

**OBUV ROSSII GROUP ANNOUNCES
UNAUDITED FINANCIAL RESULTS FOR 1ST QUARTER 2019**

20 May 2019, Novosibirsk, Russia: Obuv Rossii Group (MOEX: OBUV/ hereinafter the "Company" or, together with its subsidiary and dependent companies, "Obuv Rossii" or the "Group"), the first publicly traded company in the Russian fashion retail, comprising 794¹ stores in 290 cities of Russia and two production facilities, announces the unaudited financial results in accordance with International Financial Reporting Standards (IFRS) for the first quarter ended 31st March 2019.

1Q 2019 FINANCIAL HIGHLIGHTS:

- Group consolidated unaudited revenue increased by 13.1 % and totaled RUB 2.555 bln, compared to RUB 2.260 bln in the 1st quarter 2018.
- Like-for-like sales of Obuv Rossii Group increased by 2.1 %:
 - Like-for-like number of tickets grew by 0.3 %;
 - Like-for-like average ticket size increased by 1.8 %.
- Gross profit in the 1st quarter 2019 grew by 31.6% to RUB 1.564 compared to RUB 1.188 bln in the 1st quarter 2018
- Gross profit margin reached 61.2% growing by 8.6 p.p.
- EBITDA² increased by 77.5% and accounted for RUB 0.613 bln, compared to RUB 0.345 bln in the same period of 2018.
- EBITDA margin grew by 8.7 p.p. and amounted to 24%.
- Net profit soared by 161.8% to RUB 0.217 bln, compared to RUB 0.083 bln in the 1st quarter of 2018.
- Net profit margin amounted to 8.5% compared to 3.7% in the same period of 2018.

Anton Titov, CEO of Obuv Rossii Group, comments:

In the first quarter 2019, Obuv Rossii increased revenue by 13.1 year-on-year to 2.56 billion rubles. In addition to ramp-up of stores opened in 2018 the key driver of growth was like-for-like sales growth rate of 2.1%. LFL average ticket size increase of 1.8% fuelled by goods and services diversification in the sales points of the Company as well as apparel line development resulted in LFL sales growth.

The Group continued fulfillment of investment program and in the first three months of 2019 launched 42 new directly operated stores. Therefore, the retail chain of the Company amounted to 756 stores including 167 franchising ones in 270 cities and towns of Russia, as of 31.03.2019.

¹ As of 20.05.2019.

² EBITDA = Profit (loss) before taxation + (Interest payable – Interest receivable + Depreciation of fixed and intangible assets).

E-commerce has positive impact on the growth of Obuv Rossii's key performance indicators. In the first quarter online sales of the company rose by 42%, their share in retail revenue reached 14%. We improved the stock management of our online stores, started evaluating the efficiency of advertising campaigns on the basis of profitability index and using new promotion instruments. As a result, in the first quarter the purchase conversion rate doubled.

In the first quarter Obuv Rossii considerably increased its efficiency: EBITDA grew by 77.5%, the net profit soared by 2.6 times stemming from relocation of stores to places with higher foot traffic, rent cost cutting and significant growth of cash loans like-for-like of 26.3% and increase of interest income.

In the nearest two or three years the Group will prioritize developing in small towns and settlements in which the competitiveness level and costs for new stores launching are lower. It enables the company to increase its share on regional markets and to shorten a pay-back period. In 2019 the Group intends to open 150 stores mainly in the towns with population from 15 to 250 thousands people. Most new sales points will start operation till autumn-winter season.

KEY FINANCIAL & OPERATING HIGHLIGHTS FOR 1Q2019

Operating highlights

Indicator	31.03.2019	31.03.2018	Δ, %
Number of Obuv Rossii Group stores	756	569	32.9%
DOS ³	589	456	29.2%
Franchise	167	113	47.8%
DOS selling space (thousand sq.m.)	54.3	43.9	23.8%
Number of loyalty cards' holders, mln people	2.295	2.017	13.8%

Like-for-Like ⁴	1Q 2019	1Q. 2018	Δ, p.p.
LFL sales growth	2.1%	(10.9%)	13.0p.p.
Number of tickets growth	0.3%	(12.9%)	13.3p.p.
Average ticket size growth	1.8%	2.4%	(0.6p.p.)
Cash loans Like-for-Like	26.3%	(12.1%)	38.4p.p.

Indicator	1Q 2019	1Q 2018	Δ, p.p.
Share of related products in retail revenues	38.2%	33.4%	4.8p.p.
Online sales, RUB bln	0.196	0.138	42.3%
<i>Share in retail revenue, %</i>	<i>14.0%</i>	<i>11.1%</i>	<i>2.9p.p.</i>

³ DOS – Directly operated stores.

⁴ The growth of like-for-like sales, the growth of the like-for-like number of tickets and the average ticket size are calculated on the basis of the results of Obuv Rossii Group stores that operated within two full compared periods.

