

X5 reports **27.3%** revenue growth in Q1 2024 **6.3%** adj. EBITDA margin pre-IFRS 16

+27.3%^{y-o-y}

Revenue growth in Q1 2024

driven by solid like-for-like (LFL)¹ sales and selling space expansion

+81.7%^{y-o-y}

Digital business (express delivery, Vprok.ru, 5Post and Mnogo Lososya) net sales growth in Q1 2024

Digital business net sales amounted to RUB 46.5 billion, which comprised 5.3% of consolidated Q1 2024 revenue

23.7%^{-4 b.p.}

Gross margin pre-IFRS 16² in Q1 2024

predominantly driven by higher logistics costs

6.3%^{+48 b.p.}

Adjusted EBITDA³ margin pre-IFRS 16 in Q1 2024

2.7%^{+96 b.p.}

Net profit margin pre-IFRS 16 in Q1 2024

0.85x

Net debt/EBITDA⁴ ratio pre-IFRS 16 as of 31 March 2024

Amsterdam

22 April 2024

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 unaudited condensed consolidated interim financial information for the three months ended 31 March 2024, in accordance with International Financial Reporting Standards, as adopted in the European Union.

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 calculations starting from the day of the store's opening. We include all stores that fit our LFL criteria in each reporting period. Express delivery sales from stores and dark stores that have operated for less than 12 full months are also included in LFL calculations.
2. 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 asset sale and leaseback operations for the proportion of rights retained as recognised under IFRS 16.
3. Adjusted EBITDA pre-IFRS 16 is EBITDA pre-IFRS 16 before costs related to the LTI programme, share-based payments and other employee incentives.
4. Earnings before finance income and expenses, income tax expense, depreciation and amortization and the effect of impairment of property, plant and equipment, investment property, other intangible assets and goodwill.

Key financial results highlights⁵ (pre-IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Revenue	886,220	696,364	27.3
incl. net retail sales ⁶	880,300	693,481	26.9
Pyaterochka (incl. express delivery) ⁷	686,513	548,912	25.1
Perekrestok (incl. express delivery)	120,638	101,442	18.9
Chizhik	45,640	18,744	143.5
Gross profit	209,603	164,949	27.1
Gross profit margin, %	23.7	23.7	(4) b.p.
Adj. EBITDA	55,471	40,236	37.9
Adj. EBITDA margin, %	6.3	5.8	48 b.p.
EBITDA	55,266	39,504	39.9
EBITDA margin, %	6.2	5.7	56 b.p.
Operating profit	33,249	19,332	72.0
Operating profit margin, %	3.8	2.8	98 b.p.
Net profit	24,015	12,172	97.3
Net profit margin, %	2.7	1.7	96 b.p.

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 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. Including Mnogo Lososya, Vprok.ru, Krasny Yar and Slata.

7. Including Pokupochka, PokupALKO, Victoria, Kvartal, Deshevo and CASH.

Revenue

Revenue growth reached 27.3% year-on-year in Q1 2024. Net retail sales increased by 26.9%, driven by a combination of 12.3% selling space growth and 14.8% LFL sales growth, while X5's digital business sales grew by 81.7% y-o-y.

Selling space by format, square metres (sqm)

SELLING SPACE, SQUARE METRES (SQ. M)	AS AT 31-MAR-24	AS AT 31-DEC-23	CHANGE VS 31-DEC-23, %	AS AT 31-MAR-23	CHANGE VS 31-MAR-23, %
Pyaterochka ⁸	8,438,777	8,339,205	1.2	7,634,733	10.5
Perekrestok	1,087,760	1,084,913	0.3	1,068,031	1.8
Chizhik	476,222	442,110	7.7	174,368	173.1
Joint dark stores	10,258	10,258	-	10,258	-
X5 Group⁹	10,335,915	10,206,011	1.3	9,203,045	12.3

Q1 2024 LFL store performance by format, % change y-o-y

In Q1 2024, LFL sales increased by 14.8% year-on-year, supported by solid LFL results for Pyaterochka and Perekrestok at 14.6% and 16.8%, respectively.

The LFL basket was the main driver of LFL sales in Q1 2024, with LFL traffic in positive territory at 2.9% year-on-year.

