

M.Video-Eldorado Group adopts new dividend policy

9 February 2021, Moscow, Russia. PJSC M.Video (M.Video-Eldorado Group, the Company, or the Group; MOEX: MVID), a leading Russian e-commerce and consumer electronics retailer and part of SAFMAR Group owned by Mikhail Gutseriev, announces that the Company's Board of Directors has approved a new dividend policy.

Key highlights of the new dividend policy include:

- The Company intends to allocate at least 100% of annual consolidated net profit¹ under IAS 17 for dividend payments
- Dividend recommendations by the Board of Directors under the new policy will be subject to the Company's IAS 17 net debt/EBITDA ratio remaining at or below 2.0x (at the end of the last reporting year)
- If the Company's IAS 17 net debt/EBITDA ratio is above 2.0x (at the end of the last reporting year), the Board of Directors shall determine the dividend payout level based on factors it determines relevant at the time
- The Company is to make payments twice per year and the first dividend payment under the new policy will be based on its FY 2020 results, taking into account the December 2020 interim dividend payment of RUB 5.4 billion, which corresponded to 100% of consolidated net profit¹ under IAS 17 for the six months ended 30 June 2020
- Introduced as part of the Company's new strategy, the new dividend policy reflects M.Video-Eldorado Group's strengthened financial performance and will complement the Company's long-term growth objectives

The new dividend policy, which envisions payouts of at least 100% of net profit¹ under IAS 17, reinforces the Company's focus on capital allocation and its objective to make regular dividend payments to shareholders. The new policy fully takes into account the Company's capital structure and all required capital expenditures (including all new strategic initiatives and further digital transformation) and will allow for flexibility to ensure the Company's financial stability as it implements its new strategy. At the same time the policy will provide a more transparent mechanism for investors to analyze potential dividend income going forward.

Said Gutseriev, Chairman of the Board of Directors of M.Video-Eldorado Group, said:

"M.Video-Eldorado Group is already the leading consumer electronics retailer in Russia and one of the ten largest in the world. Thanks to the successful digital transformation launched as part of its OneRetail strategy, the Company was able to capitalize on consumers' accelerated shift to online channels during 2020. The Group's Total Online Sales in 2020 doubled and the Company further increased its market share as overall GMV rose by 15% year-on-year.

Looking ahead, we expect M.Video-Eldorado Group to leverage its robust digital business capabilities and large loyal client base, as well as its unparalleled nationwide retail network and logistics backbone, to harness the substantial growth opportunities we see in Russian consumer electronics. Today M.Video-Eldorado Group is on the verge of a new stage of growth, which will be driven by the Company's new strategy. We expect the Company to generate significant and sustainable cash flows going forward, enabling us to devote sufficient resources to investing in growth while sharing our success with investors. I am confident that this will help the Company to be more transparent and predictable for investors."

In December 2019, the Group paid dividends of RUB 6.0 billion following the successful integration of M.Video and Eldorado. In December 2020, the Company paid a dividend in the amount of RUB 5.4 billion, which corresponds to 100% of IAS 17 net profit¹ for the first six months of 2020.

The full text of the new dividend policy is available at:

<https://www.mvideoeldorado.ru/en/shareholders-and-investors/dividends>.

M.VideoEldorado

About M.Video-Eldorado Group

M.Video-Eldorado Group (PJSC M.video) is Russia's largest consumer electronics retailer, combining the M.Video and Eldorado brands in the market for home appliances and electronics. The company's GMV (including VAT) exceeded RUB 500 billion in FY 2020. M.Video-Eldorado Group is the only Russian publicly traded company in the electronics retail sector. The company's shares are traded on Moscow Exchange (ticker: MVID). As of December 31, 2020, the Group operated 542 stores under M.Video brand and 532 stores under Eldorado brand in more than 250 cities of Russian Federation. The Group stores' selling space was 1,475 thousand square meters and total space was 2,015 thousand square meters.

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¹ Net profit is adjusted for profits/(losses) in associates and joint ventures