

M.Video-Eldorado increases its GMV by 28% and mobile platform sales by 45% in 1Q 2022

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PJSC M.video (M.Video-Eldorado Group, the Company, or the Group; MOEX: MVID), Russia's leading e-commerce and consumer electronics retailer, announces its combined unaudited GMV for the first quarter ended March 31, 2022 (1Q 2022), as well as a business overview and key events for 1Q 2022 and after the reporting date.

1Q 2022 OPERATIONAL HIGHLIGHTS¹

- **The Group's gross merchandise value (GMV²)** rose by 28.1% to RUB 177.2 billion (incl. VAT).
- **Total online sales³** increased by 29.8% to RUB 119.9 billion (incl. VAT), accounting for 67.7% of the Group's GMV.
- **Mobile platform turnover⁴** increased by 44.7% to RUB 82 billion, with a 68.4% share in total online sales.
- **Average ticket** amounted to RUB 12,341.
- **The number of identified active customers⁵** totaled 19.3 million, with 64% of them classified as OneRetail customers⁶ versus 58% in 2021.
- **M.Video and Eldorado customer mobile app downloads** more than tripled year-on-year and reached 36 million.
- As at the end of March 2022, **the M.Video and Eldorado store network** consisted of 1,269 stores in all formats (an increase of 11 stores in three months), spanning 375 cities in Russia (6 new cities added during the period).

KEY DRIVERS OF 1Q 2022 PERFORMANCE

- In 1Q 2022, the growth rate of the Group's GMV accelerated quarter-on-quarter and year-on-year to reach 28.1%. This was mainly driven by increased investment demand for household appliances and electronics in high price segments in late February and first half of March due to volatile ruble, unstable supplies, and multiple manufacturers leaving the Russian market. Some of the best-sellers were refrigerators, built-in appliances, computers and TV sets.
- Active growth of mobile platform and further development of OneRetail technology had a positive impact on the Group's GMV. M.Video-Eldorado customers continued to make active use of mobile tools for purchases. Traffic to M.Video's and Eldorado's apps skyrocketed by 95%, with 1Q 2022 sales via the mobile platform growing by 44.7% to RUB 82 billion (over 46% of GMV versus 41% in 2021).
- Higher demand for major domestic appliances coupled with an increased need for professional consultation to navigate assortment changes and price fluctuations served to bring brick and mortar to the forefront when it came to browsing and making purchases. This made for a perfect opportunity to leverage the OneRetail platform and the Group's extensive offline retail network featuring highly qualified personnel and well-oiled service. Importantly, 93% of all purchases were made using the Group's store infrastructure.
- In 1Q 2022, M.Video-Eldorado opened 11 new stores and entered six new cities and towns, with over 50% of new openings (five stores) being small-scale outlets.
- Amid the FX volatility and problems in supply chain logistics, the Group is taking measures to tame price growth and provide competitive offering despite the challenging backdrop. These included price freezing, bringing back promotions, special credit offers and more.

Enrique Fernandez, CEO of M.Video-Eldorado Group, commented:

"In 1Q 2022, we saw unprecedented changes in the Russian home appliances and consumer electronics market. In the previous periods, all we had to contend with was ruble volatility or supply chain disruptions, but now every plane is facing structural shifts, from strong demand fluctuations to the transformation of brands' very cores. M.Video-Eldorado is working to readapt its conventional business processes to the new reality by adjusting the fundamentals of its assortment strategy, access to global supply and relationships with vendors.

In these circumstances, we are focusing on expanding our product mix through both our existing partnerships and establishing new ones. Last year, for example, we achieved a 1.5-fold increase in the number of CE vendors and sellers using our marketplace. Thanks to our stockless 3P model, we can offer a wider choice of goods and test new brands and categories without taking additional financial risks. In 1Q 2022, our Hi и Novex private brands showed robust growth, with the demand for refrigerators and washing machines more than quadrupling in March year-on-year.

The consumer demand is currently declining following a brief surge of sales in late February and early March. The consumer electronics market in Russia leveled off by mid-April but remains below its year-ago levels. Therefore, maintaining attractive retail prices remains an important focus for us. In March, we launched our own credit offer, while early April saw us start bringing back installment plans, regular federal promo campaigns and discounts.

