

X5 GROUP LAUNCHES X5 BANK-BRANDED FINANCIAL SERVICES

Moscow, 19 November 2021 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Karusel retail chains, announces the pilot launch of financial services under the X5 Bank brand. The first stage will involve digital cards that combine the functionality of Pyaterochka and Perekrestok loyalty cards with banking services such as payments, money transfers and rouble-denominated cash back, among others.

The digital X5 Card is already available to users of the Perekrestok mobile app in 10 cities.¹ Within a month, the cards will also become available to Pyaterochka customers in 13 cities.² To receive a card, users can update their current loyalty card to a bank debit card through either the Perekrestok or Pyaterochka mobile app. When registering through one of the apps, users can also order a plastic card, which will be delivered by courier. In addition, X5 Bank counters – to be added at 30 Pyaterochka stores in Moscow over the next month – will also be able to issue cards.

The X5 Bank project will be carried out by an independent company, whose founders include X5 Group and Alfa Bank.

Users can replenish their X5 Card through any of three mobile apps – Perekrestok, Pyaterochka and Alfa Bank – without fees, at the ATMs of any bank in the Russian Federation or through the Faster Payments System. X5 Card users will be able to receive cashback of up to 2% on purchases as well as up to 8% annual interest on their balance. More information about applicable fees can be found on the [website](#).

“X5’s strategy calls for a presence at every stage of the customer journey, which is why we launched X5 Bank. We are the first to launch one of the most highly sought-after banking products – a debit card that combines both loyalty points and banking functionality. This is the sort of business that will enable us to be even closer to our customers and to offer convenient new possibilities for the customer,” said Igor Shekhterman, CEO of X5 Group.

The X5 Card is issued free of charge and has no maintenance fee. As the product line develops, X5 Bank plans to offer other payment services under its own brand.

¹ St Petersburg, Kazan, Ekaterinburg, Rostov-on-Don, Nizhny Novgorod, Samara, Chelyabinsk, Ufa, Perm, Voronezh

² St Petersburg, Kazan, Ekaterinburg, Rostov-on-Don, Nizhny Novgorod, Samara, Chelyabinsk, Ufa, Perm, Voronezh, Novosibirsk, Omsk, Krasnoyarsk

Note to Editors:

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

As of 30 September 2021, X5 had 18,648 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 17,600 Pyaterochka proximity stores, 980 Perekrestok supermarkets and 34 Karusel hypermarkets. The Company operates 43 DCs and 4,178 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 335 thousand people.

For the full year 2020, revenue totalled RUB 1,978,026 million (USD 27,417 million*), EBITDA pre-IFRS 16 reached RUB 145,137 million (USD 2,012 million), and net profit pre-IFRS 16 for the period amounted to RUB 39,180 million (USD 543 million). In 9M 2021, revenue totalled RUB 1,597,289 million (USD 21,583 million**), adjusted EBITDA pre-IFRS 16 reached RUB 123,703 million (USD 1,671 million), and net profit pre-IFRS 16 amounted to RUB 38,943 million (USD 526 million).

X5's shareholder structure is as follows: CTF Holdings S.A., 47.86%; Axon Trust, 11.43%; X5 directors, 0.10%; treasury shares, 0.01%; shareholders with less than 3%, 40.60%.

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.

*FX rate: 72.1464 USD/RUB

** FX rate: 74.0073 USD/RUB

For further details please contact:**Maria Yazeva**

Investor Relations Officer

Tel.: +7 (495) 662-88-88 ext. 13-147

e-mail: Maria.Yazeva@x5.ru