

## M.Video-Eldorado increases its import share to 25% by the end of 2022 and adjusted EBITDA to RUB 15.5 billion in 2022

May 02, 2023, 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 audited consolidated financial results under International Financial Reporting Standards (IFRS) for the twelve months ended December 31, 2022.

### 2022 M.VIDEO-ELDORADO GROUP OPERATIONAL AND FINANCIAL HIGHLIGHTS<sup>1</sup>

- **The Group's gross merchandise value (GMV<sup>2</sup>)** decreased by 14.3% year-on-year to RUB 488.9 billion (incl. VAT). Total online sales<sup>3</sup> amounted to 326.8 billion (incl. VAT), accounting for 67% of the Group's GMV.
- **Total traffic, online and offline combined**, saw a 7.2% year-on-year decrease to 1.3 billion visits due to general decline in demand in the consumer electronics market in 2H 2022. At the same time, traffic in the client's mobile app increased by 32% year-on-year.
- **The share of imported goods** increased significantly in 2H 2022 and amounted to 25% of total sales in 4Q 2022.
- **The turnover of own marketplace** more than tripled due to over 100% growth of the assortment of consumer electronics to 110,000 SKUs.
- **The Group's revenue** decreased by 15.5% year-on-year to RUB 402.5 billion.
- **Gross profit<sup>4</sup>** decreased by 5.1% year-on-year to RUB 83.0 billion (RUB 83.1 billion under IFRS 16). **Gross margin<sup>4</sup>** increased by 2.3 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 68.7 billion (49.4 billion under IFRS 16), the comparable expenses<sup>5</sup> have decreased by 17.9% year-on-year on the back of the program to boost operational efficiency. The total decrease of SG&A expenses, excluding depreciation and amortization, and capital expenditures, amounted to RUB 24 billion in 2022.
- **The Group's adjusted EBITDA<sup>6</sup>** increased by 69% to RUB 15.5 billion. **Adjusted EBITDA margin<sup>6</sup>** grew 1.9 p.p. year-on-year to 3.8%.
- **The Group's adjusted net loss<sup>6</sup>** decreased by 10.2% to RUB 6.7 billion (RUB 9.5 billion under IFRS 16).
- **The Group's net debt** as of 31 December, 2022 was RUB 65.5 billion, with net debt / adjusted EBITDA<sup>6</sup> at 4.2x (vs. 6.3x as at 31 December, 2021).
- As at the end of December 2022, the **M.Video and Eldorado store network** consisted of 1,226 stores of all formats.

### Sergey Li, CEO of M.Video-Eldorado Group:

«The team of M.Video-Eldorado delivered on all the objectives for 2022: we rebuilt our business and adapted it to the new economic environment, managed to keep the size of our retail chain virtually unchanged, while also substantially improving the operational efficiency of all the key business processes (review of the marketing and promotion approaches, combination of communications for both brands, optimization of logistics and lease arrangements, substitution of IT solutions offered by foreign companies with in-house

products). As a result, the Company cut its operating and capital expenditures by RUB 24 billion, with its adjusted EBITDA growing to RUB 15.5 billion and EBITDA margin rising to 3.8%.

In 2022, M.Video-Eldorado launched a number of fundamentally new processes, such as import operations, and accelerated the implementation of existing projects seeking to expand the product range and maintain the high quality of customer service. For example, by the end of 2022 the share of imports in the Company's turnover increased from 0% to 25%, while in certain periods of 1Q 2023 imports reached 30–37%. The Group's fast-growing marketplace attracts hundreds of new merchant partners, including small companies and Russian manufacturers, with the customers of M.Video and Eldorado enjoying access to more than 180,000 SKUs of electronics, appliances and complementary accessories. The Company has developed a new retail format for M.Video, which displays practically the entire product range of a standard M.Video store despite having a significantly smaller floor area and requiring lower opening costs. This enabled the Group to continue its expansion in 2023, with five new stores already opened and another ten scheduled for opening in the near future.

Key drivers behind M.Video-Eldorado's growth this year include well-orchestrated product mix efforts, the marketplace, advanced online platform, including mobile apps downloaded more than 50 million times, and retail marketing tools enabling us to launch new brands in the Russian market and provide assistance to new brand manufacturers. In April, the Group's sales showed double-digit year-on-year growth. EBITDA margin for 1Q 2023 is expected to come in at no less than 4%».

