

X5 CONSOLIDATES ONLINE BUSINESSES UNDER X5 DIGITAL

Moscow, 18 July 2022 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, has spun off its online business, completing a move announced a year ago. The new entity, X5 Digital, will oversee the Group’s express delivery technology platform, small dark-store infrastructure ensuring 40-minute delivery of the Pyaterochka and Perekrestok product ranges, and large dark-store infrastructure with an expanded assortment under the Vprok.ru brand. Larisa Romanovskaya will head the integrated e-grocery unit.

Vladimir Salakhutdinov, Director of Strategy and Business Development at X5 Group, commented:

“As we moved forward with the spin-off of our online business, we discussed various scenarios for developing X5’s online businesses, both on our own and in partnership with companies actively growing in adjacent e-commerce segments. In particular, we considered monetisation through a partial sale and the creation of additional shareholder value. In the end, we decided to keep X5 Digital within the Group.

“In today’s market environment, reliance on our own infrastructure and commercial capabilities will help to develop our online businesses with maximum speed and flexibility. This efficient online economic model creates new growth opportunities, while monetisation through market capitalisation, in our opinion, has no prospects at the moment. Completing the creation of our own delivery infrastructure and building a stable channel of remote communication with the customer enables us to start working with external sales channels, including connecting delivery aggregators, which we plan to do in the near future.”

As an umbrella structure, X5 Digital will help to increase online sales by meeting the full range of customer needs in the e-grocery segment – from small purchases with fast delivery within city limits to bulk online hypermarket purchases that can be delivered to any location, including suburban areas and the countryside. Uniting these services under the control of a dedicated unit will provide for a seamless transition between customer needs across all X5 channels and mobile apps, as well as maximise operational efficiency.

For X5’s online hypermarket and express delivery customers, the process for placing and receiving orders will remain unchanged. The retail chain apps and the Vprok.ru website will also continue to operate as usual.

In Q2 2022, the cumulative GMV of Vprok.ru Perekrestok and express delivery services amounted to RUB 15.9 bn, up 34.1% year-on-year, including VAT, promo codes and bonuses. In April 2022, the number of online hypermarket and express delivery orders reached 100,000 on peak days. As of 30 June 2022, express delivery was available from 1,718 stores (1,007 Pyaterochka stores and 711 Perekrestok supermarkets) and 45 dark stores in 54 regions. In Q2 2021, the average number of express delivery orders per day was 58.9 thousand, with a delivery time of ca. 60 minutes and an average ticket of RUB 1,675 for Pyaterochka and RUB 1,888 for Perekrestok. The online hypermarket Vprok.ru Perekrestok operates in 82 Russian regions, with delivery service available in eight regions and self-pick-up in the remaining 74.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE; RAEX: ruAA+) 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 Perekrestok, 5Post and Mnogo Lososya.

As of 30 June 2022, X5 had 19,779 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 18,558 Pyaterochka proximity stores, 986 Perekrestok supermarkets and 153 Chizhik hard discounters. The Company operates 48 DCs and 4,347 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 325 thousand people.

For the full year 2021, revenue totalled RUB 2,204,819 million (USD 29,935 million*), EBITDA pre-IFRS 16 reached RUB 161,024 million (USD 2,186 million*), and net profit pre-IFRS 16 for the period amounted to RUB 48,513 million (USD 659 million*). In Q1 2022, revenue totalled RUB 604,230 million (USD 7,020 million**), adjusted EBITDA pre-IFRS 16 reached RUB 70,179 million (USD 815 million**), and net profit pre-IFRS 16 amounted to RUB 2,499 million (USD 29 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.

* FX rate: 73.6541 USD/RUB

** FX rate: 86.0693 USD/RUB

For further details please contact:**Varvara Kiseleva**

Head of Corporate Finance and IR
Tel.: +7 (495) 662-88-88 ext. 27-300
e-mail: Varvara.Kiseleva@x5.ru

Maria Yazeva

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