FIX PRICE OPERATING AND FINANCIAL HIGHLIGHTS FOR Q1 2023

Revenue	Net openings	Gross margin	Operating margin
+5.2%			
65.9 RUB billion	+185 stores	33.3%	11.5%

FIX PRICE ANNOUNCES KEY OPERATING AND FINANCIAL RESULTS FOR Q1 2023

Focus on customers and business development amid macroeconomic headwinds

27 April 2023, Limassol, Cyprus – Fix Price (LSE and MOEX: FIXP, the "Company" or the "Group"), one of the leading variety value retailers globally and the largest in Russia, today announces its operating and IFRS financial results based on management accounts for the first quarter (Q1 2023) ended 31 March 2023.

OPERATING SUMMARY FOR Q1 2023

- Revenue increased by 5.2% y-o-y to RUB 65.9 billion
  - Retail revenue increased by 4.9% y-o-y to RUB 58.1 billion
  - Wholesale revenue grew by 7.6% y-o-y to RUB 7.8 billion
- LFL sales[1] decreased by 5.1% y-o-y due to the high base effect from last year as well as ongoing macroeconomic uncertainty
- The Company opened 185 net new stores in Q1 2023 (18 of which are franchised) to close the quarter with 5,848 stores. Fix Price's guidance of 750 net store openings in 2023 remains in effect
- The total selling space of Fix Price stores increased by 40.9 thous. sqm to 1,266.3 thous. sqm (+15.5% y-o-y)
- The total number of registered loyalty cardholders increased by 1.2 million and amounted to 23.1[2] million as of the end of the quarter (+27.9% y-o-y), with loyalty card transactions accounting for 63.4% of retail sales. The average ticket for purchases with a loyalty card was 1.8x higher than the average ticket for non-loyalty-card purchases

[1] Here and hereinafter, like-for-like (LFL) sales, average ticket and number of tickets are calculated based on the results of stores operated by Fix Price and that were open for at least 12 full calendar months preceding the reporting date. LFL sales and average ticket are calculated based on retail revenue including VAT. LFL numbers exclude stores that were temporarily closed for seven or more consecutive days during the reporting period and/or comparable periods
[2] Here and hereinafter, data on the loyalty programme is calculated for Fix Price stores operating in Russia

"The last year turned out to be one of the most challenging in the Company's history, as new economic realities required, and still require, our team to make resolute and timely decisions to ensure an uninterrupted supply and maintain a wide product assortment. In addition to continued pressure on household incomes and a high degree of uncertainty, another challenge in the first quarter of this year was the high base effect from the atypical demand for groceries and household chemical products that we witnessed a year ago.

"We place a special focus on the analysis of changing customer preferences, which enables us to adapt the Fix Price value proposition to new realities. In the current environment, the greatest demand is for basic necessities and home and garden products, mainly consumables. We have increased the share of these categories in the assortment matrix, while testing and rotating goods across all target categories. We introduce around 60-80 new products every week and promptly analyse our sales, loyalty programme and market research data to identify the most in-demand items. We seek to add our own twist to each product niche and work closely with suppliers at all stages of goods development and manufacture to offer customers unique products at the most attractive prices on the market.

"In this challenging macroeconomic environment, our loyalty programme remains one of the key tools for boosting sales and getting targeted feedback from our customers. Thanks to our extensive efforts to customise its terms and conditions, the programme continues to attract new users – throughout the year, the number of loyal customers increased by 27.9% and exceeded 23 million – and to maintain its effectiveness. The average ticket of loyalty programme participants is 1.8 times higher than that of customers without a bonus card, while the percentage of active users who make at least one purchase per month still exceeds 50%.

"Another one of our priorities is to increase the availability of variety value retail format in the regions where we operate. During the reporting period, we increased our network by 185 stores and keep our guidance of 750 net store openings in 2023. The whitespace potential of variety value retail format in our key countries of presence – Russia, Kazakhstan and Belarus – is estimated at 18,600 stores, or more than three times the current number of Fix Price stores. At the same time, we remain the absolute leader of this format in Russia, with a market share of 90%. In addition to active expansion in our key regions of presence, we are also testing new markets – for example, in Q1 2023 we launched our first two Fix Price franchise stores in Mongolia.

"We continue to invest in our logistics infrastructure in order to maintain our network's steady growth rate. In March, we opened a new 68,000-square-metre distribution centre in Domodedovo, which will cover our wharehouse space needs in the Central region of Russia for the next several years. We are also building a large distribution centre in Yekaterinburg, which is slated to open in Q4 2023.

