M.Video-Eldorado Group completes acquisition of MediaMarkt business in Russia and welcomes MediaMarktSaturn as a new shareholder

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August 31, 2018, Moscow, Russia. M.Video-Eldorado Group (PJSC M.video or the Group, MOEX: MVID), Russia's largest consumer electronics retailer by revenue, part of Mikail Gutseriev's SAFMAR Group, is announcing the closing of the transaction under which MediaMarktSaturn has acquired 15% of the shares in PJSC M.video from SAFMAR Group, the largest shareholder of PJSC M.video, and M.Video-Eldorado Group has acquired 100% participatory interest in Media-Saturn-Russland OOO, the MediaMarkt business in Russia.

As a result of the transaction M.Video-Eldorado Group obtains control over 42 MediaMarkt stores in 22 Russian cities. The Group plans to rebrand and open about 60 M.Video and/or Eldorado stores considering the location, competitive environment, and the customer audience. Some of the rebranded stores will open already in 2018 and the rest no later the first half of 2019.

M.Video-Eldorado Group plans to fully integrate the acquired MediaMarkt stores, thus substantially improving the business model, and expects this transaction will allow generating additional 110 billion rubles in revenue and up to 11 billion rubles in EBITDA for the next four years. Tentatively, the Group is planning to achieve combined revenue over 500 billion rubles and EBITDA over 35 billion rubles by the end of 2022.

MediaMarkt stores are closing for rebranding from on September 1, 2018. After the transaction M.Video is undertaking obligations to replace, exchange, and warranty repair electronic appliances acquired previously from MediaMarkt stores throughout Russia – customers can apply to any nearest M.Video store. M.Video will also support previous MediaMarkt loyalty program and gift certificates – all accumulated bonus points and gift cards can be used in M.Video stores.

The Group has filed necessary documentation for the title registration to Media-Saturn-Russland OOO with the tax authorities in accordance with the current legislation of Russia.

"The first results of the merger of M.Video and Eldorado are outstanding proof of the effectiveness of M.Video-Eldorado Group business model. Both retail chains

have tangibly improved their operational and financial metrics, and the Group consolidated accounts have shown remarkable growth with first realized synergies. The acquisition of the very favorably located MediaMarkt stores enables us to follow our expansion strategy and quickly develop both networks: about 60 new M.Video and Eldorado stores will open by the end of 1H 2019. We will make every effort to retain and create new opportunities to MediaMarkt personnel and we guarantee to our customers the broadest possible range of goods, attractive prices and the best service", – emphasized M.Video-Eldorado Group President Alexander Tynkovan.

Media-Saturn-Holding GmbH (MediaMarktSaturn) has acquired 15% of the share in M.Video-Eldorado Group. Representatives of MediaMarktSaturn will obtain seats of a Director and an Observer of the Board of Directors of PJSC M.Video. The new board of directors will be elected in accordance with the current legislation of Russia and best corporate governance practices.

After the transaction completion the shareholder structure of PJSC M.Video is as follows: SAFMAR Group controls 38.2% of the stock, MediaMarktSaturn holds 15%, and 46.8% are a free-float on the Moscow stock exchange.

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