

Our mission, culture and values

Our mission is to become the store of choice for every Russian family.

At Magnit, we are committed to continuous operational improvement and professionalism in all areas of activity, while aiming 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 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.



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

Investment case

Market potential

We offer exposure to a sizeable market with potential for further organic expansion and consolidation.



Sizeable market with increasing penetration of modern food retail and opportunities for organic expansion



Growing market share of major players

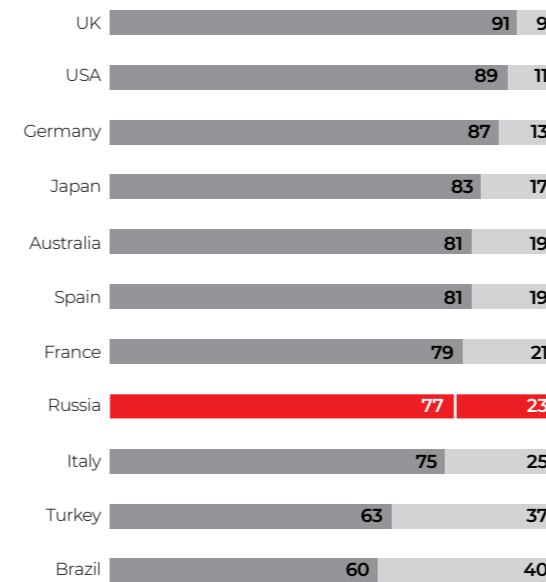


Fragmented market with high potential for further consolidation



New niches and growth opportunities coming along in the consistently growing e-grocery segment

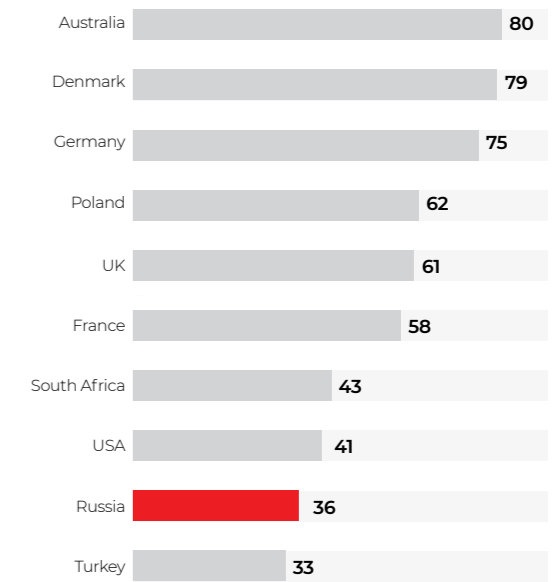
Share of modern and traditional retail in 2022, %



● Modern retail ● Traditional retail

Source: Euromonitor, 2022

Share of top 5 players in grocery retail in 2022, %



Leading player

Magnit is one of the largest food retailers in Russia with well-developed infrastructure, strong customer base, a recognisable brand, and a growing market share.

- ▶ Multiformat offering with four core formats covering a range of shopping missions in grocery, drogerie and pharma segments



Food



Drogerie



Pharma

- ▶ Wide coverage:

27,405
stores

4,068
cities and townships

7
federal districts

12.8%
market share in food retail sales

Serving customers in all highly populated Russian regions

67
regions of operation

68 mln
mln loyalty card holders

- ▶ Well-developed supply chain

44

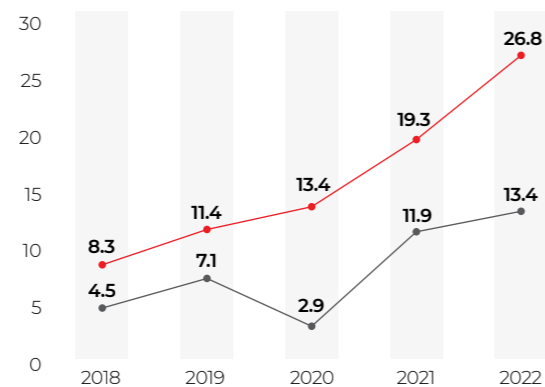
distribution centres and one of the largest own truck fleets in Russia

- ▶ The only vertically integrated retailer in Russia

20

own production facilities and agricultural complexes

Magnit's sales growth



Source: Federal State Statistics Service, Magnit data

Growth ambitions

On track to speed up profitable return-driven growth leading to further market share gains.



Acceleration of value-accretive organic growth



Smart expansion implying high profitability targets for new openings



Selective small to mid-size value-accretive M&As to strengthen market positions



Adherence to sustaining high return requirements for new projects



Store network redesign programme to improve sales density



Building a leading e-grocery platform to account for over 5% of total turnover



Proactive forays into adjacent value-accretive niches



+5.3%

selling space YoY growth in 2022

+9%

in-house produce YoY growth in 2022

Efficiency gains

We have great potential for further business development.



Further CVP¹ improvement to drive sales density and profitability



CVP initiatives to enhance consumers' perception and experience



Increase in sales density partly through redesign acceleration and process improvements



Extension of consumer offering complimentary to core business



¹ Customer value proposition.

Dividends

Strong capital discipline with a focus on returns in all investment decisions with a view to generating substantial dividend payments.



Focus on the quality of new store openings as a way to maximise ROI



Keeping Net Debt / EBITDA at a comfortable level



Clear plan to improve working capital with a focus on stock days optimisation



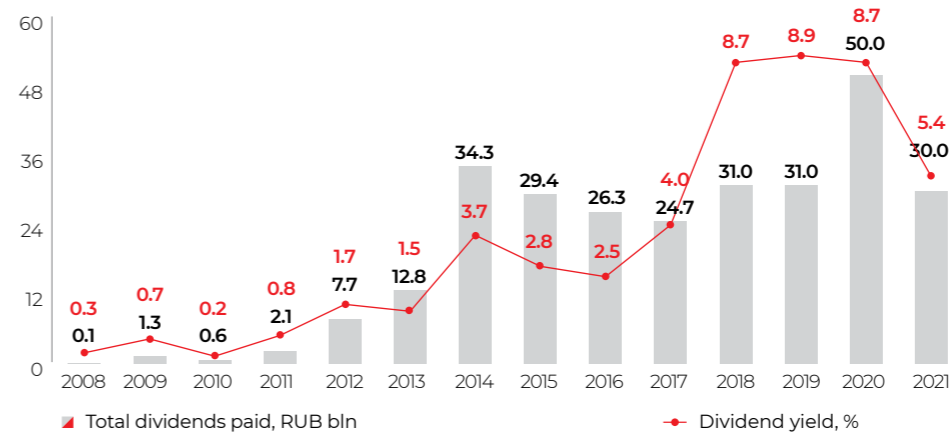
Value accretion for shareholders to deliver consistently solid dividends



2.1x

leverage (IFRS 16) as at 31 December 2022

Magnit's dividend yield in 2008–2021



Source: Magnit data