastest-growing food retail segment



Source: Infoline

X5 e-grocery market position, 2021



● Food GMV, RUB bln ● Market share, %

Source: Infoline

- X5 Digital oversees express delivery technology platform, small dark-store of express delivery and large dark-store infrastructure under Vprok.ru brand
- Offering a range of e-grocery services: express delivery, click&collect and scheduled delivery
- Launched in 2020, express delivery service is available from 1,718 stores in 54 regions
- Successful pilot of multi-format dark stores (Pyaterochka and Perekrestok)
- Continuous improvement in unit economics on the back of scale and operational efficiency
- Partnered with SberMarket and Delivery Club in August 2022 to expand its online delivery offering
- Delivered over 100 thousand on peak days in April 2022
- X5 digital services reached 16.1 million MAUs in Q2 2022, 17% growth y-o-y

3 Focus on efficiency

Key EBITDA drivers

Private labels and direct import share growth

Delivering assortment differentiation and gross margin improvement through private label and direct import development

Regional growth contribution

EBITDA margin in new regions increased by c. 1.5 p.p. y-o-y in 2021 through DC and other costs utilisation

Driving commercial function efficiency

Automation of category management, personalised promo, pricing and customer value management using big data capabilities; using cross-format synergies in the commercial function

Operating costs optimisation

Leveraging the scale of the business, cross-format synergies and driving efficiency initiatives to deliver lean and efficient retail operations

Improving personnel efficiency

Driving productivity growth via process simplification and automation

Capex drivers

Continue ambitious space expansion

Focus on Pyaterochka proximity format and aggressive Chizhik rollout with 3,000+ stores in the next 3 years

Smart refurbishments

Extended store life cycle in terms of equipment renewal and repairs

Driving business efficiency

Key process digitalisation with high investment returns (IRR >100%)

Logistics development

Renewal of the truck park and opening of new DCs in line with expansion plans; increasing transport utilisation

New businesses

supporting and strengthening the core X5 formats

4 ESG is becoming a core element of X5's strategy – 2020 progress against strategic goals



Planet

-9%

GHG emissions (Scope 1 + Scope 2) per sqm of selling space
2020 vs 2019
2023 goal: -10%

48%

of private labels in sustainable packaging¹
2023 goal: >50%

85%

of recyclable waste from X5 operations was sent for recycling
2023 goal: up to 95%

14%

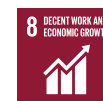
of non-expired food waste was sent for reprocessing²
2023 goal: up to 40%



Health

45.5%

Share of FRESH and F&V products³
2023 goal: up to 50%



Employees

77.7%

Employee engagement
2023 goal: >75%

99.8%

Healthy and safe work environment for employees
The respective standard is to be rolled out across the Company
2023 goal: 100%



Communities

100%

of Pyaterochka stores engage in the Help for Lost People programme
2023 goal: 100%

142k

Families received food aid as part of the Basket of Kindness project
2023 goal: 100% of families

70%

Share of SMEs among X5 suppliers created partnerships with 1,313 new Russian suppliers in 2020, including 189 sole proprietors and SMEs

¹ Sustainable packaging is the recommended packaging, which is recyclable or made of recycled feedstock, among other materials (e.g. PET, PP, glass, cardboard/paper, metal)

² Calculation for X5 based on the results for 2 RC

³ Calculation for X5 based on the results for 2 RC. The share is calculated from retail turnover

