

O'Key Group **net retail revenue rises by 9.3%**, DA! discounters deliver **57.6% revenue** **growth** in Q1 2022

Q1 2022 Operating Highlights

O'KEY Group S.A. (LSE: OKEY, the 'Group'), one of Russia's leading food retailers, has announced its unaudited operating results for the first quarter (Q1) of 2022.

RUB 47.3 bn

GROUP

Total Group net retail revenue increased by 9.3% YoY

RUB 35.9 bn

OKEY

O'KEY hypermarkets net retail revenue stood flat YoY, due to 3 store closures

RUB 11.4 bn

DA!

DA! discounters net retail revenue soared by 57.6% YoY, led by LFL revenue growth and the chain expansion

RUB 1.6 bn

OKEY

Total online sales grew by 64.5% YoY

4.5%

OKEY

Total online sales share in O'KEY revenue

+33.0% YoY

DA!

DA! discounters LFL revenue

232 stores

GROUP

The Group operated as of March 31, 2022: 75 O'KEY hypermarkets and 157 DA! discounters

-3 stores

OKEY

O'KEY hypermarkets closed in Q1 2022: 2 in Saratov and 1 in Moscow

+5 stores

DA!

DA! discounters opened in Q1 2022

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 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.

Group Net Retail Revenue in Q1 2022

RUB, mln (excl. VAT)	Q1 2022	Q1 2021	Δ YoY, %
O'KEY Group	47,252	43,232	9.3%
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
O'KEY Group	9.3%	3.7%	5.4%
O'KEY hypermarkets	(0.4%)	(10.4%)	11.2%
DA! discounters	57.6%	40.7%	11.7%

Group LFL Net Retail Revenue Metrics for Q1 2022

LFL net retail revenue, %	Q1 2022 vs. Q1 2021, %		
	Net retail revenue	Traffic	Average ticket
O'KEY Group	5.6%	(1.7%)	7.4%
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.

Group Stores and Selling Space in Q1 2022

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

Group net retail revenue

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.

O`KEY hypermarkets and online operational results

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 operational results

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 expansion

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%.

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