Format overview

Magnit relies on a multiformat business model designed to best meet customer needs through tailored product offerings. Our portfolio of formats caters to diverse shopping missions, positioning Magnit as the top choice for everyday shopping.

Expansion beyond traditional grocery formats

Developing cosmetics stores and pharmacies offering our customers beauty and health products

Exploring other niches and testing new formats

Developing our own production to offer customers high-quality products at affordable prices by managing the entire value chain

Expanding our online capabilities and developing e-commerce services

All our conventional formats, including convenience stores, supermarkets, superstores, drogeries, pharmacies, and delivery services, are part of a single Company-wide loyalty programme.

Traditional offline formats

Magnit convenience stores

66

DIXY convenience stores

69

Magnit supermarkets

74

Drogerie stores

78

Promising offline formats

My Price stores

82

First Choice hard discounters

83

M City

85

Magnit Go

86

Magnit Convenience Plus

87

Magnit Pharmacy

88

Traditional offline formats

Magnit convenience stores

Magnit convenience stores are one of Russia's largest food retail chains operating in this format. Their customer value proposition (CVP) focuses on providing a quick and convenient shopping experience by improving the customer journey and leveraging modern technology.

These stores serve as go-to destinations for everyday shopping offering a broad range of food and non-food essentials at attractive prices. They are ideal for quick purchases of fresh dairy products, fruit, vegetables, bread, dry goods, flour products, confectionery, and household chemicals.

Store openings

- **Payback period:** 3–4 years
- **Costs per sq. m of selling space:**
  – new store: RUB 36,000;
  – redesign: RUB 29,000.
- **Reaching sales maturity:**
  12 months

CVP: Magnit convenience stores

Positioning

Everything you need to make this day better.
A store with everything at hand for those who want to satisfy their everyday needs.

Missions

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

Location

Residential and business areas, shopping malls

Clustering

- **Metropolis:** higher share of leisure goods; follows the look & feel design with a focus on the ambiance, useful services, digital solutions without compromising on price attractiveness.
- **City**: balanced offer and focus on the fresh category.
- **Countryside**: higher share of household goods.

Sales mix

89% Food
11% Non-food

>5,000 SKUs
product mix

351 sq. m
average selling space

2024 performance[1]

In 2024, our Magnit convenience stores maintained their leadership in everyday shopping. By year-end, they accounted for 69% of the Company's retail sales. Throughout the year, we actively developed the format by rolling out a new store concept and expanding our presence across various regions.

The format saw 1,771 gross store openings and 204 store closures made as part of our operational efficiency programme, with the net openings coming in at 1,567 stores.

A total of 75% of the format's new openings were new-concept convenience stores. We also continued redesigning existing stores, which resulted in increased turnover and an 11.7% YoY growth in average LFL sales. LFL traffic rose by 0.8%.

In September 2024, we announced plans to scale up the roll-out of the new concept stores. In 2024, we opened 55 stores in the new format, while also updating our existing stores. Starting 2025, all new convenience stores will feature an updated CVP.

1 Operating results include performance of convenience stores and other small formats, including My Price soft discounters, First Choice hard discounters, M City, Magnit Go and Magnit Convenience Plus stores.

Highlights of Magnit convenience stores

7,113 thous. sq. m
selling space

586 thous. sq. m
net selling space growth

87%
leased

13%
owned

Number of stores

20,268
total stores

1,771
gross openings

Purchasing activity

4,997 mln
number of tickets

RUB **416**
average ticket (excl. VAT)

RUB **305,000** / sq. m per year
LTM sales density

LFL metrics

11.7%
LFL revenue growth

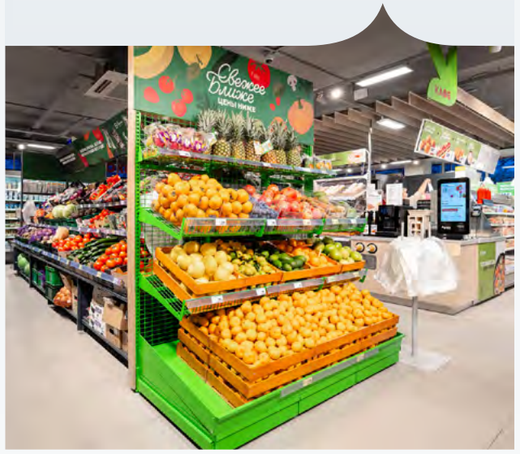
10.7%
LFL average ticket growth

0.8%
LFL traffic growth

Launch of franchises for most formats

In August 2024, we launched a franchise programme for most of our retail formats, including convenience stores.

We offer our partners collaboration based on reverse franchising, which grants franchisees the rights to use our brand and the benefits of our business model. Franchisees act as agents selling Magnit's products and managing store operations, while receiving our support and expert guidance at every stage of running the business. We provide franchisees with proprietary analytics, help them assess the financial performance of existing and future stores, and offer training in building product assortments and adopting responsible pricing principles. Additionally, Magnit assists with marketing activities, facilitates integration with our IT systems, and provides training for the franchisee's staff.



Opening of the first eco-friendly convenience store in Moscow

In November 2024, Magnit opened its first eco-friendly convenience store in central Moscow. The store's concept centres around sustainability and efficient resource use, reflecting the Company's commitment to sustainable development and environmentally responsible practices.

This store is more than just a retail space – it serves as a platform for promoting environmental awareness among our customers. Some of the measures to achieve this include:

- guidelines on proper waste sorting and mindful product selection displayed throughout the store;
- a container installed for collecting used batteries;
- dedicated shelves featuring an expanded range of eco-friendly products with verified environmental credentials.

Among the innovations introduced is our ready-to-eat range under the M Kitchen brand, packaged in potentially recyclable materials. Store staff have completed a specialised training course on eco-products, developed in partnership with the Ecological Union.

Partnership with Samolet Group

In October 2024, Magnit entered into an agreement with Samolet, a real estate development group, to open 30 stores within its residential development projects across five regions of Russia. These will include our Magnit Convenience stores and Magnit Cosmetic stores, each averaging 350–400 sq. m, that will be hosted in both completed and newly occupied residential projects, as well as those under construction.

This partnership underscores our commitment to expanding and upgrading our network of convenience stores, ensuring that we adapt to the evolving needs of consumers and embrace innovative retail trends.

DIXY convenience stores

DIXY convenience stores are one of Russia's largest food 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, making these stores a go-to option for daily shopping needs.

As at the end of 2024, the DIXY network comprised 2,363 convenience stores. Following its acquisition in 2021, Magnit continued to develop the brand in 2024, redesigning 344 DIXY stores and opening 155 new stores (including one dark store) with an improved operating model.

