
Always nearby
in a new format

About the Report

The Annual Report of Public Joint-Stock Company Magnit for 2025 (hereinafter also referred to as PJSC Magnit or the Company) (the Annual Report or the Report) was prepared based on the information available to PJSC Magnit and its subsidiaries (hereinafter together referred to as the Group, Magnit Group, or Magnit) as at 31 December 2025, unless otherwise implied by the meaning or content of the information provided.

This Annual Report was prepared in accordance with applicable laws, is addressed to a wide range of stakeholders and highlights Magnit's key performance results for 2025, including strategic and corporate governance, financial and operational performance.

The Report meets the following requirements and guidelines:

- Regulations of the Bank of Russia No. 714-P On Disclosure of Information by Issuers of Issue-Grade Securities dated 27 March 2020;
- Letter of the Bank of Russia No. 06-52/2463 On the Corporate Governance Code dated 10 April 2014;
- Letter of the Bank of Russia No. IN-06-28/102 On Disclosing the Corporate Governance Code Compliance Report in a Public Joint-Stock Company's Annual Report dated 27 December 2021;
- Moscow Exchange listing rules;
- Letter of the Bank of Russia No. IN-06-28/49 On Recommendations for Public Joint-Stock Companies to Disclose Non-Financial Information Regarding Their Operations dated 12 July 2021;
- Federal Law No. 261-FZ On Energy Saving and Improving Energy Efficiency and Amendments to Certain Legislative Acts of the Russian Federation dated 23 November 2009.

Financial indicators referred to in this Annual Report are disclosed based on Magnit's consolidated financial statements under the International Financial Reporting Standards (IFRS) for 2025 as audited by Centre for Audit Technologies and Solutions[1]. The Annual Report should be read as a whole taking into account the content of all sections as well as the notes and the explanations herein.

In addition to official information on the activities of Magnit, this Annual Report contains information obtained from third parties and from sources which Magnit finds to be reliable. However, the Company does not guarantee the accuracy of this information, as it may be abridged or incomplete.

Disclaimer

Forward-looking statements contained in this Annual Report, including all statements concerning the Company's intentions, opinions, or current expectations regarding its performance, financial position, liquidity, growth prospects, strategy and the industry in which Magnit operates, are not based on actual circumstances. Such terms as "assume", "believe", "expect", "predict", "intend", "plan", "project", "consider" and "could" along with other similar expressions as well as those used in the negative usually indicate the predictive nature of the statement. Forward-looking statements are characterised by risks and uncertainties foreseen or not foreseen by the Company since they relate to events and depend on circumstances that may not occur in the future. Magnit offers no guarantees that the actual results, scope, or indicators of its performance or the industry in which the Company operates will correspond to the results, scope, or performance indicators clearly expressed or implied in any forward-looking statements contained in this Annual Report or elsewhere. The recipients of the information presented in the Annual Report should not base their assumptions solely on it.

Magnit is not liable for any losses that any person may incur due to the fact that the above person relied on forward-looking statements.

Except as expressly envisaged by applicable law, the Company assumes no obligation to distribute or publish any updates or changes to forward-looking statements reflecting any changes in expectations or new information as well as subsequent events, conditions, or circumstances.

1 In January 2026, Centre for Audit Technologies and Solutions Limited Liability Company was renamed to B1-Audit Limited Liability Company.

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Statement from the CEO of PJSC Magnit

Dear shareholders, partners and customers,

In 2025, Magnit operated amidst numerous external challenges and a rapid pace of change. The shift in inflation from double-digit levels to minimum values over several years, the growth of interest rates, an increase in the tax burden, and changes in consumer trends required us to make prompt decisions based on the current reality. Despite this, the reporting period became the next step in the Company's development: we continued to consistently strengthen business processes, develop retail formats, expand the availability of products and services, and enhance digital capabilities that make purchases more convenient and faster.

This Annual Report is primarily a reflection of the way Magnit creates value for all stakeholders: customers who choose us for accessibility and service, shareholders who invest in the development of the Company, as well as employees who ensure quality and reliability every day, and, of course, partners with whom we build effective collaboration.

Evgeny Sluchevsky
Chief Executive Officer, PJSC Magnit

Financial and operating performance

In 2025, the Company's total revenue grew by 15.3% year-on-year to RUB 3,509 billion. Net retail revenue similarly showed an increase of 15.4% year-on-year. Moreover, the growth of the indicator was due to an increase in sales density and continued to outstrip the growth in retail space.

We continued to actively develop and expand the retail chain by increasing the accessibility of everyday purchases in different cities and regions. During the reporting period, the Company opened the largest number of stores over the past five years – 2,521, with 351 stores opened in settlements that were new for the Company. As at 31 December 2025, the total number of retail outlets was 33,440, which is 6% more than in the previous year.

Against the backdrop of an increase in the number of stores, the retail space also grew – by 5.6% year-on-year – to 11.5 million square metres. Thus, Magnit reinforced its position in the retail infrastructure and expanded opportunities for regular purchases at convenience stores.

The key result of the chain development was an 8.7% increase in Like-for-Like sales (LFL). This confirms that the changes we make to the retail formats, range of products and service create more reasons and opportunities for customers to make purchases in the chain's offline and online stores.

Positive results in attracting customers are achieved, among other things, through the renovation of stores. In the reporting year, a record 3,124 stores were renovated, including 1,847 Magnit convenience stores and 418 DIXY convenience stores, as well as 838 drogeries and 21 Samberi stores. The renovation of stores makes it possible to more efficiently use the space, enhance the functionality of key areas in retail outlets and, as a result, help improve customer experience.

The development of the loyalty programme remains an important element of Magnit's omni-channel strategy. Magnit Plus provides additional opportunities for customers to make purchases on attractive terms and ensures personalisation: offers are tailored to the individual needs and preferences of customers.

At the end of the year, the total number of loyalty card holders was almost 92 million, and the share of purchases made using loyalty cards reached 66% in receipts and 82% in sales. The loyalty programme is multi-format and covers both online and offline channels of the Company, allowing customers to receive additional benefits from purchases in different stores of the chain. This directly affects cross-format performance: 41% of customers visit two or more store formats, which enhances the stability of demand and increases the value of the ecosystem for customers.

In the reporting year, as part of the loyalty programme, the Company launched the Magnit Plus Premium service, a subscription that gives customers additional benefits when shopping in Magnit retail stores of all formats, as well as when ordering goods online. The subscription increases the appeal of regular purchases and provides users with access to personalised benefits across different channels. Magnit Plus Premium users make purchases 2-2.5 times more often than other loyalty programme participants, and 80% of them are multi-format customers.

Strategic achievements

The reporting year was a new stage of Magnit's large-scale digital transformation affecting all aspects of the business. The Company has created a separate IT structure – MAGNIT TECH, which has become the technological core for all business lines. Its key role is the development and implementation of proprietary IT systems and products aimed at improving the operational efficiency andresilience of business processes. The development of digital businesses was also accompanied by the creation of a new line of business – AdTech. In 2025, AdTech specialists began developing and launching product and technical advertising infrastructure for the Company, which in the long term will help attract new customers and create additional sources of income.

Magnit is developing its own online services that ensure convenience and access to the Company 24/7, which meets the expectations of customers in the scenarios of quick purchases and regular orders. In addition, online commerce enhances our formats by attracting new customers. In 2025, the online turnover amounted to RUB 185 billion, which is almost twice as much as the result of the previous year. E-commerce services cover 87% of the chain's stores, which makes online ordering opportunities increasingly accessible to residents of both large cities and small towns.

Over the past 2.5 years, we have undergone a transformation from a developing player to one of the market leaders in FMCG e-commerce. The key growth driver is the development of our own app and service aimed at ensuring operational efficiency and balancing demand and offer of real-time delivery.

Separately, we focused on improving the quality of omni-channel interaction through updating the multi-format Magnit: Promos and Delivery app. Our Company was the first in Russian retail to combine all its retail formats in one app and personalise it for customers and their purchases, while providing users with single access to the Magnit ecosystem.

Traditional store formats are the foundation for achieving strategic goals and high results, so we continue to focus on their development. 2025 was marked by updating of the concept of Magnit convenience stores and rebranding of the M.Cosmetic chain. This made it possible to revise the client offering and increase the recognition of formats on the market. At the same time, we support current trends and demand for the format of small ultra-convenience stores designed for fast purchases with a focus on the ready-to-eat products range. In 2025, the first store of this format was opened under the new brand – Zaryad by Magnit.

The development of supply chains and logistics infrastructure remains an essential element in maintaining business resilience and development. In 2025, the Company launched its own demand forecasting and order planning system – Forecasting & Replenishment (F&R), which makes it possible to plan purchases more accurately and thus ensure a stable supply of goods and meet customers' needs for the relevant items.

In the context of growing demand, a key task was further expansion of the logistics infrastructure, including the opening of new distribution centres. Simultaneously, innovations were implemented to enhance efficiency. Two partially robotic distribution centres are currently operating, one of which – the Podolsk Distribution Centre in the Moscow region – is the largest in the Company's logistics network.

Own production continues to be Magnit's competitive advantage. It helps cover the retail chain's need for the necessary goods, expand the range and offer customers new items. In 2025, we continued to consistently invest in the development of own production infrastructure: the installation of new production lines, the construction of a ready-to-eat food factory in the Krasnodar territory. The introduction of innovations in the operations of industrial and agricultural enterprises is aimed at increasing the volume of production and crop yields, and automation of production processes contributes to improved labour productivity.

Expansion of the range of products and prompt response to consumer preferences are ensured through the development of private labels. In 2025, we updated the portfolio of private label brands based on a large-scale survey of customer preferences, launched 952 new products, including products under such new brands as Inspirato Momento, Rural Fair, Juuums! and others. The demand for private label products is confirmed by awards: at the Private Label Awards, the LAF brand was the winner in the Best Private Label Cosmetics and Decorative Products category, and the Treat and Benefit, Premiere of Taste and Smarti Joy brands received awards in four other categories.

Corporate governance

We continue to enhance the governance system within the Company. In the reporting year, the transition to the format governance model continued, which involves delegating greater responsibility for decision-making to teams in individual business formats. This approach makes it possible to take into account the specifics of each format, while maintaining the overall coherence of actions through unified strategic goals.

The corporate governance system is also aimed at improving the financial stability of the Company. In 2025, ACRA confirmed the credit rating of PJSC Magnit at the maximum level of AAA(RU) with a "stable" outlook. The rating agency Expert RA also confirmed the creditworthiness rating of the non-financial company PJSC Magnit at the maximum ruAAA level with a "developing" outlook.

Sustainable development

Sustainable development at Magnit is a systematic approach built into the Company's day-to-day operations.

In 2025, we entered a new strategic cycle. Based on the results achieved, we drafted a new Sustainability Strategy aligned with the Company's overall business strategy and adapted to the national sustainability agenda. In the new Strategy, we maintained continuity in key areas, while strengthening our focus on measurable results.

Magnit is not only stores, warehouses and goods, it is primarily people. The Company employs 394 thousand people, and we take care of each employee, because it is their work and daily contribution that ensure the continuity of processes and make it possible to deliver outstanding results.

We also take care of residents in the regions of presence and help vulnerable categories of citizens. Thanks to its extensive geographic presence, Magnit is ready to be there at the right moment and provide targeted support to those who need it most. In 2025, 4.1 million people became direct beneficiaries of the Company's social projects. We continue to implement our main initiatives: under the food sharing programme, we transferred 692 tonnes of food assistance received by 307 thousand people. In order to involve as many people as possible in good deeds, we are developing the Magnit Limitless platform and helping NPOs implement charity projects.

Our sustainability efforts and the development of internal practices are noted by external experts. In 2025, Magnit strengthened its positions in the RSPP sustainability indices: in the Responsibility and Transparency Index, the Company moved from group B to group A, and in the Sustainability Vector Index, we moved up to group B. In addition, our Company ranked second in the National Rating Agency's ESG ranking of consumer sector companies.

Plans for the future

In the reporting year, we changed and adapted to new challenges to improve the value proposition for our customers. In 2026, we will continue to develop formats, open new opportunities for business growth, introduce innovations and digitalisation, while ensuring a high level of service and meeting customers' needs.

On behalf of the entire team of PJSC Magnit, we thank you for your cooperation and support. We value our strong partnership and will continue to work together to achieve excellent performance and create long-term value for all stakeholders of the Company.

Sincerely,
Evgeny Sluchevsky
Chief Executive Officer, PJSC Magnit

Company overview

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Who we are

Magnit Group is the Russia's largest retailer by number of stores. The chain has more than 33 thousand stores and 52 distribution centres.

In parallel with its core retail business, Magnit is also developing its own food production capabilities. The Company operates 20 production facilities, including seven agricultural and 13 dry food and confectionery complexes.

Magnit Group's geographic footprint spans 72 regions of the Russian Federation, as well as the Republic of Uzbekistan. With a workforce of over 394,000 employees, the Group stands as one of Russia's largest employers.

Magnit is always close by, in a brand new format. In 2025, the Company undertook a comprehensive refresh of its store concepts, placing a strong emphasis on enhancing customer convenience, optimising retail space, and improving in-store navigation. Our goal is to create an environment where everyone can find what they need quickly and effortlessly – making every visit comfortable and enjoyable. Magnit represents modern retail at its best: evolving alongside its customers, embracing innovation, and continuously refining the shopping experience to make it more convenient and accessible for all.

Our mission, values and vision

In 2025, Magnit renewed its mission, vision, and values, which are a true reflection of the Company's corporate culture. This refreshed corporate culture now serves as the foundation for all business initiatives and acts as a key strategic compass, uniting every employee across the Group in pursuit of a shared goal.

Values

With heart, with mind, with total commitment.

Vision

We are driven by the ambition to leave a mark and to create something that sets a new standard, becoming a benchmark for others to follow.

We aspire to be the number one choice for customers of all generations – a part of their everyday lives, making daily routines more convenient, more rewarding, and brighter.

We strive to be closer, understanding and meeting our customers' needs better than anyone else, through a variety of formats and services at every touchpoint.

Our goal is to make Magnit a trusted destination – a place people are drawn to and choose to return to.

Magnit your own, for everyone.

Mission

We are always close by,

We are committed to being consistently within our customers' reach

Geographical proximity

Wide network of stores, availability in residential areas, convenient work schedule

4.9 thous. cities and towns

72 regions

Online accessibility

24/7 online store, convenient mobile app, fast and high-quality delivery

316,093 average number of orders per day

Emotional proximity

Understanding client needs, friendly staff, customer-oriented service

27.3 customer experience at Magnit convenience stores

enhancing quality of life,

We aim to have a positive impact on people's everyday lives

Product mix

Meeting customer needs and quality standards

~20 thous. quality checks of goods performed

Available prices

Customer satisfaction without compromising their budget

RUB 12.3 bln total discounts for pensioners

Useful services

Magnit services save our clients time and energy

RUB 185.3 bln online GMV

Environment

Creating a comfortable environment in all chain stores

3,124 stores have been updated as part of the renovation programme

making the familiar more convenient

Everyday shopping and routines – buying food, households, and more – should be effortless, fast, and stress-free when you're with us

User-friendly app

Simple interfaces, quick search for goods

~28 mln app users

Clear navigation in stores and optimised processes

Improving customer experience through proven solutions

425 stores have been equipped with smart scales

Convenient payment, delivery, return methods

Magnit services are available online

87% delivery coverage of stores

Simplified interaction

Simplify interaction by:
- rationalization of experience (automation, subscriptions, recommendations)
- development of inclusive practices

>1 mln users of the Magnit Plus Premium subscription service

RUB 1,059 mln investments in charity and social projects

92 mln use the Magnit loyalty programme

118 thous. employees took a course on interaction with people with disabilities in 2025

and the new within reach

We are open to innovation, offering our customers access to new products, technologies, services, and experiences

New categories

Exclusive internally manufactured goods

952 new items in Magnit private label portfolio in 2025

Digital technology

AR, self-service, subscriptions

>55 thous. self-checkouts operating in 2025

Educational content

Recipes, tips, master classes

21.5 mln unique users of the Gastronom website at the end of 2025

New technologies in the office

Advance solutions for store operations, sales, marketing, and merchandising – designed to work best for the business and be most convenient for customers

Developing the F&R demand forecasting and order planning system

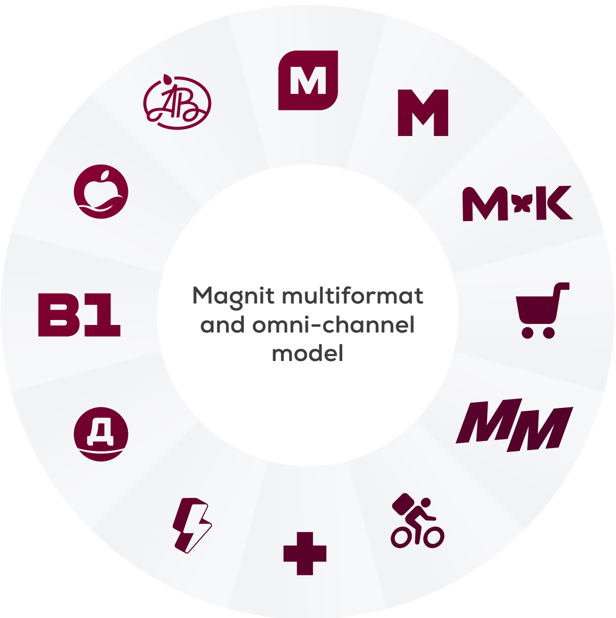
Magnit was the first retailer in Russia to introduce digital shelf-edge screens in its stores, enabling targeted communication with customers right at the point of decision-making

Our formats

Magnit is building a multiformat, omni-channel business model, aiming to get closer to customers through a tailored approach to assortment management. The multi-format model includes Magnit and DIXY convenience stores, drogeries, supermarkets, and pharmacies under the Magnit brand, as well as Samberi stores, the V1 chain of high-tech hard discounters, and other promising formats. In addition, in 2025, the assets of Azbuka Vkusa became part of the Group. Acquiring Azbuka Vkusa opens the door to a completely new segment for the Company – premium retail – while also deepening its expertise in the rapidly growing ready-meals category.

Alongside its offline retail operations, Magnit is actively expanding its e-commerce presence through three key channels:

- in-house delivery of a wide range of products and large-volume shopping from superstores;
- in-house express delivery from convenience stores, M.Cosmetic outlets, and compact dark stores;
- a medicine delivery service operating from Magnit Pharmacy locations.



For more details on the multiformat model, see the **Business model** and **Format overview** sections.

Own production and private labels

20
own production facilities

>70
Magnit private labels

~4.9 thous.
SKUs in Magnit private label/Differentiator portfolio

Magnit is expanding its in-house food production capabilities. This strategy enhances the Company's resilience and enables it to maintain greater control over both the volume and range of products available on store shelves. The Company's ecosystem currently includes 13 industrial and seven agricultural assets, located across several key Russian regions, including the Krasnodar territory, as well as the Moscow, Saratov, Tver, Samara, Belgorod, and Penza regions.

Magnit's production facilities manufacture goods under the Company's private labels, which include Magnit, M Freshness, M Kitchen, Green Ribbon, LAF, Premiere of Taste, and other private labels. The private label/Differentiator portfolio currently comprises about 4.9 thousand SKUs. This extensive range includes milk and dairy products; prepared fish products; meat products and sausages; fresh fruit and vegetables; cheeses; bread; dry groceries; confectionery; soft and hot beverages; snacks; tinned and frozen foods; cosmetics and household goods, and other non-food items. In 2025, Magnit enterprises produced a total of 334,000 tonnes of goods, including 89,000 tonnes of agricultural produce (inclusive of contract manufacturing output).

For more details on own production and private labels, see the **Private labels** and **Own production** sections.

Logistics

52
distribution centres

~9 thous.
own truck fleet

2
DCs with partial robotic automation implemented

Magnit is one of Russia's largest logistics operators. Its infrastructure comprises 52 distribution centres (DCs) located across the country, with a total floor area exceeding 2 million sq. metres, alongside its own fleet of approximately 9,000 trucks. The logistics network spans from Murmansk in the north to Vladikavkaz in the south, and extends as far as the Far East, where three of Magnit's distribution centres are situated. The Company's logistics infrastructure is supported by a workforce of over 47,000 employees.

For more details on logistics, see the **Supply chain development** section.

MAGNIT TECH

5 thous.
employees in MAGNIT TECH team

>260
active IT projects and products

>800
information systems and services

MAGNIT TECH is the internally accredited IT holding of the Magnit Group, serving as the technological core for all business units. The primary objective of the holding is the development, maintenance, and scaling of proprietary IT systems and products that drive the Group's operational efficiency. The holding also encompasses the Magnit OMNI business unit – Magnit's omni-channel vertical, which integrates the mobile app, delivery service, marketplace, loyalty programme, and the AdTech platform[1].

A number of MAGNIT TECH's areas of activity are experimental yet strategically significant. These include the implementation of generative AI, use of biometric technologies, and research into the potential of quantum computing. Active experimental tracks, combined with a high velocity in implementing innovative solutions, create a distinct dynamic of growth. In this way, MAGNIT TECH is transforming traditional IT support for retail, building a comprehensive product-driven technological environment.

For more details on Magnit's digital and innovation projects, see the **Digital solutions and innovations** section.

1 AdTech (Advertising Technology) is a suite of digital tools and platforms used to create, distribute, analyse, and manage online advertising campaigns.

Geographical coverage

Magnit Group is one of the largest and most recognised retailers on the Russian market. The Group operates in 4,9 thousand locations across 72 regions in Russia and the Republic of Uzbekistan, bringing everyday essential products within reach for millions of customers.

Expansion in 2025

Magnit Group's network expanded with the addition of 1,958 new stores, including 351 retail outlets in areas where the Company previously had no presence.

33,440
stores

4.9 thous.
cities and townships

8
federal districts

Magnit Group geographical coverage

Region	Convenience stores[1]	Supermarkets[2]	Drogeries	DIXY convenience stores	Samberi stores	Azbuka Vkusa stores	Distribution centres	Agricultural facilities	Production sites
Central	5,840	69	2,055	2,110		165	16	1	2
Volga	5,522	109	1,975				12		3
Southern	3,320	118	1,376				7	6	8
Northwestern	2,534	30	757	558		11	6		
Urals	2,217	73	898				4		
Siberian	1,606	21	528				3		
North Caucasian	735	19	284				1		
Far Eastern					396		3		
Total	30,200[3] Magnit			2,668 DIXY	396 Samberi	176 Azbuka Vkusa	52 distribution centres	7 agricultural facilities	13 production sites

1 Magnit convenience stores include M City, My Price, First Choice and dark stores.
2 Magnit supermarkets include Magnit Family supermarkets and superstores.
3 Including 114 M.Cosmetic stores in Uzbekistan.

Business model

Customer care is at the core of Magnit business model. A unique multi-format model ensures the accessibility of quality goods for any consumer segment. Furthermore, Magnit integrates sustainability principles across its entire operation. This approach secures the Company's long-term sustainability, creating additional value for all stakeholders.

Magnit resources

Human capital

394 thous. employees

Retail chain

33,440 outlets of various formats in 4,9 thous. cities and townships

Logistics infrastructure

52 distribution centres

8,955 trucks

Own production

13 manufacturing sites

7 agricultural sites

Developed database of suppliers and partners

>5.2 thous. suppliers

Brand and loyalty

>30 years in the Russian market

>19 mln customers visit Magnit stores every day

Finance[1]

RUB 3,509 bln revenue

RUB 169 bln EBITDA

Technological potential

Own IT holding company MAGNIT TECH

1 Own production

20 production facilities

72% – share of recyclable, compostable or reusable packaging for private labels and own production

>70 private labels

334 thous. tonnes of manufactured products

~4.9 thous. SKUs in the private label/Differentiator portfolio

2 Distribution centres and logistics

2.1 mln sq. m of DC space

47 thous. employees

50% transport process digitalisation level

92% warehouse operations mechanisation rate

3.8 years average age of the fleet

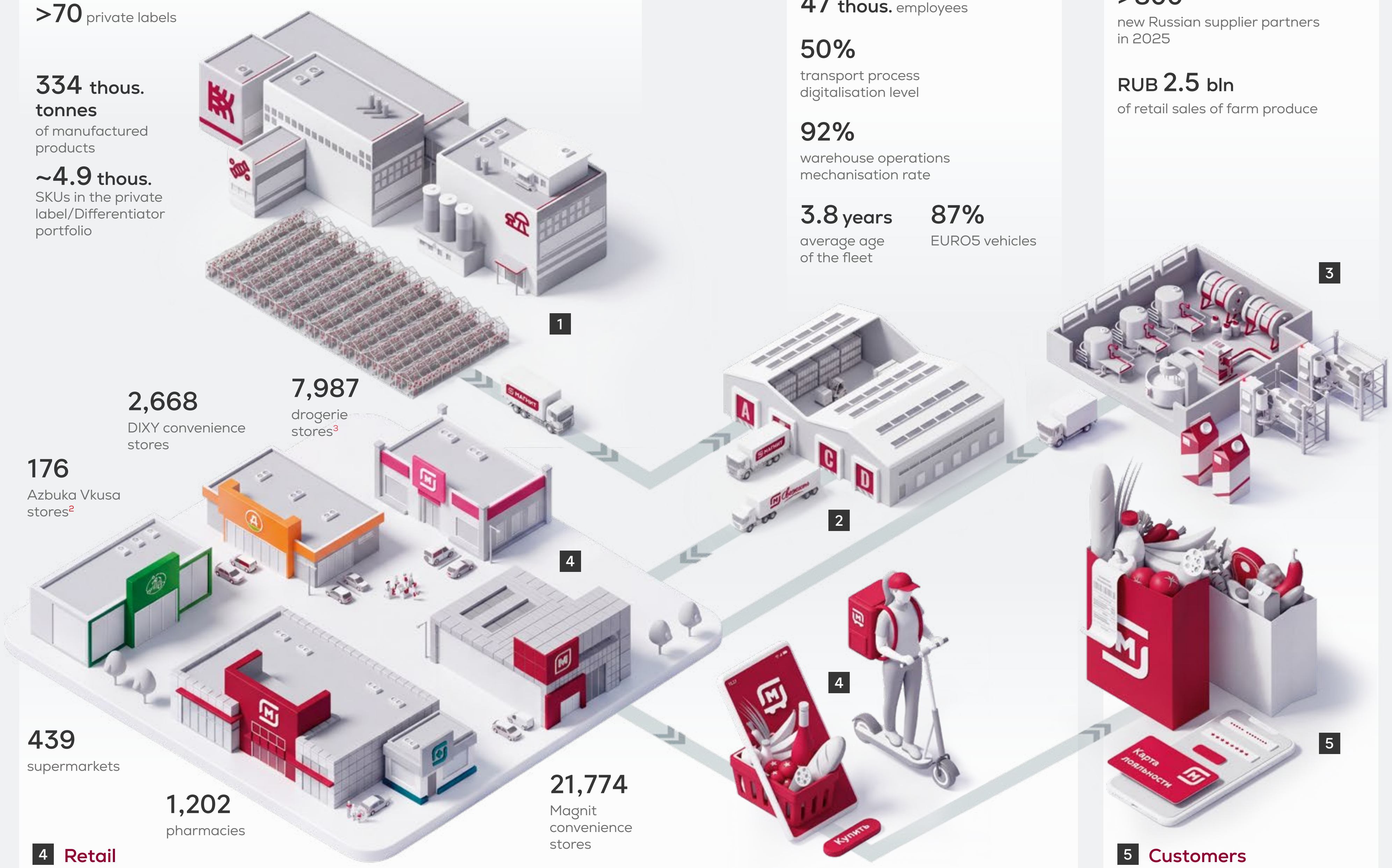
87% EURO5 vehicles

3 Suppliers

60% share of local suppliers

>800 new Russian supplier partners in 2025

RUB 2.5 bln of retail sales of farm produce



2,668 DIXY convenience stores

7,987 drogerie stores[3]

176 Azbuka Vkusa stores[2]

439 supermarkets

1,202 pharmacies

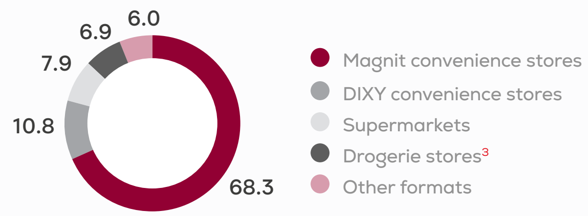
21,774 Magnit convenience stores

4 Retail

Offline retail

33,440 stores[4]

Structure of retail revenue by formats, %



Online retail

RUB 185.3 bln digital sales

30,269 stores including pharmacies

316,093 average number of orders per day

5 Customers

~28 mln users of the OMNI mobile app

92 mln loyalty cards

72 regions

Our advantages

- Multi-format and omni-channel retail chain
- Own production facilities and private labels
- One of Russia's largest logistics chain
- Recognised for supreme quality and breadth of range

Value created

Investors

RUB 302.9 bln total bond issue in 2025

Government

RUB 170 billion taxes paid to the federal and municipal budgets

Communities

RUB 1,059.0 mln social investment

RUB 4,769.6 mln environmental spending

Employees

RUB 426 bln wages and other personnel expense

Suppliers

13% share of local suppliers in the total turnover

1 Pre-IFRS 16
2 Including five dark stores.
3 Including 114 drogerie stores in Uzbekistan.
4 Excluding pharmacies.

Note: There may be small variations in calculation of totals, subtotals, and/or percentage change due to rounding of decimals.

Transfer to a new business management model

In 2025, Magnit Group launched the process of transition to a format-based management model. As part of the Group's revised governance model, each format will become an autonomous business unit with expanded authority and greater operational independence.

Always nearby in a new format

Magnit Group's business is constantly evolving to meet the challenges of a dynamic external environment. The new governance model retains the best of our decades-long experience while introducing new practices designed to enhance the efficiency of managing the Group's continuously growing business. These changes will also enable us to better respond to shifts in consumer preferences, strengthen customer loyalty, and stay closer to our customers.

The primary goal of restructuring the Group's management is to delegate more freedom and responsibility in decision-making to the teams driving each specific business format. A key feature of the new model is the balance between strategic unity and operational flexibility. All formats operate within the Group's unified goals and values, while the increased autonomy enables them to respond swiftly and effectively to the specific needs of their customer segment – tailoring actions to their unique value proposition and business model.

Key elements of the format management model

Full-scale cross-functional teams

Within each format, dedicated management teams are being established to oversee all core functions of the business unit.

Tailored KPI system

The performance of each format will be measured using a customized set of Key Performance Indicators (KPIs), directly aligned with its specific objectives and positioning.

Single strategy

While formats operate autonomously, they do so within the framework of the Group's overall strategy, values, and standards. This ensures synergy and keeps all teams moving in the same direction.

Investment case

Magnit offers investors access to a sizeable market

For investors, we offer exposure to a sizeable market with potential for organic expansion and further consolidation.

- Sizeable market with increasing penetration of modern food retail and opportunities for organic expansion.
- Fragmented market with high potential for further consolidation.
- Growing market share of major players.
- New niches and growth opportunities coming along in the consistently growing e-grocery segment.

Magnit boasts a recognisable brand with strong customer loyalty

Magnit is one of the largest food retailers in Russia with mature infrastructure, strong loyal customer base, recognisable brand, and growing market share.

- Multiformat offering with four core formats covering a range of shopping missions in grocery, drogerie, and pharma segments. Magnit ranges from discount stores with essential goods to premium supermarkets. It caters to a wide array of customer needs, offering both quick grab-and-go meals and comprehensive options for stock-up shopping, including online channels.
- Broad coverage: 33,440 stores, 4.9 thous. cities and townships, 72 regions, 8 federal districts.
- Market share in food retail – 13.6% [1].
- A wide base of loyal customers (92 million loyalty cards).
- Established distribution chain, with 5.2 thous. suppliers, 52 distribution centres and one of the largest own truck fleets in Russia.
- Russia's only vertically integrated retailer: 20 own production facilities, including 7 agricultural complexes.

1 Source: Magnit analysis.

Magnit leverages tech capabilities to drive business growth

We speed up profitable return driven growth leading to further market share gains.

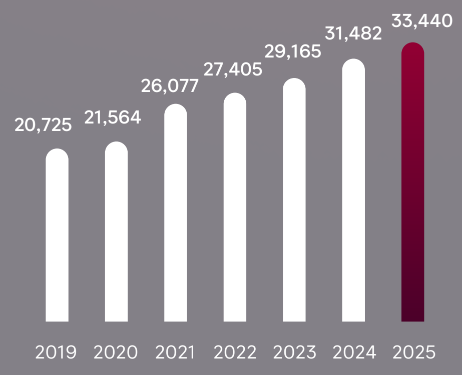
- Acceleration of value-accretive organic growth.
- Smart expansion implying high profitability targets for new openings.
- Selective small to mid-size value-accretive M&As to strengthen market positions.
- Building a leading e-grocery platform to account for over 5% of total turnover.
- Proactive forays into adjacent value-accretive niches.

We are consistently working to unlock the Company's huge potential to grow the business.

- Further CVP improvement. In 2025, the Company developed a new concept of its convenience stores, rebranded M.Cosmetic stores and opened the first flagship M.Cos store in an updated concept, opened the first Samberi food mall.
- CVP initiatives to enhance consumers' perception and experience with a focus on expanding the range of private labels, farm and healthy products and on revamping store interiors.
- Increase in sales density partly through redesign acceleration and process improvements.
- Expanding the offer for customers to complement the core business: in 2025, the Company entered the premium retail segment through the acquisition of the Azbuka Vkusa chain, opened the first ultra-convenience store under the new brand "Zaryad by Magnit", and also continued to develop food tech services by launching the Magnit Restaurants service.

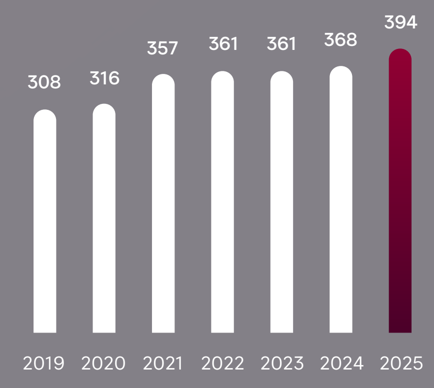
Key highlights and achievements 2025

Number of stores



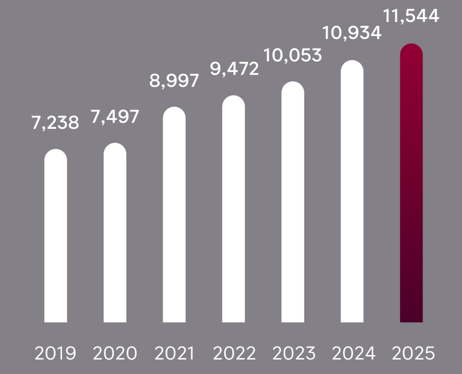
6.2% growth in 2025 compared to 2024

Headcount, thous.



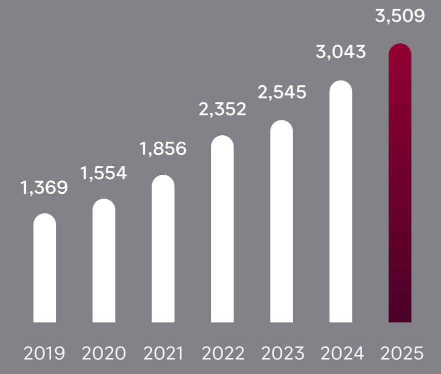
7.1% growth in 2025 compared to 2024

Selling space, thous. sq. m



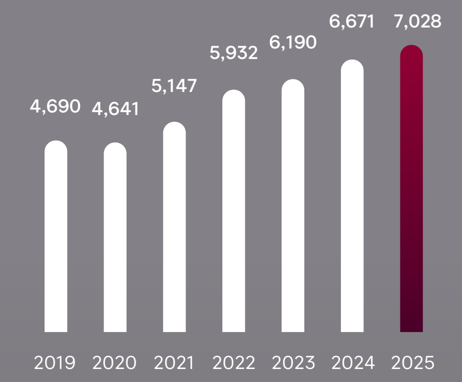
5.6% growth in 2025 compared to 2024

Revenue, RUB bln



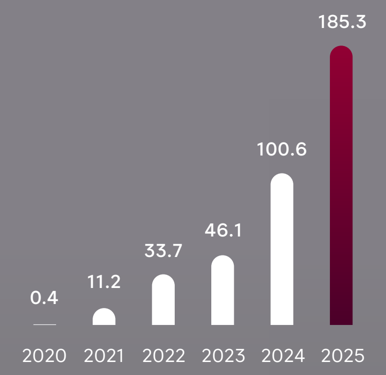
15.3% growth in 2025 compared to 2024

Number of tickets, mln



5.3% growth in 2025 compared to 2024

E-commerce GMV, RUB bln



84.2% growth in 2025 compared to 2024

ESG metrics

72% of packaging for private label products and own production is potentially recyclable[1]

4.1 mln direct beneficiaries received support from Magnit

1.7 thous. tonnes of food were donated to beneficiaries under the food sharing programme since 2022

By 66.4% water consumption was reduced[2]

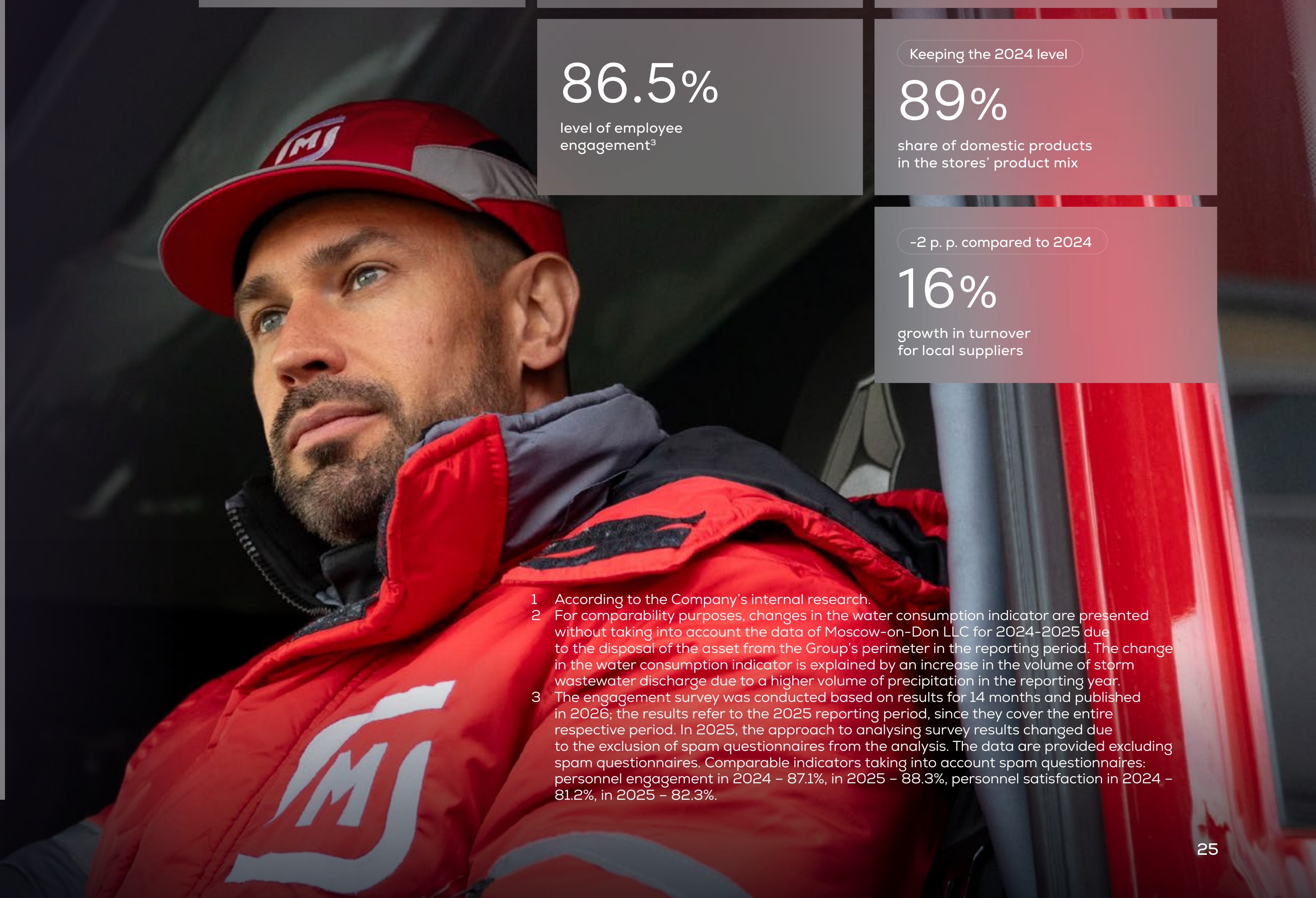
79.3% level of employee satisfaction[3]

+89% compared to 2024
RUB 1,059.0 mln social investments

86.5% level of employee engagement[3]

Keeping the 2024 level
89% share of domestic products in the stores' product mix

-2 p. p. compared to 2024
16% growth in turnover for local suppliers



1 According to the Company's internal research.
2 For comparability purposes, changes in the water consumption indicator are presented without taking into account the data of Moscow-on-Don LLC for 2024-2025 due to the disposal of the asset from the Group's perimeter in the reporting period. The change in the water consumption indicator is explained by an increase in the volume of storm wastewater discharge due to a higher volume of precipitation in the reporting year.
3 The engagement survey was conducted based on results for 14 months and published in 2026; the results refer to the 2025 reporting period, since they cover the entire respective period. In 2025, the approach to analysing survey results changed due to the exclusion of spam questionnaires from the analysis. The data are provided excluding spam questionnaires. Comparable indicators taking into account spam questionnaires: personnel engagement in 2024 – 87.1%, in 2025 – 88.3%, personnel satisfaction in 2024 – 81.2%, in 2025 – 82.3%.

Achievements and awards

"Top 50 Russia's favourite brands" by NAFI research centre

- Magnit brand made it onto the list of Russians' favourite brands
- Magnit ranked **highest** among **retail companies**

"Russia's favourite brands" by Online Market Intelligence

- Magnit brand has broken into the **top ten** favourite brands in Russia for the first time

E + Awards

- The Live Anywhere You Want, Work at Magnit project won **gold** in the Brand Experience nomination, **silver** in the Corporate HR-brand nomination and **bronze** in the Society and Sustainable Development nomination
- Magnit collaborative project with its suppliers "Jubilee Tales" has been awarded **gold** in the Food nomination and **silver** in the Brand Experience nomination
- The Abrau-Durso Sparkling Truffle brand (Abrau-Durso/Magnit joint project) was awarded **silver** in the Brand Collaboration nomination in the Confectionery category

Private Label Awards by SobMaExpo

- LAF brand – **winner** in the Best Private Label for Cosmetics and Makeup in perfumery and cosmetics chains
- LAF brand – **award winner** in the Best Private Label in the Beauty and Personal Care Segment for retail
- Treat And Benefit brand is **an award winner** in the Best Private Label category for vitamins and supplements
- Premiere of Taste Brand is **an award winner** in the Best Private Label in Premium Segment
- Smarti Joy brand is **an award winner** in the Best Private Label category for pet products

"Business Flagships: Dynamics, Responsibility, Sustainability 2024" All-Russian Competition[1]

- Magnit was the **winner** in the Best Practice of Interaction Between Large Businesses and SMEs nomination

Retail Week Awards 2025

- Best practices in the Beauty category – **1st place**
- Best practices in the Fresh category – **2nd place** (M Kitchen)
- Collaboration of the year – 2nd place (Hermitage)
- Retail Project of the Year: ESG – **1st place**

1 The award ceremony for winners was held in May 2025.

Highlights in 2025

January

Development of formats
- DIXY launches first dark store as part of delivery service development

Corporate events
- ACRA assigns AAA(RU) credit rating with a stable outlook to BO-005P-01 series exchange-traded bonds

ESG
- Magnit Pharmacy and Haleon install eco-boxes for collecting medicine packaging for recycling

February

Technologies
- Magnit updates its app: unifies all its retail formats and online services in one place and personalises the product for the customer and their purchases

Corporate events
- ACRA assigns AAA(RU) credit rating with a stable outlook to BO-005P-02 series exchange-traded bonds

March

Partnerships
- Magnit signs a cooperation agreement with the Government of the Republic of Sakha (Yakutia) to develop retail trade in the region
- Agreement signed with the National Medical Research Centre for Therapy and Preventive Medicine of the Ministry of Health of the Russian Federation; as part of the partnership, Magnit conducted a large-scale study of the healthy food market

Corporate events
- ACRA assigns AAA(RU) credit rating with a stable outlook to BO-005P-03 series exchange-traded bonds

April

Development of formats
- The Company launches own food tech service – Magnit Restaurants – for ordering ready meals from partner restaurants and Magnit chain stores via the multi-format app

Logistics
- Magnit is increasing the volume of freight traffic using autonomous vehicles on the M-11 highway

ESG
- Magnit, together with the Give Food foundation, congratulates veterans on Victory Day and donates certificates to the foundation for the purchase of essential goods at its chain stores
- Magnit Cosmetic becomes the general partner of an Art Deco fashion exhibition at the State Hermitage Museum

May

Corporate events
- Magnit closes the deal to acquire a controlling stake in the Azbuka Vkusa chain

Development of formats
- Magnit is increasing the number of its convenience stores that offer ready-to-eat food and beverage services

ESG
- Magnit is recognised as a leader in working with small and medium-sized businesses following the all-Russian competition held by the Russian Union of Industrialists and Entrepreneurs

June

Development of formats
- Magnit launches an AI-powered service for personalised cosmetics selection in 2,500 Magnit Cosmetics stores

Logistics
- The largest and most technologically advanced Magnit distribution centre commences operations in the Moscow region

Partnerships
- Magnit and the Moscow Innovation Cluster sign a co-operation agreement to develop technological entrepreneurship and introduce domestic innovative technologies in the retail and food production sectors

July

Foodtech
- Magnit Delivery begins opening dark stores and grey stores

Logistics
- Magnit begins implementing its own demand forecasting and inventory replenishment system

Corporate events
- ACRA assigns AAA(RU) credit rating with a stable outlook to BO-004P-08 series exchange-traded bonds

Development of formats
- Opening of the first M.Cos store in its updated concept in Moscow

August

Development of formats
- The first ultra-convenience store, "Charge from Magnit", has opened

Technologies
- Magnit launches a large-scale automation programme for its production facilities

Private labels
- DIXY launches new private labels: OUCH! and O!LIFE, targeting young consumers and followers of balanced nutrition

Corporate events
- ACRA assigns AAA(RU) credit rating with a stable outlook to BO-004P-09 series exchange-traded bonds

ESG
- With support from ASI, the inclusive educational programme "Vsyedostupno" (Accessible for All) is launched for employees and customers to develop communication skills with people with disabilities

September

Technologies
- Magnit becomes the first retailer to test age verification technology using the MAX messenger

Logistics
- DIXY begins implementing an automated demand forecasting and inventory replenishment system

ESG
- Magnit agrees to cooperate with the Inclusion Projects Centre to develop inclusive theatre

October

Development of formats
- A new concept for convenience stores has been developed

Technologies
- Magnit becomes the first company in Russia to install digital shelf banners in its stores

Logistics
- Commercial transportation service for external partners is launched

ESG
- Magnit helps restore fire-damaged forests in Gelendzhik
- Magnit begins collaboration with the People and Nature foundation to preserve and restore the European bison population
- Magnit receives an ESG rating A from RAEX
- Magnit plants 150,000 tulips in Krasnodar as part of the Tulip Magic project

November

Development of formats
- Rebranding of the Magnit Cosmetics chain completed. The brand is now called M.Cosmetic, and its store formats have been divided into three clusters: drogerie, household, and beauty, with a separate M.Cos brand
- The flagship M.Cos beauty store opens in Krasnodar

Technologies
- DIXY begins testing age verification technology via the MAX messenger
- Magnit begins testing smart scales at self-checkout
- Magnit launches the Checkout in Your Smartphone mobile payment service for members of the Magnit Plus loyalty programme

Corporate events
- ACRA assigns AAA(RU) credit rating with a stable outlook to BO-005P-04 series exchange-traded bonds

ESG
- Magnit, SIBUR and GRASS open first joint eco-station for waste collection for residents of Omsk

December

Development of formats
- M.Cosmetic drogerie store opened in a new concept
- Samberi opened a food mall – a gastronomic space in the Blagoveshchensk hypermarket

Technologies
- Magnit implements digital identification technology via the MAX messenger in all stores with self-checkouts
- Biometric age verification feature now available in the Magnit mobile app
- Magic AI assistant is available through the mobile app to help customers choose products

Corporate events
- ACRA assigns AAA(RU) credit rating with a stable outlook to BO-005P-05 series exchange-traded bonds

ESG
- Magnit and the Give Food foundation launch large-scale charity campaign, fulfilling 2026 wishes of people in difficult life situations
- Magnit strengthens its position in the RSPP sustainable development indices
- M.Cosmetic and the State Hermitage Museum release a book on the history of beauty and care: "A Collection of Rules and Instructions: How to Preserve Your Enchanting Appearance – With Examples from the State Hermitage Museum Collection"

Strategy report

Market overview

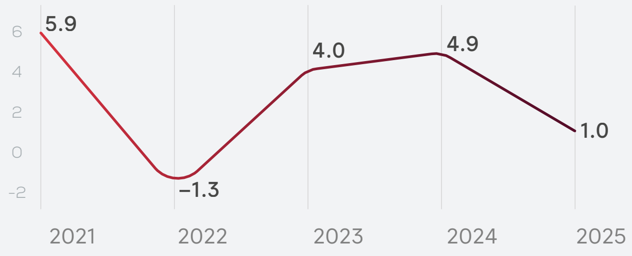
Macroeconomic environment

In 2025, the Russian economy embarked on a path back toward balanced growth with the country's gross domestic product reaching RUB 213.5 trln. GDP expanded by 1%. By the end of the year, the unemployment rate had hit a record low of 2.2%, while real inflation came in below forecast.

This slowdown in inflation is the result of the Bank of Russia's restrictive monetary policy over the past few years. Nevertheless, throughout 2025, the regulator steadily cut the key rate from 21% to 16% by year's end. At the same time, the Bank of Russia maintained a neutral outlook and narrowed its inflation forecast range to the upper half of its previous estimate.

Fiscal policy remains expansionary: the government continues to support key industries, roll out infrastructure projects, and expand social benefits. Amid sanctions and restricted access to Western technology, import substitution efforts have accelerated. Domestic demand and public investment are emerging as the main drivers behind the improving investment climate.

Real GDP change in Russia, %

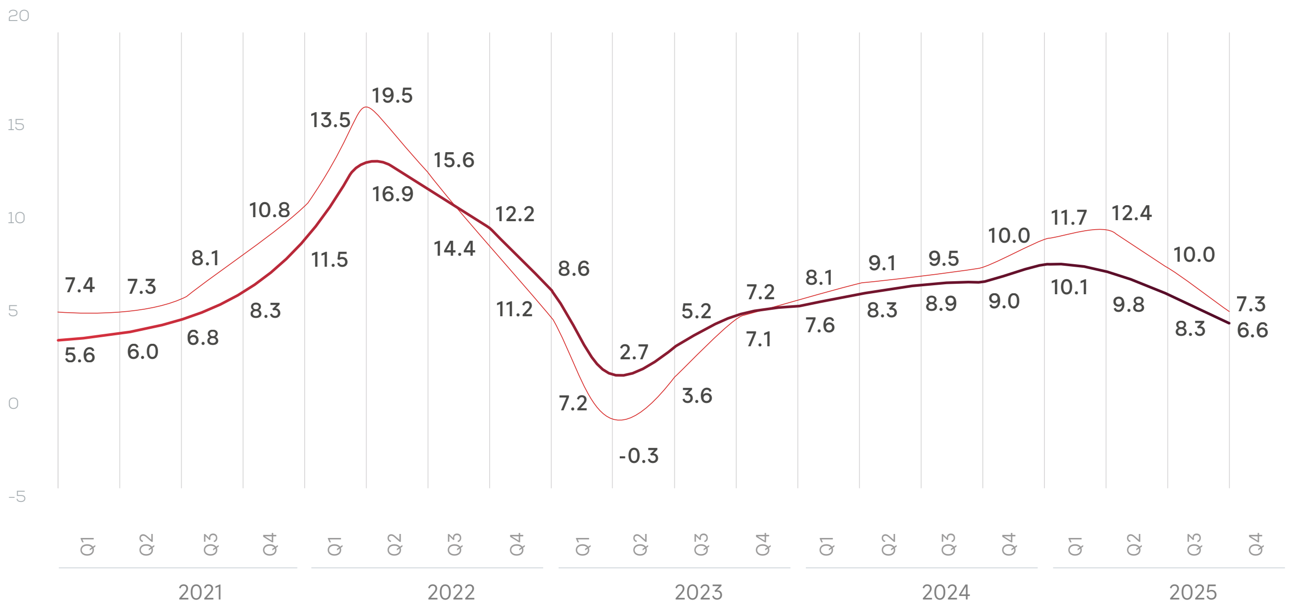


Sources: Federal State Statistics Service, Ministry of Economic Development, Magnit analysis.