## KEY OPERATIONAL DRIVERS IN 2022:

- The consumer electronics market showed high volatility in 2022, therefore the Group's sales demonstrated a non-standard seasonality. In Q1 2022 investment demand for premium electronics allowed the Group to show a sales growth rate ahead of the market. Starting from Q2 2022, there was a slowdown in sales because of the high economic uncertainty, unstable supply, and major brands, previously represented in stores and on the Group's website, pulling out of Russia or suspending operations in the country.
- The Group's turnover was supported by the following drivers:
  - an increase up to 6 times 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 2022 the Group increased the supply of Novex and Hi brands up to 400 SKUs in 37 popular categories. The leaders of sales are TVs and accessories, refrigerators, climate control equipment, built-in appliances, washing machines, vacuum cleaners, dishwashers, other kitchen appliances and personal care products. Thus, the demand for electric toothbrushes increased 6 times, for vacuum cleaners – 4 times, freezers and dishwashers – 3 times, air conditioners – 2 times;
  - stronger sales of brands from China, Turkey, Belarus, Uzbekistan and other CIS countries – the demand seen by the Group for such brands as Haier, Beko, Candy, Vityas, Hisense, Grundig, Artel and others increased 2 times year-on-year;
  - starting up import purchases and logistics, attracting new partners both in the framework of direct purchases of electronics and in the marketplace format to ensure the availability of assortment in demand in retail and online sales. The share of imported goods in GMV reached 25% in 4Q 2022. At the end of the year the Group has established import operations with more than 15 countries;
  - 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 30 months also helped credit sales rebound to the level of 2021;
  - the turnover of own marketplace more than tripled due to over 100% growth of the available assortment of e-commerce and consumer electronics to 110,000 SKUs. In 2022 the number of partners of the marketplace has doubled with about a quarter made up of small business entities suppliers;

- the growth of sales by 9% year-on-year during the Black Friday period (November 1-7) due to the effective organization and implementation of an advertising campaign.
- The Group's customers continued to make active use of mobile tools for purchases. Sales via the mobile platform, which includes customer and consultant apps, increased by 3 p.p. and reached 48% of GMV, among other things due to the shift of users from the website to mobile products. M.Video and Eldorado customer mobile app downloads increased by 73% year-on-year, having reached 51 million with monthly active users (MAU<sup>7</sup>) going up by 33%. This allows the Company to communicate with customers more and more directly and use promo and advertising mechanics more effectively.
- Total traffic, online and offline combined, saw a 7.2% year-on-year decrease to 1.3 billion visits as a result of a general turbulence and a decline in mall traffic due to the major brands pulling out of Russia or suspending operations in the country. At the same time, mobile app traffic delivered 32% growth year-on-year and reached 35% of total traffic.
- In 2022 the Group mostly retained the retail network, despite the suspension of expansion due to the high level of market uncertainty. The reduction of 32 stores was due to the regular closures of inefficient stores and was at a level comparable to previous periods.

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

RUB million (excl. VAT)	IAS 17		Change y-o-y	IFRS 16		Change y-o-y
	2022	2021 <sup>4</sup>		2022	2021 <sup>4</sup>	
<b>Revenue</b>	<b>402,462</b>	<b>476,364</b>	<b>-15.5%</b>	<b>402,462</b>	<b>476,364</b>	<b>-15.5%</b>
<b>Gross profit</b>	<b>83,045</b>	<b>87,520</b>	<b>-5.1%</b>	<b>83,107</b>	<b>87,579</b>	<b>-5.1%</b>
<i>Gross margin, %</i>	<i>20.6%</i>	<i>18.4%</i>	<i>+2.3 p.p.</i>	<i>20.6%</i>	<i>18.4%</i>	<i>+2.3 p.p.</i>
<b>EBITDA</b>	<b>14,443</b>	<b>19,516</b>	<b>-26.0%</b>	<b>33,795</b>	<b>35,678</b>	<b>-5.3%</b>
<i>EBITDA margin, %</i>	<i>3.6%</i>	<i>4.1%</i>	<i>-0.5 p.p.</i>	<i>8.4%</i>	<i>7.5%</i>	<i>+0.9 p.p.</i>
<b>Adjusted EBITDA<sup>6</sup></b>	<b>15,476</b>	<b>9,132</b>	<b>69.5%</b>	<b>34,828</b>	<b>25,294</b>	<b>37.7%</b>
<i>Adjusted EBITDA margin<sup>6</sup>, %</i>	<i>3.8%</i>	<i>1.9%</i>	<i>+1.9 p.p.</i>	<i>8.7%</i>	<i>5.3%</i>	<i>+3.3 p.p.</i>
<b>Adjusted Net loss<sup>6</sup></b>	<b>(6,725)</b>	<b>(7,489)</b>	<b>-10.2%</b>	<b>(9,472)</b>	<b>(12,814)</b>	<b>-26.1%</b>

### REVENUE

In 2022, the Group's revenue decreased by 15.5% year-on-year to RUB 402.5 billion. The key revenue drivers are described above in the Key operational drivers in 2022 section.