"I am confident that our flexibility, our proactive approach and our ability to develop the business in different economic cycles will enable us to continue to maintain our leadership position in a promising market and ensure the growth of our business value in the long term."

Dmitry Kirsanov, Fix Price CEO

Store base, geographical coverage and selling space

	31 Mar 2023	31 Dec 2022	31 Mar 2022
Total number of stores	**5,848**	**5,663**	**5,083**
Russia	5,256	5,098	4,602
Belarus	273	263	226
Kazakhstan	246	235	186
Uzbekistan	20	19	30
Latvia	39	36	27
Georgia	6	6	6
Kyrgyzstan	6	6	6
Mongolia	2	-	-
Number of Company-operated stores	**5,206**	**5,039**	**4,523**
Russia	4,721	4,575	4,114
Belarus	263	253	217
Kazakhstan	222	211	162
Uzbekistan	-	-	30
Number of franchise stores	**642**	**624**	**560**
Russia	535	523	488
Belarus	10	10	9
Kazakhstan	24	24	24
Latvia	39	36	27
Georgia	6	6	6
Kyrgyzstan	6	6	6
Uzbekistan	20	19	-
Mongolia	2	-	-
Selling space (sqm)	**1,266,268**	**1,225,360**	**1,096,723**
Company-operated stores	1,123,997	1,087,047	972,850
Franchise stores	142,271	138,313	123,873

Development of Company-operated stores

	Q1 2023	Q1 2022
Gross openings	**198**	**188**
Russia	169	159
Belarus	11	14
Kazakhstan	18	15
Uzbekistan	-	-
Closures	**31**	**33**
Russia	23	20
Belarus	1	-
Kazakhstan	7	1
Uzbekistan	-	12
Net openings	**167**	**155**
Russia	146	139
Belarus	10	14
Kazakhstan	11	14
Uzbekistan	-	(12)

OPERATING RESULTS

Store network expansion

- As of 31 March 2023, the Company had 5,848 stores, representing a store base increase of 15.1% for the last 12 months. The share of franchise stores in the total store count remained flat y-o-y at 11.0%
- In Q1 2023 Fix Price added 185 net new stores, including 167 Company-operated and 18 franchise stores. This compares to 179 net new store openings in Q1 2022, with 155 net new Company-operated and 24 franchise stores
- During the quarter, 31 Company-operated stores were closed. This compares to 33 closed stores in Q1 2022. The majority of closures were attributable to the improvement of lease terms
- In Q1 2023, Fix Price continued its expansion across Russia and internationally: 14.6% of net store openings took place outside of Russia. The share of international geographies increased to 10.1% of the total store base compared to 9.5% as of 31 March 2022
- The total selling space was 1,266.3 thous. sqm (a 15.5% increase y-o-y), up by 40.9 thous. sqm during Q1 2023. The average Fix Price store selling space as of 31 March 2023 remained almost flat y-o-y at 217 sqm

- In Q1 2023, the Company opened 2 franchise stores in Mongolia, bringing the total number of countries where it operates to 8. The Company entered 39 new localities in the reporting period

LFL sales growth

- In Q1 2023, LFL sales decreased by 5.1% y-o-y due to the effect of the high base from last year. The LFL average ticket increased by 4.1%, while LFL traffic declined by 8.8%. Subdued consumer sentiment and demand for non-food assortment amid persisting macroeconomic uncertainty continued to put pressure on the Company's LFL performance. LFL sales were 5.9% higher on a two-year basis[3] as compared to Q1 2021
- Monthly dynamics were uneven throughout the quarter. January and February LFL sales trends were stronger versus both the comparable months and Q4 2022. However, March performance was affected by the extraordinarily high base of March 2022, when consumers were heavily stockpiling amid growing uncertainty and concerns over the future availability of essentials, mounting inflation and rouble weakness
- LFL sales of Company-operated stores in Russia decreased by 4.1%. LFL sales performance in Kazakhstan and Belarus was negatively impacted by the currency conversion effect due to y-o-y rouble appreciation
- However, LFL sales in Belarus in the country's national currency significantly improved compared to the previous year's low base, when the Company had to temporarily reduce its assortment matrix due to government regulations. LFL sales performance of Company-operated stores in Kazakhstan continued to be impacted by weaker consumer demand on the back of inflationary pressure

