

X5 RETAIL GROUP WAS THE LARGEST DIGITAL COMPANY IN THE RUSSIAN E-GROCERY MARKET IN FY 2020

Moscow, 15 February 2021 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), became the largest digital company in the Russian online food retail segment in 2020, according to Infoline.

X5’s online GMV¹ for FY 2020 totalled RUB 21.9 billion (including VAT); this includes RUB 15.0 billion from the online hypermarket Vprok and RUB 6.9 billion from express delivery services from X5’s Pyaterochka and Perekrestok stores, as well as the express delivery aggregator Okolo launched in Q3 2020. In FY 2020 X5 fulfilled 7.9 million e-grocery orders received via its proprietary online and mobile platforms, up from 1.4 million in FY 2019. This drove a 347% year-on-year increase in X5’s online GMV. According to Infoline, annual turnover for the entire Russian e-grocery market reached RUB 155 billion in 2020, increasing by 3.6 times and implying a 13% market share for X5.

For 2020, digital sales accounted for 1.0% of X5’s total sales and for 2.2% of sales in Moscow and the Moscow region. In Q4 2020 and January 2021, the share of X5’s digital business in sales in Moscow and the Moscow region reached 3.5% and 3.8%, respectively.

In January and February 2021, X5 is seeing continued strong consumer demand for e-grocery services. The combined number of daily orders for all delivery platforms on peak weekend periods in February has exceeded 67,000. X5’s digital services are currently available in 21 regions of Russia. The current level of consumer demand supports the Company’s positive outlook for X5’s position in the Russia e-grocery market, given the its extensive network of 17,707 stores across 66 regions (as of 31 December 2020), which represents pre-existing infrastructure for expansion of the express delivery business.

Igor Shekhterman, CEO of X5 Retail Group, commented:

“Today, X5 Retail Group holds the top position in the highly competitive and rapidly growing Russian e-grocery market. We are pleased with our results and the significant growth we have achieved over the past year. I am confident that we are moving in the right direction.”

“This year we will start to transform our online hypermarket Vprok into an FMCG marketplace, which entails a significant expansion of its assortment and geographical coverage. Thanks to the successful development of our logistics project 5Post, the widened assortment of the Vprok marketplace will be available in most regions of Russia. In Q1 2021 we will also start connecting external partners to our express delivery aggregator Okolo, which has already seen fast growth during the pilot testing. Our express delivery operations from Pyaterochka and Perekrestok stores will also expand both in regions where we already offer it and also into new regions where X5 stores operate.”

“X5 has already achieved a leading 13% market share in Russian e-grocery in 2020, according to Infoline, and we expect it to grow further.”

1. Revenue from the e-commerce delivery service 5Post of RUB 683 million (excl. VAT) is not included in the GMV calculation.

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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