

## **ENERGY EFFICIENCY SYSTEM SAVES PEREKRESTOK 10% ON ELECTRICITY COSTS**

**Moscow, 13 November 2019** – X5 Retail Group ("X5" or the "Company"), a leading Russian food retailer (LSE and MOEX ticker: "FIVE"), has introduced an energy efficiency system that consists of a comprehensive system for distribution boards in order to improve the energy efficiency of Perekrestok supermarkets. The new technology has already been piloted and is now being integrated into every new store. The automated control and monitoring system will help cut power consumption in supermarkets by an average of 10%.

The implementation of the project delivered 100% automation of processes in three core groups of energy consuming equipment: ventilation (year-round), air curtains (in winter), and air conditioning (in summer). The energy efficiency system regulates equipment and lighting loads based on the operating mode of the retail facility, current temperature indoors and outdoors, and CO2 content in the air. In addition to in-store equipment control, the system can also monitor the effectiveness of work carried out by maintenance contractors, collect telemetry data for further analysis, and examine the system's resistance to accidents.

The energy efficiency system is a comprehensive solution that employs a main controller and special sensors to automatically manage all connected equipment. It is integrated into the existing IT architecture of the supermarket, with all collected data stored on X5's servers.

In 2019, the new system was piloted in 30 Perekrestok supermarkets in Moscow and it achieved the required 10% savings in electricity costs. The pilot helped to reduce energy consumption, facilitated a review of equipment installed at new and refurbished stores and increased the efficiency of regular maintenance.

The technology, which is now part of the standard equipment for all newly opened and refurbished stores, is set to be rolled out in 200 Perekrestok stores in the near future.

Accounting for 80–85% of stores' utility bills, electricity is one of the three largest SG&A cost items at X5 Retail Group. As part of its energy efficiency effort, the Company seeks to gradually reduce energy consumption per square metre of retail space.

**Note to Editors:**

X5 Retail Group N.V. (LSE and MOEX: FIVE, Fitch – ‘BB+’, Moody's – ‘Ba1’, S&P – ‘BB’, Expert RA – ‘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 30 September 2019, X5 had 15,752 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 14,850 Pyaterochka proximity stores, 811 Perekrestok supermarkets and 91 Karusel hypermarkets. The Company operates 43 DCs and 4,029 Company-owned trucks across the Russian Federation.

For the full year 2018, revenue totalled RUB 1,532,537 mln (USD 24,439 mln), Adjusted EBITDA reached RUB 109,871 mln (USD 1,752 mln), and net profit for the period amounted to RUB 28,642 mln (USD 457 mln). In 9M 2019, revenue totalled RUB 1,265,130 mln (USD 19,440 mln), adjusted EBITDA reached RUB 95,975 mln (USD 1,475 mln), and net profit amounted to RUB 25,043 mln (USD 385 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).*

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