

X5 Retail Group N.V.

Consolidated Statement of Financial Position

at 31 December 2018

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

	Note	31 December 2018	31 December 2017 Restated*
Assets			
Non-current assets			
Property, plant and equipment	10	303,802	278,928
Investment property	11	6,173	5,488
Goodwill	12	94,627	90,276
Other intangible assets	13	22,126	18,442
Investments in associates and joint ventures		203	-
Other non-current assets	16	8,015	7,708
Deferred tax assets	29	5,013	5,143
		439,959	405,985
Current assets			
Inventories	14	115,990	99,300
Indemnification asset		-	106
Trade, other accounts receivable and prepayments	16	14,172	15,531
Current income tax receivable		6,167	2,384
VAT and other taxes receivable	17	10,143	14,347
Cash and cash equivalents	9	24,368	27,605
		170,840	159,273
TOTAL ASSETS		610,799	565,258
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	21	2,458	2,458
Share premium		46,192	46,212
Retained earnings		116,707	109,655
Share-based payment reserve	28	118	117
		165,475	158,442
Total equity		165,475	158,442
Non-current liabilities			
Long-term borrowings	20	147,329	135,622
Deferred tax liabilities	29	6,166	5,670
Long-term contract liabilities		-	5
Other non-current liabilities		626	1,344
		154,121	142,641
Current liabilities			
Trade accounts payable		154,873	130,766
Short-term borrowings	20	60,435	58,674
Interest accrued		1,770	1,642
Short-term contract liabilities	19	1,664	1,815
Current income tax payable		725	635
Provisions and other liabilities	18	71,736	70,643
		291,203	264,175
Total liabilities		445,324	406,816
TOTAL EQUITY AND LIABILITIES		610,799	565,258

* Certain amounts shown here do not correspond to the consolidated financial statements for the year ended 31 December 2017 and reflect adjustments described in Note 4.

The accompanying notes are the integral part of these consolidated financial statements.

X5 Retail Group N.V.

Consolidated Statement of Profit or Loss

for the year ended 31 December 2018

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

	Note	2018	2017 Restated*
Revenue	23	1,532,537	1,295,008
Cost of sales	24	(1,162,817)	(986,070)
Gross profit		369,720	308,938
Selling, general and administrative expenses	24	(323,358)	(259,146)
Net impairment losses on financial assets	16	(501)	(230)
Lease/sublease and other income	25	12,293	8,196
Operating profit		58,154	57,758
Finance costs	26	(18,846)	(16,138)
Finance income	26	179	121
Net foreign exchange (loss)/gain		(447)	75
Profit before tax		39,040	41,816
Income tax expense	29	(10,398)	(10,422)
Profit for the year		28,642	31,394
Profit for the year attributable to:			
Equity holders of the parent		28,642	31,394
Basic earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	22	421.90	462.45
Diluted earnings per share for profit attributable to the equity holders of the parent (expressed in RUB per share)	22	421.87	462.36

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X5 Retail Group N.V.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2018

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

	2018	2017
Profit for the year	28,642	31,394
Total comprehensive income for the year, net of tax	28,642	31,394
Total comprehensive income for the year attributable to:		
Equity holders of the parent	28,642	31,394

The accompanying notes are the integral part of these consolidated financial statements.

X5 Retail Group N.V.

Consolidated Statement of Cash Flows

for the year ended 31 December 2018

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

	Note	2018	2017 Restated*
Profit before tax		39,040	41,816
Adjustments for:			
Depreciation, amortisation and impairment of property, plant and equipment, investment property and intangible assets	24	49,474	38,435
Gain on disposal of property, plant and equipment, investment property and intangible assets		(213)	(61)
Finance costs, net	26	18,667	16,017
Net impairment losses on financial assets	16	501	230
Impairment of prepayments	16	216	292
Share-based compensation expense	28	72	71
Net foreign exchange loss/(gain)		447	(75)
Other non-cash items		(377)	105
Net cash from operating activities before changes in working capital		107,827	96,830
Decrease in trade, other accounts receivable and prepayments		4,360	4,290
Increase in inventories		(16,690)	(25,498)
Increase in trade payable		24,183	448
Increase in other accounts payable and contract liabilities		7,756	9,374
Net cash flows generated from operations		127,436	85,444
Interest paid		(16,893)	(15,069)
Interest received		75	59
Income tax paid		(12,584)	(11,776)
Net cash flows from operating activities		98,034	58,658
Cash flows from investing activities			
Purchase of property, plant and equipment		(73,494)	(78,355)
Acquisition of businesses, net of cash acquired	7	(14,524)	(6,467)
Proceeds from disposal of property, plant and equipment, investment property and intangible assets		735	776
Purchase of other intangible assets		(5,274)	(3,438)
Acquisition of interest in associates and joint ventures		(203)	-
Proceeds from disposal of available-for-sale investments		-	210
Net cash flows used in investing activities		(92,760)	(87,274)
Cash flows from financing activities			
Proceeds from loans	20	108,054	100,780
Repayment of loans	20	(94,810)	(62,700)
Purchase of treasury shares		(90)	(63)
Dividends paid to equity holders of the parent	21	(21,590)	-
Net cash flows (used in)/from financing activities		(8,436)	38,017
Effect of exchange rate changes on cash and cash equivalents		(75)	14
Net (decrease)/increase in cash and cash equivalents		(3,237)	9,415
Movements in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	9	27,605	18,190
Net (decrease)/increase in cash and cash equivalents		(3,237)	9,415
Cash and cash equivalents at the end of the year	9	24,368	27,605

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The accompanying notes are the integral part of these consolidated financial statements.

X5 Retail Group N.V.

Consolidated Statement of Changes In Equity

for the year ended 31 December 2018

(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 2017	67,884,340	2,458	46,251	70	78,261	127,040	127,040
Profit for the period	-	-	-	-	31,394	31,394	31,394
Total comprehensive income for the period	-	-	-	-	31,394	31,394	31,394
Share-based payment compensation (Note 28)	-	-	-	71	-	71	71
Transfer and waiving of vested equity rights	2,408	-	(39)	(24)	-	(63)	(63)
BALANCE AS AT 31 DECEMBER 2017	67,886,748	2,458	46,212	117	109,655	158,442	158,442
BALANCE AS AT 1 JANUARY 2018	67,886,748	2,458	46,212	117	109,655	158,442	158,442
Profit for the period	-	-	-	-	28,642	28,642	28,642
Total comprehensive income for the period	-	-	-	-	28,642	28,642	28,642
Dividends (Note 21)	-	-	-	-	(21,590)	(21,590)	(21,590)
Share-based payment compensation (Note 28)	-	-	-	72	-	72	72
Transfer and waiving of vested equity rights	3,351	-	(20)	(71)	-	(91)	(91)
BALANCE AS AT 31 DECEMBER 2018	67,890,099	2,458	46,192	118	116,707	165,475	165,475