

X5, SBER AND VISA ROLL OUT PAY-WITH-A-GLANCE TECHNOLOGY AT PEREKRESTOK AND PYATEROCHKA STORES

Moscow, 10 March 2021 – X5 Retail Group (“X5” or the “Company”), a leading Russian food retailer (LSE and MOEX ticker: “FIVE”), Sber and Visa have launched an innovative pay-with-a glance service at self-checkouts in X5 stores. Now available at 52 Perekrestok supermarkets, the service uses biometric identification based on X5's innovation lab technology and VisionLabs solutions. The new payment method is scheduled to become available at 150 Perekrestok supermarkets by the end of March, while in April several Pyaterochka proximity stores in Moscow are following suit. Visa is a strategic partner of the project.

It takes only a few seconds to pay with a glance, and the service is comparable to a regular bank card transaction in terms of speed. In order to use the new technology, which is available to Sberbank clients, customers can select the Pay with a Glance option in the Cards or Profile sections of the Sberbank Online mobile app and specify the card to be used for payment. After scanning their goods at X5 self-checkouts, customers can select the option to Pay with a Glance, take off their mask for a second and look into the camera. Neither a bank card nor a smartphone is needed.

The solution operates only on self-checkout machines designed by X5. Currently, the payment technology is available on 350 devices but has the technical capacity to be scaled up across X5's entire network of more than 6,000 devices. The option will also be available at new checkout counters to be installed during 2021. The basic solution uses a 3D camera with high detection accuracy and depth capture, allowing for easy and quick facial recognition that takes into account a person's height and changes in appearance. The high-resolution camera ensures a high level of security and prevents spoofing.

Today's technological capabilities help us build a large-scale and cost-effective digital business rapidly, but also change the customer experience in our offline stores fundamentally. Biometric payment is one of the changes. Our solution is unrivalled both in terms of scale and quality of the technology. It features a user-friendly interface, quick checkout time, no additional devices, and strong security. The solution has been successfully piloted and is now ready for deployment across X5 stores. Biometrics are becoming a standard payment method and might soon be available to millions of our customers throughout Russia.

Igor Shekhterman

CEO, X5 Retail Group

In 2020, the first place where we launched this technology commercially was a Moscow coffee shop chain. Today's launch of the project in one of Russia's largest retail chains demonstrates that our ambition to develop innovative payment methods is shared by our partners, who are as eager to introduce them as we are. You don't need cash, bank cards, or smartphones to use the service – all you need to do is 'present' your face and the payment will be posted. This is a fast, convenient and secure technology of the future, and we are among the first to be introducing it in Russia and worldwide. I'm convinced that contactless biometric payment solutions will very soon be used universally, and this payment method will become as customary as paying with a bank card or a smartphone.

Kirill Tsaryov

Deputy Chairman of the Executive Board, Head of Retail Business, Sberbank

We are witnessing contactless payments becoming increasingly popular among Russians, and biometrics is one of them. Our data suggest that 74% of Russian

customers have already gone contactless for their daily shopping. Undoubtedly, Russians' aspiration to protect themselves during the pandemic has spurred the demand for non-cash payments. Interestingly, 54% of domestic consumers view contactless payments as one of the most effective ways to protect them from COVID-19 while shopping. Biometrics are convenient and empower customers to feel secure even if they fail to bring their bank card or forget its PIN code. We are happy to take part in this project and believe that facial payments will soon become one of the most popular ways of shopping in supermarkets, even after the pandemic. Our research confirms that this type of biometric identification is gaining traction in Russia, with 70% customers planning to rely on face payments going forward.

Mikhail Berner

Country Manager for Russia at Visa

After reviewing the results of the first pilot phase and collecting customer feedback, X5 will determine whether to scale up the service across all of the regions where it operates.

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%.

Sberbank

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PJSC Sberbank is one of the largest banks in Russia, and one of the leading financial institutions worldwide. Sberbank accounts for about a third of Russia's aggregate banking assets. Sberbank is a key lender in Russia with one of the largest shares in the deposit market. The majority shareholder of Sberbank is the Russian Federation represented by the Russian Ministry of Finance which holds 50% + 1 voting share in Sberbank's authorised capital. The rest of the shares are dispersed among Russian and international investors. Sberbank operates in 18 countries worldwide. The Bank has an extensive branch network in Russia which amounts to 14,000 offices. The Bank's international network consists of subsidiaries, branches and representative offices in the UK, USA, CIS, Central and Eastern Europe, India, China, and other countries. General Banking Licence No. 1481 issued by the Bank of Russia on 11 August 2015. The Bank's corporate websites: www.sberbank.com (Sberbank Group), www.sberbank.ru.

On 24 September 2020, Sberbank presented its new brand and now provides private and corporate customers with financial and lifestyle services offered by the Bank and the Sberbank Group companies. Today's Sber ecosystem is a whole universe of services for human life which helps private customers and businesses solve their vital problems on a daily basis. Sber ecosystem's website: www.sber.ru.

Visa in Russia

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Visa is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network that enables individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. Visa's relentless focus on innovation is a catalyst for the rapid growth of connected commerce on any device, for everyone, and everywhere. As the world moves from analogue to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit our corporate website at www.visa.com.ru or Visa blog in Russia.

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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