

## X5 OPENS FIRST HARD DISCOUNTERS AND DC IN THE URALS

**Yekaterinburg, 15 August 2022** – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, announces the launch of a new distribution centre (DC) in Yekaterinburg for its Chizhik hard discounter chain. The Company has also opened a total of eight new Chizhik stores in the Sverdlovsk and Chelyabinsk regions, as well as in Perm Territory.

In the Sverdlovsk Region, X5 simultaneously opened three Chizhik stores for customers in Yekaterinburg and another store in Revda<sup>1</sup>. By late August, the Company plans to open 11 more hard discounters across the region, to reach a total of 40 by year-end. X5 additionally opened two hard discounters apiece in the cities of Chelyabinsk<sup>2</sup> and Perm.<sup>3</sup>

In accordance with its target operating model, the Chizhik retail chain opened its own DC in Yekaterinburg before entering the region. The facility was inaugurated by X5 Group President Ekaterina Lobacheva and Sverdlovsk Region Governor Evgeny Kuyvashev. The 18,700-sq m DC will receive shipments from over 200 of the chain's partners, with more than 200 local employees supporting its seamless operation.

*“Chizhik has proven to be the format of choice for rational consumers, and it continues its active expansion on the wave of increasing consumer interest. We are pleased to see that the chain is gaining a foothold in the Urals and hope to see local customers embrace the hard discounter model, along with its socially important mission of providing affordable and quality produce,”* said X5 Group President Ekaterina Lobacheva at the opening ceremony.

*“The Sverdlovsk region is one of the largest regions in the country in terms of retail turnover. And we do a lot to maintain this trend: we develop the necessary infrastructure, work to attract new companies and create conditions for the expansion of our regular partners. But our priority is to provide every resident of the region, regardless of their place of residence and income level, with high-quality, healthy and affordable products. The management of X5 Group is doing a lot for retail chain development and is strengthening cooperation with our manufacturers”,* said Sverdlovsk Region Governor Evgeny Kuyvashev.

The DC will serve 250 stores in the Sverdlovsk and Chelyabinsk regions and the Perm Territory.

The advantages of the facility include a multi-format operation model, which enables shipping of ultra-fresh and frozen products, groceries and alcohol thanks to the facility's ability to meet various storage requirements. X5 uses its own fleet of delivery vehicles to transport products from the DC, with drivers assigned specifically to Chizhik. This helps to ensure an excellent level of service and streamline interactions within the supply chain. Together with the first DC in the Sverdlovsk Region, Chizhik is launching a regional office in Yekaterinburg to efficiently monitor all store and DC processes.

Chizhik's unique value proposition combines attractive prices with high product quality. The format's pricing policy is based on a more accessible food basket compared to the market average and is built around the motto “low price every day”, meaning that the retail chain maintains consistently low prices for the entire product range. The store's visual design embodies simplicity and incorporates modern trends with its wide passages, easy-to-read price tags, and products offered in boxes and pallets. The product range comprises around 800 SKUs, including 300 private labels that have already proven popular among customers. These include brands such as Svetaevo, Verner, Shchedry God, Greenola, Axl, Tafo and others.

Chizhik stores currently operate in Moscow and the Moscow Region, as well as in the Republic of Bashkortostan, Tver, Tula, Vladimir, Nizhny Novgorod, Voronezh and Lipetsk regions. In 2022, X5 plans to open more than 400 new Chizhik stores in line with its strategy to accelerate the expansion of its hard discounter network.

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<sup>1</sup> Yekaterinburg: 47 Volgogradskaya St., 2 Krestinskogo St., 24 Serafimiy Deryabinoy St.; Revda: 9 Michurina St.

<sup>2</sup> Chelyabinsk: 63 Rossiyskaya St., 23 Zaltsmana St.

<sup>3</sup> Perm: 31 Mekhanoshina St., 258 Kosmonavtov Highway.

**Note to Editors:**

**X5 Retail Group N.V.** (LSE and MOEX: FIVE; Expert RA: 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, 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 H1 2022, revenue totalled RUB 1,252,180 million (USD 16,412 million\*\*), adjusted EBITDA pre-IFRS 16 reached RUB 104,909 million (USD 1,375 million\*\*), and net profit pre-IFRS 16 amounted to RUB 33,731 million (USD 399 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: 76.2975 USD/RUB

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