

CHIZHIK OPENS FIRST STORES AND DISTRIBUTION CENTRE IN VOLGOGRAD REGION

Volgograd, 13 June 2023 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, announces the opening of its first hard discounters under the Chizhik brand in the Volgograd Region, as well as a new distribution centre to serve Chizhik stores. On Tuesday, the retailer opened two stores in Volgograd, on 18 Tsiolkovskogo Street and 18 Gremyachinskaya Street, and one store each in Volzhsky, on 107A Lenina Avenue, and in Kalach-na-Donu, on 1A Chekmareva Street.

The product assortment at each store features approximately 750 SKUs, including over 400 private label items that have already become popular with Chizhik customers. These include Svetaevo, Verner, Shchedry God, Greenola, Axl, Tafo, and others.

Chizhik’s business model is based on offering a small but sought-after selection of products at attractive prices. The retailer delivers low prices for its customers thanks to business process optimisation and relentless in-store cost cutting, while the large share of private labels in its assortment enables Chizhik to offer only those products that meet its high standards of quality and charge fair prices and markups. Chizhik also stands out for its unique Nado Uspet (“Catch the Price”) zone that highlights the best deals in household, kitchen, garden goods and other products – all in one place.

The new stores will be supplied from Chizhik’s distribution centre in Volgograd with shipments from both nationwide and local suppliers. The 8,800 square metre distribution centre has enough capacity to serve up to 150 stores in the retail chain across the Volgograd Region and will also be used to supply stores in the Saratov Region going forward. The logistics centre is slated for refurbishment in 2024 to boost its capacity to serve up to 200 stores in the chain.

Chizhik has already created more than 250 jobs in the Volgograd Region and expects to bring the total number of new jobs created for local communities to more than 630 by the end of the year. The Volgograd Region is the 12th region in the retail chain’s footprint. Chizhik plans to open twenty more stores in the region before the end of June, aiming to bring the total store count in the region to up to 55 stores by the year-end.

Currently, Chizhik has more than 700 stores across 12 regions of Russia,¹ with plans to open more than a thousand stores in 2023.

¹ Moscow, the Voronezh, Volgograd, Sverdlovsk, Nizhny Novgorod, Samara, Chelyabinsk, and Yaroslavl Regions, the Republic of Tatarstan, the Republic of Bashkortostan, the Republic of Udmurtia, and the Perm Territory.

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 March 2023, X5 had 21,760 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 19,549 Pyaterochka proximity stores, 956 Perekrestok supermarkets, 591 Chizhik hard discounters and 596 Krasny Yar and Slata stores. The Company operates 55 DCs and 4,490 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 345 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*). In Q1 2023, revenue totalled RUB 696,364 million (USD 9,569 million**), adjusted EBITDA pre-IFRS 16 reached RUB 40,236 million (USD 553 million**), and net profit pre-IFRS 16 amounted to RUB 12,172 million (USD 167 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

** FX rate: 72.7738 USD/RUB

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