

## **X5 SCALES UP SELF-SERVICE TECHNOLOGIES FOR SAFER AND MORE CONVENIENT CUSTOMER EXPERIENCE**

**Moscow, 8 April 2020** – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer that operates the Pyaterochka, Perekrestok, and Karusel retail chains (LSE and MOEX ticker: "FIVE"), has begun installing self-checkout (SCO) machines developed in-house at Pyaterochka proximity stores across all of its geographies. Through mass implementation of self-service technologies, X5 seeks to minimise contact between customers and store personnel. With 1,435 self-checkouts already installed at 369 stores, the plan for 2020 is to have a total of 12,000 units operating.

The self-checkout system is the first hardware and software product developed entirely in-house by X5's innovation lab. Compared to similar self-service systems, X5's machines cost four times less to mass-produce while offering superior functionality. Five Russian enterprises are engaged in the assembly process, which creates additional jobs for the local population.

Following pilot testing in August and September 2019, the SCO rollout was given the go-ahead. Thanks to bulk purchases of components, the cost of self-checkouts was brought down by a further 25%. Technical support and maintenance are fully integrated into stores' existing IT system, which makes these devices five times less expensive to operate compared to counterparts. In a poll of 32,000 customers, the machines received an average rating of 4.8 out of 5.

The pilot testing results showed that sets of four self-service machines taking up the space of one regular checkout can cover up to 40% of store traffic. Certain pilot stores reported up to 7% traffic growth thanks to faster checkouts. The average purchase using a self-checkout unit took just 44 seconds. Self-checkouts help increase stores' retail sales by several percentage points, shorten queues, and boost NPS.

X5 Retail Group CEO Igor Shekhterman said: *"Mass implementation of self-checkouts across our retail chains has been overdue for several years. However, high procurement and maintenance costs made the investment unattractive and inhibited the rollout to thousands of our stores. The new self-checkout systems that X5 has developed entirely in-house represent a major breakthrough for the Russian retail market. They are already transforming the shopping experience for millions of our customers and improving our NPS, retail sales and traffic."*

Self-checkout units will be installed at both new-concept and some existing Pyaterochka stores. Starting April 2020, these machines will be piloted at Perekrestok supermarkets.

X5's innovation lab continues to improve its self-checkout solution, taking into account feedback from customers and store personnel. The new version features a weighing platform and an optimised internal layout, with some components being standardised. This solution is the first step towards implementation of a comprehensive self-service system encompassing SelfScan, Scan & Go, faster payments (QR code), and facial payment systems. The self-checkout can be adapted to accommodate new usage scenarios and payment methods thanks to its 3D camera for Face ID purchases, as well as a microphone and speakers for voice services.

**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 several retail formats: the chain of proximity stores under the Pyaterochka brand, the supermarket chain under the Perekrestok brand and the hypermarket chain under the Karusel brand.

As of 31 December 2019, X5 had 16,297 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 15,354 Pyaterochka proximity stores, 852 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 42 DCs and 4,124 Company-owned trucks across the Russian Federation.

For the full year 2019, revenue totalled RUB 1,734,347 mln (USD 26,791 mln), Adjusted EBITDA under IAS 17 reached RUB 127,380 mln (USD 1,968 mln), and net profit under IAS 17 for the period amounted to RUB 25,908 mln (USD 400 mln).

X5's Shareholder structure is as follows: CTF Holdings S.A. – 47.86%, Intertrust Trustees Ltd (Axon Trust) – 11.43%, X5 Directors – 0.08%, treasury shares – 0.01%, Shareholders with less than 3% – 40.62%.

**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).*

---

**For further details please contact:****Natalia Zagvozdina**

Head of Corporate Finance and IR  
Tel.: +7 (495) 662-88-88 ext. 27-300  
e-mail: [Natalia.Zagvozdina@x5.ru](mailto:Natalia.Zagvozdina@x5.ru)

**Andrey Vasin**

Head of Investor Relations  
Tel.: +7 (495) 662-88-88 ext. 13-151  
e-mail: [Andrey.Vasin@x5.ru](mailto:Andrey.Vasin@x5.ru)