

X5 INCLUDES SUSTAINABILITY PRINCIPLES IN ITS SUPPLIER POLICY

Moscow, 20 August 2020 – X5 Group, a leading Russian food retailer, is introducing its Supplier Policy updated in line with sustainable development principles. The Company applies the same principles to its internal processes and business units.

Late last year, X5 Retail Group adopted long-term sustainable development goals and a sustainability strategy. This way the Company aims to contribute to achieving the global goals of ending hunger, ensuring decent working conditions, supporting a healthy lifestyle, and promoting responsible consumption and use of resources. Sustainable development goals are integrated into X5's 2023 business strategy.

The updated Supplier Policy is designed, inter alia, to achieve one of the four goals set forth in X5's sustainable development strategy – "Promoting responsible consumption and use of resources", which is the basis for the Company's responsible procurement system. Among other things, the Policy includes Sustainability Recommendations for Suppliers recently developed by X5. Both documents were reviewed by Russia's Federal Antimonopoly Service.

The Recommendations are not mandatory, but the Company will consider it as a strong advantage if products or practices of potential suppliers meet them when a decision on partnership is made. X5 plans to develop its own internal sustainability framework and promote sustainable practices among its suppliers. As one example, the Company developed an information material for its partners that includes a general overview of sustainability, an introduction to X5's strategic goals in this area, its programmes and recommendations, and examples of potential partnerships aligned with the Company's strategy.

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 mn (USD 26,791 mn), Adjusted EBITDA under IAS 17 reached RUB 127,380 mn (USD 1,968 mn), and net profit under IAS 17 for the period amounted to RUB 25,908 mn (USD 400 mn). In H1 2020, revenue totalled RUB 962,625 mn (USD 13,876 mn), adjusted EBITDA reached RUB 74,834 mn (USD 1,079 mn), and net profit amounted to RUB 24,450 mn (USD 352 mn).

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