

Press release

28 April 2022

**O`KEY GROUP NET RETAIL REVENUE RISES BY 9.3%,  
DA! DISCOUNTERS DELIVER 57.6% REVENUE GROWTH IN Q1 2022**

O`KEY Group S.A. (LSE, MOEX: OKEY, the “Group” or the “Company”), one of Russia’s leading food retailers, has announced its unaudited operating results for the first quarter (Q1) of 2022.

All materials published by the Group are available on its website [www.okeygroup.lu](http://www.okeygroup.lu).

**Q1 2022 operating highlights**

- Group net retail revenue<sup>1</sup> increased by 9.3% YoY to RUB 47.3 bn in Q1 2022, driven by both hypermarkets and discounters LFL growth and supported by online sales and the discounter chain expansion.
- O`KEY hypermarkets’ net retail revenue stood almost flat YoY at RUB 35.9 bn in Q1 2022 vs RUB 36.0 bn in Q1 2021, primarily due to a selling space reduction. In Q1 2022, in the course of ongoing store portfolio revision and optimisation, the Group closed two O`KEY stores in Saratov and one supermarket in Moscow.
- DA! discounters continued to demonstrate one of the highest growth rates in the sector and delivered an impressive 57.6% YoY net retail revenue growth to RUB 11.4 bn in Q1 2022. This was driven by a 33.0% LFL net retail revenue increase and a 32.3% YoY expansion of selling space.
- DA! discounters’ share in the Group’s revenue rose by 7.4 pp YoY to 24.1% in Q1 2022.
- Total online sales grew by 64.5% YoY to RUB 1.6 bn and reached 4.5% of O`KEY’s net retail revenue in Q1 2022.
- The Group expects that the discounters and online business will continue to spearhead growth in the medium term.

**Key events after the reporting date**

- Current geopolitical situation and market volatility, attributable to the global economic environment, currency and stock markets, as well as substantial currency exchange fluctuations are presumed to affect companies across all the sectors of the economy. We are thoroughly analysing the possible influence of the evolving macroeconomic conditions and changes in the retail market on the O`KEY Group’s financial and operational results in mid-term and beyond.

For years, the Group has been cooperating with local producers: around 80% of the Company's purchases are accounted for by products made by Russian producers. This is specifically relevant in terms of evolving the O`KEY's and DA!'s own brands. The Company is also involved in developing programmes to support local producers and therefore takes part in regional and national quality initiatives, especially, in the Group’s core Northwest and Central regions of Russia.

Since March 2022, the Group has been redirecting logistics flows where necessary to provide uninterrupted supply and meet the demand of our customers. The Company makes best efforts to

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<sup>1</sup> Hereinafter, net retail revenue, LFL net retail revenue, and the average ticket metrics are provided net of VAT.

optimise logistic costs, provide effective inventory management and assure full on-shelf availability for its hypermarket and discounter chains, and online.

Despite the current situation, we strive to run our business smoothly offering our customers the best value proposition and impeccable service. We continue to implement our strategy and accomplish the goals. Our well-balanced business model and established corporate governance system offer a significant hedge against market volatility and enable us to serve the interests of all our stakeholders.

- In April 2022, the Group opened four new hypermarkets under the O'KEY brand in the Moscow Region to replace stores it had acquired from X5 Group.

The full text of the announcement is available at <https://okeygroup.lu/press-center/press-releases/2022/1800/>.

- In April 2022, the Company opened four new DA! discounters in the Central Federal District of Russia.

## Operating review

### Group Net Retail Revenue in Q1 2022

Net Retail Revenue, RUB mln (excl. VAT)	Q1 2022	Q1 2021	YoY, %
<b>O'KEY Group</b>	<b>47,252</b>	<b>43,232</b>	<b>9.3%</b>
O'KEY hypermarkets	35,886	36,019	(0.4%)
DA! discounters	11,366	7,214	57.6%

### Group Net Retail Revenue Metrics for Q1 2022

Net Retail Revenue, %	Q1 2022 vs Q1 2021		
	Net retail revenue	Traffic	Average ticket
<b>O'KEY Group</b>	<b>9.3%</b>	<b>3.7%</b>	<b>5.4%</b>
O'KEY hypermarkets	(0.4%)	(10.4%)	11.2%
DA! discounters	57.6%	40.7%	11.7%

### Group LFL Net Retail Revenue Performance in Q1 2022

LFL Net Retail Revenue, %	Q1 2022 vs Q1 2021		
	LFL net retail revenue	LFL traffic	LFL average ticket
<b>O'KEY Group</b>	<b>5.6%</b>	<b>(1.7%)</b>	<b>7.4%</b>
O'KEY hypermarkets	0.1%	(9.3%)	10.4%
DA! discounters	33.0%	18.2%	12.6%

Note: Q1 2022 LFL metrics are calculated based on 74 O'KEY and 117 DA! stores.

