

## M.Video-Eldorado's 2021 GMV rises by 13%, share of total online sales reaches 68%

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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 three and twelve months ended December 31, 2021 (4Q 2021 and the full year 2021), and also provides a business overview and a summary of key events for 4Q 2021 and after the reporting date.

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### 2021 OPERATIONAL HIGHLIGHTS<sup>1</sup>

- **The Group's gross merchandise value (GMV<sup>2</sup>)** rose by 13.1% year-on-year to RUB 570.7 billion (incl. VAT).
- **Total online sales<sup>3</sup>** increased by 28.8% year-on-year to RUB 386.9 billion (incl. VAT), accounting for 67.8% of the Group's GMV.
  - **Mobile platform turnover<sup>4</sup>** increased by 67.1% year-on-year to RUB 257.6 billion, with a 66.6% share in total online sales.
  - **The number of OneRetail transactions grew 22%, reaching 65% of all transactions** versus 56% in 2020.
  - **The average ticket for OneRetail customers<sup>5</sup> increased to RUB 11,195 and was 35% higher than the average ticket for non-OneRetail customers** (RUB 8,271).
- **M.Video and Eldorado customer mobile app installations** reached 30 million, a 3.8x increase year-on-year.
- The total number of SKUs in the category of electronics and household appliances available on the Group's online platforms and in its offline stores saw a year-to-date increase of 2.4x from 75,000 to almost 185,000.
- As at the end of December 2021, **the M.Video and Eldorado store network** consisted of 1,258 stores in all formats (an increase of 184 stores in 12M 2021), spanning 371 cities in Russia (92 new cities added during the period).

### 4Q 2021 OPERATIONAL HIGHLIGHTS

- **The Group's GMV** rose by 8.1% year-on-year to RUB 177.6 billion (incl. VAT).
  - **Total online sales** increased by 17.3% year-on-year to RUB 123.9 billion (incl. VAT), accounting for 69.8% of the Group's GMV.
    - **Mobile platform turnover** increased by 30.8% year-on-year to RUB 83.9 billion, with a 67.7% share in total online sales.
    - **The number of OneRetail transactions grew 21%, reaching 68% of all transactions** versus 57% in 2020.
    - **The average ticket of OneRetail customers reached RUB 11,886 and was 16% higher than the average ticket for non-OneRetail customers** (RUB 10,206).
  - **The number of identified active customers<sup>6</sup> totaled 19.7 million**, with 62% of them classified as OneRetail customers versus 53% in 2020.
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## KEY DRIVERS OF PERFORMANCE IN 4Q 2021 AND THE FULL YEAR 2021:

- The Group's GMV growth significantly accelerated in 4Q 2021 versus 3Q 2021 to 8.1% year-on-year despite restrictions imposed on non-food retail by a number of regions, including Moscow and the Moscow Region, as part of efforts to combat the spread of COVID-19. In 2021, M.Video-Eldorado's sales showed double-digit growth compared with both 2020 (up 13.1%) and 2019 (up 30%) on the back of the development of the mobile platform, a higher purchasing frequency and a higher average ticket as well as expansion of the store network.
- In 4Q 2021, the Group continued to develop its OneRetail mobile platform, including moving users from the website to mobile solutions, as this will facilitate direct communication with customers and enable the more effective use of promotion and advertising mechanisms. As a result, customer traffic to M.Video's and Eldorado's apps more than doubled, while visits to the web platform decreased by only 6%. In 2021, sales via the mobile platform reached RUB 258 billion, up 67% year-on-year.
- In 2021, M.Video-Eldorado's average ticket amounted to RUB 9,805. The 9% year-on-year increase was driven primarily by consumer demand for appliances and devices in the upper price segments. The average ticket of OneRetail customers was RUB 11,195 (35% higher than the average ticket of non-OneRetail customers), which is attributable to personalized services and higher-quality recommendations based on data analytics. Besides a higher average ticket, OneRetail customers tend to purchase more frequently.
- Other GMV drivers included:
  - continuing growth in sales of services (up 8%), including sales of certificates (up 13%) and digital services (up 7%);
  - a rise in sales financed by consumer loans (up 9%), owing in part to the continued development of online lending, which is now available via the web and mobile platforms, and a continued recovery in POS lending;
  - an increase in the share of orders ready for delivery/pickup within 15 minutes to 41% of GMV.
- In 2021, M.Video-Eldorado opened 184 new stores and entered 92 new cities and towns, with most of the new openings being small-scale stores (114), which continue to perform above expectations.
- Home-centricity, interest in personalized offers and investment demand were some of the key trends in the Russian home appliances and consumer electronics market. The segments with the most notable year-on-year sales growth included mobile phones, household goods, gadgets for entertainment and remote lifestyles—driven by the pandemic—as well as innovative categories such as smart homes, which grew at a rate above the market average. Most product categories were dominated by higher price segments, as Russian consumers prefer to spend their money on more expensive and efficient devices. About 55% of turnover in the CE market was generated by conventional sales, with the remaining 45% sold online. This percentage remained virtually unchanged from the previous year.

