

## **MCDONALD'S AND PYATEROCHKA SET UP THE FIRST IN-STORE FAST FOOD RESTAURANT**

**Moscow, 29 January 2021** – X5 Retail Group, a leading Russian food retailer, and McDonald's announce an update on their pilot project to open fast food outlets in the Group's stores and the launch of the first McDonald's in a Pyaterochka store in Moscow at 9 Volotskoy Lane. The restaurant can be accessed both from the street and from inside the store. It also has a drive-thru option for customers in motor vehicles and offers a delivery service.

The new McDonald's facility of more than 220 sqm is equipped with a standard kitchen featuring a Made-for-You system to prepare food only after it has been ordered for delivery, takeaway or eat-in. In addition, visitors can order drinks and desserts at the McCafé or the drive-thru. The restaurant employs over 70 people.

Both X5 and McDonald's implement the highest standards of safety and quality: all employees wear masks and gloves and have their temperature checked every four hours, all surfaces are regularly disinfected, and the kitchen itself is equipped with 24-hour UV disinfection lighting.

"We strive to offer our customers everything they need – and a little bit more. Our partnership with McDonald's – Russia's most popular fast-food chain according to Romir – will make Pyaterochka the neighbourhood's centre of gravity, especially for young people, and a one-stop shop where people can both buy groceries and household goods and have a quick bite to eat," said Sergei Goncharov, General Director of Pyaterochka.

"McDonald's cooperates with leading Russian companies from various industries. Partnering with Pyaterochka, the largest proximity store chain in the Russian food retail market, is another important step for our business. We aim to take the lead in building new customer experiences and best service offerings together with our partners while driving McDonald's further growth in Russia by leveraging diverse innovation formats," said Karina Pogosova, Senior Vice President of Development, IT and Franchising at McDonald's Russia.

This is the third in-store McDonald's launched in cooperation with X5 Retail Group after two openings in Perekrestok supermarkets in Khimki and Domodedovo last year. The development of new formats enables McDonald's and X5 to assess potential synergies that could boost traffic, foster loyalty to both brands and facilitate the study of new consumer habits for further cooperation. In 2021, the partners plan to open several more fast food outlets in Pyaterochka stores.

**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 proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Karusel hypermarkets. X5 is also an e-commerce leader in Russia with digital businesses that include Perekrestok Vprok, 5Post, express delivery services, and the Okolo aggregator.

As of 31 December 2020, X5 had 17,707 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 16,709 Pyaterochka proximity stores, 933 Perekrestok supermarkets and 56 Karusel hypermarkets. The Company operates 45 DCs and 4,055 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 339 thousand people.

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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