

5POST CREATES ITS OWN NETWORK OF PICK-UP POINTS

Moscow, 20 July 2020 – 5Post, an X5 Retail Group subsidiary created to develop new parcel delivery services, has announced the launch of its own parcel pick-up points. The service will offer customers a number of additional benefits, including try-before-buy experience, partial returns, check-on-delivery, a simplified returns procedure and delivery of non-standard size and extra-large products. The pick-up points will be installed at Pyaterochka stores.

The project has already opened five pilot pick-up points in Moscow and the Moscow region, with 45 more pilot points slated for opening in St Petersburg, Nizhny Novgorod, Yekaterinburg and other cities with populations over one million by the end of the year. These shop-in-shop pick-up points are located inside stores and consist of a customer service area and a warehouse zone. During the first stage, 5Post's pick-up points will only offer orders placed through OZON.

5Post's multi-service model, encompassing all key parcel pick-up formats, will help meet basic customer requirements, offer a greater array of tools for partners and facilitate access to new market segments. This model will be key to expanding the range of pick-up services provided at Pyaterochka stores and improving the quality of dealing with rapidly growing traffic. The pick-up points will also contribute to a greater throughput for order collection at checkout counters and parcel lockers in Pyaterochka stores.

"The Click & Collect segment is leading the charge in continued global online delivery market growth. Customers appreciate this service because the parcel can be picked up at a convenient time and there is no need to wait for a courier, as well as the low cost of the service and the proximity format. This has fuelled a rapid expansion of pick-up points and lockers and sparked increased customer interest. The enhancement of 5Post's existing infrastructure with a new network of pick-up points will help 5Post make its services more attractive and increase the volume and range of products available for sale. This is fully in line with our strategy of catering to the needs of consumers and making them discover new aspects of last mile services," said Vitaly Dyrdasov, managing director at 5Post.

5Post is a delivery service for non-food online stores that leverages X5's network of stores and its logistics infrastructure. It is geared towards people looking for a convenient shopping experience and additional in-store services. 5Post benefits from shared logistics with X5, including the use of existing routes and schedules of the Company's corporate fleet. This model helps reduce overall emissions and to use resources in a more sustainable and efficient way.

5Post teams up with some of the biggest online marketplaces, such as Beru.ru, AliExpress, Ozon, Joom, etc., and intends to further expand its list of partners, including online bookstores and gift shops. 5Post uses its own logistics solution involving 14 sorting centres to transport merchandise.

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 30 June 2020, X5 had 17,025 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 16,096 Pyaterochka proximity stores, 867 Perekrestok supermarkets and 62 Karusel hypermarkets. The Company operates 42 DCs and 4,083 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 – 0.09%, treasury shares – 0.01%, 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

Andrey Vasin

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