

X5 AND COCA-COLA LAUNCH PILOT TO COLLECT PLASTIC AND ALUMINIUM FOR RECYCLING

Moscow, 15 July 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), and the Coca-Cola system in Russia, a leader in non-alcoholic and ready-to-drink beverages, have launched a pilot project to collect used plastic and aluminium beverage containers via reverse vending machines that accept PET bottles or aluminium cans of any size and colour for recycling. As part of the project, reverse vending machines will be installed at ten Pyaterochka stores in Moscow. Further rollout will be considered based on the results of the trial.

The companies seek to promote responsible consumption among their customers and encourage recycling. For each bottle and/or can returned, the machine will issue a coupon for 15% off a range of Coca-Cola drinks. The reverse vending machines accept all used plastic bottles and aluminium cans, irrespective of manufacturer.

The company in charge of reverse vending machine maintenance, transportation to recycling facilities, and recycling of the plastic and aluminium will be EcoTechnologies.

Igor Shekhterman, CEO of X5 Retail Group, said: *“X5 is passionate about environmental projects, and they form an integral part of the Company’s sustainable development strategy. We are happy to collaborate with one of our large partners on this pilot plastic collection project that represents an important step towards reducing waste. Teaming up to install reverse vending machines at our stores allows us to refine procedures for a potential future rollout. We hope that customers will welcome and make active use of this collection method.”*

Alexandar Ruzhevich, CEO of Coca-Cola HBC Russia, said: *“With its World Without Waste vision, the Coca-Cola system is committed to making its packaging 100% recyclable by 2025 and helping collect and recycle the equivalent of every bottle and can we sell globally by 2030. In Russia, we have been delivering on the World Without Waste goals for three consecutive years through the Separate with Us project. We have successfully collected and recycled over 60,000 tonnes of packaging. A joint pilot project with a leading Russian food retailer lets us offer people another practical solution for recycling. We hope the project will expand and contribute to the development of the circular economy.”*

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%.

Coca-Cola system in Russia

The Coca-Cola system in Russia, represented by Coca-Cola Soft Drink Consulting LLC, Coca-Cola HBC Eurasia LLC and JSC Multon, is a leading producer of high-quality non-alcoholic and ready-to-drink beverages as well as one of the largest investors in the Russian economy. As of today, the Coca-Cola system's investments in Russia exceed USD 6.2 bn. Over 95% of ingredients and materials used in production of beverages in Russia come from domestic suppliers.

The Coca-Cola system in Russia employs more than 8,000 highly skilled professionals and provides over 60,000 additional jobs in related industries.

In Russia, the company's portfolio includes the following non-alcoholic beverages and juice drinks: Coca-Cola, Coca-Cola Zero, Coca-Cola Cherry, Coca-Cola Vanilla, Fanta, Sprite, Powerade, BonAqua, Smartwater, AdeZ, Schweppes, Innocent, Dobry, Rich, Moya Semya, Dobry Pulpy, Fuzetea.

The Coca-Cola system implements a socially responsible policy and is proud to be an integral part of Russia's life and an active contributor to the country's economic development.

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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