	SALES	TRAFFIC	BASKET
Pyaterochka	14.6	3.0	11.2
Perekrestok	16.8	3.4	13.0
X5 Group¹⁰	14.8	2.9	11.6

For more details on net retail sales performance, please refer to X5's [Q1 2024 Trading Update](#).

Gross profit margin

Gross profit margin pre-IFRS 16 decreased by 4 b.p. year-on-year to 23.7% in Q1 2024, mainly due to higher logistics and transportation costs, partially offset by increased commercial margins on the back of assortment and promotions optimisation.

8. Including Pokupochka, PokupALKO, Victoria, Kvartal, Deshevo and CASH.

9. Including Vprok.ru dark stores, Mnogo Lososya dark kitchens, and Krasny Yar and Slata stores.

10. Excluding Vprok.ru and Mnogo Lososya; including Chizhik, Krasny Yar and Slata.

Selling, general and administrative (SG&A) expenses (excl. D&A&I) (pre-IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Staff costs	(74,996)	(61,198)	22.5
% of revenue	8.5	8.8	(33) b.p.
incl. LTI, share-based payments and other employee incentives	(205)	(732)	(72.0)
staff costs excl. LTI and other employee incentives as % of revenue	8.4	8.7	(24) b.p.
Lease expenses	(37,052)	(31,357)	18.2
% of revenue	4.2	4.5	(32) b.p.
Utilities	(18,784)	(16,868)	11.4
% of revenue	2.1	2.4	(30) b.p.
Other store costs	(7,807)	(6,366)	22.6
% of revenue	0.9	0.9	(3) b.p.
Third-party services	(6,308)	(4,086)	54.4
% of revenue	0.7	0.6	13 b.p.
Other expenses	(15,882)	(10,270)	54.6
% of revenue	1.8	1.5	32 b.p.
SG&A (excl. D&A&I)	(160,829)	(130,145)	23.6
% of revenue	18.1	18.7	(54) b.p.
SG&A (excl. D&A&I, LTI, share-based payments and other employee incentives)	(160,624)	(129,413)	24.1
% of revenue	18.1	18.6	(46) b.p.

In Q1 2024, SG&A expenses excluding D&A&I, LTI, share-based payments and other employee incentives pre-IFRS 16 as a percentage of revenue decreased by 46 b.p. to 18.1%, mainly driven by decreased staff costs, lease expenses, utilities and other store costs as a percentage of revenue.

Staff costs (excluding LTI, share-based payments and other employee incentives) as a percentage of revenue decreased by 24 b.p. year-on-year in Q1 2024 to 8.4%, mainly due to a shift in the calendarisation of salary indexation.

LTI, share-based payment and other employee incentives expenses amounted to RUB 205 million in Q1 2024, down by 72.0% from RUB 732 million in Q1 2023 as a result of the completion of the 2021-2023 LTI program.

Lease expenses pre-IFRS 16 as a percentage of revenue in Q1 2024 decreased by 32 b.p. year-on-year to 4.2%, mainly due to a positive operating leverage effect for fixed lease rates, partially compensated by a higher number of revenue-linked leases.

Utilities costs as a percentage of revenue in Q1 2024 decreased by 30 b.p. year-on-year to 2.1%, driven by the optimisation of electricity consumption and cleaning costs.

Other store costs pre-IFRS 16 as a percentage of revenue in Q1 2024 decreased by 3 b.p. year-on-year, mainly due to a positive operating leverage effect.

Third-party service expenses pre-IFRS 16 as a percentage of revenue in Q1 2024 increased by 13 b.p. year-on-year to 0.7%, mainly due to higher marketing expenses.

Other expenses pre-IFRS 16 as a percentage of revenue in Q1 2024 increased by 32 b.p. year-on-year to 1.8%, due to a growing share of courier service costs and aggregator commissions for express delivery.

Lease/sublease and other income¹¹

As a percentage of revenue, the Company's income from leases, subleases and other operations pre-IFRS 16 totalled 0.7%, representing an increase of 6 b.p. year-on-year in Q1 2024. This was driven by higher income from sales of recyclables and transportation services, partially compensated by lower sublease income.

