

**X5 RETAIL GROUP REMAINS #1 IN RUSSIAN E-GROCERY  
IN 9M 2020**

**Moscow, 20 November 2020** – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces that continued growth in online sales during 9M 2020 enabled the Company to maintain its #1 position in the Russian e-grocery market, according to Infoline data for the period.

X5’s total online turnover for 9M 2020 was RUB 12.7 billion (including VAT); this includes RUB 9.6 billion from Perekrestok Vprok and RUB 3.1 billion from express delivery services.

X5’s online sales for both Q3 2020 and 9M 2020 continued to see robust growth, rising by more than 4x year-on-year.

Online sales accounted for 0.8% of X5’s total turnover in Q3 2020; in Moscow and the Moscow region the share online sales was 1.9% during the period. For FY 2020, online sales are expected to exceed 1% of X5’s total sales and to exceed 2% of sales in Moscow and the Moscow region. Revenue from X5’s digital businesses is expected to amount to at least 2% of total revenue in 2021.

X5’s online platforms handled over 1.7 mln orders in Q3 2020, with 846 ths orders completed by Perekrestok Vprok and 855 ths by express delivery services. In Q3 2020, the average check for the online hypermarket was RUB 3,791, while for express deliveries from proximity stores and supermarkets it was RUB 1,540. The daily order completion rate for Perekrestok Vprok in Q3 2020 was 9.2 ths and for express delivery services it was 9.3 ths.

In express delivery X5 deploys two types of operating models: delivery from existing stores and from mini dark stores in high-proximity areas. Both models have achieved strong operating results that were above initial expectations.

In October and November 2020, X5 has seen an acceleration in consumer demand for online groceries. This is predominantly attributable to higher adoption of such services by consumers, as well as to seasonal factors and safety concerns related to the rising number of COVID-19 cases. In order to meet rising consumer demand, X5 expanded its online offering in July-November 2020 to 13 additional cities. Express delivery expanded to Nizhniy Novgorod, Voronezh, Ekaterinburg, Novosibirsk, Chelyabinsk, Samara and Ufa. Perekrestok Vprok added coverage for Tver, Tula, Ryazan, Vladimir, Cheboksary, Kazan, Velikiy Novgorod and Vyborg. X5’s online services are currently available in 18 cities.

During peak days in November 2020, the number of daily orders fulfilled by both online platforms reached 42,000, with further growth expected in the high pre-holiday season. The expected number of daily orders in December is over 50,000. The average check for Perekrestok Vprok was RUB 4,008 in November, while for express delivery services it was RUB 1,542.

In order to maintain strong financial results while supporting the fast growth of its digital businesses, X5 is using an internal digital transformation programme that makes possible the re-design and automation of critical internal processes to achieve new levels of speed and efficiency. The expected positive impact of X5’s strategic digital transformation in FY 2020 on the Company’s EBITDA is RUB 6.7 bn.

X5 Retail Group’s Q3 2020 EBITDA margin expanded by 116 bps year-on-year (under IAS 17) to 8.0%, and one of the Company’s strategic priorities is to deliver profitable growth in its online operations. Perekrestok Vprok operations on a standalone basis were EBITDA-positive during the lockdown in May 2020, and management estimates



## X5 RETAIL GROUP

it is on track to generate positive EBITDA in 2021. The express delivery business is expected to become EBITDA positive in 2023.

X5 expects Russia's online grocery market to continue to grow, and aims for the Company's market share in the e-grocery segment to continue 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 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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