By the end of 2025, the consumer price index had stabilized at 5.6% as inflationary pressures eased. Food price inflation fell to 5.2%.

In 2025, the labour market showed signs of gradual stabilisation, marked by a reduction in the staffing shortage and more cautious hiring plans among companies, although demand for workers persisted. Amid ongoing competition for talent, businesses continued to increase labour costs, though the pace of this growth slowed over the course of the year. According to Rosstat data, the average monthly nominal accrued wage in 2025 exceeded RUB 100,000, while the median wage across all economic sectors reached RUB 71,000. On an annual basis, real wage growth stood at 4.4%. The faster growth in real disposable income – up 7.4% – was a key factor underpinning consumer activity during the reporting period.

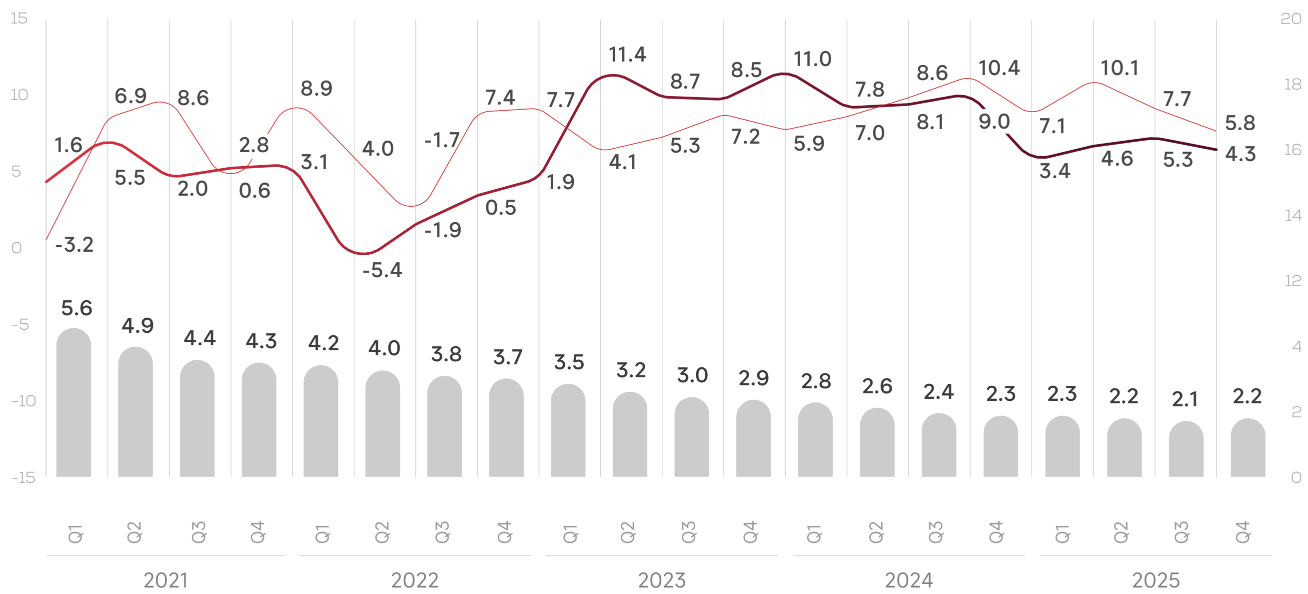
Quarterly CPI and food CPI in Russia, %



CPI, % YoY
Food CPI, % YoY

Sources: Federal State Statistics Service, Ministry of Economic Development, Magnit analysis.

Real wages, real disposable income and unemployment rate, %



Real wages growth, % YoY
Real disposable income growth, % YoY
Unemployment, %

Sources: Federal State Statistics Service, Ministry of Economic Development, Magnit analysis.

Russian retail market

In 2025, total retail trade turnover in Russia grew by 9.9% in 2025 (2.6% in real terms), according to Rosstat, reaching RUB 61.3 trln, representing approximately 28% of GDP. Food retail sales saw slightly stronger growth by 12.1%, to RUB 29.6 trln, accounting for 48.3% of total retail turnover or about 13% of GDP.

On a global scale, the Russian food retail market is demonstrating robust momentum and maintaining a strong position in terms of growth rates. According to IGD forecasts[1], the Russian market's compound annual growth rate (CAGR) through 2030 is projected at 5.9%, exceeding the global average of 4.3%. If this trend continues, the market volume could reach USD 412 bln, which would place Russia 5th in the world by this metric.

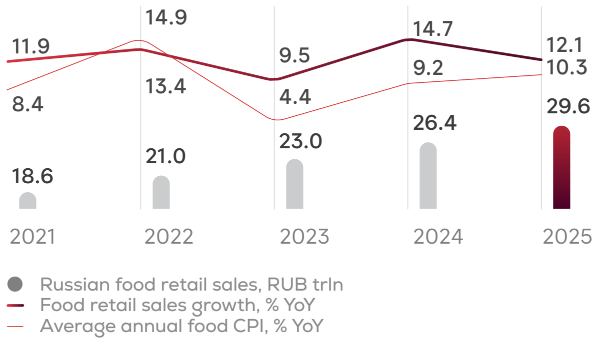
Russia's position in the global food retail market: forecast through 2030

	Country	Market size in 2030 (USD bln)	CAGR, 2025–2030
1	USA	2,223	3.5%
2	China	1,634	2.2%
3	India	1,264	9.9%
4	Brazil	435	5.4%
5	**Russia**	**412**	**5.9%**
6	Germany	389	2.5%
7	UK	383	3.0%
8	Japan	371	2.7%
9	France	349	2.3%
10	Mexico	276	4.8%
	Global food retail market	**12,600**	**4.3%**

Source: IGD Research.

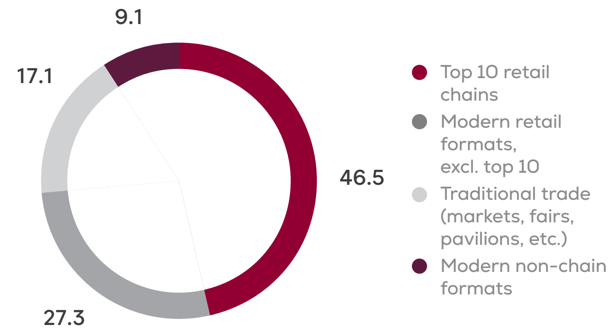
The Russian food retail market remained favourable for all modern retail players in 2025, including Magnit. In particular, chain retailers managed to increase their market share by 1.2% – to 73.8% – driven by new store openings and geographic expansion. The share of the top 10 players increased by 1.9% by the end of 2025, reaching 46.5%.

Food retail sales in Russia



Sources: Federal State Statistics Service, Ministry of Economic Development, Magnit analysis.

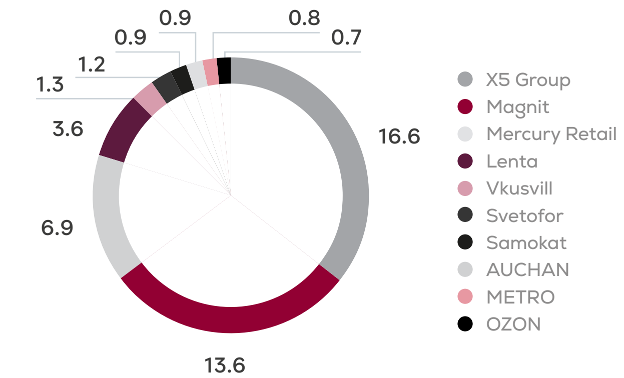
Food retail structure in Russia in 2025, %



Source: INFOLine, Magnit analysis.

Magnit turnover growth accelerated to 15%, thereby outpacing the market. As a result, Magnit share of the country's total food retail turnover reached 13.6%.

Market share of the largest retail chains by revenue in Russia in 2025, %



Source: INFOLine, Magnit analysis.

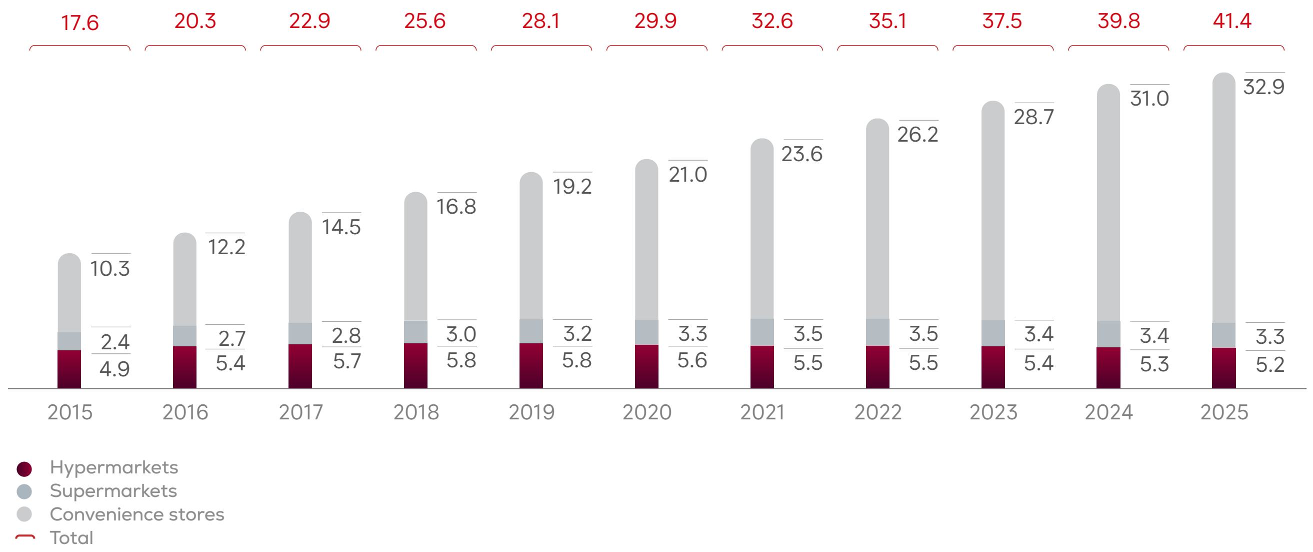
The total increase in selling space for food retail chains amounted to 1.6 mln sq. m. By the end of the year, the majority of retail space was still occupied by convenience stores. At the same time, the expansion of large-format retail space is slowing, which is driven by sustained consumer demand for location convenience – shoppers are increasingly prioritizing stores within walking distance. Moreover, in response to this shift, ultra-convenience formats are gaining popularity: compact stores focused on ready-to-eat meals, coffee, snacks, and quick transactions. In 2025, Magnit opened the first store of this format under the new brand "Charge from Magnit".

- 18.1% vs. 2015

310 square meters

reduction in average store size[2]

Total selling space for modern retail in Russia, mln sq. m



Source: INFOLine, Magnit analysis.

1 Source: Plan for 2030: new global & regional forecasts.

2 Source: INFOLine, based on the top-200 retail chains in Russia.

Key trends in Russian retail market

Own production and private labels

Leading retail players continue to invest in developing their own production facilities and expanding their private label portfolios, which now cover both economy and premium segments. Private labels have become a strategic focus for most chains, demonstrating higher growth rates compared to third-party FMCG brands. According to INFOLine, total sales of private labels in the food category exceeded RUB 3.6 trln, accounting for 12.2% of total food retail turnover. Furthermore, the share of private labels in both revenue and shelf space within retail chains is expected to continue growing.

Increase in the popularity of discounters

Amid the trend towards more rational consumption, price has become a decisive factor for consumers. The hard discounter format is becoming an increasingly popular channel for grocery shopping. In 2025, more than 1,100 stores of this format were opened in Russia, with a total floor area exceeding 400,000 sq. m. The segment's total turnover grew by 23% (almost double the overall market growth rate), reaching RUB 1.8 trln. This accounted for 6% of the food retail market.

Hyper-personalisation of the proposal

The advancement of artificial intelligence has significantly accelerated big data processing, enabling retailers to more effectively harness information on customer behaviour, preferences, and purchase history. This allows them to generate targeted, personalised recommendations, tailor individual discounts, and execute precision communications. Hyper-personalisation is becoming not merely a customer retention tool, but a cornerstone of competitive strategy, enabling retailers to increase purchase frequency, boost average transaction values, and enhance overall customer satisfaction.

E-commerce and omni-channel

Leading players in the food retail sector are actively pursuing omni-channel strategies, integrating their online and offline channels to enhance shopper convenience and deepen customer loyalty. According to INFOLine, the volume of the e-grocery market in Russia approached RUB 1.4 trln in 2025. This accounts for 4.6% of total retail turnover, representing growth of 36% YoY – a rate three times faster than the overall market. Further acceleration of digitalisation is forecast, with a focus on express delivery and increased personalisation of customer offerings.

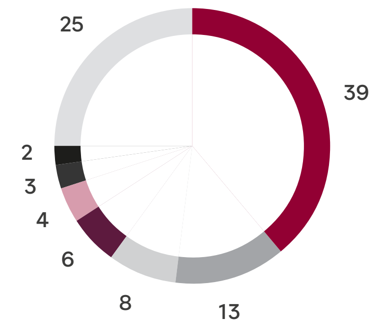
Process automation and robotic automation

Automation and robotics are becoming an integral part of operational activities for Russian grocery retailers. Driven by the need to enhance efficiency, reduce costs, and improve the customer experience, companies are actively implementing solutions across the entire value chain – from inventory management and demand forecasting to order processing and in-store service. Automation and robotics are also being actively deployed to mitigate the risk of labour shortages in logistics, where robots are used in warehouse operations and autonomous freight transportation.

Key trends in consumer behaviour and preferences in 2025

Despite the stabilisation of key economic indicators, a propensity to save persists in consumer behaviour. This has been reflected in shifts in the structure of household spending. Analysis of real-time data from SberIndex suggests that many Russians have chosen to postpone major purchases. At the same time, the share of spending on education has increased noticeably, indicating a more considered approach by households to budgeting and expenditure. It is also important to note that the level of spending on healthcare and wellness has remained virtually unchanged, underscoring the importance that the population places on these costs. Spending on food continues to be a key budget item for Russians. According to a report from SberCIB[1], the share of spending on food rose to 39% in Q4 2025.

Consumer spending, %



Source: SberCIB Ivanov Consumer Confidence Tracker of 5 February 2026.

The trend towards saving and reduced impulse purchasing persists

A pattern of cautious consumer behaviour remains firmly in place: Russians continue to prioritise savings and adopt a more considered approach to spending. Impulse purchases, particularly in discretionary categories, have declined significantly. Consumers are planning their expenditure in advance, with price increasingly becoming the decisive factor in purchasing decisions.

Online channel growth and delivery

Demand for online grocery shopping and delivery continues to grow robustly, including in the regions, where digital channels are becoming more accessible and convenient thanks to infrastructure development. E-commerce retains its status as one of the most dynamic sales channels, combining not only convenience and speed but also the ability to compare prices – a particularly important feature given the heightened financial prudence of Russian consumers.

Growing popularity of mid-range and budget products

Mass-market consumers are trading down from premium brands to more affordable alternatives, particularly in everyday essentials categories. However, low price alone is not the only factor, perceived value plays a crucial role. Shoppers are carefully assessing ingredients, pack sizes, and reviews before making a purchase. In response to this shift, retailers are actively expanding their private label offerings in these price segments to maintain customer loyalty without compromising on quality.

Ready-to-eat food is one of the fastest-growing categories

Russian consumers are showing growing interest in ready-to-eat food. Both hot takeaway dishes and chilled semi-finished products that can be quickly prepared are proving popular. This trend is particularly pronounced in major cities, where a rise in one-person households, fast-paced lifestyles, and well-developed infrastructure are creating favourable conditions for segment growth. Products with transparent ingredient lists and an emphasis on freshness are especially in demand. Retailers are actively expanding their ready-to-eat shelf space, diversifying their ranges, and implementing digital solutions for online delivery and personalised recommendations to meet consumer demand.

1 SberCIB Investment Research. Sber CIB Ivanov Consumer Confidence Tracker "Income growth encourages savings" of 15 August 2025.

Interest in healthy foods and responsible consumption

Russian consumers are taking a more considered approach to food selection, demonstrating interest in healthy eating and the principles of responsible consumption. Demand is growing for products with transparent ingredient lists, local provenance, and environmentally friendly packaging. This trend is particularly pronounced among urban middle-aged consumers and younger demographics, for whom health, quality of life, and environmental concerns have become significant factors in purchasing decisions.

Expansion of marketplaces

Consumers are increasingly making purchases on marketplaces due to their accessibility – the convenience of ordering and the significant discounts that platforms offer. Nevertheless, despite the rapid expansion of marketplaces, shoppers continue to prefer traditional retailers for certain product categories, such as fresh food. At the same time, major retailers are using marketplaces as an external additional storefront to expand their sales channels.

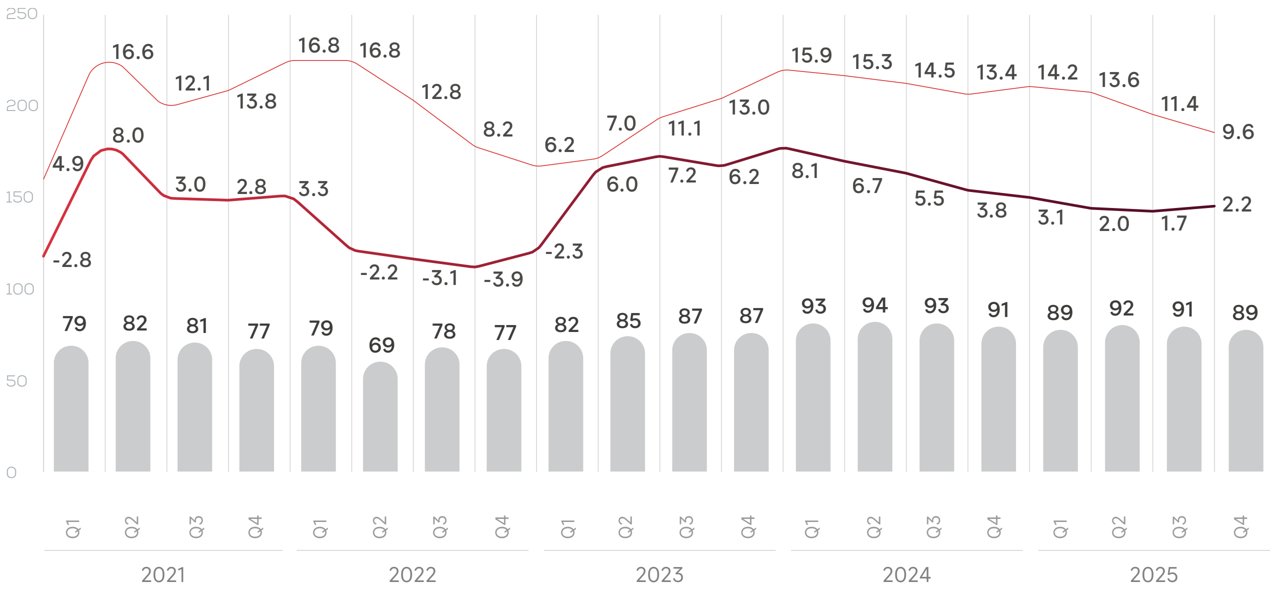
Growth in the share of Russian and local producers

The share of Russian producers in the food market continues to grow steadily, including local suppliers and farms. This trend is driven both by external factors (the withdrawal of international brands from the Russian market and logistical constraints) and internal factors: consumers are showing loyalty to domestic brands, perceiving them as more affordable and reliable.

Availability and convenience of stores

Location and accessibility remain top priorities for shoppers. Shoppers prefer outlets close to home, value convenient opening hours, and appreciate a focused assortment that includes ready-to-eat meals and everyday essentials. This demand is driving growth in the share of convenience stores and the development of the relatively new ultra-convenience format.

CCI and food retail sales growth, %



— Real food retail sales growth, YoY
— Nominal food retail sales growth, YoY
● Consumer confidence index

Sources: Federal State Statistics Service, Ministry of Economic Development, Magnit analysis.

Key changes in the regulatory environment in 2025

Change	Regulatory document	Effective date
Extension of increased customs duties on certain goods imported from unfriendly countries until 31 December 2025	Regulation of the Government of Russia No. 1757	11 December 2024
Extension of licenses and other types of permits until the end of 2025	Regulation of the Government of Russia No. 1931	27 December 2024
Increase in the excise duty on sugar-sweetened beverages to RUB 10 per litre; expansion of the list of excisable goods (kvass with ethyl alcohol content up to 1.2%, beverages with carbohydrates exceeding 2 g per 100 ml, and those in transit packaging)	Federal Law of the Russian Federation No. 362-FZ	1 January 2025
Increase in the minimum price for spirits	Order of the Ministry of Finance of Russia No. 191n	1 January 2025
Establishment of an annual 4% indexation of excise duties on alcoholic products until 2027	Federal Law of the Russian Federation No. 176-FZ	1 January 2025
Establishment of minimum prices for nicotine-containing products (excluding cigarettes and cigarettes with paper (papirosy)) for 2025	Letter of the Ministry of Agriculture of Russia No. MA-21-26/29348	1 January 2025
Increase of the unified minimum price per pack of cigarettes to RUB 135	Letter of the Ministry of Agriculture of Russia No. MA-21-26/29349	1 January 2025
Expansion of the list of tobacco products subject to minimum pricing	Federal Law of the Russian Federation No. 123-FZ	23 May 2025
Introduction of a ban on the sale of tobacco-free mixtures with a nicotine content exceeding 3.5%	Federal Law of the Russian Federation No. 542-FZ	1 March 2025
Toughening of penalties for the sale of tobacco and nicotine-containing products to minors	Federal Law of the Russian Federation No. 1-FZ	3 February 2025
Expansion of the list of socially significant goods (eggs and butter included); exemption of producers from remuneration payments to retailers	Regulation of the Government of Russia No. 76	1 February 2025
Approval of rules for mandatory labelling of grocery products (sauces, spices, vinegars, snacks)	Regulation of the Government of Russia No. 1682	30 November 2024
Inclusion of grocery products in the list of goods subject to mandatory labelling	Regulation of the Government of Russia No. 249-r	7 February 2025
Regulation of organic product labelling; inspection deadline set to 1 September 2030	Federal Law of the Russian Federation No. 349-FZ	31 July 2025
Reduction of the payment term for suppliers of perishable food products from eight to four business days	Federal Law of the Russian Federation No. 301-FZ	1 March 2025
Entry into force of the ban on retail chains unilaterally amending previously established supply contract terms and imposing fines on suppliers for failure to fulfil orders exceeding the contractual volume. Retail chains are now required to obtain supplier confirmation for each shipment of goods	Federal Law of the Russian Federation No. 120-FZ	1 September 2025
Extension of the simplified import procedure for foreign goods requiring certification until 1 September 2026	Regulation of the Government of Russia No. 1277	26 August 2025
Full transfer of import alcohol labelling to Russian territory	Federal Law of the Russian Federation No. 92-FZ	21 April 2025
Controls on the import of products of plant origin into the Russian Federation, including audits of foreign laboratories and pre-shipment inspection	Federal Law of the Russian Federation No. 376-FZ	9 May 2025

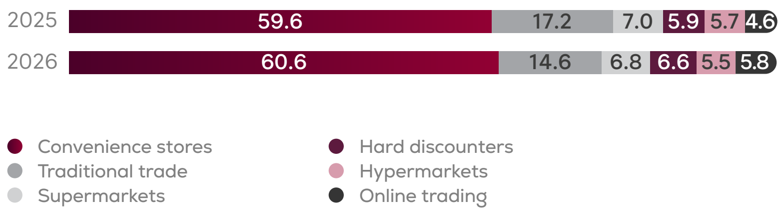
Change	Regulatory document	Effective date
Increase of customs duties on beer imports from unfriendly countries (to EUR 1.5 per litre) and cider (to 30%)	Regulation of the Government of Russia No. 1396	19 September 2025
Entry into force of the new schedule of base environmental fees for producers and importers of recyclable goods who do not arrange for independent waste disposal of products derived from these goods	Regulation of the Government of Russia No. 1041	1 January 2025
Introduction of a ban on the sale of non-alcoholic tonic beverages, including energy drinks, to minors across the entire territory of the Russian Federation. Retail sale of such drinks in consumer packaging exceeding 500 ml is also prohibited	Federal Law of the Russian Federation No. 304-FZ	1 March 2025
Entry into force of the ban on the sale of labelled goods that have not passed verification in the offline monitoring system	Regulation of the Government of Russia No. 1944	1 March 2025
Blocking at checkout by large retail chains (with 50 or more outlets) of sales of labelled goods that have not passed offline verification in the Chestny Znak system	Regulation of the Government of Russia No. 97	1 May 2025
Changes to the rules for the use of cash register equipment, reducing the period for registration and deregistration of cash register equipment from 10 to five business days	Federal Law of the Russian Federation No. 274-FZ	1 March 2025
The ban on transit road freight through the territory of the Russian Federation has been extended to Moldova. Furthermore, cocoa, cocoa products, vinegar, alcohol, and tobacco products have been removed from the list of goods permitted for transit	Regulation of the Government of Russia No. 362	28 March 2025
Introduction of new rules for the advertising of energy drinks. Advertising targeted at children and adolescents is restricted. Mentioning vitamins and dietary supplements in advertising is prohibited, and every advertisement must include a warning about the risks of excessive consumption	Federal Law of the Russian Federation No. 393-FZ	1 March 2026
Extension of the moratorium on issuing licences for the production, storage, and supply of ethyl alcohol until 1 April 2027. Clarification of the rules for suspending and revoking licences for the retail sale of alcohol	Federal Law of the Russian Federation No. 274-FZ	31 July 2025
Amendments to the Tax Code of the Russian Federation concerning the amount of the state fee for issuing and renewing an alcohol licence	Federal Law of the Russian Federation No. 275-FZ	31 July 2025

Food retail market outlook

According to a forecast from the Russian Ministry of Economic Development, the dynamics of retail trade turnover in Russia[1] will be positive: in 2026, growth will amount to 1.1%, with subsequent acceleration to 3.6–3.9% in 2027–2028.

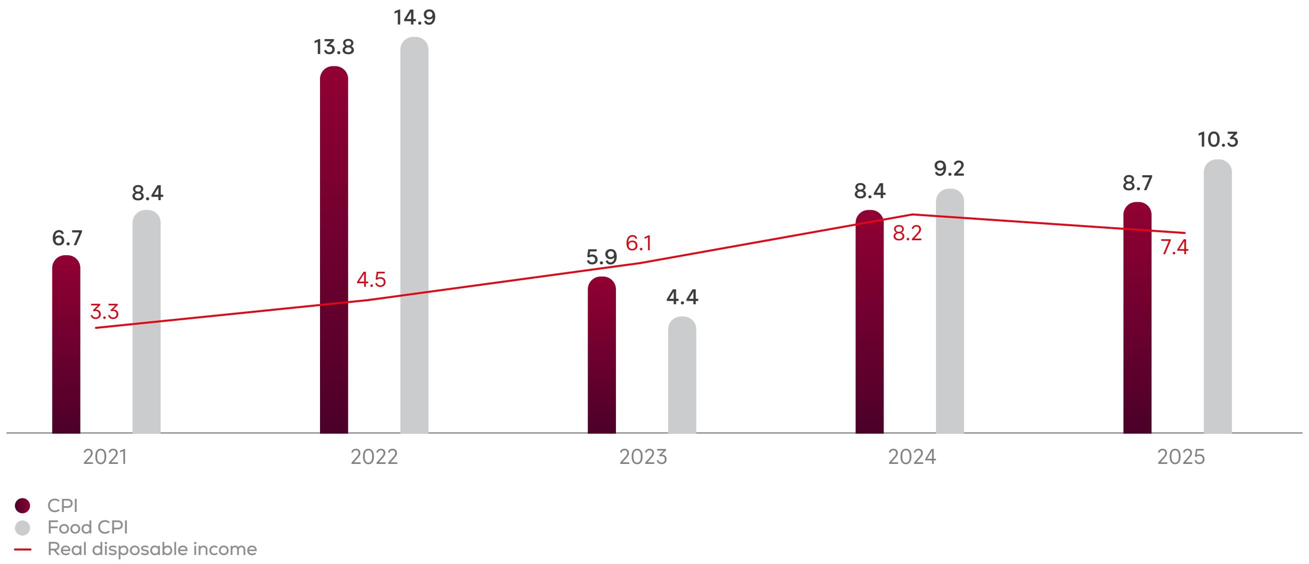
The key driver of food retail market growth in the medium term will be the development of the convenience store format, hard discounters, and online trading.

Market share by formats



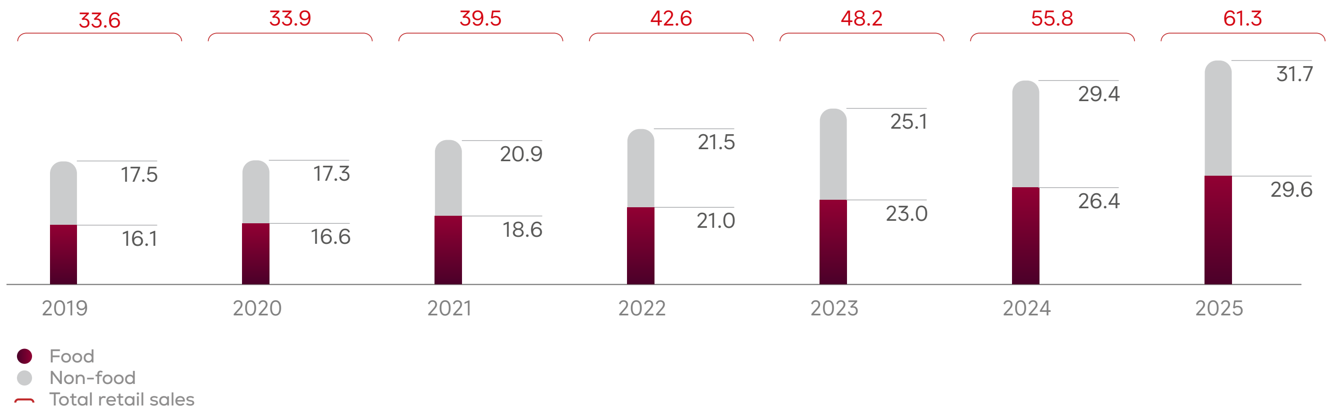
Source: INFOLine.

Average annual CPI and real disposable income growth, YoY, %



Source: Alfa-Bank forecast, Federal State Statistics Service and Ministry of Economic Development data, Magnit analysis.

Total retail sales, RUB trln



Source: Alfa-Bank forecast, Federal State Statistics Service and Ministry of Economic Development data, Magnit analysis.
Note: There may be small variations in calculation of totals, subtotals, and/or percentage change due to rounding of decimals.

1 Source: Retail trade turnover in Russia in 2026–2028 is expected in the range of 1.1–3.6%.

Strategy

Magnit's strategic goal is to achieve market leadership through a unique multiformat offering, supported by a broad ecosystem of tech-driven services, all integrated under a single loyalty programme.

We focus on continuously enhancing our value proposition for customers and improving the efficiency of internal processes.

The sustainability agenda is an integral part of Magnit's strategy and has a direct impact on the Company's operational performance. ESG initiatives in this area are integrated into our long-term goals and contribute to achieving them, ensuring sustainable growth and long-term value for all stakeholders. To ensure effective performance and track progress in ESG, Magnit has developed a Sustainability Strategy.

For more detailes on the Sustainability Strategy, see the Sustainable development section.

To address structural challenges, we place special emphasis on developing our employees as our key asset, with a focus on

- Implementing a flexible and proactive approach to personnel attraction
- Intensifying investment in people to ensure key competences and business continuity
- Designing long-term development and succession plans
- Continuously improving working conditions for line personnel

Key strategic areas

Enhancing customer value proposition

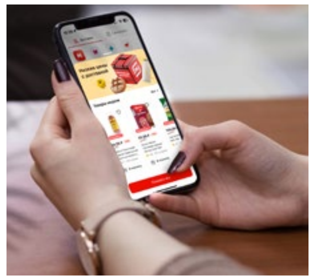
- Adapting product assortment to local customer preferences
- Continuously enhancing loyalty programme mechanics
- Enhancing customer engagement through in-store add-on services (e.g., bakery items, takeaway coffee), delivering more personalised experiences through big data analytics and AI, and offering compelling loyalty programmes
- Broadening and differentiating the private label offering
- Improving brand positioning by emphasising care, safety, sustainability, and an attractive value proposition
- Expanding tech-driven ecosystem services to enhance multi-channel customer experiences

We implement our strategy through customer engagement across our core existing formats, relying on

Development of our flagship convenience store format

Smart investments in the M.Cosmetic drogerie format

Balance between sustaining and expanding the Magnit Family and Magnit Extra large-format stores



We develop a multi-format mobile app for customers, enhancing it with personalized solutions for greater convenience

Driving efficiency improvements

- Flexible, reliable and scalable cloud-based IT solutions and data platform
- New distribution centre openings
- Fleet renewal
- Cross-functional end-to-end initiatives focused on improving the efficiency of key business processes
- Monetisation of online and offline infrastructure
- Investments in process automation and standardisation
- Flexible organisational structure with clear responsibilities, combined with entrepreneurial culture and efficient cross-functional collaboration

We leverage new growth drivers to broaden our product offering and enhance customer convenience by developing

Discounter stores

Ultra-convenience stores

E-commerce services accessible through a single super app

Digital solutions and innovations

Digitalisation is a key driver of changes in retail. Magnit implements digital solutions both in internal business processes and in its customer-facing services and stores. All this is ultimately aimed at improving the quality of customer service.

Digital strategy

Against the backdrop of a rapidly changing market and evolving tech sectors, Magnit formulated its strategy for development of digital technologies in 2025. The strategy is aimed at increasing the Company's competitiveness by creating a digital ecosystem that will provide a comprehensive and high-quality customer offering.

The strategy is driven by the development of an omni-channel business model and the creation of new business streams at the intersection of retail and technology. The key success factors are the speed of launching the new streams and their adaptability to evolving customer needs.

The key steps required to implement the strategy include:

- product transformation – transition to a cross-functional product approach based on the integration of employees from business units and IT specialists into an aligned team with shared goals and objectives;
- format transformation – allocation of IT product management to business formats while maintaining the Group-level access to such products;
- investment in the development of IT infrastructure and platform solutions;
- investment in key business development programmes;
- investment in R&D[1], including robotic automation and artificial intelligence;
- improvement in operational efficiency and administrative staff productivity;
- development of the employer's IT brand.

1 R&D – research and development.

Approach to sourcing innovations

Magnit's Innovation Development Centre is responsible for finding, testing, and introducing new technologies into the Company's operations. The Centre's primary objective is to identify innovative solutions having commercial value and the potential to be scaled across the entire Magnit retail chain.

The Centre facilitates the end-to-end process of preparing and conducting testing for technology solutions, from best-practice research and development of technical specifications to the selection of contractors, assessment of economic efficiency, and provision of technical and administrative support.

The search for innovations is based on a systematic analysis of internal and external sources. In addition to supporting employee initiatives, Magnit's Innovation Development Centre is actively exploring market opportunities: attends industry events, monitors specialised displays of technology companies and startups, studies analytical research, and analyses the activities of key market players. In 2025, the Innovation Development Centre launched research services aimed at generating and testing hypotheses for the development of new services and products. Fifteen studies were carried out in 2025.

Open Innovation Window technology competition

The Innovation Development Centre, in partnership with the Moscow Innovation Cluster, launched an open competition for technology companies. The aim of the competition was to identify innovative solutions with the greatest potential for piloting within the Company, addressing the needs of four business formats of the Magnit and the DIXY chains. Over 170 applications were submitted. Fifteen companies were selected to present their solutions at a demo day that was attended by Magnit's CEO. Four winning companies were granted the opportunity to pilot their technologies across Magnit's retail formats.

Demo day of the Industrial Centre of Excellence for Trade

The Innovation Development Centre continued its tradition of hosting the pitch session at the demo day of the Industrial Centre of Excellence for Trade that helped select startups and create a platform for dialogue between innovative companies and retailers. More than 20 import-substitution solutions covering logistics, automation, analytics, energy efficiency, and marketing were presented at the event.

Your Idea

As direct participants in day-to-day operations, employees are well-positioned to identify bottlenecks and process improvement opportunities. Therefore, it is important to create conditions and motivation for them to suggest their ideas.

Magnit's Your Idea project enables every employee to submit process improvement proposals.

In total, employees submitted over 4,000 ideas via the platform in 2025, of which 34 initiatives aimed at automating processes, reducing manual labour, improving the accuracy of operations and the quality of customer service reached the implementation stage/were implemented. The aggregate financial effect, including the initiatives under implementation, is over RUB 815 mln per year.

In addition to direct benefits, employees have produced a significant non-financial effect:

- a reduction of more than 50,000 labour hours per year;
- a reduction of the risk of fines by up to RUB 500+ mln;
- improved quality of accounting, mitigation of errors and mismatches;
- accelerated internal processes.

In 2025, we introduced a new incentive system to reward implemented ideas that yield results with Magnit Plus bonus points. Thus, we strive to make the employee suggestion system not only useful but also rewarding and encourage employees to transition from simple idea generation to seeing their ideas through to completion.

Business development programmes

Magnit invests in business development programmes aimed both at improving existing formats and at establishing new lines of business.

The key goal of developing existing business formats and functions is to improve their operational efficiency and increase employee productivity, including through the introduction of digital tools and process automation.

One of these initiatives is the development of the back-office solution – a proprietary tool to ensure high operational resilience of stores. The creation of a single back-office system helps significantly ease the workload on store personnel thanks to comprehensive optimisation and unification of workflows. The platform integrates all key digital tools used by store employees, including the inventory control and inventory management systems, data collection terminals, and mobile printers, thus creating a seamless and efficient working environment.

In 2025, the development of the back-office system was carried out in accordance with the following tasks:

- analysis and optimisation of operational processes;
- implementation of solutions to automate routine operations with a view to labour saving;
- development of intuitive user interfaces that require minimal training;
- mitigation of sanctions and resource risks through the transition to new development technologies.

In 2025, Magnit launched the MDrive application – its proprietary unified store management platform – for store employees and directors of groups, branches, and districts. The platform consolidates store information and gives employees access to all necessary operational tools.

Mobile analytics platform
The system frees directors of stores and groups from routine data collection by providing them with ready-made analytics on sales, inventory, NPS[1], and other key metrics through the mobile app. This accelerates decision-making and improves management efficiency.

Priorities management platform
The system consolidates key tasks in one tool, which significantly boosts their implementation speed and the overall operational discipline. By 2026, the system is expected to independently assign the highest priority tasks to employees, thereby reducing the workload on managers and increasing the speed of responding to identified problems.

MDrive

Operational standards compliance monitoring tool
The system acts as a unified tool for performing all audits and checklist-based inspections that consolidates their results in a single database. This improves the transparency and efficiency of the analysis of identified inconsistencies, which subsequently serves as a reliable basis for driving further enhancements.

Operations interface for operations staff
The system provides employees of stores, groups, and branches with a single mobile interface for access to all necessary tools. This boosts employee mobility, removes the need for fixed workstations, and ensures seamless, more efficient workflows.

1 NPS – net promoter score.

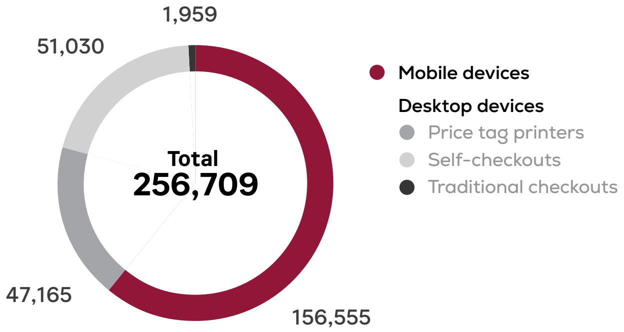
The key achievement of the reporting year was the transformation of the Enterprise Mobility Management (EMM)[2] system into a single platform for managing key devices of retail outlets.

In 2025, self-checkouts were integrated into the single management framework in addition to mobile devices, and a pilot project was launched to connect traditional checkouts. In addition, a real-time equipment monitoring system was implemented. The system determines not only the geolocation of equipment, but also its comprehensive technical metrics, including operational status, movement history, and failure logs.

The measures taken helped significantly reduce the downtime of retail equipment and the time for stocktaking. A technological foundation was established for remote maintenance, which will ultimately minimise the need for on-site technician visits to stores.

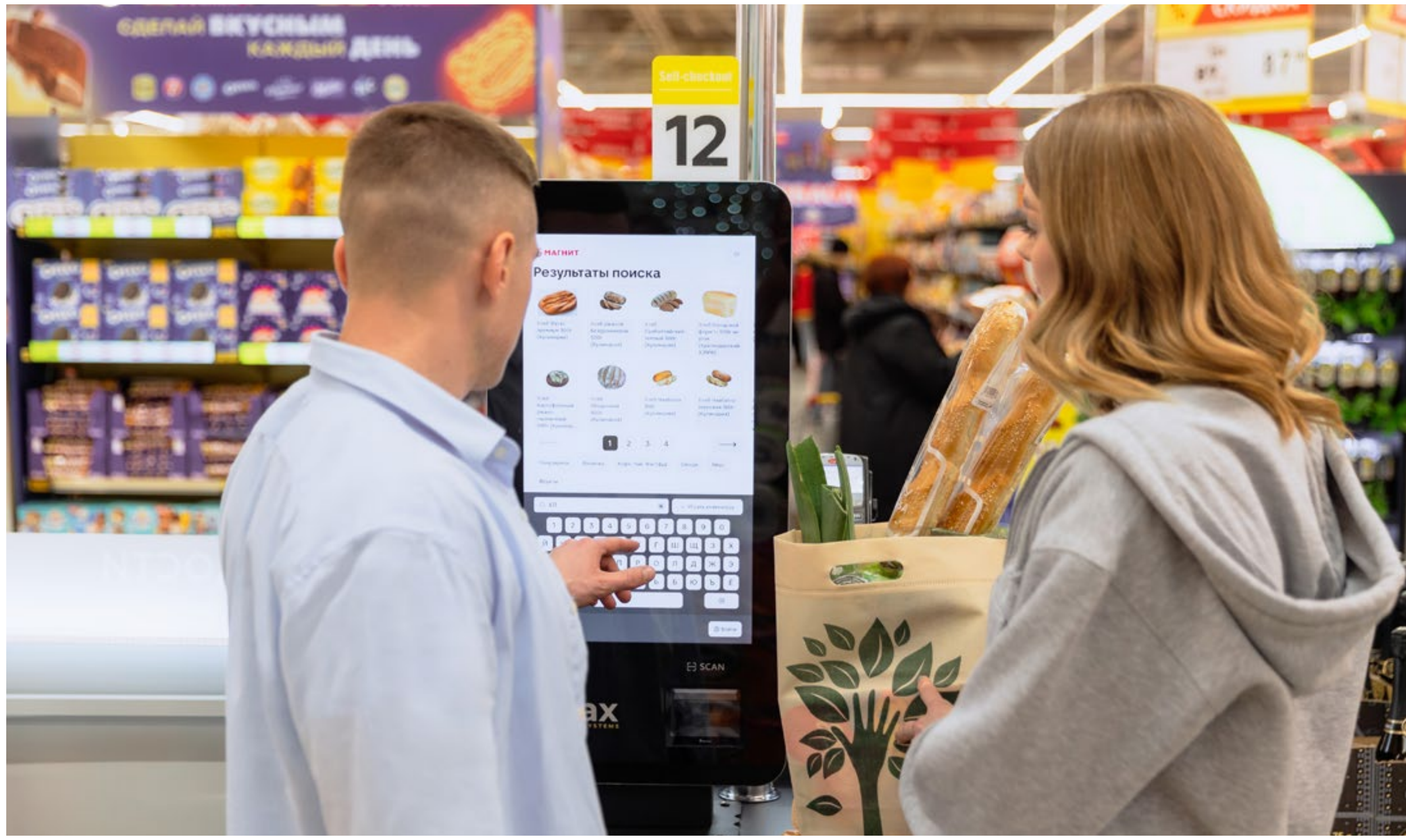
Next year, Magnit is planning to complete the integration of all cash registers at retail outlets in order to ensure full control and high-level maintenance of all equipment. It is also planned to develop the functionality of remote application configuration and management to reduce manual operations performed by technical specialists at retail facilities, freeing up their time to solve more complex issues.

Structure of devices in the EMM system in 2025



Another example of process automation is the introduction of an in-house F&R system for forecasting demand and planning replenishment. The key task of the system is to increase the efficiency of inventory management. The advantages of the proprietary F&R solution include full ownership of the source code, a unified interface, the flexibility to adapt to new formats and business environment changes, and maximum automation of business processes.

For more details on the project and the development of logistics, see the Supply chain development section.



2 EMM (Enterprise Mobility Management) is the process of managing the mobility of an enterprise's IT environment.

AdTech

One of Magnit's strategic goals in business development is to create new business streams at the intersection of retail and modern technologies. This, on the one hand, strengthens the Company's ecosystem and ensures a comprehensive approach to providing services to customers, and, on the other hand, creates additional sources of income for the Company.

Magnit AdTech is a new business line of the Company, its key goal being to develop and launch the product and technical advertising infrastructure and establish the necessary commercial processes ensuring the basis for the long-term growth of Magnit's advertising monetisation potential.

The long-term strategy for Magnit AdTech was developed in 2025. It relies on realising the Company's advertising potential by establishing the Magnit ADS advertising platform. The advertising platform will facilitate communication with Magnit's customers and will help attract new brands, supporting their growth within the Company through advanced omni-channel solutions. We are developing the advertising platform with a focus on expanding inventory, launching convenient entry points and advertising campaign management systems, and improving the accuracy and efficiency of advertising technologies through infrastructure tools. In the long term, it is planned to expand the use of omni-channel opportunities, in particular, to develop digital advertising in stores and to perform integration with the loyalty programme.

Magnit AdTech 2025 projects

Digital shelf banners

The Magnit ADS advertising platform was the first in the Russian retail market to introduce digital shelf banners – vertical displays attached to shelves in stores. They act as a tool for targeted communication with the customer when the purchase decision is made.

Thanks to shelf banners, advertisers will be able to increase their on-shelf sales.

- A **17%** increase in the share of sales of brands advertised on shelf banners
- **40%** of respondents[1] called shelf banners the most useful and convenient tool for obtaining information on goods and campaigns

Verification of impressions and clicks

Magnit ADS has implemented two leading ad serving systems in Russia that support independent impression and click-out verification for partner use.

Integrating third-party verification allows advertisers to receive independent, validated data on ad impressions and clicks, while enabling Magnit to expand campaign opportunities for click-out oriented clients.

After the implementation of independent verification, some suppliers expressed their desire to cooperate with Magnit AdTech.

Advertising account

In 2025, Magnit AdTech launched an in-house developed advertising account (CPO platform) enabling brands to control advertising campaigns by analysing their reach, clicks, and product purchases. Integration of the platform with Magnit's loyalty programme allows tracking customers who interacted with the product in the application and then bought it from an offline store. In future, it is planned to expand the functionality of the platform to enable flexible management of campaign budgets.

1 According to an independent survey of the perception of digital advertising formats in convenience stores conducted by Magnit together with Formen Consulting in 2025.

Investment in research and development

Magnit's investment in R&D covers such areas as robotic automation of warehouse and transport logistics, introduction of digital technologies in retail outlets, and the use of artificial intelligence.

Distribution centres are introducing autonomous mobile robots (AMRs) and latent mobile robots (LMRs) to automate the manual labour of moving goods, pick-to-light carts[2] to reduce the order picking time, and automated conveyors. Testing is also underway for inventory drones/scanners capable of processing up to 2,000 pallets per hour with automated data upload. In parallel, a warehouse equipment monitoring system is being developed to control warehouse operations and forecast maintenance and repairs. Robotic automation at distribution centres enhances workplace safety, reduces the vulnerability of processes to human error, and improves logistics stability.

For more details on robotic automation in logistics, see the Supply chain development section.

Magnit is developing the smart store concept by introducing digital technologies at retail outlets to save labour through automation of routine processes. Such solutions also help improve customer experience by making the shopping process faster and more convenient. As a result, Magnit stores are becoming more technologically advanced, modern, and attractive to visit.

Digital technologies in Magnit stores

Electronic price tags and media shelves

Electronic price tags ensure instant and centralised updates of product price data, while media shelves also broadcast product ads. These technologies help reduce the workload on store employees, cut expenses for consumables, increase the correctness of price tags and generally make retail outlets more visually appealing.

In 2025, individual stores of the Magnit Pharmacy, Charge from Magnit, M.Cos and Magnit convenience store formats were equipped with price tags without media shelves. The technology is being implemented to boost operational efficiency and eliminate errors caused by outdated pricing.

- **25 stores** of various formats are connected to the electronic price tag system
- **99%** is the correctness of electronic price tags
- **Up to 10 seconds** is the price tag update speed

Smart scales

Smart scales automatically recognise goods placed on the scale platform, which speeds up self-service weighing, enhances customer convenience, and reduces the operational workload on staff.

A real-time dashboard was launched in the reporting year to monitor the condition of weighing equipment, including the operational status of recognition systems.

- **425 stores** are equipped with smart scales
- **98%** is the accuracy of goods recognition
- **Two times** faster weighing process

In early 2026, computer vision was tested for recognition of goods sold by weight (vegetables, fruit, confectionery) at self-checkouts.

By the end of the tests, the recognition accuracy reached 91% at a speed of 9.1 seconds per item, which enhances the efficiency of self-checkouts:

- the self-checkout speed is increased **by 42%** compared to manual item lookup for weighted goods (15.7 seconds). This contributes to higher throughput capacity during peak hours and reduced assistant workload;
- **a 0.2%** reduction in fraudulent transactions is achieved by preventing product substitution during weighing.

2 Carts with light navigation for order pickers.

Self-checkouts

In 2025, Magnit was the first among retailers to introduce the option of confirming age at self-checkouts using a digital ID integrated into the MAX messenger. By the end of the year, the technology was available in 16,000 Magnit stores – at more than 55,000 self-checkouts. In parallel, Magnit, together with the Centre for Biometric Technologies, launched an alternative customer identification option using biometric data. This solution also lets customers verify their age at self-checkouts without showing their ID documents or installing any apps. The implemented solutions help reduce the workload on the store staff. Subsequently, the digital ID may be used for other purposes, for example, to identify registered loyalty programme members and offer them personalised benefits and services.

In addition, basic mechanisms to develop the option of ordering ready-to-eat meals at self-checkouts were implemented in the reporting year. This adaptive functionality allows self-checkouts to switch between different scenarios, such as standard retail and ready-to-eat meals.

