

X5 PILOTS DOMESTIC PROCESSING SYSTEM FOR ITS LOYALTY PROGRAMME

Moscow, 29 June 2022 – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, has launched a new processing system for its loyalty programme based on home-grown technologies. The transition of X5’s loyalty programme to a new system is set to become the largest loyalty programme transition in Russian retail to date.

The system is operating in pilot mode across 1,500 of Pyaterochka proximity stores in Moscow and the Moscow region. The pilot in the Moscow region has already been completed and will extend to Pyaterochka stores across all regions of operation. X5’s Perekrestok supermarkets will join the testing stage in July.

The transition to a new processing system requires zero effort from customers to continue benefiting from the X5 loyalty programme, as all existing Helping Cards will remain active. Customers who visit stores that are already connected to the new processing system will be able to earn and redeem points using their plastic Helping Cards. The functionality of the loyalty cards has not been affected, with customers earning points and receiving discounts for purchases made with their loyalty cards as before. Customers who made a purchase during the transition to the new processing system already have their points on their loyalty card.

The new processing system was launched by X5’s in-house technology team on a platform developed by the Russian company [Loymax](#). The platform offers new opportunities to enhance the customer experience, including by introducing unified standards for customer authorisation that remove overlapping data and a proprietary crisis-monitoring system with prompt notifications. The new processing system relies on X5’s infrastructure, which ensures seamless operation of the loyalty programme and effective protection of customer data. The platform will enable X5 to further improve the system and introduce new functionalities, regardless of market constraints.

In total, X5’s new processing system will serve more 60 million customers across 19,000 stores and 86,000 checkouts. The Russian retail industry has never before seen such a large-scale loyalty programme transition. X5 will fully migrate to the new processing system as early as this summer, including the in-app use of loyalty cards, and will kick off the development of the loyalty programme’s functionality. In Autumn 2022, X5 plans to restore the function that enables customers to choose their favourite product categories and partner offers, in addition to offering new features and expanding opportunities for X5 customers.

Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE; RAEX: ruAA+) is a leading Russian food retailer. The Company operates proximity stores under the Pyaterochka brand, Perekrestok supermarkets and Chizhik hard discounters. X5 provides an omnichannel experience to its customers, integrating retail stores and e-commerce through its businesses Vprok.ru Perekrestok, 5Post and Mnogo Lososya.

As of 31 March 2022, X5 had 19,479 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 18,320 Pyaterochka proximity stores, 983 Perekrestok supermarkets, 89 Chizhik hard discounters and 28 Karusel hypermarkets. The Company operates 47 DCs and 4,574 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 328 thousand people.

For the full year 2021, revenue totalled RUB 2,204,819 million (USD 29,935 million*), EBITDA pre-IFRS 16 reached RUB 161,024 million (USD 2,186 million*), and net profit pre-IFRS 16 for the period amounted to RUB 48,513 million (USD 659 million*). In Q1 2022, revenue totalled RUB 604,230 million (USD 7,020 million**), adjusted EBITDA pre-IFRS 16 reached RUB 70,179 million (USD 815 million**), and net profit pre-IFRS 16 amounted to RUB 2,499 million (USD 29 million**).

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 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 Group N.V. speak only as of the date of this announcement. Save as required by any applicable laws or regulations, X5 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.

* FX rate: 73.6541 USD/RUB

** FX rate: 86.0693 USD/RUB

For further details please contact:**Varvara Kiseleva**

Head of Corporate Finance and IR
Tel.: +7 (495) 662-88-88 ext. 27-300
e-mail: Varvara.Kiseleva@x5.ru

Maria Yazeva

Investor Relations Officer
Tel.: +7 (495) 662-88-88 ext. 13-147
e-mail: Maria.Yazeva@x5.ru