CVP: DIXY convenience stores

Positioning

Convenient and affordable stores for everyday shopping.

Mission

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

Location

Residential and business areas, shopping malls

>6,000 SKUs
product mix

332 sq. m
average selling space

Selling space ownership

92%
leased

8%
owned

Number of stores

2,363
total stores

155
gross openings

Purchasing activity

707 mln
number of tickets

RUB 462
average ticket (excl. VAT)

LFL metrics

12.4%
LFL revenue growth

9.7%
LFL average ticket growth

2.4%
LFL traffic growth

2024 performance

In 2024, the share of DIXY stores in the Company's retail sales reached 11%. Throughout the year, we opened 155 new stores and closed 27, bringing the total store count to 2,363 by year-end.

DIXY achieved a 12.4% increase in LFL revenue, the highest among all of our retail formats. This growth was driven by a 9.7% rise in the LFL average ticket and a 2.4% increase in LFL traffic. Sales density improved by 10.4%.

Total selling space expanded to 785,000 sq. m, an increase of 46 thousand sq. m compared to the previous year.

In December 2024, e-commerce accounted for 2.3% of the format's sales (averaging 1.6% for the year), with respective revenue growing more than threefold. Delivery services were used by 3.3 million customers throughout the year. At the end of December, DIXY launched its first dark store based on our proprietary system solutions, significantly enhancing the customer experience: order acceptance takes just seven minutes, while assembly is completed in 15 minutes.

In 2024, DIXY developed and launched a new concept for convenience stores with an updated CVP, ran initial pilots, and began scaling the concept roll-out.

The new CVP focuses more on ready-to-eat, ready-to-cook, and on-the-go options, which are particularly important for consumers in large cities. Throughout 2024, the chain launched 386 new private label products, bringing their total portfolio to 932 SKUs by year-end, with private label sales accounting for over 8% of revenue. Bakery products were introduced in 280 stores, with the total number of stores featuring in-house bakeries reaching 412, or 17% of the network's store count by the end of 2024. Ready-to-eat meals are now available in 1,055 stores, or 45% of the network. All new-concept stores are equipped with self-checkouts, with the latter installed in 1,365 stores by year-end (58% of the network).

In 2024, DIXY had a total of 233 new-concept store openings featuring the updated CVP. These stores show higher sales and customer traffic growth compared to the stores that have not been redesigned or were updated under the previous concept. For instance, their LFL sales growth exceeded 30% after redesign.

In 2024, DIXY began testing a DIXY Go ultra-small store format. These compact stores offer a selection of in-demand products and are located within walking distance of customers. The first DIXY Go stores opened in the Moscow region, situated on the ground floors of residential buildings. By the end of the year, 24 new stores were up and running.

This new format aims to offer quick and convenient shopping as close to home as possible. DIXY Go stores focus on everyday purchases and restocking of basic items, ready-to-eat meals for the evening, and snacks. To enhance the shopping speed and convenience, these stores are equipped with self-checkouts.

Key features of this format include a small selling space (70–110 sq. m) and a limited product selection of about 2,000 SKUs. A significant portion of the assortment is comprised of beverages, including alcohol, as well as dry food and confectionery. There is a strong focus on ready-to-eat meals, baked goods, and freshly brewed coffee.

The format follows the everyday low price (EDLP) strategy, offering consistently low prices without promotions. DIXY Go is integrated with the broader DIXY's loyalty programme.

The connection to the parent brand is further reflected in the store design, which incorporates key elements of DIXY's updated branding.

First DIXY store opened in St Petersburg Metro

DIXY opened its first store in the St Petersburg Metro, located at the Dostoevskaya station.

The new store spans 333 sq. m and offers approximately 5,400 SKUs. It focuses on fresh products and ready-to-eat meals, which make up about one-third of the assortment. Along with packaged ready meals, there is a coffee corner where customers can pick up freshly brewed coffee to enjoy on the go.

The store also offers a variety of fruit and vegetables, dry food, confectionery, drinks (both alcoholic and non-alcoholic), as well as everyday non-food essentials – making it ideal for regular shopping or quick meals and snacks.

To make shopping easier, the store features clear signage, wide aisles, and self-checkouts for a speedy experience.

Streamlined operational model

By simplifying and streamlining a range of operational processes, DIXY significantly reduced the workload on staff, freeing up over 14 hours of time while enhancing customer service.

The introduction of an OSA[1] tool based on a GoodsForecast solution successfully addressed issues related to product availability on shelves, contributing to an increase in sales.

Thanks to improvements in the restocking process, inventory turnover has sped up by seven days, freeing up working capital for further investment in network development, while still keeping products readily available for customers.

In 2024, DIXY tested various demand forecasting models from different partners, chose the best solution, and began rolling out a full-scale system for restocking and demand forecasting.

DIXY also upgraded more than 60% of its truck fleet and over 30% of its warehouse equipment, making significant investments in refurbishing logistics infrastructure and improving working conditions. This resulted in a productivity boost of more than 20% for employees at distribution centres.

Additionally, DIXY implemented digital solutions in stores and on storefronts to engage with customers and attract new ones.

By the end of 2024, the chain had a total of 4,265 TV panels installed across 1,314 stores, as well as over 130 digital tools in stores and LED screens on storefronts.

Nearly half of the stores (1,290) were equipped with an internal audio broadcasting system by the end of 2024. This system helps improve the store ambiance and boost customer loyalty while promoting services and offers.

Innovative approach to merchandising and store layouts

In 2024, DIXY completely overhauled its approach to merchandising and store layouts. The new strategy draws upon insights derived from the Company's vast data resources and research from top analytical agencies in Russia.

With this updated approach, DIXY can better understand what customers need and prefer, making shopping more comfortable and convenient. By leveraging modern technologies and analytics, the Company can quickly adapt to changing customer demands, boosting loyalty and offering the products shoppers really want.

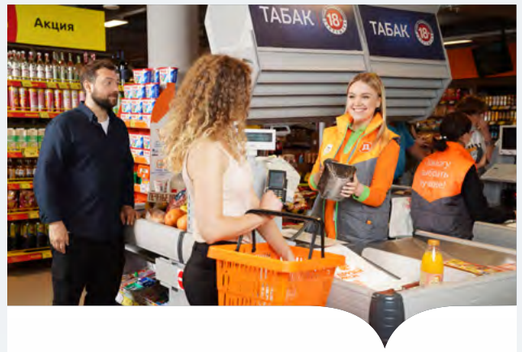
Revamped communication strategy and brand identity

In line with the new brand book developed in 2023–2024, DIXY embarked on a transformation of its customer engagement strategy. The goal of this marketing effort is to refresh the brand's perception among shoppers.