Self-checkouts are installed at:

- **99%** (436 retail outlets) of supermarkets
- **71.3%** (15,404 retail outlets) of convenience stores
- **10.7%** (837 retail outlets) of cosmetics stores

Traffic penetration:

- **54%** at supermarkets
- **38%** at convenience stores
- **26%** at cosmetics stores

Improved availability through digital assistants

The OSA (on-shelf availability) alerting technology is an intelligent inventory monitoring system. Algorithms identify inventory issues and automatically generate staff tasks for their timely resolution (replenishment, phantom inventory correction, price tag updates, etc.).

The technology is available at Magnit convenience stores, supermarkets, V1 discounters, and ultra-small format stores.

Over 2025, the total effect from using the technology amounted to 0.3% of the turnover.

In 2025, the Image Recognition technology was rolled out at Magnit convenience stores, supermarkets, and M.Cosmetic stores. Using the mobile app, employees can quickly get a real-time overview of on-shelf availability and follow recommendations to improve it: replenish missing items or adjust planograms. Comprehensive shelf management will improve on-shelf availability for 30,000 SKUs by up to 95% on average. Combined with strict planogram compliance, this technology drives an average turnover increase of up to 0.6% across retail outlets.

BeautyScan cosmetics selection service

BeautyScan is a multi-brand intelligent service for AI-powered skin analysis, selection of personalised skincare, fragrance matching, and virtual try-on for decorative cosmetics available in-store.

The service offers users three modules:

- Skincare products – an AI-driven algorithm analyses the skin type and condition directly from a photo and suggests a personalised skincare routine.
- Decorative cosmetics – a virtual makeup try-on system allows customers to discover and test products based on their needs: by brand, texture, or shade.
- Perfume – the module contains three fragrance selection scenarios: an AI-powered fragrance finder based on scent families, notes, and a colour personality test.

The technology is available **in more than 2,500 stores** of the M.Cosmetic chain.

Customers can access the technology via:

- special QR codes that can be found in 2,430 M.Cosmetic stores;
- smart mirrors installed in 34 M.Cosmetic stores.

Multi QR payment system

The Multi QR payment system is a modern and convenient method for making cashless payments. Payment is made by scanning a QR code from the terminal using a smartphone or a banking app and is confirmed within the bank's mobile app. The receipt is printed automatically after the payment is made.

In 2025, Magnit Pharmacy stores were connected to the system.

- **29,915 stores** of various formats (Magnit convenience stores, cosmetics stores, supermarkets, V1 discounters, ultra-small format stores) use the Multi QR payment system.

Import substitution and business continuity

Magnit pursues a consistent policy for import substitution of technological solutions. The Company's strategy is aimed at creating its own IT systems to ensure maximum compatibility with business processes and promote technological sovereignty. At the same time, the goal of import substitution extends beyond simply replacing foreign solutions that have left the market – Magnit creates innovative and unique products, some of which have no direct equivalents in the market.

Magnit has fully completed the import substitution of corporate data platform and electronic document management tools, and has integrated Russian cloud solutions into its operations. In 2025, the Company switched to domestic video conferencing systems and rolled out a proprietary corporate messenger.

In 2025, Magnit initiated a strategic project to build its own data centres. This initiative is aimed at ensuring technological independence and improving the reliability of data storage and processing. The creation of its own data centre infrastructure will help optimise long-term IT costs while ensuring the necessary scalability and data security essential for development of the Company's digital services.

Magnit's services were the first among retailers to be included in the "white list" of the Ministry of Digital Development of Russia

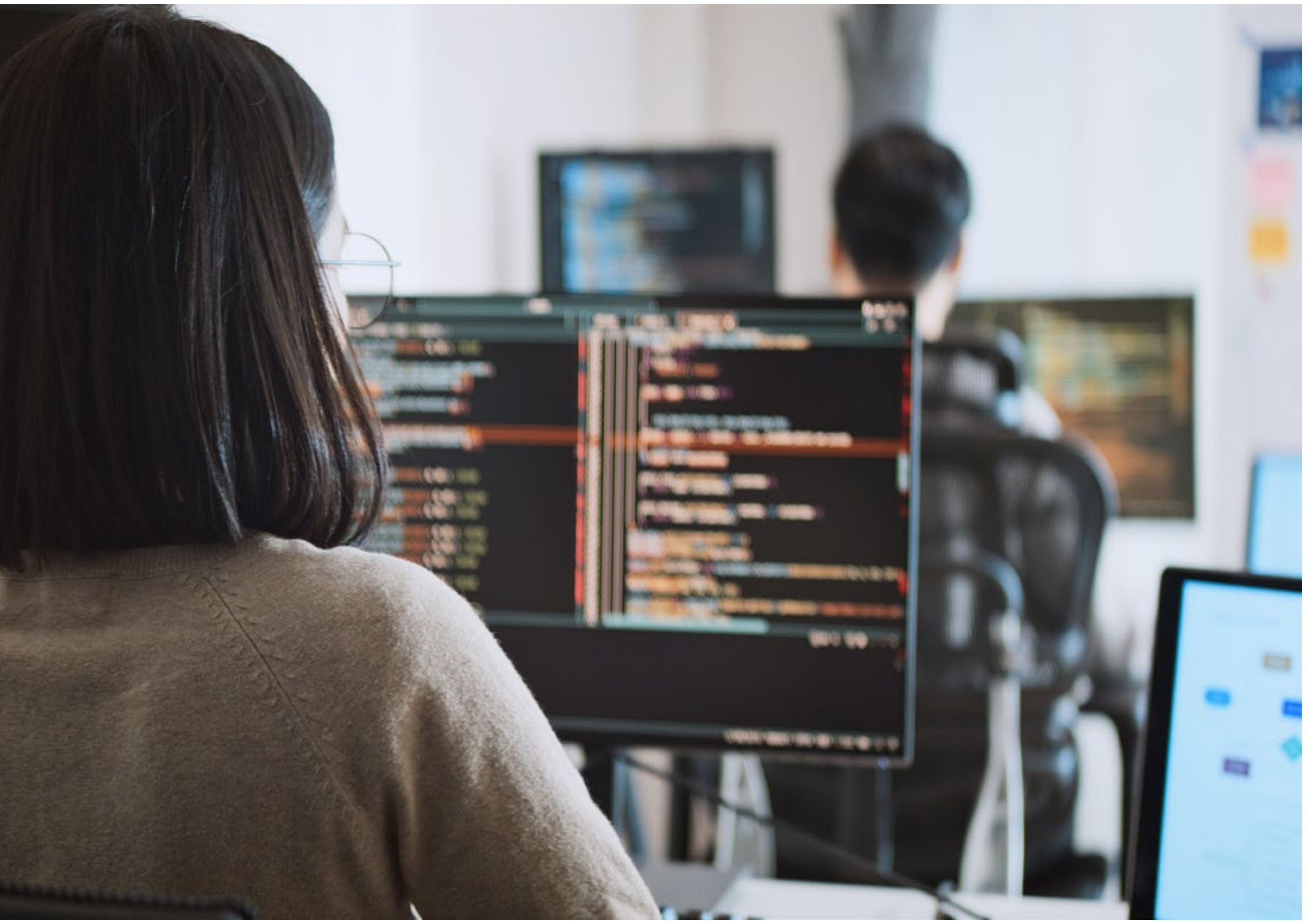
Magnit's key mobile applications and services are included in the "white list" of the Ministry of Digital Development of Russia. This status guarantees their uninterrupted availability to customers even during periods of mobile internet restrictions. This allows customers to make purchases, use the loyalty programme and all the Company's digital services at any time.

Information security and personal data protection

The retail digitalisation trend highlights the increasing relevance of information security and personal data protection. Processing of personal data of customers and employees is an integral part of Magnit Group's operations. Therefore, building a reliable information security system and maintaining the confidentiality of personal data is a priority for the Company. To ensure the resilience of key business systems, the continuity of the Company's services, and the protection of user personal data, Magnit is continuously enhancing its information security system. For example, in the reporting period Magnit conducted an internal assessment of the maturity of its information security management system. Based on the assessment results, priority development areas were identified, and specific action plans for the next year were formed.

In 2025, due to growing external cyber threats, the Company developed a business continuity programme for the medium term. The programme includes a number of key measures aimed at improving the resilience of the Company's information security system to external attacks.

To ensure control over the information security system, the Company regularly performs comprehensive scanning of its external and internal perimeters. Cyber security risks are also assessed on a regular basis.



Key focus areas of information security

Development of information protection systems

- Regular assessment of compliance of information security systems with internal standards and laws
- Support for and development of physical and cloud IT infrastructure, data centre investments

Cyber security training for employees

- Mandatory personal data and information security courses for all employees
- Specialised training for employees responsible for ensuring the Company's information security

Bug Bounty vulnerability discovery programme

In 2025, following the successful completion of the closed phase of the Bug Bounty programme, Magnit made it public in order to strengthen the security of its digital services. This initiative engages the global community of ethical hackers[1] in identifying complex vulnerabilities and logic flaws that may go undetected during automated scanning of IT systems.

Under the programme, key customer and service resources of the retail network are tested, including the mobile app, the delivery website, the loyalty programme portal, and other digital services.

To increase participant motivation, the programme operates a tiered reward system, with payouts depending on the criticality of the vulnerability identified.

For more details on the programme terms and conditions, see the website

The Company processes personal data in strict compliance with the requirements of Federal Law No. 152-FZ On Personal Data dated 27 July 2006 and other applicable regulations.

Data confidentiality within the Magnit Group is ensured through two key areas: adherence to the technical and methodological requirements set by regulators, and employee training in information security and personal data handling.

Magnit has a dedicated support service for employees on matters relating to the processing of personal data. Any employee can contact the Information Security Department for advice or to request a legal review of documents or projects involving personal data processing. This channel can also be contacted to report any suspected or confirmed instances of unauthorised transfer or leakage of personal data.

Thanks to the effective operation of the information security system, no personal data breaches involving Magnit's customers or employees were recorded in 2025.

1 An ethical hacker is an information security professional who legally tests IT systems for vulnerabilities in order to identify and close gaps before they can be exploited by malicious actors.

Business overview

2025 performance

Magnit's total revenue in 2025 increased by 15.3% YoY to RUB 3,509.2 billion. Net retail sales grew by 15.4% YoY, driven by a combination of 5.6% selling space growth and 8.7% LFL sales growth.

In 2025, net retail sales growth continued to outpace selling space growth on further improvement of sales densities. Overall sales densities in the reported period improved by 8.3% YoY.

Selling space increased by 5.6% YoY, mostly driven by organic expansion. During 2025, the Company opened 2,521 stores on a gross basis or 1,784 on a net basis. Net selling space addition in 2025 was 610 thousand sq. m. As of December 31, 2025, the total store base was 33,440 (+1,958 by 2024).

LFL sales growth in 2025 was 8.7%, primarily as a result of strong LFL average ticket dynamics (+8.4%) driven by YoY inflationary dynamics and higher promo activity. LFL traffic growth of 0.3% was driven by promo and marketing initiatives.

At December 31, 2025 the number of Magnit Plus loyalty programme cardholders reached almost 92 million. Company-wide, the proportion of tickets using the loyalty card was 66% with sales penetration of 82%. During peak days of the reported period, it reached 70% and 85% correspondingly. The loyalty programme delivers positive cross-format gains – about 41% of Magnit's customer base visit 2+ store formats. Average ticket of the active user is 2x higher vs transaction without loyalty card.

Operating results

15.3%
total revenue growth

8.7%
LFL sales growth

2,521
gross organic store openings

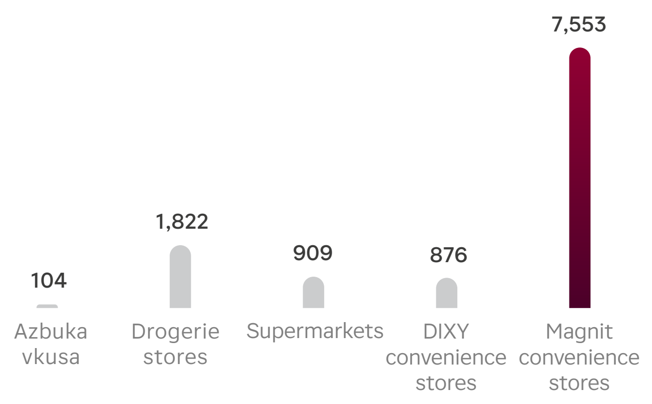
5.6%
selling space growth, YoY

8.3%
sales density growth (LTM), YoY

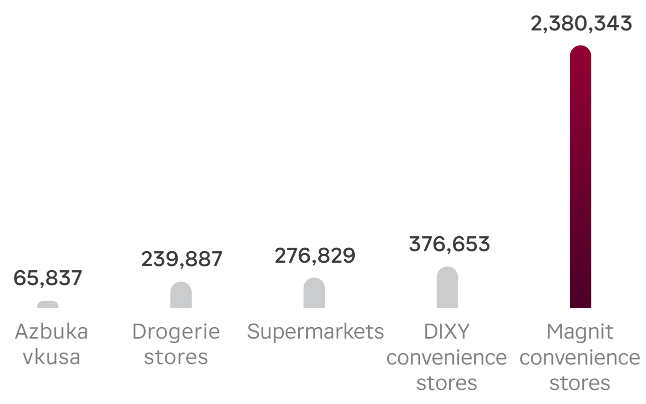
92 mln
loyalty card holders

1 Net retail revenue over the past four quarters divided by average selling space as at the end of the past five quarters.

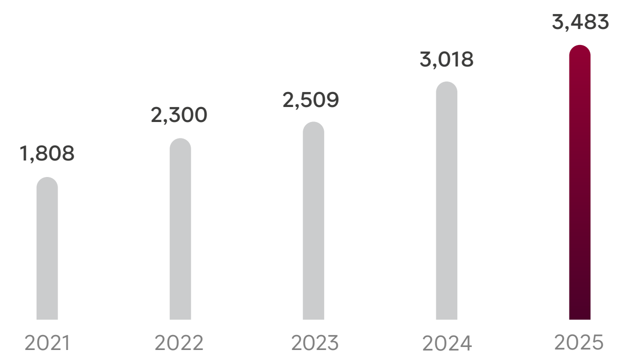
Selling space by format, thous. sq. m



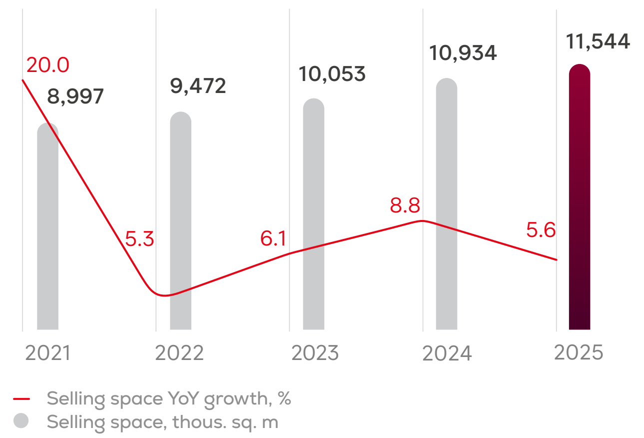
Net retail sales by format, RUB mln



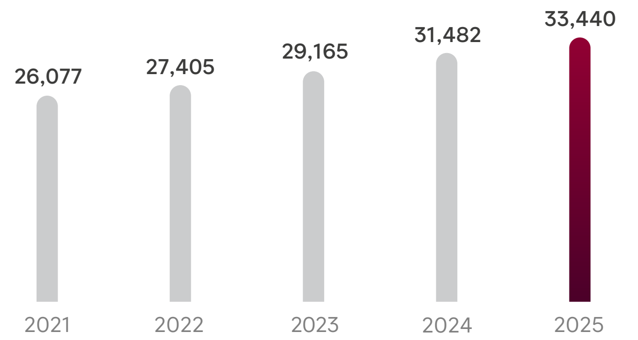
Net retail sales, RUB bln



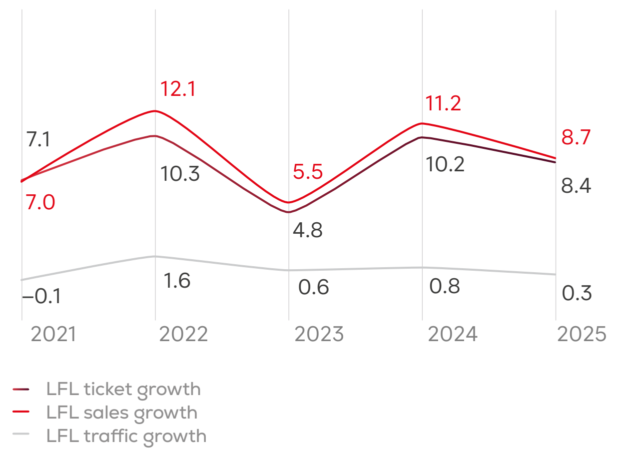
Selling space



Total number of stores



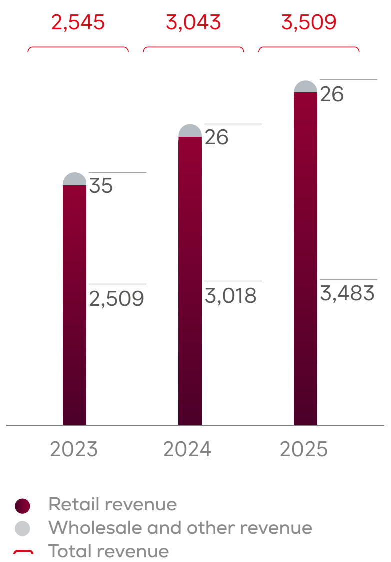
LFL results, %



Financial results

Consolidated financial statements of PJSC Magnit and its subsidiaries and independent auditor's report for 2025 are available on the Company's official website in the Results and Reports section at:
https://www.magnit.com/en/shareholders-and-investors/results-and-reports/

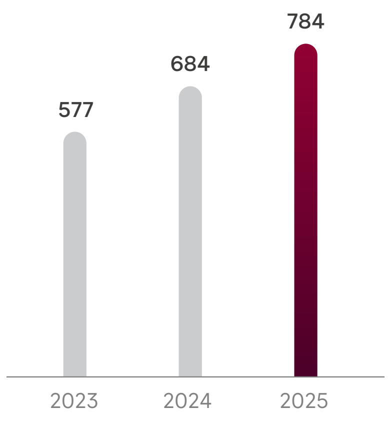
Total revenue, RUB bln



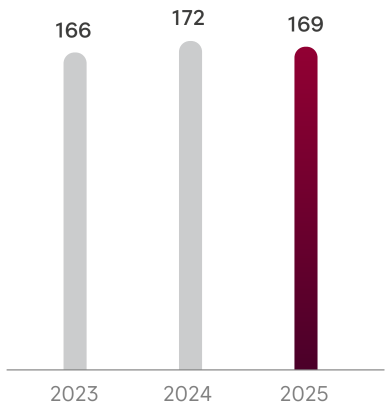
FY 2025 key financial results[1]

	pre-IFRS 16			IFRS 16		
RUB mln	2025	2024	Change 2025/2024	2025	2024	Change 2025/2024
Total revenue	**3,509,226**	**3,043,434**	**15.3%**	**3,509,226**	**3,043,434**	**15.3%**
Retail	**3,483,009**	3,017,878	**15.4%**	**3,483,009**	3,017,878	**15.4%**
Wholesale	**23,639**	22,923	**3.1%**	**23,639**	22,923	**3.1%**
Other revenue[2]	**2,578**	2,632	**-2.1%**	**2,578**	2,632	**-2.1%**
Gross profit	784,102	684,368	**14.6%**	788,200	686,823	**14.8%**
Gross margin, %	22.3%	22.5%	**-14 bps**	22.5%	22.6%	**-11 bps**
SG&A[3], % of sales	-21.8%	-20.7%	**-106 bps**	-20.2%	-19.3%	**-91 bps**
Other income and expense, % of sales	1.4%	1.4%	**6 bps**	1.5%	1.4%	**9 bps**
EBITDA	169,276	171,897	**-1.5%**	306,162	290,935	**5.2%**
EBITDA margin, %	4.8%	5.6%	**-82 bps**	8.7%	9.6%	**-83 bps**
EBIT	70,538	95,852	**-26.4%**	133,346	143,969	**-7.4%**
EBIT margin, %	2.0%	3.1%	**-114 bps**	3.8%	4.7%	**-93 bps**
Net finance costs	-82,310	-24,540	**235.4%**	-165,093	-85,580	**92.9%**
FX gain/(loss)	-3,025	1,636	**-284.8%**	-2,938	1,653	**-277.7%**
Profit/(loss) before tax	-14,797	72,949	**-120.3%**	-34,685	60,042	**-157.8%**
Net income/(loss)	-16,645	49,980	**-133.3%**	-31,576	44,334	**-171.2%**

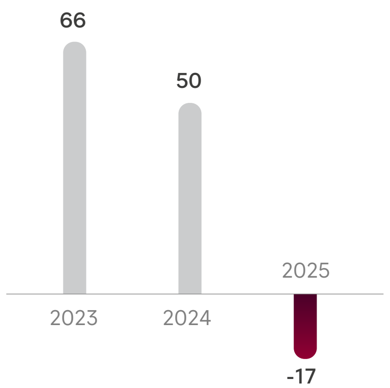
Gross profit, RUB bln



EBITDA, RUB bln

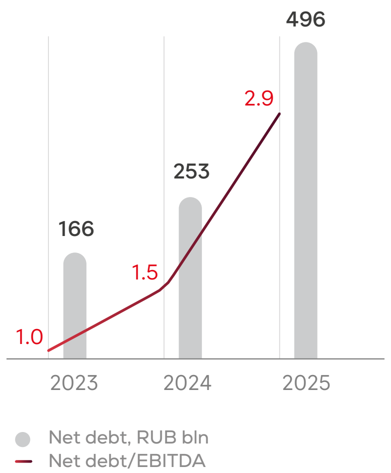


Net income, RUB bln



Note: pre-IFRS 16.

Net debt



Implications of IFRS 16

IFRS 16 balances the presentation of leased assets with owned assets. With this, rent expenses are replaced with depreciation and interest payments. Depreciation is reduced on straight line basis but interest is charged on outstanding lease liabilities – thus interest is higher in the earlier years and decreases over time. As a result, the impact on net income is highly dependent on average lease maturity – the higher the maturity, the lower the interest charges.

1 According to the IFRS rules, the results of the Samberi business have been consolidated into Magnit's financial performance since January 11, 2024; the results of Azbuka Vkusa – since May 20, 2025.
2 Other revenue includes primarily marketplace fees.
3 SG&A – Selling, General and Administrative Expense.

Total revenue in 2025 increased by 15.3% driven by net retail sales growth of 15.4% and wholesale revenue growth of 3.1%. Wholesale operations accounted for 0.7% of total sales.

Gross profit in 2025 increased by 14.6% YoY to RUB 784.1 billion. Gross margin decreased by 14 bps YoY to 22.3% as a result of higher shrinkage and stronger promotional intensity partially offset by lower logistics costs.

SG&A costs as a percent of sales increased by 106 bps YoY to 21.8% due to higher personnel, depreciation, advertising, utilities, and other costs.

Personnel costs as a percentage of sales increased by 23 bps YoY primarily driven by indexation of salaries of retail personnel, as well as higher outstaffing tariffs.

Despite increased share of leased selling space to 85.0% in 2025 compared to 84.2% a year ago rental costs as a percentage of sales remained flat thanks to higher sales density and closure of inefficient stores.

Advertising expenses as a percentage of sales increased by 9 bps on higher marketing activities, including digital marketing and loyalty campaigns.

Utilities costs as a percentage of sales grew by 5 bps YoY driven by increase in electricity tariffs, as well as accelerated store openings and their ramp-up period.

Repair and maintenance as a percentage of sales increased by 4 bps YoY driven by higher maintenance tariffs and prices on repair materials as well as acceleration of store refurbishment programme.

Other expenses as a percentage of sales increased by 26 bps YoY primarily driven by higher picking and delivery costs due to faster YoY growth of online services.

Materials, bank services and tax expenses as a percentage of sales remained broadly flat YoY.

As a result, EBITDA decreased by 1.5% YoY to RUB 169.3 billion with a 4.8% margin – lower by 82 bps YoY.

Depreciation as a percentage of sales increased by 32 bps YoY driven by increase in truck fleet and acceleration of store opening and refurbishment programmes, as well as goodwill impairment.

Net finance costs in 2025 increased to RUB 82.3 billion due to higher cost of debt and total amount of borrowings.

Average weighted cost of debt[1] increased YoY to 17.1% in 2025 but reduced by 221 bps compared to the first half of 2025. The Company's debt profile is mainly represented by long-term borrowings and bonds.

In 2025 the Company reported FX loss of RUB 3.0 billion related to revaluation of FX deposits and cash balances on FX accounts compared to RUB 1.6 billion FX gain in 2024.

As a result, net loss in 2025 was RUB 16.6 billion compared to the net profit of RUB 50.0 billion in 2024 driven by EBITDA, depreciation, net finance costs and FX loss dynamics. Record high investments in expansion programme coupled with increased market interest rates led to significant pressure on net income. Negative financial result in the reported period was related to one-off non-cash effects due to provisions for impairment of stores for closure, and other operating assets.

Balance Sheet and Cash Flows

Financial Position Highlights (IFRS 16), RUB mln

	31 December 2025	31 December 2024
Inventories	314,213	270,417
Trade and other receivables	22,918	21,001
Cash and cash equivalents	244,500	159,470
Long-term loans and borrowings	467,781	151,050
Trade and other payables	376,005	373,983
Short-term loans and borrowings	277,886	260,868

Inventories increased by RUB 43.8 billion (+16.2% YoY) compared with December 31, 2024, and stood at RUB 314.2 billion on the back of total sales growth of 15.3%. Turnover of inventories remained at the normalized level of 39 days driven by continuous reduction of slow-moving items and assortment harmonisation.

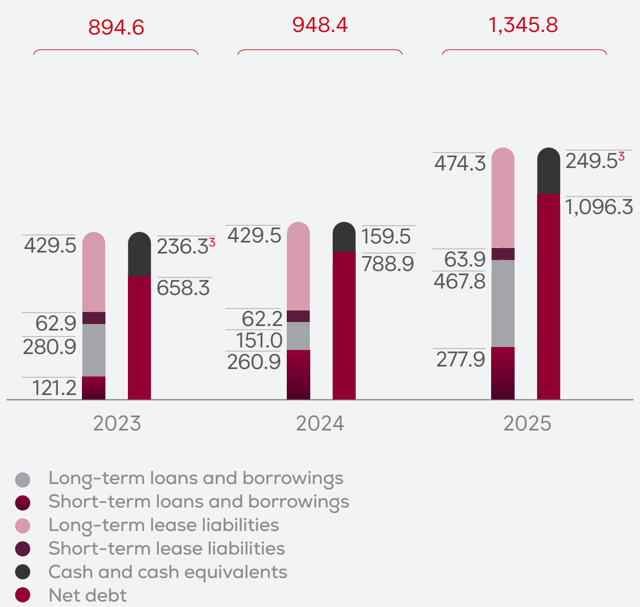
Trade and other payables remained broadly flat YoY and stood at RUB 376.0 billion due to calendarization of payment days. Accounts receivables increased by 9.1% vs December 31, 2024 and stood at RUB 22.9 billion.

1 Excluding Samberi and Azbuka Vkusa.

Debt Composition and Leverage[2]

	31 December 2025[3]	31 December 2024
Pre-IFRS 16		
Total Debt, RUB billion	745.8	412.2
Long-Term Debt, RUB billion	467.8	151.2
Short-Term Debt, RUB billion	278.0	261.0
Net Debt, RUB billion	496.3	252.8
Net Debt/EBITDA	2.9x	1.5x
IFRS 16		
Net Debt, RUB billion	1,096.3	788.9
Net Debt/EBITDA	3.6x	2.7x

Debt[4], RUB bln

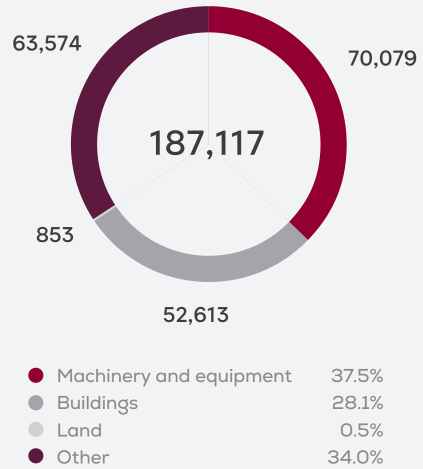


As at December 31, 2025 Gross Debt increased by RUB 333.6 billion or 80.9% compared to December 31, 2024, and stood at RUB 745.8 billion. The Company's cash position increased from RUB 159.5 billion as at December 31, 2024 to 249.5 billion as at December 31, 2025.[3] As a result, Net Debt increased by 96.4% YoY to RUB 496.3 billion as at December 31, 2025. The increase in total debt and cash position as at the end of the year compared to June 30, 2025 was fully related to additional borrowings in the second half of the year aimed at refinancing of debt obligations due in 2026.

The Company's debt is fully RUB denominated, matching its revenue structure. The Net Debt to EBITDA ratio was 2.9x as at December 31, 2025.

Capex excluding M&A transactions in 2025 increased by 16.6% and stood at RUB 187.1 billion. This was driven predominantly by acceleration of store opening and redesign programmes, as well as investments in own production and projects to increase efficiency.

Capital expenditure split, RUB mln



Maturity, RUB bln

		Long-term debt	Short-term debt	Bonds
2026	278.0	26.6%	1.4%	72.0%
2027	396.0	72.5%	0.0%	27.5%
2028	71.8	2.2%	0.0%	97.8%
	745.8	**48.6%**	**0.5%**	**50.8%**

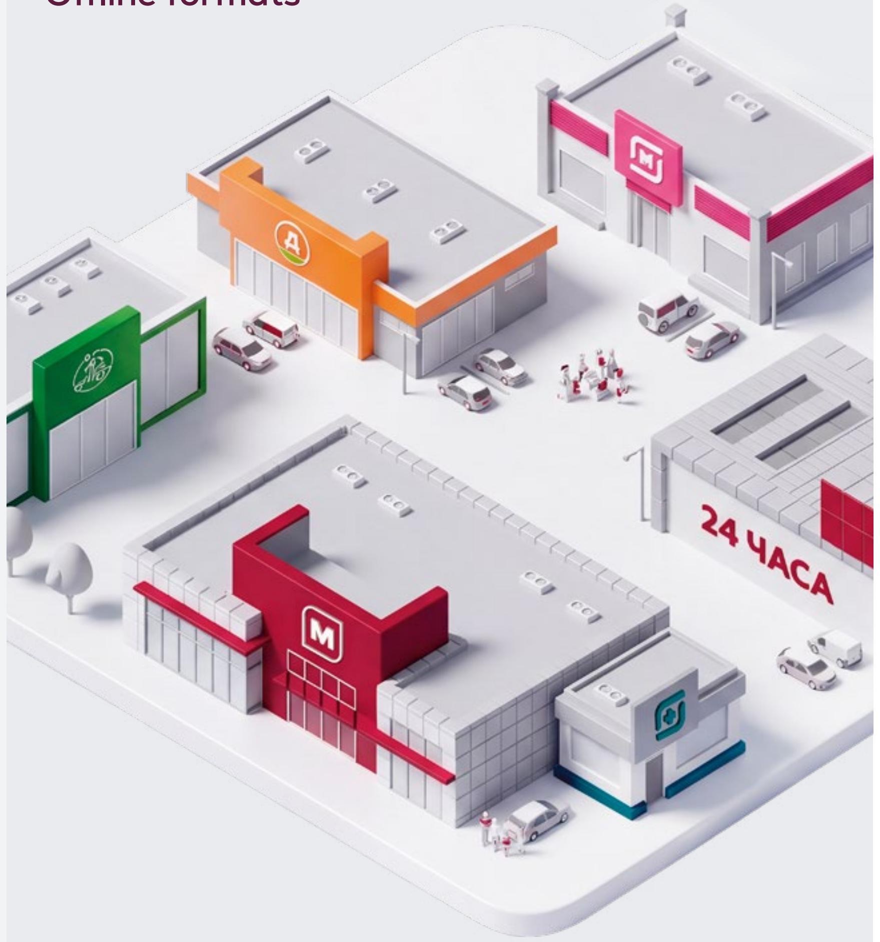
2 Minor variations in calculation of totals, subtotals, and/or percentage change are due to rounding of decimals.
3 Including deposits, reported in the financial assets. Cash allocated on these deposits is immediately available and can be withdrawn at any time without loss of value (without penalty for withdrawing).
4 IFRS 16.

Format overview

Magnit aims to be helpful to every customer by acknowledging the full spectrum of human needs and adapting to different life situations.

A key tool in this approach is its multi-format model, which involves the creation and development of various store formats, each with a tailored product range designed to meet specific customer requirements. This variety makes Magnit the ideal choice for everyone – whether for a quick grab-and-go meal or a full weekly shop – offering flexibility and a solution perfectly suited to each individual.

Offline formats



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DIXY convenience stores
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Magnit supermarkets
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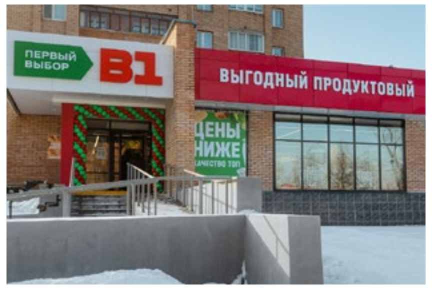

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Offline formats

Magnit convenience stores

Magnit operates one of Russia's largest chains of convenience stores. This store format allows customers to do their daily shopping conveniently and in minimal time.

Customers are able to purchase groceries, household chemicals, and everyday non-food items without major disruption to their daily routine. This is made possible by a thoughtfully designed customer journey and new technological solutions.

CVP. Magnit convenience stores

Positioning

A modern convenience store with quality services, where everyday shopping is simple and affordable at fair prices

Missions

- Regular purchase
- Individual meals
- Quick snack

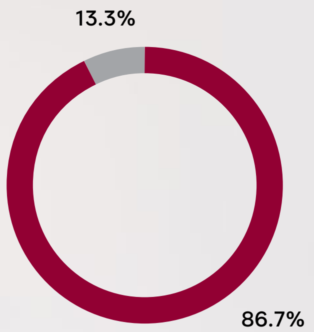
Clustering

- An adapted business formula that enables store openings in any location, including business-class residential complexes and new developments
- A new cluster – the Capital – focuses on quick shopping missions and additional services (ramen bar, hot dogs, takeaway coffee, etc.)

Location

- Residential and business areas
- Shopping malls

Sales mix



2025 performance

The convenience store format demonstrates flexibility in its approach to meeting customer needs. Over the past year, the key challenges for the format included an overall decline in FMCG sales volume, competition from hard discounters and marketplaces, as well as competition for retail space. Nevertheless, the format adapted to market changes and unlocked new opportunities.

In 2025, convenience stores remained the leaders in the everyday shopping segment. Their share of Magnit's retail sales at the end of the year stood at 68%.

The format continues to grow and develop, with its network expanding through new store openings in locations convenient for customers, ensuring access to essential goods at any time. The Company tailors the format to a wide range of customer needs: Magnit Convenience Plus stores offer larger spaces with an extended product range, My Price stores provide affordable options for budget-conscious shopping, and Magnit Convenience Mini includes compact outlets for quickly picking up everyday essentials. This approach enables the Company to reach a broad range of customers and strengthens the format's position in the market.

In 2025, we opened 2,031 new outlets (1,353 convenience stores and 678 sub-format stores) and closed 525, resulting in a net increase of 1,506 stores to the network. Since October 2025, the format has remained the leader in like-for-like (LFL) demand compared to competitors, and the Net Promoter Score (NPS) grew by 4.3 percentage points in 2025.

Since 2024, extensive work has been underway to refresh the convenience store format. The redesign focuses on ready-to-eat meals, accelerating the shopping process, and integrating modern technology. The updated concept is attracting new customers, including younger shoppers, which is helping to improve traffic and increase turnover. At the end of 2025, average LFL sales growth stood at 8.9% for the year, while LFL traffic increased by 0.5%.

Highlights of Magnit convenience stores

7,553 thous. sq. m selling space	21,774 total stores	RUB 324 thous./sq. m per year sales density
440 thous. sq. m net selling space growth	1,506 net store growth in 2025	8.9% LFL revenue growth
12% owned	5,285 mln number of tickets	8.4% LFL average ticket growth
88% leased	RUB 450 average ticket (excl. VAT)	0.5% LFL traffic growth

Highlights in 2025

Technologies

Checkout in Your Smartphone

Magnit has developed a new way to speed up the shopping process – a Checkout in Your Smartphone service, which allows customers to pay for their purchases with a single tap in the mobile app, saving time by avoiding queueing at the checkout. Testing of this new feature has been launched in 10 convenience stores in Moscow, covering a limited product range. Based on the test results, a decision will be made on whether to roll it out across the entire store network. In the future, the Checkout in Your Smartphone service could become the technological foundation for stores without checkouts or cashiers.

Smart scales at self-service checkouts

Since 2021, Magnit has been consistently testing and rolling out smart scale technology – the automatic recognition of products being weighed by customers. In 2025, following a successful pilot of the technology in convenience stores, the Company refined it and began testing smart scales integrated into self-service checkouts in convenience stores. Implementing this technology in convenience stores will increase customer service speed by reducing the time spent weighing products at self-service checkouts from 15 seconds to just 5 seconds.

A decision on whether to scale the technology will be made following an evaluation of its performance and customer feedback from the pilot.

Product mix

Scaling up ready-to-eat food services

In 2025, Magnit increased the number of stores offering ready-to-eat food and beverage services. The Company opened 2,100 in-store bakeries at convenience stores and 2,600 corners featuring ready meals. The takeaway coffee service was rolled out to 5,900 convenience store outlets, hot dogs to 1,800, and fast food to 2,000.

This scaling up of services is a response to growing customer demand for snack items and ready-to-eat meals that can be purchased at convenient locations close to where consumers live. Thanks to sales of ready meals and fast food, as well as attracting new customers, turnover increased by 74% during the reporting year.

Ramen bars in convenience stores

Magnit has launched a new ready-to-eat food service in its convenience stores – ramen bars – operating on a self-service basis. The first ramen bar opened in a convenience store in Moscow, where there is high demand for ready meals. This will enable the Company to quickly gather customer feedback to make a decision on further scaling up the service.

Asian cuisine is popular among our customers, especially younger shoppers. Ramen represents a relatively new offering, and the ramen bar is a unique concept for the retail sector – one that is set to attract more customers thanks to its speed, variety of flavours, and interactive preparation process.

Concept

New convenience store concept

In 2025, Magnit unveiled an updated concept of its key format – convenience stores. The new stores place an even greater emphasis on maximising shopping convenience, with a strong focus on ready-to-eat meals, popular grocery categories, and additional services. The store design solutions were developed by Art. Lebedev Studio.

Furthermore, the new Magnit convenience store features an expanded range of additional food services, including new offerings in the fresh bakery and fast food categories, as well as new hot drink options.

The store layout provides for two customer shopping routes – a short one and a long one. The short route brings together all snack solutions, a selection of ready meals and beverages, along with a café area featuring seating.

Currently, the network has 2,856 convenience stores operating under the new concept. Following the results of the testing phase, a decision has been made to roll out the concept across the entire network.

New concept expansion into Irkutsk region

In autumn 2025, Magnit began its expansion into eastern Siberia, opening its first convenience store under the new concept in Irkutsk. The store's product range includes over 5,300 items, featuring an extended line of Asian cuisine products – one of the most popular and fastest-growing categories in the market. Irkutsk has become the most remote region in the Company's area of presence.

DIXY convenience stores

DIXY is one of Russia's largest retail chains operating in the convenience format. The key advantage of this format lies in its extensive selection of essential products offered at attractive prices.

DIXY has been part of the Magnit Group since 2021 and continues to develop by opening new stores, including in new formats.

2025 performance

For DIXY, 2025 was a record-breaking year across several metrics. The number of stores reached 2,668, with 349 new outlets opened during the year, including dark stores and the ultra-small format stores, DIXY GO and Micro. The rate of the chain's organic growth continues to multiply each year: doubling in 2024 compared to 2023, and increasing by a factor of 2.3 in 2025 compared to 2024. The chain's total selling space reached 876,000 sq. m, an increase of 91,000 sq. m from the previous year. A total of 418 stores were refurbished, leading to improved performance. Notably, sales density increased by 6.2% to reach RUB 457,000 per sq. m.

CVP. DIXY convenience stores

Positioning

Convenient and affordable stores for everyday shopping

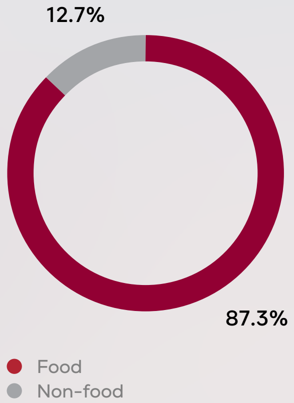
Missions

- Evening meals
- Everyday purchases
- Ready-to-eat dishes

Location

- Residential and business areas
- Shopping malls

Sales mix



DIXY's share of the Group's retail sales remained stable at 10.8%. The LFL revenue growth for DIXY continues to be the highest among all of the Group's retail formats, standing at 9.8% in the reporting year. The LFL revenue growth was driven by a 9.0% increase in the LFL average ticket and a 0.7% rise in LFL traffic.

DIXY's pricing strategy is to maintain prices at a level comparable to competitors, or at a rate that is more attractive to customers. Furthermore, targeted pricing is applied in outlets facing higher competition, which helps to uphold the overall pricing strategy.

The implementation of DIXY's development strategy in 2025 resulted in a positive balance of competitive customer cash flow. This indicator increased from 0.1% to 2.7% by the end of 2025. The influx of customers into DIXY stores is primarily driven by the main competitors within the format.

The rollout of a new convenience store concept with an updated CVP continues across the chain. In 2025, more than 750 stores were reformatted, and this concept now applies to 39% of all DIXY outlets.

The updated CVP, which is particularly relevant for residents of large cities with a fast pace of life, places a greater emphasis on ready meals and the option for a quick snack right in the store. DIXY is launching its own private labels, including in the ready-meals segment, to offer customers even more choice.

For more details on the development of the range of private labels, see the Private labels section.

In 2025, the number of outlets offering ready meals as part of their assortment grew from 1,023 to 1,781 (67% of the chain's stores). Meanwhile, the number of stores with in-house bakeries, where customers can buy fresh pastries, coffee, and snacks, increased from 433 to 678 for those with their own bakery products, and to 1,024 for those offering coffee, representing 38% of the chain. Self-service checkouts, a key feature of the new concept, offer another way for customers to save time. These are now installed in 2,302 (86%) of DIXY stores.

2025 also saw the opening of the 500th store of the DIXY franchise network, First Thing, which has been developing since 2019. Currently, First Thing stores are operating in Moscow, St. Petersburg, the Moscow and Leningrad regions, as well as the Tula and Kaluga regions. By the end of 2025, their total number reached 520.

Highlights of DIXY

876 thous. sq. m selling space	2,668 total stores	RUB 457 thous./sq. m per year sales density
91 thous. sq. m net selling space growth	305 net store growth in 2025	9.8% LFL revenue growth
7% owned	751 mln number of tickets	9.0% LFL average ticket growth
93% leased	RUB 502 average ticket (excl. VAT)	0.7% LFL traffic growth

Private labels

DIXY's private label portfolio now comprises over 30 brands, covering more than 900 product items. In 2025, over 300 new SKUs were introduced, and private labels accounted for 10% of the chain's turnover for the year, a 41% increase compared to 2024. The strategic goal for this area is to achieve a 25% share of private labels in total turnover by 2030.

DIXY's private label development strategy includes:
- presence across all key food categories;
- tracking and integrating current consumer trends (ready meals, innovative categories);
- using private labels as a key tool for engaging with different customer groups (young people, the health-conscious audience, children's products, the entry-price segment, as well as products available exclusively at DIXY).

In 2025, as part of its private label development, the Company established brand platforms and communication strategies to support its flagship product lines.

Loyalty programme

In 2025, a number of initiatives were implemented as part of the development of the DIXY Friends Club loyalty programme, leading to a significant improvement in customer engagement metrics. These included:
- enhancing algorithms for the hyper-personalisation of customer offers;
- optimising the mechanics of the Favourite Products category (a feature offering a personalised discount of up to 20% on an item chosen by the customer themselves);
- expanding the ways in which cashback can be used – it can now be spent with partners outside the chain's loyalty programme;
- accumulating user experience within the mobile app, making interaction with the programme simpler, more convenient and more intuitive for customers.

HR management

In 2025, DIXY implemented a personnel management system based on 1C:ZUP (Payroll and HR Management), which ensures the tracking of working time by type of work. This system is combined with QR-Link technology and integrated with the Personnel Outsourcing information system. The system enables effective management of costs related to mass personnel and helps curb their exponential growth driven by demographic and market factors. The Company plans to further develop the system within the retail segment, with a gradual rollout of the relevant tools in logistics.

Highlights of DIXY Friends Club loyalty programme

+23.4% by 2024
13.3 mln
total number of loyalty programme participants

+9.1 p. p. by 2024
71%
share of retail turnover of the loyalty programme

+9.1 p. p. by 2024
52%
share of loyalty programme tickets

217.5%
growth in retail turnover in the Favourite Products category

3.9 mln
DACs[1]

+8.2 p. p. by 2024
53.5%
share of DAC retail turnover

+32.5% by 2024
RUB 22.3 bln
retail turnover of DACs

1 Digital Active Customers.

Highlights in 2025

Retail chain development

Opening retail outlets in new residential developments

In 2025, DIXY entered into a strategic partnership with two major development companies. The agreements provide for the opening of convenience-format stores, DIXY GO outlets, as well as dark stores for fulfilling online orders within the developers' residential complexes. As a result of this project, residents of new buildings will have convenient stores within walking distance, making daily life more comfortable.

Opening DIXY flagship store in the centre of Moscow

The largest store in the DIXY chain, with an area of 750 sq. m, opened in the centre of Moscow. It carries an assortment of around 5,500 SKUs. This flagship store differs from others in its layout: the departments are zoned and designed to cater to specific customer missions.

DIXY GO scaling

The DIXY GO ultra-small format store chain is primarily aimed at residents of major cities. These are outlets with a compact sales area (70–190 sq. m), featuring self-checkouts and a range consisting of the most in-demand items (around 2,000 SKUs: ready meals, groceries, beverages, confectionery, pastries, and coffee to go). They are located on the ground floors of residential buildings, offering residents the convenience of extremely quick shopping trips. During the reporting year, 78 new ultra-small format stores were opened, including a new flagship store in the passageway of Moscow's Tekhnopark metro station. By the end of 2025, the total number of DIXY GO outlets reached 88, with 70 located in Moscow and the Moscow region, and 18 in St. Petersburg and the Leningrad region.

Marketing communications

Integrated communications

DIXY is strengthening the impact of its integrated marketing communications through new interaction channels and the development of a digital approach to communications:
- Audience reach grew by 16%
- Brand recall increased by 10% thanks to hybrid offline and online projects
- Message CTR (click-through rate) rose by 2% as a result of personalisation within the DIXY app and customer segmentation

In-store communications

The systematic development of digital media in sales areas continues, increasing the number of touchpoints with customers. As part of this effort, the infrastructure of internal communication channels and customer engagement tools is being created and expanded.

As of the end of 2025, the chain's stores had the following installations:

- 657 LED screens across 651 outlets (24.5% of the entire chain);
- 5,311 TV panels across 1,841 outlets (69.3% of the entire chain);
- 1,980 audio systems across 1,980 outlets (74.6% of the entire chain).

Special marketing projects

DIXY is also developing its sports marketing initiatives and implementing a number of other special projects that have been recognised with professional awards:

- Red Apple 2025 – Best Use of Digital Tools Including Mobile nomination
- Proxima 2025 – Best Digital Media Mix nomination
- Silver Mercury 2025 – Best Gamification nomination

Technologies

Age verification using MAX

DIXY customers can now verify their age using the MAX messenger when purchasing age-restricted products at self-checkouts.

This is done by simply scanning a digital ID – a QR code displayed on the smartphone screen within the MAX app – at the checkout. At the end of 2025, this service was available in 14 stores in Moscow and St. Petersburg. The technology is planned to be scaled up to other stores of the chain in the future.

Engaging with the youth audience

In 2025, DIXY identified the youth audience (aged 10–25) as one of its strategic target groups. The Company aims to shape new shopping habits among young people and solidify DIXY's image as a modern format that meets their needs. The implementation of this strategy is intended to secure long-term loyalty and a lasting connection between young consumers and the brand.

Work with the youth audience encompasses both marketing activities and adjustments to the assortment strategy. The integrated marketing communications are designed for a special format of interaction, with an emphasis on the digital environment. An important component is also the strategy to engage young people in the DIXY Friends Club loyalty programme.

In addition, DIXY is developing its product offering for the younger audience:

- Private label lines have been created – OUCH! (a youth-oriented food brand) and O!LIFE (for those committed to a balanced nutrition)
- The range of ready meals in stores is expanding, and coffee corners are being opened (for those who value their time). The consumption of services (ready meals, coffee, bakery products) grew by over 100% in 2025.

Assortment management in stores

In 2025, the DIXY chain transitioned to big data-based assortment management. This new approach helped to move away from lengthy planogram update cycles, eliminate errors in product placement, and overcome the lack of flexibility and the absence of an individual approach for each store. As a result, the process of updating planograms has accelerated threefold, with a complete rotation now carried out monthly across all outlets in the chain. This ensures that each store is optimally tailored to the demands of its specific customers.

The key advantages of big data-driven assortment management include:

- Optimised product placement, allowing for maximum efficiency in using every shelf and square metre of sales space
- The ability to quickly adapt planograms to local demand, seasonal peaks, and the introduction of new products
- Individual calculation of inventory for each outlet based on actual sales, which minimises stock shortages or surpluses and creates a solid foundation for the growth of retail turnover

Magnit supermarkets

Magnit's large-format stores – Magnit Family supermarkets and Magnit Extra superstores – combine the functionality for everyday quick purchases with the capacity for stock-up shopping. They are distinguished by an extended product range, featuring in particular a wide selection of non-food items.

CVP. Magnit Extra superstores

Tech-driven, modern large-format stores designed for family-friendly shopping and equipped to handle every type of customer mission – from everyday purchases to stock-up shopping. Superstore locations are carefully chosen to ensure easy access for both foot traffic and customers arriving by car.

Positioning

A shopping journey crafted as a memorable family experience, where both children and adults can discover engaging products and enjoy a wealth of fresh impressions.

Missions

- Evening meals
- Everyday purchases
- Ready-to-eat meals
- Seasonal purchases
- Stock-up shopping

Location

- Residential areas
- Highways

CVP. Magnit Family supermarkets

Magnit Family supermarkets operate in residential and business areas, as well as shopping malls. In addition to an extensive choice of food products, they feature in-store cafes and bakeries, dedicated sections for health and wellness goods, fresh food, pet supplies, and household chemicals. These supermarkets are designed to create a positive customer experience, with a strong emphasis on gastronomic discovery.

Positioning

Positive customer experience due to high quality service, reasonable prices and a wide range of opportunities in a fully functional supermarket

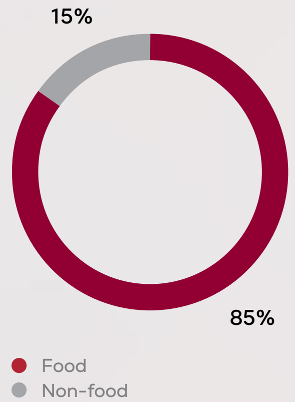
Missions

- Evening meals
- Everyday purchases
- Ready-to-eat meals
- Small purchases

Location

- Residential and business areas
- Shopping malls

Sales mix



2025 performance

In 2025, Magnit Family supermarkets and Magnit Extra superstores accounted for 7.9% of the Group's sales. During the reporting year, Magnit continued to review its large-format store portfolio, resulting in the closure of 17 supermarkets and superstores. This move enhanced the efficiency of both the remaining large-format stores and the overall retail network.

