

X5 OPENS NEW LOGISTICS CENTRE IN RUSSIA'S NORTH-WEST

Velikiy Novgorod, 18 July 2019 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), announces the development of its logistics infrastructure in the Northwestern Federal District and the opening of a Pyaterochka distribution centre (DC) in Velikiy Novgorod*.

The opening ceremony was attended by Deputy Prime Minister of the Novgorod region Evgeny Bogdanov, Pyaterochka General Director Sergei Goncharov, as well as local suppliers and manufacturers.

With a total area around 20,000 sq m, the Velikiy Novgorod Distribution Centre will service Pyaterochka stores in the Novgorod, Tver and Pskov regions. This is X5’s fifth DC in the Northwestern Federal District. Featuring four separate temperature zones, the centre is designed to store dry goods and alcoholic beverages, fresh products, and fruits and vegetables.

The advanced logistics facility will contribute to lowering transportation costs, while also unlocking new benefits for local producers. The Velikiy Novgorod DC will be the focal point for local suppliers, facilitating opportunities to grow their sales and bring their products to other regions. At full capacity, the centre will be able to handle products from 400 plus suppliers. This is expected to increase the share of producers from the Novgorod region, which currently stands at more than 16%. Today, X5 is working with 37 local suppliers, of which 12 were added to the supplier list in 2018.

The seamless operation of the DC is currently supported by some 250 employees. Pyaterochka has generated upwards of 1,400 jobs in the Novgorod Region across its facilities and over 100 stores, more than 34 of which are located in Velikiy Novgorod.

*- The technical launch of the Veliky Novgorod DC was held in May.

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 30 June 2019, X5 had 15,260 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 14,385 Pyaterochka proximity stores, 785 Perekrestok supermarkets and 90 Karusel hypermarkets. The Company operates 42 DCs and 3,952 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 – 0.08%, treasury shares – 0.01%, 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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