In 2024, several projects were launched to enhance the DIXY brand image, including updated advertising materials, social initiatives, and sports marketing efforts.

Additionally, DIXY is revamping its approach to existing customer promotions. Importantly, to support the DIXY Friends Club loyalty programme, we increased the integration of loyalty mechanics in promotional campaigns to 80%.

1 OSA – on-shelf availability.



Customer store rating system

DIXY introduced a new system for customers to rate its stores on a regular basis. This system helps track the issues shoppers encounter at each store and take action to resolve them. It not only monitors the quality of service in stores but also identifies hidden friction points that customers experience while interacting with the brand.

Besides ranking the best and worst performing regions and divisions, the system evaluates how different service elements contribute to overall store ratings. These insights help determine which areas need attention first to improve efficiency.

The system also provides quick feedback on new initiatives in stores, helping DIXY assess their impact on customer satisfaction and financial performance.

Pricing strategy

DIXY implemented a price monitoring system that uses data from competitors' public online resources. This upgrade boosted the frequency, volume, and quality of our market tracking, enabling us to respond faster and more effectively to changes.

Starting in the summer of 2024, DIXY launched an automated discount coupon management solution integrated into the internal Dixy Staff app. It helps identify soon-to-expire products through batch tracking and prompts store employees to apply discount coupons to specific items.

Loyalty programme development and transformation

In November 2024, DIXY revamped its loyalty programme for customers. The changes kept the top membership levels with the highest cashback rates and significantly expanded the range of favourite categories and products eligible for an extra 10% cashback or 20% discounts. As a result, by the end of the year, the number of purchases made with the loyalty card rose by 12% compared to the previous year.

In 2025, DIXY continues to focus on customer-centricity by offering over 300 products with additional perks for loyalty card holders. Further plans include developing personalised pricing and exploring non-commercial partnerships to bring even more value to customers.

Analytical portal for suppliers

DIXY, in collaboration with Retail Services, launched an analytical portal for suppliers.

On the RS.Dixy portal, partners can quickly access up-to-date information regarding demand, product share within both the assortment and category, ticket penetration, promotional results, product availability on store shelves and in warehouses, service levels for deliveries to distribution centres, and other insights that will help suppliers improve sales efficiency. It provides deeper insights into how the supply chain impacts final sales and helps track customer behaviour through loyalty card data analytics. Suppliers also have the ability to monitor product availability in stores without sending merchandisers for in-person visits.

The portal offers data across more than 35 metrics – covering the entire network of nearly 2,400 stores or breaking it down by individual location, with updates available daily.

Around 1,300 suppliers currently work with DIXY, and the portal is already being piloted with several partners, including those using a similar solution rolled out by Magnit.

Magnit supermarkets

Magnit develops large-format stores such as Magnit Family supermarkets and Magnit Extra superstores.

CVP: Magnit Family supermarkets

Magnit Family supermarkets are conveniently located within a walking distance from residential and business areas, as well as in shopping malls. They offer a wide selection of products with a focus on the fresh category, ready-to-eat foods, and dedicated sections with healthy lifestyle products. Supermarkets provide an extended product range, enhanced shopping experience, reasonable prices, and place a special emphasis on gastronomic impressions.

Positioning

Shopping experience makes a difference in a full-service supermarket offering an extended product range, enhanced service quality, and reasonable prices.

Missions

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

Location

Residential and business areas, shopping malls

>14,000 SKUs
product mix

CVP: Magnit Extra superstores

Magnit Extra superstores differentiate themselves with vibrant design, thematic zones developed in partnership with leading FMCG companies, extended product range, and high-quality technologies. Locations are selected considering a combination of pedestrian and automotive accessibility. This is a modern and technologically advanced large-format store for the entire family that offers an extended product range covering all missions and focusing on the price-quality ratio. The assortment of non-food and seasonal products is tailored to key customer missions, transitioning from the principle of "a little bit of everything" to a comprehensive offering.

Positioning

Shopping as a valuable experience for the entire family in a store that offers an extended product range covering all missions and focusing on the price-quality ratio.

Missions

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

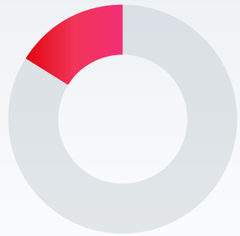
Location

Residential areas, highways

>23,000 SKUs
product mix

Large-format stores

Sales mix



86% Food
14% Non-food

Floor area

900–2,200 sq. m
Magnit Family supermarkets

2,300–5,000 sq. m
Magnit Extra supermarkets

Redesign cost

RUB 26,000 / sq. m of selling space

2024 performance

In 2024, Magnit supermarkets accounted for 8.8% of the Company's retail sales. As part of a campaign to enhance operational efficiency, we closed 33 supermarkets, focusing on increasing sales density in the existing store network. The total selling space of the supermarkets reached 938 thousand sq. m.

LFL sales of the format's stores grew by 6.5% driven by 8.5% increase in LFL average ticket and 1.9% LFL traffic decline. As a result, net retail sales at supermarkets grew by 5.5% in 2024.

938 thous. sq. m
selling space

Selling space ownership

46%
leased

54%
owned

Purchasing activity

330 mln
number of tickets

RUB 807
average ticket (excl. VAT)

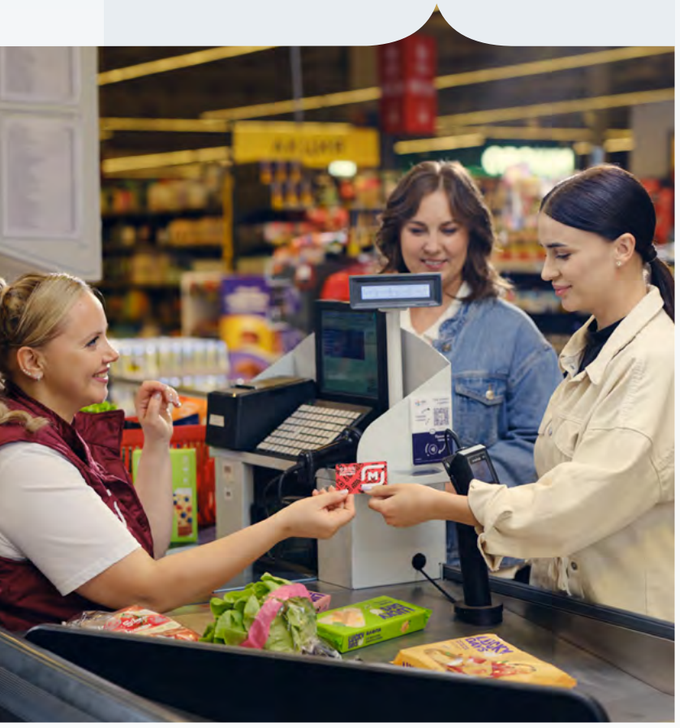
RUB 277 thous. / sq. m per year
LTM sales density

LFL metrics

6.5%
LFL revenue growth

8.5%
LFL average ticket growth

–1.9%
LFL traffic growth



Charging stations for electric vehicles at large-format stores

In 2024, Magnit launched a pilot project to install fast charging stations for electric vehicles in the parking lots of its large-format stores – Magnit Family supermarkets and Magnit Extra superstores.