M.Video-Eldorado carries on developing its OneRetail platform, focusing on technology products for marketplace suppliers and partners, as well as personalization and recommendation systems for customers to better navigate the offering and find the best deals. On top of that, we are implementing a number of new projects, including new procurement formats and data analytics to enable goods distribution across stores based on current demand and supplies.

We are negotiating better lease terms for our retail network, consider closures of inefficient stores and do not rule out scaling back our investment program going forward. A growing share of 3P assortment and improving warehouse efficiency enable us to reduce leased warehousing space and respective costs."




KEY EVENTS IN 1Q 2022 AND AFTER THE REPORTING DATE




- M.Video-Eldorado took all the necessary measures to keep the consumer electronics prices attractive and competitive. Since the beginning of March, we have maintained February prices for around 140 socially important SKUs in the entry-level and middle segments across 30 main product categories. The fixed-price assortment is available all across Russia, both in stores and online. The program continues in April 2022.
- In March, we launched a 10-10-10 credit program: 10% down payment, 10-month loan term, and ca. 10% interest. The program is available to M.Video and Eldorado customers in all retail stores and online. After its launch, the number of weekly loan applications doubled and keeps rising.
- The Group has sufficient supply to meet the demand. We keep in touch with all the largest manufacturers. In the run-up to the summer season, M.Video-Eldorado created stocks of consumer electronics most popular in spring and summer: refrigerators, mini fridges, freezers, cooking devices (mixers, meat mincers, juicers, food processors, etc.), cutlery, power tools, gardening appliances. We also offer a wide range of HVAC appliances in different price segments: fans, mobile ACs, air purifiers and humidifiers, and boilers.
- As part of its proprietary marketplace development, M.Video-Eldorado continues to further expand the range of appliances and consumer electronics, offering its partners omni-channel work formats, favorable terms and high traffic locations. The number of marketplace partners increased 1.5 times over the past




year. The M.Video and Eldorado platforms offer a total of 180,000 SKUs, including their own assortment and products from other retailers and manufacturers. In March, the M.Video-Eldorado platform was joined by 1.5 times as many new sellers as in February and January. The expanded assortment allows for additional 200,000–250,000 orders per month.

- The Board of Directors of PJSC M.video approved the appointment of Enrique Fernandez as the CEO of M.Video-Eldorado Group effective as of January 18, 2022. Mr. Fernandez will continue to implement the OneRetail strategy and focus on achieving operational excellence, ensuring the highest service quality, developing the human capital and strengthening the leading market positions of the Group. He will remain a member of the Board of Directors.
- The Board of Directors of PJSC M.video also approved a number of appointments among the Company's top management: Sergey Li as Managing Director of OneRetail, Irina Ivanova as Director for Organizational Transformation and Human Resources, and Anna Garmanova as Chief Financial Officer.
- M.Video-Eldorado and the largest commercial electronic trade platform B2B-Center announced the launch of Russia's first end-to-end procurement automation service, B2B Digital Supply Solution. This cloud solution enables any business, regardless of its size, to quickly build the procurement process and interaction with suppliers (from search for offers to payment) and accelerate trade procedures and all document-related processes. With a Russian S2P solution, users have flexibility to plan B2B deliveries and promptly integrate the B2B Digital Supply Solution into their own ERP systems despite the existing challenges and restrictions.

M.Video-Eldorado Group operations summary for 1Q 2022

Gross merchandise value, RUB million (incl. VAT)			
	1Q 2022	1Q 2021	chg., %
	121,873	92,619	+31.6%
	55,299	45,639	+21.2%
	177,172	138,258	+28.1%

Total online sales, RUB million (incl. VAT)			
	1Q 2022	1Q 2021	chg., %
	103,650	77,850	+33.1%
	16,279	14,535	+12.0%
	119,929	92,385	+29.8%

Share of total online sales in GMV, %			
	1Q 2022	1Q 2021	chg., %
	85.0%	84.1%	+1.0%
	29.4%	31.8%	-2.4%
	67.7%	66.8%	+0.9%










