M.VIDEO EGM APPROVES ACQUISITION OF ELDORADO

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16 April 2018, Moscow – PJSC M.Video (“M.Video” or the “Company”) (MOEX: MVID), Russia’s largest electronics and consumer appliances retailer, part of Mikhail Gutseriev’s SAFMAR Group (the “Group”), announces that on 13 April 2018 an Extraordinary General Meeting of shareholders (EGM) approved terms of the acquisition by the Company’s subsidiary M.Video Management LLC of 100% of the share capital of Eldorado LLC (the “Transaction”).

PJSC M.Video’s EGM approved the provision of collateral for the loan that M.Video Management LLC, a subsidiary of the Company, plans to use to finance the purchase of 100% of Eldorado LLC. M.Video will provide collateral in the form of guarantees, the pledge of its stake in M.Video Management LLC, as well as pledges of exclusive rights to trademarks. The terms of the Transaction were approved by 89.8% of the shareholders that participated in the voting and by 72.2% of the shareholders not interested in the Transaction that participated in the voting.

Chairman of the Board of Directors of PJSC M.Video Said Gutseriev said: “I am grateful to all our shareholders who expressed their trust and approved the Transaction. We have taken another step closer to a transformational moment in the history not just of the company but of the entire Russian market for electronics. I am confident that the combination of the two companies will be a success, and that we will be able to transform M.Video into one of the world’s leading electronics retailers. This will create significant returns on investment for our shareholders due to the expected increase in the company’s share price and fair dividend pay-outs.”

According to current legislation, shareholders who vote against or do not take part in the voting have right to present their shares for redemption. Applications for share buy-back must be submitted within 45 days of the date of the EGM. The redemption price has been set by the Board of Directors of M.Video at RUB 401 per one ordinary share based on an independent appraiser’s report, and is close to the weighted average closing price on Moscow Exchange over the last twelve months.

To execute the Transaction M.Video Management LLC plans to take a loan of approximately RUB 40 billion as well as using its own free funds. The total value of the Transaction is approximately RUB 45.5 million excluding the debt of

Eldorado. M.Video Management LLC plans to complete all formalities related to the acquisition of Eldorado during the second quarter of 2018. The companies plan to carry out the reorganisation and creation of a single operational legal entity by the first quarter of 2019, which will enable them to capture all planned synergies.

The combination of Eldorado and M.Video is the next step in realizing the investment potential of both companies and creating a consolidated player with significant prospects for growth in shareholder value. The revenue of the combined company is expected to exceed RUB 450 billion in 2022, making the Group one of the largest public retailers in the world in its sector and, by increasing its EBITDA margin to over 6%, one of the top three publicly traded consumer electronics and appliances retailers in the world by profitability.

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