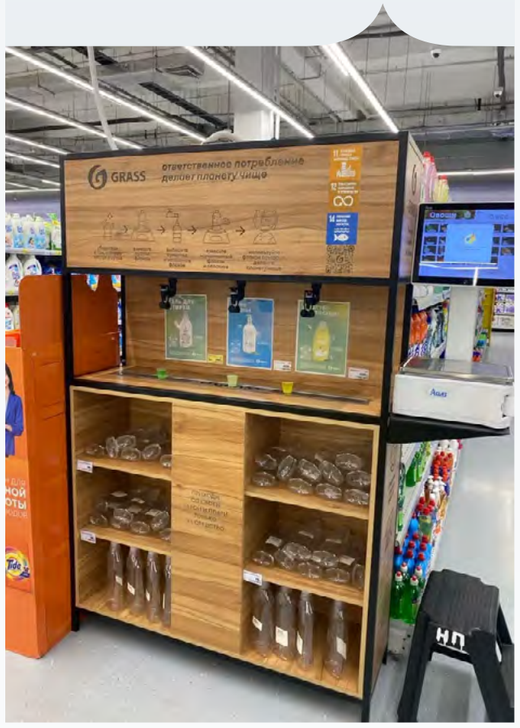
The first charging station was unveiled near the Magnit Extra store at 174, 40th Anniversary of Victory St. in Krasnodar. The station has a capacity of 150 kW and can service up to three electric vehicles at once.

The Company plans to pilot additional EV charging stations at its large-format stores in the Moscow and Leningrad regions, Rostov-on-Don, the Sirius federal territory (Krasnodar territory), and other locations.

The electricity supplier for these charging stations will be Magnit Energo, one of Russia's largest independent energy supply companies, part of the Magnit Group. Magnit Energo provides electricity to both our own facilities, including stores, as well as third-parties, ranging from small enterprises to large corporations. By purchasing electricity on the wholesale market, Magnit Energo can offer attractive prices to its partners.

First in Russia environmental lifecycle certification secured by Magnit superstore

Magnit became Russia's first retailer to obtain the Vitality Leaf certification for its store, recognising compliance with stringent environmental and sustainable consumer economy standards. This voluntary certification is aligned with the international standard ISO 14024 and is aimed at promoting and preserving environmental wellbeing.
The certification was awarded to a Magnit superstore located in the Sirius federal territory in the Krasnodar territory. Certifying experts from the Ecological Union carried out an on-site audit and reviewed the store's key operational regulations. During the certification process, various performance metrics were evaluated, including the energy efficiency of equipment (air conditioning, heating, lighting, refrigeration, and other systems); waste minimisation practices, including food waste management; recycling initiatives, packaging solutions, and customer engagement (setting up recycling collection points and promoting eco-friendly products). Furthermore, experts looked at how the store collaborates with suppliers to ensure they adhere to green procurement principles and environmental policies. They also evaluated the store's selection of eco-friendly products and the criteria used for selecting them.



15 more supermarkets added to food sharing programme

In 2024, Magnit partnered with the Foodbank Rus charitable foundation to expand its food sharing programme, which provides quality food nearing expiration to those in need at no cost. In August, the Company added 15 more large-format stores – Magnit Extra superstores and Magnit Family supermarkets – to the project, bringing their total number to 20 by the year-end.

The participating stores are located in the Saratov region, Voronezh, Yekaterinburg, Krasnodar, Nevinnomyssk, Nizhny Novgorod, Novorossiysk, Penza, Pskov, Ryazan, St Petersburg, Serov (Sverdlovsk region), Tver, Ufa, and Chelyabinsk. With this expansion, the Magnit food sharing programme will now operate in 20 cities.

The food sharing basket comprises 300 SKUs, excluding animal products. It includes not just basic food items but also fresh vegetables and fruit, ensuring a well-rounded and healthy diet.

Volunteers from Foodbank Rus deliver the products to beneficiaries within the same day as they are assembled at our dark stores or supermarkets. All items go through a double quality check – first by Magnit employees and then by the foundation's volunteers. In all stores joining the food sharing programme, the Company will also organise the collection and distribution of non-food products to those in need.

Drogerie stores

Magnit Cosmetic is a non-food retail format for women catering to their personal care, family wellbeing, and household needs. These stores offer make-up and skincare products, perfumes, personal hygiene items, products for children, household chemicals, and other everyday non-food items.

With a total of 8,050 stores, Magnit Cosmetic is the largest drogerie chain in Russia. The stores are adorned in vibrant pink tones and feature accent lighting in the sales area, creating a pleasant ambiance that entices customers to make purchases.

Store openings

- **Payback period:** 3–4 years
- **Costs per sq. m of selling space:**
  – new store: RUB 36,000;
  – redesign: RUB 29,000.
- **Reaching sales maturity:**
  12 months

CVP: Magnit Cosmetic

Unique offering

Trust us to take care of the quality, prices, and authenticity of all our products. Just decide whether to visit us in-store or order for delivery.

Positioning

Drogerie stores nearby with a wide variety of everyday essentials, including cosmetics, household chemicals, and home goods, offered at affordable prices.

Location

- Residential areas
- Shopping malls
- High-traffic streets

Clustering

- **Metropolis**. Core assortment: make-up products and perfumes. Main shopping mission: purchases for personal use. A variety of beauty services available.
- **City**. Balanced offer for different consumer groups. Core assortment: laundry and household cleaning products. Main shopping mission: purchases for family and home.
- **Countryside.** Wide selection of products for family and home, including personal hygiene items, products for children, and home care products. Core assortment: non-food items such as accessories, home goods, storage solutions, and kitchen products. Main shopping mission: finding great deals.

Highlights of drogerie stores

8,050
total number of stores

1,834 thous. sq. m
total selling space

8,255 SKUs
product mix

228 sq. m
average selling space

LFL metrics

10.0%
LFL revenue growth

9.7%
LFL average ticket growth

0.2%
LFL traffic growth

2024 performance

Magnit Cosmetic drogeries accounted for 7.5% of the Company's retail sales. During 2024, the format had 376 gross store openings, with 66 stores closed as part of a campaign to improve operational efficiency. As a result, as at 31 December 2024, Magnit operated a total of 8,050[1] drogerie stores.

