

X5 PARTNERS WITH OVER 1,300 NEW RUSSIAN SUPPLIERS IN 2020

Moscow, 15 February 2021 – X5 Retail Group, a leading Russian food retailer that operates the Pyaterochka, Perekrestok and Karusel retail chains, continued to expand its offering by securing new partnerships with 1,313 Russian suppliers in 2020. Among these, 189 are sole proprietors and small and medium-sized enterprises (SMEs). Today, X5 offers goods from 5,152 suppliers, including 376 sole proprietors.

Last year, X5 secured a significant portion of its new partnerships in Russia's Central Federal District (545 suppliers, including 34 sole proprietors). The majority of new suppliers from this geography were from Moscow and the Moscow region, accounting for 319 and 80 new partnerships, respectively. Another important source of partnerships was the Voronezh region, bringing X5 23 new contracts. In the Northwestern Federal District, the Company gained 214 new suppliers – including 28 sole proprietors – most of whom (99) are registered in St Petersburg. The Kaliningrad region, a new market for X5, demonstrated robust activity and brought in 54 new partners. X5 gained an additional 19 suppliers in the northern region of Karelia.

The largest number of X5's new partnerships with sole proprietors came from the Volga Federal District, with 41 new partnerships. The total number of new partnerships here reached 183. Most of the new suppliers from the district are registered in Tatarstan (26), Udmurtia (23), and Bashkortostan (21). The Siberian Federal District was another major contributor, bringing in 30 new sole proprietors. The Group's retail chains now offer goods from 146 new suppliers from Siberia and the Far East (46 from the Novosibirsk region, 24 from the Tomsk region and 20 from the Omsk region). These numbers are slightly lower in the Southern Federal District where X5 gained 111 new partners, including 28 sole proprietors.

In the Russian south, the majority of new contracts were signed with suppliers from the Krasnodar Territory (58), as well as the Rostov (32) and Volgograd (8) regions. In the Urals, X5 gained 83 new suppliers (42 from the Sverdlovsk region, 16 from the Chelyabinsk region, and 10 from the Tyumen region), including 20 sole proprietors. Another 31 partners came from the North Caucasian Federal District (18 from the Stavropol Territory, 6 from Kabardino-Balkaria, and 4 from North Ossetia), including 6 sole proprietors.

X5 places a strong focus on working with SMEs. Since 2018, X5 has partnered with the SME Corporation and has signed agreements with 170 SME suppliers on the Corporation's register. During the course of their work with X5, some of these suppliers have increased their turnover to the point where they are no longer considered SMEs. In 2020, the overall share of SMEs among X5 suppliers exceeded 70%. Last year, X5 expanded its pool of small suppliers by holding 18 procurement sessions across 24 regions of Russia. In addition, X5 introduced a simplified document flow for small businesses to make it easier for them to work with the leader in domestic retail.

In every region, the Company strives to maximise its offering of locally sourced products. The share of such items reaches up to 30% in Pyaterochka, Perekrestok and Karusel stores in some regions. Overall, about 90% of the goods in X5 stores are produced domestically.

Igor Shekhterman, CEO of X5 Retail Group, commented:

"X5 seeks to build long-term and mutually beneficial relationships with local producers. Partnering with X5 gives local producers access to a robust sales channel, while consumers can enjoy a wide range of high-quality fresh products at affordable prices. X5 partners show consistent growth in business metrics and are able to expand their geography of sales."



X5 RETAIL GROUP

Along with supply contracts, X5 offers SMEs favourable sublease conditions with access to stable traffic in the Group's stores. Last year, 1,535 new sublessees joined the programme, which brought the total number of X5's sublease partners to 5,367 by the end of 2020. More than 1,300 of these sublessees are SMEs who enjoy special terms.

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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