At the end of the reporting year, LFL revenue for supermarkets and superstores grew by 7.6%, driven by an 8.1% increase in LFL average ticket and a 0.5% decrease in LFL traffic. At the same time, sales density increased by 8.8%.

At the end of 2025, Magnit Family and Magnit Extra stores led the hypermarket format in Russia in terms of repeat customer rate. The hypermarkets demonstrate their strongest results in small towns with populations ranging from 50,000 to 250,000 people. These results were achieved through the comprehensive development of customer service, competitive pricing, and a broad product range capable of meeting core customer needs within a single format.

Highlights of Magnit Family and Magnit Extra

909 thous. sq. m selling space	290 total number of Magnit Family supermarkets	RUB 301 thous./sq. m per year sales density
56% owned	149 total number of Magnit Extra superstores	7.6% LFL revenue growth
44% leased	314 mln number of tickets	8.1% LFL average ticket growth
	RUB 880 average ticket (excl. VAT)	-0.5% LFL traffic growth

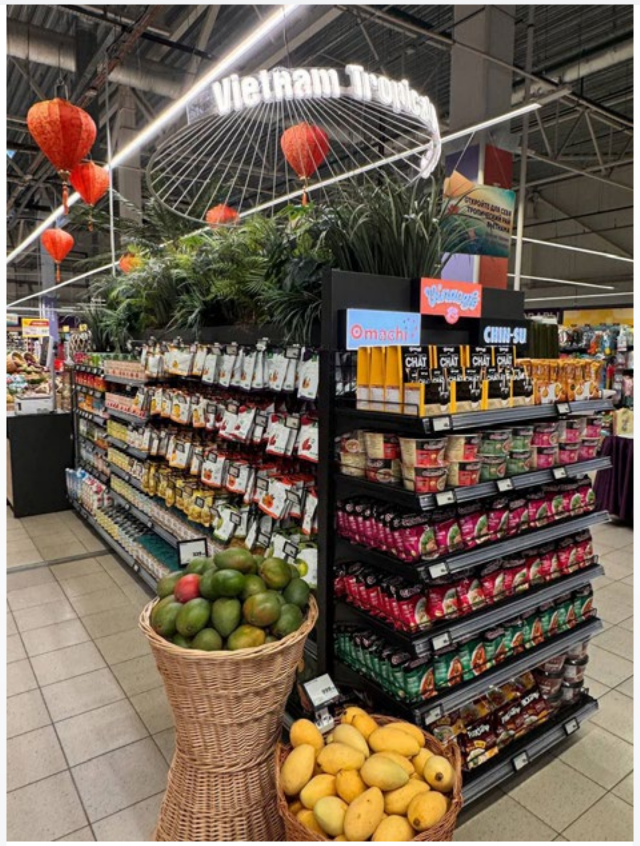
Highlights in 2025

Product mix

Goods from Vietnam

In June 2025, a dedicated Vietnamese product corner opened at one of its Magnit Extra superstores in Moscow. The project is part of a strategic partnership between Magnit and Vietnam's largest retailer.

The corner's assortment features over 150 product lines, including fresh fruit and exotic produce, dried fruit, noodles, sauces, beverages, and a variety of teas.



Development of ready-to-eat meals services

In 2025, Magnit upgraded the dining areas within its hypermarkets and expanded its range of ready-to-eat meals and beverages. Key improvements included:
- expanding and enhancing the seating areas for greater customer comfort;
- upgrading and increasing the fleet of automatic coffee machines using fresh milk;
- broadening the range of hot and cold snacks, alongside launching a milkshake and tea-based drink service;
- improving the convenience of packaging for on-the-go snacking.

In the reporting period, 34 hypermarkets opened new in-store cafes at their entrances, while a further 39 cafes were relaunched in a renewed format.

Technologies

EV charging stations

In 2025, Magnit continued to develop the infrastructure surrounding its stores and scaled up the installation of rapid charging stations for electric vehicles across 12 large-format stores located in Krasnodar, Sochi, Adler, Rostov-on-Don, Shakhty, Armavir, Stavropol, Mineralnye Vody, Sertolovo, Vyborg, Voskresensk, and Pavlovsky Posad.

The electricity for the charging stations is supplied by Magnit Energo, an energy retail company, member of Magnit Group. By purchasing energy on the wholesale market, Magnit Energo is able to offer attractive prices to service users.

Drogerie stores

Our cosmetics chain is Russia's largest by number of stores, with about 8,000 retail outlets. It offers a wide range of everyday non-food products, including make-up and skincare products, perfumes, and hygiene goods, household chemicals, and products for children – all designed to help customers take care of themselves, their loved ones, and their homes.

In 2025, the chain underwent a major transformation. Magnit Cosmetic brand was replaced by a brighter, more modern identity – M. Cosmetic – with a sharper focus on customer convenience. As part of the format development, we also introduced a cluster of stores with an expanded share of home goods, alongside M.Cos beauty stores focusing on skincare, cosmetics and perfumes.

CVP. M.Cosmetic and M.Cos

Positioning

Stores that help people feel confident, beautiful and comfortable every day by offering affordable, high-quality, on-trend products for beauty and home, as well as technology and service

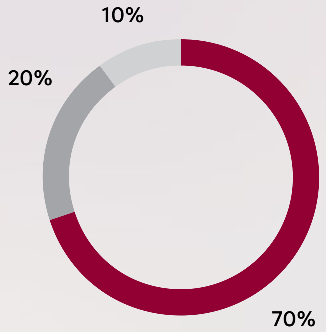
Missions

- M.Cos: purchase of cosmetics, perfumes for yourself and as a gift, beauty and personal care goods
- M.Cosmetic: focus on everyday purchases for the home and family, household chemicals, products for children, products for animals, as well as cosmetics and personal care goods

Clustering

- M.Cosmetic Household: stores with an increased share of household goods
- M.Cosmetic Drogerie: a balanced range of cosmetics and household goods
- M.Cos beauty stores: focus on skincare and make-up products, perfumes

Planned cluster shares



Location

- Residential areas
- Shopping malls
- High traffic streets

2025 performance

In 2025, the cosmetics chain accounted for 6.9% of the Company's total retail sales. A total of 72 new outlets were opened, while 135 were closed as part of a drive to improve operational efficiency. As a result, as of 31 December 2025, the chain comprised 7,987[1] retail points, with total selling space reaching 1,822 thous. sq m. LFL sales grew by 5.1%, driven by a 9.2% increase in the average LFL ticket, despite a 3.8% decline in LFL traffic. The segment's net retail revenue rose by 5.7% to RUB 239.9 bln.

The share of Russian-made products[2] in the chain's stores increased to 36% in 2025, while the number of private labels in the product mix grew by 80% – from 30 private labels in 2024 to 54 in 2025. The total number of SKUs exceeded 8 thousand. Private labels accounted for 13.5% of sales.

The reporting year was a landmark period for brand development. We rebranded the Magnit Cosmetic chain and segmented the stores into three clusters: standard drogerie stores, M.Cosmetic stores with an expanded home goods section, and M.Cos beauty stores.

M.Cos stores are modern, tech-driven beauty spaces offering a unique range of products – including premium lines – and services. Their assortment features make-up and skincare products, perfumes, and hair care goods, encompassing both Russian-made and leading international brands. Customers have access to consultations with beauty experts for personalised product recommendations, as well as make-up artist services. In 2025, seven M.Cos beauty stores were opened in Moscow, Krasnodar, Kazan, Sochi, Yekaterinburg, and Ivanovo. A further two beauty stores entered the renovation phase in 2025 and are scheduled to open in January and February 2026.

In addition, we updated the drogerie concept in 2025, focusing on shopping convenience and store layout. By year-end, one drogerie store had been opened in the new concept format.

Highlights of M.Cosmetic and M.Cos

1,822 thous. sq. m selling space	7,987 total stores[1]	RUB 131 thous./sq. m per year sales density
7% owned	442 mln number of tickets	5.1% LFL revenue growth
93% leased	RUB 543 average ticket (excl. VAT)	9.2% LFL average ticket growth
		-3.8% LFL traffic growth

1 Including 114 drogerie stores in Uzbekistan.
2 Goods manufactured in the Russian Federation.

Highlights in 2025

Technologies

BeautyScan innovation service

M.Cosmetic has rolled out its BeautyScan service: a technology that provides personalised skincare and make-up product recommendations based on a photo, taking into account the customer's skin type and preferences. In 2025, the service became available in more than 2,500 stores across the chain.

To use BeautyScan, customers simply scan a QR code in-store with their smartphone camera, upload a photo of their face, and answer a few questions. The technology is powered by artificial intelligence, which identifies the product type and suitable ingredients, then recommends a personalised skincare routine across different price points.

Before scaling up the service, specialists from Magnit and the biotech start-up studio refined the algorithms to make personal recommendations even more accurate. A virtual real-time try-on feature for make-up products was also added. The system selects products from a list of over 1,500 items and checks real-time availability in the store.

In M.Cos beauty stores, the BeautyScan service is available via a digital panel with an extensive range of functions for skincare selection and virtual make-up try-on. M.Cos stores have also introduced a new tech-enabled Lift & Learn tool that allows customers to explore a product directly from the display: lifting a tester from the shelf triggers a video about the product, which they can watch while sampling it.

Online format

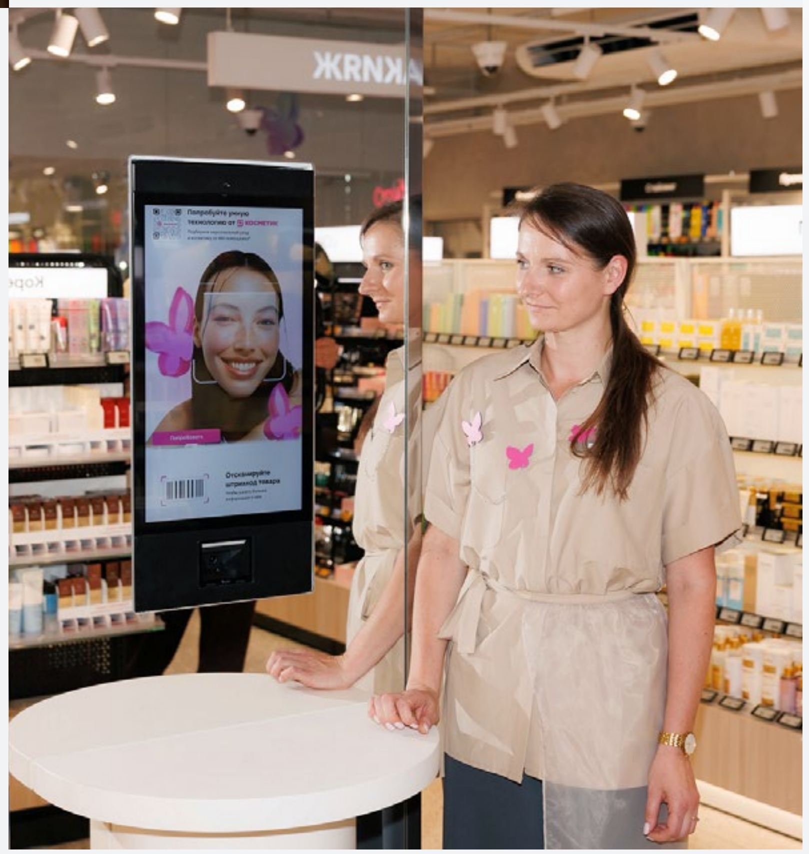
New delivery model

In the reporting year, M.Cosmetic retail chain began trialling a new model for cosmetics delivery in Moscow and St. Petersburg, launching deliveries from grey stores.

A total of 79 existing stores were converted to support this new format. The locations were selected to ensure citywide delivery coverage within 60 minutes. Under this model, online orders are now fulfilled exclusively from grey stores, while the remaining M.Cosmetic stores serve offline customers and also function as order collection points for the click & collect service.

The assortment in grey stores has been tailored to online customer preferences and is broader than in standard stores (around 11,000 product lines compared to the chain average of 8,000), offering an expanded choice for online shoppers.

A decision on rolling out this new delivery model to other cities will be made next year.



Culture and arts

M.Cosmetic in the Hermitage

Magnit has been a strategic partner of the State Hermitage Museum since 2023. For us, this collaboration is about bringing our values together and demonstrating that culture is part of everyday life. Our partnership helps make art more accessible and preserves the cultural identity of the regions where we operate.

In 2025, the Hermitage, with the support of M.Cosmetic retail chain, hosted the exhibition "Packaged Dreams: Art Deco Fashion from the Collection of the State Hermitage Museum and the Nazim Mustafayev Collection", dedicated to women's fashion from the 1920s and early 1930s.

Visitors were able to see more than 400 exhibits, including beaded dresses and footwear from the period, as well as paintings and drawings by Henri Matisse, Raoul Dufy, Erté, and other masters.

Additionally, with support from M.Cosmetic, the Hermitage presented the book "A Collection of Rules and Guidance: How to Preserve Your Enchanting Appearance. Illustrated with Examples from the State Hermitage Museum". The book is dedicated to the history of beauty and skincare and is illustrated with photographs and reproductions of artworks from the Hermitage collection.

Samberi

Samberi is the largest multiformat food retail chain in the Russian Far East and has been part of the Magnit Group since 2024.

Samberi stores are located across the Amur region, Primorye and Khabarovsk territories and Jewish autonomous region. The chain operates hypermarkets, supermarkets, convenience stores, and discounters, offering a convenient shopping experience for fresh food and quality products at reasonable prices.

2025 performance

The Samberi retail chain has continued its successful growth as part of the Magnit Group. In 2025, the Company opened 65 new stores, with the majority – 39 outlets – being in the convenience store format. Alongside this expansion, the retailer rebranded and refurbished 21 existing stores across the Primorye and Khabarovsk territories, as well as in the Amur region. The renovated outlets now feature an expanded product range, including popular brands – among them Asian labels – and new ready-meal categories. Coffee points have also been introduced in the updated stores. Looking ahead, Samberi plans to strengthen its presence in the Russian Far East by opening more stores and developing a distribution centre and a central kitchen in the region.

CVP. Samberi stores

Positioning

With around 400 stores across four main formats – hypermarkets, supermarkets, convenience stores and mini-markets

Missions

Samberi's multiformat approach allows it to cover most customer missions, from "one-stop shop" to "daily essentials close at hand"

Key highlights

396
total stores

241 thous. sq. m
selling space

from 2 to 32 thous.
SKUs product mix

Goal

Capture a 25% market share in the top eight cities of operation in the Far East

Highlights in 2025

Development of convenience store format

In 2025, Samberi continued to refine its portfolio of formats to enhance the competitiveness and appeal of its stores. The priority for the year was the convenience store segment, where the Company piloted its new Blizky format.

The core objective was to develop a sustainable, modern convenience store model for future growth, capable of competing effectively in a changing market landscape. Over the course of 2025, Samberi opened more than 15 stores in this new format, providing a solid foundation for evaluating the concept.

Online sales channel growth

By the end of 2025, Samberi's online sales had exceeded RUB 1 billion, marking nearly twofold growth compared to the previous reporting year. The share of online sales reached 1.3% of total retail turnover and 2.4% of sales from stores linked to the e-commerce channel.

Key growth drivers included extending the channel to new regions and stores, strengthening relationships with key partners, and improving the Company's proprietary sales platform.

Second kitchen factory

In 2025, Samberi entered into a cooperation agreement with the Primorye territory, under which a new central kitchen is set to be built. The facility will produce over 100 varieties of ready meals – ranging from deli items and salads to Asian dishes, frozen semi-prepared goods, confectionery, and soft drinks. The facility will be certified under ISO 22000 HACCP. Its construction is expected to create at least 300 new jobs in the region.

This will be Samberi's second central kitchen; The first operates in the Khabarovsk territory, producing over 30 tonnes of ready-to-eat meals daily (more than 300 product items).

Age verification via MAX

Self-checkouts at Samberi stores now feature age verification technology integrated with the MAX messenger app. When purchasing age-restricted items, customers simply scan the QR code displayed on the checkout screen using the MAX app on their smartphone.

Age verification via MAX is available at all mini-markets, discounters, and hypermarkets of the retail chain.

Gastro hub: a cuisine for every taste

In 2025, a food mall – a gastro space bringing together cafes and restaurants offering diverse cuisines – opened at the Samberi hypermarket in Blagoveshchensk. The launch of the food mall contributes to the development of the urban environment and tourism infrastructure, while also generating new jobs and supporting small and medium-sized enterprises of the region.

Azbuka Vkusa

Azbuka Vkusa is a leader in the Russian high-end food retail segment. Its premium stores, offering a unique range of products, are located in Moscow, the Moscow region, and St. Petersburg.

The chain operates its own online delivery business, in-house food production facilities, as well as its own distribution centres and warehouses. The retail network comprises two types of outlets: Azbuka Vkusa supermarkets and Azbuka daily minimarkets.

2025 performance

In 2025, Azbuka Vkusa opened one new supermarket and one new minimarket, as well as launching two dark stores.

Highlights in 2025

Merger with Magnit Group

In May 2025, Magnit closed the deal to acquire an 81.55% stake in the capital of Gorodskoy Supermarket LLC, the company operating the Azbuka Vkusa retail chain. Magnit retained the Azbuka Vkusa brand and its management team to ensure continuity and further develop the customer experience.

Azbuka Vkusa has a unique customer proposition in the market and has the potential to increase the company's value through the development of the Azbuka daily format, improvement of its online delivery service, and growth in the ready-meals segment.

CVP. Azbuka Vkusa stores

Positioning

A store offering a wide and unique range of high-quality products, combined with a personalised and professional approach to the customer experience.

Missions

- Regular procurement
- Spreading the table
- Ready meals
- Quick shop
- Snacks
- Gifts
- Ambience & comfort

Location

Business & Elite class residential complexes, A+ class shopping and business centres.

Key indicators

176[1]
total stores

104 thous. sq. m
selling space

>25 thous.
SKUs product mix

1 Including five dark stores.

Product mix development

Household private labels

Azbuka Vkusa has developed its own private label for home goods – Azbuka Details. The line will include interior items and decor, textiles, and tableware.

These products are made using natural materials: hardwoods, eco-friendly plaster, soy wax, natural essential oils, and cotton. The product range includes handmade items, such as aroma diffusers and candles.

Ready meals

Online ready-to-eat space

Azbuka Vkusa has launched a digital space dedicated to high-quality and safe ready meals: "Azbuka Pro".

Videos and posts on social media created as part of the project focus on laboratory test results, food safety standards, FoodTech innovations, reviews of global ready-meal launches, and detailed analysis of the ingredients and preparation methods of new dishes.

Sectoral initiatives

The retail chain maintains constant communication with market participants on the topic of ready meals, exchanges best practices, and actively participates in shaping relevant legislation and developing quality standards. In 2025, Azbuka Vkusa became the Chair of the Association of Ready Meal Producers and Suppliers and a leader in the ready-meal news agenda in Russia.

Support for local communities

In 2025, Azbuka Vkusa took part in a social initiative organised jointly with the Pushkin State Museum of Fine Arts and the Moscow Government. In celebration of Mother's Day, and as part of a special initiative by women's health centres, the retail chain stocked its shelves with limited-edition cups bearing reproductions of artworks from the Pushkin Museum.

Supporting local winemaking

The Azbuka Vkusa retail chain and the AYA organic winery have identified several vineyard plots in the village of Tenistoye (near Sevastopol) for a project to produce wine, which will be available in the chain in 2026.

In 2025, Azbuka Vkusa was named **the winner** in the category **"Best Food Store in Moscow for Tourists"** by the Moscow City Tourism Committee.

Magnit Pharmacy

A federal pharmacy chain offering a wide range of medicines, medical devices, and health products at affordable prices.

Its compact retail outlets are strategically located, primarily alongside other Magnit format stores – convenience stores, supermarkets, and superstores – which drives footfall and amplifies the economic synergy.

2025 performance

In 2025, the Magnit Pharmacy chain demonstrated high growth rates, outperforming the overall market dynamics. The format's revenue growth exceeded 30%, driven by effective management of the sales mix across all categories and the promotion of private labels. LFL revenue growth amounted to 21.6% for the year, underpinned by a 12.4% increase in LFL average ticket and an 8.1% rise in LFL traffic.

During the reporting year, the chain also expanded its footprint, with 172 new pharmacies opened. The development of Magnit Pharmacy chain was carried out using a variety of approaches: pharmacies were developed within Magnit convenience stores and M.Cosmetic, new pharmacies were opened at airports, the updated concept was scaled, and flagship pharmacies were launched.

CVP. Magnit Pharmacy

Positioning

Everything you need for health, right next to your usual spot for everyday shopping

Clustering

- Pharmacies in residential areas: focus on non-medicinal products and parapharmacy
- Pharmacies near hospitals: prescription medicines and medical devices
- Pharmacies in high traffic locations: core pharmaceutical products and mid-range items
- "Village" cluster: essential medicines and entry-level price products

Location

Near drogeries and/or grocery stores

Magnit Pharmacy's turnover in monetary terms grew by more than 30%, more than doubling the growth of the overall market (12%). This allowed Magnit Pharmacy to move up in the pharmacy chain ranking[1] from 14th to 13th place in 2025. The following categories of goods became growth leaders: cardiology, dietary supplements and vitamins, gastroenterology, analgesics, and endocrinology – together, they accounted for half of the format's revenue growth. All key categories, which account for over 90% of the chain's revenue, showed positive growth at the end of 2025.

These strong results were also driven by the expansion of the active customer base. In 2025, we attracted 2.3 million new customers, and a further 800,000 customers returned to the chain, making purchases at Magnit Pharmacy after a break. The number of active customers in the reporting year reached 5.9 million, a 24% increase compared to the previous year's results.

In 2025, Magnit Pharmacy continued to expand its product range. In 2025, the format's product mix comprised 4,000 SKUs (a 4% increase compared to 2024), which also contributed to the growth in turnover.

Highlights of Magnit Pharmacy

38.9 thous. sq. m selling space	**RUB 699** average ticket (incl. VAT)
3.2 thous. sq. m net selling space growth	**RUB 664** thous./sq. m per year sales density
1,202 total stores	**21.6%** LFL revenue growth
118 net store growth in 2025	**12.4%** LFL average ticket growth
38.6 mln number of tickets	**8.1%** LFL traffic growth

1 DSM Group.

E-Commerce development

- Implementation of a marketplace model on the website and in the mobile app, onboarding key distributors – Pulse and Protek
- Adding Magnit Pharmacy to the Yandex Eats marketplace
- Introduction of online payment for orders
- Dynamic pricing tool in e-com: price list calculation speed increased more than twofold, enabling differentiated pricing tailored to business needs

E-commerce key results in 2025

128%
revenue growth in own services

64%
revenue growth, including partner services

23 mln
MAU of the Magnit omni-channel platform

24.8%
share of e-com in the total turnover of the format

28 thous.
locations covered by own pharmacies and partner pick-up points

Private labels

The launch and development of private labels with a focus on the dietary supplements category is a key driver of profitability growth for the Magnit Pharmacy format, as well as an effective way to meet the growing demand of customers who pay special attention to a healthy lifestyle by offering high-quality and in-demand products in all price segments.

Magnit Pharmacy private label portfolio is represented by more than 20 brands, including high-quality, in-demand products spanning different price segments. The following private label brands are highlighted as key ones:

- Magnit Health – essential products in the dietary supplements, medical devices, and body care categories, offering the best prices in the value segment
- T.A.B. (Treat and Benefit) – a new brand of dietary supplements for health-conscious people who value their well-being and their time, preferring high-quality, straightforward solutions. Features improved formulas compared to competitors in the mid-range price segment

Magnit Pharmacy private label highlights in 2025

255 in 2024

355

private label SKUs in the product mix

143%

private label turnover growth

+2.5 p. p. more than in 2024

5.3%

share of private label sales in the total sales structure

Highlights in 2025

Concept

Scaling the new Magnit Pharmacy concept

In 2025, we began scaling the new Magnit Pharmacy store concept. The first flagship pharmacy was opened in a residential complex in Moscow. The product mix of the new pharmacy was tailored to the needs of customers residing in that specific location. Furthermore, the new Magnit Pharmacy is located in close proximity to M.Cosmetic and M City stores, underscoring the multi-format nature of our chain.

The redesign of the pharmacies is driving sales growth and enhancing customer loyalty. For instance, sales in pharmacies after refurbishment increased by 27%, and the customer NPS score rose from 66% to 78%. In 2025, three pharmacies were opened under the new concept, and in 2026, the Company plans to open over 70 such pharmacies in the updated format.

Environment

Recycling of medicine packaging

In 2025, the Magnit Pharmacy chain, in partnership with Haleon and the National Environmental Company, launched a programme to collect medicine packaging for safe disposal and recycling. Eco-boxes for collecting blister packs, vials, tubes, and other medicine packaging have been installed in ten pharmacies of the chain (eight in Moscow and two in the Yaroslavl region).

The collected packaging undergoes a multi-stage recycling process: sorting, shredding, and separation to extract PVC and aluminium. The recycled materials are used to produce egg containers, secondary aluminium, and sewer pipes. Customers who participated in the programme and returned their packaging received a 15% discount on Haleon products. Eco-boxes for returning medicine packaging and blister packs have been installed in Moscow and the Yaroslavl region.

As a result of the campaign, 171 kg of blister packs and 240 kg of medicine packaging were collected and sent for recycling.

First Choice (V1) hard discounters

Against the backdrop of a growing consumer trend towards rational shopping, the discount format is becoming increasingly popular among shoppers. Magnit is capitalising on this trend by expanding its own chain of hard discounters – First Choice (V1).

V1 is a chain of stores with a focus on a limited yet high-quality assortment at attractive prices, catering to basic customer needs. It focuses on mid-priced products, with a small share of "first price" items, offering fresh produce, fruit, vegetables and in-house bakery items for value-conscious shoppers. In addition, the discounter develops private label products, including some exclusive to this format. In 2025, private label products accounted for 25% of the format's product mix.

The First Choice hard discounters are focused on expansion in locations with a high density of households. In 2025, the review of criteria for the effective opening of new retail outlets was completed, and the network continued to expand in the Tver, Moscow and Vladimir regions.

1 CAPEX – capital expenditures.
2 An approach to organising processes aimed at delivering maximum customer value while using minimal resources.

CVP. First Choice hard discounters

Positioning

First Choice offers rational shoppers a basic basket of quality goods with a convenient shopping experience at a low price

Missions

- Just the essentials: no goods that don't sell
- Efficient processes

Location

Areas with high residential density or commercial locations in smaller towns

Target audience

Budget-minded shoppers

Key highlights

308 sq. m

average floor area

1,200

SKUs product mix

+34.3%

LFL revenue growth

Low CAPEX[1]

per store opening

Lean processes[2],

high efficiency of operations

Zaryad[1] by Magnit

The fast pace of life in large cities is driving growing demand for quick-purchase solutions, particularly snacks and ready-to-eat meals. In response to this trend, Magnit is developing ultra-small stores with a product mix focused on prepared meals, drinks, and essential on-the-go goods.

During the reporting year, the Company launched a new ultra-convenience format under the Zaryad by Magnit (Boost by Magnit) brand – compact, fast and convenient stores with a focus on ready-to-eat meals, coffee and snacks. The format's target audience is urban dwellers who value speed, convenience, ease of shopping, and high-quality products and service at a fair price. The format is defined by a small selling space (100 sq. m in average) and a carefully curated, unique assortment (up to 2,200 SKUs) of the most in-demand products, with a focus on ready meals and snack options. Ready-to-eat meals account for 15% of the assortment in the new stores, with plans to increase this share to 50%.

In 2025, the first Zaryad by Magnit store opened in Moscow. Its product mix comprises over 2,000 items and covers key customer needs: from grab-and-go or dine-in ready meals and drinks to essential household goods. In addition, some stores feature a fully equipped kitchen that prepares over 40 dishes.

1 Boost

CVP. Zaryad by Magnit

Positioning

An urban pit stop to grab a snack and feel recharged, anytime

Missions

- Ready-to-eat meals, including hot food, baked goods and coffee
- Fruit and vegetables, snacks, soft drinks and alcoholic beverages
- Ingredients for a breakfast or dinner in 15 minutes
- Affordable everyday essentials, including dairy, deli products and groceries

Location

- Busy streets
- High-density residential complexes
- Business centres and transport hubs

Key highlights

100 sq. m
average selling space

44
total stores

1.8–2.2 thous.
SKUs product mix

Key online formats

In 2025, Magnit strengthened its position in the online retail market. Magnit's e-commerce services were rolled out to 1,611 stores and by the end of 2025 covered over 30,000 points of sale, representing 87% of the total number of stores. The total GMV[1] increased by 84%.

Magnit e-commerce highlights in 2025

GMV, RUB bln

+84.2% to 2024

185.3
online GMV

2025	185.3
2024	100.6
2023	46.1
2022	33.7

Average daily orders

+66.9% to 2024

316,093
average online orders per day

2025	316,093
2024	189,340
2023	87,565
2022	73,638

Average ticket, RUB incl. VAT

+10.6% to 2024

1,606
average ticket across all online services (incl. VAT)

2025	1,606
2024	1,452
2023	1,441
2022	1,255

Number of stores covered at the end of period

+5.6% to 2024

30,269
number of stores covered at the end of period

2025	30,269
2024	28,658
2023	22,954
2022	12,198

1 GMV (gross merchandise value) – total online sales at the final cost for customers on e-commerce platforms, calculated before promo code discounts and taxes (VAT) and including the value of own and third-party merchandise, delivery costs, and gift certificates, net of discounts, returns and cancellations. GMV does not include services of merchandise suppliers and sellers (photo printing, merchandise preparation, advertising, etc.).

Key online formats

Magnit Delivery

Own delivery service for groceries, cosmetics, pharmacy products from Magnit retail stores, as well as ready-to-eat meals from partner restaurants. Customers can order delivery or self-pickup either through the Magnit app or via aggregator apps.

146.5 thous.

SKUs are available in all Magnit Delivery services

Magnit Delivery covers

3.5 thous.

cities and townships

in 68

regions

Magnit Market

Marketplace offering a wide range of products with a unique value proposition. Orders are delivered to branded pick-up points, Magnit stores, or to customers' homes by courier.

1.2 mln

SKUs offered by Magnit Market

Magnit Market covers

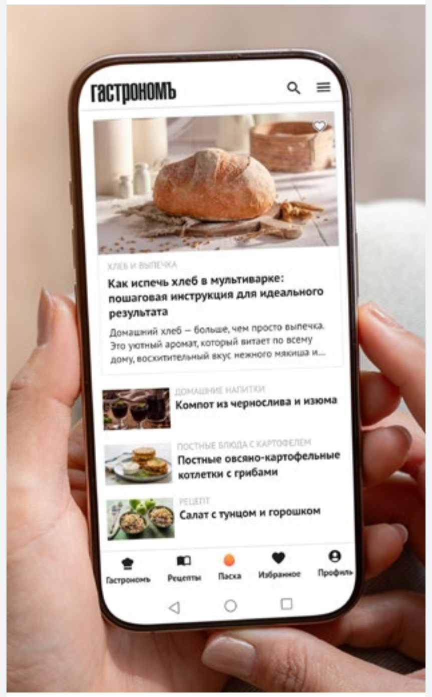
~500

cities and townships

in 25

regions

Gastronom.ru media platform



The Gastronom website and the My Magnit magazine hosted on the same site are important customer communication tools. These platforms, along with the relevant social media accounts, feature recipes that align with healthy eating principles, advice from medical professionals, nutritionists and beauty experts, as well as content focused on eco-friendly lifestyles and recycling. These platforms represent a promising source of traffic for online retail.

21.5 mln

unique visitors – audience of media projects at the end of 2025

In e-commerce, the link between the Company and its customers is the multi-format Magnit mobile app. We continue to develop the app, making it more user-friendly and functional.

In 2025, we brought together all retail formats within a single app, offering customers a unique omni-channel experience. Users have access to the catalogue of products available in physical stores, grocery delivery, ordering cosmetics and pharmacy products, items from the Magnit Market, the Magnit Plus loyalty programme, and other services. Furthermore, in the reporting year, the app introduced a restaurant delivery service for ready meals. As of the end of 2025, the service was available in 121 cities and featured 2,235 restaurants and restaurant chains (over 300 partners).

The updated app also delivers a personalised user experience: based on the analysis of customer purchases and preferences – both online and offline – the homepage displays the most relevant products, discounts, and services. In 2025, the app integrated an AI assistant called Magic, which helps customers choose products. In response to user queries, it suggests options for breakfast, lunch, or dinner, and selects products based on specified criteria. In the medium term, the Company plans to expand the assistant's functionality, including the ability to search for the best discounts on preferred products, provide in-store navigation assistance and support at self-checkouts, as well as offer personalised recommendations for cosmetics and personal care products. Furthermore, the AI assistant will enable users to check order status and resolve common queries without needing to contact customer support.

Services integrated into Magnit's app

- Up-to-date product catalogue
- Delivery from stores
- Orders from the marketplace
- Restaurant food delivery
- Loyalty programme
- Store locator
- Magnit magazine with a focus on tasty and healthy eating
- Thematic clubs
- Price checker

Magnit Delivery

In 2025, the Magnit Delivery service saw accelerated growth: the number of orders and total online merchandise turnover grew by 92%.

To support the growth of delivery and ensure high-quality, fast service, Magnit opened 30 dark stores – order fulfilment centres – as well as 141 grey stores, which are hybrid stores with dedicated order-picking zones. The number of couriers working with Magnit Delivery doubled. As a result, express delivery times were reduced from 50 to 28 minutes.

The expansion of Magnit Delivery is also being driven by scaling the service to new cities and regions. In 2025, the service became available in 3.5 thous. cities and townships, including 568 small towns with populations of up to 100,000 people. In this way, Magnit is leveraging modern delivery methods to bring essential products to residents even in the most remote places of Russia, thereby enhancing their quality of life.

In 2025, 83% of Magnit Delivery's revenue was generated outside Moscow, the Moscow region, and St. Petersburg. Small towns and villages accounted for an average of 12% of revenue, with their share reaching 16% by the end of 2025, indicating the service's growing presence in smaller communities. The regions showing the highest growth in order volumes were the Krasnodar territory (+100%), Moscow (+67%), and St. Petersburg (+105%).

Delivery by rovers

In 2025, Magnit began testing the delivery of online orders using rovers – autonomous delivery robots. Customers can select this delivery option in the Magnit app by choosing the corresponding icon. Buyers are able to track the delivery status and the rover's location in real time. The rovers enable deliveries to be made regardless of weather conditions and offer customers a contactless collection option.

New Year sales

Magnit Delivery continues to set records in terms of New Year sales volumes. In 2025:

3 mln
orders were made through Magnit's app from 29 December to 11 January (a growth by 1.5 to 2024)

500 thous.
orders across all platforms were registered on 30 December 2025 (a growth by 1.9 to 2024), of which more than 350 thousand – via Magnit's app (a growth by 2.3 to 2024)

RUB 54,137
the largest order

183 kg
maximum order weight

Highlights of Magnit Delivery

+5.4% to 2024
28,075
connected stores

+62 to 2024
3.5 thous. cities and townships in **68** regions

30 dark stores and **141** grey stores

Magnit Delivery offers
3.5 thous.
SKUs in the food segment

11 thous.
SKUs in the non-food segment

+92%
increase in the number of orders YoY

+155%
increase in the number of orders via Magnit app YoY

2x
increase in the number of couriers working with Magnit Delivery

28 minutes
average express delivery time (22 minutes less than a year earlier)

Magnit Market

Magnit Market continues to develop as part of the Magnit Group. The marketplace's goal is to offer customers an "endless aisle" of products by integrating the offline formats (orders from the marketplace can be collected at the checkout alongside regular purchases) and the Magnit Delivery service.

One of the key developments in the reporting year was the launch of operations under the FBS[1] model, whereby the goods are shipped directly from the seller's warehouse. This has significantly expanded the marketplace's product mix, which tripled in volume.

Geographic expansion has become an important area of development. Expanding the marketplace's presence is a strategic move aimed at growing the customer base and increasing turnover. In 2025, marketplace delivery became available in four additional major cities: St. Petersburg, Krasnodar, Rostov-on-Don, and Volgograd.

Highlights of Magnit Market

~500
cities and townships (+67% to 2024) in 25 regions

4,960
pick-up points (+7% to 2024)

As a result, Magnit Market entered the Southern and Northwestern federal districts for the first time, strengthening its federal presence. In these new cities, Magnit Market operates in partnership with Yandex Delivery, offering customers access to over 1,000 partner pick-up points. For sellers[2] delivery to new cities is enabled without any additional steps and is available either from the marketplace warehouse or from the seller's own warehouse. By the end of 2025, Magnit Market was delivering to 459 localities across Russia.

The Magnit Market pick-up points are located at agency-operated and company-owned pick-up points, as well as in Magnit retail stores. This mutually beneficial arrangement, on the one hand, has a positive impact on store footfall, while on the other hand, enables the marketplace to scale quickly by optimising resources for purchasing or leasing premises and opening agency-operated pick-up points. In 2025, 325 new pick-up points were opened within retail stores, bringing the total number to 4,960 by the end of the year.

Leveraging Magnit's logistics and operational capabilities is an integral part of the Magnit Market marketplace's growth strategy. This approach enables the marketplace to expand its geographic footprint and order processing capacity without having to build its own infrastructure. Since 2024, Magnit Market has been using seven of Magnit 's distribution centres, which host the marketplace's sorting facilities. In 2025, pick-up points were opened at two of the retailer's distribution centres – in Togliatti and Perm.

Another example of synergy between the marketplace and the Magnit ecosystem is the launch of order delivery using couriers from the Magnit Delivery service in 2025. This partnership covers 100 new cities where Magnit Market began operations in 2024–2025.

1 FBS (Fulfilment by Seller) is a marketplace operating model where sellers are responsible for packing, storing, and shipping goods to customers.
2 Seller – an individual or company selling goods on a marketplace.

Customer experience development

Customer care and satisfaction are at the heart of Magnit's strategy. We focus on developing customer experience, improve the quality of service to strengthen customer trust in the Magnit brand.

In 2025, the Magnit brand was included in the list of "Top-50 favourite brands according to Russians" prepared by the NAFI analytical centre. Among retail companies, Magnit took the highest place in the rating.

This result confirms the correctness of the selected course to improve customer engagement. Thanks to the professionalism of our employees united by shared goals, we are getting one step closer to becoming the № 1 choice for customers.

Customer service quality surveys

To ensure a high level of service quality, Magnit conducts regular customer service surveys. They are necessary in order to systematically measure the quality of service, understand customer expectations and, based on the results obtained, improve the efficiency of stores.

The net promoter score (NPS) and customer satisfaction index (CSI) are analysed in all formats of the retail chain. At the same time, each format conducts its own customer service surveys: analyses the results and adapts operations of stores and the quality of service to specific customer requests within the framework of the relevant format. This approach helps to take into account the specifics of the audience and purchase scenarios and ensure consistently high customer experience throughout the chain.

For example, in the reporting year M.Cosmetic conducted in-depth surveys of customer expectations, which revealed key interaction scenarios affecting loyalty.

In 2025, the transition to the CX Index, a comprehensive indicator that assesses the quality of customer experience at all stages of interaction with the brand, was implemented for large-format stores. NPS and CSI metrics are also analysed separately and within the CX Index.

2025 survey results

Convenience stores

+3.7 p. p. compared to 2024
64.0%
NPS including employee responses

+4.3 p. p. compared to 2024
61.8%
NPS excluding employee responses

Supermarkets

+3.1 p. p. compared to 2024
78.6%
service quality rating

+2.7 p. p. compared to 2024
59.8%
NPS including employee responses

+2.5 p. p. compared to 2024
58.1%
NPS excluding employee responses

M.Cosmetic

+0 p. p. compared to 2024
82%
NPS including employee responses

-1 p. p. compared to 2024
80%
NPS excluding employee responses

The practice of conducting employee satisfaction surveys was introduced in convenience stores. Store employees are at the forefront of interaction with customers and directly affect the NPS of customers. Therefore, the main focus was on improving the employee experience, simplifying processes and retaining personnel.

Customer feedback management

In addition to conducting customer service surveys, Magnit consistently works with feedback from customers, develops communication channels and improves the process of collecting and processing enquiries. A wide range of tools for submitting enquiries to the Company allows Magnit to cover a large number of customers and thus take into account the maximum amount of relevant feedback in its work and quality of service, so that each customer is satisfied with the brand experience.

The mobile application remains one of the key feedback collection tools. In 2025, we increased the frequency of customer surveys, which led to a fourfold increase in the number of ratings in the application. This will help us perform a more detailed analysis of customer experience. In addition, we introduce game mechanics into the product assessment process so that customers can share their opinions in an easy and interested manner.

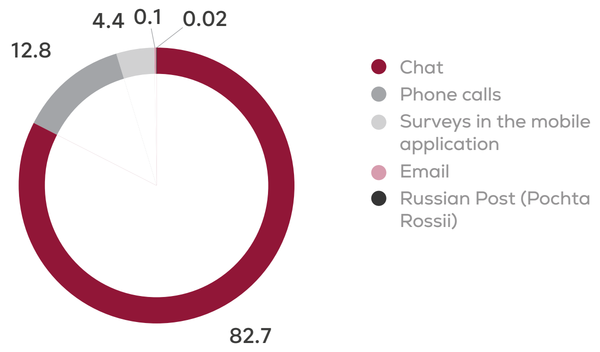
Automation of comments processing

In the reporting year, a proprietary LLM[1] model was introduced in the mobile application to analyse comments received as part of mobile customer surveys. It automatically classifies comments by topic and subtopic and determines the sentiment of customer enquiries. This enables us to better understand the reasons behind the ratings customers give and to more precisely identify areas for improvement in customer interaction. The implementation of automation has provided operational teams with a comprehensive feedback analysis tool, thanks to which employees not only see the rating, but understand the reasons for it and, as a result, what measures need to be taken to improve it.

The Magnit contact centre is involved in the processing of incoming enquiries. We consistently improve operations of the contact centre in order, on the one hand, to process the feedback received more quickly, and on the other hand, to obtain an additional basis for integrating improvements into the customer experience. For example, in 2025 we changed the enquiries classifier by linking it to CSI parameters: customer enquiries are classified by parameters depending on the topic. For example, complaints about price tags affect the "Correctness of price tags" parameter, and reports about the cashier's impoliteness affect the "Politeness and responsiveness" parameter. This approach turns feedback into a clear direction for service improvements. Additionally, in the reporting year, we accelerated decision-making on complaints, which improved the customer experience. For instance, in retail, the full cycle for resolving a complaint averaged 7 hours 38 minutes at the end of 2025, compared to 168 hours in 2024.

In 2025, the Company registered 8.9 million customer enquiries. The 14% increase in the number of enquiries compared to the previous year is due to the expansion of customer interaction channels, including the development of delivery (DBS, Dark Store), an increased share of ready-to-eat products (RTE), and the launch of additional services, such as internal employee programmes. With an increase in the number of enquiries, the share of positive ratings and reviews (4 and 5 stars) on geoservices is growing – 66.4% of the total number of ratings and reviews in 2025 (+0.4 p. p. compared to 2024).

Breakdown of feedback received from customers, by channel, %



Best positive trends in customer complaints in 2025

Indicator	Changes as compared to 2024
Complaints about loyalty programme offers	-30%
Price tag discrepancy	-11%
Lack of goods on regular offers	-29%
Unscheduled store closures/openings	-36%
Staff rudeness	-81%
Incorrect deduction of money	-75%

1 LLM – Large Language Model.

Employee engagement

Magnit strives to create a culture of customer-centricity and involve employees in improving key customer service metrics through training and holding competitions. The purpose of these efforts is to ensure that employees have a deeper understanding of what parameters customers assess and how daily actions affect customer loyalty and the Company's business results.

In 2025, the Company launched the NPS Navigator training course on the meaning of NPS and CSI metrics and understanding customer expectations based on these metrics. Approximately 250,000 employees completed the training.

In addition, in the reporting year, M.Cosmetic launched a comprehensive CX training programme[2] for employees of all levels – from sales staff to managers, aimed at creating customer-centric habits through practice. The programme includes theory, interactive courses, simulations, and practical case studies. The average training coverage reached 92% of all employees in the format, confirming high levels of engagement and the accessibility of training on the Magnum platform. In addition, heads of retail facilities groups attended 13 CX workshops, which showed the connection of operating processes with NPS and CSI, as well as developed management habits that support the service culture. 88% of participants completed a full cycle, many noted changes in the management approach after the first session.

The Company's supermarkets continued to implement the Service Marathon project aimed at developing special skills of employees through the performance of themed tasks. In the reporting year, the tasks were related to the development of skills in implementing quick improvements, developing customer service, and working with the younger generation. 84% of participants found the project useful and interesting. Thanks to this project, we develop cohesive customer-centric teams that have all the necessary skills to provide quality service, and thus contribute to the achievement of successful business results. In 2025, the following results were achieved as a result of the project:

- a 9.8% increase in the CSI parameter "Queue waiting time";
- a 3.1% increase in the CSI parameter "Politeness and responsiveness of staff";
- a 13,5% reduction in the proportion of customer complaints;
- a 23.3% reduction in the number of customer complaints.

Measures aimed at improving understanding of the customer were also implemented for convenience stores. Thanks to the launched marathons, competitions and training courses, store employees learned the basics of NPS formation, understood the logic of the customer's thinking and the principle based on which the customer obtains an impression of the store.

Magnit continuously monitors customer metrics and strives to promptly respond to changes. For this purpose, for example, in the reporting year M.Cosmetic integrated NPS and CSI indicators into its internal platform for employees, so that store directors could promptly respond to changes in ratings. Large-format stores that require an increase in the NPS indicator receive special support: additional training and individual supervision.

We motivate employees to implement customer service improvements through internal competitions among employees and stores. The competitive atmosphere encourages employees to search for and implement initiatives aimed at improving customer experience. Participation in such competitions creates a culture of continuous improvements, and successes become a significant element of achievements recognition, increase employee engagement and strengthen customer-centricity in daily work.

2 CX – customer experience.

Selected competitions implemented in 2025

Cashier Home Olympics among supermarket sales staff

The competition was held in three categories based on different conditions:

- share of tickets with a loyalty card;
- final score in the cashier rating;
- customer service speed.

89%

the winning cashier's score in the rating

It took

6.1 seconds

for the winner of the category to serve a customer with one product

Politeness Quarter competition at M.Cosmetic

The competition was based on a comprehensive indicator – the CX Index. The competition operated on the following principles:

- monthly ranking updates;
- motivating store employees to improve service quality;
- fair determination of winners through two categories: "Best in Dynamics" and "Best in Sustaining Results", which allowed recognising both teams – those that adapted quickly and those that consistently performed at the highest level.

Best in Service Quality among supermarkets

The competition was conducted based on the criteria of the service quality rating.

94.3%

average score of the winner

Loyalty programme

Highlights of Magnit Plus

100%

of stores of all formats are connected to the loyalty programme

92 mln

customers are covered by the loyalty programme

82%

share of purchases made by loyalty card holders in the sales volume

The Magnit Plus multi-format loyalty programme serves as a tool for rewarding customers, strengthening their connection with the brand through personalised offers and unique promotions for users. Integration of offline and online formats into the loyalty programme provides customers with omni-channel shopping experience.

In 2025, the range of customer loyalty card benefits was expanded. For example, we improved exclusive discounts and raised cashback to 70% for specific products, increased the number of SKUs participating in promotions at Magnit Convenience, Magnit Family and Magnit Extra to 1.5 thousand, and expanded the number of promotions in the M.Cosmetic format.

In addition, in the reporting year we continued to improve the personalisation of offers under the loyalty programme. Game mechanics were introduced in the form of personalised tasks and rewards, thanks to which routine purchases turned into an exciting experience, and the customer loyalty and connection with the brand were enhanced. Over 3 million customers regularly use personalised offers and tasks.

In the reporting year, we saw an increase in the popularity of the Favourite Categories function. The number of active users increased by 40% compared to the previous year. This result was achieved by expanding the list of categories and launching their personalised selection. Partner offers with cashback of up to 30%, exclusive categories for Magnit Plus Premium subscribers were also added to the functionality.

Magnit Plus Premium subscription service is part of a multi-format loyalty programme. It gives customers the opportunity to receive additional benefits from shopping in stores of all chain formats. Magnit Plus Premium users make purchases 2-2.5 times more often than other loyalty programme participants. In 2025, the number of subscribers exceeded 1 million people. The value of the subscription for the user has increased, among other things, due to the zero service fee and more profitable promo codes for delivery. Also, Magnit Plus Premium subscribers have access to increased cashback up to 30% for their Favourite Categories, 50% for drinks-to-go and ready-to-eat meals, and 20% for pastries of own production.

Magnit develops game mechanics in the mobile application to encourage customers to make purchases. In total, 15 games and mini-games were launched in 2025. More than 9 million users of the application used them.

Plans for 2026

- Implement the use of the CX Index for large-format stores to analyse customer experience in supermarkets
- Improve the quality of information and communication regarding key customer experience metrics
- Develop friendly communication practices through systematic mobile training on sales techniques and product knowledge
- Enhance feedback management in terms of its impact on NPS
- Strengthen motivation to improve results through implementing an active programme of team and individual competitions

Private labels

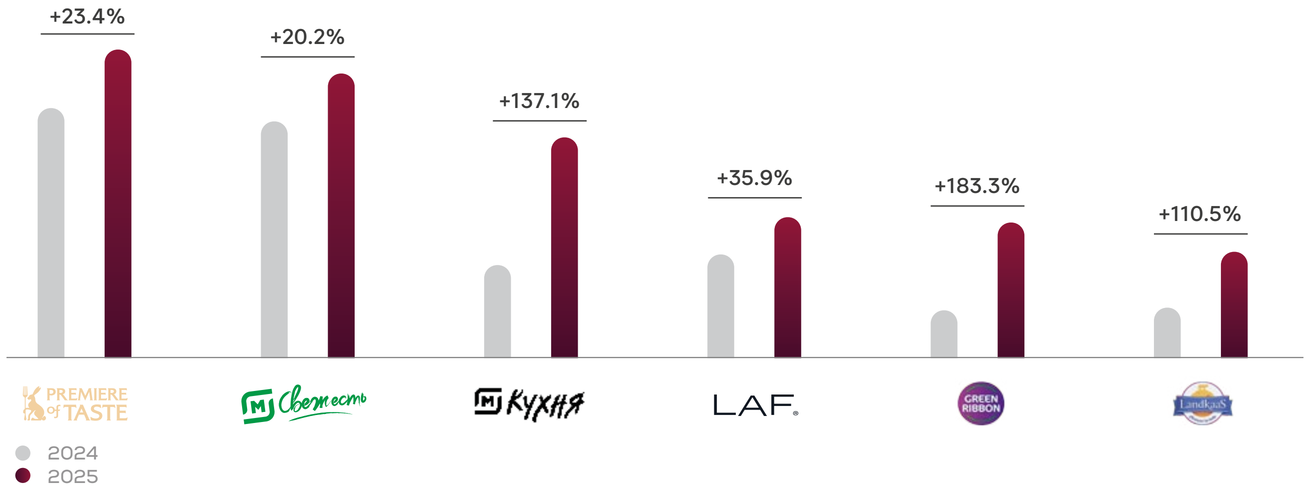
The development of the private label portfolio is one of the key objectives of Magnit's strategy, as well as an important element in enhancing the value proposition for customers and strengthening the Company's market position. Currently, private label brands are full-fledged competitors on store shelves, with consumers finding differences between private labels and traditional FMCG[1] brands less noticeable. By improving our private label offerings, we strive to deliver an optimal balance between price and quality, develop a unique product assortment, and enhance customer loyalty.