Identified active customers, million			
	1Q 2022	1Q 2021	chg., %
OneRetail customers	12.3	10.9	+13.6%
Share of OneRetail customers	64.0%	57.9%	+6.1%
Non-OneRetail customers	6.9	7.9	-12.2%
Total	19.3	18.8	+2.7%

Average ticket			
	1Q 2022	1Q 2021	chg., %
Group average ticket	12,341	8,734	+41.3%

Total online sales by channel, RUB million (incl. VAT)			
	1Q 2022	1Q 2021	chg., %
Web platform	37,939	35,708	+6.2%
Mobile platform, incl.:	81,990	56,677	+44.7%
Customer apps	21,097	12,246	+72.3%
Consultant app	60,894	44,431	+37.1%
Total	119,929	92,385	+29.8%

Gross merchandise value by fulfillment channel, RUB million (incl. VAT)			
	1Q 2022	1Q 2021	chg., %
Stores	113,083	89,620	+26.2%
Pickup	51,213	37,469	+36.7%
Delivery	12,876	11,169	+15.3%
Total	177,172	138,258	+28.1%

Aggregate customer mobile app metrics ⁷			
	1Q 2022	1Q 2021	chg., %
Installations, '000 ⁸	35,551	11,597	+206.5%
MAU, '000 ⁹	5,890	3,204	+83.8%

Retail network				
	31.03.2022	31.12.2021	Chg. in 1Q 2022	
Stores				
	605	599	+6	+1.0%
	664	659	+5	+0.8%
	1,269	1,258	+11	+0.9%
Selling space, '000 sqm				
	882	876	+6	+0.6%
	712	710	+2	+0.2%
	1,594	1,587	+7	+0.5%
Total space, '000 sqm				
	1,226	1,218	+8	+0.7%
	931	930	+2	+0.2%
	2,157	2,147	+10	+0.5%

The presentation of the operating update for the quarter ended 31 March 2022 is available on the Group's website at: <https://www.mvideoeldorado.ru/en/shareholders-and-investors/results-and-reports/results-center>

About the Group

M.Video-Eldorado Group (PJSC M.video) a leading Russian e-commerce and consumer electronics retailer that unites the M.Video and Eldorado brands. The Group's GMV exceeded RUB 570 billion including VAT at the end of 2021.

As at December 31, 2021, the Group had stores across more than 370 Russian cities, with 599 and 659 stores under the M.Video and Eldorado brands, respectively. Total floor space was 2,147 thousand square meters.

M.Video-Eldorado Group is Russia's only publicly listed consumer electronics retailer. The Company's shares are currently traded on Moscow Exchange (ticker: MVID), with a 23.8% free float. Said Gutseriev directly or indirectly controls 60.4% of the share capital of PJSC M.video, 15% is held by Media-Saturn-Holding GmbH, and another 0.8% is held by MVM LLC, a 100% subsidiary of PJSC M.video.

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¹ Unless otherwise specified, comparisons are hereinafter provided on a year-on-year basis.

² GMV (gross merchandise value) includes in-store purchases (including those from pickup points), paid and delivered online orders, and paid orders shipped from warehouses to corporate customers. Offline and online purchases can be made by both individuals and legal entities. GMV includes the Company's own and agency sales of goods and services. GMV includes VAT and is net of discounts granted to customers and returns made during the reporting period. GMV does not constitute the Company's revenue.

³ Total online sales of M.Video-Eldorado Group, in line with its OneRetail strategy, include all sales to authorized customers via the Internet, including home delivery, in-store pickup and sales made to customers in-store through the consultant mobile app. Currently, sales through the consultant mobile app are only available at M.Video stores.

⁴ Mobile platform turnover includes sales through the M.Video and Eldorado customer apps, as well as in-store sales made through the consultant app.

⁵ The Company defines identified active customers as those who have logged in and made at least one purchase through any sales channel during the year.

⁶ The Company defines OneRetail customers as those who signed in and made at least one purchase during the year through the web platform or mobile platform, including customer and consultant apps.

⁷ M.Video and Eldorado launched their mobile apps in 2Q 2019 and in December 2020, respectively.

⁸ Total number of customer app downloads on iOS and Android mobile devices on a cumulative basis.

⁹ MAU stands for monthly active users, or the average monthly number of active users of mobile apps.