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

“I am happy to be back with M.Video-Eldorado Group as its chief executive officer. As a member of the Board of Directors of PJSC M.video over the past two years, I have been closely following the evolution of our business and all the developments and challenges that have emerged in the market. I have every confidence that the Company is perfectly positioned to continue its strong growth. Our OneRetail strategy, underpinned by a seamless customer experience both online and at brick-and-mortar stores, together with data analytics, has proven to be successful. In 2021, despite the challenges of the pandemic and restrictions in the retail sector, M.Video-Eldorado delivered a double-digit increase in GMV, with sales surging by 30% compared with 2019. GMV CAGR for 2020 and 2021 was 14.2%, in line with the Company's long-term strategy.

“The Company was also able to expand as planned, with stores opening in 92 new cities and towns. A greater presence across Russian regions enables us to greatly increase the penetration of online sales as part of our omnichannel model. Out of the 184 stores we launched in 2021, around 44% opened their doors in the fourth quarter, which I believe will be a strong foundation for our growth this year. In 2022, we are planning to focus on operational efficiency in the course of our digital transformation while also further enhancing the OneRetail platform and fostering long-term partnerships with our suppliers.”

## KEY EVENTS IN 4Q 2021 AND AFTER THE REPORTING DATE

### Dividends and partnerships

- In line with a resolution adopted by an Extraordinary General Meeting of Shareholders, M.Video-Eldorado paid an interim dividend of RUB 6.3 billion, or RUB 35 per ordinary share of PJSC M.video. The total amount of interim dividends was approximately RUB 6,292 million.
- In December 2021, M.Video-Eldorado launched co-branded retail showrooms with Xiaomi, blazing a trail for the format in Russia as part of M.Video’s strategic partnership with the brand. M.Video provides comprehensive customer support and a personalized online and in-store shopping experience through its OneRetail technologies. The Company will also be responsible for fintech solutions, logistics and after-sales service. As a result, Xiaomi will benefit from turnkey retail processes to ensure the best customer touchpoint and showcase the benefits of its product ranges.

### Digital transformation and business process efficiency

- M.Video developed and started rolling out a new solution that enables customers to request the help of a consultant when at a store. The new functionality has been added to the customer app, delivering an improved shopping experience thanks to the use of digital technology. To request a consultant, customers need to specify where they are located and describe what they look like. A pilot project showed that it takes an average of only three minutes for a consultant to respond, and customer satisfaction with the solution now exceeds 82%.
- To develop the digital expertise of its staff, the Company launched an in-house agile competence center. The center will focus on introducing a product approach, applying flexible development techniques and transforming the corporate culture. A standalone focus for the competence center is an Agile School to train agents of change across all areas of business, from in-house talent to retail operations. Some 40 people have already completed their training at the school.
- The Group developed an online platform to automate assortment management and supplier relationships. The personal account interface will serve as a one-stop shop to launch and develop sales at M.Video and Eldorado stores and online platforms. This in-house solution is helping to quickly scale up the Company’s internal closed-access marketplace, with the duration of the initiation process for merchants now drastically reduced. Going forward, the personal account will offer tools based on the Group’s expertise and practices that will enable merchants to forecast sales, maximize profit and personalize their communications with customers.

### ESG

- In 2021, the volume of electronics (received from customers and the Company) and batteries sent for recycling increased 1.5-fold to almost 1,550 tons. M.Video-Eldorado also launched a number of projects to reduce its environmental footprint, including initiatives to collect packaging and secondary materials, sort waste, install reverse vending machines for collecting aluminum cans and plastic bottles, and recycle metallic elements of retail equipment that have become obsolete and are no longer used.
- ESG transformation is also a major part of our strategic drive to digitalize the customer journey. Customers can use their mobile app at any store to learn more about product properties, check out user reviews, compare items, get a personalized price, pay for a product and reduce the time needed to receive it. To

save paper and consumables, new stores use electronic price tags and mostly rely on digital displays, including TVs, to reach out to customers with advertising and additional information. When opening new retail facilities, the Company predominantly makes use of natural eco-friendly materials such as wood, glass and concrete.

## **BUSINESS OVERVIEW AND KEY EVENTS AFTER THE REPORTING DATE**

- PJSC M.video's Board of Directors approved the appointment of Enrique Fernandez as the CEO of M.Video-Eldorado Group effective January 18, 2022. Mr. Fernandez will continue to implement the OneRetail strategy and focus on achieving operational excellence, ensuring the highest quality of service, developing the Company's human resources and strengthening the Group's leading market positions. He will remain a member of the Board of Directors.