Assortment and category mix[4]

- In Q1 2023, consumer sentiment remained subdued amid the turbulent macroeconomic environment, as customers limited spending on impulse purchases of non-food items. Throughout 2022, Fix Price substantially upgraded its offering in the drogerie (household chemicals and hygiene products) segment by introducing new products with a great value offer. As a result, the share of this category in retail sales gained pace and reached 28.7% as compared to 26.9% in Q1 2022. The share of food items in the retail sales mix stood at 26.8%, slightly down from 28.8% in Q1 2022, while non-food items as a percentage of retail sales remained almost flat at 44.5%
- Retail sales performance, especially in the food and drogerie categories, was under heavy pressure due to the high base of Q1 2022 that was characterised by panic buying of essentials in March. LFL sales in these categories were partially mitigated by positive LFL performance in

[3] LFL sales compared to Q1 2021 is calculated according to the following formula: (1+LFL Q)*(1+LFL Q-1) - 1, where LFL Q is the current quarter LFL growth and LFL Q-1 is the LFL growth in the similar quarter of the previous year
[4] Unless stated otherwise, the data in this section refers to Company-operated stores in Russia

kitchenware, DIY, accessories, pet products, household goods, party and seasonal products

- The share of imports in retail sales in Q1 2023 further declined and stood at 22.8% versus 23.5% in Q1 2022, as the Company continued to diversify its supplier base and transition to local producers for non-food categories
- The share of price points above RUB 199 in retail sales was 14.2%, up from 8.9% in Q1 2022, while the share of price points above RUB 99 in retail sales reached 40.1%, versus 28.8% in Q1 2022
- The average ticket for all Company-operated stores in Q1 2023 increased by 4.2% to RUB 330 due to the increase of the share of price points above RUB 99 in retail sales

Loyalty programme development

- The total number of registered loyalty cardholders reached 23.1 million in Q1 2023, representing an increase of 27.9% y-o-y. The quarterly increase of 1.2 million new cardholders was driven by advertising campaigns and special offers provided to loyalty programme members. The share of active loyalty programme members[5] among the total number of loyalty cardholders remained flat at 53%
- The share of purchases with loyalty cards continued to increase and accounted for 63.4% of total retail sales in Q1 2023, as compared to 52.8% in Q1 2022
- The average ticket for a loyalty-card purchase in Q1 2023 was RUB 450, up 2.7% y-o-y. This was 1.8 times higher than the average ticket for non-loyalty-card purchases, which stood at RUB 245 in Q1 2023

FINANCIAL HIGHLIGHTS FOR Q1 2023

The Group's **revenue** grew by 5.2% to RUB 65.9 billion for Q1 2023 on the back of a 4.9% increase in retail revenue and a 7.6% growth in wholesale revenue.

Retail revenue reached RUB 58.1 billion, driven by store network expansion. **Wholesale revenue** grew to RUB 7.8 billion on the back of new store openings. Wholesale revenue as a percentage of total revenue was up by 26 bps y-o-y and reached 11.8%.

Gross profit reached RUB 22.0 billion, while gross margin improved to 33.3%, reflecting efficient management of the assortment and category mix as well as the positive impact of rouble appreciation on the cost of sales of imported goods.

[5] Members of the loyalty programme that make at least one purchase per month

Transportation costs grew to 1.8% of revenue of the back of increased tariffs in Russia and the sale of the remaining several Company-owned trucks, which took place in 2022.

Inventory write-downs increased to 1.1% of revenue, reflecting higher accruals based on the previous year's actual write-downs.

Selling, general and administrative expenses (SG&A) excluding D&A and LTIP expenses[6] reached 16.2% of revenue, primarily on the back of growth in staff costs as a percentage of revenue. Staff costs (excl. LTIP expenses) increased to 12.2% of revenue due to the adverse operating leverage effect on the back of a slowdown in revenue growth, combined with continued salary indexation, as well as the opening of new distribution centres in Samara, Novosibirsk and Domodedovo. Bank charges and security services saw a slight increase to 1.2% and 0.8%, respectively. The rise in these costs was partially offset by efficiencies gained in rental expense under IFRS 16 (0.6% of revenue) and repair and maintenance costs (0.3% of revenue). Advertising, utilities and other expenses remained flat y-o-y at 0.3%, 0.4% and 0.5% of revenue, respectively.

