

X5 PARTNERS WITH 1,245 NEW RUSSIAN PRODUCERS IN 2019

Moscow, 3 March 2020 – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), launched partnerships with 1,245 Russian suppliers from 71 regions across eight Federal Districts in 2019. The Company now has a total of 5,950 suppliers.

The Company strives to maximise the offering of locally sourced products in every region where it operates. By the end of 2019, locally sourced items accounted for more than 40% of the total turnover in Pyaterochka, Perekrestok and Karusel stores in some regions. The new suppliers mostly helped expand the offering in fresh categories such as dairy, meat products, vegetables, fruits and grocery.

In 2019, X5 gained the most new partners in the Central Federal District, with 449, including 346 registered in Moscow and the Moscow Region. Another 189 local manufacturers signed contracts with X5 in the North-Western Federal District, including 113 registered in St Petersburg and the Leningrad Region. In addition, X5 added 189 new suppliers in the Volga Federal District, with the largest number of contracts from the Samara and Nizhny Novgorod regions (31 each), Bashkortostan (22) and Tatarstan (18).

The Company also significantly expanded its range of partners in the Siberian Federal District, with 150 new names. The most new partnerships came from the Novosibirsk Region (43) and the Krasnoyarsk Territory (39) where the Company started business as early as last year. In 2019, X5 stores also welcomed 133 suppliers from the Southern Federal District, including 59 in the Krasnodar Territory and 45 in the Rostov Region. In the Ural Federal District, X5 signed contracts with 100 partners, where the Sverdlovsk Region was the biggest contributor (49). Another 34 partners were registered the North Caucasian Federal District, with the Stavropol Territory accounting for 18.

X5 seeks to build long-term and mutually beneficial relationships with local producers. Thanks to close cooperation, local producers gain access to a robust sales channel while consumers can enjoy a wide range of high-quality fresh products at affordable prices. X5 partners are able to consistently grow their businesses and expand their sales geographies.

The Company maintains an ongoing dialogue with existing and prospective partners through regular initiatives in its regions of operation. Last year, X5 organised 45 events in 36 regions attended by over 1,500 local manufacturers. These included five X5 Dialogue business forums, where X5's top management and the heads of the commercial, marketing and logistics departments at Pyaterochka, Perekrestok and Karusel shared their views on current trends in the consumer market and talked about the Company's strategy, initiatives and ways to develop relationships with suppliers.

X5 also held five Market Council events for suppliers in partnership with the Chamber of Commerce and Industry, as well as five workshops for competency centres and agricultural producers together with the SME Corporation. In addition, X5 leverages online tools and organises webinars for producers where category managers offer advice and answer questions about working with retail chains, marketing opportunities, as well as food quality, transportation, storage, sales and disposal requirements.

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 December 2019, X5 had 16,297 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 15,354 Pyaterochka proximity stores, 852 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 42 DCs and 4,124 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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