

Magnit at a glance

Magnit is one of Russia's leading food retail chains and the country's largest retailer by number of stores and geographical coverage.

Our mission

Magnit's mission is to become the store of choice for every Russian family.

At Magnit, we are committed to operational excellence and professionalism in all areas of activity, while seeking to deliver exceptional quality and customer service.

We highly value the principles of teamwork and respect for each other and our customers, and encourage open and constructive dialogue and effective cross-functional cooperation.

We implement best practices and innovative technologies in our operations and strive to build a better future for all.

Our five-year sustainability strategy to 2025, "Retail with Purpose", sets ambitious goals, promotes a sustainable corporate culture and focuses on embedding sustainability principles into all aspects and facets of our business.

27,405

stores in 67 Russian regions and Uzbekistan

361 thous.

employees as at 31 December 2022

~6 thous.

suppliers

>16 mln

customers daily

Our values

Customers at the heart of everything we do.

Caring for our customers

We build long-lasting connections with our customers. Our team members can easily relate to customers because they also shop in Magnit.

Stronger together

We achieve success through teamwork, incorporating the views of our employees.

Focusing on results

We always accomplish our goals and strive to do so in the most efficient manner.

Taking responsibility

We scrupulously follow the Company's principles and we take responsibility for our decisions.

Our competitive edge

Own food production

Magnit is the only food retailer in Russia with its own food production facilities, which manufacture private label items. By 2025, we intend to increase the share of private labels to 25% of our total sales.



Better quality

- ▶ RUB 13 bln – investment in food and service quality assurance
- ▶ Online quality monitoring across the production cycle, from feedstock to finished products
- ▶ Advanced equipment with a high degree of automation
- ▶ Compliance with GOST R ISO 22000-2007 and the international Food Safety System Certification (FSSC) v.5
- ▶ Magnit's private label products won 136 awards at international competitions



Wider range

- ▶ Launch of over 700 new private label SKUs
- ▶ Launch of own coffee roasting and packaging facility
- ▶ Launch of a new mushroom growing centre



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own production facilities and agricultural complexes

+9%

in-house produce YoY growth in 2022

5 thous.

SKUs in the private label portfolio



More eco-friendly

- ▶ Using entomophagy instead of pesticides for pest control
- ▶ Switching private labels to recyclable packaging, which is harmless to people and not toxic to aquatic life
- ▶ Reducing CO₂ emissions from boilers by using them as additional fertilisers at greenhouses



Advanced logistics

Magnit is one of Russia's largest logistics operators. We improve own logistics infrastructure while also testing new logistics formats. In 2022, we streamlined product shipments and adopted a new supplier management procedure in order to optimise costs and offer our customers more affordable and quality products.



Lower emissions

- ▶ Replacing old vehicles with Euro-5 eco standard
- ▶ Transition to hybrid engines
- ▶ Using more eco-friendly fuels



44

distribution centres

>5 thous.

truck fleet

1.9 mln sq. m

of warehouse space



Better occupational safety

- ▶ Training employees in safety culture, supply chain technologies, and management competencies in logistics
- ▶ Equipping medical offices for employees at major logistics centres
- ▶ Additional training in driving safety for new drivers



Less waste

- ▶ >99% of total plastic generated by the logistics unit is sent for recycling



Multiformat retail chain

We leverage our large food retail chain while also diversifying our business by opening drogeries and pharmacies under the Magnit brand and offering e-commerce and delivery services.



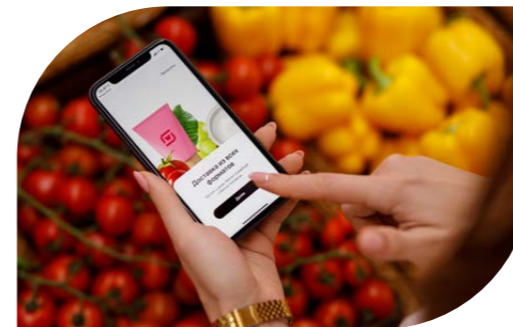
More stores

- ▶ 1,328 new stores (net)
- ▶ 11 new dark stores



Better shopping experience

- ▶ E-commerce growth by a factor of 2.9
- ▶ Launch of 30-minute delivery from 6,000 stores
- ▶ 6 thous. SKUs from the Magnit Cosmetics product range available on Ozon and Wildberries at the end of 2022



Lower resource usage

- ▶ Sales areas, building facades, street lighting, car parks and logistics centres featuring energy-efficient LED lighting
- ▶ Reducing heat losses thanks to the use of gas generator sets installed in power generation centres that capture heat energy and transmit it through the heating network to our facilities
- ▶ Reducing energy consumption for refrigeration equipment by installing new refrigerated cabinets in the sales areas

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core formats in grocery, drogerie, and pharma segments

27,405

stores in 4,068 cities and townships across 7 federal districts in Russia and Uzbekistan as at the end of 2022

9,472 thous. sq. m

of selling space in 2022

12.8%

food retail market share