

M.Video-Eldorado increases its EBITDA by 51% to RUB 7 billion in 1H 2022

August 25, 2022, Moscow, Russia

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 operating and condensed unaudited consolidated financial results under International Financial Reporting Standards (IFRS) for the six months ended June 30, 2022.

1H 2022 M.VIDEO-ELDORADO GROUP OPERATIONAL AND FINANCIAL HIGHLIGHTS¹

- **The Group's gross merchandise value (GMV²)** rose by 1.5% year-on-year to RUB 262,177 million (incl. VAT). Total online sales³ amounted to 176 billion (incl. VAT), accounting for 67.3% of the Group's GMV. Mobile platform turnover⁴ increased by 12% year-on-year to RUB 122 billion (incl. VAT).
- **Total traffic, online and offline combined**, saw a 1.5% year-on-year increase to 641 million visits despite an overall decline in demand in the consumer electronics market in 2Q 2022.
- **The Group's revenue** rose by 1.5% year-on-year to RUB 218,815 million.
- **Gross profit⁵** increased by 16.2% year-on-year to RUB 44,973 million (RUB 45,006 million under IFRS 16). Gross margin⁵ increased by 2.6 percentage points (p.p.) to 20.6% despite the overall macroeconomic volatility.
- **Selling, general and administrative expenses (SG&A), excluding depreciation and amortization**, amounted to RUB 37,824 million (RUB 27,580 million under IFRS 16), having increased as a percentage of revenue by 1.3 p.p. year-on-year to 17.3% on the back of the program to boost operational efficiency.
- **The Group's EBITDA⁵** went up 51.1% year-on-year to RUB 7,002 million (RUB 17,270 million under IFRS 16). **EBITDA margin⁵** totaled 3.2% (7.9% under IFRS 16).
- **The Group's adjusted EBITDA⁶** improved from negative RUB 1,456 million to positive RUB 7,002 million. **Adjusted EBITDA margin⁶** grew 3.9 p.p. year-on-year, from -0.7% to 3.2%.
- **The Group's net loss** totaled RUB 3,747 million (RUB 4,606 million under IFRS 16) due to an increase in interest expenses.
- **The Group's net debt** as of June 30, 2022 was RUB 67,926 million, with net debt / adjusted EBITDA⁶ at 2.3x (vs. 5.3x as at June 30, 2021⁵).
- As at the end of June 2022, the **M.Video and Eldorado store network** consisted of 1,248 stores of all formats.

Sergey Li, COO of M.Video-Eldorado Group:

"Amid dramatic shifts in the macroeconomic landscape and consumer sentiment in 2Q 2022, M.Video-Eldorado Group showed solid financial results and improved key metrics, indicating the growth of business efficiency.

The business model that combines online and offline retail yet again proves successful. In the current environment, physical stores remain the key destination for consultations on new brands, product selection and service support, and despite all the turbulence in consumer demand, our overall 1H 2022 traffic, offline and online combined, saw slight growth of 2% year-on-year.

In just two months in the context of the current headwinds, we rebuilt our import procurement and logistics processes from the ground up, and onboarded new partners both in direct procurement of consumer electronics and in marketplace sales. As a result, the range of products available at our platforms in many categories is now back to pre-crisis levels. We keep our focus on maintaining affordable prices, developing credit programs, bringing new lines of quality products to the market, and providing a top-notch customer experience, from product selection to delivery, installation and warranty service, including our own warranty on imported goods. As a result, we have seen an upward sales trend in July and August.

A massive overhaul of our key processes coupled with cost control and a focus on operational efficiency have helped us significantly improve our financial position while maintaining the scale of our business and operations. We continue to operate in over 300 cities, developing the mobile platform and online sales. Our gross profit added 16.2%⁵, EBITDA increased by 1.5x⁵, and expenses as a percentage of revenue decreased by 1.3 p.p. to 17.3%. At the same time, the Group keeps moderate leverage, with the net debt at the end of 1H 2022 at RUB 67.9 billion vs. RUB 64 billion a year earlier, and net debt / EBITDA still at 2.3x.

In 2H 2022, the Group will keep working closely with partners both in Russia and abroad to expand the offering of quality consumer electronics and household appliances. We will also continue to focus on projects involving mobile apps, personalization, and development of our own marketplace and analytical tools for partners available through suppliers' personal accounts."

