

## PYATEROCHKA ENTERS YAKUTIA

**Yakutsk, 2 April 2024** – X5 Group (“X5” or the “Company”, LSE and MOEX ticker: FIVE), a leading Russian food retailer, has launched operations of its Pyaterochka proximity store chain in the Republic of Sakha (Yakutia) under the master franchising programme, making Yakutia the 71st region in the Company’s footprint in Russia.

In Yakutsk, five Pyaterochka stores have opened at once under the reverse franchising exclusive programme, with a total selling space exceeding 2,000 square metres.<sup>1</sup> Our franchisee partner will provide day-to-day management of the store network in the region, while the parent company will be responsible for pricing policy, product mix, logistics and technology. The chain’s distribution centre in Krasnoyarsk will supply the Yakutia-based stores, while product storage and logistics will be handled through the franchisee partner’s own infrastructure.

The official opening ceremony for one of the new stores was attended by Maxim Karbushev, acting Minister of Entrepreneurship, Trade, and Tourism of the Republic of Sakha (Yakutia), Vladislav Kurbatov, CEO of Pyaterochka, and Evgeny Shevchenko, Pyaterochka’s franchisee partner in the region.

The new stores are aligned with Pyaterochka’s modern store concept, which emphasises the chain’s core values: fresh and high-quality products, low prices, customer comfort and a pleasant shopping experience. In addition, all stores in the region feature an ergonomic sales floor layout, customer-friendly navigation and impactful in-store visuals. The retail chain is actively deploying advanced technologies to further increase customer convenience and automate business processes. In particular, 23 self-checkouts designed by X5 Group have been installed in Pyaterochka stores in Yakutia.

The product range of each Pyaterochka store in Yakutia averages up to 5,000 SKUs. The stores also offer products sourced locally, including bread by Yakutsk Bread Factory, dairy products by Yakutsk Municipal Dairy Plant, frozen products and deli meat by Khotu-As, and other products. The chain currently works with 24 local suppliers, and in the near future a further 17 contracts are to be signed with local businesses. Ultimately, the share of Yakutian goods on store shelves will be 10%, with such products being highlighted with special ‘Made in Yakutia’ price tags.

Pyaterochka is also promoting its private-label products, which on average are priced 20% to 25% lower than similar popular brands while offering comparable quality. Private-label products in our Yakutia stores are available across virtually all categories: alcohol, groceries, beverages, dairy, confectionery, children’s goods, and frozen ready-to-cook products.

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<sup>1</sup> Pyaterochka stores in Yakutsk are located at the following addresses:

- 13 Quarter 203;
- 6 Avtostrada 50 Let Oktyabrya;
- 30 Dezhnyova;
- 30b Kirova; and
- 74/8 Chernyshevskogo.



Pyaterochka stores in Yakutia have their own bakeries and coffee machines, so customers can always buy hot freshly ground coffee (black or white), bread, baguettes, as well as sweet and savoury pastry. Consumers in other regions have already fallen in love with Pyaterochka's coffee to go and ready-to-eat meals: in 2023, the chain became the most popular place in Russian retail and the HoReCa market to buy ready-to-eat deli products.

The retail chain offers ongoing discounts to pensioners and families with children. All stores in Yakutia offer a 10% discount for pensioners (in the morning hours until 1:00 pm) and also run Family Wednesdays, when parents and foster parents of children under 13 get 20% cashback on purchases of children's goods (as points in the X5 Club loyalty programme).

*"The country's largest proximity store network has come to Russia's largest region, which is also one of the most remote areas in the country and hence a particularly challenging market. This is a new milestone in the Company's history. Importantly, it is a joint project with a franchisee partner. We see great potential in engaging with entrepreneurs who are willing to team up with us to find effective business growth solutions. I'm confident that through our joint efforts, and supported by Yakutia's leadership and local producers, we will provide further impetus to the social and economic growth of this region. All this is done to provide local customers with high-quality products at affordable prices in our stores,"* said Vladislav Kurbatov, CEO of Pyaterochka.

X5 is planning to launch another five stores in Yakutsk by the end of 2024 and to expand its store network in the region to 30 outlets over the next five years. The first store openings have involved the creation of about 50 new jobs, and a total of up to 150 new jobs are expected to be created in the region by the end of 2024.

**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 2023, revenue totalled RUB 3,145,859 million (USD 36,903 million\*), EBITDA pre-IFRS 16 reached RUB 214,764 million (USD 2,519 million\*), and net profit pre-IFRS 16 for the period amounted to RUB 90,284 million (USD 1,059 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: 85.2466 USD/RUB

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