2022 financial goals



Accelerated revenue growth



Capex reduction in absolute terms



Focus on cost optimisation & FCF management



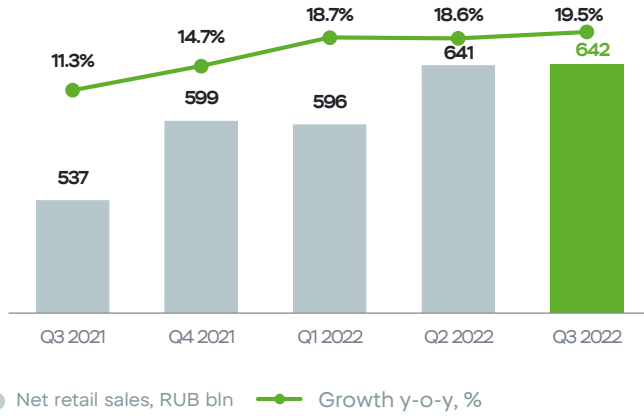
Net financial debt / EBITDA <1.8x

Q3 2022 Results

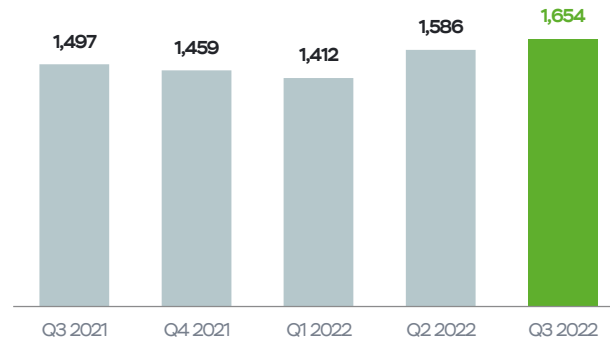


Double-digit top-line growth supported by strong LFL sales dynamics...

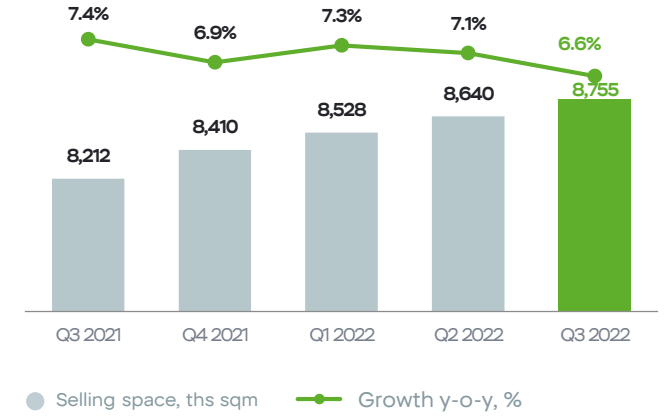
Net retail sales¹



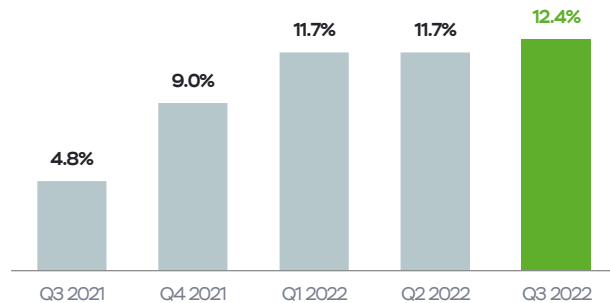
Traffic, mln customers



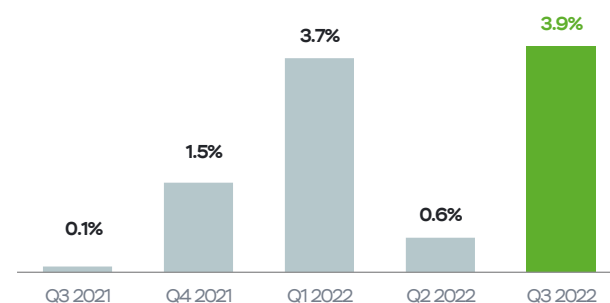
Net selling space (eop)



