

X5 RETAIL GROUP REPORTS APRIL 2020 ONLINE SALES

Amsterdam, 6 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 that in April 2020, online sales through Perekrestok.ru and Delivery.Pyaterochka amounted to RUB 1.7 billion (incl. VAT), which represents a year-on-year increase of 4.7 times¹. According to Company estimates, this result makes X5 Retail Group the #1 player in online grocery delivery in Russia. 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.

X5 was able to take the lead in Russia's online grocery delivery segment in April thanks to the efficient operating models of its two online platforms, investments in digitalisation over the last years, its long-term strategy to develop digital services, its strong team, and its ability to leverage its position as Russia's largest food retailer to achieve favourable procurement conditions.

X5 expects online grocery sales in Russia to grow further and the Company plans to continue to increase its market share in 2020 and beyond.

X5 CEO Igor Shekhterman said:

"During the quarantine designed to combat the spread of the COVID-19 virus in Russia and introduced for the period from March 21 to on May 11, our consumers more than ever need safe ways to get food to feed their households without having to visit a store. In the largest cities where we operate, we at X5 have been able to offer our fellow citizens two convenient ways to meet this demand: first by stocking up via our online supermarket (in Moscow, the Moscow region and St Petersburg), which offers a wide assortment of food, household goods, personal hygiene products, children's goods and pet supplies; second with express delivery from a nearby Pyaterochka store (176 outlets in Moscow and Kazan), with deliveries completed in 1.5-2 hours based on the assortment of our standard proximity store. In April, the total number of orders delivered through both online platforms amounted to more than 520,000, of which 262 thousand orders were handled by Perekrestok.ru and 259 thousand orders went through express delivery. The average check in our online supermarket, where customers can choose from over 27,000 SKUs (67% of the assortment consists of food products), was RUB 4,537. In express delivery the average check was RUB 2,006, and customers can choose from 4,000 Pyaterochka SKUs. Most Perekrestok.ru operations reached a positive unit economics in March and April.

"With motivated and highly qualified management teams in each of our online businesses, X5 is confidently gaining momentum as one of Russia's e-commerce leaders. We attribute our current success not only to the quarantine situation caused by the coronavirus, when home consumption of food and consumer goods has increased significantly, but also to rapidly changing consumer preferences that X5 is adapting to, in line with our mission and strategy."

¹ In April 2019, the Perekrestok.ru online supermarket was X5's only online sales channel. X5 express delivery was launched in December 2019.

Since 2017, X5 Retail Group has been investing in building out infrastructure for its online platforms, including the commissioning of four dark stores², a fleet of 283 delivery trucks, as well as the IT infrastructure and user interfaces for online operations. During the COVID-19 pandemic, this investment has once again proven its strategic value, while the solutions that management chose to implement in order to develop X5's online sales channels have demonstrated excellent scalability. In particular, the launch of the fourth dark store (Vidnoye, Moscow region) will enable X5 to increase the number of orders handled by Perekrestok.ru in Moscow and the Moscow region by 40% at full capacity (up to 10,000 orders during the lockdown period due to large order sizes; up to 15,000 orders under normal circumstances). In just three months, X5's express delivery offering was ramped up in Moscow to become available to 100% of the city's households within the Moscow Ring Road as early as April. This service will be scaled up just as quickly in St Petersburg and five or six other major Russian cities by the end of 2020, covering over 500 stores.

X5 Retail Group's plans for 2020 include launching Perekrestok.ru in Nizhny Novgorod in the summer, based on an innovative solution of transforming a former Karusel hypermarket into a dark store. This will be Russia's first full-fledged online food retail platform boasting a wide product range, including fresh produce, offered in regional markets outside Moscow and St Petersburg. By the end of 2020, X5 plans to scale up its express delivery service while continuing to refine the efficiency of business processes in order to increase market share in this segment and to achieve break-even sooner. In addition, X5 plans to launch express delivery from Perekrestok stores using the new Perekrestok.Bystro mobile app.

In order to provide more information about online sales performance and to answer questions from the investment community, X5 Retail Group will hold a conference call for analysts and investors on 20 May 2020, on which the heads of the Company's online businesses, the Chief Financial Officer and the Director of Strategy will provide additional details. An invitation to the call will be distributed separately.

² A dark store is essentially a warehouse located in or close to a city.

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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