

X5 AND OZON TO INSTALL OVER 4,000 PARCEL LOCKERS AND PICK-UP POINTS IN PYATEROCHKA STORES

Moscow, 29 April 2019 – X5 Retail Group, a leading Russian food retailer, has entered into a strategic partnership agreement with OZON, one of Russia's largest e-commerce businesses, to open 2,000 pick-up points and about 2,000 parcel lockers in Pyaterochka stores across the majority of regions where the format operates by the end of 2020.

The arrangement will also enable customers to pick up OZON orders at Pyaterochka checkout counters as well as at the parcel lockers and pick-up points of X5 OMNI's partners. X5 OMNI is a subsidiary of X5, and its logistics capacities will be used to deliver OZON packages to stores.

Pyaterochka General Director Sergei Goncharov said: *"Cooperation with OZON is an important step in developing our omni-channel platform and new services for our customers, who are increasingly looking for a convenient digital experience and time-saving solutions. In addition, partnering with one of Russia's e-commerce leaders will help us to expand our proposition and offer additional services at our stores."*

X5 Retail Group Director for Strategic Business Development Igor Pletnev said: *"X5 OMNI plans to deliver OZON parcels to Pyaterochka stores and to enable collection of parcels from other companies with OZON lockers and pick-up points. OZON, in turn, will be able to deliver goods via Pyaterochka checkout counters, as well as parcel lockers and pick-up points at X5 OMNI and its partners. We hope that as soon as next year any visitor to a Pyaterochka store will be able to collect orders from any online store as part of their grocery shopping."*

OZON CEO Alexander Shulgin said: *"In 2018, OZON's revenue grew by 73% year-on-year, which is nearly four times faster than the market, and with no signs of slowing down in 2019. The launch of the Ozon.Premium subscription, combined with rapid expansion of our assortment by connecting more than 3,500 third-party sellers to the marketplace, is driving further growth in orders, which in turn requires rapid expansion of delivery channels. The partnership with X5 enables us to promptly double our network of pick-up points and to use locations that are convenient and familiar to customers. "*

Currently about 70% of OZON orders are delivered through pick-up points and parcel lockers, and we operate about 5,500 parcel delivery points. The partnership with X5 OMNI will enable us to more than double our delivery network, and to gain more leverage at locations that are popular among shoppers and are part of their everyday routines. Customers can pick up orders and obtain other useful products such as Ozon.Card cards at the pick-up points. New pick-up points will also operate as collection points for goods from the third-party sellers, thus providing more shipment opportunities for suppliers across Russia.

X5 OMNI is a subsidiary of X5 Retail Group created to develop parcel delivery services in Pyaterochka, Perekrestok and Karusel stores. Over 2,200 parcel lockers have already been installed in X5 stores, with over 800,000 parcels collected. In April 2019, X5 completed the development of its cutting-edge digital platform with the capacity to process up to one million parcels a day. X5 OMNI sorting centres have already been launched at Pyaterochka's distribution centres in Vorsino and Podolsk. Nine more sorting centres are planned to be opened by year-end to reach the target of 500,000 parcels per day.

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%.

OZON is one of Russia’s leading e-commerce platforms, ranked fourth by revenue in the E-Commerce Index Top 100 for 2018 and among the top five most valuable Russian internet companies for 2018, according to Forbes. Founded in 1998, OZON currently offers customers more than 1.5 million SKUs across 24 categories. OZON’s delivery network consists of 3,000 pick-up points and more than 2,500 parcel lockers in 6,500 cities and localities. As of the end of 2018, OZON operated a total of more than 100,000 sq m of fulfilment infrastructure, including its flagship distribution centre in Tver and fulfilment and sorting centres in the regions.

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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