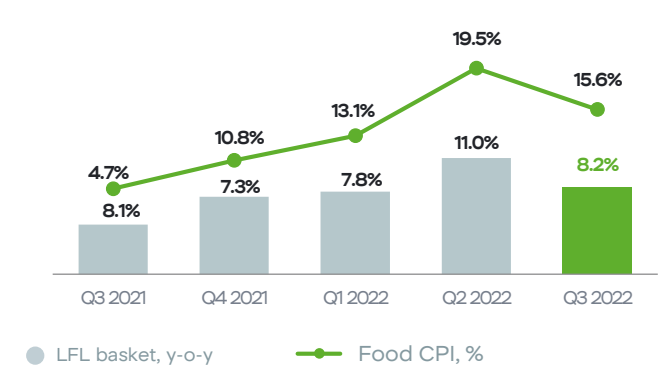
LFL sales, y-o-y



LFL traffic, y-o-y



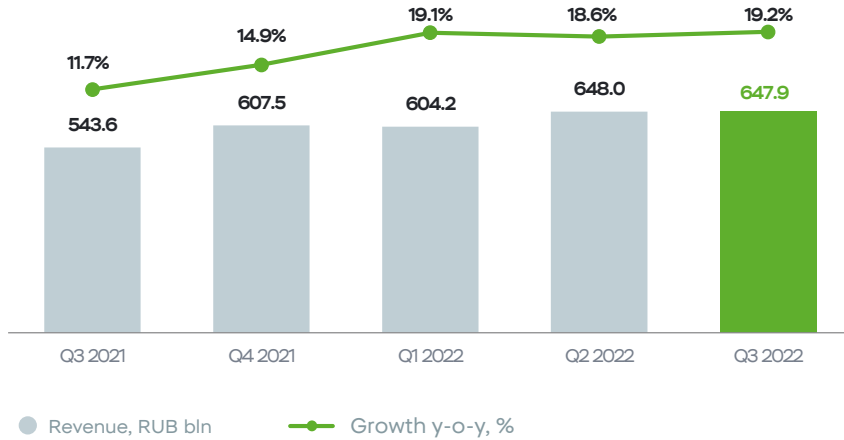
LFL basket, y-o-y



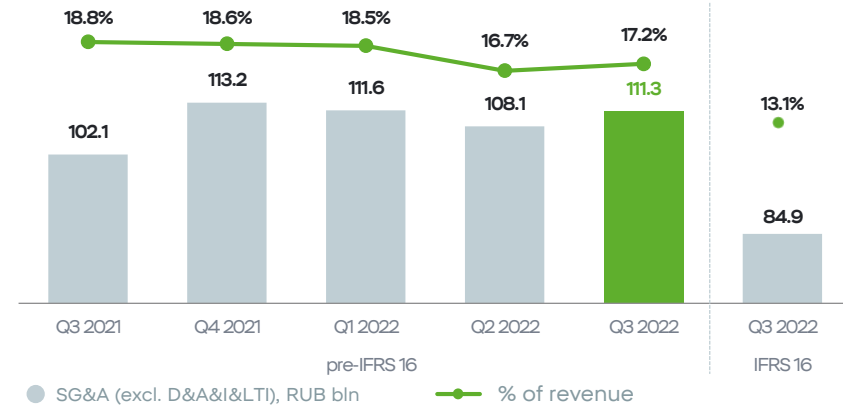
¹ Excluding Vprok.ru Perekrestok

...combined with stable profitability

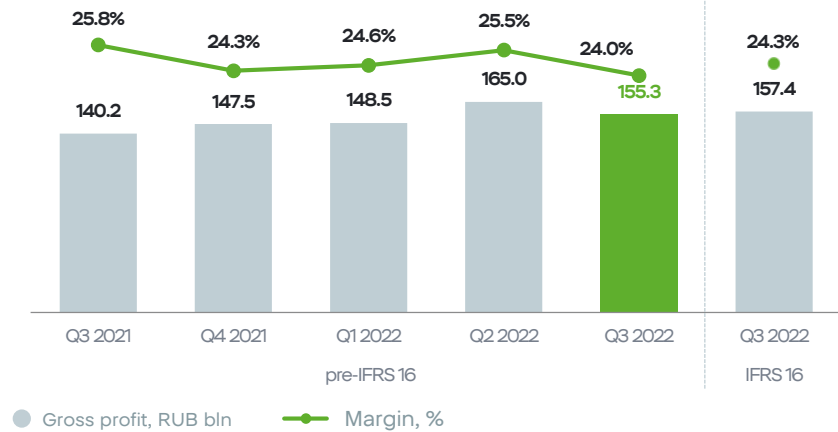
Revenue



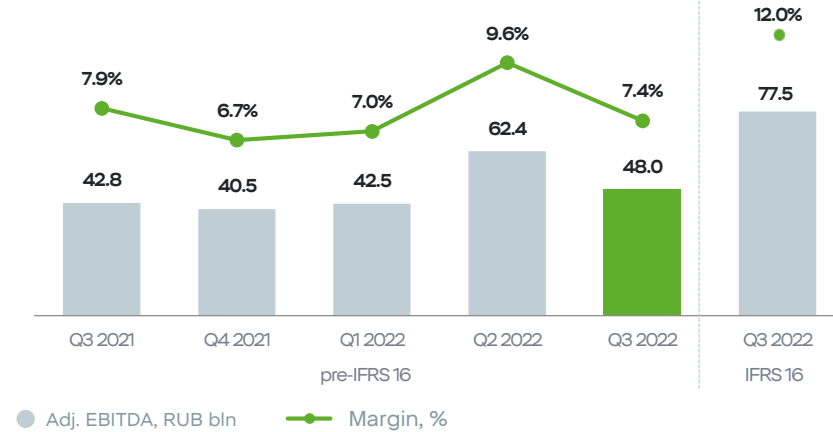