KEY OPERATIONAL DRIVERS IN 2Q AND 1H 2022:

- The consumer electronics market showed high volatility in 1H 2022. The macroeconomic instability and the ruble depreciation fueled strong demand for high-end products in late February and the first half of March, leading to solid double-digit sales growth in 1Q 2022. With the 2Q headwinds of high economic uncertainty, unstable supply, and major brands pulling out of Russia or suspending operations in the country, the local consumer electronics market saw a noticeable decline. As a result, the Group's 1H 2022 GMV remained broadly flat year-on-year, up just 1.5%.
- In 2Q 2022, the Group's GMV was down 29.2%, with turnover supported by the following drivers:
 - a 28% increase in sales of private-label goods on the back of changes in the consumer electronics offering in Russia and growing consumer focus on low- and mid-price segments. In the most popular categories, such as refrigerators, dishwashers and small home appliances, the share of our own Hi and Novex brands more than doubled year-on-year. At the same time, sales of private-label goods delivered even more sound results for 6 months 2022 with a +60% growth year-on-year;
 - stronger sales of brands from China, Turkey, Belarus and other CIS countries – the demand seen by the Group for such brands as Haier, Beko, Candy, Vityas, Hisense, Grundig and others increased by 46% year-on-year;
 - an increase in demand for a number of the Company's services. In particular, the sales of services for large home appliances and household appliances increased by 44% compared to 1Q 2022 driven by deferred demand after a surge of purchases in February and March 2022;
 - launch of revamped credit products and programs, including expansion of the range of appliances available for purchase through instalment arrangements. The grace period extension to 18 months also helped credit sales rebound and reach 14% of total sales in June, up from 4.6% in March of this year;
 - expansion of the available range of consumer electronics and household appliances as part of our own marketplace development. Over the year, the marketplace saw 1.5x growth in its pool of partners helped by the attractive omni-channel approach ensuring strong targeted traffic, and favorable commercial terms.
- In 1H 2022, strong growth was delivered by sales through the mobile platform and further enhancement of the OneRetail technologies. The Group's customers continued to make active use of mobile tools for

purchases. M.Video and Eldorado customer mobile app downloads more than doubled year-on-year, coming close to 40 million, with monthly active users (MAU⁷) going up by 67%. Sales via the mobile platform⁴ expanded by 11.9% to RUB 122 billion in 1H 2022, comprising 46% of GMV versus 42% in the previous year.

- **Total traffic, online and offline combined**, delivered a 1.5% year-on-year increase to 641 million visits. In 2Q 2022, despite the challenging macroeconomic and market environment, traffic remained almost unchanged year-on-year (down by 3.1% vs. 2Q 2021). This was mostly driven by the enhancement of M.Video and Eldorado mobile apps, which saw visits increase by 63% year-on-year in 2Q 2022 and by 80% in 6M 2022.

M.VIDEO-ELDORADO GROUP'S KEY CONSOLIDATED FINANCIAL HIGHLIGHTS FOR 1H 2022

RUB million (excl. VAT)	IAS 17		Change Y-o-Y	IFRS 16		Change Y-o-Y
	1H 2022	1H 2021 ⁵		1H 2022	1H 2021 ⁵	
Revenue	218,815	215,570	+1.5%	218,815	215,570	+1.5%
Gross profit	44,973	38,718	+16.2%	45,006	38,747	+16.2%
<i>Gross margin, %</i>	<i>20.6%</i>	<i>18.0%</i>	<i>+2.6 p.p.</i>	<i>20.6%</i>	<i>18.0%</i>	<i>+2.6 p.p.</i>
EBITDA	7,002	4,635	+51.1%	17,270	15,088	+14.5%
<i>EBITDA margin, %</i>	<i>3.2%</i>	<i>2.2%</i>	<i>+1.0 p.p.</i>	<i>7.9%</i>	<i>7.0%</i>	<i>+0.9 p.p.</i>
Adjusted EBITDA⁶	7,002	-1,456	-	17,270	8,996	+92.0%
<i>Adjusted EBITDA margin⁶, %</i>	<i>3.2%</i>	<i>-0.7%</i>	<i>+3.9 p.p.</i>	<i>7.9%</i>	<i>4.2%</i>	<i>+3.7 p.p.</i>
Net loss	(3,747)	(2,859)	+31.1%	(4,606)	(3,647)	+26.3%

REVENUE

In 1H 2022, the Group's revenue increased by 1.5% year-on-year to RUB 218,815 million. The key revenue drivers are described above in the *Key operational drivers in 1H 2022* section.

