

X5 SIGNS AGREEMENT TO ENTER THE RUSSIAN FAR EAST

Vladivostok, 6 September 2022 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, signed a cooperation agreement with Russian Far East and Arctic Development Corporation (RFEADC) to launch operations in Russia's Far Eastern Federal District. With this move, the parties agreed to join efforts in developing the food market of the Russian Far East.

The agreement was signed by RFEADC CEO Nikolay Zapryagaev and X5 Group President Ekaterina Lobacheva on the sidelines of the 7th Eastern Economic Forum (EEF), which is taking place in Vladivostok on 5-8 September 2022. The signing was attended by Yury Trutnev, Russian Deputy Prime Minister and Presidential Plenipotentiary Envoy to the Far Eastern Federal District and Alexei Chekunkov, Russian Minister for the Development of the Far East and the Arctic.

"I think such projects are very important because they not only create opportunities to bring products to the Far Eastern territories and help reduce prices, but they also provide additional opportunities for Far Eastern agrarians by forming new sales channels. This creates the foundation for increasing production and developing new crop areas, because when people understand that their products are in demand, they can produce more agricultural goods," Mr Trutnev noted.

"Our priority task is to improve the quality of life of people in the Far East. The scale of the federal network, combined with the existing mechanisms of state support in the region, will make it possible to build optimal logistics, expand the range of products, and make them more accessible to people. Partnerships with Asian networks can provide an additional synergetic effect," said Alexei Chekunkov.

As part of the partnership, X5 and RFEADC will develop an action plan for X5 to enter the Far Eastern Federal District, including identifying requirements for the respective infrastructure (including energy usage, land plots for distribution centres) and logistics development (railway and motor transport access). X5 will carry out a comprehensive analysis to review the opportunities for rolling out a modern retail chain in the region. The Company's potential investment to build distribution centres and stores in the region may reach RUB 10 billion.

"The agreement with the Russian Far East and Arctic Development Corporation marks the launch of a large-scale project for X5 to expand its geography and enter the market of the Russian Far East. Together, we will assess local infrastructure needs and search for land plots to accommodate our logistics centres, and will then decide on the appropriate investment," said Ekaterina Lobacheva, President of X5 Group.

According to Nikolai Zapryagaev, general director of RFEADC, the corporation will assist X5 with selecting land plots for infrastructure development as well as help secure the Company's status as a resident of a territory of advanced social and economic development, which carries administrative and tax benefits.

The expert assessment of the Russian Far East territories and infrastructure is slated for completion by Q1 2023, after which the Company will consider building a distribution centre in the region as part of the project.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE; Expert RA: ruAAA) 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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