

CHIZHIK OPENS ITS 1,000TH STORE

Krasnodar, 8 September 2023 – The Chizhik retail chain has opened its 1,000th store, a retail outlet of almost 350 square metres in Krasnodar¹.

Chizhik stores offer a small but sought-after selection of value-for-money products. The landmark Chizhik store's assortment features approximately 700 SKUs, including over 400 private label items that are unique to the chain.

A carefully selected product mix and continuous product quality assurance are among the key differentiators that set Chizhik apart. The process starts with at least 200 people tasting new products before they hit the shelves, ensuring that Chizhik stores only offer products that have been top-rated by tasters. All suppliers are audited, with Chizhik verifying product formulation and label claims as well as compliance with Russian state standards and other requirements to enforce the strict rule that products must be free of any harmful additives, GMOs or soy. Before being included in Chizhik's product mix, a product is thoroughly tested by an independent accredited laboratory. The chain also acts quickly on any customer feedback flagging potential quality issues, with ad-hoc supplier audits performed when non-conforming products are identified. Chizhik also uses customer feedback to refine product formulations and ingredients or improve packaging, inviting customers to return items with no receipt for a full refund if they are unhappy with the taste or quality of any product purchased at the chain.

Chizhik also stands out for its unique *Nado Uspe't* ("Catch the Price") zone that highlights the best deals in household, kitchen, garden goods, children's goods, and other products – all in one place. This selection is refreshed every week.

Ilya Yakubson, Managing Director of Chizhik: *"The opening of our 1,000th store is an important milestone for us. Today, Chizhik is fully equipped to further scale up its operations: it has a strong team, infrastructure, suppliers, and a unique assortment that is on par with leading brands in terms of quality and taste, but more attractively priced. We offer our customers what we eat ourselves, and we believe this is an important quality marker. We feel that Chizhik attracts strong attention from customers, and we appreciate it, doing our best every day to live up to your trust. We will continue to expand our chain to provide millions of Russians with highly affordable, quality products."*

Chizhik started out in 2021, aiming to lead the discount segment and deliver the best value proposition in the market. According to external research, Chizhik's net promoter score (NPS) is growing as customers express satisfaction with its pricing, convenient store locations, and quality product offerings, keeping Chizhik ahead of most retail chains in perceived price attractiveness. Over the past two years the chain has opened stores in more than 300 cities and towns in 34 regions across Russia. Chizhik's revenue quadrupled in the second quarter of 2023, with selling space also quadrupling over the first half of the year. The chain expects to post a further increase in its store opening rate for the full year, aiming to open at least 1,600 stores and enter 11 new regions in 2023.

Chizhik has also launched nine owned distribution centres, which supply stores with products from over 300 nationwide and local suppliers.

¹ On 2 M.P. Shemyakina Street (formerly 1/7 3rd Trudovaya Street).

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 June 2023, X5 had 22,682 Company-operated stores. It has the leading market position in both Moscow and St Petersburg, as well as a significant presence in the European part of Russia and a growing presence in the Russian Far East. Its store base includes 20,248 Pyaterochka proximity stores, 956 Perekrestok supermarkets, 809 Chizhik hard discounters and 596 Krasny Yar and Slata stores. The Company operates 59 DCs and 4,604 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 358 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 H1 2023, revenue totalled RUB 1,468,407 million (USD 19,095 million**), adjusted EBITDA pre-IFRS 16 reached RUB 100,748 million (USD 1,310 million**), and net profit pre-IFRS 16 amounted to RUB 41,661 million (USD 542 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: 76.8996 USD/RUB

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