Financial highlights

Russian rubles (RUB), billion	1Q 2019	1Q 2018	Δ, %
Revenue	2.555	2.260	13.1%
retail revenue	1.410	1.244	13.4%
wholesale revenue	0.714	0.658	8.4%
cash loans revenue	0.431	0.358	20.5%
Gross profit	1.564	1.188	31.6%
Gross profit margin, %	61.2%	52.6%	8.6p.p.
SG&A	(0.992)	(0.952)	4.2%
% of revenue	38.8%	42.1%	(3.3p.p.)
EBITDA⁵	0.613	0.345	77.5%
EBITDA margin, %	24.0%	15.3%	8.7p.p.
Profit for the period	0.217	0.083	161.8%
Profit margin, %	8.5%	3.7%	4.8p.p.
Net debt	9.220	5.623	64.0%
Net debt / EBITDA LTM	3.0	2.2	0.8

Indicator	1Q 2019	1Q 2018	Δ, p.p.
Average commission rate on installment loans, %	0.7%	2.3%	(1.6p.p.)
Average interest rate on cash loans, %	198.6%	214.3%	(15.7p.p.)

Indicator	31/03/2019	31/03/2018	Δ, %
Installment loan loss provisions for the period, million rub	34.976	55.393	(36.9%)
Cash loan loss provisions for the period, million rub	34.732	26.980	28.7%
Cost of risk ⁶ for installment loans, %	3.4%	6.7%	(3.3p.p.)
Cost of risk ⁷ for cash loans, %	3.5%	3.7%	(0.2p.p.)

⁵ EBITDA = Profit (loss) before taxation + (Interest payable – Interest receivable + Depreciation of fixed and intangible assets).

⁶ Cost of risk⁶ for installment loans = Loan loss provisions divided by volume of installment loans issued for the financial year

⁷ Cost of risk for cash loans = Loan loss provisions divided by volume of cash loans issued for the financial year



Company profile:

Obuv Rossii (MOEX: OBUV) is a nationwide footwear company, the first publicly traded company in the Russian fashion retail. Obuv Rossii was established in 2003, it is headquartered in Novosibirsk and has a representative office in Moscow. The main Group business line is the production and sale of footwear and related goods. The Company manages 794⁸ stores (167 operate as a franchise) under the brands of Westfalika (a monobrand store of classic footwear), Peshekhod ("Pedestrian") (a multibrand footwear supermarket), Rossita (a store for the whole family), Emilia Estra and Lisette (salons of fashionable footwear), in addition to developing brands of clothes and footwear for the active lifestyle brands of S-tep, All.go and Snow Guard. Furthermore, the Group also owns two manufacturing facilities in the Novosibirsk region.

In October 2017, Obuv Rossii raised 5.9 billion rubles in an IPO on the Moscow Exchange (ticker: OBUV), the issuer being OR PJSC, and in doing so became the first publicly listed company within the Russian footwear and fashion market. In September 2018, RAEX (Expert PA) confirmed the creditworthiness rating of Obuv Rossii Group at ruBBB+ level, a "stable" forecast.

In accordance with the audited Financial Statements under the IFRS Group, revenue amounted to RUB 11.55 billion for the full year of 2018, net profit was RUB 1.33 billion, and EBITDA was RUB 2.86 billion.

Website of the Group: www.obuvrus.ru; Internet stores: www.westfalika.ru, www.westfalika-home.ru, www.emilia-estra.ru, www.rossita.com, www.lisette.me.

Additional information:

Contact for mass media:

Natalia Pauli,
PR Director,

+7 913 750 81 37

n.pauli@obuvrus.ru

Contact for investors:

Kirill Streblyanskiy,
Deputy CFO of Capital Markets of Obuv Rossii
Group,

+7 383 280 80 21

k.streblyanskiy@obuvrus.ru

Disclaimer:

Some information in this document may contain prospective estimates and other representations of a predictive nature concerning future events and the future financial and operating activity of Obuv Rossii. One can determine, whether a representation is of a predictive nature, on the basis of the use of such words and expressions as "expect", "believe", "estimate", "intend/plan", "would/would be", "could", "can", including negative forms of these verbs, as well as on the basis of other similar expressions. The Group cautions that these representations are only forecasts, and actual events and results of Obuv Rossii activity can substantially differ from them. Obuv Rossii does not intend to update these representations in order to reflect events and circumstances that occur after this document is published, or in order to reflect the fact of the occurrence of unexpected events. There are many factors as a result of which the actual results of Obuv Rossii activity will substantially differ from the predicted results contained in the representations of a forecast nature, including such factors as the general conditions of economic activity, competitive environment, risks related to the performance of activity in the Russian Federation, rapid technological changes, and changes of the market situation in the industries in which Obuv Rossii performs its activity as well as other risks related in particular to Obuv Rossii and its activity.