Selling space growth amounted to 61,000 sq. m, or 3.5% YoY. This result coupled with a 10.0% rise in LFL sales led to a 13.1% increase in net retail sales. LFL sales growth was driven by a 9.7% increase in the LFL average ticket and a 0.2% rise in LFL traffic.

Throughout 2024, the Company continued to successfully develop the Magnit Cosmetic online format whilst optimising delivery services. The year also saw the opening of our first Magnit Cosmetic store under a franchise agreement in Pervomaiskoye, Leningrad region. We continue to test advanced technologies, including AI-based solutions, with a unique Magnit Cosmetic concept store opening in St Petersburg.

Russian cosmetics and skincare products reached 50% of the retail chain's offering in 2024. We plan to launch new private labels in the coming year. With the expansion of our brand portfolio and new product launches, the number of private labels at Magnit Cosmetic may increase by 1.8 times – growing to more than 30 private labels from 17 in 2022, whilst the number of SKUs may increase by more than 20%, reaching 2,600. Private labels represented 18% of Magnit Cosmetic's sales mix in 2024.

Additionally, during the reporting year, we implemented a range of initiatives aimed at enhancing service quality across the Magnit Cosmetic chain. These included:

- launching additional tools for process digitalisation;
- expanding our product range, including environmentally friendly products;
- optimising the product delivery network through partner services;
- opening a flagship beauty store;
- expanding omni-channel services for customers;
- revising our CVP and paving the way for further evolution of the Magnit Cosmetic format.

Release of men's fragrances collection by Magnit Cosmetic and Henderson

Magnit Cosmetic, in collaboration with Henderson and the cosmetic brands distributor United Europe Group, has launched a line of men's fragrances.

This partnership marks the first time the Russian Henderson Fashion House has created fragrances for a drogerie chain, while for Magnit Cosmetic, it represents the first collaboration with a domestic fashion retailer. The collection has already made its debut on shelves and is available across more than 8,000 stores. The line comprises four fragrances. Men's perfumery has emerged as one of the fastest growing categories offered by Magnit Cosmetic. Men's fragrances account for approximately 40% of total perfume sales in unit terms. Additionally, customer purchasing patterns have evolved, with more frequent selection of items from the mid-price segment. Sales in this category more than doubled over the previous year.

1 Including 124 drogerie stores located in Uzbekistan.

Opening of Magnit Cosmetic concept store in St Petersburg

Magnit opened its first Magnit Cosmetic concept store in St Petersburg. This new store embodies the future of beauty shopping, emphasising a technological approach to beauty with a focus on make-up and skincare products, as well as digital services.

The store opened in the heart of the city at 105 Nevsky Avenue. With a floor area of 180 sq. m, it offers an assortment of 6,600 SKUs. The store focuses on cosmetics and skincare categories while offering a reduced selection of household chemicals, household goods, and certain other categories.

Skincare, make-up cosmetics, and perfumery are displayed in a dedicated store section. The store features several innovative zones, including a serum bar showcasing skin serums with active ingredients, a treatment bar demonstrating hair care routines, and a Blogger Favourites shelf with a screen displaying videos about the featured products. There is also a designated area for stylists available during customer days.

The selling space integrates digital solutions for comfortable product selection along with services for a seamless shopping experience with swift transitions between offline and online sales channels. The store utilises a lift and learn technology (screens displaying videos about products as customers pick them off the shelves), a hair dye selection service allowing customers to "try on" different shades via tablets, and the BeautyScan service for personalised facial skincare product recommendations.

Information about products, cosmetic ingredients, current promotions, and QR codes for quick access to relevant app sections for detailed information and product ordering is displayed in showcases, on storefronts, and on digital wall panels throughout the store. A pick-up point for the Click&Collect service is conveniently located in the checkout area.

Launch of new make-up brand

Magnit introduced a new private label make-up brand called LAF (Love_Against_Filters). In Q1 2024, LAF products made their debut on the shelves of Magnit Cosmetic drogerie chain, which encompasses more than 8,000 retail stores.

The line features over 100 SKUs, including foundations, blushes, eyeshadows, eye and lip liners, mascaras, lipsticks, and other cosmetic products, as well as accessories for make-up, hair, and manicure. The collection will be regularly updated. Designed for women of all ages, the brand offers accessibility to customers across all income levels. LAF expands Magnit's existing private label offering in the make-up category, which includes popular mid-price brands such as Stellary and Beauty Bomb. Magnit has further plans to launch an additional cosmetics brand positioned in the medium+ price segment.

Since 2022, Magnit Cosmetic has steadily expanded its private label offering, particularly in response to some foreign brands exiting the Russian market and the reduction in marketing activities from several manufacturers. In 2023, the chain introduced several own brands, including Fiora (feminine hygiene), LamaLove (children's hygiene), Belle Papielle (paper hygiene), Auramore (eau de toilette), ProWave (hair care products), and others.

In 2024, LAF was honoured as the Best Private Label in the Beauty and Personal Care category at the Private Label Awards.

Promising offline formats

My Price stores

The store concept is aimed at price-sensitive consumers who frequently make minor purchases of traditional goods or stock up on products.

My Price offers a limited assortment consisting of best-selling items from Magnit convenience stores at consistently low prices. These stores meet customers' essential everyday needs and feature a simple layout of the sales floor and a basic set of equipment, while maintaining a high level of customer service.

The chain focuses on affordable shopping, offering fresh products, dry food, frozen products, and non-food items at reduced prices.

My Price stores are present in small towns and major cities alike, including those with population of over one million people.

CVP: My Price stores

Positioning

A no-frills, low-price store with a cosy atmosphere and a small yet high-quality assortment, catering to customers' essential needs.

Missions

- Shopping close to home
- Everyday purchases
- Small purchases

Location

- Residential areas
- Areas with low-income populations
- Sparsely populated areas

Target audience

Price-conscious, budget-minded consumers, retirees, and low-income families.

Key highlights

2,000 SKUs
product mix

100–250 sq. m
average selling space

Streamlined operational model, with two to three employees per shift.

First Choice hard discounters

First Choice hard discounters are technologically advanced and innovative 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. The format actively develops private labels, which make up to 15% of its product mix.

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.

The chain has its own positioning and brand name, along with a loyalty programme centred around customer benefits. First Choice continuously works with customer feedback to improve the shopping experience.

