

X5 RETAIL GROUP PLEDGES TO ACHIEVE CARBON NEUTRALITY BY 2050

Moscow, 2 December 2020 – X5 Retail Group, a leading Russian food retailer that operates the Pyaterochka, Perekrestok, and Karusel retail chains, has committed itself to the Science Based Targets initiative (SBTi). By committing, X5 will set science-based emissions reduction targets that are in line with what climate scientists say is needed to meet the goals of the Paris Agreement. X5 will determine the volume and rate of emission reductions that will enable the company to contribute to the common goal of limiting global warming to below 2 °C versus pre-industrial levels. Joining the SBTi is an important step towards decarbonisation and improving X5's global sustainability profile as the world transitions to a low-carbon economy.

The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi independently assesses corporate emissions reduction targets in line with what modern climate science says is needed to avoid the worst impacts of climate change. More than 1,000 major companies from around the world have responded to the SBTi's urgent call-to-action for companies to set emissions reduction targets in line with a 1.5°C future.

X5 Retail Group CEO Igor Shekhterman commented:

"In line with its sustainable development strategy, X5 has already made strong efforts to meet its long-term goal of achieving a 30% decrease in GHG emissions by 2030. We recognise the importance of international cooperation for delivering on climate change goals and are glad to commit ourselves to the SBTi along with other leading global companies."

In December 2019, X5 Retail Group's Supervisory Board approved a Sustainable Development Strategy as part of the Company's overall business strategy. The strategy is based on the four UN Sustainable Development Goals (SDGs) to which X5 believes it can make the greatest contribution. Among these is the promotion of responsible consumption and use of resources. In support of this goal, the Company plans to reduce its GHG emissions and total waste generation rate by 30%, as well as meet 30% of its energy needs with renewable sources by 2023.

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 30 September 2020, X5 operated 17,352 stores. It holds the leading market position in both Moscow and St Petersburg and has 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.

X5 is one of the largest employers in Russia. The Company employs 320,000 people, each of whom is contributing to building a new-generation retail business powered by cutting edge, innovative technologies. X5 aspires to become the most attractive employer and be at the forefront the digital transformation of the food retail market. The Company already employs more than 2,000 IT and data specialists.

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).

For further details please contact:**Natalia Zagvozdina**

Head of Corporate Finance and IR
Tel.: +7 (495) 662-88-88 ext. 27-300
e-mail: Natalia.Zagvozdina@x5.ru

Andrey Vasin

Head of Investor Relations
Tel.: +7 (495) 662-88-88 ext. 13-151
e-mail: Andrey.Vasin@x5.ru