

PEREKRESTOK STORES IN CENTRAL RUSSIA TO USE RECYCLED PLASTIC BRANDED BAGS

Moscow, 22 April 2020 – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer that operates the Pyaterochka, Perekrestok, and Karusel retail chains (LSE and MOEX ticker: "FIVE"), announces that Perekrestok supermarkets in the Central Federal District are moving to more eco-friendly branded grocery bags with 35 percent recycled plastic content.

In May 2020, 496 Perekrestok supermarkets in the Central Federal District, which represent about 70 percent of the total store count, will offer grocery bags with one-third recycled content. The decision was made following a pilot project in four supermarkets in Moscow. The pilot project was carried out in cooperation with EcoTechnology Group, Russia's largest plastic packaging recycler, and Tver Pak, a packaging manufacturer. Grocery bags with high recycled plastic content were successfully field-tested and their durability and quality are on a par with conventional plastic bags.

To ensure this transition of supermarkets in Central Russia to bags with 35 percent recycled content, Perekrestok adjusted its business requirements for bags suppliers, making high recycled content a prerequisite. Grocery bags are made from granules containing recycled plastic waste from the retailer as well as household plastic waste. Polyethylene recycling includes sorting, crushing, thorough washing, and high-temperature treatment, which guarantees that the end material is of high quality and completely safe. Going forward, Perekrestok plans for its stores in all regions to use bags with high recycled content.

The requirement for manufacturers to use recycled materials in the production of plastic bags is yet another step for the company to developing the circular economy. X5 strives to recycle as much waste as possible and reduce what is sent to landfills. In the meantime, the company focuses on promoting reusable packaging and incentivising its customers to be responsible consumers.

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 2020, X5 had 16,658 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 15,739 Pyaterochka proximity stores, 846 Perekrestok supermarkets and 73 Karusel hypermarkets. The Company operates 42 DCs and 4,098 Company-owned trucks across the Russian Federation.

For the full year 2019, revenue totalled RUB 1,734,347 mln (USD 26,791 mln), Adjusted EBITDA under IAS 17 reached RUB 127,380 mln (USD 1,968 mln), and net profit under IAS 17 for the period amounted to RUB 25,908 mln (USD 400 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 – 0.02%, Shareholders with less than 3% – 40.61%.

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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