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

EBITDA and EBITDA margin (pre-IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Gross profit	209,603	164,949	27.1
Gross profit margin, %	23.7	23.7	(4) b.p.
SG&A (excl. D&A&I, LTI, share-based payments and other employee incentives)	(160,624)	(129,413)	24.1
% of revenue	18.1	18.6	(46) b.p.
Impairment loss on financial assets	(69)	(66)	4.5
% of revenue	(0.01)	(0.01)	0 b.p.
Lease/sublease and other income	6,561	4,766	37.7
% of revenue	0.7	0.7	6 b.p.
Adj. EBITDA	55,471	40,236	37.9
Adj. EBITDA margin, %	6.3	5.8	48 b.p.
LTI, share-based payments and other employee incentives	(205)	(732)	(72.0)
% of revenue	0.0	0.1	(8) b.p.
EBITDA	55,266	39,504	39.9
EBITDA margin, %	6.2	5.7	56 b.p.

D&A&I

Depreciation, amortisation and impairment costs pre-IFRS 16 decreased as a percentage of revenue by 41 b.p. year-on-year to 2.5% in Q1 2024, totalling RUB 22,017 million. This was mainly due to the fact that revenue growth outpaced growth in the gross book value of assets.

Non-operating gains and losses (pre-IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Operating profit	33,249	19,332	72.0
Net finance costs	(2,118)	(3,160)	(33.0)
Net FX result	(361)	(736)	(51.0)
Profit before tax	30,770	15,436	99.3
Income tax expense	(6,755)	(3,264)	107.0
Net profit	24,015	12,172	97.3
Net profit margin, %	2.7	1.7	96 b.p.

Net finance costs pre-IFRS 16 in Q1 2024 decreased by 33.0% year-on-year to RUB 2,118 million, driven by higher interest income on short-term financial investments, partially compensated by higher interest costs due to increased interest rates on the Russian capital market.

The negative net FX result totalled RUB 361 million pre-IFRS 16 in Q1 2024, compared with negative RUB 736 million in Q1 2023, due to the depreciation of the rouble.

In Q1 2024, income tax expense pre-IFRS 16 increased twofold year-on-year due to increased profit before tax.

Key cash flow highlights (pre-IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, % or multiple
Net cash from operating activities before changes in working capital	55,246	39,447	40.1
Change in working capital	(12,043)	(30,699)	(60.8)
Net interest and income tax paid	(14,457)	(8,651)	67.1
Net cash flows generated from operating activities	28,746	97	296x
Net cash used in investing activities	(36,059)	(17,200)	109.6
Net cash generated from financing activities	3,598	12,845	(72.0)
Effect of exchange rate changes on cash and cash equivalents	5	122	(95.9)
Net increase in cash and cash equivalents	(3,710)	(4,136)	(10.3)

In Q1 2024, the Company's net cash from operating activities before changes in working capital pre-IFRS 16 increased by RUB 15,799 million and totalled RUB 55,246 million. The lower negative change in working capital pre-IFRS 16 of RUB 12,043 million in Q1 2024 vs. RUB 30,699 million in Q1 2023 was mainly driven by an increase in trade account payables due to the effect of non-working days at the end of March 2024, and was partially offset by an increase in accounts receivable due to a more even distribution of bonuses from suppliers compared to Q1 2023; an increase in inventories at the end of March 2024, driven by a low base effect at the beginning of the period; as well as payments under the 2021-2023 LTI programme.

Working capital highlights (IFRS 16)

RUB mln	31-Mar-24	31-Dec-23	31-Mar-23
Inventories	245,067	236,439	213,201
Trade, other accounts receivable and prepayments	24,741	27,924	17,831
Trade accounts payable	291,605	290,232	206,943
Provisions and other liabilities	142,864	157,071	128,160
Short-term contract liabilities	1,607	1,458	3,071

Net interest and income tax paid pre-IFRS 16 in Q1 2024 increased by 67.1% year-on-year and totalled RUB 14,457 million. This was due to an increase in interest rates on the Russian capital market on the back of the key rate increase, as well as an increase in income tax due to business growth.

As a result, net cash flow generated from operating activities pre-IFRS 16 totalled RUB 28,746 million in Q1 2024, up from RUB 97 million in Q1 2024.

