

O'KEY Group S.A. (OKEY)

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Press Release
25 May 2018

O'KEY GROUP ANNOUNCES APPOINTMENT OF CHIEF OPERATING OFFICER AND REAL ESTATE DIRECTOR

O'KEY Group S.A. (LSE: OKEY, the 'Group'), one of the leading Russian food retailers, announces the appointment of Martin Piterák as Chief Operating Officer (COO). The Group also announced the appointment of Pavel Remezov as Real Estate Director.

The organisational changes implemented by the Group also led to a number of important appointments in the Marketing and Commercial Departments. With these appointments, O'KEY has completed a crucial stage in building the executive management team.

Appointment of Martin Piterák to Chief Operating Officer

Martin Piterák graduated from the Private School of Trade in the Czech Republic with a diploma in Economics & Management and has over 20 years of retail experience. Martin began his career in the Czech Chamber of Commerce in the field of certification business support and then transitioned into retail in 1996 where he worked for the Dutch retailer Ahold as a logistics specialist. Martin then moved to Kaufland in 1998, where he refined his expertise in sales, supply chain management and logistics before assuming the position of Head of Supply Chain and Sales at Kaufland's Czech operations in 2007.

As COO, Martin Piterák will be responsible for ensuring the efficient performance of the Sales, Supply Chain and Own production. Martin speaks Czech, Russian, English and German.

Appointment of Pavel Remezov to Real Estate Director

Pavel Remezov graduated from St. Lawrence University in the USA with a degree in Economics and has an established track record of over 20 years in commercial real estate and strategic planning. Previously, Pavel held senior positions in other leading retailers including Lenta, OBI and METRO Cash&Carry, where he was at the forefront of the chain expansion in Russia. Prior to entering into retail Pavel worked in the investment and development business for NCH Capital and BV Development after having begun his career in real estate at Colliers International in 1997.

As Real Estate Director, Pavel will be accountable for all matters relating to the Group's real estate, including expansion, construction, maintenance and lease, while also managing the Department of Goods Not For Resale. Pavel speaks Russian and English.

Other Appointments

Martin Piterák's team will include Nikša Nekić, the newly appointed Head of Own Production who will be responsible for the quality and freshness of own production and customer service. Previously, Mr Nekić worked for Kaufland where he implemented the Organisation & Control of Freshness Standards project across Germany, Czech Republic, Poland, Slovakia, Romania, Bulgaria and Croatia. Nikša speaks Croatian, English and German.

Structural changes also took place in the Marketing department where Tino Anđić was appointed to the position of Strategic Marketing Director. Joining the team of Commercial Operations Officer Ivan Dropuljić, Tino will manage the Group's marketing agenda as well as the store format and layout development. Tino previously held senior marketing positions at a number of established international firms including Leo Burnett, WPP, J.Walter Thompson and others. In addition, Tino speaks Croatian, Russian and English.

The O'KEY Commercial Department was supplemented by a new structure dedicated to the fruit and vegetable business. This strategic restructuring is intended to strengthen the Group's relevant expertise in the area, improve quality and range, shorten the delivery time for fresh products and establish contracts with foreign producers to enable the direct import of fruit and vegetables. This will be headed by Dinko Gadjev, Commercial Director for Fruit & Vegetables, who joined the Group after 20 years at Kaufland Germany, where he gained extensive experience in category management, international procurement, import development, quality and certification. Dinko also speaks Russian, English, German and Bulgarian.

Miodrag Borojević, Chief Executive Officer of O'KEY, commented:

"With the recent appointments, we have made great progress in consolidating our team of industry experts. We have added seasoned professionals with both Russian and international experience in order to best position the Group for future growth. These structural changes will enable us to achieve our long-term strategic objectives and leave us well placed to meet our immediate target of developing the most convenient and modern retail formats for our customers."

OVERVIEW

O'KEY Group S.A. (LSE: OKEY, Fitch - 'B+') is one of the largest retail chains in Russia. The Group operates under two main formats: hypermarkets, under the 'O'KEY' brand and discounters, under the 'DAI' brand.

As at May 25, 2018, the Group operates 145 stores across Russia. The Group opened its first hypermarket in St. Petersburg in 2002 and has since demonstrated continuous growth. O'KEY is the first among Russian food retailers to launch and actively develop e-commerce operations in St. Petersburg and Moscow, offering a full range of hypermarket products for home delivery. The Group operates four

distribution centres across the Russian Federation.

For the full year 2017, revenue totalled RUB 177,454,848 thousand, EBITDA reached RUB 9,334,993 thousand, and the net income for the period amounted to RUB 3,166,913 thousand.

O'KEY shareholder structure is as follows: NISEMAX Co Ltd - 50.95%, GSU Ltd - 29.52%, free float - 19.53%.

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