### GROSS PROFIT

In preparing its audited consolidated financial results under International Financial Reporting Standards (IFRS) for the twelve months ended December 31, 2022, the Group reversed part of supplier bonuses due for 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 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 annual financial results, the 2021 financial statements were adjusted to exclude from the 2021 results the estimated accruals of supplier bonuses that were not confirmed later.

The Company's gross profit in the reporting period decreased by 5.1% year-on-year to RUB 83.0 billion, while gross margin added 2.3 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)

Since April 2022, the Group has been implementing a cost reduction program by improving operational excellence, bringing 2022 SG&A expenses excl. SLA-adjustment<sup>5</sup> and D&A savings to RUB 14.9 billion in absolute terms or 17.9%, despite a significant part of fixed costs. The key drivers behind changes in OPEX were:

- reduction in payroll expenses as a share of revenue by 0.2 p.p. to 5.8% 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 1.3% 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 0.1 p.p. to 1.5% on the back of a program to improve operational excellence;
- the decline in lease expenses by 2.1 billion, delivered due to agreements 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. 2021) lease expenses for new stores opened in 2H 2021;
- reduction in bank expenses by 0.2 p.p. to 0.9% as a result of optimization of acquiring and encashment costs.

Depreciation and amortization expenses went up to RUB 11.7 billion in 2022 as compared to RUB 8.9 billion in 2021, which was due to the business expansion program run in 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
	2022	2021		2022	2021	
<b>Payroll expenses</b>	<b>23,178</b>	<b>28,533</b>	<b>-18.8%</b>	<b>23,178</b>	<b>28,533</b>	<b>-18.8%</b>
<i>Payroll expenses, %</i>	<i>5.8%</i>	<i>6.0%</i>	<i>-0.2 p.p.</i>	<i>5.8%</i>	<i>6.0%</i>	<i>-0.2 p.p.</i>
<b>Lease and utility expenses<sup>5</sup></b>	<b>21,920</b>	<b>23,972</b>	<b>-8.6%</b>	<b>4,792</b>	<b>4,701</b>	<b>1.9%</b>
<i>Lease and utility expenses, %</i>	<i>5.4%</i>	<i>5.0%</i>	<i>+0.4 p.p.</i>	<i>1.2%</i>	<i>1.0%</i>	<i>+0.2 p.p.</i>
<b>Advertising and marketing</b>	<b>5,144</b>	<b>8,078</b>	<b>-36.3%</b>	<b>5,030</b>	<b>7,963</b>	<b>-36.8%</b>
<i>Advertising and marketing, %</i>	<i>1.3%</i>	<i>1.7%</i>	<i>-0.4 p.p.</i>	<i>1.2%</i>	<i>1.7%</i>	<i>-0.4 p.p.</i>
<b>Bank charges</b>	<b>3,535</b>	<b>5,085</b>	<b>-30.5%</b>	<b>3,535</b>	<b>5,085</b>	<b>-30.5%</b>
<i>Bank charges, %</i>	<i>0.9%</i>	<i>1.1%</i>	<i>-0.2 p.p.</i>	<i>0.9%</i>	<i>1.1%</i>	<i>-0.2 p.p.</i>
<b>Warehousing services<sup>5</sup></b>	<b>4,253</b>	<b>5,315</b>	<b>-20.0%</b>	<b>2,196</b>	<b>3,578</b>	<b>-38.6%</b>
<i>Warehousing services, %</i>	<i>1.1%</i>	<i>1.1%</i>	<i>-0.1 p.p.</i>	<i>0.5%</i>	<i>0.8%</i>	<i>-0.2 p.p.</i>
