

Business model

GRI 2-6

Magnit is further solidifying its position in Russian retail by transforming the business and improving its customer proposition. We strive to become the number one choice for our customers, employees and investors.

Focus on caring for our customers

Our resources



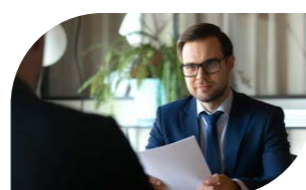
Our customers
>16 mln
customers daily



Employees
~361 thous.
people employed
by the Company¹



Suppliers
~6 thous.



Shareholders
>250 thous.
investors²



Government and regulators

Our business follows the rules established by government authorities.



Environment and communities

Magnit aims to integrate sustainability principles into all aspects of its operations and business processes.

How our business is different



Multiformat and omni-channel

>9,472 thous. sq. m selling space
4,068 cities and townships
> 10 thous. offline stores
and **31 dark stores**
in 67 regions of Russia connected to online services



Largest supply chain network in Russia

44 distribution centres
in **7 federal districts**
> 5 thous. trucks
1.9 mln sq. m of warehouse space



Own production capabilities and private labels

6 agricultural complexes
14 production facilities



Recognised for supreme quality and breadth of range

136 quality awards in 2022
14 quality control laboratories conducting
> 3 thous. daily tests
> 5 thous. private label SKUs
20% share of private labels in sales³

Value for our stakeholders



Everywhere for our customers

- ▶ Adapting existing and creating new formats tailored to specific customer needs in different localities
- ▶ Implementing CVM tools⁴
- ▶ Developing online shopping and delivery services
- ▶ Improving availability of goods by leveraging new technology and communications development



Rewarding our employees

- ▶ Stable wages
- ▶ Employee benefits and perks
- ▶ Professional and career growth opportunities for employees at all levels



Cooperating with our suppliers

- ▶ Engaging local suppliers
- ▶ Inviting supplier representatives to work at Magnit's offices



Delivering returns to our shareholders

- ▶ ~RUB 29 bln of dividends paid in 2022
- ▶ New store openings payback with ROI⁵ > 40%



Economic contribution

- ▶ Supporting social and economic development in the regions of operation
- ▶ Hosting regional procurement sessions
- ▶ Making timely tax payments



Supporting local communities

- ▶ New jobs
- ▶ Social and charitable programmes in the regions where we operate
- ▶ Mitigation of our environmental footprint, including reduced waste generation

¹ As at December 2022.
² As at June 2022.

³ In value terms.
⁴ CVM – customer value management.
⁵ ROI = OCF for the year with ramp-up phase / CAPEX.