Rental expense (under IFRS 16) improved to 0.6% of revenue (0.6% of retail revenue), amid slowdown of revenue growth that resulted into lower share of a floating-rate component in lease payment structure.

Rental expense (under IAS 17) increased to 5.1% of revenue (5.8% of retail revenue), as growth in the Company's selling space outpaced its revenue dynamics, as well as reflecting the opening of a rented distribution centre in Samara in August 2022.

Depreciation and amortisation (D&A) expenses increased to 5.4% of revenue as a result of a growing share of depreciation of right-of-use assets on the back of lower discount rates in Q1 2023 compared to the previous year, which led to an increase in the amount of right-of-use assets. The share of other depreciation and amortisation expenses grew slightly to 1.3% of revenue due to the addition of two new Company-owned distribution centres in Novosibirsk and Domodedovo to the Company's balance sheet in September 2022 and March 2023, respectively.

Other operating income and the share of profit of associates declined to 0.2% of revenue, driven by lower proceeds from the sale of recyclables.

Adjusted EBITDA[7] **under IFRS 16** amounted to RUB 11.4 billion. **Adjusted EBITDA margin** stood at 17.4%, as gross margin growth was offset by the increase in SG&A expenses (excl. D&A and LTIP expenses).

LTIP expenses accrued as part of the Company's long-term incentive programme, approved by the Board of Directors at the end of 2022, amounted to RUB 274 million.

EBITDA under IFRS 16 was RUB 11.2 billion. **IFRS 16-based EBITDA margin** stood at 16.9%.

[6] Long-term incentive programme expenses

[7] EBITDA adjusted to LTIP expenses (share-based compensation expenses related to the Company's long-term incentive programme). EBITDA is calculated as profit for the respective period before income tax expense, net interest income / (expense), depreciation and amortisation expense, and foreign exchange gain / (loss)

IAS 17-based EBITDA was RUB 8.1 billion. **IAS 17-based EBITDA margin** stood at 12.3%.

Net finance costs declined to RUB 337 million as the decrease in loans and borrowings was supported by the growth in interest income.

In Q1 2023, **FX gain** stood at RUB 483 million due to the gain attributable to the revaluation of account balances in foreign currencies and rouble-denominated liabilities of the Group's international entities, which was partially offset by negative exchange rate differences in yuan-denominated payables.

Operating profit was RUB 7.6 billion in Q1 2023. **Operating margin** stood at 11.5%.

The Company's **income tax expense** stood at RUB 1.9 billion.

Profit for the period amounted to RUB 5.9 billion. **Net profit margin** for the period was 8.9%.

Current loans and borrowings decreased to RUB 15.0 billion versus RUB 17.6 billion as of 31 December 2022 as the Company continued to pay down debt given its solid liquidity position. **Total loans and borrowings** stood at RUB 19.5 billion compared to RUB 21.9 billion as of 31 December 2022. **Lease liabilities** slightly increased to RUB 12.8 billion from RUB 12.6 billion at the start of the year on the back of an increase in the number of lease contracts due to the expansion of the store network. As a result, the Group's **total loans, borrowings and lease liabilities** amounted to RUB 32.2 billion, down by 6.7% from the start of the year.

The IAS 17-based net cash to EBITDA ratio remained generally unchanged: 0.05x versus 0.04x at the year-start.

Net working capital was RUB 11.4 billion as of 31 March 2023 compared to RUB 9.1 billion at the start of the year reflecting typical seasonal increase in the working capital in the first quarter of the year.

CAPEX amounted to RUB 2.1 billion in Q1 2023 on the back of new store openings and investments in the construction of new distribution centres.

ABOUT THE COMPANY

Fix Price (LSE and MOEX: FIXP), one of the leading variety value retailers globally and the largest in Russia, has been helping its customers save money every day since 2007. Fix Price offers its customers a unique and constantly refreshed product assortment of non-food goods, personal care and household products and food items at low fixed price points.

As of 31 March 2023, Fix Price was operating 5,848 stores in Russia and neighbouring countries, all of them stocking approximately 2,000 SKUs across around 20 product categories. As well as its own private brands, Fix Price sells products from leading global names and smaller local suppliers. As of 31 March 2023, the Company was operating 11 distribution centres (DCs) covering 80 regions of Russia and 7 neighbouring countries.

In 2022, the Company recorded revenue of RUB 277.6 billion, EBITDA of RUB 54.2 billion and net profit of RUB 21.4 billion, in accordance with IFRS.

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