GROSS PROFIT

In preparing its interim condensed consolidated financial statements for 1H 2022, the Group reversed part of supplier bonuses due for 1H 2021, which had been accrued based on preliminary estimates and were not confirmed by final agreements with the suppliers. The Group had been using estimates as a basis for bonus accruals for many reporting periods, and they had always been subsequently confirmed by the suppliers.

Given the high uncertainty of the current operating environment and the adjustment introduced to the financials for the previous period, the Group has reviewed its approach to recognizing supplier bonus accruals in its interim financial statements. While previously supplier bonuses were accrued, inter alia, based on management estimates, in the reporting period only bonuses confirmed by source documents were accrued.

To ensure correct presentation of the Group's semi-annual financial results, the 2021 financial statements were adjusted to exclude from the 1H 2021 results the estimated accruals of supplier bonuses that were not confirmed later, with the simultaneous exclusion from the 2H 2021 results of the reversal adjustments of these accruals. Thus, the 2021 semi-annual financial results were adjusted to their actual values in the 2021 statements, while the full-year results for 2021 remained unchanged.

The Company's gross profit in the reporting period grew by 16.2% year-on-year to RUB 44,973 million, while gross margin added 2.6 p.p. year-on-year and amounted to 20.6%. The key drivers supporting gross profit included:

- changes in the sales mix by category, with a reduction in the share of low-margin categories of certain brands' mobile phones;

- updates introduced to commercial terms with suppliers and increased involvement of suppliers in the Company's business processes through the development of the technological platform and suppliers' personal accounts, as well as enhancement of analytics systems;
- optimization of warehouse logistics and last-mile processes.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 1H 2022, total reduction in SG&A expenses (excluding depreciation and amortization) stood at RUB 2.1 billion year-on-year, or 1.3 p.p. as a share of revenue. Since April 2022, the Group has been implementing a cost reduction program by improving operational excellence, bringing 2Q 2022 savings to RUB 4.5 billion in absolute terms. The key drivers behind changes in OPEX were:

- reduction in payroll expenses as a share of revenue by 0.5 p.p. to 5.9% following optimization of management levels and process automation;
- decline in advertising and marketing expenses as a percentage of revenue by 0.4 p.p. to 1.4% as a result of prioritizing more effective channels of promotion and increased communications using the Group's own mobile platform;
- reduction in other expenses by 0.3 p.p. to 1.3% on the back of a program to improve operational excellence;
- the decline in 2Q 2022 in lease expenses, delivered after agreement had been reached with lessors to switch stores to variable lease payments as a percentage of revenue and/or to obtain discounts on fixed lease payments, was to a large extent offset by higher variable lease expenses following a surge in sales in February and March, combined with additional (vs. 2Q 2021) lease expenses for new stores opened in 2H 2021.

Depreciation and amortization expenses went up to RUB 5,413 million in 1H 2022 as compared to RUB 4,217 million in 1H 2021, which was due to the business expansion program run in 2H 2021 and implementation of certain new technology thanks to heavy IT investments throughout 2021.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

