

## PEREKRESTOK TO INSTALL 2 MLN ELECTRONIC PRICE TAGS

**Moscow, 12 March 2024** – X5 Group is installing two million electronic price tags in 100 Perekrestok supermarkets across the retail chain's entire footprint. The electronic price tags will bring a new digital element to the customer journey, serving to improve the customer experience and boost the supermarket's operational efficiency.

Electronic price tags help to free up a significant share of store employees' working time to focus more on customer interactions and on other high-value tasks. Currently, employees of one Perekrestok store spend an average of about 12 hours of working time per day on replacing all paper price tags at the store and four hours on verifying them.

Information on electronic price tags is updated automatically without human intervention: the price and product details are changed online via an internal network to which all price tags are connected. The software for these electronic devices is integrated with the store's existing IT architecture, enabling full data updates in just a few seconds.

Electronic analogues of paper price tags also eliminate the chance that the tags show incorrect prices, including for promotional items. This reduces financial losses that may stem from incorrectly displayed information while enhancing the store's customer satisfaction index. This technology also helps to cut the cost of printing paper price tags.

Alexandr Chukhontsev, Director for Business Support and Performance at Perekrestok, commented:

*"Digitising the customer experience and driving operational efficiency gains through automation and technological innovation are strategic priorities for X5 Group and Perekrestok. Even a 10% reduction in the labour intensity of manually changing price tags will save 5% of net staff time, which can then be used more productively. We will invest this time into enhancing the customer experience through better front-line performance, in-store displays, and communications with customers. The rollout of this technology across 100 supermarkets – the largest such rollout in the industry – will help Perekrestok to deliver on this year's ambitious financial targets.*

*A survey of our customers showed that poorly designed price tags are the number-one factor influencing their loyalty. If a price tag is poorly designed, the customer is likely to be dissatisfied with the store. A quarter of people will not even touch the product on the shelf unless it bears a price tag, or will ignore a product if it does not have a promo price on it. Electronic price tags will help us to avoid these situations."*

Digital price tags take the form of small displays featuring three coloured electronic inks: white, black (for standard price tags), and red (for promotions). The large font on the tags makes them accessible to visually impaired individuals. The electronic price tags being installed in X5's supermarkets were developed by a Chinese vendor and stand out for their low energy consumption, which enables them to operate for a period of five years without requiring a battery change.



**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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