M.Video-Eldorado increased total sales (GMV) by 5% in 2024 and opened 100 new stores

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M.Video-Eldorado, Russia's leader in e-commerce and retail of electronics and home appliances (Moscow Exchange: MVID), has disclosed its IFRS financial results for 2024. Against a backdrop of cooling consumer demand in home appliances and electronics segment, driven by the unprecedentedly high key interest rate of the Central Bank of Russia, rising deposit rates, reduced availability of bank lending, and a shift in household spending patterns (from consumption to savings), M.Video-Eldorado was able to adapt to the new market reality and increase total sales (GMV)[i] by 5% to 566 billion roubles. The Company gained a number of significant achievements: increased the share of online sales to 74% of GMV[ii] (+9% compared to 2023, to 420 billion roubles), expanded its assortment to a record 204,000 SKUs, opened 100 stores predominantly in a compact format and entered 25 new cities, maintained its leadership in the POS lending market, growing its share to 21.2%. By the end of 2024, the Company's total customer base exceeded 75 million people, with year-on-year growth of more than 5 million users.

By the end of May 2025, the Company will receive 30 billion roubles as recapitalization from shareholders to implement its new strategy, of which 89% had already been credited to the Company's accounts as of April 30, 2025.

Chief Executive Officer of M.Video-Eldorado Company, Felix Lieb:

"2024 was a year of adaptation and systematic revision of our operating model amid unstable consumer demand. While at the beginning of the year we were seeing double-digit sales growth, by the end of the year it had become minimal across many segments. As a result, over the full year we were able to achieve 5% growth in total sales. We implemented an anti-crisis plan to improve business efficiency, without hampering our development: we opened 100 new stores, predominantly in our efficient compact format, and entered 25 new cities.

In an environment of elevated key interest rate, reduced lending volumes, and shifting consumer demand in the home appliances and electronics market, we focused on the sustainability and efficiency of our business model, as well as on the development of our distinctive advantages, such as our extensive store network, omnichannel One Retail sales model, broad assortment, wide range of services, unique fintech products, and technical expertise. Among the key achievements there were a 9% growth in online sales, an expansion of the

assortment to a record 204,000 SKUs — of which 22% are exclusive products of our network, and active development of our fintech direction, whose revenue has become a significant component of the business. I would particularly like to highlight our achievements in POS lending: in the conditions of an unprecedentedly high key interest rate, we managed to maintain the volume of credit sales with their traditionally high average receipt amount. We continued to hold the number one position in the POS lending market in Russia, and in 2024 further increased our market share by an additional 1.3 percentage points. This was made possible by the launch of a unique 24-month installment plan with no down payment or overpayments, and the active development of our own fintech platform, which is already operating not only within our own sales channels but is expanding beyond them.

Despite the current pressure on margins, we look to the future with confidence. We have already begun implementing the new three-year strategy approved by our shareholders, and by the end of May 2025 we will receive 30 billion roubles in additional investment from shareholders for its implementation, with 89% of the funds already credited to the Company's accounts as of today. Among the priorities are the continued opening of compact stores and the closure of underperforming stores, further growth in the share of online sales through the development of cooperation with marketplaces, the development of own-brand production with a focus on large and small home appliances, scaling-up of the M.Master service line, and the update of the M.Club loyalty programme. All of this is not merely a set of reactive measures, but a long-term strategy aimed at enhancing the sustainability, technological capability and competitiveness of the business under current conditions, and at differentiating our key competitive advantages in the market."

KEY OPERATIONAL AND FINANCIAL RESULTS OF M.VIDEO-ELDORADO FOR 2024[3]

- The Company's total sales (GMV) grew by 5% year-on-year in 2024 to 566 billion roubles. GMV growth was driven by the expansion of the assortment to 204,000 products, the active development of own-brand and exclusive brand sales, and the expansion of the Company's geographic footprint through the opening of new stores in 25 cities.

  The positive sales momentum in the first half of the year was partially offset by the cooling of consumer demand in the home appliances and electronics market that began in May 2024, an increase in the volume of household funds placed on deposits due to attractive interest rates, and a reduction in bank lending volumes.

- Online sales accounted for 74% of GMV, increasing by 9% year-on-year to 420 billion roubles[2]. The growth in share was driven by the expansion of

partnerships with marketplaces and the development of own channels: the websites and mobile applications of the "M.Video" and "Eldorado" brands. Third-party (3P)[4] sales on the Company's own marketplace grew by 20% to 19.3 billion roubles (compared to 16.1 billion roubles in 2023).

In the conditions of high consumer market volatility in 2024, the Company was able to effectively leverage the advantages of its omnichannel business model — approximately 89% of all orders were fulfilled using store infrastructure. Stores also continued to play a key role as the preferred order collection channel for customers, with their share including customer pick-up accounting for 75%.

