

## **X5 LAUNCHES NEW EXPRESS DELIVERY SERVICE "OKOLO"**

**Moscow, 7 July 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 its new express delivery service Okolo and a unified technology platform for hyperlocal express deliveries from X5 stores.

Launched in 2019, express delivery from Pyaterochka and Perekrestok has been one of the most popular choices for online food shopping. Today, express delivery is available from 439 X5 stores located in Russia's five largest cities. The unified technology platform Okolo will create operational synergies for X5's delivery services Pyaterochka Dostavka and Perekrestok.Bystro, helping to improve business processes, standardise service quality and unlock new opportunities for growth and promotion. Customers will continue using the Pyaterochka Dostavka and Perekrestok.Bystro apps to make purchases, while deliveries will be handled by Okolo. The operating model of the service relies on partnerships with local small businesses offering express delivery in cities across Russia, particularly in the food and ready-to-eat segments, which will deliver orders for X5. All partner couriers will wear Okolo-branded uniforms.

At the first stage, the technology platform and the Okolo service will focus on delivering orders from X5 stores; at later stages the service will be offered to other food market players.

The name Okolo (Nearby) conveys the idea of "familiar proximity delivery within your neighbourhood", or a hyperlocal service that encourages a feeling of involvement in local community life. The first stage of the pilot project has seen 50% of Pyaterochka Dostavka and Perekrestok.Bystro couriers in Moscow, St Petersburg, Kazan, Krasnodar and Rostov-on-Don wearing the Okolo uniform. Contact with couriers takes place via a unified mobile app that they can use to accept delivery requests, update order status and itineraries.

*"As the express delivery industry rapidly develops, we are looking for innovative approaches to doing business that will be welcomed by our customers in the context of the COVID-19 pandemic. By simplifying procedures and accelerating decision-making processes, the Company has created an environment conducive to internal start-up projects. The pandemic gave a new impetus to the rapid evolution of digital services and the customer experience. The booming interest in X5's online services witnessed in March, April and May 2020 led us to the decision to create a single technology platform to power express deliveries across our formats. We wanted this platform to stand out in the market and reflect our customer engagement strategy. Okolo will help us embrace a single express delivery positioning and management system and unlock new potential in developing X5's online channels,"* said Igor Shekhterman, CEO of X5 Retail Group.

Earlier, X5 reported an increase in its online sales in May 2020. Aggregate revenue from Perekrestok.ru and the express delivery services of Pyaterochka and Perekrestok for the period stood at RUB 2.37 billion (including VAT), of which RUB 1.7 billion was generated by Perekrestok.ru and RUB 673 million by the express delivery services. April saw a 40% month-on-month surge in revenue (to RUB 1.7 billion), with sales up by 41% through Perekrestok.ru and by 34.6% through Pyaterochka and Perekrestok express delivery services. In May, over 714,000 orders were delivered by all of X5's online platforms, including 350,000 orders via Perekrestok.ru and 364,000 orders via express delivery services. The average ticket was RUB 4,813 for purchases via Perekrestok.ru and RUB 1,849 for purchases with express delivery from proximity



# X5 RETAIL GROUP

stores and supermarkets. Currently, Perekrestok.ru and the express delivery services deliver around 11,000 and 11,500 orders a day, respectively.

X5 expects online grocery sales in Russia to grow further and the Company plans to continue to increase its market share in 2020 and beyond.

**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).*

---

**For further details please contact:****Natalia Zagvozdina**

Head of Corporate Finance and IR  
Tel.: +7 (495) 662-88-88 ext. 27-300  
e-mail: [Natalia.Zagvozdina@x5.ru](mailto:Natalia.Zagvozdina@x5.ru)

**Andrey Vasin**

Head of Investor Relations  
Tel.: +7 (495) 662-88-88 ext. 13-151  
e-mail: [Andrey.Vasin@x5.ru](mailto:Andrey.Vasin@x5.ru)