

PYATEROCHKA'S EXPRESS DELIVERY SERVICE HITS 10,000 ORDERS PER DAY

Moscow, 16 April 2020 – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer that operates the Pyaterochka, Perekrestok, and Karusel retail chains (LSE and MOEX ticker: "FIVE"), announces the successful expansion of Pyaterochka's express delivery pilot. The daily number of orders delivered has reached 10,000 and continues to grow. The Company is deploying the pilot ahead of schedule in an effort to support the increasing number of people under lockdown, in order to ensure that no order is left unattended.

At the moment, deliveries can be ordered from 115 Pyaterochka stores in Moscow covering over 90% of the capital's households. X5 have seen an almost 17x increase in the number of orders, compared to just 600 orders delivered daily in February. Delivery is also available from nine stores in Kazan. If increased demand exceeds current estimates, the number of stores offering delivery may be increased to 500 and cover 10 cities in 2020.

"E-groceries and minimum-time delivery have turned into a socially important service that supports the health and well-being of local communities. We decided to speed up the development of our express delivery pilot in order to help those who have to stay home. With our technology, any retail store can be prepared for handling online orders in just a few days. In this challenging epidemiological situation, we have been able to adjust our business processes and considerably ramp up capacities to make sure that as many as 10,000 customers are already receiving the products they need from Pyaterochka every day," said Vladimir Kholyaznikov, FoodTech Director at X5 Retail Group.

The express delivery pilot was launched at Pyaterochkas last year, starting with two stores and growing to 30 as of early March this year. The Company developed proprietary software that covers all operational and auxiliary processes. As the IT system is integrated with existing X5 infrastructure, new stores can be connected to the services within a matter of hours and track inventories virtually in real-time mode. Pyaterochka has put in place a patented order assembly system that greatly reduces the assembly time and streamlines personnel workflow.

As the accelerated development requires active involvement of new employees, Delivery.Pyaterochka has announced urgent recruitment of order pickers to meet the growing demand for express delivery services. This will make it possible to create new jobs for people who can work close to home and enjoy official employment and social benefits.

To place an order with Delivery.Pyaterochka, a mobile app with the same name needs to be installed. The service offers free delivery to certain categories of people, in particular, the elderly and persons with reduced mobility. Payments are made in the app with bank cards only. The service also offers all the federal and regional promos currently running in Pyaterochka and awards double points on the Vyruchai-Karta loyalty cards. The delivery is handled by professional partners focusing on the food segment that comply with all applicable health and safety regulations.

In 2019, the number of orders delivered by X5's online supermarket Perekrestok.ru exceeded 1.3 million, growing more than threefold year-on-year. Net revenue in 2019 increased threefold year-on-year to RUB 4.3 billion, net of VAT.

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 2019, revenue totalled RUB 1,734,347 mln (USD 26,791 mln), Adjusted EBITDA under IAS 17 reached RUB 127,380 mln (USD 1,968 mln), and net profit under IAS 17 for the period amounted to RUB 25,908 mln (USD 400 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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