

## M.Video-Eldorado Group expands to over 300 new cities and towns through partnership with the Russian Post

**27 May 2020, Moscow, Russia.** PJSC M.Video (M.Video-Eldorado Group, the Company, or the Group; MOEX: MVID), Russia's largest consumer electronics retailer by revenue and part of SAFMAR Group owned by Mikhail Gutseriev, partnered with the Russian Post to offer delivery and pick-up of online orders. The project was piloted in Moscow, the Moscow Region, Kazan and Novosibirsk.

Shortly, the delivery through post offices will become available in Yekaterinburg and the Sverdlovsk Region, as well as in Nizhny Novgorod and the Nizhny Novgorod Region. The first stage alone will give M.Video access to more than 300 cities and towns where the retailer did not operate before. Once the processes are fine-tuned, the partners will proceed with gradual expansion into other cities, potentially leveraging up to 42,000 post offices across Russia. During the pilot phase, the Russian Post offers pick-up of online M.Video orders in 1,291 branches in Moscow, the Moscow Region, Kazan and Novosibirsk. In terms of geography, post offices are designed to complement the M.Video network so that the buyer could choose the most convenient location. Pick-up from the post offices is currently available for orders placed online, but the initiative is expected to include mobile app and call centre orders as well. The delivery is free and takes an average of two days. In the near future, the service will also be launched in Yekaterinburg and the Sverdlovsk Region, and Nizhny Novgorod and the Nizhny Novgorod Region. It was during this initial stage of the projects that residents of more than 300 cities and towns for the first time had an opportunity to pick up M.Video appliances or gadgets at post offices or get them delivered from there. Previously, they had to travel to a retail store in the nearest city.

"M.Video-Eldorado Group is Russia's largest online retailer of household appliances and consumer electronics. Over the past few weeks, we have completely switched to online processes, with the Group's ONE RETAIL strategy envisaging full integration of all online and offline customer interactions. Our stores remain an integral part of and a reliable platform for the Company's online sales, giving us a unique competitive advantage. At the same time, we are developing new channels for customer interaction, including pick-up services at Pyaterochka stores, express delivery using taxi providers, and the new project with the Russian Post. These initiatives help improve the customer experience and increase the frequency of customer contacts. The Russian Post is our long-term strategic partner that gives people in smaller settlements access to a wide range of electronics and high quality services. For example, customers can both pick up their orders at post offices or have them delivered by courier," **commented Dagmara Ivanova, Managing Director of M.Video.**

Once the pilot is completed, the initiative will be gradually scaled up to include Eldorado and make services available at up to 42,000 offices of the Russian Post across the country. Residents of a few thousand smaller settlements will have convenient access to a wide range of electronics without having to travel long distances. They would also be able to use bonus points and other advantages offered by the M.Video and Eldorado loyalty programmes, while also benefiting from customised promos and sales.

"The Russian Post's digital and logistic capabilities enable us to expand the geography of our businesses, including the largest retailers, in a very short time. Quick access to the Post's services, convenient integration, a wide network of post offices and extensive coverage of the courier services give our partners a vital competitive edge," **said Aleksey Skatin, Deputy CEO for eCommerce at the Russian Post.**

Delivery to the Russian Post offices is available for all appliances and gadgets weighing up to 20 kg, if their package does not exceed 60 cm in any dimension. To collect the order, a customer needs to present their passport or verification code from the Russian Post mobile app. The logistics and last mile delivery services rely on the Post's infrastructure. The orders fulfilled at the Group's warehouses are sent to the distribution centre, which eventually forwards them to the selected post offices. Delivery to most regions will take ca. 2–3 days.

Customers of M.Video and Eldorado can also collect their orders from [the stores](#) that provide pick-up services or one of the 2,500 pick-up points of Pyaterochka's network in Moscow, the Moscow Region, Nizhny Novgorod and Yekaterinburg.

## **About M.Video-Eldorado Group**

**About M.Video-Eldorado Group** (PJSC M.video) is Russia's largest consumer electronic retailer uniting the M.Video and Eldorado brands in the market for home appliances and electronics. The companies' total annual turnover exceeds RUB 430 billion, including VAT (FY 2019). The M.Video-Eldorado Group is the only Russian publicly-traded company in the electronics retail sector. The company's shares are currently traded on Moscow Exchange (ticker: MVID).

The Group operates Russia's largest online platform for consumer electronics and household appliances commanding a market share of over 30%. As of March 31, 2020, the Group also operates 514 stores under the M.Video brand, 504 stores under the Eldorado brand and 20 m\_mobile stores in more than 250 cities across Russia with a total selling space of 1,451 thousand square meters. The Group has 100% online coverage in all cities of operation.

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