

M.Video-Eldorado opens new distribution centers in Southern Russia, the Volga region, Siberia, Urals and Far East

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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, has added another 70,000 cu m to the overall capacity of its distribution centers, opening new facilities in Samara, Krasnodar and Krasnoyarsk, and doubling its storage area in Yekaterinburg and Vladivostok. These launches further develop the chain's fulfillment capabilities, enabling faster re-stocking of stores and accelerated home delivery times. Many delivery times for online orders will now be four times quicker. The move comes on the back of continued growth in the Group's GMV and online sales.

Developing distribution infrastructure is part of the Company's long-term strategy, which envisages doubling the size of the business by 2025, with a significant expansion in the product range, including through development of the marketplace model and ongoing improvements to customer service. M.Video-Eldorado's total online sales have tripled over the past two years, and the retailer's assortment, including marketplace offerings, has also tripled. This has led the Group to boost its regional logistical infrastructure, specifically in the Volga region, Southern Russia, the Urals, Siberia and the Far East. The Company will open three new distribution centers in Samara, Krasnodar and Krasnoyarsk. Existing facilities in Yekaterinburg and Vladivostok will also be updated, doubling their total area. As a result, the Group will operate a total of 13 distribution centers, totaling around 520,000 cu m.

The new space will enable storage of up to 25,000 region-specific household and digital products from M.Video-Eldorado's main range. The distribution centers will accelerate the replenishment of regional platforms, the re-stocking of stores, as well as facilitate availability of pick-up and delivery of online orders within 24 hours in the cities where the Company operates, and urban satellites located within 130 km from them. The expansion of the Company's logistics infrastructure will result in a fourfold reduction in delivery times for some online orders.

Irina Dementieva, Head of the Supply, Distribution and Logistics at M.Video-Eldorado Group:

Developing logistics and fulfillment is one of the key areas that will ensure M.Video-Eldorado Group reaches its strategic goal of doubling GMV by 2025. We plan to accelerate all our logistics processes and increase our footprint in the regions. This is an important step on the road to transforming the Group's distribution network. We are constantly improving service targets for a wide range of goods, both from our own offering and from our partners. Currently 98% of M.Video and Eldorado orders are delivered on time. By scaling up the marketplace model, up to 10% of our storage space can be used for fast-moving goods from merchants, enabling us to further increase the range of electronics and associated goods. We continue to rely on a well-developed network of stores to ensure quick delivery. Growing our distribution capabilities lets us stock our warehouses and stores more efficiently, given we can adapt to customer preferences on a regional basis. This enables us to compete with local market players in terms of accessibility and with other marketplaces in terms of speed.

M.Video-Eldorado is developing a mixed logistics model that draws on both in-house operations and outsourcing. Through outsourcing, we bring in well-resourced companies that provide a comprehensive approach and vast operational experience (delivery of large and small appliances, cross-docking, pick-up points, customer delivery and store replenishment). Our new distribution centers have partnered up with PEC in Samara, Favorite Logistics in Krasnodar and Smile in Krasnoyarsk.

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 500 billion including VAT at the end of 2020.

As of June 30, 2021, the Group had stores across more than 300 Russian cities, with 557 and 580 stores under the M.Video and Eldorado brands, respectively. Total floor space was 2,047 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 24% free float. Said Gutseriev directly or indirectly controls 60% of the share capital of M.video PJSC, 15% is held by Media-Saturn-Holding GmbH and another 1% is held by MVM LLC, a 100% subsidiary of M.video PJSC.

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