SG&A (excl. D&A&I<I)¹



Gross profit & gross margin



Adj. EBITDA & EBITDA margin²

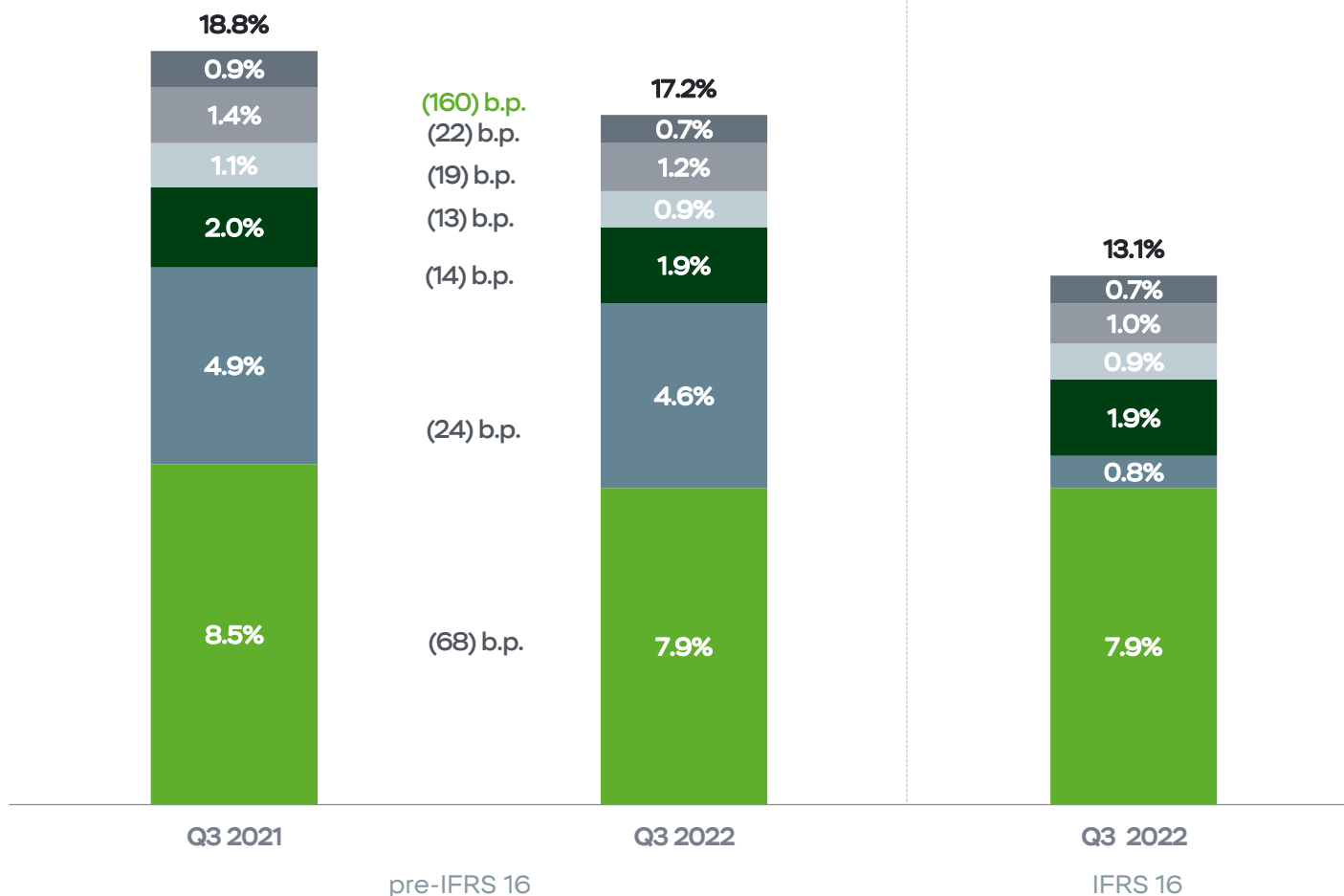


¹ Adjusted for impact from Karusel transformation

² Adjusted for LTI, exit payments and share-based payments, other one-off remuneration payments and impact from Karusel transformation

