

5POST EXPANDS DELIVERY NETWORK TO 9,500 LOCATIONS

Moscow, 23 June 2020 – 5Post, an X5 Retail Group subsidiary created to develop new parcel delivery services, announces the expansion of the geography of its Pyaterochka store delivery services. In June, two distribution centres were added to the logistics network, helping to bring the total number of pick-up locations to 9,500.

The new round of expansion will see more than 100 new cities and towns covered by the 5Post delivery service in June, including Chelyabinsk, Magnitogorsk, Troitsk, Samara, Togliatti and others. Customers can now collect orders and parcels at 9,500 parcel lockers and pick-up points in 65 Russian regions. In June, 5Post started working with distribution centres in Chelyabinsk and Samara, with the total number of warehouses increased to 14.

Over the past few months, the list of 5Post partners has grown to include Joom, MyShop, Oriflame, M.Video-Eldorado Group, DNS, Eksmo, Prosvescheniye, Chitai-Gorod, and Labirint. A new accelerated procedure was rolled out to connect new online stores in just one day, providing small and medium-sized businesses with access to 5Post's extensive logistics infrastructure. The COVID-19 pandemic has caused certain changes in consumer patterns: while there has been an apparent rise in demand for courier delivery as people prefer to stay home, the option to pick up online orders from the nearest store saw no decline in popularity. As a result, 5Post became the only delivery company to keep all its pick-up points open throughout the lockdown.

"We are expanding the delivery coverage of 5Post in line with our strategy to meet customer demand and make the service available at every X5 store. This year we plan to continue adding new distribution centres and more pick-up locations to improve the customer experience and the availability of 5Post. This involves building new digital capabilities to track orders, automating and optimising the delivery process, and further developing our proprietary IT system to support growth and efficiency improvements. Another focus area will be expanding our list of partners," said Vitaly Dyrdasov, 5Post Managing Director.

5Post is a delivery service for non-food online stores that relies on the X5 logistics infrastructure and stores. The target audience is people looking for a convenient shopping experience and access to additional services within the store. 5Post benefits from shared logistics with X5 and existing routes and schedules of the Company's own fleet. This model helps reduce vehicle emissions and use resources in a more sustainable and efficient way.

As part of its agreement with partners, 5Post delivers orders from distribution centres to pick-up locations, enables collection from parcel lockers and at checkout counters in Pyaterochka stores, notifies the customer via text messages and email, keeps the parcel in the locker for seven days, accepts orders from the warehouse of the online store, and provides insurance coverage for the parcels. In July, new partners connecting to 5Post will enjoy a 30% discount on rates for a period of three months.

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). In Q1 2020, revenue totalled RUB 468,994 mln (USD 7,065 mln), adjusted EBITDA reached RUB 32,980 mln (USD 497 mln), and net profit amounted to RUB 8,175 mln (USD 123 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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