

X5 RETAIL GROUP IDENTIFIES PRIORITIES FOR SUSTAINABILITY STAKEHOLDERS

Moscow, 8 February 2021 — X5 Retail Group, a leading Russian food retailer operating the Pyaterochka, Perekrestok, and Karusel chains, has undertaken a stakeholder survey in the run-up to the publication of its first GRI (Global Reporting Initiative) compliant sustainability report to identify the Group's priorities in the realm of sustainable development. The survey covered nearly 3,000 employees, more than 800 suppliers and partners, 24 public officials and representatives of other X5 target audiences.

The participants listed sustainable packaging, product quality and availability, general waste management and plastic recycling, employee welfare, fair working conditions and food waste management as the key focus areas. Moreover, the respondents put a heavy emphasis on the trend towards healthy eating, assessment of the Company's impact on the urban environment, and the roll-out of socially responsible loyalty programmes.

X5's employees also stressed the importance of switching to zero waste production, while the Company's partners suggested shifting the focus towards the protection of plants and animals in the immediate vicinity of production sites and workplaces. Investors who participated pointed to the long-term benefits of product labels showing information about associated GHG emissions and per unit water consumption.

"In our operations, we focus not only on our strategic goals, but also on the opinions of our employees, partners, investors and the broader society. The survey results showed that X5's sustainability goals are in line with stakeholder priorities. Furthermore, the survey helped identify new opportunities for growth, as well as new ideas and initiatives with potential for future development. We will continue to increase our efforts to achieve these goals," said Yana Synesiou, Sustainability Director at X5 Retail Group.

X5 Retail Group adopted a sustainable development strategy in December 2019, using the 17 Sustainable Development Goals of the UN 2030 Agenda as a framework. While the strategy indirectly contributes to a number of the goals, the Company has chosen to focus on the four where it can have the greatest impact: promoting a healthy lifestyle and the availability of quality and wholesome foods, advancing responsible consumption and use of resources, supporting local communities through the development of social investments and charity, and ensuring decent working conditions and equal opportunities for employees.

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 proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Karusel hypermarkets. X5 is also an e-commerce leader in Russia with digital businesses that include Perekrestok Vprok, 5Post, express delivery services, and the Okolo aggregator.

As of 31 December 2020, X5 had 17,707 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 16,709 Pyaterochka proximity stores, 933 Perekrestok supermarkets and 56 Karusel hypermarkets. The Company operates 45 DCs and 4,055 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 339 thousand people.

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 9M 2020, revenue totalled RUB 1,449,266 mn (USD 20,476 mn), adjusted EBITDA reached RUB 114,044 mn (USD 1,611 mn), and net profit amounted to RUB 36,399 mn (USD 514 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).

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