

X5 APPROVES AMENDED DIVIDEND POLICY AND FIRST INTERIM DIVIDEND OF RUB 20 BN

Amsterdam, 18 November 2020 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces that the Company’s Supervisory Board has approved changes to X5’s dividend policy and recommended distribution of an interim dividend for 9M 2020.

In order to increase the frequency of profit distributions to shareholders, the Company is introducing the practice of semi-annual interim dividend payments. The amended dividend policy will focus on using cash flow as the basis for calculating future dividends while maintaining a net debt/EBITDA ratio of less than 2.0x (under IAS 17 standard) as the target threshold for the payment of dividends.

X5 Retail Group’s management currently estimates the Company’s total dividend capacity for FY 2020 at up to RUB 50 bn, subject to financial performance in Q4 2020, as well as approval by the Supervisory Board and AGM. At present, the Company does not plan any major deleveraging.

The interim dividend for 9M 2020 amounts to RUB 20 bn, or RUB 73.645 per GDR (gross amount subject to taxes and fees), which represents 75.15% of X5 Retail Group’s 9M 2020 net profit under IFRS 16. The record date for the dividend payment has been set as 18 December 2020 and the ex-dividend date is 17 December 2020. Dividends will be payable within 45 days of the announcement in accordance with the dividend policy.

X5 Chief Executive Officer Igor Shekhterman commented:

"In line with the Company’s strategic goal of increasing returns for shareholders, and considering the financial results for 9M 2020, we have proposed the payment of an interim dividend of RUB 20 bn.

"X5 is committed to ensuring a transparent and reasonable dividend policy. The new policy better reflects the performance of our business, expectations for future growth and cash flows, as well as our planned investments, while balancing these factors with the objective of maintaining a strong balance sheet. It will also allow for more regular returns during the course of the financial year."

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 2020, X5 had 17,352 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 16,385 Pyaterochka proximity stores, 910 Perekrestok supermarkets and 57 Karusel hypermarkets. The Company operates 43 DCs and 4,072 Company-owned trucks across the Russian Federation.

For the full year 2019, revenue totalled RUB 1,734,347 mn (USD 26,791 mn), Adjusted EBITDA under IAS 17 reached RUB 127,380 mn (USD 1,968 mn), and net profit under IAS 17 for the period amounted to RUB 25,908 mn (USD 400 mn). In 9M 2020, revenue totalled RUB 1,449,266 mn (USD 20,476 mn), adjusted EBITDA reached RUB 114,044 mn (USD 1,611 mn), and net profit amounted to RUB 36,399 mn (USD 514 mn).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.09%, treasury shares – 0.01%, Shareholders with less than 3% – 40.61%.

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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