

X5 RETAIL GROUP N.V. ANNOUNCES NOTIFICATION OF A CLAIM BY THE RUSSIAN MINISTRY OF INDUSTRY AND TRADE ON SUSPENSION OF RIGHTS IN ITS RUSSIAN SUBSIDIARY

Amsterdam, 29 March 2024 – X5 Retail Group N.V. (“X5” or the “Company”, LSE and MOEX ticker: FIVE), which operates the Pyaterochka, Perekrestok and Chizhik retail chains, announces that the Ministry of Industry and Trade of the Russian Federation has notified the Company on a claim with the Arbitrazh Court of the Moscow Region (the “Court”), seeking a suspension of the Company’s corporate rights in its Russian subsidiary, X5 Corporate Centre LLC (the “Subsidiary”).

The Court proceedings will not impact the Company’s day-to-day operations in Russia, and its businesses continue to operate as usual. The Company’s Supervisory Board convened in an urgent meeting to discuss this development after receiving notice of the claim.

Under the provisions of the Russian Federal Law No. 470-FZ dated 4 August 2023 (the “Law”), the Court must decide whether to accept the claim within one business day from the date of its filing. If the Court accepts the claim, the trial itself will take not less than five days and not more than one month from the date of the claim’s acceptance.

During the trial period, the Court may, at its discretion, adopt interim measures that could restrict certain rights of the Company in respect to the Subsidiary. These measures may include prohibitions on voting in the general meeting of shareholders; disposing of its shares in the Subsidiary; or receiving distributions from the Subsidiary’s net profit.

The claim asks the Court to restrict the Company’s shareholder rights with respect to the Subsidiary, transfer the shares belonging to the Company into treasuries, and further follow the procedure of the Law in requiring Russian holders of the Company’s depositary receipts (DRs) and ultimate owners to accept a distribution of shares in the Subsidiary proportionate to their participation in the Company, as well as granting a similar right to the Company’s non-Russian holders and beneficiaries. The claim further establishes that the abovementioned rights and obligations will be granted to holders and ultimate owners as of the date of the Court’s decision. This means that X5 DRs acquired after the date of the Court’s decision would not result in the buyer obtaining the rights to participate in the distribution of shares in the Subsidiary. The Law also provides for a separate distribution procedure for X5 DR holders within Russian depositaries, in a process to be established by the Central Bank of Russia, that would not require an application for participation by X5 DR holders. However, the relevant act of the Central Bank of Russia has not yet been issued.

If satisfied, the claim would result in the suspension of the Company’s shareholder rights with respect to the Subsidiary, and the subsequent distribution of shares in the Subsidiary to the Company’s DR holders and ultimate owners. The Subsidiary would be reorganised into a public company with a listing of its shares on the Moscow Exchange.

If the Court were to satisfy the claim, it would result in certain risks to the Company’s shareholders and beneficiaries, as described in X5’s 2023 Annual Report. Certain X5 GDR holders may not be able to participate in the procedures offered by the Law or face significant difficulties in doing so. Non-Russian shareholders who participate in the distribution of shares in the Subsidiary would also be subject to temporary Russian restrictions relating to transactions with securities and the receipt of dividends, placing both the securities and any future dividends on so-called type-S

accounts. While the Law envisages a potential cash compensation at market value for the non-distributed shares in the Subsidiary, the payment of such compensation would require approvals pursuant to temporary Russian regulations on cross-border financial transactions. Ultimately, DR holders who do not participate in the distribution may end up not being able to recover their investment, and the value, profitability and liquidity of their GDRs may be adversely affected.

In light of the above developments, and following a discussion within the Supervisory Board, to avoid a potential conflict of interests pursuant to the upcoming Court proceedings and to maintain effective governance, the following changes have been made to the corporate governance structures of the Company and the Subsidiary:

- X5 CEO Igor Shekhterman and X5 President Ekaterina Lobacheva are stepping down from the Management Board of the Company with immediate effect. They will continue their management duties with the Subsidiary, with a focus on maintaining the development and stability of its Russian retail operations.
- Leonid Afendikov, Dmitry Alekseev, Alexey Kornya, Yuliya Solovyova, Azer Talybov and Vadim Zingman are stepping down as members of the Supervisory Board of the Company, effective immediately. All six individuals will retain their positions as members of the Board of Directors of the Subsidiary.
- Peter Demchenkov, Olga Vysotskaya and Vassilis Stavrou are stepping down as members of the Board of Directors of the Subsidiary, effective immediately. They will retain their positions as Chairman and members, respectively, of the Supervisory Board of the Company.

As a result of these changes, the Management Board and the Supervisory Board of the Company will consist of two and three members, respectively. The Board of Directors of the Subsidiary will consist of six members, including three new members appointed on 27 March.

To further develop X5's corporate governance system, the Executive Board in Russia, which previously consisted of nine individuals, is terminated. The authorities of the Executive Board are now vested with Igor Shekhterman and Ekaterina Lobacheva, overseen by the Board of Directors of the Subsidiary.

The Supervisory Board and Board of Directors of both the Netherlands-based Company and its Russian Subsidiary will continue to provide active oversight of the Company's operations and work to protect the interests of Company shareholders.

The Management Board of the Company, with support from legal advisors, will use all legal means available to protect its rights and interests as well as those of its stakeholders, both during the upcoming Court proceedings and in the subsequent period. Further updates on developments will follow when appropriate. The Company remains committed to acting in the best interests of X5 Group, its shareholders and other stakeholders.

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 2023, X5 had 24,472 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, as well as a growing presence in the Russian Far East. Its store base includes 21,308 Pyaterochka proximity stores, 972 Perekrestok supermarkets, 1,500 Chizhik hard discounters and 610 Krasny Yar and Slata stores. The Company operates 62 DCs and 5,344 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 372 thousand people.

For the full year 2023, revenue totalled RUB 3,145,859 million (USD 36,903 million*), EBITDA pre-IFRS 16 reached RUB 214,764 million (USD 2,519 million*), and net profit pre-IFRS 16 for the period amounted to RUB 90,284 million (USD 1,059 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: 85.2466 USD/RUB*

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