In 2025, Magnit's private label portfolio included more than 70 brands and 4,253 SKUs. The Company's key private label brands include M Freshness, M Kitchen, Premiere of Taste, LAF, Gusto di Roma, Severnaya Gavan (Northern Harbour), Green Ribbon, La Fresh, Casper, and others, as well as the cross-category brand My Price that addresses essential needs in the low-price segment whilst maintaining consistent quality standards. Private label goods are mainly produced by Russian suppliers and Magnit's own industrial and agricultural facilities.

In 2025, we introduced a new 'Differentiator' attribute to capture our private labels and exclusive brands – products that positively differentiate Magnit from its competitors.

My Price is the Company's best-selling private label brand. In 2025, sales of this brand stood at RUB 51.5 bln. The private label team repositioned the My Price brand in 2025. For the My Price brand, the update is aimed at strengthening the trust and safety felling of customers. The brand keeps its focus on entry-level price products, offering a wide range and quality available to everyone. The fastest growing brands were Premiere of Taste, M Freshness, M Kitchen, LAF, Green Ribbon, Landkaas.

Sales of Magnit's fastest growing private labels, RUB bln



1 FMCG – Fast Moving Consumer Goods.

Key private label results in 2025

9.6%
YoY growth in revenue from private label/Differentiator sales, with a 13% growth for goods from the mid- and high-price segments

4,869 SKUs
in the private label/Differentiator portfolio

2,592
food SKUs in the private label/Differentiator portfolio

952
new private label SKUs in 2025

The team of the Private Label Department dedicated the year 2025 to a strategic reset. The main focus in 2025 was on revising the assortment and its performance. SKUs were analysed against key metrics, including sales, profitability, quality, consumer ratings, etc. As a result, decisions were made to refine product quality and optimise or expand top-performing SKUs. The private label team also undertook a comprehensive initiative to develop a new portfolio of private labels and to redesign existing brands – the process started in Q4 2025 and will continue in 2026.

A critical objective in the private label domain is ensuring the availability of our products across our stores. To this end, Magnit regularly solicits commercial proposals and expands its supplier pool to reduce the risk of non-delivery of goods. Additionally, a revised logistics model was developed in the reporting year, shifting the storage of private label goods to the Company's importer warehouse to minimise instances of out-of-stock situations on store shelves.

Significant efforts were made during the reporting period to develop a new portfolio of private labels and redesign existing brands. The brand portfolio update was driven by a large-scale quantitative study of 108 food categories, focusing on consumer preferences, purchase drivers and barriers specific to each category. Based on the study results, we developed a new brand portfolio structured around brand roles within specific categories and addressing key consumer needs across all price segments.

Our key areas of focus include the following segments:
- ready-to-eat food: The M Kitchen brand was relaunched, the assortment was expanded (we launched the Ready to Cook line that offers oven-ready frozen meals and the Finger Food line that includes chilled chicken products for on-the-go snacking);
- home and household goods: A comprehensive review of the product portfolio was conducted to optimise the assortment, enabling a more agile response to consumer demands;
- children and teenagers: A comprehensive study and portfolio review were conducted to develop strong brands that are relevant to young audiences and mothers caring for their babies.

Private labels for young people and health enthusiasts

Healthy Eating is Easy

In 2025, Magnit prepared a launch of a specialised brand of products complying with healthy lifestyle principles – Healthy Eating is Easy. Currently, the brand's positioning – 'We give you the opportunity to enjoy healthy food' – and design, showcasing balance and harmony, are finalised. The positioning, brand name, and design were tested with the target audience (more than 1,000 respondents). The brand launch is scheduled for 2026, with more than 60 SKUs to be introduced in the first phase.

OUCH! and O!LIFE by DIXY

In 2025, the DIXY retail chain launched new private label brands. The OUCH! brand offers products in the most popular categories among young audiences: snacks and ready-to-eat meals, beverages, and confectionery. Stores sell more than 40 SKUs of this private label.

Under the O!LIFE brand, a range of products featuring enhanced value is available for health-conscious city dwellers who lead active lifestyles and make intentional food choices. The O!LIFE brand includes more than 100 SKUs.

In addition to the key research conducted as part of the brand portfolio review, Magnit carries out consumer market studies. Based on the insights from these studies the Company:

- develops not only key umbrella brands, but also fancy category brands (testing of positioning, naming, packaging design);
- assesses creatives for deployment in advertising campaigns;
- performs brand health analysis;
- analyses consumer preferences and specific claims[1], that drive purchase decisions for individual categories.

More than 50 such studies were performed in 2025.

Magnit provides continuous advertising support for its existing private label brands. Advertising campaigns drive growth in both brand awareness and consumption, leading to increased retail turnover. In 2025, the awareness of key brands increased by 16 p. p. for M Kitchen, by 6 p. p. for Premiere of Taste, and by 6 p. p. for M Freshness. The advertising campaign of the M Kitchen brand helped increase the retail turnover growth by 140%. For the M Freshness brand, the retail turnover growth was 20%, for Premier of Taste – 23%, for Gusto di Roma – 70%, and for LAF – 34%.

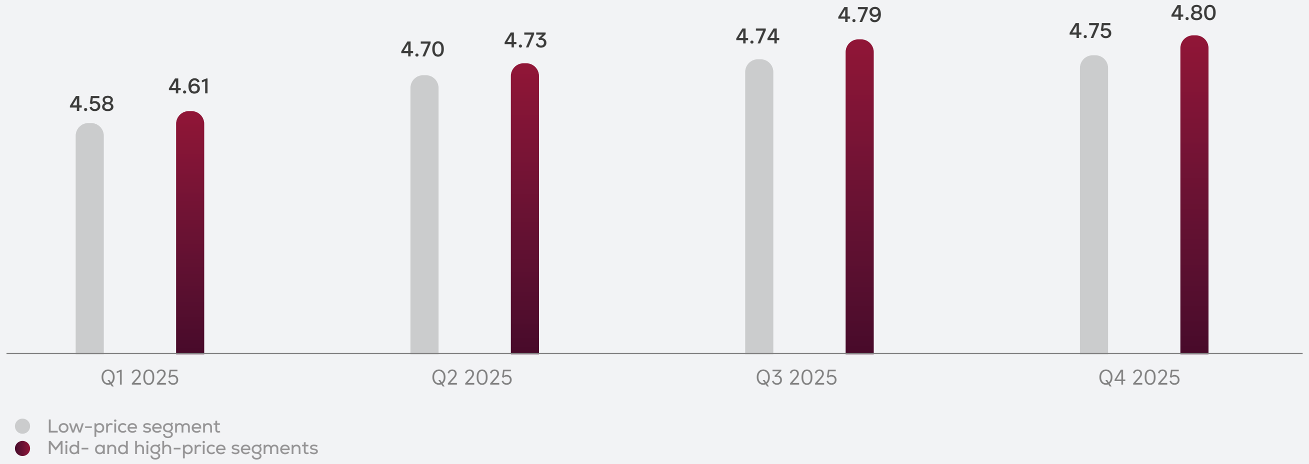
1 A claim is a specific mark placed on the product packaging or label to communicate the brand's advantages.

Assessment of private label quality by consumers

The Company's operations are focused on meeting customer needs, so we strive to involve customers in assessing the quality of private label goods. To this end, the Company operates two testing centres located in Krasnodar and Izhevsk where consumers can evaluate the organoleptic properties of a product (colour, taste, smell, texture) and their willingness to buy it. This evaluation helps form an opinion on the attractiveness and optimal consumer features of goods. We carefully analyse respondent feedback and incorporate it into decisions regarding modifications to the organoleptic properties of our products and the launch of new private label brands. In addition, we analyse customer feedback on private label goods in the mobile app. Consumer satisfaction with the quality of private label products is growing from quarter to quarter: for goods in the low-price segment, ratings in the mobile app rose to 4.73 (+0.18) in Q4 2025 vs 2024, and for goods in the mid- and high-price segment – to 4.79 (+0.23).

Quality improvement measures are taken for SKUs with ratings below the established minimum. During the year, such initiatives were launched for 96 SKUs, and for 83 of them target indicators were achieved.

Evaluation of private label goods in the mobile app



Plans for 2026

In 2026, the development of the portfolio will continue, including the creation of new private labels and the redesign of some of existing brands. The main focus will be on developing and ensuring the availability of high-quality products in the mid- and high-price segments, as well as on differentiation through exclusive offerings. It is planned to increase the presence of private label products both in offline stores and in the e-commerce channel.

Own production

Magnit is the only retailer in Russia that produces food at its own manufacturing facilities. In-house production helps meet the chain's demand for fresh products and enables the development of a unique private label range – giving customers a wide selection of goods at affordable prices.

By owning its production facilities, the Company can fully control the supply chain, ensure consistently high product quality, and respond quickly to changes in consumer preferences.

Own production in 2025

13
industrial assets

7
agricultural assets

6.8 thous. people
total headcount at the Company's own production facilities

334 thous. tonnes
produced in 2025, including

89 thous. tonnes
of agricultural products via contract manufacturing

Magnit's own enterprises

Region	Facility	Products
Southern Federal District		
Krasnodar territory	Kuban Factory of Bakery Products LLC	Pasta and pastry
	Kuban Confectioner LLC	Confectionery
	Plastunovskaya separate division	Spices and food concentrates, frozen pastry
	Tikhoretsk separate division	Frozen semi-finished products
	Novotitarovskaya separate division	• Packing of dried fruits, nuts, seeds • Bottling soft drinks
	Cheese Slicing Facility Krasnodar JSC Tander[1]	Cheese slicing and packaging
	Novorossiysk separate division	Fruit packing
	Green Line Greenhouse Complex LLC – Tikhoretsk separate division	Fresh vegetables
	Green Line Greenhouse Complex LLC – Plastunovskaya separate division	Fresh vegetables, salad
	Green Line Greenhouse Complex LLC – Mushroom complex	Mushrooms
	Green Line Greenhouse Complex LLC – Exotic and oyster mushroom complex	Mushrooms
	Zelen Yuga LLC	Herbs
	Industrial Park Management Company	Energy resources
	Volshebnaya Svezhest LLC	Apples, blueberries
Central Federal District		
Tver region	Tver separate division	Tea, extrusion, coffee
Moscow region	Cheese Slicing Facility Dmitrov JSC Tander	Cheese slicing and packaging
Belgorod region	Greenhouse LLC	Fresh vegetables, salad
Volga Federal District		
Saratov region	Saratov separate division	Dry food, snacks
Penza region	Cheese Slicing Facility Penza JSC Tander	Cheese slicing and packaging
Samara region	Togliatti separate division	Frozen semi-finished products

Agricultural facilities

The Company strictly controls the quality of its products and implements best management practices. The food safety management system at Magnit's production facilities is based on HACCP principles[2]. The high level of maturity of the management system is also confirmed by the certification under FSSC 22000 and GOST R ISO 22000-2019[3].

1 Cheese packing shop, distribution centre.
2 HACCP or Hazard Analysis and Critical Control Points is a food quality system based on the analysis of risks and critical control points.
3 GOST R ISO 22000-2019 Food Safety Management Systems.

Agricultural production

In 2025, total agricultural production reached 89,000 tonnes, including output from contract farming operations. During the year under review, the product mix was revised in favour of higher-margin crops. This reflects the Company's strategic focus on improving efficiency and generating sustainable economic value. The largest share of production is tomatoes – 49%, cucumbers – 36%, and mushrooms – 10%.

Share of in-house fresh produce as a percentage of total category sales in kg, %

86%	oyster mushrooms
77%	cocktail tomatoes
66%	cherry tomatoes
36%	white mushrooms
19%	lettuce
17%	plum tomatoes
13%	cucumbers
12%	round tomatoes

The strategic focus of the agricultural facilities is to meet the retail chain's demand for fresh fruit and vegetables, as well as to introduce new products to the market. In 2025, Magnit expanded its fresh vegetable range for the retail chain by introducing a new tomato variety – Baku Accent – and began supplying stores with in-house grown herbs and organic oyster mushrooms. The implementation of automated solutions is helping to increase crop yields. In 2025, a robot was introduced at the greenhouse complexes to carry out the automatic and faster removal of plants at the end of the harvest season. This allows subsequent plantings to take place earlier, resulting in a larger harvest volume. Furthermore, the Company has begun testing the use of AI in greenhouses for the rapid detection and treatment of viruses.

Tomato farming

In the reporting year, tomato production volume decreased by 3% to 33,000 tonnes, due to a revision of crop rotation in favour of higher-margin hybrids (cherry tomatoes). The most in-demand category in 2025 was Hot Heart cherry tomatoes, with production increasing by 43% compared to the previous year. Additionally, Magnit launched a new tomato variety – Baku Accent – which became the second most popular among the Company's in-house grown tomatoes.

Herb farming

Magnit's own facility, Zelen Yuga LLC, grows several types of herbs: spring onions, dill, parsley, coriander, baby spinach, mint, basil and rocket. Magnit supports the development of domestic agriculture and therefore prioritises Russian seed producers in its procurement. In the reporting year, 238 tonnes of finished products were produced. Deliveries were made to nine distribution centres in the Southern and Central Federal Districts. The facility is expected to meet 35% of the retail chain's total demand for fresh herbs.

Mushroom farming

Magnit continues to expand its mushroom production – a category with strong growth potential and high customer demand. Magnit grows white and portobello mushrooms, as well as oyster and enoki mushrooms. In 2025, the harvest totalled 6.8 thousand tonnes of white and portobello mushrooms and 1.0 thousand tonnes of oyster and enoki mushrooms. In-house production met 39% of the retail chain's demand for fresh mushrooms.

A dedicated product line from the mushroom facility meets Russian Quality System (Roskachestvo) standards for organic production. In the reporting year, organic products accounted for 0.1% of the total white mushroom harvest and 0.3% of the oyster mushroom harvest.

Plans for 2026

- Develop horticulture (apples and blueberries)
- Continue vegetable breeding to introduce new, more resilient hybrids with high yields
- Further develop agro-industrial production, focusing on strengthening the Company's position in the industry, improving processes, and expanding opportunities for sustainable growth

Industrial production

In 2025, Magnit's industrial facilities produced 202,000 tonnes of goods, a 5% increase on the previous year's results. This growth is attributed to the expansion of the product portfolio. In-house production facilities enabled the launch of 107 SKUs, including products for five new Magnit brands and four new DIXY brands.

Magnit's in-house production opens up additional opportunities not only for the Company itself but also for its partners. During the reporting year, a contract manufacturing division was launched, focusing on food production based on supplier orders. In this way, Magnit facilitates knowledge sharing with partners and contributes to the development and launch of new products, ultimately expanding the assortment in its stores.

Infrastructure development

A key focus of the industrial facilities' operations was to support Magnit's customer value proposition. To this end, the Company placed emphasis on expanding the ready-to-eat and bakery segments by developing the necessary infrastructure, including installing new bakery production lines, launching a pizza preparation workshop, and constructing factory-kitchens.

Central kitchen in Primorye territory

Samberi retail chain (part of Magnit Group) plans to build a central kitchen for the production of ready meals. Production processes will be certified in accordance with ISO 22000: HACCP. The launch of the central kitchen is scheduled for 2027.

The Group's infrastructure projects in in-house production reflect consumer preferences, specifically, the growing demand for prepared food.

In 2025, a large-scale programme was launched to introduce new technologies at the Company's production sites. For example, at the Kuban Factory of Bakery Products LLC and Kuban Confectioner LLC facilities, plans include automating product packaging and stacking lines, as well as installing modern production lines for sweets and marmalade. The implementation of new technologies is expected to boost productivity and expand the product range.

Expanding the product mix

Another key area of work in the reporting year was the development of the product range.

In 2025, Magnit significantly expanded its range of frozen bakery products manufactured at its own facilities. The launch of 12 SKUs is planned for the coming year, involving two production sites in the Krasnodar territory and one in Saratov region. The monthly production volume will exceed 1,000 tonnes. This production will cover the needs of the entire Magnit chain for frozen bakery products. The range includes products in growing demand: mini pizzas, hot dog and French dog buns, a variety of filo pastry items, curd-filled pastries (sochniki), and chebureki.

In 2025, Magnit became the first retailer in Russia to launch its own production of 3D marmalade. In response to the rapidly evolving food market, the Company decided to expand its capabilities and offer a product previously supplied mainly by Chinese manufacturers. Marmalade is produced using modern equipment that allows for the creation of three-dimensional shapes with a high level of detail. Next year, the Company plans to expand the product range and scale up the project.

Ready-meal factory in Krasnodar territory

At the end of 2025, Magnit began work on one of its largest infrastructure projects in recent years: the construction of a ready-meal factory in the Krasnodar territory, located within the Krasnodar industrial park. This project is significant in scale: the production complex will cover more than 20,000 sq. m featuring a high level of automation and robotics in its production processes.

The new facility's supply geography will cover the Southern Federal District, including eight of the Company's distribution centres.

The ready-meal factory's product range will include salads, soups, and items from its confectionery workshop. The production of pre-cut fruit and vegetables is also planned.

The factory is scheduled to be launched and undergo trial operation in 2026.

Increasing employee engagement

The success of our in-house production operations and the achievement of our goals depend largely on our employees. Therefore, a key priority for Magnit is to improve working conditions and increase employee engagement.

In 2025, the Company continued to invest in improving working conditions, including ensuring competitive wages. A skill-based grading system was introduced, which gives employees a clearer view of their career progression path and provides financial incentives for upgrading their skills and competencies and moving to a higher grade. Furthermore, we have developed our mentoring programme, which helps improve personnel onboarding experience and boost engagement. All these initiatives contribute to increased engagement and reduced staff turnover: in 2025, the employee turnover rate at our in-house production facilities decreased by 5.5 percentage points (to 18%).

The development of industrial production is one of the Company's priorities, aimed at strengthening its market position and driving business efficiency growth.

Plans for 2026

- Launch a ready-meal factory in Krasnodar territory
- Continue introducing new technologies at our own production facilities
- Develop the range of in-house produced goods

Product quality control

Ensuring the high quality of products on store shelves plays a key role in Magnit's operations, as it helps build customer confidence and achieve goals.

In the reporting year, the quality management function was centralised, which made it possible to form a resilient management structure at the level of the entire Company in the context of large-scale geographic coverage. In addition, we developed a quality strategy for 2025–2030 aimed at increasing customer loyalty and improving brand perception. The strategy includes eight areas of work.

Quality management in the fruits and vegetables category

One of the strategic areas of Magnit's work in the field of quality improvement is the category of fresh vegetables and fruits. We have established a comprehensive approach to optimising the quality of fruits and vegetables, which includes the following measures:

- updating the organisational structure;
- updating the standards for working with the category of fruits and vegetables;
- increasing the efficiency of the cold chain;
- optimisation of own imports;
- updating the processes of working with the category of fruits and vegetables;
- implementation of a target accounting, analytics and reporting system;
- implementation of a technological and information system for monitoring acceptance of fruits and vegetables and quality control of products in storage, including the use of AI.

1 Transparent and risk-oriented quality control during acceptance at all stages of the product life cycle

2 Development of a multi-level food safety control model, standardisation of requirements and implementation of advanced technologies

3 Partnerships with suppliers

4 Systematic interaction with government agencies and the professional community

5 Creation of a sustainable ecosystem of quality-related competencies development for employees, suppliers and partners

6 Development of communications and quality culture among employees

7 Involvement of customers in the quality assessment and development process

8 Creation of a single transparent quality analytics and reporting system

Product quality and safety control system

Magnit is committed to managing the quality of the entire product range in stores. This applies to both products from suppliers, including private label products and raw materials for own production, and ready-to-eat food of own production. The set of quality assurance measures covers the entire life cycle of goods, which makes it possible to identify non-compliance at early stages and prevent the appearance of poor-quality goods in stores.

Key stages of product quality control

Before delivering products to stores

Preliminary assessment

- Analysis of the quality of supplier product samples at the stage of collecting commercial proposals
- Approval of quality requirements in quality certificates[1]

Comprehensive check

- Checking products for compliance with agreed requirements stipulated in quality certificates through assessment of organoleptic properties[2] of products, laboratory tests and audit of suppliers' production facilities

After delivering products to stores

Collection of feedback and handling of inconsistencies

- Collection and analysis of feedback on product quality from customers, employees of retail outlets, regulatory bodies, NPOs
- Improvement of the quality of products on the supplier's side in case of non-compliance with requirements

Magnit builds a quality management system in accordance with best practices and requirements of international standards. Magnit's own enterprises are certified for compliance with food safety standards FSSC 22000[3] or GOST R ISO 22000-2019[4].

The Company's retail outlets also produce ready-to-eat meals, drinks and pastries. Quality management specialists work closely with business formats, help them set up the quality management process, including support for the opening of new formats.

Quality management in new Magnit business projects in 2025

Zaryad by Magnit

A new format of stores with a unique range of ready-to-eat meals and snack solutions, which will also be equipped with small kitchens where hot dishes and drinks can be ordered. The Company's new project requires an individual approach to product quality management in stores of this format, so in 2025 the quality management specialists focused on the development of the necessary documentation and launched the relevant processes.

Dark kitchens based on dark stores

Magnit is testing a new area – dark kitchens that deliver products. In 2025, the necessary quality documentation was drafted, and the production control programme was launched.

1 A quality certificate is a document that sets out requirements to the quality and safety of goods. The document is part of the supply contract and must be signed by counterparties if the goods are supplied from a high-risk product range.
2 Organoleptic properties are properties that are perceived and assessed via the senses (e.g. taste, smell, colour and others).
3 FSSC 22000 (Food Safety System Certification 22000) is an audit and certification scheme for the food safety management system. The enterprises of Kuban Factory of Bakery Products LLC, Kuban Confectioner LLC, Tver separate division and TD-Holding LLC have been certified.
4 The following enterprises have been certified: Novotitarovskaya separate division, Plastunovskaya separate division, Tikhoretsk separate division and the Saratov Branch of TD-Holding LLC.

Risk matrix

A risk matrix is prepared annually based on the results of analysing quality statistics. It shows the level of risk, which is based on an assessment of the probability of violations and the severity of consequences, for each product group and each area of the products range. Depending on the level of risk, the frequency and depth of quality control are established.

In 2025, based on the results of the revision of the risk matrix, 80% of the groups of goods were classified as low risk, 15% as medium risk and 5% as high risk. At the same time, most groups of goods (89%) maintained the previous level, and 4% reduced the level of risk. The Company cooperates with responsible suppliers and exercises strict control at its own production facilities. Thus, we strive to ensure a consistently high quality of the range of products and prevent significant fluctuations towards high-risk products.

Risk matrix of private label products suppliers

Magnit consistently engages with private label products suppliers to contribute to continuous improvement of product quality in the long term.

In 2025, the risk matrix of M Kitchen ready-to-eat meals suppliers was developed and implemented. The matrix makes it possible to comprehensively assess suppliers of ready-to-eat meals based on several parameters:

- results of laboratory tests broken down by each manufacturer and each sample;
- customer feedback, including assessments in the mobile app and hotline calls;
- results of the audit of production facilities;
- information on non-compliance with quality requirements identified during the acceptance of goods at the distribution centre.

The matrix helps the Company to more accurately identify areas for development and track changes in key assessment parameters.

Audits of chain's suppliers and stores

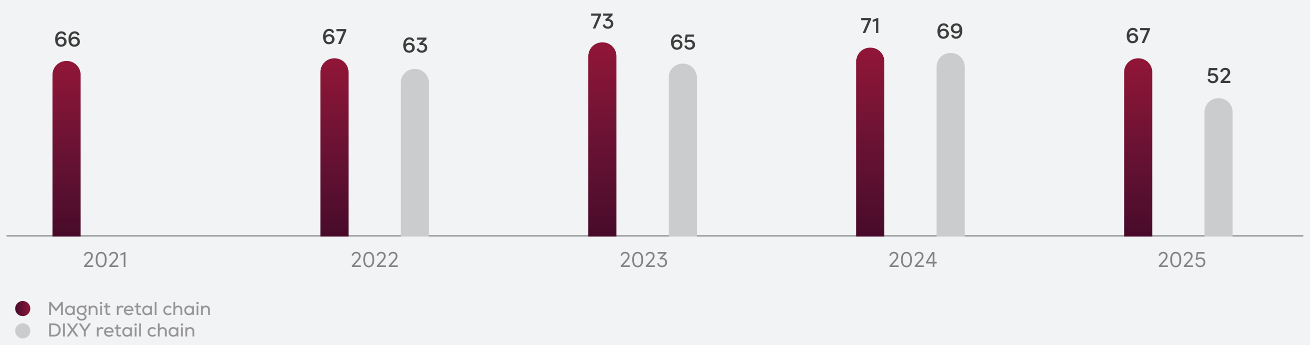
Regular audits are an important product quality control tool. Such audits make it possible to assess the conditions for production of private label products from external suppliers and ready-to-eat meals in retail outlets, identify potential risks and areas of non-compliance, and take timely corrective measures.

Supplier audit

Comprehensive quality control of suppliers' products includes audits of their production facilities to assess the probability of product quality risks at the production stage. Based on the results of the audit, one of four categories: A, B, C or D is assigned to the supplier. The threshold for compliance with the requirements of the retail chain for categories with low risk (A, B) is 90%, in case of compliance below 80% category D (high risk) is assigned. Enhanced quality control is performed with respect to the most exposed suppliers.

In 2025, the Company conducted 951 audits of production facilities of suppliers. According to the results of the audits, the share of suppliers with a high level of risk is growing due to the development of new private label products.

Share of private label suppliers with the lowest expected risk (A+B), %



Audits of retail stores

Ready-to-eat meals and drinks are also produced at the Company's retail outlets, so the audit practice for these facilities is relevant. Magnit adapts the audit approach to various formats. For example, in convenience stores there is no large-scale production, and the level of risk in the production of ready-to-eat meals is low. In this regard, in the reporting year we adjusted the approach to audits of these retail facilities and focus more on the analysis of the reasons for problems with the quality and development of solutions rather than on the verification of compliance with the requirements. Visits to these facilities are carried out to better understand the processes at stores.

For supermarkets, the traditional practice of field audits is maintained due to the presence of large workshops that ensure a full production cycle – from processing raw materials to the production of ready-to-eat meals.

In 2025, we conducted 21,812 remote and field audits of Magnit and DIXY retail outlets. The results of audits of Magnit supermarkets demonstrate a high level of maturity in quality assurance – the level of compliance with the requirements is 93%.

Laboratory control of suppliers' products and own production

Magnit conducts regular laboratory tests of suppliers' products and own production to confirm their compliance with established quality and safety requirements. The tests are carried out with the support of state institutions, research institutes and federal research centres.

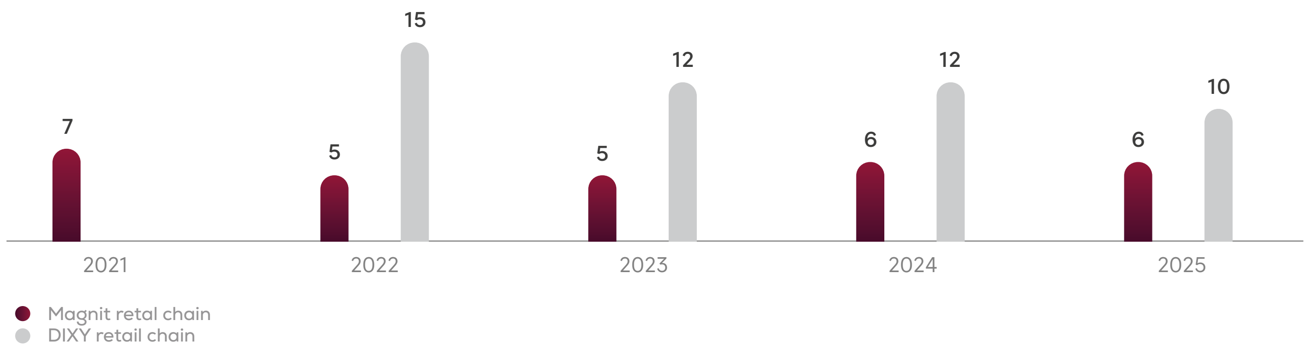
In respect of suppliers of private label products, Magnit consistently enhances laboratory control of products in order to promptly identify non-compliance and prevent poor-quality goods from appearance on store shelves. Since 2025, the entire range of private label products has been covered by audits through the implementation of annual tests for low-risk products (previously, for this category, audits were carried out when quality problems arose). In addition, based on the results of the analysis of the risk matrix for certain brands of suppliers, we also increased the regularity of laboratory control.

In total, 19,665 laboratory tests of suppliers' products were performed in 2025, in 16% of cases (2 p. p. less compared to the previous year) of non-compliance with quality standards was identified. At the same time, this indicator remains at a low level of 6% for goods of high-risk suppliers.

Control over own production covers both input raw materials and ready-to-eat meals. The reporting year was marked by an active development of the ready-to-eat meals sector, including the launch of new store formats, which led to the need to expand the volume and frequency of laboratory tests.

In 2025, Magnit held more than 38,000 tests of own products, which is 28% more than in the previous year. The number of tests has increased due to the dynamic growth of own production projects at convenience stores.

Share of substandard supplier products according to laboratory tests, %



Management of product quality non-compliance

Magnit strives to promptly respond to any identified cases of product quality non-compliance. To this end, a clear algorithm of actions has been developed, including informing retail outlets about the need to withdraw goods from sale, conducting an internal investigation, receiving feedback from the supplier, and organising additional inspections of the rest of the products.

An important stage of managing cases of non-compliance is the improvement of products and corrective measures on the supplier's side, which makes it possible to eliminate the root causes of non-compliance, improve quality stability and prevent the recurrence of similar situations in the future.

Product quality improvement procedure

Detection of product quality non-conformity

↓

Decision on recall of the defect product batch from sale and issuing a claim

↓

Product quality improvement on the supplier's side

↓

Control of product quality improvement

↓

Improved products do not comply with quality requirements → **Recommendation to suspend deliveries until the problems at the production site are eliminated**

The improved products comply with quality requirements → **Introduction of planned quality control of products**

At the same time, potential non-compliance is promptly identified through systematic feedback from customers and other stakeholders on the quality of goods.

Response to signals on non-compliance with product quality requirements

Analysis of information received

Internal sources of signals

- Results of internal control as part of the functioning of the quality management system
- Information from the Company's divisions

Reports from external stakeholders

- Consumers
- Suppliers
- Mass media and NPOs
- Regulatory authorities

↓

Verification of information on substandard products in the turnover of goods (except for signals from control authorities)

↓

Withdrawal and recall of substandard goods

↓

Inspection of other items

↓

Feedback on the received signal

In 2025, the Company registered about 406 thousand[1] reports on the quality of suppliers' products and own products. Each report undergoes a multilateral analysis. Magnit initiates additional quality checks of products, and based on their results a detailed response is provided to the individual who submitted the report.

Awareness-raising and notification

Magnit is committed to the development of quality competencies both within the Company and in the external environment, covering suppliers, partners, as well as students and young specialists – future candidates for work at the Company.

In 2025, in order to systematise the approach to training and the establishment of uniform standards, the Quality Academy was created – an educational platform aimed at developing the professional knowledge and skills of employees, as well as suppliers and partners. Thanks to the creation of the Quality Academy, Magnit promotes a culture of awareness in the field of food safety among employees, partners and customers. In the reporting year, the Academy launched specialised training for distribution centre employees on correct work with the fruits and vegetables category.

At the same time, Magnit actively develops engagement with educational institutions and the professional community, sharing quality expertise at industry conferences and as part of lecture programmes. In particular, with the support of the Company, a lecture course on the subject "Digital Transformation of the Global Product Quality and Safety System" was delivered as part of MGIMO Master's Programme "Ecosystem of International Trade." Under the programme, Magnit conducts workshops and considers business cases aimed at the construction of students' knowledge of the development of international trade ecosystems, as well as at the formation of skills in managing the risks of cross-border trade under rapidly changing external conditions.

Also in 2025, the Company took part in the panel discussion "Quality of the Future: Business Request and Training of Specialists", organised by Plekhanov Russian University of Economics and the "Russian Quality System" Autonomous Non-Profit Organisation, where the most required competencies of quality specialists, modern approaches to customs regulation and quality control of imported goods, application of digital technologies and analytics in the quality control and product traceability system were discussed.

Plans for 2026

- Introduce the practice of field audits of fruit and vegetable producers
- Continue measures to improve the cold chain, including updating the monitoring of storage conditions at distribution centres, transportation from distribution centres to retail outlets, and develop requirements for storage in retail outlets
- Develop and implement a unified quality system for acceptance and monitoring of all goods in storage
- Develop a training course for product suppliers on effective preparation for audits
- Implement a digital personal account where a supplier can track its rating, audit results, quality improvement recommendations and other parameters
- Expand the use of artificial intelligence in quality management
- Integrate the quality management system with Azbuka Vkusa, in particular, merge knowledge bases on suppliers of retail chains, audits performed and their results
- Enter into a cooperation agreement with Plekhanov Russian University of Economics aimed at developing educational programmes in the area of food quality and safety, as well as training young specialists

1 A significant increase compared to 2024 is related to a change in the methodology of accounting the incoming reports, as well as the inclusion of reports for delivery services and ready meals.

Supply chain development

A sustainable supply chain is a key component of the Company's success. To consistently ensure product availability and a diverse product mix, Magnit builds strategic partnerships with suppliers and actively works with agricultural producers and farms. By continuously improving logistics processes and implementing innovative solutions, we ensure timely delivery to stores, guaranteeing customers steady access to high-quality products. Magnit is focused on building long-term relationships with partners, ensuring reliability and transparency at every stage of collaboration.

Suppliers

Magnit is committed to building more effective partnerships. To this end, we are constantly developing and refining our engagement models to strengthen our long-term relationships with them.

>5.2 thous. suppliers[1]

of which 3.1 thousand are local suppliers

+13% p. p. compared to 2024

60%

share of local suppliers in total supplier count

+0.2% p. p. compared to 2024

13%

share of local suppliers in total sales

SRM 2.0 digital platform

SRM 2.0 platform serves as a single point of entry for all key procurement processes, ensuring transparent and efficient communication. At the end of the reporting year, the number of active and potential partners registered on the SRM 2.0 portal increased to 21,000 (up from 15,000 in 2024).

The portal's functionality is continuously enhanced to meet the evolving needs of both the business and its suppliers. During the reporting year, the updated SRM 2.0 functionality introduced the following new features for partners:

- real-time visibility of their product mix data within the retail network;
- access to information on agreed promotional activities;
- detailed breakdown of payments within their personal accounts.

In terms of trading procedures, the improvements to SRM 2.0 included:

- an expansion of the range of trading procedure types, including those specialised for the procurement of raw materials, fruit, and vegetables;
- the implementation of an electronic coding system for new products, which accelerates their launch into the network.

To improve the transparency of document flow, tools were introduced to facilitate the approval and signing of price change notifications with partners. This led to a 35% YoY increase in the share of electronic document management for price notifications.

The launch of a dedicated chat for price notifications has established direct and secure communication between the Company's managers and its suppliers..

Plans for 2026

- Enable suppliers to manage their available delivery geography
- Provide suppliers with full access to the electronic coding system for new products
- Implement the approval and signing (including via electronic document management system) of documents relating to promotional activities with compensation performed with suppliers

1 Data on the number of suppliers is provided for the Magnit retail chain. The total number of suppliers of the DIXY retail chain is 1.4 thousand.

RS.Magnit and RS.Dixy analytical portals

RS.Magnit analytical portal allows partners to monitor, in real time, commercial product performance, logistics data, and customer behaviour insights. This helps them better understand the market and optimise product promotion.

In 2025, we expanded the portal's functionality by, among other things:

- updating existing dashboards;
- adding analytical dashboards with SKU-level detail for product categories;
- enhancing the customer analytics and e-commerce section.

The number of counterparties connected to the platform in 2025 exceeded 140 (a 25% increase YoY), accounting for 36% of the retail chain's turnover.

DIXY suppliers have access to the RS.Dixy analytical portal. Through the portal, suppliers receive up-to-date data on demand, product share in the product mix and category, stock availability in warehouses and stores, as well as information on promotional campaign results – all of which helps them optimise sales. Information is available both for the entire chain and broken down by individual store.

In 2025, the following changes were implemented to enhance the portal's performance:

- a new E-com module was developed, enabling suppliers to carry out detailed monitoring of online sales, analyse the e-com share of total sales, and manage interactions with aggregators;
- the "Sales and Stock Balances", "Distribution", and "Goods Movement" modules were refined and improved, resulting in faster data transmission, greater calculation accuracy, and enhanced user convenience.

As of the end of 2025, 36 suppliers (+55.56% compared to 2024) were connected to the DIXY analytical portal, accounting for 21.2% of the retail chain's turnover.

Plans for 2026

- Introduce a premium Platinum package, providing suppliers with access to more detailed and in-depth data analytics
- Launch a new module for analysing, evaluating and forecasting their own performance metrics as well as those of their competitors
- Launch a dedicated module for analysing customer behaviour
- Launch a dedicated module enabling sales and order forecasting across various product categories for periods of up to 12 weeks

These developments are designed to transform the supplier's role from a mere observer of the supply chain into a strategic market analyst within the DIXY chain.

Holding regular events for partners is another important mechanism for strengthening relationships with them. In March 2025, the third In Simple Terms logistics conference took place, attended by over 1,000 of the Company's partners. The meeting focused on discussing key aspects of collaboration and strategic directions for developing supplier relationships within the supply chain sphere. On the first day, participants were introduced to the long-term business development strategy, while on the second day, working groups identified growth opportunities and outlined the features of an "ideal supply chain". Subsequently, in September, a follow-up meeting was held to review the progress of these initiatives. During this session, participants evaluated the 1H results, discussed collaboration priorities, and identified next steps to further strengthen their partnership.

Agricultural contracting

Agricultural contracting is a format for interaction with local agricultural producers. It involves signing long-term agreements for the supply of specific volumes of the future harvest at market prices, with the possibility of advance payments.

In 2025, the agricultural contracting business grew, driven by an increase in the number of counterparties and an expansion of the product range. By the end of the year, the number of partners under agricultural contracts stood at 162, which is 16 more than in the previous year.

The growth in supply volumes was primarily driven by key product groups such as:

- apples – an increase of 11 thousand tonnes (+76%);
- carrots – an increase of 10 thousand tonnes (+50%);
- melons – an increase of 4 thousand tonnes (+25%);
- seasonal vegetables – an increase of 2.5 thousand tonnes (+50%).

Furthermore, in 2025, Magnit entered the berry segment through agricultural contracting for the first time, supplying 200 tonnes of blueberries. The Company is exploring new areas for growth within the fruit and vegetable category, focusing on exclusive segments (such as berries) in order to broaden its product range, strengthen collaboration with producers, and increase the availability of healthy, seasonal products.

Geography of product supplies under agricultural contracts in 2025, tonnes

Moscow district	113,897
Southern district	62,714
Volga district	71,121
Urals district	64,544
Central district	56,969
Siberian district	39,564
Caucasian district	29,252
Northwestern district	25,535

Supplies under agricultural contracts in 2025

467.8 thous. tonnes
of products supplied under agricultural contracts

162
agricultural partners

in **46**
regions

44%
of Magnit's needs across the key categories covered by supplies under agricultural contracts

182
SKUs supplied under agricultural contracts

When entering into an agricultural contract with farming producers, Magnit provides them with comprehensive support and assistance under a one-stop shop principle: each partner is assigned a dedicated Company agronomist, who coordinates all interaction with the retail chain. As part of this support, Magnit handles the legal preparation of the contract, assists agricultural producers with the necessary documentation before deliveries begin, offers advice on improving product quality to avoid returns, and provides logistical support, including online updates on the status of goods reception. On the Magnit.Agrofarmer website, potential partners can explore the full range of services available in the field of agricultural contracting, as well as submit a request for support or a consultation.

Agricultural contracting mechanism

1. Preliminary discussion of cooperation terms
2. Audit of the supplier's production facilities and provision of recommendations
3. Review of the supplier's documents
4. Drafting and executing of the agricultural contract
5. Product logistics
6. Ongoing support and consulting under the agricultural contract

Actions by Magnit
Actions by the agricultural producer

In 2025, Magnit implemented a number of projects aimed at improving interaction with its agricultural contracting partners and simplifying their operations:

- testing of agricultural contract supplies with price fixing over a longer period (one month) in the apple category, in order to maintain stable cooperation terms for counterparties;
- a project involving segregated transport logistics, which entails the Company itself arranging for the collection of products from partners – this reduces the burden on agricultural producers and ensures timely, high-quality delivery of goods to stores through streamlined logistics processes;
- development of remote goods acceptance at the warehouse, with a view to forming a standardised approach to the assessment of supplied products, thereby eliminating the influence of subjective judgement and ensuring objective control.

These initiatives will allow agricultural producers to focus on their core task: the production of high-quality goods.

Magnit maintains an open dialogue with agricultural producers. In 2025, the Company held its thematic conference on agricultural contracting for the second time, for all current and potential partners. At the event, Magnit representatives discussed the results achieved through cooperation with partners and identified areas for future development. Furthermore, during the year under review, Magnit took part in one of the largest industry exhibitions, YUGAGRO, for the first time, which provided partners with an additional opportunity to discuss key aspects of cooperation with the Company. The event also helped attract new partners, promoted agricultural contracting, and strengthened Magnit's position in this field.

The organic development of the agricultural contracting business contributes to the growth of current partners' operations, while also opening up new opportunities for those who have recently joined forces with Magnit.

Success stories from our partnerships with agricultural producers

In 2025, Magnit entered into a contract for the supply of varietal watermelons with a new partner, Khon S. D. Farm. Despite having no prior experience working with federal retail chains, the partner successfully completed the harvest season, shipping over 8,500 tonnes of products to the chain. Magnit became the primary sales channel for the producer, enabling them to increase production volumes without compromising on quality.

Over the course of an eight-year partnership between the Company and Veidelevskoye LLC, the partners have not only established stable supplies but have also significantly expanded the product range: alongside traditional apple deliveries, the vegetable segment is actively developing, and supplies of sweet cherries are planned for next year. In total, over the period of cooperation, more than 30,000 tonnes of products have been shipped to the chain.

Partnership with farmers

Magnit continues to develop and strengthen cooperation with small farms[1], that produce meat, dairy products, and other items with a short shelf life. This collaboration allows farmers to sell their products in the retail chain's stores on fair and straightforward terms, while giving customers access to fresh, high-quality goods at affordable prices.

Farm products are available in the Farmer's Basket format in Magnit stores. These baskets are standalone showcases within the store, featuring a rustic style. In 2025, Farmer's Baskets were available in 15,048 convenience stores, including 67 Magnit Convenience Plus stores. The main product categories sourced from farms include frozen ready meals, dairy products, meat, poultry, cheeses, meat deli, and, as of 2025, honey. In future, the Company is exploring the possibility of expanding the range to include preserves and products from small-scale (family) wineries.

Cooperation with farmers in 2025 in the category of dairy products, cheeses, meat, poultry, and fish

162
partner farms

RUB 2.5 bln
turnover of farm products in the retail chain

>1 thous.
farm product SKUs in Magnit's offering

Plans for 2026

- Increase the share of agricultural contract supplies in the core categories of secondary product lines
- Develop agricultural contract supplies in new product categories
- Expand agricultural contract cooperation within Azbuka Vkusa and DIXY retail chains

Throughout the partnership, Magnit provides farmers with comprehensive support, making the process straightforward and hassle-free. To facilitate this, the Company uses a simplified farmer contract, offers guidance on which agricultural products are in demand, and advises on compliance with safety standards and ways to optimise production processes. Magnit also carries out on-site inspections at farms and conducts laboratory testing of products, followed by recommendations for quality improvement. In addition, Magnit helps farmers prepare and complete the documentation needed to certify that their products meet the required standards.

Every farmer is assigned a dedicated account manager, both at head office and in their local region, ensuring smooth and efficient communication between the farmers and the Company.

To foster an open dialogue with local producers – including farms – Magnit regularly holds trade and procurement sessions. These events provide an opportunity to discuss goals, objectives, and current opportunities for working with the Company. In 2025, 58 such sessions took place.

1 To enter into an agreement with Magnit, a farm must either be a registered agricultural producer with the necessary production facilities and meet certain other criteria, or qualify as a small business entity.

Aggregation model

An aggregator is one of the formats Magnit retail chain uses to work with farms. It simplifies and speeds up the journey of farm products to store shelves by centralising the purchasing, storage, and delivery process.

In 2025, the volume of fresh and ultra-fresh farm produce supplied through the aggregation model exceeded 550 tonnes – 2.13 times higher than the previous year in monetary terms, and double the volume in physical terms.

Aggregators' performance in 2025

Aggregator in Tula region	Aggregator in Krasnodar territory	Cooperation with Food Miles
6 supermarkets	41 supermarkets	10 supermarkets
213 Magnit Convenience Plus stores	9 Magnit Convenience Plus stores	12 Magnit Convenience Plus stores
+4 18 farmers	+2 7 farmers	+1 8 farmers
89 SKUs in six categories	73 SKUs in three categories	51 SKUs in three categories
+39.7 tonnes 259.5 tonnes of purchases in 2025	+177.4 tonnes 196.3 tonnes of purchases in 2025	+32.8 tonnes 55.2 tonnes of purchases in 2025

The aggregation model confirms the efficiency and demand among our suppliers, and therefore Magnit is expanding its supply network through aggregators and launching new ones.

Aggregator in Moscow region

In 2025, Magnit launched a farm produce aggregator in the Moscow region in partnership with Milkbox Retail, which will be responsible for preparing goods for dispatch to stores, handling the accompanying documentation, consolidating shipments, and delivering them to retail outlets. During the initial phase, eight farms will supply over 40 product lines in the dairy, cheese, and meat categories to more than 30 Magnit stores of various formats across the Moscow region. The projected annual supply volume is 130 tonnes.

Aggregator in Dagestan

In 2025, Magnit partnered with a regional farm to launch a produce aggregator in the Republic of Dagestan, facilitating the supply of fruit and vegetables to the retail chain. Produce is delivered to the partner's warehouse, where it is prepared for dispatch to distribution centres, and from there, to Magnit stores. By the end of the reporting year, Dagestani farmers had supplied 2,900 tonnes of white and Chinese cabbage through the aggregator, which was made available in Magnit stores across nearly all regions of European Russia.

In the medium term, Magnit and its partner plan to open a second warehouse in Dagestan to supply seasonal vegetables via the aggregator model. They are also exploring the possibility of sourcing fruit and berry products from Dagestani farmers through the aggregator.

Aggregator in Uzbekistan

In 2025, Magnit signed a cooperation agreement with the Ministry of Agriculture of the Republic of Uzbekistan and Uzagrostar Holding, which is set to act as an aggregator. The partnership involves organising direct supplies of farm produce to Magnit stores in Russia through the aggregator model. This arrangement will help keep shelves stocked with fresh produce during the off-season and expand the range in categories where domestic production is limited by climatic conditions.

Plans for 2026

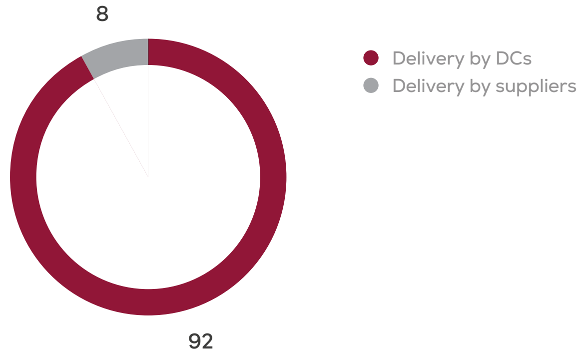
- Develop agricultural aggregation in the Republic of Uzbekistan

Logistics infrastructure and scale

Magnit is one of the Russia's largest logistics operators. Our logistics infrastructure includes 52 distribution centres across the country with a total area of approximately 2.1 mln sq. m and own fleet of 8,955 trucks.

Number of distribution centres		Storage space, thous. sq. meters
16	Central	735.1
12	Volga	513.0
7	Southern	290.0
6	Northwestern	194.0
4	Urals	172.9
3	Siberian	109.6
3	Far Eastern	59.5
1	North Caucasian	40.2

Logistics centralisation level in 2025, %



Magnit operates

52
distribution centres

>2.1 mln sq. m
of warehouse space

575 thous. units
of new warehousing equipment

8,955
trucks

Achievements 2025

Transition to a format structure

One of the key areas of work in 2025 was formalising engagement with store formats through the implementation of bilateral SLAs[1] and service quality monitoring tools, which helped to clearly define service standards and promptly address any discrepancies. We introduced supply chain representatives directly into store formats to provide a single point of contact for communications, enabling efficient management of initiatives aimed at increasing retail turnover and reducing losses, as well as overseeing new store replenishment, promo forecasting and seasonal demand.

Operational engagement with business formats was structured around a single point of contact model by integrating the store inquiry processing system with the store management portal. Within this tool, direct communication was established between distribution centre, transport units, product movement and store representatives, enabling faster responses to reported issues.

Additionally, a practice was introduced of holding monthly assortment and service committees with business formats to enable open discussion of SLAs. These initiatives enabled the logistics function to achieve its primary objective: ensuring a high level of efficiency and flexibility to support the updated CVP[2] for the formats.

The Company focused on its strategic initiatives: the installation of baking equipment in Magnit stores, the launch of M.Cosmetic grey and dark stores, and the opening of the first ultra-small format stores, "Zaryad by Magnit", within the Company's infrastructure.

The expansion of formats was actively supported by:
- addressing bottlenecks in the logistics infrastructure through the use of temporary warehouses in St. Petersburg, Kazan and Novosibirsk;
- creating new frozen supply chains for bakery products;
- establishing an end-to-end process for warehouse and product movement operations aimed at optimising distribution centre capacity and reducing stock levels across the Company's warehouses.

1 SLA – Service Level Agreement.
2 CVP – Customer Value Proposition.

Development of logistics chains and quality improvement

In developing its supply chains in 2025, Magnit focused primarily on improving delivery speed and ensuring product freshness. To this end, the first ultra-fresh platform was launched, based on the external fresh produce aggregator Food Miles, which led to a 27% increase in turnover for the ready-to-eat food range and a 10% reduction in losses.

By restructuring its import supply chains, the Company significantly improved the quality of fruit and vegetables arriving at its distribution centres, a key factor in driving future sales growth. As a result of these measures, write-offs were substantially reduced both in warehouses and in stores, while customer satisfaction with the quality of fruit and vegetables in our network's stores increased, outperforming key competitors.

Responsible inventory planning is a critical element in building a sustainable supply chain, as it enables the Company to accurately determine the required volumes of purchases to meet customer demand. This approach reduces the risk of stockouts or overstocking on store shelves, ensuring a balanced alignment between supply and demand.

Forecasting & Replenishment (F&R) system

In 2025, the Magnit retail chain began rolling out an in-house demand forecasting and replenishment planning system (F&R). The introduction of the F&R system will reduce the volume of inventories in distribution centres and stores, which will increase the turnover of goods.

The F&R system provides an end-to-end goods movement chain – from forecasting demand in stores for each product item, placing orders to suppliers taking into account the network's need to replenish to planning shipments from distribution centres for all types of logistics chains.

The accuracy of inventory planning and demand forecasting is ensured by analysing the accumulated volume of retail chain data and taking into account many parameters using machine learning technology.

In 2025, the F&R system was successfully implemented at the Kirov distribution centre and covered the closest convenience stores and M.Cosmetic. The implementation effect was shown by a 10% reduction in inventory in days. With further scaling, the positive economic impact on Magnit business is expected to amount to tens of billions of rubles over several years. Next year the Company plans to scale the use of the system to other distribution centres and retail formats.

In the reporting year, the DIXY network began transitioning to an F&R solution covering all stages of product flow, implemented with the help of a major Russian IT company. For forecasting purposes, machine learning algorithms are used that take into account sales data, external factors and special aspects of customer behaviour at the level of individual stores. The F&R system enables more accurate demand forecasts and automatically optimises orders. Full functional and geographic scaling of the system is planned for the coming year.

In addition, in 2025, DIXY conducted a review of its internal demand forecasting processes and introduced a three-stage verification system for purchasing plans. As a result, planning accuracy was improved, inventory levels were optimised and exposure to unforeseen fluctuations in demand and prices was reduced.

