

X5 AND UNITRADE DEVELOP END-TO-END SERVICE FOR FOREIGN ONLINE STORES

Moscow, 17 June 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces a partnership between X5 subsidiary OMNI and the customs broker Unitrade. Under the partnership agreement, the parties will jointly provide transportation, customs clearance and delivery services to international online stores and marketplaces.

Unitrade is a private company that has the right to simplified customs declaration of express cargo for personal use. This will cut the time required for customs clearance of goods shipped from online stores that partner with the company. X5, in turn, will transport goods from customs to consumers via its existing DC infrastructure.

Artem Kholin, Logistics and Operations Director at X5 OMNI, commented: “Unitrade has extensive experience with customs clearance for online orders, especially from China, and a long track record of working with leading international online stores and marketplaces. We agreed to develop a turnkey transportation service for the Chinese market, whereby we collect online orders in China, bring them to Russia, complete customs clearance, transfer the goods to X5’s DC in Novosibirsk and then deliver the orders to our shops using the X5 logistics chain. Customers can receive their orders at parcel lockers, pick-up points or checkout counters in our stores.”

Kirill Durnov, CEO at Unitrade, said: “Our foreign partners have expressed strong interest in a comprehensive solution for the delivery of orders from a warehouse in China to the end customer. Cooperation with X5 will enable us to provide this end-to-end service. The X5 OMNI technology platform facilitates smooth IT integration with any foreign partner. The option to pick up online orders in our stores is a major competitive advantage of our turnkey service, as it is time-saving for our customers. They can pick up their online orders while buying groceries.”

Igor Pletnev, Director for Strategic Business Development at X5 Retail Group, said: “Over 1 million parcels reach Russia from abroad every day, and the majority of them are online orders from various international marketplaces. The key objective of the X5 OMNI technology platform is to make the Pyaterochka, Perekrestok and Karusel stores the most convenient parcel pickup locations for our guests. In cooperation with Unitrade, we will be able to offer an end-to-end logistics solution to international e-commerce majors. By also offering promotions as part of our formats’ loyalty programmes, we offer the opportunity to help strengthen the positions of market leaders or to the increase market shares of companies that are less known in the Russian market.

X5 OMNI seeks to build a nationwide package delivery network by leveraging the potential of X5’s network of retail stores and logistics capabilities. Some 2,500 stores have already been equipped with parcel lockers and pick-up points, with about 7,000 parcels received on a daily basis. By the end of 2020, parcel delivery services will be available at most of X5’s 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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