RUB million (excl. VAT)	IAS 17		Change Y-O-Y	IFRS 16		Change Y-O-Y
	1H 2022	1H 2021		1H 2022	1H 2021	
Payroll expenses	12,955	13,751	-5.8%	12,955	13,751	-5.8%
<i>Payroll expenses, %</i>	5.9%	6.4%	-0.5 p.p.	5.9%	6.4%	-0.5 p.p.
Lease and utility expenses	11,894	11,486	+3.6%	2,747	2,081	+32.0%
<i>Lease and utility expenses, %</i>	5.4%	5.3%	+0.1 p.p.	1.3%	1.0%	+0.3 p.p.
Advertising and marketing	3,053	3,848	-20.7%	3,001	3,792	-20.9%
<i>Advertising and marketing, %</i>	1.4%	1.8%	-0.4 p.p.	1.4%	1.8%	-0.4 p.p.
Bank charges	2,061	2,587	-20.3%	2,062	2,588	-20.3%
<i>Bank charges, %</i>	0.9%	1.2%	-0.3 p.p.	0.9%	1.2%	-0.3 p.p.
Warehousing services	2,556	2,547	+0.3%	1,513	1,661	-8.9%
<i>Warehousing services, %</i>	1.2%	1.2%	-0.0 p.p.	0.7%	0.8%	-0.1 p.p.
Security expenses	1,277	1,076	+18.7%	1,277	1,075	+18.8%
<i>Security expenses, %</i>	0.6%	0.5%	+0.1 p.p.	0.6%	0.5%	+0.1 p.p.
Repairs and maintenance	1,123	1,145	-1.9%	1,122	1,145	-2.0%
<i>Repairs and maintenance, %</i>	0.5%	0.5%	-0.0 p.p.	0.5%	0.5%	-0.0 p.p.
Other expenses	2,905	3,533	-17.8%	2,903	3,534	-17.9%
<i>Other expenses, %</i>	1.3%	1.6%	-0.3 p.p.	1.3%	1.6%	-0.3 p.p.

SG&A (excl. D&A)	37,824	39,973	-5.4%	27,580	29,627	-6.9%
SG&A (excl. D&A), %	17.3%	18.5%	-1.3 p.p.	12.6%	13.7%	-1.1 p.p.
D&A	5,413	4,217	+28.4%	13,704	12,515	+9.5%
D&A, %	2.5%	2.0%	+0.5 p.p.	6.3%	5.8%	+0.5 p.p.
Total SG&A	43,238	44,190	-2.2%	41,284	42,142	-2.0%
Total SG&A, %	19.8%	20.5%	-0.7 p.p.	18.9%	19.5%	-0.7 p.p.

ADJUSTED EBITDA

The Group's adjusted EBITDA⁶ amounted to RUB 7,002 million in 1H 2022 vs. negative RUB 1,456 million in 1H 2021. Adjusted EBITDA margin⁶ climbed 3.9 p.p. year-on-year, totaling 3.2% in 1H 2022. The growth is attributable to a 2.6 p.p. increase in gross margin⁵ accompanied by a 1.3 p.p. decline in SG&A expenses (excluding depreciation and amortization).

NET PROFIT/LOSS

The Group's net loss went up 31.1% year-on-year to RUB 3,747 million vs. RUB 2,859 million in 1H 2021⁵ due to higher financial expenses and depreciation and amortization expenses, which was partially offset by EBITDA growth.

LEVERAGE

As of June 30, 2022, the Group's total debt increased by RUB 2,857 million to RUB 70,800 million, while cash and cash equivalents as at the end of the reporting period decreased by RUB 9,180 million compared with December 31, 2021 to RUB 2,874 million.

The Group's net debt for the reporting period went up by RUB 3,940 million year-on-year to RUB 67,926 million. All of the Group's debt is denominated in rubles.

As a result, net debt / adjusted EBITDA⁶ as of June 30, 2022 stood at 2.3x, down by 0.4x vs. December 31, 2021 and by 3.0x vs. June 30, 2021⁵.

BUSINESS OVERVIEW AND KEY EVENTS AFTER THE REPORTING DATE

- July and August have seen an emerging trend towards GMV recovery as the effect of the February and March investment demand dissipated and gave way to the traditional business seasonality, and the product range expanded on the back of import development. A similar situation can be observed in online sales³, with sales via the mobile platform⁴ continuing to grow thanks to its enhanced capabilities, improved personalization of price offers, and credit programs in the app becoming more convenient.
- The Group has entered into strategic partnership with Artel, Central Asia's largest manufacturer of consumer electronics under its own and other well-known brands, such as Samsung, Shivaki, Viessmann, etc. Together with M.Video-Eldorado, Uzbekistan's Artel plans to offer Russian customers its competitively priced core assortment of reliable consumer electronics that match popular brands in specs.
- The total number of M.Video and Eldorado loyalty program participants has exceeded 100 million, including 54 million unique members of M.Club and 49 million of Eldoradosti.
- Irina Petrova, previously Country HR Director at Coca-Cola HBC & Multon (Russia), has joined M.Video-Eldorado as Director for Organizational Transformation and Human Resources.
- In July, the Group successfully placed a new offering of 3-year exchange-traded bonds worth RUB 5 billion with a coupon of 12.35% p.a.
- In August, M.Video-Eldorado launched inaugural sales of products by Wiko – a French-Chinese smartphone manufacturer and Europe's top-10 most popular brand that before had not been represented

