

X5'S BIG DATA TEAM LAUNCHES ANALYTICS SOLUTION FOR SUPPLIERS

Moscow, 31 October 2019 – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), has launched a proprietary category and consumer analytics solution for suppliers developed solely by its in-house Big Data team.

Producers can access the new tool, Big Analytical Platform, at <https://supplierportal.x5.ru/contact-us/> in order to generate performance reports based on X5's sales data for their product categories. The portal is designed to help producers gain insights into product sales and other key performance metrics, identify what is driving demand and customer choices, track customer rotation and see changes in consumer habits and needs – all in a single view.

Purchase history and consumer behaviour data are used to build a set of analytical modules that can provide insights to improve business performance. Three types of reports are now available for X5's partners, including those on category diagnostics, sources of sales and customer migration. In 2020, the Company plans to launch another eight modules for analysing promotions, baskets, customer decision trees and profiles, as well as for testing, store clustering, and tracking of new launches.

"As a retailer, we have direct contact with consumers and the most granular data about changes in their behaviour, baskets and preferences. This new solution gives our partners unparalleled access to market analytics both in terms of scope and timing. The modules help identify a wealth of insights into changing trends in sales and the reasons behind them. The launch of this tool is an important step forward in our strategy to offer ready-made analytics to various businesses," said Dmitry Prusov, Head of Big Data Product Development at X5 Retail Group.

When creating the Big Analytical Platform, the X5 team ran a number of pilot projects using its modules. For instance, the team assessed the success of new brand launches (performance vs peers, duration of the novelty effect for consumers, sources of sales and cannibalisation rate); digital campaigns and multi-category tests in X5 stores (efficiency vs customer/store control group, ROI, sources of change in sales, incremental sales growth by category, drivers of changes in consumption).

To access the solution, suppliers may contact the X5 Big Data Department. The output is based on software configuration selection (report generation options, relevant categories, number of user profiles and other factors).

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 30 September 2019, X5 had 15,752 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 14,850 Pyaterochka proximity stores, 811 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 43 DCs and 4,029 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 9M 2019, revenue totalled RUB 1,265,130 mln (USD 19,440 mln), adjusted EBITDA reached RUB 95,975 mln (USD 1,475 mln), and net profit amounted to RUB 25,043 mln (USD 385 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 – 0.01%, 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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