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

1,100 SKUs
product mix: basic basket

280–350 sq. m
floor area

100 SKUs
seasonal offers

First Choice hard discounters: competitive advantages

- Streamlined operational model, with two to three employees per shift, flexible schedule management, multitasking employees.
- Assortment to differentiate from other hard discounters:
  – fruit and vegetables;
  – freshly baked bread and other bakery products;
  – goods sold by weight (nuts and sweets);
  – seasonal collections of food and non-food items.
- High product quality combined with the EDLP strategy.
- 0.85x price index compared to the convenience store format.
- High inventory turnover and separate logistics infrastructure with technologies tailored for a discount store: pallet and case assembly, unloading by drivers, launch of an own distribution centre, etc.

As at the end of 2024, a total of 171 First Choice discounters were up and running, including one mini format store, as well as a 3PL distribution centre in Dmitrov.

Events of 2024

Testing ready-to-eat food sales

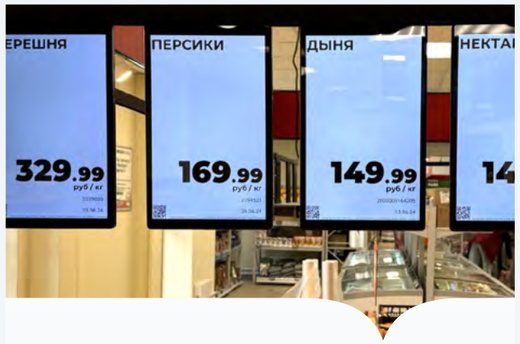
The Company launched ready-to-eat food sales in several stores in test mode. Showcases with packaged ready-to-eat food appeared in four First Choice discounters in Moscow. The line includes about 20 items. The assortment undergoes regular rotation, offering customers the opportunity to discover new and interesting products. Ready-to-eat food, packaged in convenient airtight containers, is suitable for home meals, eating on the go, or immediate consumption in-store. Tables with microwave ovens are installed next to the showcases, allowing customers to heat their chosen dishes.

Based on the sales results of ready-to-eat food in test locations, the Company will decide on the further development of the project in terms of both assortment and geographical reach.

Regional expansion

In March 2024, the First Choice hard discounter chain opened its first store outside the Moscow region, in the Leningrad region. The store's product mix includes about 1,000 SKUs, covering key customer needs, including a wide selection of fresh vegetables and fruit, goods by weight, as well as fresh pastries of its own production and relevant seasonal non-food items.

In May 2024, First Choice expanded further by opening stores in the Nizhny Novgorod region. By the end of 2024, the regional presence had grown to include up to 35 stores.



Testing electronic price tags

In the summer of 2024, the First Choice hard discounter chain began testing electronic price tags in one of its stores in Moscow.

The electronic price tags implemented at First Choice leverage e-ink technology. These tags automatically update product and price information in real-time by connecting to the store's IT system.

Electronic price tags enable staff to redirect their efforts toward other operational tasks. Additionally, this technology eliminates human error and ensures the display of current prices and accurate product information, enhancing service quality and fostering customer loyalty.

The pilot project continued through the end of 2024. First Choice will evaluate how electronic price tags impact sales, staff productivity, and customer satisfaction, while also assessing the technology's return on investment. We plan to implement this technology in several high-turnover stores.

M City

Small-size stores with a cosy interior and a café area where customers can charge their phones, connect to a Wi-Fi hotspot, have a snack, grab ready-to-eat food, and make small purchases.

The format targets city dwellers. The assortment includes freshly baked goods made right in the store, ready-to-eat options, coffee and tea, snacks, fruit, dairy products, ice cream, and beverages. These stores are located in high-traffic areas near business and office centres, universities, and on central city streets.

Location

High-traffic areas: near office buildings, universities, and various businesses

Distinctive features

- In-store bakery offering
- Ready-to-eat food
- Washed and ready-to-eat fruit
- Dairy products
- Ice cream

1,500–3,000 SKUs
product mix

100–250 sq. m
floor area

Events of 2024

As part of its small format development strategy, the Company continued expanding its M City store chain. In 2024, Magnit developed an updated M City concept. The store under this new concept re-opened after renovations in Krasnodar. It now features a revised layout of the sales floor, along with modern design solutions, new colours, and updated graphics.

Magnit Go

Kiosks catering to impulse purchases and located in high-traffic areas such as offices, transport hubs, pedestrian streets, parks, sports facilities, and educational institutions. The focus is on ready-to-eat and on-the-go food.

Location

High-traffic areas such as office buildings, transport hubs, pedestrian streets, parks, sports facilities, educational institutions

Distinctive features

- Ready-to-eat food
- Snacks
- Beverages
- Ice cream
- Confectionery

Key highlights

400 SKUs
product mix

15–50 sq. m
floor area

Events of 2024

In 2024, the Company continued expanding its chain of Magnit Go kiosks across key regions of Russia. The first Magnit Go kiosk in the Moscow Metro opened at the entrance to the Kozhukhovskaya station. The selling space of the new Magnit Go is 66 sq. m. The assortment comprises 650 SKUs along with more than 40 ready-to-eat food options, including items under our own M Kitchen brand, such as salads, meat and fish main courses, rolls, and sandwiches.

The new Magnit Go became the fourth Magnit kiosk in Moscow. The Company will continue developing this format in Russia's capital and is exploring opportunities to open several additional kiosks near metro stations.

Magnit Convenience Plus

Stores with an expanded assortment and large shopping space. The format targets customers with high requirements for product quality and ready-to-eat meals.

Location

Areas with active pedestrian and car traffic, near residential zones

Distinctive features

- Café area
- Broader selection of ready-to-eat options
- Deli counter selling items by weight
- Cheese and sausage slicing service

Key highlights

9,500 SKUs
product mix

650–900 sq. m
floor area

52 stores
Magnit Convenience Plus stores up and running at the end of 2024

Magnit Pharmacy

Conveniently located small stores offering medicines and healthcare products at affordable prices. As at the end of 2024, the chain encompassed almost 1,100 pharmacies.

Number of stores

1,084
total stores

189
openings

LFL metrics

25.6%
LFL revenue growth

18.3%
LFL average ticket growth

6.1%
LFL traffic growth

Location

Near drogeries and/or grocery stores

Distinctive features

- Traffic-generating synergies between pharmacies, drogeries, and grocery stores, multiplying the economic effect.
- Synergies in the supply chain and operating costs.