on the Russian market. M.Video and Eldorado already offer Wiko T3, a smartphone priced in the RUB 10,000 to 15,000 range, with three more smartphone models along with earphones and accessories to be added this fall.

EFFECT OF IFRS 16 ON M.VIDEO-ELDORADO GROUP'S FINANCIAL STATEMENTS

The introduction of IFRS 16, which came into effect on January 1, 2019, affected the Group's EBITDA, operating profit and net profit.

Effect on gross profit

The difference in the Group's gross profit under IFRS 16 is insignificant and attributable to variations in accounting treatment of leased vehicles. The Group's gross profit under IFRS 16 amounted to RUB 45,006 million in 1H 2022 compared to RUB 44,973 million under IAS 17 over the same period. The gross margin under both standards totaled 20.6% in 1H 2022.

Effect on EBITDA

The Group's EBITDA was significantly higher under IFRS 16, as the bulk of lease expenses previously recognized in selling, general and administrative expenses are now recognized, under IFRS 16, as the Company's balance sheet debt as well as financial expenses in the income statement.

In 1H 2022, lease and utility expenses under IFRS 16 decreased by RUB 9,147 million. The Group's EBITDA under IFRS 16 increased to RUB 17,270 million in 1H 2022 compared to RUB 7,002 million under IAS 17 over the same period. In 1H 2022, EBITDA margin under IFRS 16 was 7.9%, which is 4.7 p.p. higher than EBITDA margin of 3.2% under IAS 17.

Effect on net profit

The Group's net profit in 1H 2022 was affected by RUB 8,291 million of additional expenses arising from depreciation of leased assets under IFRS 16. The effect of these additional depreciation expenses was fully offset by the deduction of long-term lease expenses from operating expenses as mentioned above.




At the same time, financial costs under IFRS 16 increased by RUB 3,053 million due to additional interest expenses on lease liabilities in 1H 2022. The implementation of IFRS 16 also changed income tax expenses due to a change in profit before tax.




As a result, the Group's net loss under IFRS 16 amounted to RUB 4,606 million in 1H 2022 compared to net loss of RUB 3,747 million under IAS 17 over the same period.




Effect on cash flow statement

The implementation of IFRS 16 does not affect the net cash change in the statement of cash flows. However, IFRS 16 impacts the presentation of the statement of cash flows such that it classifies principal lease payments as financing activities, prepayments as investing activities, and interest payments as interest paid in the course of operating activities.

M.Video-Eldorado Group operations summary for 2Q and 1H 2022

Gross merchandise value (GMV) ² , RUB million (incl. VAT)						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
	57,338	80,200	-28.5%	179,172	172,777	+3.7%
	27,706	39,899	-30.6%	83,005	85,534	-3.0%
	85,044	120,099	-29.2%	262,177	258,312	+1.5%

Total online sales (TOS) ³ , RUB million (incl. VAT)						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
	48,632	69,100	-29.6%	152,213	146,913	+3.6%
	7,848	12,405	-36.7%	24,127	26,939	-10.4%
	56,480	81,505	-30.7%	176,340	173,852	+1.4%

Share of Total online sales (TOS) ³ in GMV ² , %						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
	84.8%	86.2%	-1.3%	85.0%	85.0%	-0.1%
	28.3%	31.1%	-2.8%	29.1%	31.5%	-2.4%
	66.4%	67.9%	-1.5%	67.3%	67.3%	-0.0%

Identified active customers ⁸ , million						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
OneRetail customers ⁹	12.1	11.3	+7.1%	12.1	11.3	+7.1%
Share of OneRetail customers ⁹	63.8%	56.9%	+6.8pp	63.8%	56.9%	+6.8pp
Non-OneRetail customers	6.9	8.5	-19.5%	6.9	8.5	-19.5%
Total	18.9	19.8	-4.3%	18.9	19.8	-4.3%