Supplier engagement

Magnit is developing mechanisms for engaging with suppliers in freight delivery processes, improving planning and information-sharing tools to enhance the efficiency of logistics operations.

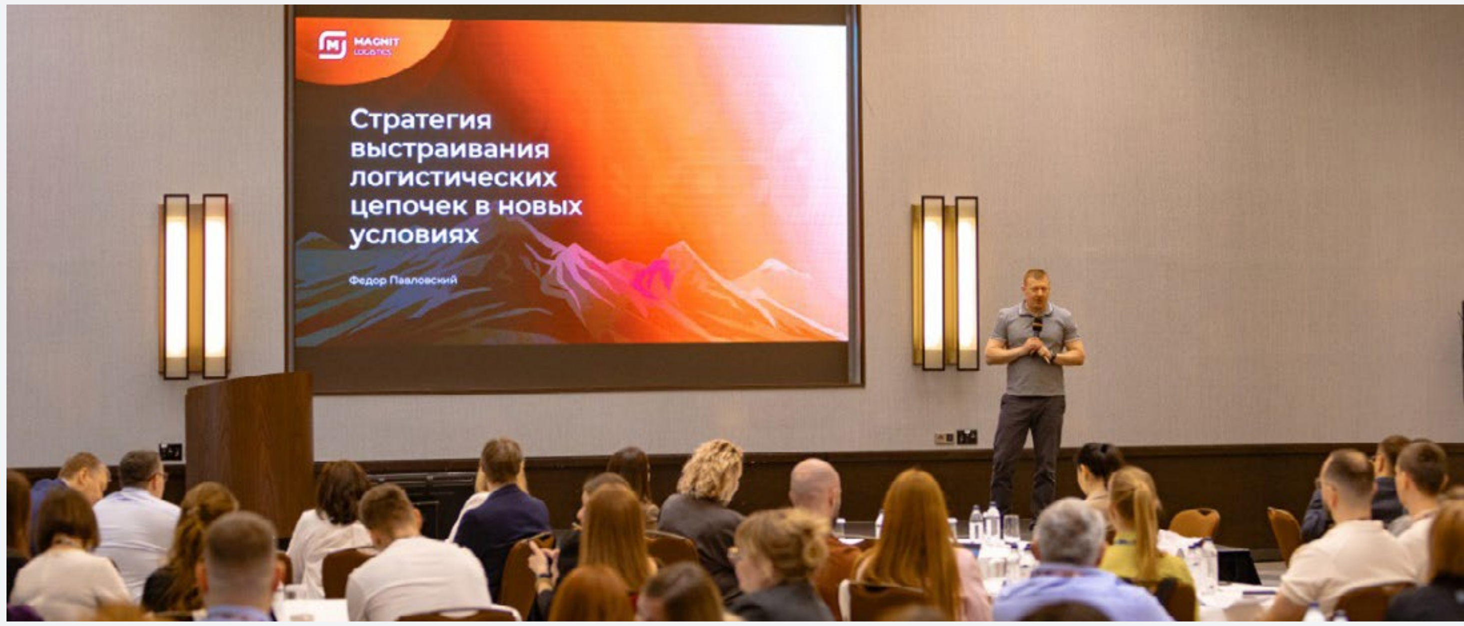
For example, in 2025 we revised the algorithm for assigning time slots for planned freight transport requests, and changed the virtual gate[1] usage strategy. The new algorithm ensured a more even distribution of requests across the working shift at the distribution centre, helping to reduce peak loads on operational resources. At the same time, the proportion of virtual gate usage fell from 50% to 15%, which significantly contributed to stabilising the load on distribution centres. As a result of the implemented changes, suppliers receive more accurate information about delivery time windows, improving the predictability of processes across distribution centres. This, in turn, helps to increase the punctuality of unloading and goods receipt by an average of 8–10%.

Additionally, during the reporting period, a chatbot "Where is my truck?" was introduced on the Magnit Service portal, allowing the Company's partners to receive 24/7 prompt feedback on the status of goods unloading and vehicle acceptance at distribution centres. The supplier launches the chatbot, selects the DC, enters the order number and receives the current status within five seconds. This eliminated unnecessary communication chains and made interaction as fast and convenient as possible for both parties.

Magnit regularly holds events for its partners aimed at strengthening collaboration and improving the effectiveness of engagement. In logistics, such events are held in the form of "In Simple Terms" logistics conferences. In March 2025, the 3rd Logistics Conference took place in Sochi, bringing together over 1,000 of the Company's partners. The meeting was conducted as an open dialogue and focused on discussing key aspects of collaboration and strategic directions for developing supplier relationships in the field of supply chains.

As a result of the working groups, the following initiatives were approved for implementation:
- the launch of the transformation of the project Collaborative Forecasting in CPFR[2] (Q1 2026);
- development of a customer service course for internal employees and suppliers as part of the Product Movement Academy;
- introduction of a partner rating system – a unified framework for evaluating suppliers based on logistics metrics;
- implementation of chatbots to optimise costs;
- introduction of a news digest for partners featuring quarterly Company updates.

Additionally, throughout the year, four training webinars were held for partners covering the following topics: functionality of the Magnit Service portal, time-slotting, MDL compliance[3], OSA[4], chatbots, EDI[5] and the partner rating system.



1 Virtual distribution centre capacity is a mechanism that enables the standard capacity of a distribution centre to be expanded in the event of increased delivery volumes.
2 CPFR – collaborative planning, forecasting, and replenishment.
3 MDL (Mandatory Display List) – a list of specific product items that must be present on the shelf in specified quantities.
4 OSA (On-Shelf Availability) – a system for monitoring product availability across different sales points (shelf, refrigerator, checkout area).
5 EDI – electronic data interchange.

Expansion of logistics infrastructure and innovation

The development of the logistics function is being carried out in accordance with a defined strategy. In 2025, the main areas of focus were the reconstruction of existing distribution centres and the opening of new ones, the implementation of robotic technologies, and the digitalisation of warehouse and transport operations.

2

partially automated DCs

-15 p. p.

40%

share of warehouse equipment over six years old

-6 p. p.

28%

share of vehicles in the fleet over six years old

+2 p. p.

92%

mechanisation level

+26 p. p.

50%

transport process digitalisation level

Expansion of logistics infrastructure

The largest launch of the reporting year was the opening of the federal distribution centre in Podolsk. This is the largest and most technologically advanced facility in the logistics chain, delivering goods to 41 regional DCs. The logistics complex is divided into several zones, including an area for picking small-unit orders. A five-storey mezzanine has been deployed at the site, combined with a two-km conveyor line, which doubled the product mix available at M.Cosmetic stores within just a few months of operation.

Another major project of the reporting year is the construction of a new distribution centre in Chelyabinsk, with more than twice the capacity of the existing DC (45,000 sq. m compared to the previous 20,000 sq. m), which will fully meet the needs of the growing network in the region. The commissioning of the new DC is scheduled for 2026.

In addition, in 2025, Magnit carried out a systematic programme of opening temporary warehouses in strategically important locations:
- Kazan Sviyazhsk temporary warehouse – to supply Zelenograd and Kirov regions;
- Tencard Novosibirsk temporary warehouse – for handling imported products; its opening reduced delivery distances to the East by 6,000 km;
- STA Cargo St. Petersburg temporary warehouse – to ease the load on the Kolpino distribution centre.

The opening of temporary warehouses helped maintain product availability on store shelves and optimise the load on existing distribution centres.

In 2025, the consolidation and relocation of capacities was completed: The Ivanovo distribution centre was converted to a direct delivery model, which reduced the burden on the Yaroslavl distribution centre and improved the supply of stores in the Northwestern region.

For 2026, the Company plans to fully eliminate logistical constraints and establish a balanced permanent infrastructure, including the commissioning of seven new warehouse complexes (one of which – the Moscow North DC – has already become operational on 19 February 2026). This will create a solid foundation for the Company's continued growth and for enhancing customer service.

The retail chains within Magnit Group are also developing their logistics infrastructure. For example, as part of a cooperation agreement with the Government of the Khabarovsk territory, Samberi plans to build a new DC in the Khabarovsk Advanced Development Area, which will become the largest facility of its kind in the Far East. The launch of the new DC will enable Samberi to double its warehouse capacity and strengthen its position in the region. Construction is scheduled to begin in 2026, with the opening planned for the end of 2027.

Innovation and digitalisation in logistics

Magnit is actively developing innovative solutions in logistics, with a particular focus on implementing robotic technologies to improve efficiency and automate processes. These initiatives are aimed at modernising infrastructure, optimising operations, and ensuring the stable functioning of the logistics chain in the face of growing demand.

Key digitalisation projects in logistics in 2025 included:
- **Automatic routing for direct delivery across all distribution centres**
  The algorithms automatically builds optimal routes taking into account a wide range of factors – from road conditions and weather to delivery times and vehicle utilisation. As a result of the project's implementation, delivery speeds are expected to increase. Savings on transport costs have also improved. In addition, testing of automatic routing for long-haul route delivery has commenced.
- **Launch of a module for engaging commercial cargo owners on the Magnit-Logistics platform**
  Magnit posts forecasts of available surplus transport capacity on the platform, while contracted cargo owners and freight forwarders can select suitable options via their personal accounts. The platform automatically generates documents, which are available for download and confirmation by both parties. The implementation of this module ensures transparency in interactions with external partners, improves the utilisation of surplus transport capacity, and reduces the time managers spend searching for cargo and coordinating with cargo owners.
- **Development of mobile workstations for transport logistics employees**
  The mobile workstation includes three dashboards – "Assignment and Maintenance Planning", "Transport and Personnel Today", and "Dispatching" – enabling real-time monitoring of key metrics and rapid response to changes.
- **Launch of a mobile application at a spare parts warehouse**
  The mobile application provides real-time visibility of all spare parts movements, both within the warehouse and during external transport operations. This helps to reduce labour costs at vehicle parts warehouses, improve the accuracy and timeliness of inventory movement information, minimise process errors, and increase employee performance through streamlined workflows.
- **Improvement of drivers' mobile app**
  The mobile app enables the digitalisation of drivers' workflows, including providing feedback on mapping inaccuracies, identifying non-conforming freight units, reporting issues with access roads, displaying electronic supporting documents, and more.
- **Electronic document management implementation**

As a result of the measures implemented, the level of digitalisation of transport processes increased from 24% to 50%.

Robotics

Robotics at the Kolomna distribution centre

In 2025, piloting began at the Kolomna distribution centre for one of the world's largest integrated robotics projects. Across an area of 15,500 sq. m, the project utilises over 500 robots, automated lifts, conveyors, and a 3D-shuttle multi-level storage system providing 15,000 pallet positions. The robotic zone is divided into three areas: goods receipt, storage, and picking. In the storage area, shuttles optimise the positioning of pallets based on product demand, while the picking area employs a "goods-to-person" approach: AMRs[1] deliver goods to pick-up stations, and FMRs[2] transport completed orders to the loading areas.

In parallel with the robotics deployment, a digital twin of the Kolomna DC was developed, forming the basis for a simulation model of all operational processes. This enabled various scenarios to be tested and potential challenges to be identified before the full-scale robotics rollout, ensuring a successful start to the project.

During the implementation of the integrated robotics project, a two-fold increase in distribution centre productivity was confirmed. The full launch of the robotic Kolomna distribution centre is scheduled for 2026.

Analysis of the solutions trialled at the Kolomna DC will serve as the foundation for defining the optimal technology suite when scaling to other facilities within the logistics chain.

1 AMR – autonomous mobile robots.
2 FMR – forklift mobile robots.

Podolsk technological federal centre

In 2025, as part of the development of its logistics infrastructure, Magnit launched a new federal distribution centre in Podolsk, featuring advanced robotic solutions to automate key processes.

All warehouse operations are managed through the LT WMS (Warehouse Management System), a domestically developed system to control goods receipt, put-away, picking, and dispatch. The coordination of automated equipment is handled by the WCS (Warehouse Control System) from a Russian developer. The level of automation at the distribution centre exceeds 30%.

The storage and picking system is built around a five-tier mezzanine covering over 6,000 sq. m with more than 35,000 storage bins, accommodating a wide range of products – from make-up products to household chemicals.

The distribution centre in Podolsk utilises a range of modern equipment:

1 Infoskan dimensioning and weighing scanner

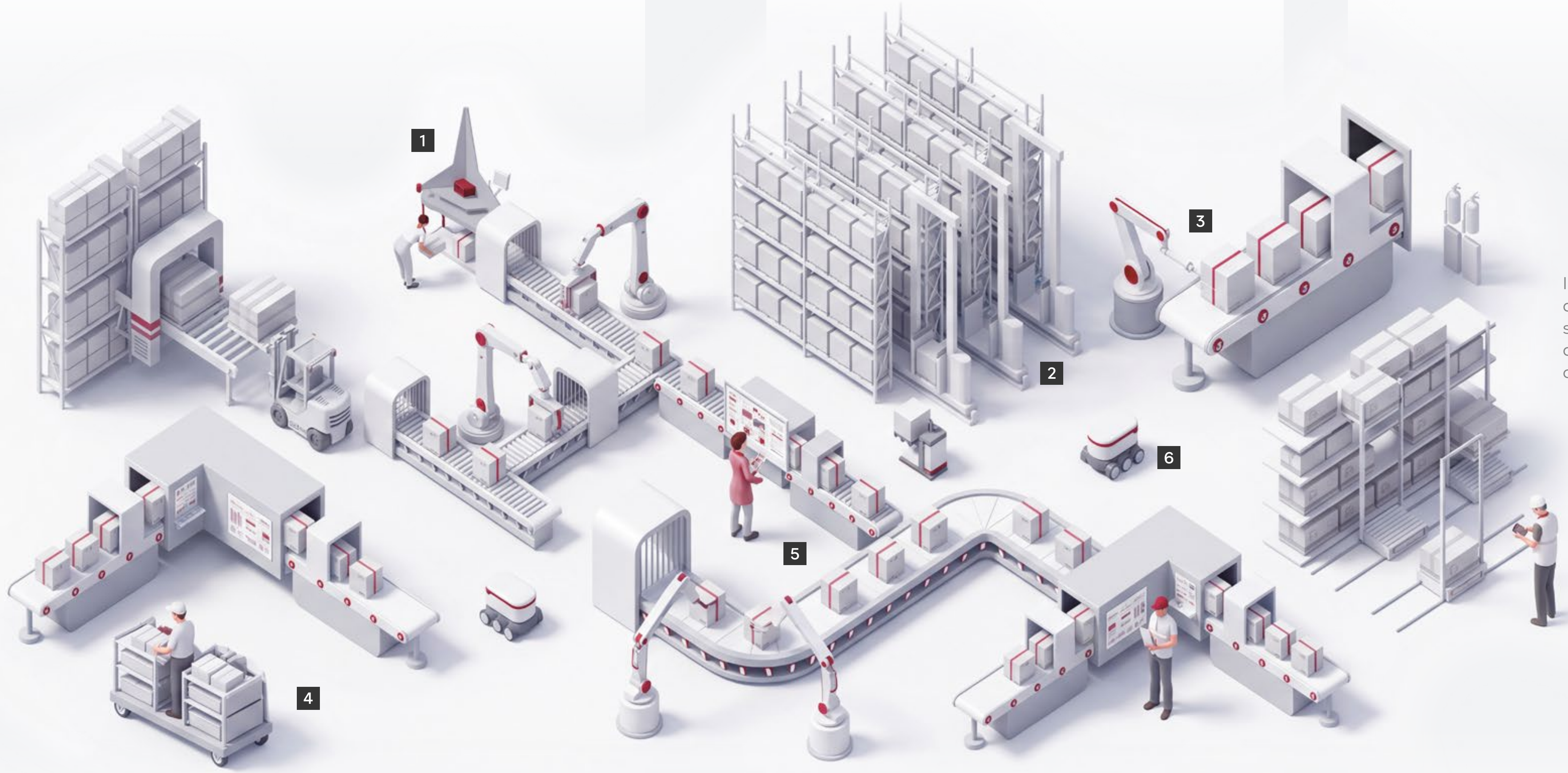
A mobile device for automatically measuring the weight and dimensions of goods, transmitting data directly to the WMS. The device scans barcodes and records package size and mass, eliminating manual measurement errors. Accurate product data helps optimise storage location selection and transport load planning.

2 Inventory robot

A device for automatic check of the availability and quantity of goods in a warehouse. As it moves through the aisles, the robot scans QR or barcodes on both sides, recording data for each item. The information gathered is transmitted in real time to the warehouse management system.

3 Robotic arm

A robotic manipulator that carefully moves cargo from chutes to pallets. The robot accelerates the loading process while reducing the risk of goods damage.



In addition, FMRs and AMRs were successfully tested at the distribution centre.

4 Multipacking trolleys with put-to-light technology for parallel picking of small-unit orders

Using these mobile stations, an operator can handle multiple items simultaneously. The trolley features compartments, each fitted with light indicators and small displays. When the barcode on a product is scanned, the system determines which order it should be assigned to and illuminates the indicator above the relevant bin, while the display shows the required quantity of items.

5 Conveyor line

A modular system consisting of individual prefabricated sections that can be rearranged or added to, allowing the line to be extended or its path to be altered. It is designed to move boxes between the mezzanine levels and chutes – inclined channels that act as “off-ramps” from the conveyor belt. Once an order is assembled, the boxes are transferred to the conveyor, from which the system automatically distributes them via the chutes, directing the boxes to the dispatch areas for stores or other distribution centres.

6 Cleaning robots

Autonomous systems that clean dust and dirt from floors, moving between racking. Sensors on the devices prevent collisions with people and equipment, and when battery levels are low, the robot automatically returns to its docking station for recharging.

Development of transport infrastructure

The Company continues to systematically upgrade its fleet to ensure timely, high-quality and safe delivery of goods. In the reporting year, taking into account the reallocation of capital expenditure, we succeeded in achieving positive momentum: the share of vehicles over six years old decreased from 63% in 2024 to 28% in 2025, while the average age of the fleet fell from 8.3 years to 3.8 years.

Magnit is committed to environmental responsibility and strives to reduce the negative impact of transport operations on the environment. As part of these efforts, Magnit added 1,100 new trucks to its fleet that meet the strict EURO5 environmental standards. The proportion of EURO5 trucks in the Company's fleet increased by 27 p. p., reaching 87%. In addition, the modern specifications and increased power of the new trucks improve operational safety, particularly in challenging road conditions, enabling more efficient gradeability and safer overtaking.

For the fleet prior to renewal, fuel consumption was reduced by 0.26 l per 100 km compared to 2024, as a result of decommissioning approximately 4,000 units of equipment that had reached the end of their service life, combined with a balanced approach to fuel consumption monitoring.

Unmanned vehicle testing

Autonomous transport enables greater logistics efficiency by increasing daily mileage and fleet turnover. Magnit continues to test autonomous freight transportation technology, contributing to the development of autonomous transport in Russia. As part of the "Autonomous Logistics Corridors" federal project, the Company acts as a transport customer and, by providing cargo, shares its expertise with other project participants.

1.2 thous. trips

completed by autonomous trucks

>23 thous. tonnes

of cargo transported

~600 thous. km

covered by highly automated vehicles

Tula – Kolomna

In 2025, we began collaborating with another autonomous freight carrier on a new section of the M-4 Don federal highway. Goods are transported between warehouses using highly automated vehicles operating in driverless mode, with no intermediate stops at hubs.

130 thous. km

the distance of the Tula–Kolomna section

~4 thous. tonnes

of goods were transported

St. Petersburg – Kazan

Since 2024, Magnit has been testing an autonomous truck on the M-11 Neva highway together with its partner. During the reporting year, as part of expanding the testing scope, the first successful run was completed using AI driver technology on the M-12 Vostok highway. On the permitted sections of the M-11, Central Ring Road (CRR) and M-12, the truck operated in autonomous mode under the supervision of a test driver seated in the cab.

The results showed that autonomous transport can reduce delivery times from St. Petersburg to Kazan from 58 hours to just 24 hours – representing a 2.5-fold increase in efficiency compared with traditional trips.

Future plans include:
- digitalisation of warehouse sites and access roads to enable testing of loading and unloading operations without the presence of a driver;
- development of the core IT architecture required for the independent operation of autonomous transport, using software provided by autonomous freight carriers.

Logistics personnel

A key factor in logistics efficiency is a high level of labour productivity. Magnit motivates its employees to achieve strong results while also caring for their comfort and well-being.

In 2025, the increase in labour productivity was achieved through the development and implementation of a process for monthly monitoring of pay competitiveness for warehouse and transport unit staff. Under this process, deviations between employees' actual income levels and market averages are tracked on an ongoing basis, and timely decisions are made in areas requiring adjustment, such as strengthening the recruitment funnel, improving performance in specific operations, increasing piecework rates, managing staff turnover, and others. As a result of the measures implemented, overall pay competitiveness is maintained in line with the market, ensuring a high staffing level of 98–99%.

Sustainable development

Our approach to sustainability management

Social and environmental responsibility is an integral part of Magnit's business operations. The Company consistently embeds the sustainability principles into its business practices. A systematic approach enables effective management and the achievement of meaningful results in the implementation of sustainability initiatives.

For more details on Magnit's contribution to sustainable development, see Sustainability Report 2025.

Sustainability documents

Sustainability management at Magnit is governed by internal policies and standards that cover all key aspects of the Company's activities in this area. Magnit strictly complies with legal requirements and voluntarily integrates the principles of sustainable development into its operations.

The Company monitors changes in the development of the sustainability agenda to keep abreast of current trends and promptly adapt approaches to sustainability management. The review of internal documents in connection with the update of the Company's Sustainability Strategy is scheduled for the next reporting year.

In 2025, Magnit continued to develop the Sustainability Policy, a comprehensive document that not only reflects the fundamental principles of the Company's operations, but also describes in detail the sustainability management mechanisms in the context of the new business strategy and business transformation.

Our achievements

RSPP

Group A
in the Responsibility and Transparency Index

Group B
in the Sustainability Vector Index

RAEX

A rating

AK&M

RESG 1 rating
of non-financial reporting – highest level of disclosure

1st place
in the rating of social efficiency among retail chains and **6th place** in the overall rating

1st place
in the rating of social responsibility among retail chains

Top 3
in the carbon footprint rating among retail chains and **top 10** in the overall rating

National rating agency

2nd place
in the ESG ranking of consumer companies (retail category)

Corporate Charity Leaders

Group A

Awards

Retail Week Awards
Retail Project of the Year
in the ESG category

Green Award of REO PLC
3rd place
in the Corporate (Internal) Projects category

It's All about the People competition
- **2nd place**
  in the Environmental Efficiency category for the project "Responsible Advertising Packaging: a New Reference for POSM Suppliers"
- **3rd place**
  in the ESG Transformation category for the project "Pilot Eco-Certification of Trading Infrastructure: a New Level of Environmental Responsibility for Retail"

#WEARETOGETHER-2025 award
2nd place
in the Leader of Social Changes category. Big Business category with the Magnit Limitless project

Open to All, Agency for Strategic Initiatives
New Employment Opportunities Award
with the Relay Race for Success project

Sustainability Strategy

Today Magnit is a modern retail chain that develops with its customers. The new Sustainability Strategy is a logical follow-up of the Company's sustainability agenda and is designed to meet new challenges, expectations and trends.

The Strategy is based on the analysis of the results achieved by the Company in the period from 2019 to 2024, assessment of the opinions of stakeholders, study of the social and economic context, as well as discussion of business goals and challenges. This made it possible to form a strategy that takes into account external and internal priorities.

The Strategy was developed based on Magnit's current operations and is focused on integration with key business strategies, which ensures its direct connection with business processes. The updated Magnit Strategy still accounts for global goals and international sustainability principles, but it is adapted to the national context. Combining global standards with local priorities has allowed us to strike a balance between ambitious global objectives and practical solutions that correspond to our operational capabilities and the expectations of key stakeholders.

For more details on Magnit's Sustainability Strategy, see Sustainability Report 2025.

Magnit's commitment to communities

Caring for people is one of Magnit's core principles. Each day, the Company's stores are visited by over 19 million customers across 72 regions, reflecting the scale of the retail chain's presence and its impact on diverse areas – from major cities to small communities.

Our social mission is to provide timely support to those in need, while also fostering an inclusive community.

Magnit Limitless

During the reporting year, we continued to develop a unified digital platform to engage with all stakeholders of Magnit Limitless, bringing together the Company's social, volunteering and environmental initiatives. The platform serves as a clear and transparent tool for engagement with non-profit organisations, helping to involve customers, employees and partners in charitable activities. In 2025, we added a "I Want to Help" section, where website visitors can donate electronic charity gift cards from the Magnit retail chain, contribute accumulated loyalty programme bonuses to charitable causes, or become volunteers in the Kindness in the District movement.

32 requests
for partnership were received in 2025

>RUB 3.5 million
were raised by customers in 2025 through the Bonuses for Good programme

269,000 people
supported non-profit organisations in 2025 through the Bonuses for Good programme

Developing an inclusive environment

Everything Is Accessible training project for fostering an inclusive environment

Everything Is Accessible is a video course on how to interact with people with disabilities. The project aims to promote respectful attitudes and overcome stereotypes. In 2025, Magnit expanded the course and made it publicly available on the Magnit Limitless platform.

118,000 employees
completed the Everything Is Accessible training programme in 2025

Magnit Life children socialisation project

The Magnit Life project is an educational programme focused on the professional and social integration of children from orphanages and children with disabilities. The programme includes in-person training, online learning with interactive elements, and a paid internship at Magnit stores. In 2025, six new cities joined the programme: Sterlitamak, Stavropol, Oryol, Kamyshin, Saratov and Samara. The programme now operates in 14 cities in total.

201 people
took part in the project in 2025

144 participants
were employed by Magnit in 2025

Relay Race for Success – a social support programme for young people with disabilities and their families across Russia

The project introduces young people with disabilities to opportunities for self-fulfilment, education and professional integration, drawing on the experiences of successful individuals and the practices of non-profit organisations, government and business. In 2025, it was expanded to seven new regions: Arkhangelsk, Vologda, Saratov, Ulyanovsk and Lipetsk regions, Krasnodar territory and the Republic of Dagestan.

12 open events
were held in 2025, engaging **over 782,000 participants**

37 specialists
with various types of disabilities were employed as part of the programme's support framework

Structured food aid

Food and non-food sharing

As part of the programme, Magnit donates products with an approaching but still sufficient shelf life to those in need, in partnership with the Charity foundation "Foodbank Rus". Large families and elderly people living alone receive food, household chemicals, home goods and personal hygiene products.

307,000 people
received food assistance in 2025

>692 tonnes of products
were delivered to beneficiaries in 2025

Supporting people during emergencies

Magnit's extensive geographical presence and well-developed logistics infrastructure enable the Company to respond rapidly to emergencies. In partnership with specialist foundations, the Company provides targeted assistance to those affected, including the delivery of essential goods.

478.2 tonnes
of food aid were supplied in 2025

2,400 people
were provided with drinking water

Solutions for a healthy lifestyle

Healthy eating product range

In Magnit's supermarkets, dedicated sections called Health Islands have been established. Their product range is based on healthy eating recommendations from the Ministry of Health of the Russian Federation, Rospotrebnadzor, and the World Health Organization. In addition, Magnit is expanding its range of healthy lifestyle products by developing its private labels. During the reporting year, Magnit prepared to launch a specialised brand of products aligned with healthy lifestyle principles – Healthy Eating Is Easy.

45%
growth in revenue from private label healthy product sales

Informing customers about healthy lifestyle principles

The pro.healthy habits club – an information and education initiative available through the Magnit's mobile app – offers customers access to scientifically grounded information about healthy living, balanced nutrition recipes, and advice from expert nutritionists. Magnit's own media platforms, the Gastronom website and My Magnit magazine publish recipes that adhere to healthy eating principles, advice from doctors, dietitians and cosmetic professionals, as well as articles dedicated to sustainable living.

3.1 million
users of the loyalty programme – members of the pro.healthy habits club

14.5 million
visitors of the Gastronom website

Magnit for the environment

Environmental responsibility is an integral part of Magnit's strategy. We are committed to reducing our environmental impact and are implementing a comprehensive environmental agenda focused on the responsible use of natural resources, waste management and recycling, reducing pollutant and GHG emissions, and preserving biodiversity. The Company also pursues initiatives aimed at raising environmental awareness among customers and promoting responsible consumption.

Eco-friendly solutions in stores

Magnit's retail outlets are implementing environmental practices designed to reduce their environmental impact and comply with applicable standards. Specifically, operational processes are being optimised, and solutions are being adopted that meet environmental performance requirements.

2 of the Company's stores
are certified under lifecycle assessment and hold the Vitality Leaf environmental certification mark

97%
of the Company's retail outlets are equipped with automated energy consumption monitoring systems

Examples of environmental practices in stores:
- automatic disconnection of air conditioners, air curtains and ventilation at night;
- LED lighting in sales areas and service premises;
- installation of air curtains at entrances;
- use of protective covers on refrigerated display cases during non-operating hours;
- placement of recycling collection bins for customers.

Collection of recyclable materials

For its customers, Magnit is creating the necessary infrastructure to make waste recycling easy. At Magnit and M.Cosmetic stores, visitors can recycle plastic caps; at DIXY stores, they can donate clothing they do not need. Magnit retail outlets also offer the option to recycle used batteries. In 2025, the Magnit Pharmacy chain launched a programme to collect pharmaceutical packaging for safe disposal and recycling.

~5 tonnes
of caps collected as part of the Kind Caps campaign

>27 tonnes
of batteries handed in by customers – up to 17 tonnes of secondary resources can be recovered from this volume

~27 tonnes
of clothing – 56,890 items of clothing and footwear received by visitors of the Humanitarian Aid Centre and partner foundations

171 kg of blisters

and 240 kg of pharmaceutical packaging
collected and sent for recycling as part of a partnership programme – from these, 25–30 kg of recycled aluminium and 130–145 kg of recycled PVC can be recovered

Magnit's commitment to employees

Care for employees and development of human capital are Magnit's key priorities. We create a safe and supportive working environment, invest in training and professional development, and offer well-being and motivation programmes. All of this helps unlock our employees' potential, increase their engagement and loyalty, and together achieve sustainable results.

Attracting young talent

Internship programmes

Magnit offers students the opportunity to gain work experience in one of the largest retail companies in Russia. The Company runs a paid internship programme – New Generation – which spans all of Magnit's business areas and offers participants the chance to develop their skills.

In addition, Magnit is expanding its project-based internship offerings, where students tackle real business challenges. In 2025, a new project-based internship – M Lab – was launched. As part of this initiative, we held a case championship among students to develop a digitalisation concept for convenience stores. The winning team of five students was accepted onto the internship programme.

191 students
took part in an internship or development programme at Magnit in 2025

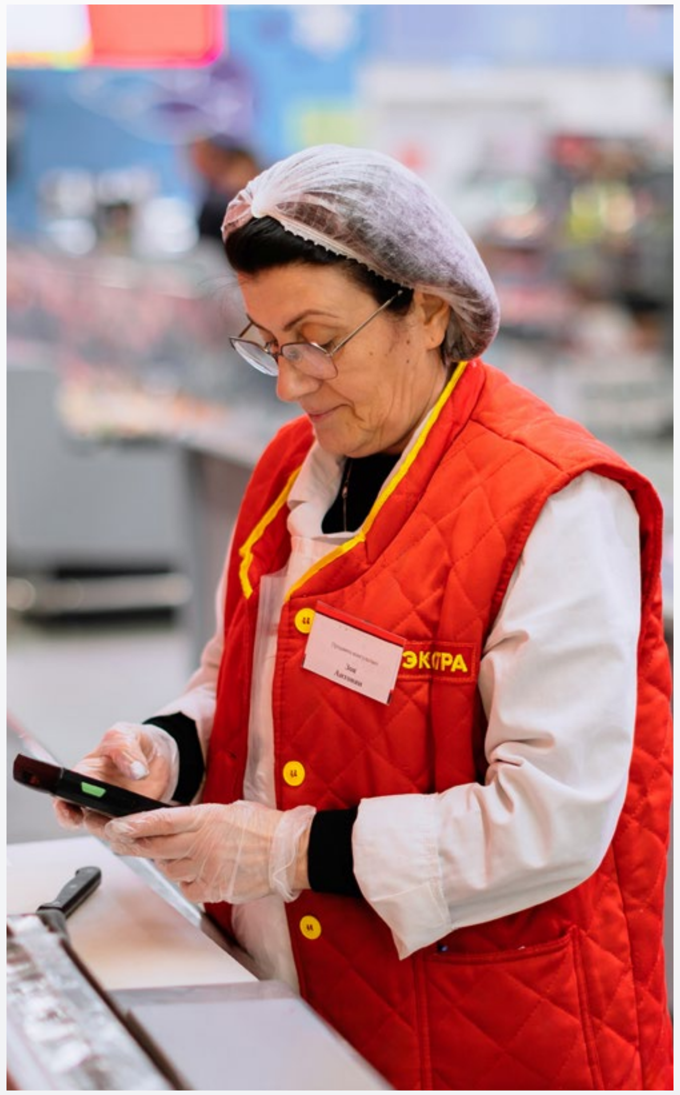
Partnership with educational institutions

Magnit's collaboration with educational institutions helps to train promising talent in areas critical to the business. In 2025, together with universities, we launched several educational programmes:
- a Master's programme in Business Analytics at the Kuban State University: the entire intake of students (20 people) enrolled in the new programme;
- an educational programme "Supply Chains and Logistics in Simple Terms" at the Kuban State Technological University: 3,636 third- and fourth-year students took part;
- a supplementary education programme for students in grades 9–11, "Retail: The Journey of a Product from Production to Store Shelf", in partnership with the Ecological and Biological Centre of the Krasnodar territory: 290 people participated in the pilot programme.

Social support for employees

In 2025, Magnit completed the development and launched the Berries well-being programme, bringing together all existing employee support initiatives under a single brand. The programme is designed to create conditions that address employees' individual needs across key areas of their lives, while also strengthening their sense of team belonging.

The Berries programme is available to all Company employees. The set of activities and initiatives within the programme has been shaped based on an analysis of market trends, engagement survey results, and the demand for specific benefits. It takes into account employee needs and may vary depending on employee category. In this way, we aim to ensure that all Magnit employees have access to opportunities that are valuable to them.



The scope of activities and initiatives under the Berries well-being programme covers the following areas:

Financial well-being

- Financial support and well-being (fair remuneration, discount and benefits programmes, financial and legal advice)
- Emergency support (financial assistance in difficult life situations)

Professional well-being

- Employee development and training (Corporate Academy, individual development plans, mentoring programmes, professional development courses, discounts on external training, professional skills competitions)

Social well-being

- Parenting and family support (organising leisure and activities for children and their parents, gifts for children)
- Awards and recognition (recognition programmes, awards, long-service rewards)
- Corporate culture (ambassador and volunteer movements, interest-based clubs)

Physical and mental well-being

- Health (voluntary health insurance (VHI), vaccination and health screenings, in-office doctor consultations, mental health support)
- Comfortable working conditions (modern and comfortable workspaces, convenient break areas and an on-site canteen, flexible working hours, hybrid and remote working options)
- Active lifestyle and sport (on-site fitness area and gym equipment, sporting events and corporate competitions for employees and their families, corporate discounts and memberships for fitness clubs and sports facilities)

Building a team of professionals

Magnit takes a systematic approach to employee training and development. In 2025, we focused on training store directors, top management, and talent development. To this end, we updated the educational programme for store directors, developed a Leadership Programme, and introduced individual development plans for employees.

For key managers and employees within business functions and regional divisions, competency assessments are conducted, with individual career paths built based on the results. In addition, based on the outcomes of these competency assessments, managers identify successors for key positions, taking into account their qualifications and leadership potential.

67%
of management vacancies were filled by Magnit employees

Corporate governance

Corporate governance framework

Magnit has in place an effective corporate governance framework that complies with the requirements of Russian laws. The Company is committed to advancing its corporate governance practices, taking into account the interests of shareholders and other stakeholders.

The current corporate governance system is aimed at long-term and sustainable business development and achievement of the Company's strategic goals.

Corporate governance is based on the following principles:

- fair and equitable treatment of all shareholders;
- effective performance of the Board of Directors;
- responsibility and accountability of executive bodies;
- effectiveness and independence of the Corporate Secretary;
- a transparent and fair remuneration system for the Board of Directors and executive bodies;
- a robust risk management and internal control system;
- timeliness, completeness, and transparency of the Company's information disclosure;
- strict compliance with laws and regulations and adherence to high standards of business ethics;
- prevention of conflict of interest;
- adherence to sustainable development principles in the Company's management.

Governance, management and control responsibilities at the Company are vested in shareholders via the General Meeting of Shareholders, the Board of Directors, the collective executive body (Management Board) and the sole executive bodies (President and Chief Executive Officer) pursuant to applicable Russian laws, Magnit's Articles of Association and internal policies.

Corporate governance bodies

Magnit relies on a robust and effective corporate governance and internal control framework.

The Company's highest decision-making body is the General Meeting of Shareholders.

The Board of Directors is elected by shareholders and is accountable to them. It provides strategic oversight and monitors the activities of Magnit's executive bodies: the CEO (Chairman of the Management Board), President and Management Board.

The executive bodies are responsible for day-today management of the Company and perform tasks set by the shareholders and the Board of Directors.

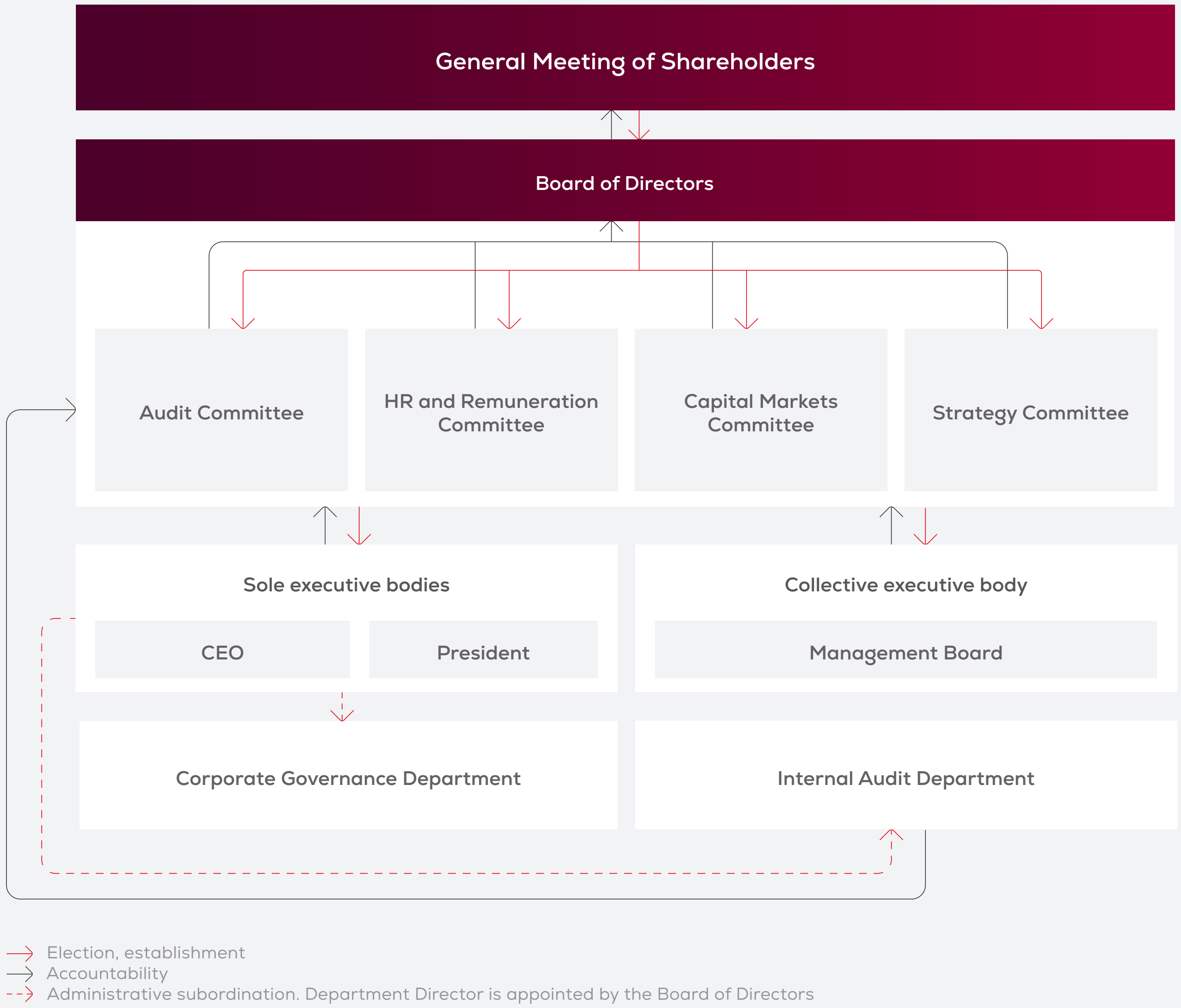
In accordance with the Company's internal regulations, there are four committees under the Board of Directors:

- Audit Committee;
- HR and Remuneration Committee;
- Strategy Committee;
- Capital Markets Committee.

The Internal Audit Department analyses and evaluates the risk management and internal control system, as well as corporate governance.

The Corporate Governance Department carries out the duties of the Corporate Secretary, ensuring efficient shareholder engagement, coordination of the Company's actions aimed at protection of shareholders' rights and interests, as well as support of the Board of Directors.

Management and control structure



Regulations

In its corporate governance practices, Magnit adheres to the following regulations:
- Russian laws;
- Moscow Exchange listing rules;
- Corporate Governance Code recommended by the Bank of Russia[1].

The full list of Magnit's public internal documents is available on the Company's website at: https://www.magnit.com/en/corporate-governance/corporate-documents/

The Company's activities are governed by its Articles of Association[2] and internal regulations. The Company consistently monitors changes in applicable legislation and updates its internal documents as required. In 2025, certain changes were made to the List of Insider Information[3] in response to amendments to the Bank of Russia's regulations, effective 1 October 2025, which establish the list of insider information and the procedures and deadlines for its disclosure.

General Meeting of Shareholders

The General Meeting of Shareholders is the highest management body of the Company. Shareholders of PJSC Magnit can significantly impact the Company's business by participating in the General Meeting of Shareholders.

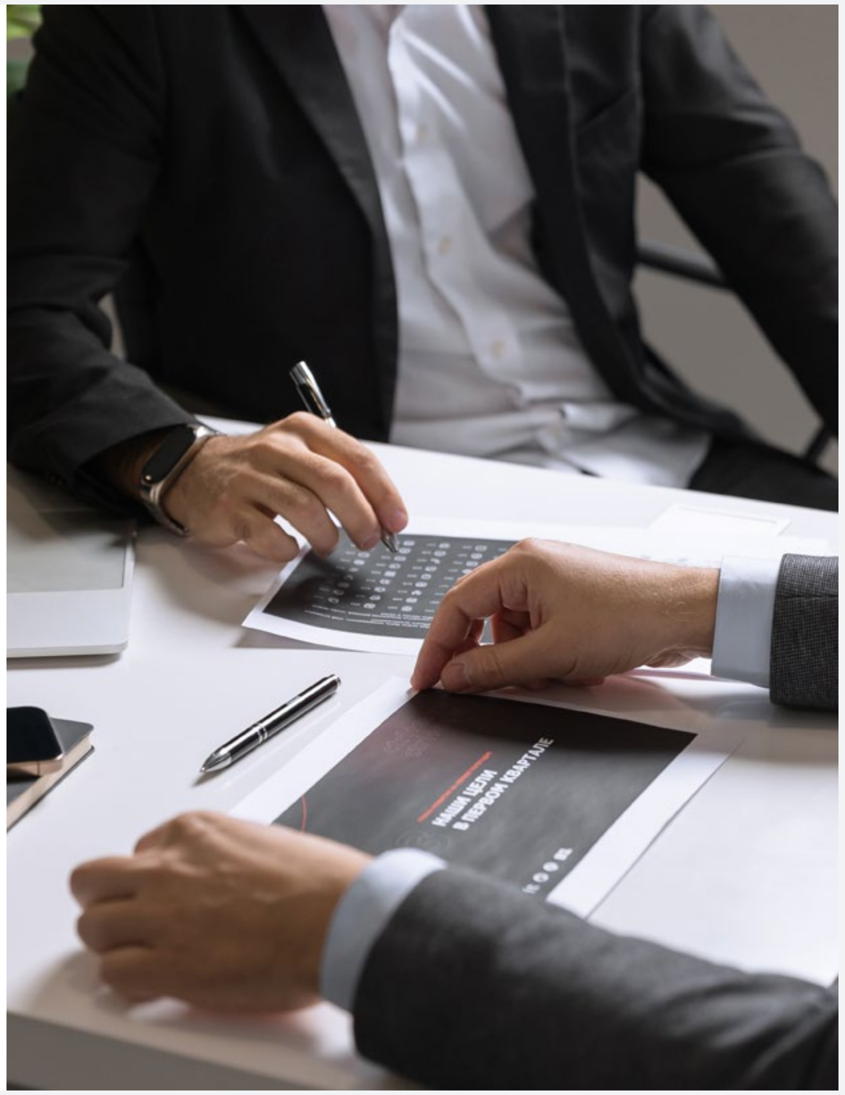
The key responsibilities of the General Meeting of Shareholders include:
- approval of the Company's Annual Report;
- approval of the Company's annual accounting (financial) statements;
- election of the Company's Board of Directors;
- distribution of profits, including dividend payments;
- approval of major and related party transactions;
- approval of the Company's auditor organisation.

The procedure for the General Meeting of Shareholders aims to ensure the respect of shareholder rights and fully meets applicable laws and regulations of the Russian Federation.

In 2025 the annual meeting of the General Meeting of Shareholders was held on 26 June through a combination of in-person and absentee voting, with the following resolutions passed:
- approval of the Company's Annual Report for 2024;
- approval of the Company's annual accounting (financial) statements for 2024;
- PJSC Magnit's net profit for the 2024 reporting year to be left undistributed;
- paying no dividends on the Company's ordinary shares for the 2024 reporting year;
- election of nine members of the Board of Directors;
- Centre for Audit Technologies and Solutions Limited Liability Company[4] appointed as the auditor for PJSC Magnit's financial statements prepared under RAS and IFRS.

Detailed information regarding the resolutions of the General Meeting of Shareholders is available on the Company's website at: https://www.magnit.com/en/shareholders-and-investors/shareholders-meeting/

1 For the full Report on Compliance with the Principles and Recommendations of the Corporate Governance Code prepared according to the recommendation letter of the Bank of Russia dated 27 December 2021 No. IN-06-28/102, see Appendix 1.
2 Approved by the annual General Meeting of Shareholders of PJSC Magnit on 27 June 2024.
3 Approved by the resolution of the CEO of PJSC Magnit on 01 October 2025.
4 In January 2026 Centre for Audit Technologies and Solutions Limited Liability Company was renamed into B1 – Audit Limited Liability Company (B1 – Audit LLC).



Board of Directors

The size and composition of the Company's Board of Directors are determined by resolutions of the General Meeting of Shareholders according to the Articles of Association of PJSC Magnit.

No more than one-fourth of the Board of Directors may consist of the members of the collective executive body (Management Board), and the sole executive bodies (President and Chief Executive Officer) may not serve as the Chairman of the Board of Directors.

The make-up of the Board is governed by Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995 and also by the Articles of Association, Regulations on General Shareholders Meeting, Regulations on the Board of Directors, and Regulations on the Committees of the Board of Directors. Furthermore, when forming its Board of Directors, the Company considers candidates' professional experience, competencies, and business reputation to ensure the Board's effective performance of its duties.

In 2025, the annual General Meeting of Shareholders of PJSC Magnit resolved to elect a nine-member Board of Directors.

The Board of Directors of PJSC Magnit steers the Company's operations, defines strategic goals and implements effective management practices, while also electing the Management Board, CEO and President. The main objective of the Board of Directors is to increase the value of the business, taking into account the interests of shareholders and other stakeholders.

Activities of the Board of Directors extend beyond formal meetings. The Board regularly engages with the management team to improve the performance of both the Company's executive bodies and the Board itself.

Induction and training of directors

Newly elected members of Magnit's Board of Directors complete an induction programme, which includes:
- meetings with members of the Management Board and the Company's senior executives;
- introduction to the Company's history, strategy, corporate governance system, risk management and internal control system, the distribution of responsibilities among the Company's executive bodies, and the procedures of the Board of Directors;
- familiarisation with the Company's documents, including the latest annual reports, the minutes of annual and extraordinary General Meetings of Shareholders, the minutes of meetings of the Board of Directors, and other relevant information about the Company's activities.

Committees of the Board of Directors

There are four committees under the Board of Directors:
- Audit Committee;
- HR and Remuneration Committee;
- Strategy Committee;
- Capital Markets Committee.

The committees are made up from members of the Board of Directors, who are selected based on their professional experience and relevant knowledge. When selecting committees members (including committee chairs), the Board considers factors such as education, professional qualifications, relevant experience, document handling skills, and other essential competencies.

The Regulations on the Committees of the Board of Directors of PJSC Magnit govern the make-up and activities of the committees.

Activities of the committees extend beyond formal meetings. The committees constantly engage with the management team to streamline cooperation between the Company's executive bodies and the Board of Directors.

The committees attendance in 2025 was 100%.

Capital Markets Committee

Key responsibilities:
- developing and improving corporate governance systems;
- preparing, developing and implementing IR strategies;
- assessing the Dividend Policy and drafting relevant recommendations for the Board of Directors.

Strategy Committee

Key responsibilities:
- strategic and investment planning;
- identifying priority focus areas;
- endorsing and verifying the business plan and budget.

HR and Remuneration Committee

Key responsibilities:
- developing and monitoring the Remuneration Policy (including long and short-term incentives);
- endorsing and monitoring senior management appointments (CEO-1/CEO-2 levels);
- developing the talent management strategy;
- assessing the performance of the Board of Directors and management team on an annual basis.

Audit Committee

Key responsibilities:
- monitoring and verifying the integrity of financial statements;
- verifying the internal control and risk management system;
- monitoring the effectiveness of internal audits;
- monitoring relations with the external auditor, etc.

Activities of the Board of Directors

In 2025, the Board of Directors held 10 meetings in person/in absentia. The main issues considered by the Board of Directors in the reporting year include decisions on:
- preparation and holding of the General Meetings of Shareholders in the reporting year;
- establishment of the collective executive body (Management Board);
- approval of amendments to the 004P Series Bond Issuance Programme and 005P Series Bond Issuance Programme;
- approval of the 006P Series Bond Issuance Programme, and other matters.

The Board attendance in 2025 was 100%.

Board evaluation

The HR and Remuneration Committee of the Board conducted an assessment of the Board's operations in the reporting period. The assessment included:
- oversight of the Board of Directors and its committees, including the conduct of formal meetings;
- analysis of the available information on Board members (including biographical data, education, and professional experience provided by the directors themselves);
- analysis of the records documenting the activities of the Board of Directors;
- analysis of PJSC Magnit's internal regulations.

The Committee conducted its assessment across the following components:
- alignment of the Board's structure with its functions;
- qualitative composition of the Board of Directors;
- internal dynamics (functioning) of the Board of Directors;
- the Board's performance of its core functions;
- work of the Corporate Secretary.

The assessment confirmed that the efficiency of the current Board of Directors is aligned with the specifics and scale of the Company, its business needs and shareholders' interests.

Management Board

The Management Board is the collective executive body responsible for the day-to-day management of the Company within its remit as defined by the Articles of Association.

The Management Board reports to the Board of Directors and the General Meeting of Shareholders and is guided and bound by their resolutions.

The Chief Executive Officer and the President of the Company serve on the Management Board by virtue of their office.

The Chief Executive Officer serves as the Chairman of the Management Board by virtue of office.

If the powers of the Chief Executive Officer are terminated, the President acts as the Chairman of the Company's Management Board by virtue of office until the Board of Directors elects a new Chief Executive Officer.

