

M.Video-Eldorado reopens reformatted stores in Moscow and several Russian regions after the quarantine

1 June 2020, Moscow, Russia. PJSC M.Video (M.Video-Eldorado Group, the Company, or the Group; MOEX: MVID), Russia's largest consumer electronics retailer by revenue and part of SAFMAR Group owned by Mikhail Gutseriev, restarts its reformatted retail operations following lifting or easing restrictions in a number of regions – all transactions can be done online and with safety protocols in place to protect clients and staff. The Group has already reopened 114 stores in Moscow and 600 of its stores across Russia reformatted in line with the regional authorities' recommendations.

New format of retail operations

- In April, the Group has fully migrated to the online platform and reviewed its store operations, a key element of the ONE RETAIL business model. Most in-store transactions now take place online and contact-free. Any purchase can be made without using a checkout by just tapping on the link sent by the shop assistant to the customer's smartphone. In April and May, 40% of purchases have been paid for via the website, mobile app or a payment link. Contactless POS financing and shop assistant service are also available.
- Shoppers of M.Video can instantly access the information about any item on display via QR-code on a price tag using mobile app, which also allows a remote video call to consult shop assistants or contactless online payment.
- With the lockdown lifted in some regions, M.Video and Eldorado started opening new format stores, with 114 in Moscow and ca. 600 in 180 cities now fully functional. All in all, M.Video Eldorado Group operates 1,038 stores in 252 cities, covering almost all Russian regions.
- A number of services to improve customer experience launched by M.Video and Eldorado in April continue to enjoy popularity even after the lockdown restrictions were lifted. Some examples include video calls for getting a shop assistant's advice in choosing a product, fast delivery by taxi or curbside pick-up. Going forward, we will keep developing these services.
- In regions where restrictions are still in place, the Group's stores operate as pick-up points for online orders, mobile phone shops or dark stores unless otherwise required by local regulations.

M.Video-Eldorado Group's President Alexander Tynkovan commented: *'The pandemic has upended the world and traditional business models. Today, there are no channels and no division between online and offline as the retail has fully gone online. In our stores, customers follow the same steps as they would at home – sign in, select goods, add them to the cart, and pay – using either their own or a shop assistant's smartphone. Are we going to close our stores? The answer is no. Brick-and-mortar stores have always been and still remain the backbone of our business. It is only thanks to them that our customers can get their online purchases as quickly as in 15 minutes. They also serve as an exclusive showroom for manufacturers to showcase the advantages of their new products and technologies. Fully integrated with our shared online platform, M.Video and Eldorado stores have become even more appealing and efficient. In April and May, they served as a pick-up point for some 46% online orders, a three-fold increase year-on-year.'*

Safe and contactless environment

- Safe and contactless environment across our operations remains our key priority. By going online, M.Video and Eldorado stores have minimised contact between customers and retail staff, while maintaining high level of satisfaction and support.
- Regardless of the new setup of our stores, all of them follow stringent sanitary rules based on Rospotrebnadzor recommendations. Employees measure their temperature before and during working hours, wear face masks and gloves and use hand sanitiser throughout the day. All store areas are subject to regular wet cleaning and ventilation. The checkout and entrance areas have distancing marks on the floor. Our staff make sure the number of people in a store at any given time does not exceed the required limit.
- In every city, our stores operate in line with local lockdown restrictions, with face masks and gloves on sale for customer convenience.
- Despite the imposed restrictions still in place across a number of regions, M.Video-Eldorado Group has retained all its retail staff. Employees not covered by resumed operations were retrained and moved to other functions. For example, 440 shop assistants have become operators at M.Video's and Eldorado's contact centres and will continue their work in this new capacity. The Company fully meets its payroll obligations, including sick leaves, vacations and bonuses. As part of social support to our staff, we enhanced life and health insurance programmes, introduced additional financial aid in case of coronavirus infection and provided for free access to 24/7 remote medical assistance and psychological counselling. Employees are also offered retraining programmes for horizontal career moves. All employees are covered by accident insurance.

M.VideoEldorado



About M.Video-Eldorado Group

About M.Video-Eldorado Group (PJSC M.video) is Russia's largest consumer electronic retailer uniting the M.Video and Eldorado brands in the market for home appliances and electronics. The companies' total annual turnover exceeds RUB 430 billion, including VAT. The M.Video-Eldorado Group is the only Russian company in the electronics retail sector whose shares are publicly traded. The company's shares are currently traded on Russia's largest exchange platform – Moscow Exchange (ticker: MVID).

As of March 31, 2020, the Group unites 514 stores under the M.Video brand, 504 stores under the Eldorado brand and 20 m_mobile stores in more than 250 cities across Russia. The sales area of the Group's stores measure's 1,455 thousand square metres with a total area of RUB 1,997 thousand square meters as of 31 December 2019.

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