Average ticket by client group, RUB						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
OneRetail	9,639	10,744	-10.3%	12,258	10,417	+17.7%
non-OneRetail	7,665	7,848	-2.3%	9,654	7,415	+30.2%
Total	8,905	9,332	-4.6%	10,967	9,002	+21.8%

Total online sales (TOS) ³ by channel, RUB million (incl. VAT)						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
Web platform	16,582	29,434	-43.7%	54,483	64,937	-16.1%
Mobile platform ⁴ , incl.:	39,897	52,070	-23.4%	121,857	108,915	+11.9%
Customer apps	9,673	11,457	-15.6%	30,765	23,701	+29.8%
Consultant app	30,224	40,613	-25.6%	91,092	85,214	+6.9%
Total	56,480	81,505	-30.7%	176,340	173,852	+1.4%

Gross merchandise value (GMV) ² by fulfilment channel, RUB million (incl. VAT)						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
Stores	57,969	78,575	-26.2%	171,024	168,362	+1.6%
Pick-up	21,082	31,439	-32.9%	72,282	68,698	+5.2%
Delivery	5,993	10,084	-40.6%	18,872	21,251	-11.2%
Total	85,044	120,099	-29.2%	262,177	258,311	+1.5%

Aggregate website metrics: average monthly visits, million						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
Visits	44.6	57.5	-22.4%	51.7	64.4	-19.7%

Aggregate customer mobile app metrics ¹⁰						
	2Q 2022	2Q 2021	chg., %	1H 2022	1H 2021	chg., %
Installations, '000 ¹¹	-	-	-	39,785	16,595	+139.7%
MAU, '000 ⁷	5,073	3,372	+50.5%	5,481	3,288	+66.7%

Retail network	30.06.2022	31.12.2021	Chg. in 1H 2022
Stores			
 601	601	599	+2
 647	647	659	-12
 1,248	1,248	1,258	-10
Selling space, '000 sqm			
 883	883	876	+7
 694	694	710	-16
 1,577	1,577	1,587	-9
Total space, '000 sqm			
 1,227	1,227	1,218	+9
 908	908	930	-22
 2,135	2,135	2,147	-12

The condensed unaudited consolidated financial results under International Financial Reporting Standards (IFRS) for the six months ended June 30, 2022 and the presentation on operational and financial results for 2Q and 1H are posted on the Group's corporate 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) is 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. M.Video-Eldorado Group is Russia's only publicly listed consumer electronics retailer. The Company's shares are currently traded on Russia largest stock exchange - Moscow Exchange (ticker: MVID).

As of June 30, 2022, the Group had stores across nearly 369 Russian cities, with 601 and 647 stores under the M.Video and Eldorado brands, respectively. Total floor space was 2,135 thousand square meters.

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¹ Unless otherwise specified, all financial results of M.Video-Eldorado Group are provided in line with IAS 17.

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 sales made on the web-platform (on the web-site and contact center) and on the mobile platform (via Customer app and Consultant app).

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 To ensure correct presentation of the Group's semi-annual financial results, the 2021 financial statements were adjusted to exclude from the 1H 2021 results the estimated accruals of supplier bonuses that were not confirmed later, with the simultaneous exclusion from the 2H 2021 results of the reversal adjustments of these accruals. Thus, the 2021 semi-annual financial results were adjusted to their actual values in the 2021 statements, while the full-year results for 2021 remained unchanged.

⁶ Adjusted EBITDA for 1H 2021 is based on restated figures and excludes the one-off transactions: income from the sale of goods.ru marketplace and income from the write-off of the subsidized loan obtained in 2020 as part of the government program to support companies most affected by COVID-19. The total value of the one-off transactions is RUB 6.1 bn.

⁷ MAU - monthly active users, or the average monthly number of active users of mobile apps.

⁸ 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.

⁹ 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

¹⁰ M.Video and Eldorado launched their mobile apps in 2Q 2019 and in December 2020, respectively.

¹¹ The total number of customer app downloads on iOS and Android mobile devices on a cumulative basis.