

PEREKRESTOK OPENS ITS FIRST SMART KITCHEN

Moscow, 14 May 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces the opening of Perekrestok’s “smart kitchen”, Russia’s largest and the most advanced ready-to-eat and ready-to-cook production facility. Food from the Perekrestok smart kitchen will enable the supermarket format to expand its the ready-to-eat and ready-to-cook assortment by 2.5 times while also offering customers even higher quality products.

The 26,000 sq m facility located in the Moscow region already produces 200+ ready-made products under the Perekrestok Chef brand. The smart kitchen is currently operated by about 700 employees. Upon reaching the full capacity of 120 t of ready-made products per day, a total of 2,000 employees will produce an assortment of 600+ items.

The facility boasts a unique routing system that is optimised for each type of meal and combines six different production lines. This makes the facility more efficient and results in higher output. On top of that, the smart kitchen features state-of-the-art equipment from Russia, Germany, Italy, the US, UK, and Switzerland, with some of the machinery specifically tailored for the project.

Special attention is paid to quality control. All ingredients are subject to full range of quality and safety tests prior to being used in the kitchen.

The new facility manufactures ready-to-cook and ready-to-eat products: hot and cold starters, salads, main courses, confectionery, pastry, drinks, Korean dishes, sushi, etc. At present, it supplies over 400 Perekrestok stores in Moscow and in the Moscow region. At a later stage, the smart kitchen will also provide goods to supermarkets in St Petersburg and Nizhny Novgorod, along with Pyaterochka and Karusel stores in Moscow and the Moscow region.

The Perekrestok smart kitchen is part of X5’s response to customers’ growing demand for ready-to-cook and ready-to-eat products, making it possible to offer an expanded assortment in stores. Today, Perekrestok sells approximately 250 ready-made food items.

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 2019, X5 had 14,779 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 13,917 Pyaterochka proximity stores, 771 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 41 DCs and 3,837 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 Q1 2019, revenue totalled RUB 405,864 mln (USD 6,138 mln), adjusted EBITDA reached RUB 29,473 mln (USD 446 mln), and net profit amounted to RUB 9,297 mln (USD 141 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.07%, treasury shares – 0.02%, 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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