- The Company's revenue grew by 4.0% year-on-year to 451.6 billion roubles, driven by the expansion of its assortment, sales tools and channels, as well as the opening of new stores predominantly in a compact format, despite a significant cooling of demand for home appliances and electronics in the market.
- Gross profit remained virtually unchanged at 91.0 billion roubles, while the gross margin declined by 0.9 percentage points compared to 2023, due to an increase in procurement costs from suppliers driven by higher financing costs and the pressure of price competition in the home appliances and electronics market.
- Selling, general and administrative expenses (SG&A) excluding depreciation grew by 6.9%, amounting to 54.7 billion roubles or 12.1% of revenue (+4.9 billion roubles or +0.6 percentage points of revenue year-on-year), including 25.4 billion roubles for the first half (+14.9% year-on-year or 12.6% of revenue) and 29.3 billion roubles for the second half (+5.9% year-on-year or 11.7% of revenue). The 0.6 percentage point increase in the relative share of expenses was attributable in part to the decline in revenue in the second half of the year (-2.1 percentage points compared to the prior year) and was partially offset by the implementation of a cost optimization plan. The key drivers of operating expense growth were increased commission costs associated with the substantial growth in marketplace sales (+2.2 billion roubles year-on-year or +149%), personnel expenses (+2.3 billion roubles or 8.9%) related to the opening of 100 new stores and the development of the M.Master service line, banking services, and an increase in warehousing costs driven by geographic expansion and the opening of new compact format stores. The Company will continue to work on cost optimization, including a focus on the closure of underperforming stores, process optimization and automation, as well as improvements in logistics efficiency.
- The Company's EBITDA amounted to 37.7 billion roubles, with an EBITDA margin of 8.3% (-1.27 percentage points year-on-year). The decline in this metric is attributable to the increase in cost of goods sold and SG&A expenses.

- The Company's net loss for the year amounted to 20.1 billion roubles, which is attributable to the consequences of the tight monetary policy of the Central Bank of Russia and a significant increase in interest expenses, including lease interest. In the second half of 2025, the Company's management expects a reduction in the key interest rate, which should have a positive impact on financial results both through a reduction in financing costs and through revenue growth driven by pent-up consumer demand for home appliances and electronics.
- The Company's net debt in accordance with IFRS (IAS) 16 amounted to 153.4 billion roubles (including future lease obligations of 67.6 billion roubles). The debt burden as measured by the Net Debt / EBITDA ratio increased to 4.1x (compared to 3.2x as of December 31, 2023). The Company's management is implementing various measures aimed at reducing debt, including, among others: 1) negotiations with banks on the revision of loan agreement terms (as of the date of signing of the financial statements, supplementary agreements have been signed covering approximately 68% of the total debt outstanding, with negotiations continuing with the remaining banks); 2) in April 2025, long-term non-convertible ruble-denominated bonds with a fixed coupon rate were issued in the amount of 2 billion roubles; 3) shareholders resolved to increase capital the Company by 30 billion roubles, and as of the date of signing of the financial statements, 89% of this amount has already been credited to the Company's accounts for the implementation of the new strategy.

KEY ACHIEVEMENTS OF 2024[3]

- The Company continued its expansion into key regions of operation and entered 25 new cities, opening 100 M.Video stores, of which 94 were of the new efficient compact format. At the end of the year, the total number of M.Video-Eldorado retail outlets stood at 1,226 stores. In total, more than 150 compact stores opened over the past two years are now in operation. These stores have a floor area of 500–600 sq. m, which is on average half the size of traditional-format stores (1,000–1,500 sq. m), while the assortment available to customers (approximately 4,500 items, including large home appliances) is comparable thanks to tiered product displays, and the investment required to open such a store is up to three times lower, with a higher turnover per sq. m. The compact format makes it possible to find more location options, including street retail, as well as to expand in regions where the Company is already present and to enter new cities with populations of up to 100,000 people.
- A 7% growth in the available assortment to more than 204,000 items was

the result of the development of partnerships with existing and new suppliers, including through the Company's own marketplace. The Company differentiates its offering for customers through exclusively represented products in the M.Video and Eldorado networks — their share, including own-brand products, grew by 7 percentage points and reached 22% (15% in 2023) of the Company's total sales. Sales of brands from China, Turkey, Russia, Belarus and Uzbekistan also continued to grow, driven in part by increasing demand for brands such as Sber, Yandex, Haier, Beko, Candy, Hisense, TCL, Thunderobot and Grundig.

