

X5 ENTERS DARK KITCHEN SEGMENT

Moscow, 12 April 2021 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”) that operates the Pyaterochka, Perekrestok, and Karusel retail chains, announces a deal with Mnogo Lososya to enter the dark kitchen segment of the food market. This decision is in line with X5’s strategy to meet the fullest possible range of customers’ food-related needs, in particular by expanding the product offering in the fast-growing ready-to-eat segment.

Mnogo Lososya is a food tech project started by Yakov Mendeleev and Alexander Mutovin that operates a chain of dark kitchens and a number of online eating-out brands. Currently, it runs 25 kitchens, four brands (Mnogo Lososya, Ten Ideal Pizzas, Rolls No. 1, and YAJI), a mobile app and a software suite that supports its key business processes, including food cooking and delivery. The acquisition will bring the Company the Mnogo Lososya franchise and the team that founded and developed the project. The deal value is not disclosed.

Mnogo Lososya now delivers over 60,000 orders per month through its partners, Delivery Club and Yandex.Eats, as well as its own courier service.

“We have been consistently building a vertical integration of production and sales channels in our Ready Food business. Our Kitchen Factory in the Moscow metropolitan area now includes a dark kitchen. While this segment currently accounts for just 5% of the ready-to-eat meals delivery market, its growth rates are outpacing other online HoReCa segments and dark kitchens are expected to gain traction going forward. Leveraging synergies with Mnogo Lososya, X5 will be well positioned to meet our customers’ needs for rapid delivery of freshly cooked meals and to offer the unique combination of groceries and ready-to-eat meals through X5’s delivery services. We intend to continue actively developing this business area and are open to new proposals that could help strengthen our positions in the food market,” said Igor Shekhterman, CEO of X5 Retail Group.

“Capitalising on X5’s investments, infrastructure and expertise, we are one step closer to our dream, which is to offer fast delivery of high-quality and diverse food to as many people as possible, thus maximising the time they can spend on socialising and pastimes. To this end, we plan to build more kitchens, launch new brands and strive for higher speed and quality of our product offering,” said Alexander Mutovin, co-founder of Mnogo Lososya.

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 is also an e-commerce leader in Russia with digital businesses that include Perekrestok Vprok, 5Post, express delivery services, and the Okolo aggregator.

As of 31 December 2020, X5 had 17,707 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 16,709 Pyaterochka proximity stores, 933 Perekrestok supermarkets and 56 Karusel hypermarkets. The Company operates 45 DCs and 4,055 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 339 thousand people.

For the full year 2020, revenue totalled RUB 1,978,026 mln (USD 27,417 mln), EBITDA pre-IFRS 16 reached RUB 145,137 mln (USD 2,012 mln), and net profit pre-IFRS 16 for the period amounted to RUB 39,180 mln (USD 543 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.09%, treasury shares – 0.01%, Shareholders with less than 3% – 40.61%.

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.

Elements of this press release contain or may contain inside information about X5 Retail Group N.V. within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).

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