

#### X5 LAUNCHES ROBOTIC AUTOMATION ACROSS ITS DISTRIBUTION CENTRES

Moscow, 13 March 2024 - X5 Group ("X5" or the "Company", LSE and MOEX ticker: FIVE), which operates the Pyaterochka, Perekrestok and Chizhik retail chains, has launched a series of robotics projects for its distribution centres. At the initial stage, the Company opened an innovative laboratory serving as a testing ground at one of its distribution centres (DCs) to test robotic applications. X5 expects its retail chains to be able to start deploying robotics solutions to partially automate warehouse processes as early as September or October 2024.

The testing-ground laboratory was launched at X5's Podolsk-based DC, which is currently testing two types of robots: autonomous mobile robots (AMRs) and forklift mobile robots (FMRs), which move around without human supervision and can perform various tasks depending on their programming. The use of various DC automation solutions will unlock opportunities to automatise key business processes that currently consume significant staff resources. These include moving and placing goods in storage areas, replenishing pick modules, and picking products for orders and moving them to dispatch areas. In the future, the deployment of robotics solutions will enable headcount optimisation by an average of up to 20% at each DC.

By combining the testing-ground laboratory's capabilities and specialised software, X5 can simulate and analyse the full range of scenarios for how robots could interact with physical objects - the site environment covers the variety of goods in the warehouse, their dimensions, as well as storage and packing conditions. X5 experts are preparing to launch a digital simulation centre of excellence for the Company's DCs.

Vladimir Salakhutdinov, Director of Strategy and Business Development at X5 Group, said:

"The rising costs of line staff have prompted us to look differently at logistics robotics projects, which until recently did not seem like a good investment. Today, we see them as real opportunities to improve business efficiency, and we are shifting our priorities towards replacing both line and office jobs with modern technology solutions. Many projects in this area require a long-term strategic commitment, but we are confident that making investments today in robotic automation and artificial intelligence solutions is the key to unlocking long-term, sustained success in the future."

The Company plans to build a fully robotised DC in the next few years and to automate some processes at existing warehouses as early as this year. The implementation of X5 Group's robotics strategy will enable the Company to optimise logistics processes, increase labour productivity, reduce infrastructure costs, and improve the quality of customer service.



**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 31 December 2023, X5 had 24,472 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, as well as a growing presence in the Russian Far East. Its store base includes 21,308 Pyaterochka proximity stores, 972 Perekrestok supermarkets, 1,500 Chizhik hard discounters and 610 Krasny Yar and Slata stores. The Company operates 62 DCs and 5,344 Company-owned trucks across the Russian Federation.

X5 is one of the largest employers in Russia. The Company employs over 372 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 9M 2023, revenue totalled RUB 2,264,643 million (USD 27,386 million\*\*), adjusted EBITDA pre-IFRS 16 reached RUB 163,212 million (USD 1,974 million\*\*), and net profit pre-IFRS 16 amounted to RUB 71,250 million (USD 862 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: 82.6934 USD/RUB

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