- The Company's share of credit sales in GMV[5] declined by just 1.8 percentage points to 15.4%, despite the tightening of credit portfolio regulation by the Central Bank of Russia against the backdrop of a 1.5-fold increase in the key interest rate to a record level (21%) and a reduction in lending programmes by banks. All financial products offered to customers are provided by the Company through Direct Credit, its subsidiary company.
- The Company continued to develop its own fintech line with unique products offered through its subsidiary Direct Credit: installment plans with no down payment or overpayments for the terms of up to 24 months, cash-to-card transfers processed through the mobile application, and POS lending from multiple banks with a high approval rate.
- The Company continued to develop its own fintech line with unique products offered through its subsidiary Direct Credit: installment plans with no down payment or overpayments for the terms of up to 24 months, cash-to-card transfers processed through the mobile application, and POS lending from multiple banks with a high approval rate. The coverage of extended product assortment programmes, combined with the expansion of the fintech business line into external markets, allowed the Company to grow its share in the POS lending market to 21.2% (+1.3 percentage points year-on-year) and maintain its leadership in the POS lending market.
- The Company attracted 5 million new customers, growing its customer base to 75 million people. Traffic growth in the customer mobile application amounted to 4%. Total installations of the M.Video and Eldorado customer mobile applications reached 76.1 million, an increase of 13% year-on-year.
- In 2024, the Company completed the merger of the M.Video and Eldorado loyalty programmes under the unified M.Club brand. This gave customers the ability to earn and spend bonus roubles at any of the more than 1,200 M.Video-Eldorado stores, as well as to use the cross-purchase feature. Orders can now be collected from any convenient store, regardless of where they were placed — whether at M.Video or Eldorado. The development of the omnichannel model, which combines the advantages of online and offline channels, enables the creation of a convenient and

seamless customer experience. This approach helps to effectively respond to changing market needs and strengthen the Company's position in the home appliances and electronics segments.
- In 2024, new products unique to the market were launched: the M.Combo subscription with a set of services and privileges, and partnership programmes with other brands.
- In 2024, the trade-in service was expanded to cover more than 3,500 smartphone models, and a used smartphone buyback service was launched, covering 15 brands.
- M.Video-Eldorado continued to develop its service line and in 2024 launched 30 branded M.Master* service zones offering a full range of repair and maintenance services in M.Video and Eldorado stores across eight major cities in Russia. Additionally, in eight M.Video stores in six cities (Moscow, Yekaterinburg, St. Petersburg, Kazan, Krasnodar and Nizhny Novgorod), sales of refurbished products began — items repaired by M.Master specialists or submitted by customers through the trade-in or buyback service. Further expansion of the service to other cities and the remaining M.Master service zones is planned. The new spaces allow customers to access a variety of services as well as have their devices repaired, covering products from the assortment of any Russian store, both on a walk-in basis and through specialist home visits.

*M.Master — is a unified customer assistance centre within M.Video and Eldorado stores, including delivery, installation, setup, repair and other services that can be ordered both online and in M.Video-Eldorado stores. M.Master accepts for repair both electronics and appliances purchased at M.Video and Eldorado stores and those purchased from third-party retailers.

- New in-store service formats were launched: multi-brand zones for foldable and flip smartphones, premium home appliance zones, and mono- and multi-brand zones for premium smartwatches.

KEY EVENTS AFTER THE REPORTING DATE:

- The Board of Directors of M.Video PJSC appointed Felix Lieb as Chief Executive Officer of the Company effective from February 21, 2025.
- On April 23, 2025, Ekaterina Yarina was appointed as Chief Financial Officer of M.Video-Eldorado Company.
- The new 2025–2027 strategy supported by shareholders was launched; 30 billion roubles for capitalization increase are being directed by shareholders towards its implementation in the first half of 2025, of which 89% of the funds have already been credited to the Company's accounts.
- On April 16, 2025, the subsidiary company MV FINANCE LLC announced the launch, and on April 29 reported the placement of two-year exchange-

traded bonds of 001P-06 series in a volume of up to 2 billion roubles with a coupon rate of 26.0%.

- On April 23, 2025, the subsidiary company MV FINANCE LLC repurchased under a tender offer 5,152,298 bonds of 001P-04 series — for almost 5.2 billion roubles, with a remaining debt balance of 1.8 billion roubles.

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[1]GMV (Gross Merchandise Value) includes purchases at retail stores (including 'click&collect' orders), paid and home-delivered online orders, as well as paid shipments from warehouses to legal entities. Purchases in stores and online orders may be made by individuals and legal entities. GMV includes sales of own and agency products and services. GMV includes VAT, net of discounts provided to customers, as well as net of returns made during the reporting period. GMV is not the Company's revenue.

[2]M.Video-Eldorado total online sales include all sales to authorized customers via the Internet, including home delivery, in-store pickup, and sales registered in stores through the seller's mobile application. As of December 31, 2024, sales through the seller's mobile application were available only in M.Video stores.

[3]Here and below, M.Video-Eldorado's financial results are presented in accordance with IFRS 16 and on a year-over-year basis, unless otherwise specified.

[4]3P (third parties) — a business model in which third-party companies act as the sellers of goods.

[5]Excluding third-party marketplaces, B2B and service-logistics centres.