

X5 ACCELERATES HARD DISCOUNTER EXPANSION, PLANS TO HAVE UP TO 500 STORES IN 11 REGIONS BY YEAR END

Moscow, 2 August 2022 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, announces its decision to accelerate the expansion of its Chizhik hard discounter chain by increasing the number of store openings in 2022 to more than 400. As a result, the chain’s footprint will include up to 500 hard discounters spanning 11 regions of Russia by the end of the year.

X5 revised its plans in response to Chizhik’s strong performance backed by an efficient business model, as well as strong customer demand and positive feedback on the chain’s pilot launch.

Igor Shekhterman, CEO of X5 Group, commented:

“We are more than happy with Chizhik’s performance, as it confirms the unique relevance of this format for our customers. At the same time, the high margins achieved by X5 in Q2 2022 created additional opportunities to increase our investment in the chain’s development. We aim to make Chizhik available to as many people as possible in the shortest amount of time in light of the chain’s social relevance – it helps to improve peoples’ quality of life by offering affordable and high-quality foods at low prices. In addition, Chizhik’s accelerated development is set to create new jobs in a variety of sectors, including retail, food production, logistics and agriculture.”

X5 plans to bring Chizhik to three new Russian regions in 2022, with anticipated store openings in Yekaterinburg, Perm and Chelyabinsk in Q3. In addition, the chain will launch new distribution centres in Yekaterinburg and Moscow.

Chizhik also intends to increase the share of private labels in its turnover to 50% by the end of the year. Currently, private labels account for close to 40% of turnover with an assortment spanning approximately 300 SKUs, including dairy products, grocery, canned meats, beverages and ice cream. The quality of the chain’s private labels – including Svetaevo, Verner, Shchedry God, Greenola, Axl, Tafo and others – quickly garnered customer interest, leading to a sales performance that surpassed the Company’s expectations. The chain’s private-label goods are produced and supplied by over 100 agricultural and food production SMEs.

Chizhik’s unique value proposition combines attractive prices with high product quality. The format’s pricing policy is based on a significantly more affordable 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 on its entire product range. The store’s visual design embodies simplicity and incorporates modern trends with its wide aisles, easily readable price tags and convenient product display.

Chizhik currently has more than 150 stores in Moscow and the Moscow Region, as well as in the Republic of Bashkortostan, Tver, Tula, Vladimir, Nizhny Novgorod, Voronezh, and Lipetsk regions. The chain’s distribution centres have already begun operating in Ufa and the Voronezh Region.

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 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

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