The Group's net retail revenue grew by 9.3% YoY to RUB 47,252 mln, led mainly by a 5.6% LFL revenue growth and supported by the discounters' expansion, as well as strong performance of the online business in Q1 2022.

Net retail revenue of O'KEY hypermarkets declined slightly by 0.4% YoY to RUB 35,886 mln in Q1 2022. That was mainly due to a closure of three O'KEY stores in Q1 2022.

O`KEY hypermarkets LFL net retail revenue stood almost flat showing a 0.1% YoY growth.

During January and February 2022, we saw relatively soft customer traffic in shopping malls on the back of pandemic-related restrictions. In March 2022, in view of unstable geopolitical and economic environment, we substantially limited promotional activity in hypermarkets to secure sufficient stock levels and ensure full on-shelf availability. The average ticket growth was supported by number of items bought and less promos in O`KEY in March. However, that was offset partially by the sales mix, as customers tended to stock-pile primarily basic goods like sugar, cereals, canned and non-food products.

Total online sales, including our own delivery and third-party delivery services, increased by 64.5% YoY to RUB 1,619 mln in Q1 2022. The share of total online sales in O`KEY's net retail revenue grew by 1.8 pp YoY and reach 4.5% in Q1 2022 compared to 2.7% in Q1 2021.

DA! discounters delivered a 57.6% YoY increase in net retail revenue to RUB 11,366 mln in Q1 2022, driven by a 33.0% LFL revenue growth and a 32.3% YoY selling space expansion. The LFL revenue growth was led by stronger brand recognition and loyalty among the customers, and supported by the removal of pandemic-related restrictions, as well as peak demand in March, especially, for dry, canned food, and non-food products.

The discounters' share in the Group's revenue rose by 7.4 pp YoY and reached 24.1% in Q1 2022. The Company expects DA! to remain one of the key growth drivers for the Group's top- and bottom-line.

### Group Stores and Selling Space in Q1 2022

Stores and Selling Space	Q1 2022	Q1 2021	Net change	Change, %
<b>Number of stores, EoP</b>	<b>232</b>	<b>195</b>	<b>37</b>	<b>19.0%</b>
O`KEY hypermarkets	75	77	(2)	(2.6%)
DA! discounters	157	118	39	33.1%
<b>Total selling space (sq m), EoP</b>	<b>619,068</b>	<b>599,536</b>	<b>19,532</b>	<b>3.3%</b>
O`KEY hypermarkets	512,994	519,369	(6,375)	(1.2%)
DA! discounters	106,074	80,167	25,907	32.3%

In Q1 2022, in the course of ongoing real estate portfolio revision and optimisation, the Group closed three O`KEY stores – two in Saratov and one supermarket in Moscow. The Group opened five new DA! discounters in Q1 2022.

As of 31 March 2022, the Group operated 75 O`KEY hypermarkets and 157 DA! discounters, with a total selling space of 619,068 sq m.

In April 2022, the Group launched four hypermarkets in the Moscow Region replacing the stores it had acquired from X5 Group and solidified O`KEY presence in Central Russia. The expansion in Russia's Central Federal District brought the number of O`KEY stores there to 24, of which 17 are located in Moscow and the Moscow Region. The Group operates 26 O`KEY hypermarkets in North-West Region, including 24 stores in St-Petersburg. Another 11 O`KEY hypermarkets are located in South Russia, and 18 stores operate in Eastern Russia.

In April 2022, The Group also opened four new DA! discounters in Central Russia.

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**ABOUT O`KEY GROUP**

O`KEY Group S.A. (LSE, MOEX: OKEY) is one of the leading grocery retailers in Russia, operating hypermarkets under the O`KEY brand and discounters under the DA! brand.

As of 31 March 2022, the Group operated 232 stores across Russia (75 hypermarkets and 157 discounters) with the total selling space of 619,068 square meters. The Company opened its first hypermarket in St. Petersburg in 2002 and has since demonstrated continuous growth. O`KEY was the first Russian food retailer to launch e-commerce operations in St. Petersburg and Moscow, offering a full range of hypermarket products for home delivery. The Group has seven e-commerce pick-up points in Moscow and six e-commerce pick-up points in St. Petersburg. In 2015, the Group launched the first discount chain in Russia under the DA! brand. The Group operates five distribution centres in Russia – three in Moscow and two in St. Petersburg. The Group employs more than 20,000 people.

In 2021, Group's revenue amounted to RUB 187.1 billion, while EBITDA reached RUB 15.5 billion.

The O`KEY Group shareholder structure is as follows: NISEMAX Co Ltd – 43.20%, GSU Ltd – 30.03%, free-float and other holders – 26.77%.

**DISCLAIMER**

These materials contain statements about future events and expectations that are forward-looking statements. These statements typically contain words such as 'expects' and 'anticipates' and words of similar import. Any statement in these materials that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

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