

X5 LAUNCHES A ONE-STOP-SHOP PLATFORM TO SELL MARKETING INVENTORY

Moscow, 11 September 2023 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, announces the launch of a proprietary service to sell marketing inventory across the Group’s retail chains and businesses. In a first for the Company, X5 is rolling out a solution that consolidates all of its marketing capabilities on a one-stop-shop platform for suppliers and partners. The media kit already includes Pyaterochka, the Food.ru media platform, and the Dialog.X5 platform tools. Future plans include integrating the Group’s remaining services and businesses.

Selling marketing inventory via a single platform rather than separately through individual retail chains will provide the Group’s partners with access to advertising capabilities across a range of its businesses as well as to big data–powered analytical tools. The platform consolidates knowledge of marketing inventory and runs processes to sell, facilitate, and support an advertiser’s advertising campaigns and marketing activities, from needs identification to long-term media planning. X5 Group’s one-stop-shop service helps advertisers carry out both end-to-end and ad hoc tasks within marketing campaigns. In particular, it handles tasks around brand knowledge building and development, product promotion, demand research, sales stimulation, the use of tools to influence customers, and maximising reach through cross-format opportunities unlocked by the service.

The Dialog.X5 platform’s big data–powered analytical tools extract insights into brand and product metrics to better understand the reasons for a drop in sales, identify growth opportunities, and select key performance indicators for a particular campaign. Brands can get a clearer understanding of their target audience and roll out promotions driven by customer behaviours and preferences.

“Currently, over 17 million customers visit X5 stores and services every day. We know our customers well and understand their daily needs and habits, which enables us to offer our partners – suppliers and SMEs – unique opportunities to promote their own food and non-food items. A one-stop-shop media planning service allows X5’s partners to see beyond one particular retail chain, get information about retail media, and leverage it to boost the performance of their marketing campaigns, supported by the transparent evaluation of the sales and ROI impacts they deliver. As a result, brands will be able to plan their campaigns more effectively, focusing on specific objectives and target audiences and analysing consumer behaviours throughout the customer journey. With the launch of this one-stop-shop service, X5 is set to become the operator of Russia’s largest advertising platform, on par with global retail giants,” commented Mikhail Yartsev, Strategic Marketing Director at Pyaterochka.

The service’s unified components along with analytical data allow brands to optimise media costs, coordinate their marketing activities, and boost their ROI. Any commercial or non-commercial entity, including X5’s existing suppliers, can access the Group’s one-stop-shop media planning service.

For X5 partners, the service will unlock access to a large data pool and analytics database. With 72.5 million active members at the end of Q2 2023, the loyalty programme’s penetration of sales hit 76.2%. The average ticket was 7% higher for customers who picked their favorite categories (there were 1.9 million such customers as of the end of the quarter). The total number of purchases across the Group’s businesses topped 1.86 billion in Q2 2023. Over 170 thousand express delivery orders originating in X5’s retail chains or the Vprok.ru online hypermarket were fulfilled every day. X5’s digital services posted 21.4 million MAUs in Q2 2023, up 33.4% year-on-year.

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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