

## **X5 SUPERVISORY BOARD APPROVES SUSTAINABLE DEVELOPMENT STRATEGY**

**Amsterdam, 20 December 2019** – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), today announces that its Supervisory Board has approved a sustainable development strategy as part of its overall business strategy.

The sustainable development strategy is based on the four Sustainable Development Goals (SDGs)<sup>1</sup> through which the Company can make the most significant impact:

- End hunger, achieve food security and improved nutrition;
- Ensure healthy lives and promote well-being for all at all ages;
- Promote sustainable economic growth and decent work for all;
- Ensure sustainable consumption and production patterns.

In line with these SDGs, the Company defined the following sustainability goals as part of its long-term strategy:

- Support local communities through increased social investments and charitable programmes;
- Ensure the availability of a wide selection of quality and healthy products to promote healthy lifestyles;
- Ensure decent working conditions and equal opportunities for all employees;
- Promote responsible consumption and use of resources.

X5 is developing programmes that will be underpinned by performance metrics and KPIs in each of these areas, as well as policies and performance standards that will be further integrated into X5's business processes. Further details will be shared with all relevant stakeholders over the course of 2020.

Chairman of the Supervisory Board Stephan DuCharme said: *"Caring for our customers and employees, as well as the world around us and being a part of the global sustainable development agenda is becoming one of our top priorities alongside X5's business and financial goals. We strongly believe this is our responsibility as a company, and that it will make a significant contribution to X5's long-term value creation. The Supervisory Board fully supports this approach and the work that X5's management is doing in this area."*

CEO Igor Shekhterman said: *"Our business impacts a huge number of stakeholders, whether customers, employees, suppliers or shareholders. Every day nearly 15 million people visit more than 15,700 stores located in over 3,000 cities that we operate in. A strategic approach to sustainable development with clearly defined goals will enable us not only to scale up our existing social and environmental projects, but also to make sustainable development priorities an integral part of the daily activities of the whole Company."*

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<sup>1</sup> 17 Sustainable Development Goals through 2030 adopted by the United Nations in September 2015.

**Note to Editors:**

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – 'BB+', Moody's – 'Ba1', S&P – 'BB', Expert RA – '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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