Q3 2022: Adjusted SG&A¹ expense analysis

Q3 2022 analysis
as a percentage of revenue



Key Q3 2022 highlights

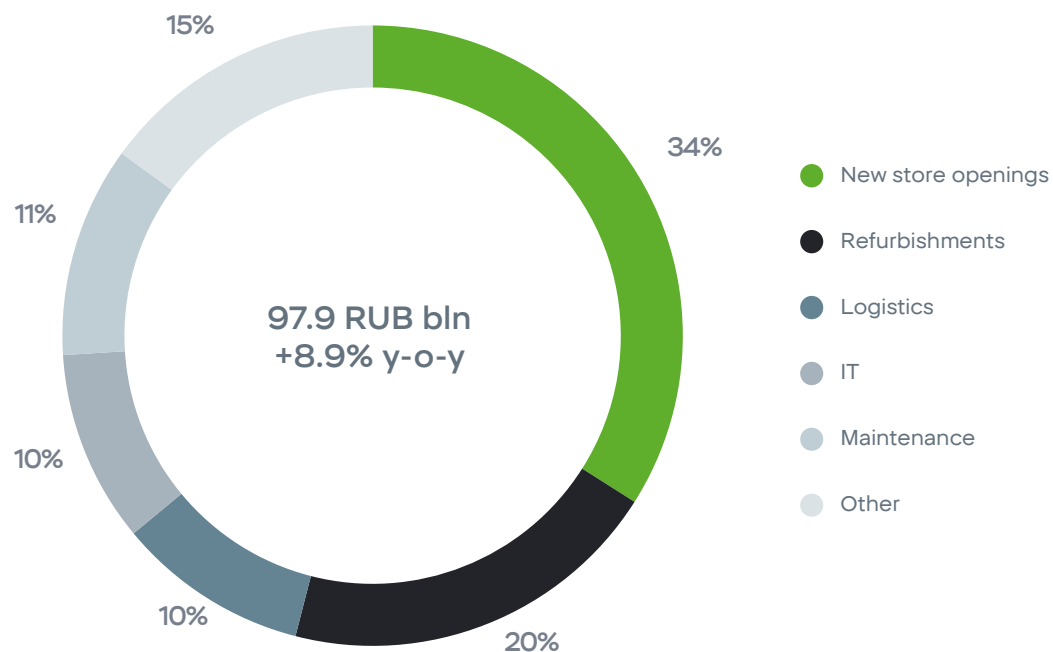
- ▼ **Staff costs (excluding LTI and share-based payments):** the operating leverage effect on the back of accelerated revenue growth in Q3 2022 as well as balanced approach to targeted salary increases.
- ▼ **Lease expenses:** positive operational leverage effect and measures taken to reduce lease expenses partially compensated by a higher number of revenue-linked leases.
- ▼ **Utilities:** electric lighting system optimisation initiatives, particularly in 24-hour operating stores.
- ▼ **Other store costs** positive operating leverage effect.
- ▼ **Third-party service expenses:** decrease in marketing and advertising costs.
- ▼ **Other expenses:** the one-off effect from release of provisions.

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

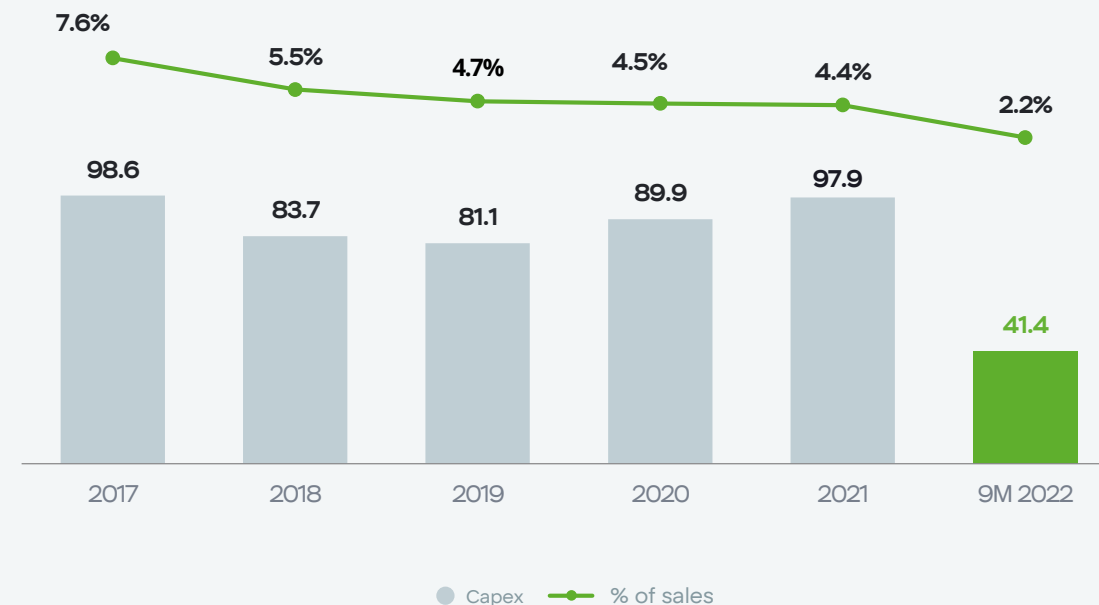
¹ Adjusted for D&A&I, LTI, exit share-based payments and impact from Karusel transformation