In Q1 2024, net cash used in investing activities pre-IFRS 16, which predominantly consists of payments for property, plant and equipment, increased to RUB 36,059 million due

to payments for the IT equipment, bakeries and coffee points for the Pyaterochka chain, as well as an increase in the number of refurbishments.

Net cash generated from financing activities pre-IFRS 16 totalled RUB 3,598 million in Q1 2024, compared with net cash generated from financing activities of RUB 12,845 million in Q1 2024.

Liquidity update

RUB mln	31-Mar-24	% of total	31-Dec-23	% of total	31-Mar-23	% of total
Pre-IFRS 16						
Total debt ¹²	233,846		228,229		247,390	
Short-term debt	98,952	42.3	100,833	44.2	99,989	40.4
Long-term debt	134,894	57.7	127,396	55.8	147,401	59.6
Net debt ¹²	196,781		187,454		208,271	
Net debt/ EBITDA	0.85x		0.87x		1.13x	
IFRS 16						
Lease liabilities	670,271		670,961		597,204	
Net debt/ EBITDA	2.38x		2.49x		2.65x	

The Company's net debt / EBITDA ratio pre-IFRS 16 was 0.85x as of 31 March 2024.

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

As of 31 March 2024, the Company had access to RUB 571,105 million in available lines of credit with major banks.

12. Including leasing obligations.

Effect of IFRS 16 on X5 Group's financial statements

Effect on gross profit

Gross profit and gross margin under IFRS 16 are higher by RUB 2,957 million and 33 b.p. compared to pre-IFRS 16 in Q1 2024, respectively, due to the lease for distribution centres, which is a part of cost of sales pre-IFRS 16 but is excluded from the gross

profit calculation under IFRS 16 in order to align the presentation of depreciation of right-of-use assets and other assets.

Effect on EBITDA, operating profit and finance costs

Lease expenses, other store costs, third party services and other expenses in the total amount of RUB 32,171 million are excluded from SG&A expenses under IFRS 16 in Q1 2024. Additional depreciation of RUB 21,453 million related to leased assets has been added to SG&A costs under IFRS 16 in Q1 2024.

Net financial costs under IFRS 16 in Q1 2024 exceed the pre-IFRS 16 amount by RUB 17,803 million due to the interest expense on lease liabilities.

IFRS 16 increases the Company's EBITDA significantly, as lease expenditure previously recognised in the income statement is excluded. Adjusted EBITDA margin under IFRS 16 is 400 b.p. higher compared to the pre-IFRS 16 amount in Q1 2024. Interest expense on liabilities is recognised in finance costs, below the EBITDA level under IFRS 16.

Effect on net profit

The negative net FX result under IFRS 16 is RUB 138 million higher compared to the pre-IFRS 16 amount in Q1 2024 due to the revaluation of foreign currency liabilities resulting from lease contracts denominated in foreign currencies.

IFRS 16 results in lower income tax expense due to lower profit before tax. The effective tax rate under IFRS 16 is 22.2% in Q1 2024.

Net profit and net profit margin under IFRS 16 are lower by RUB 3,144 million and 35 b.p. compared to pre-IFRS 16 amount in Q1 2024 as a result of additional depreciation and interest expense.

Effect on cash flow statement

IFRS 16 affects the presentation of the cash flow statement but not the net change in cash result, as principal payments on leases are classified as financing activities, prepayments are classified as investing activities, and interest payments are considered interest paid in operating activities.

APPENDIX

Key financial results highlights (IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Revenue	886,220	696,364	27.3
incl. net retail sales ¹³	880,300	693,481	26.9
Pyaterochka (incl. express delivery) ¹⁴	686,513	548,912	25.1
Perekrestok (incl. express delivery)	120,638	101,442	18.9
Chizhik	45,640	18,744	143.5
Gross profit	212,560	167,231	27.1
Gross profit margin, %	24.0	24.0	(3) b.p.
Adj. EBITDA¹⁵	90,935	70,923	28.2
Adj. EBITDA margin, %	10.3	10.2	8 b.p.
EBITDA¹⁶	90,730	70,191	29.3
EBITDA margin, %	10.2	10.1	16 b.p.
Operating profit	47,260	30,516	54.9
Operating profit margin, %	5.3	4.4	95 b.p.
Net profit	20,871	9,696	115.3
Net profit margin, %	2.4	1.4	96 b.p.