<b>Security expenses</b>	<b>2,476</b>	<b>2,320</b>	<b>6.7%</b>	<b>2,476</b>	<b>2,320</b>	<b>6.7%</b>
<i>Security expenses, %</i>	<i>0.6%</i>	<i>0.5%</i>	<i>+0.1 p.p.</i>	<i>0.6%</i>	<i>0.5%</i>	<i>+0.1 p.p.</i>
<b>Repairs and maintenance</b>	<b>2,168</b>	<b>2,590</b>	<b>-16.3%</b>	<b>2,168</b>	<b>2,590</b>	<b>-16.3%</b>
<i>Repairs and maintenance, %</i>	<i>0.5%</i>	<i>0.5%</i>	<i>-0.0 p.p.</i>	<i>0.5%</i>	<i>0.5%</i>	<i>-0.0 p.p.</i>
<b>Other expenses</b>	<b>5,981</b>	<b>7,696</b>	<b>-22.3%</b>	<b>5,981</b>	<b>7,696</b>	<b>-22.3%</b>
<i>Other expenses, %</i>	<i>1.5%</i>	<i>1.6%</i>	<i>-0.1 p.p.</i>	<i>1.5%</i>	<i>1.6%</i>	<i>-0.1 p.p.</i>
<b>Comparable SG&amp;A expenses (excl. SLA-adjustment and D&amp;A)<sup>5</sup></b>	<b>68,655</b>	<b>83,589</b>	<b>-17.9%</b>	<b>49,356</b>	<b>62,466</b>	<b>-21.0%</b>
<i>Comparable SG&amp;A expenses (excl. SLA-adjustment and D&amp;A), %</i>	<i>17.1%</i>	<i>17.5%</i>	<i>-0.5 p.p.</i>	<i>12.3%</i>	<i>13.1%</i>	<i>-0.8 p.p.</i>
<i>SLA-adjustment of accounting for lease expenses<sup>5</sup></i>	<i>-</i>	<i>(5,104)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>SG&amp;A (excl. D&amp;A)</b>	<b>68,655</b>	<b>78,484</b>	<b>-12.5%</b>	<b>49,356</b>	<b>62,466</b>	<b>-21.0%</b>
<i>SG&amp;A (excl. D&amp;A), %</i>	<i>17.1%</i>	<i>16.5%</i>	<i>+0.6 p.p.</i>	<i>12.3%</i>	<i>13.1%</i>	<i>-0.8 p.p.</i>
<b>D&amp;A</b>	<b>11,707</b>	<b>8,867</b>	<b>32.0%</b>	<b>27,060</b>	<b>25,338</b>	<b>6.8%</b>
<i>D&amp;A, %</i>	<i>2.9%</i>	<i>1.9%</i>	<i>+1.0 p.p.</i>	<i>6.7%</i>	<i>5.3%</i>	<i>+1.4 p.p.</i>
<b>Total SG&amp;A</b>	<b>80,362</b>	<b>87,351</b>	<b>-8.0%</b>	<b>76,417</b>	<b>87,804</b>	<b>-13.0%</b>
<i>Total SG&amp;A, %</i>	<i>20.0%</i>	<i>18.3%</i>	<i>+1.6 p.p.</i>	<i>19.0%</i>	<i>18.4%</i>	<i>+0.6 p.p.</i>

## ADJUSTED EBITDA

The Group's adjusted EBITDA<sup>6</sup> amounted to RUB 15.5 billion in 2022 vs. RUB 9.1 billion in 2021. Adjusted EBITDA margin<sup>6</sup> climbed 1.9 p.p. year-on-year, totaling 3.8% in 2022 due to increase in gross margin.

## ADJUSTED NET PROFIT/LOSS

The Group's adjusted net loss<sup>6</sup> amounted to RUB 6.7 billion in 2022 vs. RUB 7.5 billion in 2021 due to sales decrease, high financial expenses and depreciation and amortization expenses.

## LEVERAGE

As of December 31, 2022, the Group's total debt increased by RUB 26.5 billion to RUB 95.7 billion, while cash and cash equivalents as at the end of the reporting period increased by RUB 18.1 billion compared with December 31, 2021 to RUB 30.2 billion.

The Group's net debt for the reporting period went up by RUB 8.4 billion year-on-year to RUB 65.5 billion. The main reasons for the net debt growth are the launch of import operations and the necessity to advance payments for import supplies under conditions of low penetration of financial instruments as a result of unstable geopolitics. All of the Group's debt is denominated in rubles.

As a result, net debt / adjusted EBITDA<sup>6</sup> as of 31 December 2022 stood at 4.2x, down by 2.0x vs. December 31, 2021.

