

PEREKRESTOK EXPRESS DELIVERY NOW COVERS ALL MOSCOW

Moscow, 18 May 2020 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Karusel chains (LSE and MOEX ticker: “FIVE”), announces the further development of its online sales channels and the expansion of the pilot express delivery zone from Perekrestok supermarkets. After less than a month of operation, the service now covers the entire territory of Moscow within the Moscow Ring Road, and has extended its order assembly base from nine stores when it was launched to 46 supermarkets today.

In the context of safety measures related to COVID-19, this service enables shoppers to replace their daily trips to the store with online orders that offer the assortment from the nearest Perekrestok supermarket, where orders are assembled in-store. The average delivery time is less than 60 minutes, and around 400 orders are completed per day. Shoppers’ most frequent purchases include fresh fruits and vegetables, as well as dairy, with the typical check consisting of 14 items. The average weight of one order is 9.5 kg, and the average check is RUB 2,100. The service covers households near each participating supermarket; a courier usually needs to travel around 1.6 km to reach the customer. The level of orders with no substitutions is currently 97%.

While the pilot project has only been running for less than a month, the service has achieved a fairly high level of customer satisfaction: repeat orders in May reached 60% and the average rating in the app is 4 out of 5. Perekrestok loyalty cards were used for 80% of purchases. Groceries are ordered most frequently by Moscow residents in Yasenevo, Izmailovo and Yuzhnoye Medvedkovo districts.

It takes one day to get a supermarket connected to the express delivery service. Stores are selected based on the number of households in the surrounding area and the assortment that the supermarkets offer.

“Express delivery of groceries is currently a socially meaningful project that helps our consumers to ensure their personal safety. X5 offers its customers different ways to achieve this: they can stock up using perekrestok.ru, use the express delivery from Pyaterochka proximity stores, and, since the end of April, try out 1-hour deliveries from Perekrestok supermarkets. X5 has become a leader in the online grocery segment thanks to the efficient operating models of its online platforms, the Company’s digital transformation and an effective strategy for the development of online services.”

“The pilot project for the express deliveries from Perekrestok supermarkets was launched within a short time and with heightened attention to service quality. In less than a month of operation, the service achieved good business results and enjoyed significant interest from customers. This was supported by a new approach to refining the pilot project: we used an open testing approach, which enabled our customers to participate in fixing errors and implementing improvements in real time. In just a few days we received dozens of constructive reviews, which is helping us improve the quality and convenience of the service, even with the rapid growth we are now witnessing,” said X5 Retail Group CEO Igor Shekhterman.

Supermarket employees assemble Perekrestok orders, while deliveries are handled by specialised grocery delivery services. There is no minimum order. Depending on the store, an assortment of anywhere from 9,000 to 14,000 SKUs is available.

X5 previously reported that online sales from the Perekrestok.ru and Delivery.Pyaterochka platforms increased by 4.7 times year-on-year to RUB 1.7 billion (including VAT) in April, which, according to Infoline, makes X5 Retail Group the #1 player in online grocery delivery in Russia in April. April 2020 online sales accounted for 2% of X5's turnover in Moscow, the Moscow region and St Petersburg, where online services are available. At the end of the month, X5 was delivering more than 23,000 orders per day, and that number continues to grow. In April, the total number of orders delivered through its two online platforms was more than 520,000, with 262,000 orders delivered through Perekrestok.ru and 259,000 through Delivery.Pyaterochka.

X5 achieved its leading position in Russia's online grocery delivery segment in April thanks to the efficient operating models of both online platforms, the Company's ongoing investments into digital transformation, its effective strategy to develop digital services, a strong team and the impressive procurement capability of X5 as the country's leading food retailer.

X5 expects the online grocery market in Russia to continue to grow, and for the Company's market share in the grocery delivery segment to rise in 2020 and beyond.

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 March 2020, X5 had 16,658 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 15,739 Pyaterochka proximity stores, 846 Perekrestok supermarkets and 73 Karusel hypermarkets. The Company operates 42 DCs and 4,098 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). In Q1 2020, revenue totalled RUB 468,994 mln (USD 7,065 mln), adjusted EBITDA reached RUB 32,980 mln (USD 497 mln), and net profit amounted to RUB 8,175 mln (USD 123 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 – 0.02%, 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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