



X5 AND SBER LAUNCH WORLD'S LARGEST SMILE-TO-PAY SERVICE

Moscow, 2 August 2023 –X5 Group and Sber have launched an innovative smile-to-pay service at 15,000 self-checkouts installed across 4,100 Pyaterochka and Perekrestok stores. The project employs solutions developed by X5's Innovation Lab and Sber. The system combines Russian software and X5's proprietary self-checkout machines built in Russia.

It takes only a few seconds to pay with a smile, which is comparable to the speed of a regular bank card transaction. There is no need to carry a bank card or a mobile phone to initiate the payment. To activate the new payment method in the SberBank Online app, customers need to activate the face recognition service in their account, select a payment card, and create a pin number. Alternatively, customers can simply say "Smile to pay" to SberBank Online's virtual assistant.

To use the service at self-checkouts at X5 stores, customers need to select the smile-to-pay service option after scanning their items and look into the camera.

"In 2021, during the pilot stage of the project, we were confident that biometrics would become a standard feature that should be rolled out across all of Russia. Today, smile-to-pay is available to millions of our customers who visit Pyaterochka or Perekrestok stores every day. We believe that technology can transform the customer experience by making shopping frictionless, convenient and fast. By rolling out smile-to-pay across X5's entire footprint – in thousands of stores – we are making innovation the new normal of everyday lives, enhancing the in-store experience, and making shopping more fun. Our solution remains unique in terms of service and performance, not only in Russia but globally," said Ekaterina Lobacheva, X5 Group President.

"We are developing SberPay, our payment services system, to enable customers to pay for their purchases in any way they choose: using a QR code, an online button, an NFC chip in their Android mobile phone, or now just with a smile. We are happy that X5 Group, Russia's leading food retailer, shares our vision of making payments simple, easy and seamless, and supports the aim of bringing cutting-edge initiatives and product solutions to millions of Russians," commented Dmitry Malykh, Senior Vice President, Head of B2C Transaction Banking at Sber.

In March 2021, X5 and Sber piloted a biometric identification solution for payments at the Perekrestok retail chain. Since then, the service has attracted a loyal customer base who make several thousand transactions per week. The project only involves self-checkout machines designed by X5, which has enabled its rollout across the Company's entire footprint. The basic solution uses a 3D camera with high detection accuracy and depth capture, enabling easy and quick facial recognition that takes into account a person's height and changes in appearance. The high-resolution camera also ensures a high level of security. The payment process is fast and convenient for the customer. Today, the service is available at 650 Perekrestok supermarkets and 3,450 Pyaterochka stores.



Note to Editors:

X5 Retail Group N.V. (LSE and MOEX: FIVE; Expert RA – ruAAA; ACRA – AAA(RU)) 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, 5Post and Mnogo Lososya.

As of 30 June 2023, X5 had 22,682 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 20,248 Pyaterochka proximity stores, 956 Perekrestok supermarkets, 809 Chizhik hard discounters and 596 Krasny Yar and Slata stores. The Company operates 59 DCs and 4,604 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 358 thousand people.

For the full year 2022, revenue totalled RUB 2,605,232 million (USD 38,005 million*), EBITDA pre-IFRS 16 reached RUB 186,788 million (USD 2,725 million*), and net profit pre-IFRS 16 for the period amounted to RUB 52,248 million (USD 762 million*). In Q1 2023, revenue totalled RUB 696,364 million (USD 9,569 million**), adjusted EBITDA pre-IFRS 16 reached RUB 40,236 million (USD 553 million**), and net profit pre-IFRS 16 amounted to RUB 12,172 million (USD 167 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: 68.5494 USD/RUB

** FX rate: 72.7738 USD/RUB

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