In 2025, eight members of the Management Board were elected following a meeting of the Board of Directors of PJSC Magnit.

Corporate Secretary

The Corporate Governance Department of PJSC Magnit discharges the responsibilities of the Corporate Secretary. The main objectives of the Department are to maintain effective communication with shareholders, coordinate the Company's actions to protect the rights and interests of shareholders, and ensure the effective operation of the Board of Directors.

The main responsibilities of the Corporate Governance Department are as follows:
- participate in improving the Company's corporate governance system and practices;
- participate in preparing for and holding of General Meetings of Shareholders;
- support the work of the Board of Directors and its committees;
- participate in implementing the Company's disclosure policy and ensure safekeeping of the Company's documents;
- ensure interaction between the Company and its shareholders and to participate in preventing corporate conflicts;
- ensure interaction between the Company and regulatory authorities, organisers of trading activity, the registrar and other professional participants of the securities market within the remit of the Corporate Governance Department;
- immediately inform the Board of Directors of any breaches of laws and the Company's by-laws, where ensuring compliance with such laws and by-laws is the responsibility of the Corporate Governance Department;
- ensure that the procedures established by laws and the Company's by-laws to protect the shareholders' rights and legitimate interests are put into practice and to oversee their implementation.

The Corporate Governance Department reports to the President and CEO and is accountable to the Board of Directors.

Remuneration of the Board of Directors and executive bodies

In accordance with the Regulations on the Board of Directors, the remuneration of Board members is determined based on the principles of transparency, balance, and alignment with the interests of the Company and its shareholders.

The remuneration for Board members consists of a base annual fee of up to RUB 5 million per director, with an additional annual compensation of up to RUB 2 million for the Chairman of the Board. The precise remuneration amount is determined by the Board of Directors within the established limits, based on each director's qualifications and scope of responsibilities, the Company's performance during their term, and the actual duration of their service.

Furthermore, the Company reimburses Board members for expenses incurred in the performance of their duties, provided such costs are reasonable, incurred in good faith, and have a direct connection to their Board functions. Expense reimbursement is subject to approval by the General Meeting of Shareholders, if such approval is granted.

In accordance with the Regulations on the Collective Executive Body (Management Board) of PJSC Magnit, the remuneration for members of the Management Board is determined based on their employment contract or an addendum thereto. Management Board members may receive an annual bonus out of the Company's net profit, as reflected in the annual financial statements. The terms and conditions for the payment of remuneration to members of the Management Board are established by the Board of Directors.

Pursuant to the Regulations on the Sole Executive Bodies (President and Chief Executive Officer) of PJSC Magnit, the amount of salary and other payments to the President and the CEO is stipulated in their respective employment contracts.

Internal control and risk management system

The internal control and risk management system:

- provides reasonable assurance that Magnit achieves its mission and values, as well as business targets;
- gives accurate and clear representation of the Company's current affairs and prospects;
- ensures the integrity and transparency of Magnit's accounts and reports;
- ensures reasonable and acceptable levels of risks assumed by the Company.

The Board of Directors and Management Board ensure the effective operation and the development of the internal control and risk management system. This helps control the Company's strategic and operational goal achievement, the reliability of information disclosure, and compliance with external and internal requirements.

Audit Committee considered the internal audit assessment report on reliability and efficiency of risk management processes, control and corporate governance of PJSC Magnit and recommended it for shareholders' review.

The control and risk management system is governed by the following internal regulations:

- Internal Control and Risk Management Policy of PJSC Magnit[1];
- Regulations on Risk Management at Magnit Group Companies;
- Instructions on Creating a Risk and Control Matrix for a Business Process;
- Risk register.

For more details on the Internal Control and Risk Management Policy, see our website: https://www.magnit.com/en/disclosure/internal-regulations/#accordion-policy2.

Core principles of internal control and risk management system

Comprehensiveness and continuous operation

Risk management and internal control are undertaken on a constant and cyclical basis and cover all areas of the Company's operations across the governance hierarchy.

Integration with governance

Risk management is an integral part of the decision-making process. It supports sound management decisions and factors in the probability and consequences of risks.

Distinction of decision-making levels

Risk management decisions shall be made at various governance levels subject to the significance of the risk and area of the Company's activities.

Responsibility

All subjects of internal control are responsible for compliance with risk management and internal control standards and approaches within their respective remit.

Distribution of responsibilities and powers

The responsibilities and powers of the internal control and risk management bodies are distributed to reduce the risk of error and/or fraud.

Balance

Costs associated with control procedures shall be commensurate with the risk.

Risk-focused approach

Control procedures shall be established for business lines based on their significance in terms of the Company's operational efficiency.

Reasonable assurance

The implementation of risk management measures shall be deemed effective if it reduces the risk to an acceptable level.

Ongoing improvement

The Company monitors its risk management system and engages in its constant development and improvement.

Goals of the internal control and risk management system

Strategic

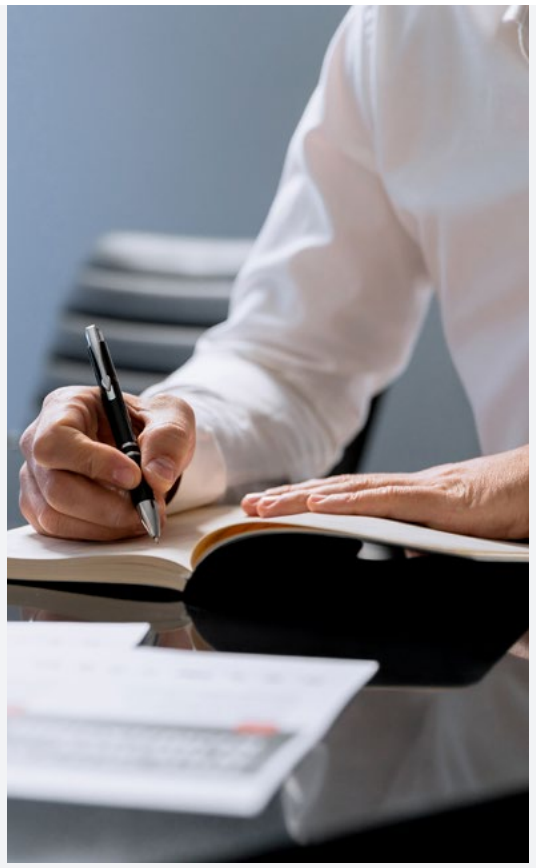
- Ensure the accomplishment of the Company's mission and efficient management of its operations

Operational

- Increase the efficient and effective use of the Company's resources
- Ensure the accuracy of the Company's accounts and reports
- Ensure compliance with applicable laws and the Company's by-laws

Objectives of the internal control and risk management system

- Reduce the number of unexpected events in the Company's operations
- Define and manage Company risks to provide reasonable assurance that the Company will achieve its goals
- Ensure the right balance between risk appetite and development strategy
- Improve managerial decision-making, including risk response decisions
- Develop a risk-oriented corporate culture with the corporate bodies and management disseminating knowledge and skills and engaging employees along the way



The Company adopts a consistent approach to the organisation of internal control and risk management with a focus on five key components

Strategy and target setting

Risk appetite is aligned with the strategy, while the achievement of business objectives translates into strategy implementation and lays the foundation for identifying, assessing, and mitigating risks

Corporate governance and culture

Control over risk management and distribution of respective control responsibilities

Analysis and review

The Company analyses the effectiveness of the risk management system over time and in response to material developments, while simultaneously identifying necessary changes

Performance

Risks that may affect the progress under the strategy must be identified and assessed. Risks are prioritised in terms of severity in the context of risk appetite. Subsequently, the Company determines the right response and assesses the risk magnitude. The results are disclosed to stakeholders

Information, communication and reporting

Corporate risk management involves continuous sourcing of information from inside and outside the Company, as well as relaying such information up, down and horizontally within the Company

1 Approved by the Board of Directors on 12 December 2019 (Minutes w/o No. dated 13 December 2019).

The Company applies a three lines of defence model[1] to coordinate risk management and internal control processes by clearly defining and delimiting respective functions and responsibilities.

Three lines model

Board of Directors / Audit Committee

Management Board/President (Chief Executive Officer)

Internal audit

First line of defence (business functions)

- Risk assessment, control and minimisation
- Effective internal control system

Second line of defence (monitoring functions)

- Risk management
- Internal control
- Compliance with internal regulations
- Compliance with the laws

Third line of defence (independent function)

- Monitoring the functions of the first and second lines
- Follow-up on the corrective actions taken

In the first line of defence, risks are managed by business process and business unit owners. They are responsible for embedding risk controls into decision-making processes and key business processes. Business units are responsible for identifying, mitigating, managing, analysing and reporting on key risks. Heads of business units draft, implement, and ensure the operation of controls in business processes.

The second line of defence consists of the Risk Management Office, Economic Security Department, Department for Compliance and Antitrust Practices, Financial Control and Operational Controlling Office, etc. They draft and implement risk management and internal control methodologies, set standards and coordinate the Company's activities related to risk management and internal control, and oversee the process of development and functioning of controls related to the first line of defence, and provide advice on risk management.

The third line of defence is operated by the Internal Audit Department, which provides independent performance assessment of internal controls and risk management and gives recommendations for their improvement.

1 A control model developed and recommended by the Institute of Internal Auditors (IIA).

Internal control and risk management system improvement

In improving our internal control and risk management system throughout 2025, we aimed to reflect the scale of our business, retail focus, diversified lines of operations, and regulatory environment in which we operate.

Highlights in 2025

- Integration of risk management into the Company's new subsidiaries started
- Risk management is focused on format management
- Risk registers of the Company and its subsidiaries updated
- Risks of key projects quantified
- Risk management workshops held for new project managers and new hires

Plans for 2026

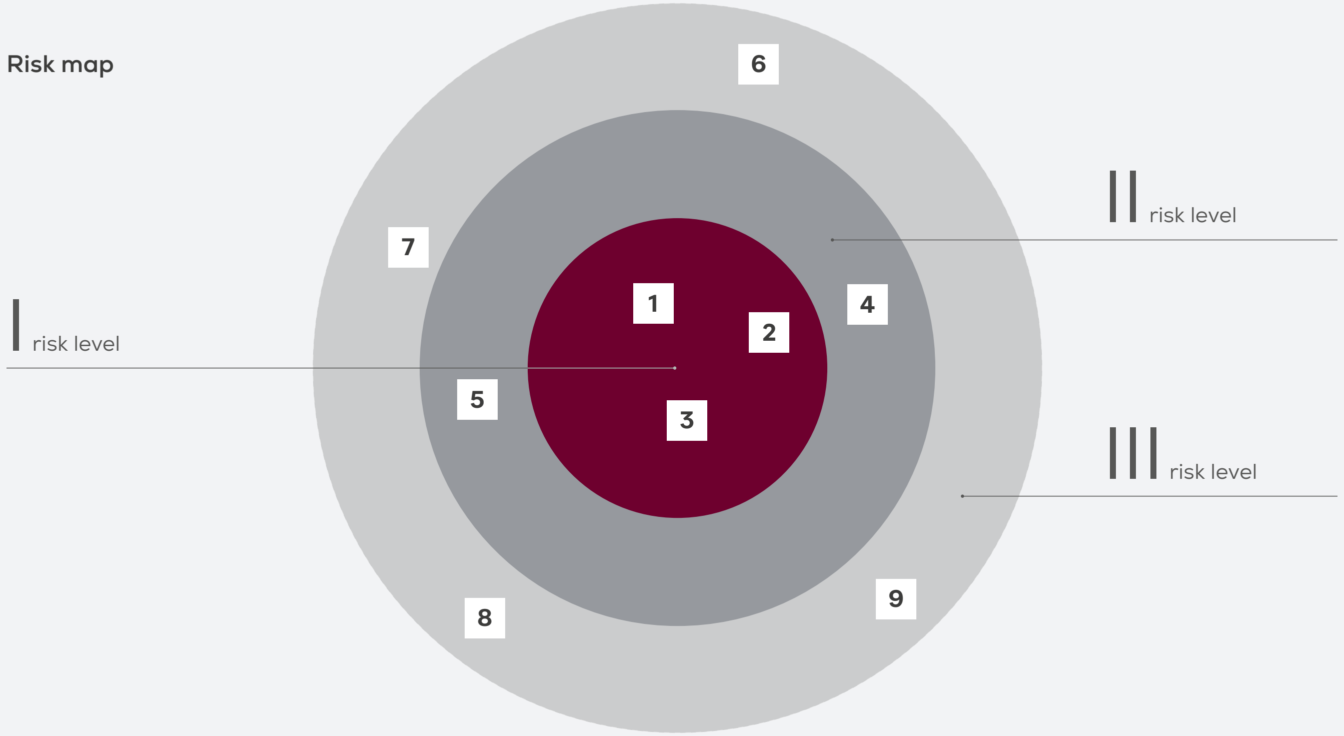
- Continue implementation of risk management in the Company's new business formats
- Monitor the Company's risks on a regular basis
- Advise employees on matters related to risk assessment
- Involve new employees in risk management

The Company's key risks

The Company identifies the most significant risks, assesses them, develops procedures to mitigate any negative impact, and monitors the efficiency of mitigants. In 2025, there were no significant changes in risk assessments.

	Risk description	Risk management	Risk level
1	**Higher prices of imported equipment, materials, and information technologies**	• Search for alternative suppliers	I
2	**Understaffing as a result of reduced labour market capacity and increased payroll costs**	• Expanded range of social benefits for rank-and-file employees • Introduction of flexible working hours where possible • Employee development, inclusion of employees in the talent pool, promotions in line with the career track • Employer brand development • Labour market monitoring and employee engagement surveys	I
3	**Risk of regulatory changes**	• Monitoring of laws and regulations	I
4	**Risks of higher competition, including in e-commerce**	• Ongoing monitoring of the competitive landscape	II
5	**Risk of changes in consumer preferences and demand**	• Product mix adjustments	II
6	**Disruptions in supplies of equipment, spare parts, and materials**	• Engagement of third-party transportation companies • Search for alternative channels to secure deliveries of spare parts for vehicles • Search for alternative suppliers • Reliance on internal resources if counterparties fail to provide support under existing contracts • Development of corporate procedures to procure spare parts and consumables	III
7	**Restrictions on settlements with counterparties**	• Switching to alternative payment tools and/or using alternative settlement methods	III
8	**Information security risks**	• Functioning of access control procedures and mechanisms, approved access matrices • Establishment of a software and infrastructure change management system • Data backup, duplication of key information systems • Functioning of a centralised monitoring system for information security events • Additional investments in the development of information technologies	III
9	**Climate-related risks (physical and transitional)**	• Establishment of a cross-functional working group on climate agenda, building and strengthening in-house climate expertise • Analysis and amendment (if necessary) of the Company's regulations with regard to climate-related risk management • Regular assessment of Scope 1 and 2 greenhouse gas emissions, development of a methodology for estimating Scope 3 emissions • Third-party assurance of Scope 1 and Scope 2 greenhouse gas emissions • Elaboration of a plan of measures for the implementation and development of a system for identification, assessment, management and monitoring of climate-related risks • Exploring opportunities for long-term climate projects	III

Risk map



External audit

To ensure the accuracy and reliability of its annual financial statements, the Company engages an independent professional audit firm each year. This firm has no proprietary interest in PJSC Magnit or its shareholders and is hereinafter also referred to as the Auditor.

The General Meeting of Shareholders appoints the Company's Auditor based on a proposal from the Board of Directors. The Audit Committee conducts a preliminary assessment of the candidates for the Auditor position.

In 2025, the Auditor for the consolidated IFRS financial statements and the statutory (financial) statements under RAS was the Limited Liability Company "Center of Audit Technologies and Solutions – Audit Services" (TSATR – Audit Services LLC, formerly – Ernst & Young LLC, currently B1 – Audit LLC)[1]; taxpayer identification number (INN) 7709383532; location: 75 Sadovnicheskaya Naberezhnaya, Russia, Moscow.

B1 – Audit LLC is a member of Self-Regulatory Organization of Auditors – Association "Sodruzhestvo" (SRO AAS) – dated 31 January 2020 No. 430, Primary Registration Entry Number (ORNZ) 12006020327.

B1 – Audit LLC performs an audit of the consolidated IFRS financial statements of PJSC Magnit and its subsidiaries starting from 2010.

The Audit Committee of the Board of Directors has reviewed the Auditor's findings and concluded that there are no objections to its reports or the work performed.

Ilya Ananyev is a partner of B1 – Audit LLC.

For the reporting year, the Auditor conducted an audit of the consolidated IFRS financial statements for 2025 and the statutory (financial) statements under RAS for 2025 of PJSC Magnit and its subsidiaries.

The total remuneration of the Auditor amounted to RUB 120.6 million, excluding VAT (RUB 3.3 million for theannual RAS reporting of PJSC Magnit, RUB 71.1 million for the annual IFRS reporting of Magnit Group, and RUB 28.9 million for the interim IFRS reporting of Magnit Group, and RUB 4.1 million for the interim IFRS reporting of LLC Gorodskoy supermarket, RUB 13.2 million for the annual IFRS reporting of LLC Gorodskoy supermarket).

Total remuneration for non-audit services rendered in 2025 to Magnit Group by the Auditor and the companies in the same group as the Auditor amounted to RUB 100.6 million net of VAT. The total remuneration for the services other than audit (remuneration paid in 2025 for the services planned to be provided in 2026) amounted to RUB 0.885 million, excluding VAT.

1 In January 2026 Centre for Audit Technologies and Solutions Limited Liability Company was renamed into B1 – Audit Limited Liability Company (B1 – Audit LLC).

Business ethics and anti-corruption

Governance approach

Integrity, adherence to business ethics standards, and strict compliance with legal requirements are at the core of Magnit's business. The Company maintains a policy of zero tolerance towards corruption in all its forms and manifestations and expects all its counterparties and partners to uphold the same principles.

In 2025, with the aim of strategically engaging senior management in the governance system for business ethics and anti-corruption, the Company began the process of establishing a Compliance Committee. Meetings of the Compliance Committee are scheduled to be held on a quarterly basis. Unscheduled meetings may also be convened as needed.

Business ethics and anti-corruption management structure

Compliance Committee

Department for Compliance and Antitrust Practices

- Internal Audit Department
- Security Department
- Procurement Department
- HR Department
- Information Security Department
- Risk Management Office
- Law and Corporate Governance Department

Interaction and coordination in the execution of control procedures aimed at preventing, detecting, and responding to violations of applicable laws, internal regulations, and the Company's Business Ethics Code

The key documents that establish the principles of ethical conduct for the Company's employees are the Business Ethics Code and the Anti-Corruption Policy.

Key principles of the Anti-Corruption Policy of Magnit

Principle	Our Responsibilities
Zero tolerance towards corruption	Magnit is committed to zero tolerance of corruption in all its forms, both on the corporate level and in stakeholder relations
Liability for corrupt practices	Magnit makes every effort to quickly, inevitably and clearly prevent corrupt practices, regardless of an employee's position or length of service
Senior management leadership by example	Senior leaders demonstrate an uncompromising stance against corruption, establishing and upholding high ethical standards of business conduct, and setting an example by their behaviour to other Magnit employees
Corruption risk identification and assessment	Magnit identifies and regularly assesses corruption risks, taking into account the Company's strategic and investment plans
Counterparty checks	Magnit performs a thorough compliance review of counterparties and assessment of compliance with established business reputation requirements to minimise reputational, financial and operational risks
Communication and training	Magnit informs its employees and external stakeholders about business ethics and anti-corruption principles and requirements
Monitoring and control	Magnit regularly assesses compliance with anti-corruption procedures and communicates the results to the senior management and shareholders

A key element of the business ethics management system is risk management. The Company conducts a quarterly review of compliance and antitrust risks, assessing both the likelihood and the potential impact of adverse events. To mitigate compliance risks, the Company develops new policies and updates existing ones in the areas of business ethics and anti-corruption, provides relevant training to its employees, and informs counterparties of its requirements and expectations regarding adherence to business ethics standards.

In 2025, one of the Company's key focus areas in compliance was the optimisation of its conflict-of-interest management system. As part of this initiative, the Department for Compliance and Antitrust Practices carried out a comprehensive modernisation of the related processes:

- an updated procedure was introduced requiring every new employee, regardless of their position, to complete a declaration disclosing the presence or absence of any potential conflicts of interest;
- the conflict-of-interest declaration form was updated to improve the effectiveness of identifying potential and actual conflicts in situations involving direct or indirect reporting lines, external employment, and outside business interests of employees and their close associates;
- an initiative was launched requiring employees who had not previously submitted a declaration, or for whom new circumstances with potential indicators of a conflict of interest had arisen, to disclose any such conflicts;
- the pre-employment screening process for candidates was updated to identify potential conflicts of interest at the hiring stage;
- a new control procedure was approved and implemented to govern the interaction between the finance function and the compliance business unit when conducting due diligence checks on potential counterparties. This procedure includes an analysis of conflict-of-interest risks in cases where affiliations with Company employees are identified.

Training and raising awareness about business ethics and anti-corruption

Magnit builds its compliance culture based on the "tone at the top" principle, driven by the attitude and personal accountability of leaders at every level. In addition, the Company leverages various channels to inform employees about requirements and expectations regarding business ethics and anti-corruption.

Employee communication channels on business ethics and anti-corruption requirements and expectations

- Familiarisation with internal compliance policies upon signing the employment contract
- Email communications, information stands and posters for employees at work
- Mandatory e-learning courses for new employees on the Business Ethics Code and the Anti-Corruption Policy via the Magnum corporate system
- Completion of a conflict-of-interest declaration upon hiring and when transferring to a new role (depending on grade)

  All new employees are required to complete a conflict-of-interest declaration on their first day of employment with the Company

100%

of new employees, or those transferred to a new role, are familiarised with the policies

95 thousand

employees – coverage of each communication in 2025

12,672

employees received anti-corruption policy training in 2025

Compliance Hotline

The Compliance Hotline is intended for reporting potential violations of applicable laws, internal regulations, and the Company's Business Ethics Code. Examples of issues that can be reported to the Hotline include:

- violation of business ethics standards;
- corruption incidents (bribes, commercial bribery, etc.);
- theft of the Company's property, assets and cash;
- conflict of interest;
- abuse of office;
- abuse of authority;
- prejudiced behaviour;
- harassment and bullying;
- damage to the Company;
- potential issues from the list above.

Reporters may also submit a query on any other topic related to compliance and business ethics – it will be reviewed by the Hotline specialists.

The Department for Compliance and Antitrust Practices reviews all incoming reports to the Hotline and, depending on the nature of the communication, forwards it to the responsible department for further action.

The relevant unit then conducts an internal investigation into the matters raised. The findings of the investigation are documented, and feedback is provided to the reporter upon conclusion.

In 2025, the Compliance Hotline received 12,640 reports, of which 1,044 were substantive – meaning they contained information about potential violations of business ethics.

During the reporting year, we worked to optimise the process for the initial filtering of irrelevant messages received by the Hotline: a significant proportion of these consist of spam and other non-relevant information. The implementation of this new approach has significantly reduced the operational burden on staff responsible for processing reports.

Hotline contacts

- Free
- 24x7
- Confidential

Magnit

Toll-free number
8 (800) 600-04-77

E-mail
ethics@magnit.ru

Compliance Hotline report form on the website

DIXY

DIXY also operates a Hotline for receiving reports. Magnit specialists maintain regular contact with DIXY compliance function to exchange up-to-date information and share experience in running an anti-corruption Hotline. A protocol is in place between the two systems for the prompt mutual redirection of relevant reports. In 2025, 13,732 reports were received by DIXY Hotline, of which 1,359 were relevant.

Toll-free number
8 (800) 234-23-52

E-mail
compliance@dixy.ru

Feedback Form
on the website

In addition to the publicly available anti-corruption hotline, the Company has internal communication channels for gathering feedback, which can also be used for compliance-related matters.

Plans for 2026

- Establish a Compliance Committee with direct involvement of the Company's top management to address matters relating to the business ethics, compliance and anti-corruption management system at Group level
- Expand the compliance risk assessment methodology by involving managers and testing high-risk compliance operations
- Automate key compliance processes
- Update and implement internal regulatory documents
- Update compliance training by incorporating gamification elements, including a specialised course for retail staff
- Introduce mandatory refresher training on compliance
- Strengthen the role of managers in fostering a compliance culture ("tone at the top" and "tone at the middle")

Shareholder and investor engagement

Authorised and issued share capital

As at 31 December 2025, the authorised capital of PJSC Magnit amounted to RUB 1,019,113.55 and comprised 101,911,355 ordinary registered uncertified shares[1] with a par value of RUB 0.01 each (hereinafter, the shares).

In addition to its outstanding shares, the Company had the right to issue 98,938,645 ordinary registered shares with a par value of RUB 0.01 each (authorised shares).

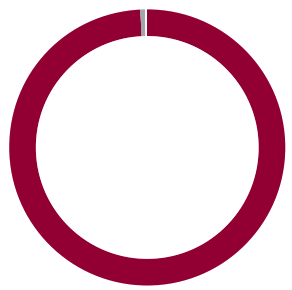
As at 31 December 2025, PJSC Magnit did not hold any treasury shares. As at 31 December 2025, Magnit Alyans LLC (an indirect wholly-owned subsidiary of the Company) held 30,245,828.8 shares of PJSC Magnit, or 29.7% of its total shares. These shares were acquired between June and December 2023 through tender offers to the Company's shareholders, along with a bilateral transaction in October 2023. As at 31 December 2025, Tander JSC (wholly-owned subsidiary of the Company) held 1,000 shares of PJSC Magnit, or 0.001% of its total shares. As at 31 December 2025, no other organisations controlled by the Company owned voting shares in PJSC Magnit[2].

As at 31 December 2025, there were 101 persons in the Company's share register, including 94 individuals and 6 legal entities. The Company's ordinary shares are listed on the Moscow Exchange. As at the end of 2025, Magnit's market capitalisation on the Moscow Exchange was RUB 306.9 bln[3].

Share capital structure as at the end of 2025[4]

100%
share of authorised capital

101
number of registered persons



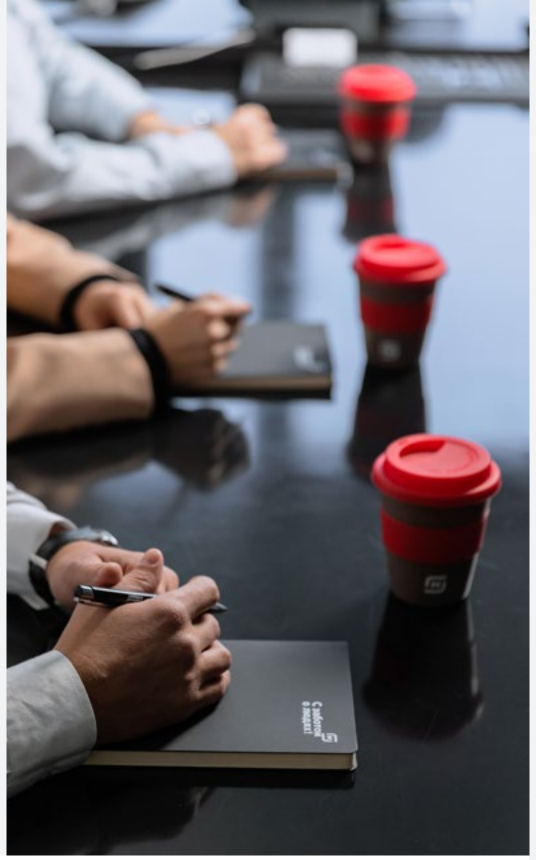
Share of authorised capital		Number of registered persons
99.9988%	**Legal entities, including**	**6**
99.867%	National Settlement Depositary	1
0.1147%	**Individuals**	**94**
0.0000004%	**Other (unidentified persons)**	**1**

1 State registration number: 1-01-60525-P of 4 March 2004.
2 As at 31 December 2025 treasury shares in the amount of 3,817,249 were used as an instrument under repurchase agreement transactions.
3 Capitalisation in RUB is calculated using the following formula: number of outstanding shares × share price as at the end of 2025.
4 In accordance with the Register of PJSC Magnit as at 31 December 2025.

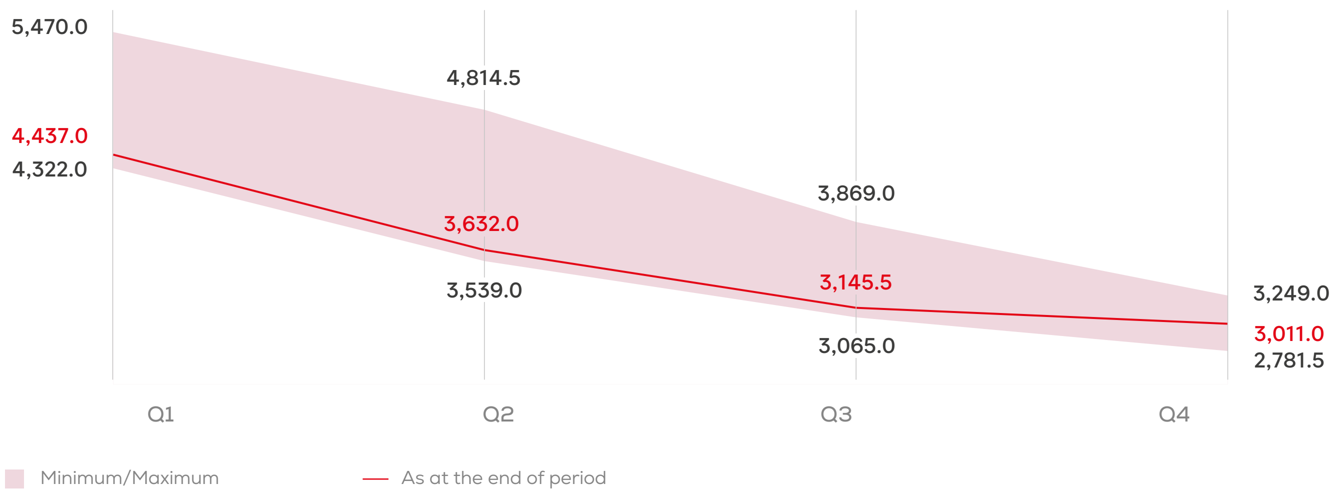
Listing of shares on the Moscow Exchange

Magnit's shares have been traded on the Moscow Exchange since 24 April 2006 (ticker: MGNT) and are included in its Level 3 quotation list.

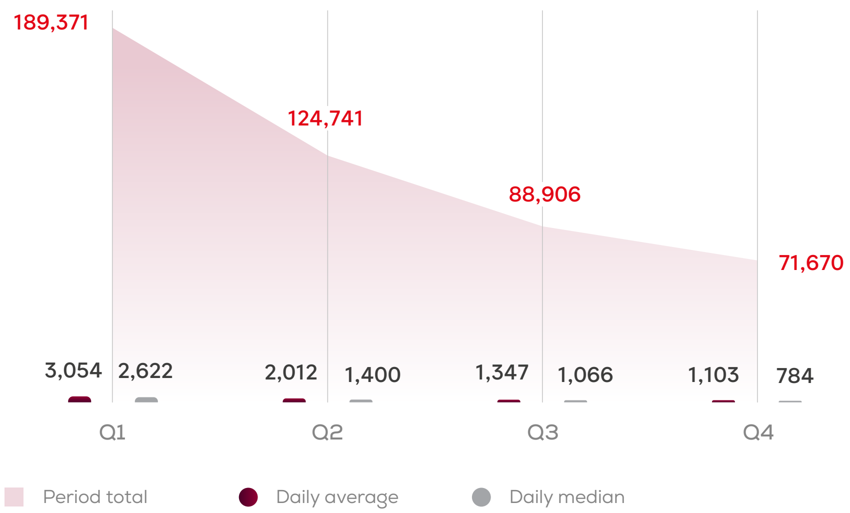
As at 31 December 2025, Magnit's shares are included in the following eight indices on the Moscow Exchange:
- Broad Market Index;
- Consumer Sector Index;
- RTS Consumer Sector Index;
- RTS Broad Market Index;
- MOEX-RSPP Responsibility and Transparency Index;
- MOEX-RSPP Sustainability Vector Index;
- MOEX Climate Sustainability Index for Non-Financial Companies;
- MOEX-RSPP MRSV RU Co.



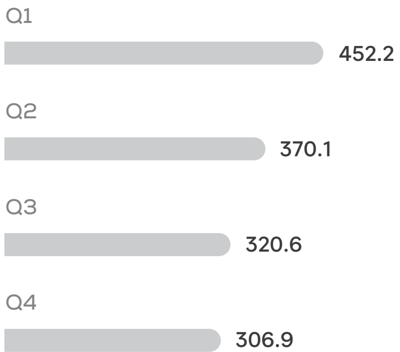
Share price, RUB



ADTV, RUB mln



Market capitalisation at end of period, RUB bln



Authorised and issued share capital history

2006

24 April

The Company completed the process of an initial public offering in the Russian Trading System (RTS) and on the Moscow Interbank Currency Exchange (MICEX).

2008

13 February

Magnit announced a secondary share placement: 11,300,000 shares were offered for additional issuance, including shares placed with pre-emptive rights for existing shareholders, as well as previously placed shares owned by the selling shareholder.

22 April

Conditional trading in GDRs certifying the rights to Magnit's shares commenced on the LSE. Later in April, Magnit's GDRs were included in the official list of the UK Listing Authority.

2009

2 September

Magnit announced another public offering of 11,154,918 ordinary shares. The offering price was USD 65 per ordinary share and USD 13 per GDR.

2011

6 October

The Board of Directors of Magnit decided to increase the authorised capital by issuing 10,813,516 additional shares. The public offering was completed on 15 December 2011.

2017

15 November

The Board of Directors of Magnit decided to increase the authorised capital by issuing 7,350,000 additional shares. The public offering was completed on 15 January 2018.

2018

21 August

Magnit's Board of Directors approved the total amount of funds allocated for share buybacks as follows (taking into account the changes approved by the Board of Directors on 4 October 2018):
- up to RUB 16.5 bln – for the LTI programme;
- up to RUB 5.7 bln – as payment for transactions related to the acquisition of SIA Group. The programme was launched on 5 September 2018 and completed on 1 March 2019.

2022

30 August

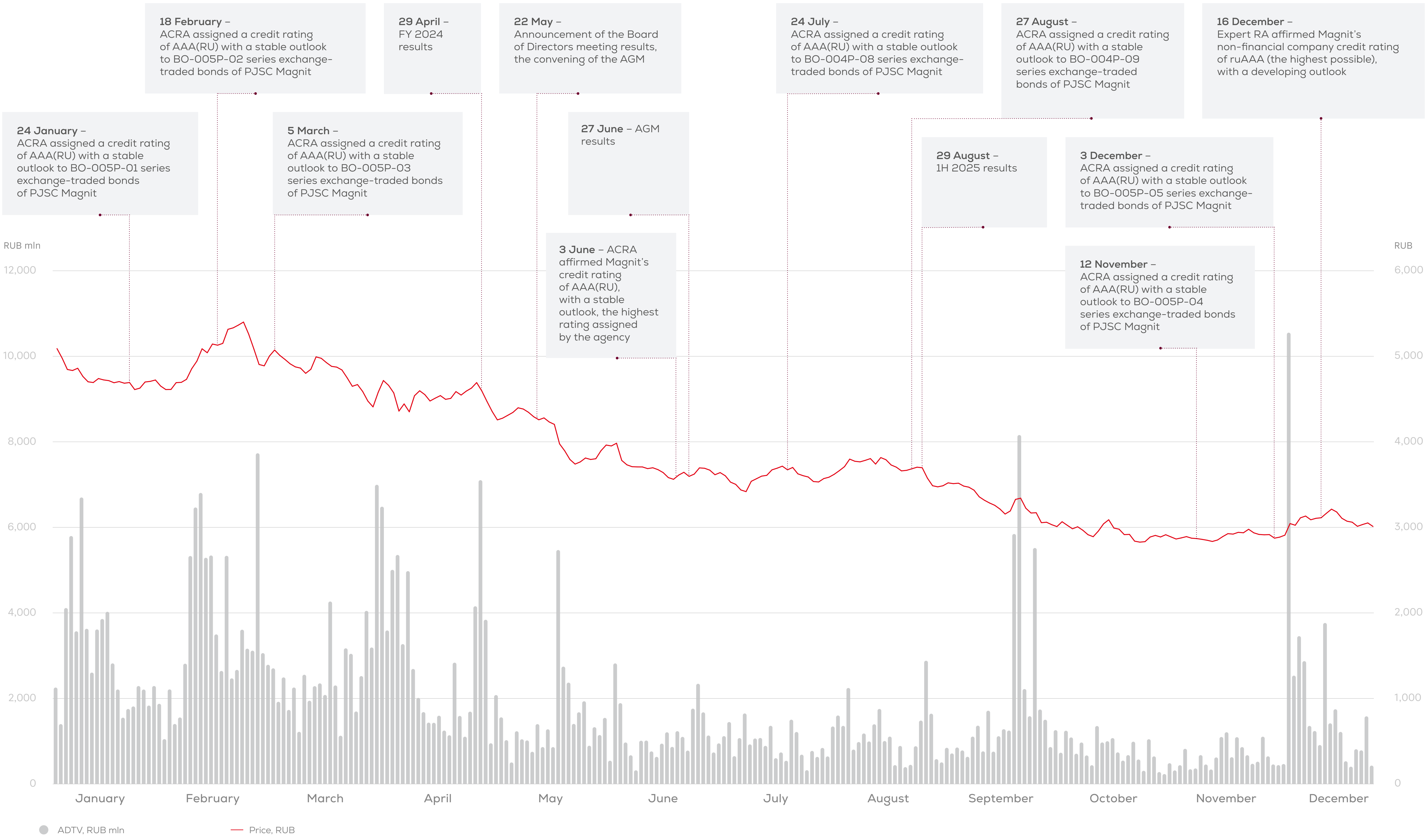
The UK Financial Conduct Authority (FCA) deleted Magnit's GDRs from the Official List and the London Stock Exchange cancelled their admission to trading on the Main Market.

2023

June – December

Magnit Alyans LLC, an indirect wholly owned subsidiary of the Company, acquired 30,245,828.81 shares of PJSC Magnit, or approximately 29.7% of all its issued and outstanding shares, as part of tender offers announced on 16 June and 10 October 2023, and a bilateral transaction made in October 2023.

Share trading on the Moscow Exchange in 2025



Bonds

The Company employs a flexible approach to debt financing, aimed at minimizing borrowing costs and capitalizing on market opportunities. The bonds, primarily exchange-traded ones, are a form to raise debt financing for the Company's business.

Throughout 2025, Magnit had 12 outstanding issues of exchange-traded bonds (BO-004P-01, BO-004P-03, BO-004P-05, BO-004P-06, BO-004P-07, BO-005P-01, BO-005P-02, BO-005P-03, BO-004P-08, BO-004P-09, BO-005P-04, BO-005P-05) with a total par value of RUB 396.35 bln, of which RUB 376.35 bln remained outstanding as at the end of the year. Bond issue BO-004P-01 was redeemed in 2025 (matured on 2 December 2025).

Among the bonds outstanding during the reporting year, in 2025, the Company issued:

- 26.65 mln BO-005P-05 series exchange-traded bonds with a par value of RUB 1,000 each;
- 20 mln BO-005P-04 series exchange-traded bonds with a par value of RUB 1,000 each;
- 13.9 mln BO-004P-09 series exchange-traded bonds with a par value of RUB 1,000 each;
- 75 mln BO-004P-08 series exchange-traded bonds with a par value of RUB 1,000 each;
- 84.8 mln BO-005P-03 series exchange-traded bonds with a par value of RUB 1,000 each;
- 46.5 mln BO-005P-02 series exchange-traded bonds with a par value of RUB 1,000 each;
- 36 mln BO-005P-01 series exchange-traded bonds with a par value of RUB 1,000 each.

Magnit's bonds outstanding as at 31 December 2025

Series	BO-004P-03	BO-004P-05	BO-004P-06	BO-004P-07	BO-004P-08	BO-004P-09	BO-005P-01	BO-005P-02	BO-005P-03	BO-005P-04	BO-005P-05
Issue registration number and assignment date	**4B02-02-60525-P-004P** of 20.12.2022	**4B02-05-60525-P-004P** of 17.05.2024	**4B02-06-60525-P-004P** of 15.07.2024	**4B02-07-60525-P-004P** of 06.12.2024	**4B02-08-60525-P-004P** of 17.07.2025	**4B02-09-60525-P-004P** of 22.08.2025	**4B02-01-60525-P-005P** of 12.12.2024	**4B02-02-60525-P-005P** of 04.02.2025	**4B02-03-60525-P-005P** of 25.02.2025	**4B02-04-60525-P-005P** of 05.11.2025	**4B02-05-60525-P-005P** of 25.11.2025
Issue value, RUB	30,000,000,000	12,500,000,000	25,000,000,000	6,000,000,000	75,000,000,000	13,900,000,000	36,000,000,000	46,500,000,000	84,800,000,000	20,000,000,000	26,650,000,000
Number of bonds	30,000,000	12,500,000	25,000,000	6,000,000	75,000,000	13,900,000	36,000,000	46,500,000	84,800,000	20,000,000	26,650,000
Par value of each bond, RUB	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Offering price	100% of the par value	100% of the par value	100% of the par value	100% of the par value	100% of the par value	100% of the par value	100% of the par value	100% of the par value	100% of the par value	100% of the par value	100% of the par value
Offering date	09.02.2023	09.12.2024	22.07.2024	12.12.2024	24.07.2025	27.08.2025	24.01.2025	18.02.2025	05.03.2025	12.11.2025	03.12.2025
Offering type	Public offering	Public offering	Public offering	Public offering	Public offering	Public offering	Public offering	Public offering	Public offering	Public offering	Public offering
Maturity date	1,820th day from the offering date	1,800th day from the offering date	720th day from the offering date	450th day from the offering date	780th day from the offering date	720th day from the offering date	450th day from the offering date	570th day from the offering date	540th day from the offering date	720th day from the offering date	780th day from the offering date
Number of coupons	20	60	24	15	26	24	15	19	18	24	26
ISIN code	RU000A105TP1	RU000A10A9Z1	RU000A1090K0	RU000A10AAT8	RU000A10C618	RU000A10CL07	RU000A10ANZ8	RU000A10AXH5	RU000A10B0A2	RU000A10DDU4	RU000A10DPM5
Coupon rate, %	9.20[1]	23[2]	Floating rate	23	14.95	13.30	21.50	21.50	Floating rate	Floating rate	Floating rate

1 The total number of coupons is 20, the rate is determined for 12 coupons.
2 The total number of coupons is 60, the rate is determined for 15 coupons.

Credit ratings

In June 2025, ACRA affirmed the credit rating of Magnit of AAA(RU), with a stable outlook, and of its bonds of AAA(RU), the highest rating assigned by the agency.

In December 2025, Expert RA affirmed Magnit's non-financial company credit rating of ruAAA (the highest possible), with a developing outlook.

Rating agency	Entity or instrument rated	Rating	Outlook	Date of rating[1]
ACRA	PJSC Magnit	AAA(RU)	Stable	3 June 2025
	BO-series bonds: • BO-004P-03 • BO-004P-06 • BO-004P-05 • BO-004P-07 • BO-004P-08 • BO-004P-09 • BO-005P-01 • BO-005P-02 • BO-005P-03 • BO-005P-04 • BO-005P-05	AAA(RU)		• 3 June 2025 • 3 June 2025 • 3 June 2025 • 3 June 2025 • 24 July 2025 • 27 August 2025 • 3 June 2025 • 3 June 2025 • 3 June 2025 • 12 November 2025 • 3 December 2025
expert ra		ruAAA	Developing	16 December 2025

Dividends

Magnit's dividend policy is focused on increasing shareholder returns, driving the Company's consistent capitalisation growth, and striking an optimal balance between retained earnings and shareholder distributions[2].

Core principles underpinning Magnit's dividend policy

Transparency

Identifying and disclosing information about the duties and responsibilities of the parties involved in carrying out the dividend policy, including the procedure and conditions for deciding on the payment and amount of dividends

Timeliness

Establishing time limits for dividend payments

Justifiability

The decision on the payment and the amount of dividends may only be made if the Company achieves a positive financial result taking into account its development plans and investment programmes

Fairness

Equal rights for shareholders in acquiring information about the decisions on payment, size and procedures for payment of dividends

Consistency

Strict implementation of the procedures and principles of the dividend policy

Progression

Continuous improvement of the dividend policy in line with the evolution of the Company's strategic goals

Sustainability

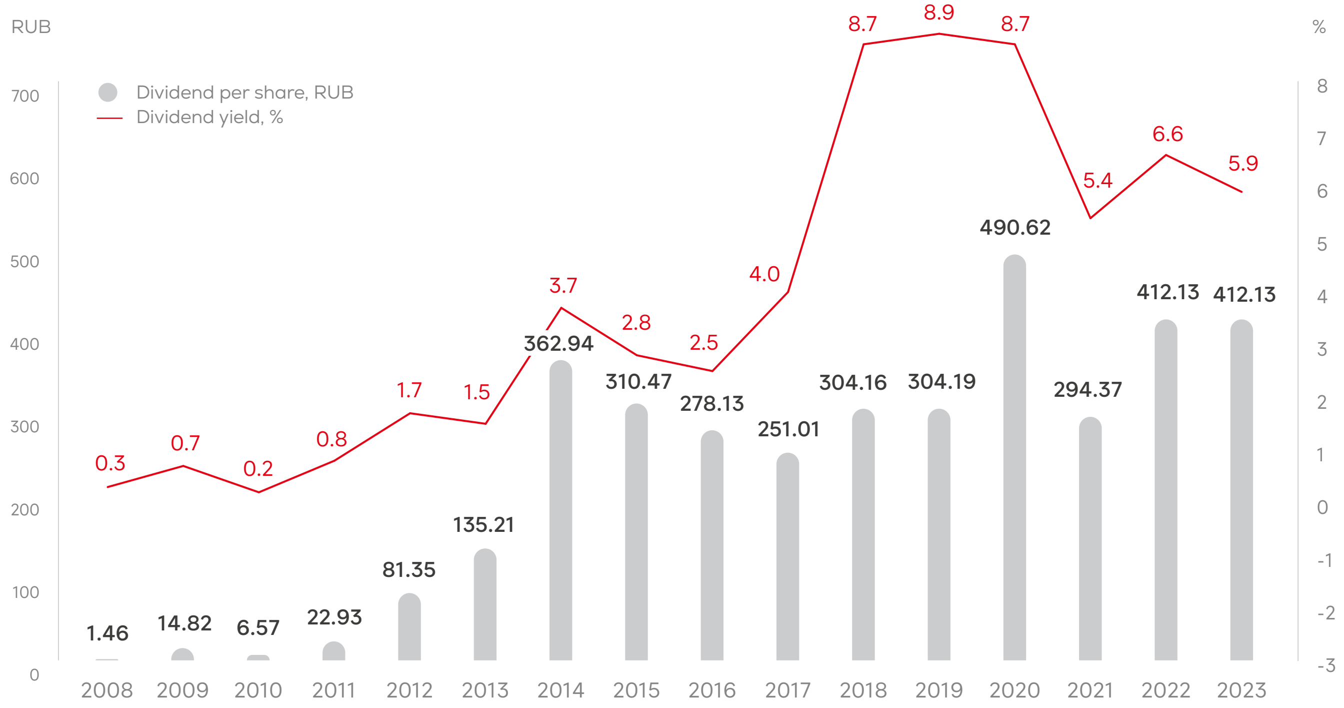
Commitment to ensuring a stable level of dividend payments

1 Date of issue/reaffirmation.
2 Regulations on the Dividend Policy of PJSC Magnit dated 27 May 2016 are available at: https://www.magnit.com/en/shareholders-and-investors/dividends/.

Announced and paid dividends in 2008–2024

	Total dividends announced, RUB bln	**Total dividends paid,** RUB bln	**Dividend per share,** RUB
2024	At the Annual General Meeting of Shareholders of PJSC Magnit on 26 June 2025, it was resolved that no dividends would be paid on the ordinary registered shares of PJSC Magnit for the 2024 fiscal year.		
2023	42.0	42.0	412.13
2022	42.0	42.0	412.13
2021	30.0	30.0	294.37
2020	50.0	50.0	490.62
2019	31.0	31.0	304.19
2018	31.0	31.0	304.16
2017	24.7	24.7	251.01
2016	26.3	26.3	278.13
2015	29.4	29.4	310.47
2014	34.3	34.3	362.94
2013	12.8	12.8	135.21
2012	7.7	7.7	81.35
2011	2.1	2.1	22.93
2010	0.6	0.6	6.57
2009	1.3	1.3	14.82
2008	0.1	0.1	1.46

Dividend yield of PJSC Magnit in 2008–2023



Shareholder and investor engagement

We maintain an ongoing dialogue with the investment community, ensuring that all categories of investors receive equal attention.

We use various engagement formats

- Press releases announcing operational and financial results
- In-person and virtual meetings
- Site visits to our facilities
- Participation in investment conferences and other events

In 2025, the Company participated in such conferences as the Smartlab, Profit, Russian Bond Congress.

Key areas of interest for investors and analysts in 2025

- Impact of macroeconomic trends on the Company's financial and operational performance
- Consumer environment and trends in consumer behaviour
- Impact of high interest rates on debt burden and financial performance
- Competitive landscape, Magnit's strengths versus competitors
- Expansion plans and opportunities in the Russian market
- M&A
- E-grocery platform development
- Dividend payments
- Corporate governance

Analytical coverage

Magnit enjoys coverage by major Russian banks and analyst teams.