## BUSINESS OVERVIEW AND KEY EVENTS AFTER THE REPORTING DATE

- The Group successfully placed a 4<sup>th</sup> offering of exchange-traded bonds worth RUB 7 billion. The company received more than half of the funds, ~ RUB 3.8 billion, from individuals, who showed unprecedented interest to the placement.
- The Group started piloting a new format of stores, «M.compact», with a wide assortment of consumer electronics and a floor area of 500-600 sq. meters. The new store format offers assortment comparable with standard stores, requires 3 times less investments and assumes reaching target profitability within the first year of operation.
- The Group became the largest partner of Yandex.Market by the number of stores with pickup, having launched new formats of cooperation – Click&Collect model (same day pickup from Eldorado stores) and FBS (Fulfilment By Seller) – delivery of goods by the marketplace – either from courier directly to the customer or through the pick-up point.
- Mikhail Bizhan has joined M.Video-Eldorado Group as Chief Information Officer. Mikhail has more than 10 years of experience in executive and managerial positions in the IT industry in such well-known companies as Sberbank-Technology, Raiffeisenbank and OTP Bank.

## 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 83.1 billion in 2022 compared to RUB 83.0 billion under IAS 17 over the same period. The gross margin under both standards totaled 20.6% in 2022.

### Effect on adjusted EBITDA

The Group's adjusted 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 2022, lease and utility expenses under IFRS 16 were lower by RUB 17.1 billion. The Group's adjusted EBITDA under IFRS 16 increased to RUB 34.8 billion in 2022 compared to RUB 15.5 billion under IAS 17 over the same period. In 2022, adjusted EBITDA margin under IFRS 16 was 8.7%, which is 4.8 p.p. higher than adjusted EBITDA margin of 3.8% under IAS 17.

### Effect on adjusted net profit

The Group's net profit in 2022 was affected by RUB 15.4 billion 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 7.4 billion due to additional interest expenses on lease liabilities in 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 9.5 billion in 2022 compared to net loss of RUB 6.7 billion 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.

The audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) for the twelve months ended December 31, 2022 are available on the Group's corporate website at:

<https://www.mvideoeldorado.ru/ru/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 includes the IT company "M.Tech", focused on the development of retail and e-commerce solutions, and the largest fintech platform in Russia in terms of loans issued "Direct Credit".

M.Video-Eldorado develops both an online platform and a network of stores under both brands, the total traffic of the company is about 1.3 billion visits per year. "M.Video" and "Eldorado" are the leaders in terms of the general spontaneous mention of the brand in the category of stores selling consumer electronics<sup>8</sup>.

M.Video-Eldorado Group operates a network of more than 1,200 stores in Russian cities from the Kaliningrad Region to Kamchatka and develops its own marketplace of consumer electronics, which provides a wide assortment and quick availability of goods throughout the country.

M.Video-Eldorado Group is the only Russian company in the retail electronics with shares traded on the stock market. Currently, the Company's shares are traded on the largest Russian stock exchange – the Moscow Stock Exchange (ticker: MVID).

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

<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.

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<sup>3</sup> Total online sales of M.Video-Eldorado Group 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).

<sup>4</sup> To ensure correct presentation of the Group's annual financial results, the 2021 financial statements were adjusted to exclude from the 2021 results the estimated accruals of supplier bonuses that were not confirmed later.

<sup>5</sup> Indicators are expressed without SLA-adjustment for comparability. In 2021 the Group reviewed lease agreements which were subject to a straight line adjustment (SLA) for smooth recognition of lease expenses. Having renegotiated lease terms en masse in 2020, the Group found no grounds to further apply such an adjustment, deeming it reasonable and necessary to write off the accrued expenses.

<sup>6</sup> Adjusted EBITDA and net income for 2021 are based on restated figures and exclude the one-off transactions: income from revaluation and sale of goods.ru marketplace, 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 and expenses associated with personal protective equipment. The total value of the one-off transactions is RUB 10.4 billion in 2021. Adjusted net loss for 2021 also excludes the one-off transactions mentioned above. Income from the write-off of the subsidized loan obtained in 2020 is not subject to tax. Adjusted EBITDA and net loss for 2022 exclude the one-off transactions: result from disposal of financial assets.

<sup>7</sup> MAU - monthly active users, or the average monthly number of active users of mobile apps.

<sup>8</sup> According to the quantitative marketing tracking research conducted by Millward Brown ARMI-Marketing LLC since 07/04/2022 till 12/25/2022 among 3825 respondents living in 348 cities of Russia.