Key highlights

20–70 sq. m
floor area

20%
share of e-commerce

>3,800 SKUs
product mix

RUB 629
average ticket (incl. VAT)

+20.7% YoY

RUB 628 thous. (incl. VAT) / sq. m per year
LTM sales density

Events of 2024

- The Company opened 189 new Magnit Pharmacies, with the milestone thousandth pharmacy launched on 2 August in Sochi. The majority of the new openings were in the Central and Northwestern federal districts. The Urals federal district also demonstrated high expansion rates, with Magnit Pharmacies debuting in Salekhard. By year-end, the chain included 1,084 pharmacies located across 435 cities and townships.
- The active customer base grew by 17%, reaching 4.8 million people. The format attracted 1.9 million new customers and rolled out numerous marketing initiatives. Magnit Pharmacy consistently maintains an average customer review rating above 4.5 on 2GIS and Yandex.
- The first revamped Magnit Pharmacy opened in Moscow. The new concept involves redesigning the sales floor to enhance customer convenience and create more space, as well as updating retail equipment, including the checkout area, showcases, and prescription cabinets. To enhance brand recognition, the entrance design has been refreshed, and brand image communication within the pharmacy has been added.
- Throughout the year, the Company completed extensive work on both external and internal design elements. Pharmacies now feature stylish signage, and the sales floors include dedicated areas for measuring blood pressure and temperature. The Company installed 200 customer-facing monitors at checkouts, which display ads (including paid content) and suggest alternative or additional products at the time of checkout. This practice of monitor installation will extend to all network pharmacies in 2025.
- The Magnit Pharmacy format was integrated into Magnit's mobile app, which combines delivery services from stores, marketplace functionality, a virtual loyalty card, and useful customer content.
- A pharmacy marketplace was launched based on the Magnit Pharmacy format. Customers can now access a wide range of products from both Magnit Pharmacy and partner companies (more than 15,000 SKUs) in the Pharmacy section of our website and mobile app. Additionally, more than 20,000 partner pick-up points connected to the network, and e-commerce turnover growth increased threefold. The e-commerce share surpassed 20% in 2024.
- The Heado analytical app was implemented to help pharmacy managers assign tasks in real-time, monitor sales, and improve operational efficiency.
- In December 2024, Magnit Pharmacy registered and launched a new brand of dietary supplements, Treat And Benefit (T.A.B.), which has already appeared on the chain's shelves. The private label accounted for 5.7% of total turnover.
- The Company launched a Pharmacy Business School for retail and office employees. Personnel training was initiated to retrain consultants as pharmacists, and contracts were signed with 90 educational institutions to attract new pharmacy assistants and pharmacists. The Company also expanded mobile teams and enhanced the mentoring programme.

Key online formats

In 2024, Magnit continued to develop its online projects while actively expanding strategic partnerships in promising areas, including regular and express delivery, online pharmacies, and the proprietary marketplace.

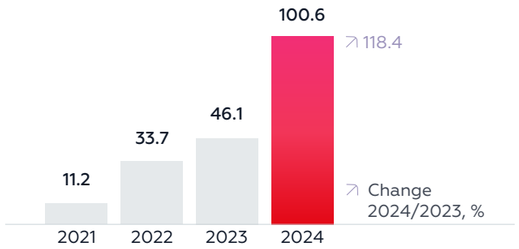
By the end of the year, our e-commerce services covered more than 28,000 offline stores. Express delivery is the largest and fastest-growing segment.

RUB 100.6 bln
online GMV[1], incl. VAT, in 2024

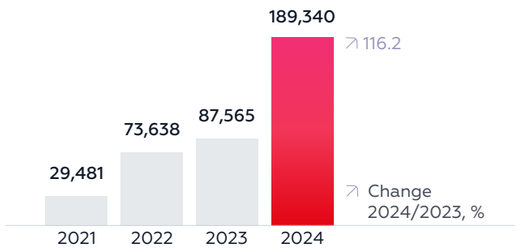
+116.2% vs 2023
189,340
average daily orders

+0.7% vs 2023
RUB 1,452
average online ticket (incl. VAT)

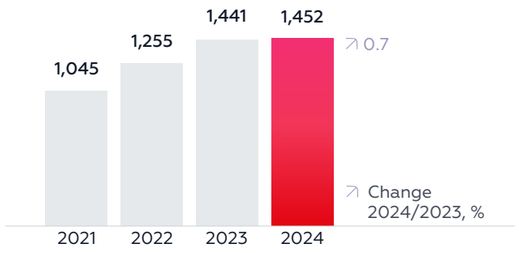
GMV, RUB bln



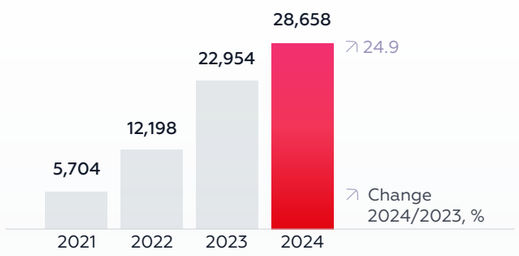
Average daily orders



Average ticket, RUB incl. VAT



Number of stores covered at the end of period



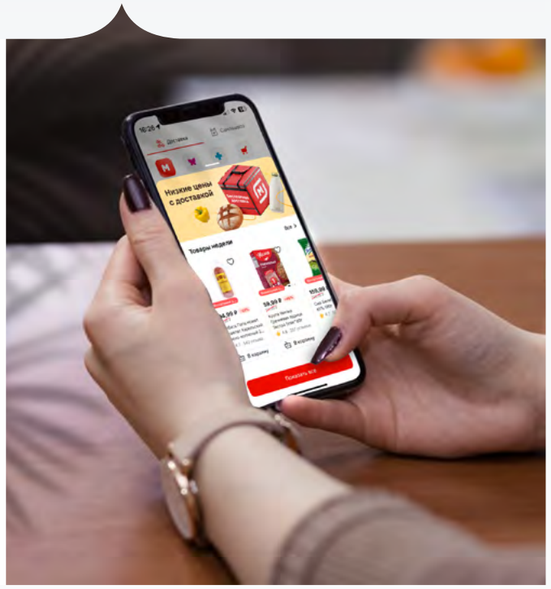
1 GMV (gross merchandise value) – total online sales at the final cost for customers on e-commerce platforms, calculated before promo code discounts and taxes (VAT) and including the value of own and third-party merchandise, delivery costs, and gift certificates, net of discounts, returns and cancellations.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

Online services integrated into Magnit's app

Gastronom.ru media platform

Gastronom.ru, along with its social media and messenger accounts, is an essential part of our communication with customers, serving as a supplementary and promising source of traffic for both our e-commerce formats and offline stores.

By the end of 2024, the media platform's total unique monthly audience reached
>18.5 million users



Magnit Delivery

Magnit Delivery integrates our own and partner delivery services.