13. 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. Including Mnogo Lososya, Vprok.ru, Krasny Yar and Slata.

14. Including Pokupochka, PokupALKO, Victoria, Kvartal, Deshevo and CASH.

15. Adjusted EBITDA is EBITDA before costs related to the LTI programme, share-based payments and other employee incentives.

16. Earnings before finance income and expenses, income tax expense, depreciation and amortisation and the effect of impairment of property, plant and equipment, right-of-use assets, investment property, other intangible assets and goodwill.

Selling, general and administrative (SG&A) expenses (excl. D&A&I) (IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Staff costs	(74,996)	(61,198)	22.5
% of revenue	8.5	8.8	(33) b.p.
incl. LTI, share-based payments and other employee incentives	(205)	(732)	(72.0)
staff costs excl. LTI and other employee incentives as % of revenue	8.4	8.7	(24) b.p.
Lease expenses	(7,831)	(5,271)	48.6
% of revenue	0.9	0.8	13 b.p.
Utilities	(18,784)	(16,868)	11.4
% of revenue	2.1	2.4	(30) b.p.
Other store costs	(7,584)	(6,153)	23.3
% of revenue	0.9	0.9	(3) b.p.
Third-party services	(6,396)	(4,144)	54.3
% of revenue	0.7	0.6	13 b.p.
Other expenses	(13,067)	(8,390)	55.7
% of revenue	1.5	1.2	27 b.p.
SG&A (excl. D&A&I)	(128,658)	(102,024)	26.1
% of revenue	14.5	14.7	(13) b.p.
SG&A (excl. D&A&I, LTI, share-based payments and other employee incentives)	(128,453)	(101,292)	26.8
% of revenue	14.5	14.5	(5) b.p.

EBITDA and EBITDA margin (IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Gross profit	212,560	167,231	27.1
Gross profit margin, %	24.0	24.0	(3) b.p.
SG&A (excl. D&A&I, LTI, share-based payments and other employee incentives)	(128,453)	(101,292)	26.8
% of revenue	14.5	14.5	(5) b.p.
Impairment loss on financial assets	(69)	(66)	4.5
% of revenue	(0.01)	(0.01)	0 b.p.
Lease/sublease and other income	6,897	5,050	36.6
% of revenue	0.8	0.7	5 b.p.
Adj. EBITDA	90,935	70,923	28.2
Adj. EBITDA margin, %	10.3	10.2	8 b.p.
LTI, share-based payments and other employee incentives	(205)	(732)	(72.0)
% of revenue	0.0	0.1	(8) b.p.
EBITDA	90,730	70,191	29.3
EBITDA margin, %	10.2	10.1	16 b.p.

Non-operating gains and losses (IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, %
Operating profit	47,260	30,516	54.9
Net finance costs	(19,921)	(16,763)	18.8
Net FX result	(499)	(1,411)	(64.6)
Profit before tax	26,840	12,342	117.5
Income tax expense	(5,969)	(2,646)	125.6
Net profit	20,871	9,696	115.3
Net profit margin, %	2.4	1.4	96 b.p.

Key cash flow highlights (IFRS 16)

RUB mln	Q1 2024	Q1 2023	change, y-o-y, % or multiple
Net cash from operating activities before changes in working capital	90,375	69,843	29.4
Change in working capital	(11,900)	(30,879)	(61.5)
Net interest and income tax paid	(32,231)	(22,227)	45.0
Net cash flows generated from operating activities	46,244	16,737	3x
Net cash used in investing activities	(35,839)	(17,076)	109.9
Net cash generated from/(used in) financing activities	(14,120)	(3,919)	4x
Effect of exchange rate changes on cash and cash equivalents	5	122	(95.9)
Net increase in cash and cash equivalents	(3,710)	(4,136)	(10.3)

Note to Editors

X5 Retail Group N.V. (LSE and MOEX: FIVE; Expert RA – ruAAA; ACRA – AAA(RU)) 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, 5Post, express delivery and Mnogo Lososya.

