

X5 AND IIDF SELECT 10 SUSTAINABILITY STARTUPS

Moscow, 28 October 2022 – X5 Group, Russia’s leading food retailer, and the Internet Initiatives Development Fund (IIDF) have held X5 Pitch Day, a pitch session for sustainability startups. One hundred fifty-six companies applied to participate in the event, with the majority of projects (70 in total) ready for product scale-up and nine in the idea phase.

Ten projects made it to the final. X5 experts together with professionals from the Group’s retail chains and business units are now carefully reviewing the selected initiatives. The project teams are awaiting their decision: the most suitable projects will be able to undergo funded piloting and may be scaled up if successful.

“This was our first sustainability pitch session. The number of applicants came as a pleasant surprise to us. Many of the projects deserve special attention, as the teams demonstrated a profound understanding of the challenges the food retail industry is facing and offered potential ways to respond to them. As soon as practically possible, we will thoroughly review and assess the finalists’ projects. The piloting may start as early as January 2023, just after the peak season. We are confident that ESG innovations will help us to achieve the goals set out in our sustainable development strategy in a faster and more efficient way,” said Roman Timaev, Innovations Director at X5 Group.

Experts from the IIDF accelerator have carried out a technological audit to identify areas with strong potential for employing startup solutions. These technology-driven areas include industrial automation; environmental improvements for distribution centres, stores and vehicles/transportation; waste reduction; recycling; social programmes; and more.

This is the sixth startup pitch session held by the IIDF and X5 Group. Since the first session, the two partners have collected over 700 applications, with 46 teams presenting their solutions to business customers, including more than 10 projects approved for piloting with X5 Group.

In December 2019, X5 Group [adopted](#) a sustainable development strategy based on the four UN SDGs where the Company can make the biggest difference: promoting a healthy lifestyle and the availability of quality and wholesome foods; ensuring decent working conditions and equal opportunities for employees; advancing responsible consumption and use of resources; and supporting local communities through the development of charity.

**Note to Editors:**

X5 Retail Group N.V. (LSE and MOEX: FIVE; Expert RA – ruAAA; ACRA – AAA(RU)) 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 September 2022, X5 had 20,227 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 18,865 Pyaterochka proximity stores, 972 Perekrestok supermarkets and 316 Chizhik hard discounters. The Company operates 52 DCs and 4,247 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 amounted to RUB 48,513 million (USD 659 million*). In 9M 2022, revenue totalled RUB 1,900,049 million (USD 26,908 million**), adjusted EBITDA pre-IFRS 16 reached RUB 152,894 million (USD 2,165 million**), and net profit pre-IFRS 16 amounted to RUB 46,395 million (USD 657 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: 70.6135 USD/RUB

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The **Internet Initiatives Development Fund (IIDF)** invests in tech companies, implements accelerator programmes for entrepreneurs and corporations, and is involved in the development of a legal framework for the venture industry. The Fund helps large businesses find growth points through innovation and HR development.