Magnit's own delivery service

Orders are placed via Magnit's app.

Delivery and self-pickup options are available for our convenience stores, large formats (Magnit Family and Magnit Extra), as well as Magnit Cosmetic and Magnit Pharmacy.

Partner delivery services

Orders are placed via aggregators.

Kuper, Yandex.Eda, and Delivery.

Looking ahead, we aim to further develop our own courier delivery service.

Growth drivers for Magnit Delivery

- Adoption of new technologies and solutions
- Focus on customer service quality
- Improvement in order processing accuracy and speed
- Expansion of the multiformat offering

In Q4 2024, Magnit Delivery achieved its first-ever positive EBITDA, a result of scaling our operational model, optimising costs, and increasing efficiency through new technologies.

Magnit Delivery performance highlights in 2024

+81%
YoY growth in orders[1]

26.6 thous.
stores covered by the delivery service by year-end[2]

<50 minutes
average delivery time nationwide in December 2024[3]

2.5x
growth in orders via our app

3x
growth in Magnit Delivery couriers

EBITDA >0
Q4 2024

- 82% of e-commerce revenue is generated outside of Moscow, the Moscow region, and St Petersburg.
- The regions with the highest growth in orders in 2024 were the Rostov region (+102%), Krasnodar territory (+85%), and Samara region (+72%).

E-commerce development across all missions

Missions	Own service
Express	• Magnit delivery • Self-pickup available
Stock-up	
E-pharma	
Magnit Market	

>28 thous.
stores covered

88%
coverage

>140 thous. SKUs
available across Magnit Delivery services

>1.2 mln SKUs
available on Magnit Market

3,590
cities and townships

in 70
regions

Record number of orders achieved ahead of New Year's Day

Magnit Delivery set a sales record in the last days of 2024. On 30 December, customers placed 267,000 orders through the service, marking a new high for the Company. 150,000 of these orders were made through our Magnit app, more than double the number from the previous year.

During the New Year holiday season, from 29 December to 8 January, Magnit delivered over 2 million orders, twice the amount compared to last year's holidays. Most orders were delivered outside of Moscow and St Petersburg, with the latter together accounting only for 11% of the total. The largest single order ticket totalled RUB 79,000, and the maximum order weight reached 130 kg.

1 49 mln orders in 2024.
2 With 68% being convenience stores, our key format.
3 Express delivery only.

Magnit Market

The Company is developing its own marketplace, Magnit Market (mm.ru) as an additional sales channel featuring an extensive product range and a unique value proposition.

As part of our broader retail business, Magnit Market benefits from the same favourable purchasing conditions as Magnit itself. This model allows the marketplace to offer low prices on popular products, which increases purchase frequency and enhances its ability to acquire new users. Magnit Market provides its customers with an "endless aisle" of products in an online format. Currently, delivery is available at competitive prices to 275 cities and townships across Russia, including Moscow, with a one-day turnaround.

Developing the marketplace enables us to unlock the potential of our existing infrastructure. For instance, opening Magnit Market's pick-up points in our stores boosts their traffic, while using our distribution centres and logistics network for markeplace order deliveries enhances the overall efficiency of our storage and delivery system. Additionally, integrating the marketplace into our mobile app increases the number of its digital active customers (DAC).

We develop Magnit Market by leveraging both our own services and the KazanExpress marketplace acquired in 2023. The integration of our services and the marketplace began in March 2024 and was completed in August 2024.

+124% vs 2023

275 cities and townships
expansion of the marketplace geography

4.6 thous. pick-up points
8x increase

Top 3
marketplace by the number of pick-up points in major cities of operation

FBS[1]
new fulfilment model (launch scheduled for 2025)

Integration into our app:
new ways to personalise offers for Magnit customers

Magnit Market integration into our mobile app

In May 2024, we integrated the marketplace into our main app, and by July, customers were able to access all loyalty programme benefits while shopping online on the marketplace. In 2024, the marketplace became part of the new Magnit Plus Premium subscription, offering 10% cashback on all purchases. In December 2024, a multisearch feature was launched in the app, allowing users to adjust their search settings and view both offline store and marketplace offerings in their search results.

The marketplace's reach is currently smaller than that of our main app, which has over 20 million active users. It covers the Central, Volga, and Urals federal districts, as well as Moscow and the Moscow region, where marketplace delivery services are offered. Even with these limitations, integration into the app significantly expanded the marketplace's potential user base.

Pick-up points

Placing pick-up points in our stores enables rapid scaling of the retail network while optimising resources for buying or leasing premises or setting up third-party pick-up points. Proximity is also a key factor for our customers. At the start of the KazanExpress integration, we had 525 pick-up points operating within the Magnit network. In 2024, we opened over 4,000 new pick-up points in our stores, bringing the total to 4,634. More than 300 pick-up points in major cities operate 24/7, representing a novel approach for the market.

Logistics

In developing the marketplace, we leverage synergies with our existing logistics capabilities and supply chains to achieve greater resource efficiency and savings. KazanExpress initially operated just one fulfilment centre, which was insufficient for rapid growth. By the end of 2024, Magnit Market opened six sorting facilities at Magnit's distribution centres. In June 2024, the marketplace began operations in Moscow and the Moscow region via a new seller[2] goods acceptance point. This launch enabled us to refine our approaches to collaboration with local sellers and optimise costs for expanding the marketplace into new regions. In 2024, Magnit Market became available in over 150 additional cities and townships not previously served by KazanExpress. We also began using Magnit Delivery couriers for marketplace orders, enhancing the customer experience by offering flexible delivery times.

Our primary goal remains making Magnit Market the preferred marketplace for a significant portion of our retail network's customers, enhancing the network's overall performance and driving its further growth. LFL metrics, which track changes in store traffic and sales, serve as key indicators for measuring the marketplace's impact on our core business. In 2024, our network's LFL metrics began to grow following the opening of the marketplace's pick-up points in stores.

1 FBS (Fulfilment by Seller) – a fulfilment model where sellers handle packaging, storage, and direct shipping to customers.
2 Seller – an individual or company selling goods on a marketplace.

Magnit Post

Magnit Post, a delivery service for online stores not present on Magnit Market, was developed as part of our broader marketplace strategy.

Launched in August 2024, it drives additional traffic to both Magnit Market and our stores. With Magnit Post delivery, customers can rely on Magnit Market's pick-up points to collect marketplace orders and items from other online retailers, including those not present or having limited offerings on marketplaces. The launch of Magnit Post enhances customer experience by integrating online shopping with everyday purchases at Magnit stores. Partner stores and delivery aggregators benefit from their collaboration with Magnit Post through expanding their reach and offering customers more pick-up points in convenient locations.