As of 31 March 2024, X5 had 24,884 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, as well as a growing presence in the Russian Far East. Its store base includes 21,593 Pyaterochka proximity stores, 978 Perekrestok supermarkets, 1,616 Chizhik hard discounters and 612 Krasny Yar and Slata stores. The Company operates 61 DCs and 5,504 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 378 thousand people.

For the full year 2023, revenue totalled RUB 3,145,859 million (USD 36,903 million*), EBITDA pre-IFRS 16 reached RUB 214,764 million (USD 2,519 million*), and net profit pre-IFRS 16 for the period amounted to RUB 90,284 million (USD 1,059 million*). In Q1 2024, revenue totalled RUB 886,220 million (USD 9,766 million**), EBITDA pre-IFRS 16 reached RUB 55,266 million (USD 609 million**), and net profit pre-IFRS 16 amounted to RUB 24,015 million (USD 265 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 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 Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 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.

For further details please contact:

Polina Ugryumova
Head of Corporate Finance and IR

Tel.: +7 (495) 662-88-88 ext. 13-312
e-mail: Polina.Ugryumova@x5.ru

Maria Yazeva
Investor Relations Officer

Tel.: +7 (495) 662-88-88 ext. 13-147
e-mail: Maria.Yazeva@x5.ru

X5 Retail Group N.V.

Condensed Consolidated Interim Financial Information

Three months ended 31 March 2024

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 2023. 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 2024 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.

	31 March 2024	31 December 2023
Assets		
Non-current assets		
Property, plant and equipment	367,939	364,396
Right-of-use assets	572,542	576,463
Investment properties	4,495	4,560
Goodwill	122,234	121,513
Other intangible assets	41,863	40,750
Other non-current assets	5,789	4,724
Deferred tax assets	28,134	30,063
	1,142,996	1,142,469
Current assets		
Inventories	245,067	236,826
Indemnification asset	3,019	4,888
Trade, other accounts receivable and prepayments	24,741	27,924
Current income tax receivable	4,330	823
VAT and other taxes receivable	15,623	13,290
Short-term financial investments	121,058	116,076
Cash and cash equivalents	37,065	40,775
	450,903	440,602
Total assets	1,593,899	1,583,071
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share capital	2,458	2,458
Share premium	46,127	46,127
Retained earnings	183,169	162,406
Other capital reserves	(1,496)	(1,651)
	230,258	209,340
Total equity	230,258	209,340
Non-current liabilities		
Long-term borrowings	133,392	127,396
Long-term lease liabilities	596,762	592,545
Deferred tax liabilities	5,900	5,336
Other non-current liabilities	10,092	9,605
	746,146	734,882
Current liabilities		
Trade accounts payable	291,605	290,232
Short-term borrowings	98,545	100,833
Interest accrued	1,824	1,441
Short-term lease liabilities	73,509	78,416
Short-term contract liabilities	1,607	1,458
Current income tax payable	7,541	9,398
Provisions and other liabilities	142,864	157,071
	617,495	638,849
Total liabilities	1,363,641	1,373,731
Total equity and liabilities	1,593,899	1,583,071

	Three months ended 31 March	
	2024	2023
Revenue	886,220	696,364
Cost of sales	(673,660)	(529,133)
Gross profit	212,560	167,231
Selling, general and administrative expenses	(172,128)	(141,699)
Net impairment losses on financial assets	(69)	(66)
Lease/sublease and other income	6,897	5,050
Operating profit	47,260	30,516
Finance costs	(25,277)	(18,246)
Finance income	5,356	1,483
Net foreign exchange loss	(499)	(1,411)
Profit before tax	26,840	12,342
Income tax expense	(5,969)	(2,646)
Profit for the period	20,871	9,696
Profit/(loss) for the period attributable to:		
Equity holders of the parent	20,763	9,732
Non-controlling interests	108	(36)
Basic earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	305.84	143.35
Diluted earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	305.84	143.35

Igor Shekhterman
 Chief Executive Officer
 22 April 2024



X5 Retail Group N.V.

