

X5 AND UNILEVER AGREE TO DEVELOP CIRCULAR ECONOMY

St Petersburg, 6 June 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), and Unilever, a major global supplier of fast moving consumer goods, signed an agreement of intent to implement circular economy principles. The agreement was signed on the margins of the St Petersburg International Economic Forum by X5 Retail Group CEO Igor Shekhterman and Unilever President in Russia, Ukraine and Belarus JV Raman.

The companies agreed to launch a partnership programme for installation of reverse vending machines (RVM), which are branded kiosks that accept used consumer plastic containers for further recycling. Based on the outcome of a pilot project, the parties will decide on possible further roll-out. The companies intend to partner in order to encourage consumer participation in separate waste collection for further recycling. For example, at the first stage of the pilot, customers who deposit plastic containers to RVMs in Perekrestok and Karusel stores will be rewarded with discounts on new purchases, thus creating a closed economic cycle that enables Unilever to act as a responsible producer that sells goods in eco-friendly package made from recycled polymer materials.

“Recycling is a strategic area of waste reduction. In line with sustainable development principles, X5 recycles 100% of the plastic, cardboard, paper and other non-food waste generated by its stores. In addition, we seek to support and encourage responsible consumption by our customers by increasing the supply of reusable packaging and by installing RVMs in our stores. It is even more pleasing that this a joint initiative with Unilever, one of our largest partners,” said X5 Retail Group CEO Igor Shekhterman.

“Our strategic goal is to complete a global transition to 100% recyclable polymer content in our packaging by 2025. We are pleased that, thanks to the pioneering efforts of Domestos and our cooperation with X5 and EcoTechnologies, all leaders in their respective industries, shoppers at Perekrestok and Karusel stores will have the unique opportunity to convert an old plastic bottle into a new one, and even benefit from it,” said JV Raman, Unilever President in Russia, Ukraine and Belarus.

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%.

Unilever is a global leader in FMCG production. 170 billion units of our products are bought by consumers annually. In 2017, the company celebrated the 25th anniversary of its business in Russia. The total investment of Unilever in the Russian economy is now over RUB 200 billion, while its staff count in Russia is about 4,000 people.

Unilever has four production clusters in Russia: food products and ice cream in the Tula Region, tea, cosmetics and household chemicals in Saint Petersburg, cosmetics in Yekaterinburg, and ice cream in Omsk.

By implementing its Sustainable Living Plan, Unilever sets a strategic goal to have the volume of polymer waste associated with packaging and use of the company's finished products reduced at least by half by 2020, and to switch to plastic packaging consisting entirely of recyclable polymers including at least 25% of recycled (secondary) polymer content by 2025.

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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