Bank	Analyst	Telephone	E-mail
Alfa Bank	Evgeniy Kipnis	+7 (495) 795-37-13	EKipnis@alfabank.ru
Aton	Victor Dima	+7 (495) 213-03-44	victor.dima@aton.ru
BCS	Andrey Sharov	+7 (495) 785-53-36	SharovAA@bcs.com
Veles Capital	Artem Mikhailin	+7 (495) 258-19-88	AMykhailin@veles-capital.ru
Gazprombank	Marat Ibragimov	+7 (495) 980-41-87	Marat.Ibragimov@gazprombank.ru
Invest Heroes	Svetlana Dubrovina	+7 (916) 174-97-23	s.dubrovina@invest-heroes.com
Mozgovik Research	Anatoliy Poluboyarinov		poluboyarinov_a@smart-lab.ru
Sberbank CIB	Ekaterina Usanova	+7 (495) 933-98-38	EVIUsanova@sberbank.ru
Sovcombank	Sergey Zorin		zorinss1@sovcombank.ru
T-Investments	Alexander Samuylov		a.samuylov@tinkoff.ru

Appendices

Report on compliance with the principles and recommendations of the Corporate Governance Code

The Board of Directors confirms that the data provided in this report contains complete and reliable information on the Company's compliance with the principles and recommendations of the Corporate Governance Code for 2025.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
1.1	**The company shall ensure fair and equitable treatment of all shareholders in exercising their corporate governance rights.**			
1.1.1	The company ensures the most favourable conditions for its shareholders to participate in the general meeting, develop an informed position on agenda items of the general meeting, coordinate their actions, and voice their opinions on items considered.	1. The company provides accessible means of communication with the company, such as a "hotline", e-mail, or online forum, to enable shareholders to express their opinion and send questions on the agenda in preparation for the general meeting. The above means of communication were organised by the company and made available to shareholders in the course of preparation for each general meeting held in the reporting period.	Complied with	
1.1.2	The procedure for giving notice of, and providing relevant materials for, the general meeting enables shareholders to properly prepare for attending the general meeting.	1. In the reporting period the notice of an upcoming general meeting of shareholders is posted (published) on the company's website on the Internet no later than 30 days prior to the date of the general meeting, unless a longer period is required by law. 2. The notice of an upcoming meeting indicates the documents required for admission. 3. Shareholders were given access to the information on who proposed the agenda items and who proposed nominees to the company's board of directors and the revision committee (if its establishment is stipulated by the company's Articles of Association).	Complied with	
1.1.3	In preparing for, and holding of, the general meeting, shareholders were able to receive clear and timely information on the meeting and related materials, put questions to the company's executive bodies and the board of directors, and to communicate with each other.	1. In the reporting period shareholders were given an opportunity to put questions to members of executive bodies and members of the board of directors in the course of preparation for, and during, the general meeting. 2. The position of the board of directors, including dissenting opinions (if available) entered in the minutes, on each item on the agenda of general meetings held in the reporting period was included in the materials for the general meeting. 3. The company gave duly authorised shareholders access to the list of persons entitled to participate in the general meeting, as from the date when such list was received by the company, for all general meetings held in the reporting period.	Complied with	
1.1.4	There were no unjustified difficulties preventing shareholders from exercising their right to request that a general meeting be convened, to propose nominees to the company's governing bodies, and to make proposals for the agenda of the general meeting.	1. The company's Articles of Association defines the deadline for shareholders to submit proposals to the agenda of the annual general meeting which shall be at least 60 days after the end of the respective calendar year. 2. In the reporting period the company did not reject any proposals for the agenda or nominees to the company's governing bodies due to misprints or other insignificant flaws in the shareholder's proposal.	Complied with	
1.1.5	Each shareholder was able to freely exercise their voting right in the simplest and most convenient way.	1. The company's Articles of Association provides for an opportunity to fill in the electronic form of the ballot online the web address of which is specified in the notice on holding of the general meeting of shareholders.	Not complied with	Introduction of the specified amendments to the Company's practice is unreasonable. The majority of the Company's shareholders (over 99%) are clients of nominal holders and participate in the meeting by sending electronic documents containing their expression of will on the agenda items of the general meeting to the registrar. Moreover, the agreement with the Company's registrar provides for the opportunity for shareholders, whose rights to the Company's shares are recorded in the shareholder register, to interact with the registrar by using the Shareholder's Personal Account or by accessing the Electronic Document Exchange System used by the registrar.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
1.1.6	The procedure for holding a general meeting set by the company provides equal opportunities for all persons attending the meeting to voice their opinions and ask questions.	1. During general meetings of shareholders held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time was allocated for reports on, and discussion of, the agenda items. Shareholders had an opportunity to express their opinions and to ask questions on the agenda. 2. The company invited candidates to the company's governing and control bodies and took all necessary measures to ensure their participation in the general meeting of shareholders at which their nominations were put to vote. The candidates to the company's governing and control bodies who were present at the general meeting of shareholders were available to answer questions of shareholders. 3. The sole executive body, the person responsible for the accounting, the chairman or the other members of the board of directors' audit committee were available to answer shareholders' questions at the general meetings of shareholders held in the reporting period. 4. In the reporting period the company used telecommunication means to ensure the remote participation of shareholders at general meetings, or the board of directors made a reasonable decision on the fact there was no need (opportunity) to use such means in the reporting period.	Partially complied with	Criterion 4 is not complied with. The Board of Directors did not consider the issue of providing shareholders with remote access to take part in General Meetings during the reporting period because the majority of the Company's shareholders (over 99%) are clients of nominal holders and participate in the meetings by sending electronic documents to the registrar containing their expression of will on the agenda items of the general meeting. The possibility and necessity of implementing such a practice is planned to be considered before the annual General Meeting of Shareholders for 2026.
1.2	**Shareholders are given equal and fair opportunities to share profits of the company in the form of dividends.**			
1.2.1	The company has developed and put in place a transparent and clear mechanism to determine the dividend amount and payout procedure.	1. The company's regulations on the dividend policy have been approved by the board of directors and disclosed on the company's website on the Internet. 2. If the company's dividend policy that prepares the consolidated financial statements uses reporting figures to determine the dividend amount, then relevant provisions of the dividend policy take into account the consolidated financial statements. 3. The explanation of the proposed net profit distribution, including payment of dividends and the company's own needs, and the assessment of its compliance with the dividend policy adopted by the company, with clarifications and economic explanation of the requirement to direct a certain part of net profit to the company's needs in the reporting period, were included in the materials for the general meeting of shareholders, the agenda of which contains an item on profit distribution (including the payment (declaration) of dividends).	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
1.2.2	The company does not resolve to pay out dividends if such payout, while formally compliant with law, is economically unjustified and may lead to a false representation of the company's performance.	1. In addition to the restrictions established by law, the company's regulations on the dividend policy identify financial/economic circumstances under which the company shall not make decisions on the dividend payment.	Complied with	
1.2.3	The company does not allow for dividend rights of its existing shareholders to be impaired.	1. In the reporting period the company did not take any actions that would lead to the impairment of the dividend rights of its existing shareholders.	Complied with	
1.2.4	The company makes every effort to prevent its shareholders profiting from the company through any means other than dividends and liquidation value.	1. In the reporting period the means of profiting from the company by the controlling persons, other than dividends (for example, through the transfer pricing, unjustified provision of services to the company by the controlling person at inflated prices, through internal loans replacing dividends to the controlling persons and (or) its controlled persons) were not used.	Complied with	
1.3	**The corporate governance system and practices ensure equal conditions for all shareholders owning the same type (class) of shares, including minority and non-resident shareholders, and their equal treatment by the company.**			
1.3.1	The company has created conditions for fair treatment of each shareholder by the company's governing and control bodies, including conditions that rule out abuse by major shareholders against minority shareholders.	1. In the reporting period the company's controlling persons did not abuse their rights with respect to the company's shareholders, there were no conflicts between the company's controlling persons and shareholders, and if such conflicts occurred, the board of directors paid due attention to them.	Complied with	
1.3.2	The company does not take any actions that lead or may lead to artificial redistribution of corporate control.	1. No quasi-treasury shares were issued or used to vote in the reporting period.	Not complied with	Following the two Tender Offers, dated 16 June 2023 and 10 October 2023, as well as the bilateral transaction made in October 2023 (the "Tender Offer"), Magnit Alyans LLC, an indirect wholly-owned subsidiary of the Company, acquired approximately 29.7% of all issued and outstanding shares of the Company from non-resident shareholders. The buyback of shares was aimed at changing the Company's capital structure to mitigate the risks of non-resident shareholders dominating in the authorised capital of PJSC Magnit. The purchase of shares was carried out in line with the received approvals (including the approval of the Government Commission on Monitoring Foreign Investments in Russia). The Company's shareholders, including shareholders controlled by the Company, are not restricted in exercising their rights secured by shares in accordance with the requirements of Russian laws.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
1.4	**Shareholders are provided with reliable and efficient means of recording their rights to shares and are able to freely dispose of their shares without any hindrance.**			
1.4.1	Shareholders are provided with reliable and efficient means of recording their rights to shares and are able to freely dispose of their shares without any hindrance.	1. The technologies and terms of provided services used by the company's registrar meet the needs of the company and its shareholders and ensure the account of rights for shares and realization of shareholders' rights in the most efficient way.	Complied with	
2.1	**The board of directors provides strategic management of the company, determines key principles of, and approaches to, setting up a corporate risk management and internal control system, oversees the activities of the company's executive bodies, and performs other key functions.**			
2.1.1	The board of directors is responsible for appointing and dismissing executive bodies, including due to improper performance of their duties. The board of directors also ensures that the company's executive bodies act in accordance with the company's approved development strategy and core lines of business.	1. The board of directors has the authority stipulated in the articles of association to appoint and remove members of executive bodies and to set out the terms and conditions of their contracts. 2. In the reporting period the nomination (appointments and HR) committee reviewed the compliance of the professional expertise, skills and experience of the members of the executive bodies with the company's current and expected needs determined by the company's approved strategy. 3. In the reporting period the board of directors reviewed the report(s) by the sole executive body or the collective executive body (if available) on the implementation of the company's strategy.	Complied with	In the course of preparation for the annual General Meeting of Shareholders the Company's Board of Directors has preliminarily considered the management statement on the Company's performance, as well as on the achievement of the strategic goals, as part of the Annual report. The Company chooses the optimal form of provision and review by the Board of Directors of the reports by the sole executive body and (or) the collective executive body on the implementation of the Company's strategy annually before the annual General Meeting of Shareholders.
2.1.2	The board of directors sets key long-term targets for the company, assesses and approves its key performance indicators and key business goals, as well as the strategy and business plans for the company's core lines of business.	1. At its meetings in the reporting period, the board of directors reviewed strategy implementation and updates, approval of the company's financial and business plan (budget), as well as criteria and performance (including interim) of the company's strategy and business plans.	Partially complied with	In the course of preparation for the annual General Meeting of Shareholders the Company's Board of Directors has preliminarily considered the management statement on the Company's performance, as well as on the achievement of the strategic goals, as part of the Annual report. The Company chooses the optimal form of provision and review by the Board of Directors of the strategy implementation and updates, approval of the Company's financial and business plan (budget), as well as criteria and performance (including interim) of the Company's strategy and business plans annually before the annual General Meeting of Shareholders.
2.1.3	The board of directors defines the company's principles of, and approaches to, setting up a risk management and internal control system.	1. The company's principles of, and approaches to, setting up a risk management and internal control system were defined by the board of directors and specified in the company's internal documents determining the risk management and internal control system policy. 2. In the reporting period the board of directors approved (revised) the appropriate amount of risks (risk appetite) of the company, or the audit committee and (or) risk management committee (if available) considered if it was reasonable to submit the issue of revising the company's risk appetite for consideration by the board of directors.	Complied with	
2.1.4	The board of directors defines the company's policy on remuneration payable to, and/or reimbursement (compensation) of costs incurred by, members of the board of directors, the company's executive bodies, and other key executives of the company.	1. The company has developed, approved by the board of directors and put in place a remuneration and reimbursement (compensation) policy (policies) for its directors, members of executive bodies and other key executives. 2. At its meetings in the reporting period, the board of directors discussed matters related to such policy (policies).	Complied with	
2.1.5	The board of directors plays a key role in preventing, identifying, and resolving internal conflicts between the company's bodies, shareholders, and employees.	1. The board of directors plays a key role in preventing, identifying, and resolving internal conflicts. 2. The company has set up mechanisms to identify transactions leading to a conflict of interest and to resolve such conflicts.	Complied with	
2.1.6	The board of directors plays a key role in ensuring that the company is transparent, timely and fully discloses its information, and provides its shareholders with unhindered access to the company's documents.	1. Persons responsible for implementing the information policy are identified in the company's internal documents.	Complied with	
2.1.7	The board of directors controls the company's corporate governance practices and plays a key role in material corporate events of the company.	1. In the reporting period the board of directors reviewed the results of self-assessment and (or) external assessment of the company's corporate governance practices.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.2	**The board of directors is accountable to the company's shareholders.**			
2.2.1	Performance of the board of directors is disclosed and made available to the shareholders.	1. The company's annual report for the reporting period includes the information on attendance of the board of directors and committee meetings by each member of the board of directors. 2. The annual report discloses key performance assessment (self-assessment) results of the board of directors in the reporting period.	Complied with	
2.2.2	The chairman of the board of directors is available to communicate with the company's shareholders.	1. The company has a transparent procedure in place enabling its shareholders to forward inquiries to the chairman of the board of directors (and, if applicable, to the senior independent director) and receive feedback on them.	Complied with	
2.3	**The board of directors manages the company in an efficient and professional manner and is capable of making fair and independent judgements and adopting resolutions in the best interests of the company and its shareholders.**			
2.3.1	Only persons of impeccable business and personal reputation who have the knowledge, expertise, and experience required to make decisions within the authority of the board of directors and essential to perform its functions in an efficient way are elected to the board of directors.	1. In the reporting period the board of directors (or its nomination committee) assessed nominees to the board of directors for required experience, expertise, business reputation, absence of conflicts of interest, etc.	Complied with	
2.3.2	Members of the company's board of directors are elected via a transparent procedure that enables shareholders to obtain information on nominees sufficient to judge on their personal and professional qualities.	1. Whenever the agenda of the general meeting of shareholders included election of the board of directors, the company provided to shareholders the biographical details of all nominees to the board of directors, the results of assessment of the compliance of the professional expertise, skills and experience of the nominees with the company's current and expected needs, carried out by the board of directors (or its nomination committee), and the information on whether the nominee meets the independence criteria set forth in Recommendations 102–107 of the Code, as well as information on availability of the nominees' written consent to be elected to the board of directors.	Complied with	
2.3.3	The board of directors has a balanced membership, including in terms of directors' qualifications, experience, expertise, and business skills, and it has the trust of shareholders.	1. In the reporting period the board of directors reviewed its requirements to professional expertise, experience and skills and defined expertise essential to the board of directors in the short and long term.	Complied with	
2.3.4	The company has a sufficient number of directors to organise the board of directors' activities in the most efficient way, including the ability to set up committees of the board of directors and enable the company's substantial minority shareholders to elect a nominee to the board of directors for whom they vote.	1. In the reporting period the board of directors considered whether the number of directors met the company's needs and shareholders' interests.	Complied with	
2.4	**The board of directors includes a sufficient number of independent directors.**			
2.4.1	An independent director is a person who is sufficiently professional, experienced, and independent to develop their own position, and capable of making unbiased judgements in good faith, free of influence by the company's executive bodies, individual groups of shareholders, or other stakeholders. It should be noted that a nominee (elected director) who is related to the company, its substantial shareholder, substantial counterparty, or competitor of the company, or is related to the government, may not be considered as independent under normal circumstances.	1. In the reporting period all independent directors met all independence criteria set out in Recommendations 102–107 of the Code, or were deemed independent by resolution of the board of directors.	Not complied with	In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. However, the Board of Directors manages the Company in an efficient and professional manner and its members are capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders. Failure to comply with the principle criterion is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.4.2	The company assesses compliance of nominees to the board of directors and reviews compliance of independent directors with independence criteria on a regular basis. In such assessment, substance prevails over form.	1. In the reporting period the board of directors (or its nomination committee) made a judgement on the independence of each nominee to the board of directors and provided its opinion to shareholders. 2. In the reporting period the board of directors (or its nomination committee) reviewed, at least once, the issue on independence of incumbent directors (after their election). 3. The company has in place procedures defining the actions to be taken by directors if they cease to be independent, including the obligation to timely notify the board of directors thereof.	Partially complied with	Criterion 2 is not complied with. In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024 The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. However, the Board of Directors manages the Company in an efficient and professional manner and its members are capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders. Failure to comply with the principle criterion is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.4.3	Independent directors make up at least one third of elected directors.	1. Independent directors make up at least one third of elected directors.	Not complied with	In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. However, the Board of Directors manages the Company in an efficient and professional manner and its members are capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders. Failure to comply with the above principle is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and in ensuring that the company performs material corporate actions.	1. Independent directors (with no conflicts of interest) run a preliminary assessment of material corporate actions implying a potential conflict of interest in the reporting period and submitted the results to the board of directors.	Not complied with	In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. However, the Board of Directors manages the Company in an efficient and professional manner and its members are capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders. Failure to comply with the above principle is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.5	**The chairman of the board of directors ensures that the board of directors discharges its duties in the most efficient way.**			
2.5.1	The board of directors is chaired by an independent director, or a senior independent director supervising the activities of other independent directors and interacting with the chairman of the board of directors is chosen from among the elected independent directors.	1. The board of directors is chaired by an independent director, or a senior independent director is appointed from among the independent directors. 2. The role, rights, and duties of the chairman of the board of directors (and, if applicable, of the senior independent director) are duly set out in the company's internal documents.	Partially complied with	Criterion 1 is not complied with. In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. However, The Chairman of the newly elected Board of Directors is a professional capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders, despite the fact that he does not meet the formal criteria of independence. Failure to comply with the above principle criterion is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. If nominees who meet the independence criteria are elected to the Board of Directors, the Board of Directors will be able to elect the chairman from among the independent directors. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.
2.5.2	The chairman of the board of directors maintains a constructive environment at meetings, enables free discussion of agenda items, and supervises the execution of resolutions passed by the board of directors.	1. Performance of the chairman of the board of directors was assessed as part of assessment (self-assessment) of the board of directors' performance in the reporting period.	Complied with	
2.5.3	The chairman of the board of directors takes all steps necessary or the timely provision to directors of information required to pass resolutions on agenda items.	1. The company's internal documents set out the duty of the chairman of the board of directors to take all steps necessary for the timely provision to directors of complete and reliable information for the agenda of a board meeting.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.6	**Directors act reasonably and in good faith in the best interests of the company and its shareholders, on a fully informed basis and with due care and diligence.**			
2.6.1	Directors pass resolutions on a fully informed basis, with no conflict of interest, subject to equal treatment of the company's shareholders, and assuming normal business risks.	1. The company's internal documents stipulate that a director should notify the board of directors of any existing conflict of interest as to any agenda item of a meeting of the board of directors or its committee, prior to discussing the relevant agenda item. 2. The company's internal documents stipulate that a director should abstain from voting on any item in connection with which they have a conflict of interest. 3. The company has in place a procedure enabling the board of directors to get professional advice on matters within its remit at the expense of the company.	Complied with	
2.6.2	The rights and duties of directors are clearly stated and incorporated in the company's internal documents.	1. The company has adopted and published an internal document that clearly defines the rights and duties of directors.	Complied with	
2.6.3	Directors have sufficient time to perform their duties.	1. Individual attendance at board and committee meetings, as well as the sufficiency of time for work on the board of directors, including its committees, was analysed as part of the procedure of assessment (self-assessment) of the board of directors' performance in the reporting period. 2. Under the company's internal documents, directors notify the board of directors of their intentions to be elected to governing bodies of other entities (apart from the entities controlled by the company), and of their election to such bodies.	Complied with	
2.6.4	All directors have equal access to the company's documents and information. Newly elected directors are furnished with sufficient information about the company and performance of the board of directors as soon as possible.	1. Under the company's internal documents, directors are entitled to receive information and documents necessary for the board of directors' members to perform their duties and related to the company and its controlled entities, while executive bodies of the company should ensure the provision of the relevant information and documents. 2. The company carries out a formalised induction programme for newly elected members of the board of directors.	Complied with	
2.7	**Meetings of the board of directors, preparation for such meetings, and participation of directors ensure efficient performance by the board of directors.**			
2.7.1	Meetings of the board of directors are held as needed, taking into account the scale of operations and goals of the company at a particular time.	1. The board of directors held at least six meetings in the reporting year.	Complied with	
2.7.2	The company's internal regulations formalise a procedure for arranging and holding meetings of the board of directors, enabling members of the board of directors to properly prepare for such meetings.	1. The company has an approved internal document that describes the procedure for arranging and holding meetings of the board of directors and stipulates, in particular, that the notice of the meeting is to be given, as a rule, at least five days prior to such meeting. 2. In the reporting period members of the board of directors who were not able to attend the meeting of the board of directors were provided with an opportunity to participate in the discussion of agenda items and voting remotely – by means of conference and video conference communication.	Complied with	
2.7.3	The format of the meeting of the board of directors is determined taking into account the importance of its agenda items. The most important matters are dealt with at meetings of the board of directors held in person.	1. The company's Articles of Association or internal document provides for the most important matters (including those listed in Recommendation 168 of the Code) to be passed at meetings of the board of directors held in person.	Not complied with	In the opinion of the Company, the development of modern telecommunications technologies practically eliminates the differences in the effectiveness of in person and absentee formats of meetings of the Board of Directors. The most important issues included in the agenda of meetings of the Board of Directors are preliminarily considered by the relevant committees of the Board of Directors and are comprehensively discussed by members of the Board of Directors before voting, including absentee form of voting. The Company believes that transferring a large number of meetings of the Board of Directors to in person format is not economically feasible. In the future, the Company plans to maintain this approach to holding meetings and to develop the use of modern telecommunication technologies when planning meetings and making decisions.
2.7.4	Resolutions on the most important matters related to the company's operations are adopted at meetings of the board of directors by a qualified majority vote or by a majority vote of all elected directors.	1. The company's Articles of Association provides for resolutions on the most important matters, including those set out in Recommendation 170 of the Code to be passed at a meeting of the board of directors by a qualified majority of at least three quarters or by a majority of all elected directors.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.8	**The board of directors sets up committees to preview key matters related to the company's operations.**			
2.8.1	An audit committee comprised of independent directors is set up to preview matters related to controlling the company's financial and business activities.	1. The board of directors set up an audit committee comprised solely of independent directors. 2. The company's internal documents set out the tasks of the audit committee, including those listed in Recommendation 172 of the Code. 3. At least one member of the audit committee represented by an independent director has experience and knowledge of preparing, analysing, assessing, and auditing accounting (financial) statements. 4. In the reporting period meetings of the audit committee were held at least once during the reporting period.	Partially complied with	Criteria 1 and 3 are only partially not complied with. Criterion 4 is not complied with. In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. The Audit Committee members are professionals capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders, despite the fact that they do not meet the formal criteria of independence. Two Audit Committee meetings were held during the reporting period. However, the performance of the Board of Directors and committees of the Board of Directors is not limited to formal meetings, the work is carried out on an ongoing basis as needed. Failure to comply with the above principle criteria is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. If nominees who meet the independence criteria are elected to the Board of Directors, the Board of Directors will be able to make up the Audit Committee of the independent directors. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.8.2	To preview matters related to adopting an efficient and transparent remuneration scheme, a remuneration committee was set up, comprised of independent directors and headed by an independent director who is not the chairman of the board of directors.	1. The board of directors set up a remuneration committee comprised solely of independent directors. 2. The remuneration committee is headed by an independent director who is not the chairman of the board of directors. 3. The company's internal documents set out the tasks of the remuneration committee, including those listed in Recommendation 180 of the Code, and conditions (events), upon the occurrence of which the remuneration committee considers the revision of the company's remuneration policy for members of the board of directors, executive bodies and other key executives.	Partially complied with	Criteria 1 and 2 are only partially not complied with. In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. The HR and Remuneration Committee members, as well as the chairman of the HR and Remuneration Committee who is not the Chairman of the Board of Directors, are professionals capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders, despite the fact that they do not meet the formal criteria of independence. Failure to comply with the above principle criteria is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. If nominees who meet the independence criteria are elected to the Board of Directors, the Board of Directors will be able to make up the HR and Remuneration Committee of the independent directors, and elect an independent director as the chairman of the committee. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.8.3	To preview matters related to talent management (succession planning), professional composition, and efficiency of the board of directors, a nomination (appointments and HR) committee was set up, predominantly comprised of independent directors.	1. The board of directors has set up a nomination committee (or its tasks listed in Recommendation 186 of the Code are fulfilled by another committee) predominantly comprised of independent directors. 2. The company's internal documents set out the tasks of the nomination committee (or the tasks of the committee with combined functions), including those listed in Recommendation 186 of the Code. 3. For the purpose of forming the board of directors that meets the company's goals and objectives most fully, in the reporting period the nomination committee, on its own or jointly with other board of directors' committees or the company's authorised shareholder relations unit, organised the engagement with shareholders, not limited to the largest shareholders, in the context of choosing nominees to the company's board of directors.	Partially complied with	Criteria 1 and 3 are only partially not complied with. In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. The HR and Remuneration Committee members, as well as the chairman of the HR and Remuneration Committee, are professionals capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders, despite the fact that they do not meet the formal criteria of independence. Failure to comply with the above principle criteria is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. If nominees who meet the independence criteria are elected to the Board of Directors, the Board of Directors will be able to make up the HR and Remuneration Committee of the independent directors. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.
2.8.4	Taking into account the company's scope of business and level of risks, the company's board of directors made sure that the composition of its committees is in line with the company's business goals. Additional committees were either set up or not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.).	1. In the reporting period the company's board of directors considered whether the structure of the board of directors was in line with the scale and scope, business goals and requirements, and the risk profile of the company. Additional committees were either set up or not deemed necessary.	Complied with	
2.8.5	Committees are composed so as to enable comprehensive discussions of matters under preview, taking into account the diversity of opinions.	1. The audit committee, remuneration committee, nomination committee (or the relevant committee with a combined function) were headed by independent directors in the reporting period. 2. The company's internal documents (policies) include provisions stipulating that persons who are not members of the audit committee, the nomination committee (or the relevant committee with a combined function) or the remuneration committee may attend committee meetings only by invitation of the chairman of the respective committee.	Partially complied with	Criterion 1 is not complied with. In accordance with the Federal Law No. 208-FZ On Joint-Stock Companies dated 26 December 1995, shareholders (shareholder) holding in aggregate at least 2% of the company's voting shares are entitled to propose agenda items of the annual General Meeting of Shareholders and nominate candidates to the company's board of directors. According to the Company's Articles of Association, such proposals shall be received by the Company no later than 60 days after the end of the reporting year. No proposals were received from shareholders regarding nominees to the Board of Directors during preparation for the annual General Meeting of Shareholders held for 2024. The Board of Directors approved the list of nominees to the Board of Directors on 22 May 2025. The Board of Directors effective in 2025 does not include independent members. The members of the HR and Remuneration Committee and the Audit Committee, as well as the chairmen of the committees, are professionals capable of making fair and independent judgements and adopting resolutions in the best interests of the Company and its shareholders, despite the fact that they do not meet the formal criteria of independence. Failure to comply with the above principle criterion is temporary. Shareholders have the right to propose nominees to the Board of Directors, who will meet the independence criteria. If nominees who meet the independence criteria are elected to the Board of Directors, the Board of Directors will be able to make up the Audit Committee and the HR and Remuneration Committee in full or in part of the independent directors, and elect the chairmen of the committees from among the independent directors. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.
2.8.6	Committee chairmen inform the board of directors and its chairman on the performance of their committees on a regular basis.	1. In the reporting period committee chairmen reported to the board of directors on the performance of committees on a regular basis.	Partially complied with	No meetings of the Board of Directors were held to consider reports of the chairmen of the Board of Directors' committees. However, the performance of the Board of Directors and committees of the Board of Directors is not limited to formal meetings, the work is carried out on an ongoing basis as needed. Partial compliance with the principle is temporary. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
2.9	**The board of directors ensures performance assessment of the board of directors, its committees, and members of the board of directors.**			
2.9.1	The board of directors' performance assessment is aimed at determining the efficiency of the board of directors, its committees and members, consistency of their work with the company's growth requirements, as well as at bolstering the work of the board of directors and identifying areas for improvement.	1. The procedures of conducting the assessment (self-assessment) of the board of directors' performance are determined in the company's internal documents. 2. Assessment (self-assessment) of the board of directors' performance carried out in the reporting period included performance assessment of committees, individual assessment of directors, and the board of directors in general. 3. Results of assessment (self-assessment) of the board of directors' performance carried out in the reporting period were reviewed at the meeting of the board of directors held in person.	Partially complied with	Criterion 1 is not complied with. The procedures of conducting the assessment (self-assessment) of the Board of Directors' performance are not formalised in the internal documents. Failure to comply with the principle is temporary. The Company expects that it will be able to resume the planned implementation of the corporate procedures, and will consider the possibility and necessity of stating the procedure of assessment (self-assessment) of the Board of Directors' performance in the Company's internal documents, before the General Meeting of Shareholders to be held for 2026.
2.9.2	Performance of the board of directors, its committees and members is assessed regularly at least once a year. An external advisor is engaged at least once in three years to conduct an independent assessment of the board of directors' performance.	1. The company engaged an external advisor to conduct an independent assessment of the board of directors' performance at least once over the last three reporting periods.	Not complied with	In the reporting period performance of the Board of Directors fully meets the Company's goals. At the moment, the Company does not see the need to engage an independent consultant for the purposes of independent assessment, while the Company does not exclude such a possibility in the future.
3.1	**The company's corporate secretary ensures an efficient ongoing interaction with shareholders, coordinates the company's efforts to protect shareholder rights and interests, and supports efficient performance of the board of directors.**			
3.1.1	The corporate secretary has the expertise, experience, and qualifications sufficient to perform his/her duties, as well as an impeccable reputation and the trust of shareholders.	1. The biographical data of the corporate secretary are published on the corporate website and in the company's annual report (including information on age, education, expertise, experience), and information on positions in the governing bodies of other legal entities held by the corporate secretary at least for the last five years.	Partially complied with	Information on the Company's Corporate secretary is available on the Company's official website https://www.magnit.com/en/corporate-governance/corporate-secretary/). In the Company's Annual report, the disclosure of biographical data of individuals is minimised due to geopolitical tensions. Partial compliance with the principle is temporary. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.
3.1.2	The corporate secretary is sufficiently independent of the company's executive bodies and has the powers and resources required to perform his/her tasks.	1. The company has adopted and published an internal document – regulations on the corporate secretary. 2. The board of directors approves the nominee to the position of the corporate secretary, terminates his/her powers, and considers the corporate secretary's additional remuneration. 3. The company's internal documents stipulate the right of the corporate secretary to request, receive documents and information from the company's governing bodies, structural units and officials.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
4.1	**Remuneration payable by the company is sufficient to attract, motivate, and retain persons with competencies and qualifications required by the company. Remuneration payable to directors, executive bodies, and other key executives of the company is in compliance with the approved remuneration policy of the company.**			
4.1.1	The amount of remuneration paid by the company to directors, executive bodies, and other key executives creates sufficient incentives for them to work efficiently while enabling the company to engage and retain competent and qualified specialists. At the same time, the company avoids unnecessarily high remuneration, as well as unjustifiably large gaps between remunerations of the above persons and the company's employees.	1. Remuneration of members of the board of directors, executive bodies, and other key executives of the company is determined based on the results of a comparative analysis of the level of remuneration in comparable companies.	Complied with	
4.1.2	The company's remuneration policy is devised by the remuneration committee and approved by the board of directors. The board of directors, assisted by the remuneration committee, ensures control over the introduction and implementation of the company's remuneration policy, revising and amending it as required.	1. In the reporting period the remuneration committee considered the remuneration policy (policies) and (or) its (their) introduction practices, carried out the assessment of its (their) efficiency and transparency and provided relevant recommendations on the revision of the policy (policies) to the board of directors as required.	Partially complied with	In the reporting period the Company's Board of Directors considered the practice of implementing the remuneration policies, as well as assessing their efficiency. Partial compliance with the principle is temporary. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.
4.1.3	The company's remuneration policy includes transparent mechanisms for determining the amount of remuneration due to directors, executive bodies, and other key executives of the company, and regulates all types of expenses, benefits, and privileges provided to such persons.	1. The company's remuneration policy (policies) includes (include) transparent mechanisms for determining the amount of remuneration due to directors, executive bodies, and other key executives of the company, and regulates (regulate) all types of expenses, benefits, and privileges provided to such persons.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
4.1.4	The company defines a policy on reimbursement (compensation) of expenses detailing a list of reimbursable expenses and specifying service levels that directors, executive bodies, and other key executives of the company may claim. Such policy can make part of the company's remuneration policy.	1. The remuneration policy (policies) defines (define) the rules for reimbursement of expenses incurred by directors, executive bodies, and other key executives of the company.	Complied with	
4.2	**Remuneration system for directors ensures alignment of financial interests of directors with long-term financial interests of shareholders.**			
4.2.1	The company pays fixed annual remuneration to its directors. The company does not pay remuneration for attending particular meetings of the board of directors or its committees. The company does not apply any form of short-term motivation or additional financial incentive for its directors.	1. In the reporting period the company paid remuneration to the board of directors in accordance with the remuneration policy adopted by the company. 2. In the reporting period the company did not apply any forms of short-term motivation or additional financial motivation, the payment of which depends on the results (indicators) of the company's performance, in relation to the board of directors' members. Payments of remuneration for the participation in meetings of the board of directors or committees of the board of directors were not made.	Complied with	
4.2.2	Long-term ownership of the company's shares ensures the best alignment of directors' financial interests with the long-term interests of shareholders. At the same time, the company does not link the right to dispose of shares to performance targets, and directors do not participate in stock option plans.	1. If the company's internal document(s) – the remuneration policy (policies) stipulates (stipulate) provision of the company's shares to members of the board of directors, clear rules for share ownership by board members shall be defined and disclosed, aimed at stimulating long-term ownership of such shares.	Not complied with	The Company does not have a long-term incentive programme for members of executive bodies and other key executives of the Company with the use of the company's shares. The Company finds this approach the most reasonable at this stage but does not exclude the possibility of revising the incentive structure in the future in accordance with market trends.
4.2.3	The company does not provide for any extra payments or compensations in the event of early termination of directors' tenure resulting from the change of control or any other reasons.	1. The company does not provide for any extra payments or compensations in the event of early termination of directors' tenure resulting from the change of control or any other reasons.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
4.3	**The company considers its performance and the personal contribution of each executive to the achievement of such performance when determining the amount of a fee payable to members of executive bodies and other key executives of the company.**			
4.3.1	Remuneration due to members of executive bodies and other key executives of the company is determined in a manner providing for reasonable and justified ratio of the fixed and variable parts of remuneration, depending on the company's results and the employee's personal contribution.	1. In the reporting period annual performance results approved by the board of directors were used to determine the amount of the variable part of remuneration due to members of executive bodies and other key executives of the company. 2. During the latest assessment of the remuneration system for members of executive bodies and other key executives of the company, the board of directors (remuneration committee) made sure that the company applies an efficient ratio of the fixed and variable parts of remuneration. 3. When determining the amount of remuneration to be paid to the members of the executive bodies and other key executives of the company, the risks borne by the company are taken into account in order to avoid incentives to take excessively risky management decisions.	Partially complied with	Criterion 1 is not complied with. In the reporting period the Board of Directors did not consider issues related to the approval of the annual performance results used to determine the amount of the variable part of remuneration due to members of executive bodies and other key executives of the Company. Failure to comply with the above principle criterion is temporary. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.
4.3.2	The company has in place a long-term incentive programme for members of executive bodies and other key executives of the company with the use of the company's shares (options and other derivative instruments where the company's shares are the underlying asset).	1. If the company has in place a long-term incentive programme for members of executive bodies and other key executives of the company with the use of the company's shares (financial instruments based on the company's shares), the programme implies that the right to dispose of shares and other financial instruments takes effect no sooner than three years after such shares or other financial instruments are granted. The right to dispose of such shares or other financial instruments is linked to the company's certain performance targets.	Not complied with	The Company does not have a long-term incentive programme for members of executive bodies and other key executives of the Company with the use of the company's shares. The Company finds this approach the most reasonable at this stage but does not exclude the possibility of revising the incentive structure in the future in accordance with market trends.
4.3.3	The compensation ("golden parachute") payable by the company in case of early termination of powers of members of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, shall not exceed the double amount of the fixed part of their annual remuneration.	1. In the reporting period the compensation ("golden parachute") payable by the company in case of early termination of the powers of executive bodies or key executives at the company's initiative, provided that there have been no actions in bad faith on their part, did not exceed the double amount of the fixed part of their annual remuneration.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
5.1	**The company has in place an effective risk management and internal control system providing reasonable assurance in the achievement of the company's goals.**			
5.1.1	The company's board of directors determined the principles of, and approaches to, setting up a risk management and internal control system at the company.	1. Functions of different management bodies and business units of the company in the risk management and internal control system are clearly defined in the company's internal documents/relevant policy approved by the board of directors.	Complied with	
5.1.2	The company's executive bodies ensure establishment and continuous operation of an efficient risk management and internal control system at the company.	1. The company's executive bodies ensured the distribution of duties, powers, responsibilities related to risk management and internal control between the heads (managers) of business units and departments accountable to them.	Complied with	
5.1.3	The company's risk management and internal control system ensures an objective, fair, and clear view of the current state and future prospects of the company, the integrity and transparency of the company's reporting, as well as reasonable and acceptable risk exposure.	1. The company has in place an approved anti-corruption policy. 2. The company established a safe, confidential and accessible method of notifying the board of directors or the board's audit committee of breaches or any violations of the law, the company's internal procedures and code of ethics.	Complied with	
5.1.4	The company's board of directors takes necessary measures to make sure that the company's risk management and internal control system is consistent with the principles of, and approaches to, its setup and efficient functioning determined by the board of directors.	1. In the reporting period the board of directors (the audit committee and (or) the risk management committee (if available) organized the assessment of the reliability and efficiency of the risk management and internal control system. 2. In the reporting period the board of directors reviewed the results of assessment of the reliability and efficiency of the company's risk management and internal control system. Information on the results consideration is included in the company's annual report.	Complied with	
5.2	**The company performs internal audits for regular independent assessment of the reliability and efficiency of its risk management and internal control system, as well as corporate governance practice.**			
5.2.1	The company has set up a separate business unit or engaged an independent external organisation to carry out internal audits. Functional and administrative reporting lines of the internal audit unit are delineated. The internal audit unit functionally reports to the board of directors.	1. To perform internal audits, the company has set up a separate business unit – internal audit division, functionally reporting to the board of directors, or engaged an independent external organisation with the same line of reporting.	Complied with	
5.2.2	The internal audit division assesses the reliability and efficiency of the risk management and internal control system, as well as the corporate governance system, applies generally accepted standards of internal audit.	1. In the reporting period, the reliability and efficiency of the risk management and internal control system were assessed as part of the internal audit procedure. 2. In the reporting period, the corporate governance practice (certain practices) was (were) assessed as part of the internal audit procedure, including the procedures of the information interaction (including internal control and risk management issues) at all levels of the company's management, as well as stakeholders engagement.	Complied with	
6.1	**The company and its operations are transparent for its shareholders, investors, and other stakeholders.**			
6.1.1	The company has developed and implemented an information policy ensuring efficient exchange of information by the company, its shareholders, investors, and other stakeholders.	1. The company's board of directors approved an information policy developed in accordance with the Code's recommendations. 2. In the reporting period the board of directors (or one of its committees) considered the issue on the efficiency of information engagement of the company, shareholders, investors and other stakeholders, and considered if it was reasonable (necessary) to revise the company's information policy.	Partially complied with	Criterion 2 is not complied with. No meetings of the Board of Directors or committees of the Board of Directors were held to consider the issues on the efficiency of information engagement of the Company, shareholders, investors and other stakeholders and if it was reasonable (necessary) to revise the company's information policy. However, the performance of the Board of Directors and committees of the Board of Directors is not limited to formal meetings, the work is carried out on an ongoing basis as needed. Failure to comply with the above principle criterion is temporary. The Company expects that it will be able to resume the planned implementation of the corporate procedures before the General Meeting of Shareholders to be held for 2026.
6.1.2	The company discloses information on its corporate governance system and practice, including detailed information on compliance with the principles and recommendations of the Code.	1. The company discloses information on its corporate governance system and general principles of corporate governance, including disclosure on its website. 2. The company discloses information on the membership of its executive bodies and board of directors, independence of directors and their membership in the board of directors' committees (as defined by the Code). 3. If the company has a controlling person, the company publishes a memorandum of the controlling person setting out this person's plans for the company's corporate governance.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
6.2	**The company makes timely disclosures of complete, updated, and reliable information to allow shareholders and investors to make informed decisions.**			
6.2.1	The company discloses information based on the principles of regularity, consistency, and promptness, as well as availability, reliability, completeness, and comparability of disclosed data.	1. The company has a procedure ensuring coordination of work of all structural units and employees of the company who are related to information disclosure or whose operation may result in the requirement to disclose information. 2. If the company's securities are traded in foreign organised markets, the company makes disclosures of material information in the Russian Federation and in the said markets in the reporting year on a concurrent and equal basis. 3. If foreign shareholders hold a substantial number of shares in the company, the relevant information was disclosed in the reporting period both in the Russian language and in one of the most widely used foreign languages.	Complied with	
6.2.2	The company avoids a formalistic approach to information disclosure and discloses material information on its operations, even if disclosure of such information is not required by law.	1. The company's information policy outlines the approaches to the disclosure of information on other events (actions) that have a significant impact on the value or price of its securities in cases where the disclosure is not required by law. 2. The company discloses information on its shareholding structure in its annual report and on its website as required by recommendation 290 of the Code. 3. The company discloses information on the controlled entities that are of significant importance to the company, including the key areas of operation, tools ensuring accountability of the controlled entities, the powers of the company's board of directors to determine the strategy and assess the performance of the controlled organisation. 4. The company publishes a non-financial report – a sustainability report, an environmental report, a corporate social responsibility report or any other report containing non-financial information, including that on factors related to the environment (including environmental and climate change factors), society (social factors) and corporate governance, except for a report of the issuer of issue-grade securities and a report of the joint-stock company.	Partially complied with	Criterion 2 is only partially not complied with. The Company has been required to disclose information, including in the form of the issuer's reports (quarterly issuer's reports), since 2006. As part of compliance with the disclosure legislation, the Company discloses the number of its shareholders, the number of voting shares broken down by share category (type) and the number of shares held by the Company and its controlled entities, the persons who directly or indirectly own shares and (or) can use the votes attaching to the shares that represent at least 5% of the authorised capital or ordinary shares in the Company and any other information required by applicable law, in the form of statements of material facts and as part of annual, quarterly reports (issuer's reports) and lists of affiliates, which are disclosed on the website. That said, the Company has no procedure for disclosing additional information about the Company's shareholding structure as specified by recommendation 290 of the Code, specifically a procedure requiring the Company's executive bodies to make a statement that the Company is unaware of any shareholdings exceeding 5% other than those already disclosed by the Company. The Company plans to consider whether the relevant provisions can and need to be included in the Company's internal documents and its corporate governance practice before the annual General Meeting of Shareholders for 2026. Even though the Company does not disclose its unawareness in the form of a statement of its executive bodies, this does not result in any information on the Company's shareholding structure being concealed in violation of recommendation 290 of the Code. The Company avoids a formalistic approach to the disclosure of material information about its activities.
6.2.3	The company's annual report, being one of the key tools for keeping its shareholders and other stakeholders informed, includes data that can be used to assess the company's performance in the reporting year.	1. The company's annual report contains the results of the assessment by the audit committee of the effectiveness of external and internal audit. 2. The company's annual report outlines the company's environmental protection and safety policies, as well as the social policy of the company.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
6.3	**The company provides shareholders with equal and unhindered access to information and documents as per their request.**			
6.3.1	No unreasonable difficulties prevent the shareholders from exercising their right to access the Company's documents and information.	1. The company's information policy (internal documents determining the information policy) establishes (establish) the procedure for providing shareholders with unhindered access to information and documents of the company at the request of shareholders. 2. The company's information policy (internal documents determining the information policy) contains (contain) provisions stipulating that if a shareholder requests information on the company's controlled entities, the company shall make the necessary efforts to obtain such information from the relevant controlled entities of the company.	Partially complied with	Criterion 2 is not complied with. This recommendation of the Corporate Governance Code is not directly reflected in the Company's information policy. The Company adopted the Regulations on the Information Policy, which, inter alia, takes into account recommendations of the Corporate Governance Code. As for the practical implementation, the Company provides information about its operations at the request of shareholders, makes the necessary efforts to obtain information from the relevant controlled entities, and, in addition to the information required to be disclosed by applicable law, the Company discloses on its own initiative a large amount of data on the controlled entities that are of significant importance to the Company. In practical terms, access to the information on the Company's performance is not hindered. The Company finds this approach most reasonable and plans to follow it in the future.
6.3.2	When providing information to shareholders, the company maintains a reasonable balance between the interests of individual shareholders and those of the company, as it is in the company's best interests to keep confidential any sensitive commercial information that may have a material effect on its competitive position.	1. In the reporting period, the company did not refuse to provide shareholders with requested information, or such refusals were justified. 2. In cases specified by the information policy, shareholders are informed of the confidential nature of the information provided and undertake to keep it confidential.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
7.1	**Actions that have or may have a material effect on the company's shareholding structure and financial position and, consequently, on the shareholders' position (material corporate actions) are taken on fair terms ensuring that rights and interests of the shareholders and other stakeholders are respected.**			
7.1.1	Material corporate actions include reorganisation of the company, acquisition of 30% or more of the company's voting shares (takeover), execution by the company of major transactions, increase or decrease of the company's charter capital, listing or delisting of the company's shares, as well as other actions which may lead to material changes in the rights of shareholders or violation of their interests. The company's Articles of Association set out a list (criteria) of transactions or other actions classified as material corporate actions, which are reserved to the company's board of directors.	1. The company's Articles of Association include a list (criteria) of transactions or other actions classified as material corporate actions. In accordance with the company's Articles of Association, decision-making with regard to material corporate actions is reserved to the board of directors. If and when the law expressly reserves such corporate actions to the general meeting of shareholders, the board of directors provides shareholders with relevant recommendations.	Complied with	
7.1.2	The board of directors plays a key role in making decisions or recommendations with regard to material corporate actions and relies on the opinion of the company's independent directors.	1. The company has in place a procedure for independent directors to express their opinions on material corporate actions prior to their approval.	Complied with	
7.1.3	When taking material corporate actions affecting the rights and legitimate interests of shareholders, the Company ensures equal treatment of all its shareholders; and where the statutory procedures protecting shareholder rights are insufficient, the Company takes additional measures to protect their rights and legitimate interests. In doing so, the company is guided by the corporate governance principles set forth in the Code, as well as by formal statutory requirements.	1. Approval of the Company's material transactions is reserved to Board of Directors in accordance with the company's Articles of Association, with due regard to the specifics of the Company's operations and in addition to regulatory requirements for transaction approvals. 2. All material corporate actions in the reporting period were duly approved before they were taken.	Complied with	

N	Corporate governance principles	Compliance criteria	Compliance status	Reasons for non-compliance
1	2	3	4	5
7.2	**The company ensures that material corporate actions are taken in a manner enabling shareholders to receive full information on such actions in due time and influence them, and guarantees respect and due protection of shareholder rights when such actions are taken.**			
7.2.1	Information on material corporate actions is disclosed, with an explanation of the relevant reasons, conditions and consequences.	1. In the reporting period, the company disclosed information on its material corporate actions (if any) in a timely and detailed manner, including the relevant reasons, conditions and consequences for the shareholders.	Complied with	
7.2.2	Rules and procedures for taking material corporate actions are set out in the company's internal documents.	1. The company's internal documents set out the rules and procedure for engaging an appraiser to estimate the value of assets to be sold or acquired in a major transaction or a related party transaction. 2. The company's internal documents set out a procedure for engaging an appraiser to estimate the value of shares to be acquired and bought back. 3. If a member of the company's board of directors, the sole executive body, a member of the collegial executive body, or a person who is a controlling person of the company or a person entitled to give the company binding instructions has no formal interest in the company's transactions, but has a conflict of interest or other actual interest with regard to such transactions, such persons shall abstain from voting on the approval of such transactions as required by the company's internal documents.	Partially complied with	Criteria 1 and 2 are only partially not complied with. The Company's internal documents set out a procedure for engaging experts to obtain professional advice on matters considered at meetings of the Board of Directors without specifying the purpose of engaging such experts. In accordance with the applicable legislation, there are cases when the engagement of an independent appraiser is mandatory. Moreover, in accordance with the applicable legislation, an appraiser can be engaged in any of the specified cases (estimation of the value of property to be sold or acquired in a major transaction or a related party transaction, or assessment of the cost of an acquisition and buy-back). The possibility and necessity of aligning the Company's internal documents with the Code's recommendation is planned to be considered before the annual General Meeting of Shareholders, which will be held for 2026.

Major transactions

During the reporting year, there were no transactions that are recognised as major transactions in accordance with the Federal Law On Joint-Stock Companies.

Related party transactions

During the reporting year, there were no transactions that are recognised as related party transactions in accordance with the Federal Law On Joint-Stock Companies.

Resource consumption

Resource consumption by the Group's enterprises in 2023–2025[1], RUB mln

Type of resources	2023		2024		2025	
	All Group companies	PJSC Magnit	All Group companies	PJSC Magnit	All Group companies	PJSC Magnit
Diesel fuel	7,607.5	–	10,194.6	–	13,317.4	–
Petrol	673.5	–	727.4	–	820.1	–
Heat energy	3,191.9	0.2	3,426.8	–	3,486.4	0.02
Electricity	25,876.5	0.2	29,894.6	0.01	36,256.4	0.04
Natural gas	2,162.1	0.2	2,479.4	0.1	2,704.0	0.1

1 Data exclude DIXY, Samberi and Azbuka Vkusa.

Glossary

Terms and definitions

Darkstore	Warehouse store where online orders are collected for delivery. Not available to customers
Discounter	A store offering goods at prices below average market prices
Distribution	Physical distribution of goods across the chain of stores, organization of sales and related services
Drogery	A retail store with a range of cosmetics, hygiene products, household goods and certain over-the-counter medicines
Number of open stores (gross)	Total number of stores opened during the period, net of closures
Number of open stores (net)	Number of stores opened during the period, less closures
Cloud solutions	Technologies that allow the user to offer computer resources as an online service
Sales density	Net retail revenue for the last four quarters to average retail space at the end of the last five quarters
Real wages	Quantity of goods and services that can be purchased for nominal wages, actual purchasing power of nominal wages
Real GDP	Cost of all products and services produced in the economy adjusted for inflation
Real disposable income	Post-tax income available after adjustment for price changes
Seller	Individual or company selling goods on the marketplace
Average check	Average check amount calculated by dividing total sales in all stores for a specific period by the number of checks for the same period
Retail space	Area inside stores used for the sale of goods, except for areas leased to third parties, own production space, warehouses and space between the entrance to the store and the cash desk line
Traffic	Number of checks issued for a specific period
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs
Net debt	Financial metrics for liquidity analysis show the company's ability to service its liabilities immediately
Ultra-convenience	Format of compact stores focused on ready-made food, coffee, snack and speed of purchase

Abbreviations

AAA	Highest credit rating
ACRA	Analytical Credit Rating Agency (Russia)
ADTV	Average Daily Trading Volume
AGM	Annual General Meeting
AI	Artificial Intelligence
AR	Annual Report
ASI	Agency for Strategic Initiatives (Russia)
CAGR	Compound Annual Growth Rate
CCI	Chamber of Commerce and Industry
CEO	Chief Executive Officer
CIB	Corporate & Investment Bank
CPFR	Collaborative Planning, Forecasting, Replenishment
CPI	Consumer Price Index
CPO	Cost Per Order
CRR	Central Ring Road
CSI	Customer Satisfaction Index
CTR	Click-Through Rate
CVP	Customer Value Proposition
CX	Customer Experience
DAC	Digital Active Customers
DC	Distribution Center
DBS	Delivery by Seller
EBITDA	Earnings Before Interest, Taxes, Depreciation, Amortization
EDI	Electronic Data Interchange
ESG	Environmental, Social, Governance
EUR	Euro
EV	Electric Vehicle
FBS	Fulfillment by Seller
FCA	UK Financial Conduct Authority
FMCG	Fast-Moving Consumer Goods
FSSC	Food Safety System Certification
FZ	Federal Law (Russia)
GDR	Global Depositary Receipt
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GMV	Gross Merchandise Value
GOST	Russian state standard
GRI	Global Reporting Initiative
HACCP	Hazard Analysis Critical Control Point
HR	Human Resources
ID	Identifier
IFRS	International Financial Reporting Standards
IR	Investor Relations
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IT	Information Technology
JSC	Joint-Stock Company
KPI	Key Performance Indicator
LED	Light-Emitting Diode
LFL	Like-For-Like
LLC	Limited Liability Company
LLM	Large Language Model
LSE	London Stock Exchange
LT	Logistics Technologies
LTI	Long-Term Incentive
MAU	Monthly Active Users
MDL	Mandatory Display List
MGIMO	Moscow State Institute of International Relations
MGNT	Magnit (ticker symbol)
MICEX	Moscow Interbank Currency Exchange
MOEX	Moscow Exchange
NAFI	National Agency for Financial Research (Russia)
NPS	Net Promoter Score
OMNI	Omni-channel
OSA	On-Shelf Availability
PJSC	Public Joint-Stock Company
PLC	Public Limited Company
POSM	Point of Sale Materials
PVC	Polyvinyl Chloride
RA	Rating Agency
RAS	Russian Accounting Standards
RSPP	Russian Union of Industrialists and Entrepreneurs
RTE	Ready-to-Eat
RTS	Russian Trading System
RU	Russia
RUB	Russian Ruble
SASB	Sustainability Accounting Standards Board
SKU	Stock Keeping Unit
SRM	Supplier Relationship Management
UK	United Kingdom
USA	United States of America
USD	US Dollar
VAT	Value-Added Tax
VHI	Voluntary Health Insurance
WCS	Warehouse Control System
WMS	Warehouse Management System

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