

X5'S BIG DATA TEAM LAUNCHES DATA SEGMENTATION PRODUCT FOR TARGETED ADVERTISING

Moscow, 06 November 2019 – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), has become the first retailer to automate access to data segments for its clients and partners. The solution was developed in house by X5's Big Data team and makes it possible to use accumulated purchase history data for targeted digital advertising.

The service's user-friendly interface will enable clients and partners to design segments of any complexity depending on the frequency of brand purchases across more than 1,300 product categories and a number of other parameters, while launching advertising campaigns on Mail.ru, VKontakte, Yandex, Facebook, Instagram and GPMD inventories. Each campaign will provide customers with advanced sales-lift analytics for each of the segments, including on how the campaign overall or separate creative assets impact sales.

The methodology is based on comparing the purchasing activity of test and control groups exposed and not exposed to advertising as a way to assess sales growth. In order to maximise accuracy, the analysis aims to remove the impact of seasonal factors, promotions, competitors' activity, etc., thus providing for statistically valid conclusions on the impact of creative ideas and the frequency, offer or format of advertising.

The product is already in use by major advertising agencies.

"The new targeting service designed by X5's Big Data team is our response to the market's need for transparent and measurable returns on advertising investments. We focus on analytical products and services that help our customers streamline their processes and support management decision-making with superior analytics," said Dmitry Prusov, Head of Big Data Product Development at X5 Retail Group.

The next version of the product will deliver mixed targeting (social and demographic, along with purchase history) and segmentation based on brand or category preferences, making it easy for customers to show ads with the highest probability of purchase during the advertising campaign. The available inventory will be expanded after analysing similar data sets on the results of the customers' in-store video and audio ads. Plans for 2020 include broadening the product portfolio and offering new opportunities for using X5's big data.

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 September 2019, X5 had 15,752 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 14,850 Pyaterochka proximity stores, 811 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 43 DCs and 4,029 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 9M 2019, revenue totalled RUB 1,265,130 mln (USD 19,440 mln), adjusted EBITDA reached RUB 95,975 mln (USD 1,475 mln), and net profit amounted to RUB 25,043 mln (USD 385 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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