**Condensed Consolidated Interim Statement of Comprehensive Income
for the three months ended 31 March 2024**

(expressed in millions of Russian Roubles, unless otherwise stated)

	Three months ended 31 March	
	2024	2023
Profit for the period	20,871	9,696
Total comprehensive income for the period, net of tax	20,871	9,696
Total comprehensive income/(loss) for the period attributable to:		
Equity holders of the parent	20,763	9,732
Non-controlling interests	108	(36)

Igor Shekhterman
Chief Executive Officer
22 April 2024

	Three months ended 31 March	
	2024	2023
Profit before tax	26,840	12,342
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets, investment properties, other intangible assets and goodwill	43,470	39,675
(Gain)/loss on disposal of property plant and equipment, investment properties and intangible assets and gain on derecognition of right-of-use assets	(308)	(357)
Finance costs, net	19,921	16,763
Net impairment losses on financial assets	69	66
Impairment of prepayments	63	27
Share-based compensation expense	51	8
Net foreign exchange loss	499	1,411
Other non-cash items	(230)	(92)
Net cash from operating activities before changes in working capital	90,375	69,843
(Increase)/decrease in trade, other accounts receivable and prepayments and VAT and other taxes receivable	(438)	4,011
Increase in inventories	(7,900)	(4,549)
Increase/(decrease) in trade payable	802	(30,876)
(Decrease)/increase in other accounts payable and contract liabilities	(4,364)	535
Net cash flows from operations	78,475	38,964
Interest paid	(24,525)	(17,406)
Interest received	374	403
Income tax paid	(8,080)	(5,224)
Net cash flows from operating activities	46,244	16,737
Cash flows from investing activities		
Purchase of property, plant and equipment and initial direct costs associated with right-of-use assets	(30,147)	(12,803)
Acquisition of businesses, net of cash acquired	(1,228)	(344)
Proceeds from disposal of property, plant and equipment, investment properties and intangible assets	255	610
Purchase of other intangible assets	(4,711)	(4,539)
Proceeds from principal portion of the net investment in the lease	42	-
Other payments for investing activities	(50)	-
Net cash flows used in investing activities	(35,839)	(17,076)
Cash flows from financing activities		
Proceeds from loans	471,388	29,999
Repayment of loans	(467,713)	(17,154)
Payments of principal portion of lease liabilities	(17,795)	(16,764)
Net cash flows used in financing activities	(14,120)	(3,919)
Effect of exchange rate changes on cash and cash equivalents	5	122
Net decrease in cash and cash equivalents	(3,710)	(4,136)
Movements in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	40,775	43,255
Net decrease in cash and cash equivalents	(3,710)	(4,136)
Cash and cash equivalents at the end of the period	37,065	39,119

Igor Shekhterman
Chief Executive Officer
22 April 2024



X5 Retail Group N.V.
Condensed Consolidated Interim Statement of Changes In Equity
for the three months ended 31 March 2024
(expressed in millions of Russian Roubles, unless otherwise stated)

	Attributable to equity holders of the parent						Non-controlling interests	Total
	Number of shares	Share capital	Share premium	Other capital reserves	Retained earnings	Total shareholders' equity		
Balance as at 1 January 2023	67,888,696	2,458	46,127	432	84,125	133,142	-	133,142
Profit/(loss) for the period	-	-	-	-	9,732	9,732	(36)	9,696
Total comprehensive income/(loss) for the period	-	-	-	-	9,732	9,732	(36)	9,696
Acquisition of subsidiaries	-	-	-	-	-	-	(82)	(82)
Purchase commitments for non-controlling interests' shares	-	-	-	(569)	-	(569)	-	(569)
Impact of changes in non-controlling interests with purchase commitments	-	-	-	(118)	-	(118)	118	-
Balance as at 31 March 2023	67,888,696	2,458	46,127	(255)	93,857	142,187	-	142,187
Balance as at 1 January 2024	67,888,696	2,458	46,127	(1,651)	162,406	209,340	-	209,340
Profit for the period	-	-	-	-	20,763	20,763	108	20,871
Total comprehensive income for the period	-	-	-	-	20,763	20,763	108	20,871
Purchase commitments for non-controlling interests' shares	-	-	-	47	-	47	-	47
Impact of changes in non-controlling interests with purchase commitments	-	-	-	108	-	108	(108)	-
Balance as at 31 March 2024	67,888,696	2,458	46,127	(1,496)	183,169	230,258	-	230,258

Igor Shekhterman
 Chief Executive Officer
 22 April 2024