X5 capital expenditures

Capex breakdown, 2021



Capex dynamics by year, RUB bln



Prioritising projects with highest return, consistent delivery of capex (as % of revenue) reduction

X5 debt structure

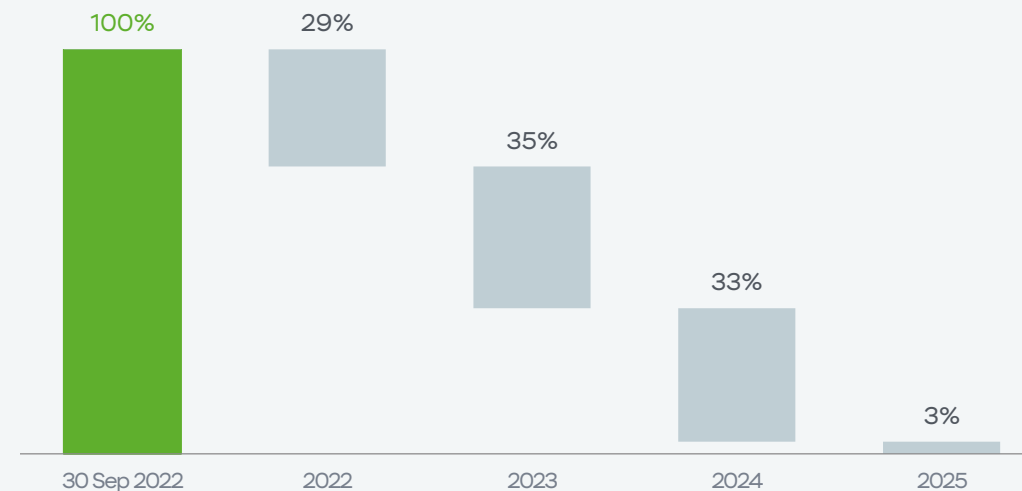
Debt profile

RUB mln	30 Sep 2022	30 Sep 2021
Total debt	208,945	242,928
Short-term debt	70,497	67,983
% of total debt	33.7%	28.0%
Long-term debt	138,448	174,945
% of total debt	66.3%	72.0%
Net debt (pre-IFRS 16)	169,246	230,031

Covenants & liquidity update

Covenant metrics & liquidity sources	30 Sep 2022	30 Sep 2021
Net debt / EBITDA (pre-IFRS 16)	0.89x	1.50x
Cash & cash equiv., RUB mln	39,699	12,897
Available credit limits, RUB mln	469,884	493,779

Debt portfolio maturity



Highlights

- X5's debt portfolio is 100% RUB-denominated
- 95% of X5's borrowings have fixed interest rates
- X5's available credit limits amounted to RUB 470 bln

Appendix



Pyaterochka – key format highlights (Q3 2022)

Key results

18,865 stores

+7.2% y-o-y

539 RUB bln

Revenue +20.3% y-o-y

9.0%

H1 2022 EBITDA margin (pre-IFRS 16)

Operating highlights

+13.7%

LFL sales

+4.4%

LFL traffic

+8.9%

LFL ticket

1,466 mln

customer visits
+10.6% y-o-y

422 RUB

average ticket +8.9% y-o-y

-17 b.p.

