

PEREKRESTOK.RU AND SPOST LAUNCH GROCERY LOCKERS

Moscow, 15 June 2020 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces that Perekrestok.ru online supermarket and X5 subsidiary 5Post, which offers parcel delivery services, have launched a pilot click-and-collect service from grocery lockers in Perekrestok and Pyaterochka stores. This food delivery option is complementary to existing home food delivery services, as well as in-store pick up of parcels at checkout counters or pick-up points.

Currently 31 lockers for Perekrestok.ru orders have been installed in Moscow (21 at Perekrestok supermarkets and 10 at Pyaterochka stores). During the pilot stage, pick-up from grocery lockers is only available for orders prepaid through the website. The new Perekrestok.ru app will also feature this option in the near future. The minimum order is RUB 500, and delivery to the locker is free of charge.

Grocery lockers have cells with two temperature regimes: ambient temperature and zero to five degrees centigrade. Orders of frozen and bulky goods to the grocery lockers are limited during the pilot stage, and the maximum order weight is 20 kg. Click-and-collect orders for locker pick-ups are assembled at Perekrestok.ru dark stores and delivered to the lockers by the online supermarket’s couriers. To collect an order, the customer enters the a code sent by text message. Purchases are stored in grocery lockers for a maximum of 12 hours (from 10 am to 10 pm).

The average check for orders collected from chilled lockers is about RUB 2,500, and during the service testing stage promotional and entry price items were the most commonly ordered goods.

“The grocery lockers pilot project is aligned with X5 Retail Group’s omnichannel strategy, and represents a synergy between –the 5Post parcel delivery service and our Perekrestok.ru online food delivery service. During the COVID-19 outbreak, when we have seen heightened demand for online food services, this offering is especially relevant,” said Igor Shekhterman, X5’s Chief Executive Officer.

“This service addresses the stocking-up mission, and helps our customers save on delivery costs while we expand sales in response to the ongoing surge in the number of orders. Offering a variety of delivery options enables consumers to choose what fits them best. The final decision on the development of grocery lockers will be made based on the results of the test period,” said Leonid Dovladbegyan, Managing Director of Perekrestok.ru online supermarket.

“Fast and safe order pick-up is a socially significant service. Being within walking distance for most of the country’s population, we seek to create a new quality standard for last mile delivery. Therefore, in addition to the rapidly developing network of parcel lockers and pick-up points, we launched a pilot project with grocery lockers to test demand for the service among Perekrestok.ru customers,” said Vitaliy Dyrdasov, 5Post Managing Director.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody's – ‘Ba1’, S&P – ‘BB+’, RAEX – ‘ruAA+’) is a leading Russian food retailer. The Company operates several retail formats: the chain of proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand and the hypermarket chain under the Karusel brand.

As of 31 March 2020, X5 had 16,658 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 15,739 Pyaterochka proximity stores, 846 Perekrestok supermarkets and 73 Karusel hypermarkets. The Company operates 42 DCs and 4,098 Company-owned trucks across the Russian Federation.

For the full year 2019, revenue totalled RUB 1,734,347 mln (USD 26,791 mln), Adjusted EBITDA under IAS 17 reached RUB 127,380 mln (USD 1,968 mln), and net profit under IAS 17 for the period amounted to RUB 25,908 mln (USD 400 mln). In Q1 2020, revenue totalled RUB 468,994 mln (USD 7,065 mln), adjusted EBITDA reached RUB 32,980 mln (USD 497 mln), and net profit amounted to RUB 8,175 mln (USD 123 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.08%, treasury shares – 0.02%, Shareholders with less than 3% – 40.61%.

Perekrestok.ru online supermarket was launched in Moscow in 2017. The service was rolled out to St Petersburg in October 2018. At the end of 2019, the number of orders exceeded 1.3 million, this is an increase of more than 3 times y-o-y. Net revenue increased by 3 times y-o-y to RUB 4.3 billion, excluding VAT.

The net revenue of Perekrestok.ru online supermarket grew to RUB 2.09 billion. In Q1 2020, the number of orders exceeded 590 thousand, and the average check was RUB 4,026.

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 Retail 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 Retail Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 Retail 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.

Elements of this press release contain or may contain inside information about X5 Retail Group N.V. within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).

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