

## 950 PHARMACY PICK-UP POINTS TO OPEN AT PYATEROCHKA STORES

**Moscow, 3 June 2019** – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces the signing of an agreement between X5 OMNI, developing the Group’s parcel delivery technology platform, and Medexport – Severnaya Zvezda and Zdravservis, members of the Integrated Retail Investment Strategies (IRIS) pharmacy partnership.

The parties have agreed to open 950 pharmacy pick-up points at Pyaterochka stores by the end of 2025. X5 will offer long-term lease agreements to Medexport – Severnaya Zvezda and Zdravservis to open pharmacies that will enable the pick-up of packages. Pharmacy orders will be delivered to pick-up points through X5’s sorting centres using the company’s extensive logistics network.

Oleg Milyutin, CEO of Medexport – Severnaya Zvezda: *“This partnership between regional pharmacy chains and X5 Retail Group is an excellent opportunity to create a superior value proposition for our customers. By opening pharmacy pick-up points at Pyaterochka stores we respond to major demands of today’s marketplace. First of all, the pharmacies and stores will be conveniently located in one place. Secondly, drawing on the strengths of regional players we are able to offer the best value and product range at each location, and supplement these by providing access to the endless shelf of e-commerce.”*

Dmitry Sokol, Chairman of the Board of Directors at Zdravservis: *“The new value proposition benefits from the terms of partner lease agreements offered by X5 Retail Group. As part of the project, we are planning to relocate a great number of our existing pharmacies to nearby Pyaterochka stores. We have also agreed that X5 will extend similar preferential terms to all IRIS members.”*

Igor Pletnev, Director for Strategic Business Development at X5 Retail Group: *“While opening our own pharmacies is not part of the Group’s business strategy, we nevertheless believe that having pharmacies at the stores provides extra convenience to our customers. To this end, the agreement with IRIS is an opportunity to greatly increase the number of pharmacies available to our customers while also boosting the development of our parcel delivery platform.”*

X5 OMNI seeks to build a nationwide package delivery network by leveraging the potential of X5 retail stores and logistics capabilities. Some 2,400 stores already have pick-up points with about 7,000 parcels received by customers on a daily basis. One of the key objectives is to employ X5’s extensive logistics infrastructure for deliveries from small-scale regional producers and online stores. Local businesses will be able to ship orders to customers at the nearest X5 store. By the end of 2020, parcel delivery services will be available at most X5 stores.

**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 2019, X5 had 14,779 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 13,917 Pyaterochka proximity stores, 771 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 41 DCs and 3,837 Company-owned trucks across the Russian Federation.

For the full year 2018, revenue totalled RUB 1,532,537 mln (USD 24,439 mln), Adjusted EBITDA reached RUB 109,871 mln (USD 1,752 mln), and net profit for the period amounted to RUB 28,642 mln (USD 457 mln). In Q1 2019, revenue totalled RUB 405,864 mln (USD 6,138 mln), adjusted EBITDA reached RUB 29,473 mln (USD 446 mln), and net profit amounted to RUB 9,297 mln (USD 141 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 – 0.02%, Shareholders with less than 3% – 40.62%.

**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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