

PYATEROCHKA LAUNCHES OPERATIONS IN THE RUSSIAN FAR EAST

Vladivostok, 23 March 2023 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Chizhik retail chains, has launched its first Pyaterochka proximity stores in the Primorye Territory of the Russian Far East, expanding the Company’s footprint to a total of 68 regions in Russia.

Two Pyaterochka stores have opened today in Vladivostok, the capital of the Primorye Territory. The new stores have a selling space of 270 sq m and 450 sq m, respectively, with each offering an assortment of some 3,000–5,000 SKUs. Local producers are represented across all product categories, with their share of the product offering reaching up to 70% in some categories.

Both stores offer a wide range of fresh products, which account for close to 30% of the assortment and are displayed directly near the store entrance. Fruits, vegetables and select perishable items are displayed separately in a large “fresh arena” in each store. Customers can choose from over 100 food-to-go and ready-to-eat products. Additionally, each store features an in-house bakery department that offers more than 30 varieties of bread and pastries baked freshly several times a day, as well as a coffee machine.

The new stores are laid out according to Pyaterochka’s revamped store concept, which includes more ergonomic layout solutions on the sales floor and emphasises Pyaterochka’s core values: low prices, fresh and high-quality products, customer comfort and a pleasant shopping experience.

The selling space layout supports an improved shopping experience through its streamlined self-checkout area, as well as a bakery, coffee and snack area that offers more space for customer traffic and more opportunities to display a wider assortment. The stores’ customer-friendly navigation signs help shoppers to easily find their way around the store and head straight to the aisle they need, or to quickly spot areas with special offers and promos.

The store openings were synced with the launch of the Pyaterochka Delivery service, which offers fast home delivery from stores in as little as 30 minutes.

“Today’s opening of our new Pyaterochka stores in the Far East is a long-awaited and significant milestone for us. We carefully prepared for the launch by building up our logistics network to enable smooth deliveries and offer local customers a good value on a wide range of products. We are the first nationwide food retailer to establish a presence in this territory, and I hope that Vladivostok residents, just like millions of other Russian customers, will fall in love with our stores thanks to their low prices, a wide choice of fresh produce and the convenience of shopping close to home, as well as for our support of various social projects and our focus on customer care. We have established close relations with local producers whose products are already well-known and well-liked among local consumers. We will also offer our customers some exciting and interesting new products that enjoy strong popularity among shoppers across the country,” said Pyaterochka’s General Director Vladislav Kurbatov.

Pyaterochka pays particular attention to local communities by running a range of social-impact projects. All stores offer a 10%¹ discount for pensioners and run the Family Wednesday

¹ The discount is available with a valid pensioner ID card, daily until 1.00 p.m., for all products, except for alcohol and tobacco and for goods offered at the minimum retail price.

programme, which offers an extra 10%² discount once a week on purchases at Pyaterochka stores to parents (including foster parents) of children under age 13. Through a partnership with Foodbank Rus, over 5,600 Pyaterochka stores across Russia are engaged in the Basket of Kindness food relief programme. All Pyaterochka stores also features Safety Zones: specially designated areas marked by an orange geolocation pin to guide people who are lost or disoriented. Anyone who lost their way can enter a Pyaterochka store and seek assistance from a store employee or wait at the Safety Zone until help is offered. The project is a joint initiative with the Centre to Search for Missing People and the LizaAlert search and rescue volunteer team.

The first Pyaterochka stores in the Primorye Territory employ over 30 people. X5 expects to operate a total of 60 stores in the Primorye Territory by the end of the year, expanding beyond Vladivostok to other cities in the region. The Company is planning to create over 2,500 jobs in the Primorye Territory by 2025.

² The discount is available every Wednesday from 9.00 a.m. to 5.00 p.m., for all products, except for alcohol and tobacco and for goods offered at the minimum retail price. To get the discount, the customer should present a relevant document or come to the store with their child.

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 31 December 2022, X5 had 21,323 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 19,164 Pyaterochka proximity stores, 971 Perekrestok supermarkets, 517 Chizhik hard discounters and 595 Krasny Yar and Slata stores. The Company operates 53 DCs and 4,386 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 353 thousand people.

For the full year 2022, revenue totalled RUB 2,605,232 million (USD 38,005 million*), EBITDA pre-IFRS 16 reached RUB 186,788 million (USD 2,725 million*), and net profit pre-IFRS 16 for the period amounted to RUB 52,248 million (USD 762 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: 68.5494 USD/RUB

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