

X5 AND PICKPOINT TO DEVELOP NETWORK OF PARCEL LOCKERS

Amsterdam, 19 February 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: FIVE), and PickPoint, Russia’s largest network operator of parcel lockers and pick-up points, have signed a letter of intent to create a joint venture that will develop a locker network across X5 retail chains.

The 50/50 joint venture will be registered as a new legal entity. By the end of the year, the new company is expected to operate 1,500 parcel lockers.

“By partnering with PickPoint, one of Russia’s leading express delivery companies, we seek to maximise locker usage and increase parcel delivery from major online retailers. We also expect to gain invaluable expertise and know-how from the company that pioneered and has been successfully expanding the automated online parcel delivery business in Russia. With its extensive retail network across the country, X5 is well positioned to expand the range of convenient services we provide to our consumers,” said Igor Pletnev, Director for Strategic Business Development at X5 Retail Group.

“This joint venture between PickPoint and X5 Retail Group will help expand last-mile logistics infrastructure and enhance e-commerce opportunities in Russia. Our next step is to open up the locker network operated by PickPoint to third-party online delivery companies. We see this as a fundamentally new logistics ecosystem enabling customers to shop at any online store and have their purchases delivered through our locker network,” said Nadezhda Romanova, PickPoint's CEO.

X5 currently has over 1,700 lockers and pick-up points across its retail chains, with most of them operated by PickPoint through its unified sales network. Since the opening of the first pick-up point in early June 2018, over 300,000 parcels have been delivered to customers. The growing locker network will allow X5 to provide its customers with a convenient and popular service, give small online retailers and regional producers access to its extensive logistics infrastructure, and build up additional traffic.

PickPoint includes 5,500 parcel lockers and pick-up points in over 540 cities and towns across Russia. The company partners with some 5,500 online retailers. In 2018, approximately 10.5 m orders were delivered through the PickPoint network.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody's – ‘Ba2’, 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, the hypermarket chain under the Karusel brand and Express convenience stores under various brands.

As of 31 December 2018, X5 had 14,431 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 13,522 Pyaterochka proximity stores, 760 Perekrestok supermarkets, 94 Karusel hypermarkets and 55 convenience stores. The Company operates 42 DCs and 3,830 Company-owned trucks across the Russian Federation.

For the full year 2017, revenue totalled RUB 1,295,008 mln (USD 22,193 mln), Adjusted EBITDA reached RUB 99,131 mln (USD 1,699 mln), and adjusted net profit for the period amounted to RUB 33,768 mln (USD 579 mln). In 9M 2018, revenue totalled RUB 1,109,582 mln (USD 18,061 mln), adjusted EBITDA reached RUB 79,484 mln (USD 1,294 mln), and net profit amounted to RUB 22,400 mln (USD 365 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.07%, treasury shares – 0.01%, Shareholders with less than 3% – 40.63%.

PickPoint is a pioneering new-generation logistics service for convenient and affordable payment and delivery of online orders. PickPoint boasts the largest network of pick-up points in Russia. The PickPoint network comprises over 5,500 automated parcel lockers and pick-up points in more than 540 cities across Russia. PickPoint cooperates with 5,500 online retailers and has some 6.9 m unique customers.

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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