

## OZON AND X5 EXPAND COOPERATION

**Moscow, 14 June 2019** – OZON and X5 Retail Group signed another agreement to expand their strategic partnership. The deal will see OZON place 2,000 more parcel lockers in Pyaterochka stores by the end of 2020 across the majority of regions where the format operates. By teaming up with X5 OMNI, the online retailer will be able to open a total of some 6,000 pick-up locations in the next 18 months.

X5 Retail Group and OZON agreed to join forces in April. The original target was to place 2,000 parcel lockers and 2,000 pick-up points in Pyaterochka stores by the end of 2020 and use X5 OMNI's logistics to deliver orders from the e-commerce giant.

Over the 1.5 months since partnering up with X5 Retail Group, OZON has already launched more than 500 lockers now enjoying better-than-expected demand as customers seek to pick up orders in convenient locations on their usual daily routes. The company's decision to scale up the delivery channel was prompted by this performance.

Currently, OZON installs an average of some 10 lockers and selects four Pyaterochka locations per day to establish its pick-up points as part of the partnership with X5 Retail Group. Today, the Pyaterochka store at 14B Botanicheskaya St. (Moscow) held an opening ceremony for the first pick-up point with a total floor area of around 50 sq m where online customers can receive their purchases, try on clothes and footwear or get an Ozon.Card for their banking needs.

Alexander Shulgin, CEO of OZON: *"In e-commerce, smooth and efficient logistics is key to success. A convenient and easily accessible pick-up network is what it's all about to customers. Over the past year, parcel lockers' share as a channel for our delivery operations has grown sixfold and already exceeds 20% in many cities. As automated pick-up points gained traction, we and our partners at X5 decided that we can open 1.5 times more parcel lockers in the same period. I am sure that this mutual opportunity to accelerate growth will help make our service even more popular among customers."*

Sergei Goncharov, General Director of Pyaterochka: *"We are very satisfied with the way we are implanting our agreement. High demand for pick-up services in our stores, accelerated parcel locker installation and efficient cooperation of our teams prompted both sides to expand our cooperation. We also plan a pilot initiative in 300 Pyaterochka stores in July to credit additional bonus points to the Vyruchai-Karta loyalty cards of those customers who will pick up orders from OZON at the stores' checkout counters."*

Igor Pletnev, Director for Strategic Business Development at X5 Retail Group: *"Our partnership with OZON is an important milestone in developing the technological platform of X5 OMNI postal services. OZON is investing in the network of pick-up points in Pyaterochka stores, while X5 OMNI delivers orders from OZON to the stores and gives them out to customers at Pyaterochka checkout counters in the locations where they have no pick-up points of their own. The key value of the agreement is that it creates an unparalleled network of 2,000 pick-up points with fitting rooms and lays the ground for the delivery of clothing, a very important product category for e-commerce."*

X5 OMNI seeks to build a nationwide package delivery network by leveraging the potential of Pyaterochka, Perekrestok and Karusel retail stores and its own logistics capabilities. Some 2,500 stores already have parcel lockers and pick-up points with about 7,000 parcels received on a daily basis. Since its launch, the postal services platform has delivered over 1.1 million parcels. One of its key objectives is to employ X5's extensive logistics infrastructure for deliveries from small-scale regional producers and online stores. Local businesses will be able to send orders to customers in the nearest X5 store. By the end of 2020, parcel delivery services will be available at most of the X5 stores.

**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%.

**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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