

X5 LAUNCHES OPERATIONS IN KALININGRAD

Moscow, 26 June 2020 – X5 Retail Group N.V. (“X5” or the “Company”), a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Karusel chains (LSE and MOEX ticker: “FIVE”), announces that it has opened its first stores in the Kaliningrad region, making it the 66th region of Russia where the Company operates.

The first three stores were opened in the Kaliningrad metropolitan area and two were opened in Zelenogradsk and Chernyakhovsk. The total combined area of the five new stores is over three thousand square metres. Their assortment ranges from 4,700 to 5,800 SKUs, including locally produced brands such as Baltptitseprom, Za Rodinu, Green Line, MK Baltika and others. Around 40% of the total assortment is locally produced. This includes 60% of the “fresh” category, and nearly 100% of fruits and vegetables. The new stores employ over 90 people.

All the new stores have been opened under the new Pyaterochka concept and they highlight fresh products: the “Fresh” category accounts for nearly half of the sales floor, while vegetables, fruits and other short shelf life foods are displayed at the Fresh Arena. Customers can choose from a wide selection of food-to-go and ready-to-eat, including the locally produced Naturovo brand. The in-store bakery in the centre of the sales floor produces 100 varieties of freshly baked bread and pastries every day. Next to the fresh bread area there is a coffee zone that also offers freshly squeezed orange juice, where guests can stop for a snack and charge gadgets. The sales floor layout and navigation accommodate the main needs of the store guests and their purchasing missions in a most convenient way. For example, to quickly buy fresh or ready-to-eat food there is no need to wander through the entire sales floor as these categories are displayed at the entrance. On the other hand, stocked-up staples are located along the sales floor perimeter according to the adjacency principle. There is also a “seasonal zone” in the stores with the season or holiday theme assortment rotated every two weeks.

“Over 13 million Russians already trust us when they come to Pyaterochka stores daily. Our mission is to deepen our guests’ trust by offering them fresh and high-quality products at low prices, continuously improving our services, becoming a leader in convenience and caring at low prices, continuously improving our services, becoming a leader in both convenience and community care. Now people in Kaliningrad can also appreciate all these benefits. We started to proactively work with local producers, and thanks to their direct deliveries to our stores we offer our guests great tasting, fresh and high-quality foods,” said Sergey Goncharov, General Director of Pyaterochka.

X5 currently plans to open 10 more stores in the region by the end of the year, which will create about 210 new jobs for the region residents.

The new store locations are:

- Kaliningrad, Starshiny Dadaeva Str, 62;
- Kaliningrad, Moskovsky Prospect, 257;
- Kaliningrad, Dzerzhinskogo Str, 166a;
- Zelenogradsk, Moskovskaya Str, 68;
- Chernyakhovsk, Sportivnaya Str, 1.

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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