



Note from the Chairman of the Board of Directors →

DEAR SHAREHOLDERS AND PARTNERS,

2018 marked the beginning of a new era not only in the history of M.Video but for the entire Russian consumer electronics market. Following the acquisition of Eldorado, we created the M.Video–Eldorado Group, now one of the 10 largest consumer electronics retailers in the world and an undisputed leader in Russia, successfully consolidating more than 25% of the domestic market and demonstrating significant potential for further growth.

Said
GUTSERIEV

Chairman of the Board of Directors
of PJSC M.video

In 2018, the Board of Directors approved the Group's renewed strategy to 2022, which aims to maximise the potential of the M.Video and Eldorado brands in a new environment where e-commerce is a key driver.

The strategy sets three primary objectives:

- achieving a market share exceeding 30%, in comparison with 25.6% in 2018;
- preserving a stable EBITDA margin above 6%;
- implementing the ONE RETAIL concept to create a fully uniform customer experience across all sales channels – online stores, mobile apps and traditional sales points.

Accounting for these challenges, we will continue expanding the Group's network of stores in 2019, as well as the widescale digital transformation of its business by implementing state-of-the-art solutions and services based on mobile internet technology, machine learning and data science.

I am confident that the Group has what it takes to achieve our strategic goals and grow shareholder value in the future.

Today, M.Video-Eldorado is developing as a stable, long-term business that remains committed to high standards of corporate governance. When the Group acquired MediaMarkt's Russian stores in 2018, M.Video-Eldorado became a major shareholder with a 15% stake in the group

controlled by Ceconomy MS CE Retail GmbH, which is one of the largest global retailers in the consumer electronics segment. We welcome the diversification of M.Video's shareholder base and are pleased that Andreas Blase, Vice President of M&A and Portfolio Management of Ceconomy Retail GmbH and Chief Investment Officer of MediaMarktSaturn Retail Group, has joined the Board of Directors.

I would like to thank the M.Video-Eldorado team and the Board of Directors for all they have done to develop the Group's business in the interests of our shareholders and other stakeholders, guided by best international practice. I would also like to express my gratitude to all of our investors and partners for what we achieved together in 2018.

I am convinced that our collaborative work will produce outstanding results for all parties that have an interest in the Group's development both in 2019 and beyond.

Achieving a market share

>30%

by 2022

Preserving a stable EBITDA margin above

>6%

since 2019