## M.Video-Eldorado Group operations summary for 4Q and 12M 2021

Gross merchandise value, RUB million (incl. VAT)						
	4Q 2021	4Q 2020	chg., %	12M 2021	12M 2020	chg., %
	120,502	109,987	+9.6%	383,608	335,526	+14.3%
	57,147	54,353	+5.1%	187,090	169,267	+10.5%
	<b>177,649</b>	<b>164,341</b>	<b>+8.1%</b>	<b>570,698</b>	<b>504,793</b>	<b>+13.1%</b>

Total online sales, RUB million (incl. VAT)						
	4Q 2021	4Q 2020	chg., %	12M 2021	12M 2020	chg., %
	107,020	89,717	+19.3%	331,921	246,624	+34.6%
	16,914	15,947	+6.1%	54,997	53,763	+2.3%
	<b>123,934</b>	<b>105,664</b>	<b>+17.3%</b>	<b>386,918</b>	<b>300,387</b>	<b>+28.8%</b>

Share of total online sales in GMV, %						
	4Q 2021	4Q 2020	chg., pp	12M 2021	12M 2020	chg., pp
	88.8%	81.6%	+7.2pp	86.5%	73.5%	+13.0pp
	29.6%	29.3%	+0.3pp	29.4%	31.8%	-2.4pp
	<b>69.8%</b>	<b>64.3%</b>	<b>+5.5pp</b>	<b>67.8%</b>	<b>59.5%</b>	<b>+8.3pp</b>










Identified active customers (LTM as of December 31), million						
	4Q 2021	4Q 2020	chg., %	12M 2021	12M 2020	chg., %
OneRetail customers	–	–	–	12.3	10.0	+23.4%
Share of OneRetail customers	–	–	–	62.4%	53.3%	+9.2 p.p.
Non-OneRetail customers	–	–	–	7.4	8.7	-15.4%
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>19.7</b>	<b>18.7</b>	<b>+5.3%</b>

Average ticket by customer group, RUB						
	4Q 2021	4Q 2020	chg., %	12M 2021	12M 2020	chg., %
OneRetail	11,886	12,477	-4.7%	11,195	11,014	+1.6%
Non-OneRetail	10,206	8,594	+18.8%	8,271	7,529	+9.9%
<b>Total</b>	<b>10,914</b>	<b>10,175</b>	<b>+7.3%</b>	<b>9,805</b>	<b>8,980</b>	<b>+9.2%</b>

Total online sales by channel, RUB million (incl. VAT)						
	4Q 2021	4Q 2020	chg., %	12M 2021	12M 2020	chg., %
Web platform	40,063	41,546	-3.6%	129,327	146,259	-11.6%
Mobile platform, incl.:	83,872	64,118	+30.8%	257,591	154,128	+67.1%
Customer apps	21,029	10,197	+106.2%	56,920	20,776	+174.0%
Consultant app	62,842	53,921	+16.5%	200,671	133,352	+50.5%
<b>Total</b>	<b>123,934</b>	<b>105,664</b>	<b>+17.3%</b>	<b>386,918</b>	<b>300,387</b>	<b>+28.8%</b>

Gross merchandise value by fulfillment channel, RUB million (incl. VAT)						
	4Q 2021	4Q 2020	chg., %	12M 2021	12M 2020	chg., %
Stores	108,850	114,507	-4.9%	370,459	341,747	+8.4%
Pickup	54,509	35,806	+52.2%	155,694	112,662	+38.2%
Delivery	14,290	14,027	+1.9%	44,545	50,384	-11.6%
<b>Total</b>	<b>177,649</b>	<b>164,341</b>	<b>+8.1%</b>	<b>570,698</b>	<b>504,793</b>	<b>+13.1%</b>

Aggregate customer mobile app metrics <sup>7</sup>						
	4Q 2021	4Q 2020	chg., %	12M 2021	12M 2020	chg., %
Installations, '000 <sup>8</sup>	–	–	–	29,625	7,783	+280.6%
MAUs, '000 <sup>9</sup>	5,296	2,343	+126.0%	3,934	1,392	+182.6%

Retail network			
	12.31.2021	12.31.2020	Chg. in 12M 2021
<b>Stores</b>			
	599	542	+57
	659	532	+127
	<b>1,258</b>	<b>1,074</b>	<b>+184</b>
<b>Selling space, '000 sqm</b>			
	876	810	+67
	710	665	+45
	<b>1,587</b>	<b>1,475</b>	<b>+112</b>
<b>Total space, '000 sqm</b>			
	1,218	1,131	+86
	930	883	+46
	<b>2,147</b>	<b>2,015</b>	<b>+132</b>

A presentation of the operating results for the three and twelve months ended December 31, 2021, 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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<sup>1</sup> Unless otherwise specified, comparisons are hereinafter provided on a year-on-year basis.

<sup>2</sup> 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.

<sup>3</sup> 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.

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

<sup>5</sup> 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.

<sup>6</sup> 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.

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

<sup>8</sup> The total number of customer app downloads on iOS and Android mobile devices on a cumulative basis.

<sup>9</sup> MAUs are monthly active users, or the average monthly number of active users of mobile apps.