reduction in shrinkage in 2021

+9.2%

labour productivity growth in 2021

CVP

4,500

SKUs

392 sqm

average selling space

50 mln

active loyalty card
users

53%

loyalty card
penetration in traffic

72%

Loyalty card
penetration in sales

24%

private label share

+6.3 points

increase in NPS y-o-y

Perekrestok – key format highlights (Q3 2022)

Key results

972 stores

-0.8% y-o-y

89 RUB bln

Revenue +9.4% y-o-y

8.3%

H1 2022 EBITDA margin (pre-IFRS 16)

Operating highlights

+6.3%

LFL sales

-0.3%

LFL traffic

+6.6%

LFL ticket

166 mln

customer visits
+2.6% y-o-y

614 RUB

average ticket +6.5% y-o-y

+7.1%

labour productivity growth in 2021

CVP

8-15 ths

SKUs

1,126 sqm

average selling space

14 mln

active loyalty card users

66%

loyalty card
penetration in traffic

81%

loyalty card
penetration in sales

18%

private label share

+3.6 points

increase in NPS y-o-y

Chizhik – key format highlights

250–300 sqm

of store selling space

7–9 RUB mln

net capex per store
(excl. VAT)

750–800 SKUs

in the assortment

75%

target share of private
label assortment

EDLP

price strategy

2x

higher sales density
compared with proximity
format

up to 50%

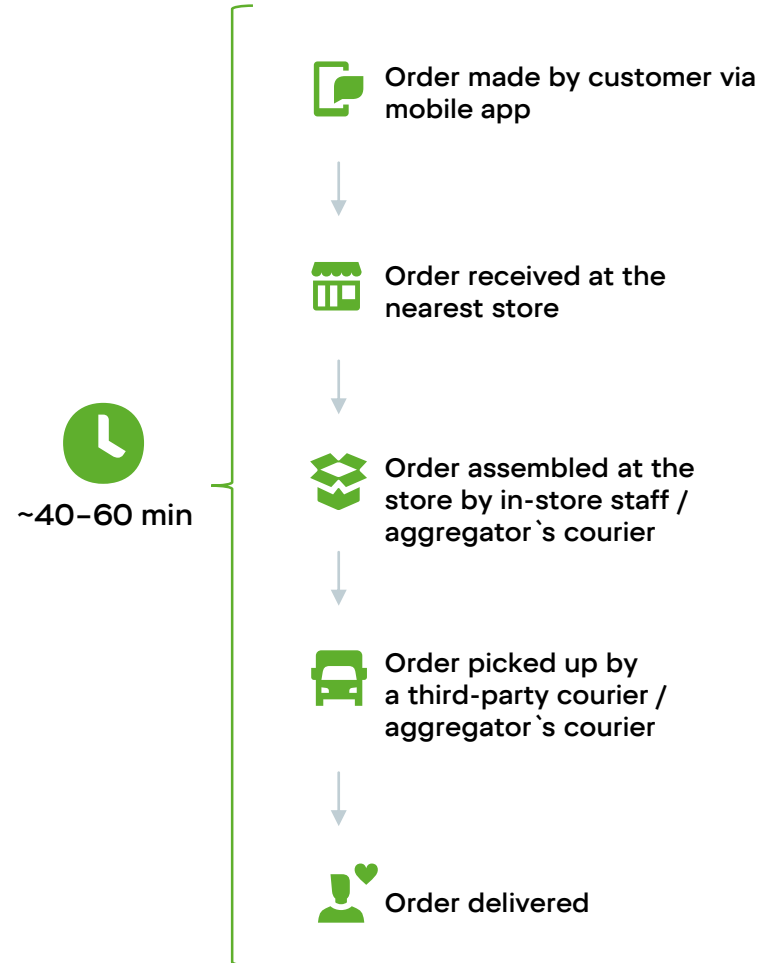
higher return on investments
compared with average
proximity format figures

7

employees per store

Express delivery

Business model overview



Key operating metrics Q3 2022

GMV	RUB 10.2 bln
Orders per day	66 ths
Average ticket	RUB 1,651
Stores	2,633
Click to delivery	50-60 min
SKUs per order	12-14
Store assortment	>5,000 SKUs
Delivery charge	RUB 99 fixed (partially subsidised by X5) Free of charge for orders above RUB 1,700 in all regions except for Moscow and St Petersburg
Delivery aggregators	SberMarket and Delivery Club
Regions of operations	60



X5 Investor Relations

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