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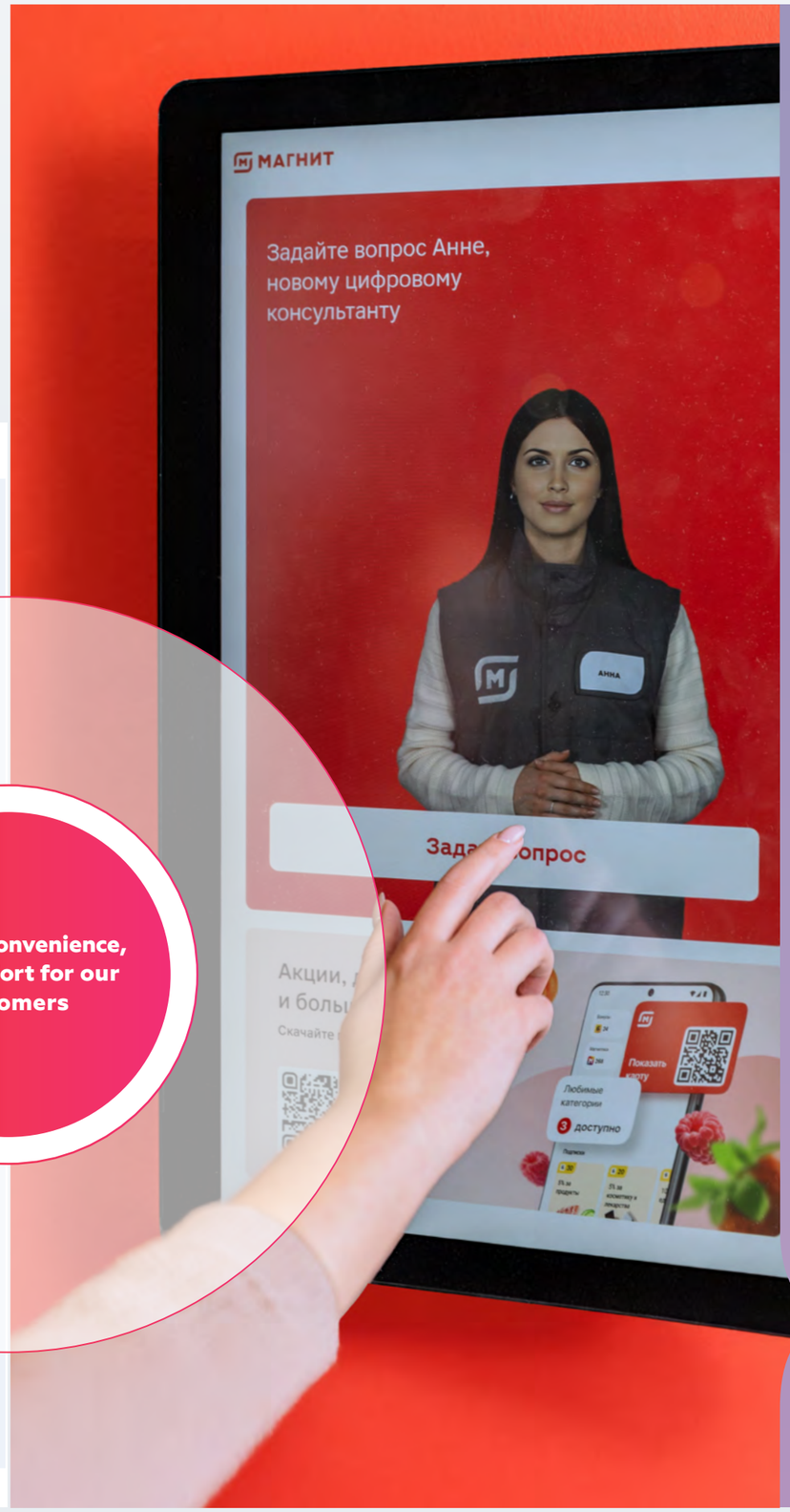
Introducing technologies to increase customer loyalty

Magnit actively implements advanced digital solutions to increase efficiency, improve interaction with customers and partners, and enhance customer comfort.



1

Developing an in-house forecasting and replenishment (F&R) system for demand forecasting and order planning.

- The advantages of Magnit's own F&R solution include 100% ownership of the source code, a unified interface, and the ability to operate in a one-stop-shop mode.

Transferring the digital marketing management platform to a proprietary technology solution, enabling the Company to adapt to market changes more swiftly and manage marketing campaigns with enhanced effectiveness.

- Drawing on data from 80 million loyalty card holders, Magnit.DMP[1] users can more precisely fine-tune online advertising and track the complete customer journey from initial ad contact through to purchase.

Establishing a Retail Technology Lab to test innovative solutions and improvements to the operating model of stores. The lab will increase both the volume and speed of experiments to scale successful hypotheses across the entire network.

- The Lab is currently testing a new approach to assortment formation based on cutting-edge AI models, supply frequency optimisation, mechanisms for automated product ordering, and creation of digital twins of stores.

Leveraging the Your Idea innovation database as a platform to collect employee suggestions for improving operational processes and services.

- This initiative has enabled the Company to achieve a reduction in operating expenses exceeding RUB 120 mln.

2

Introducing electronic price tags to accelerate price updates and enhance the shopping experience.

- In 2024, our First Choice hard discounter chain began testing electronic price tags.

Automating shelf management based on neural network technology.

- An image recognition app enables swift analytics into actual on-shelf availability of more than 20,000 SKUs.

Testing of BeautyScan cosmetics selection technology.

- This service utilises advanced AI algorithms to analyse customer photographs and select products from the Magnit Cosmetic product range that best address the customer's needs.

3

Developing RS.Magnit, an analytical portal for suppliers, which has evolved into an essential tool for supplier interaction, offering the ability to monitor critical business metrics in real time. The service helps enhance business processes and enables partners to manage their assortment and logistics with greater efficiency.

- As part of the RS.Magnit portal development, a similar service for DIXY suppliers was launched. This has expanded access to pertinent data and analytics to improve planning and supply management. Data is provided across more than 35 parameters for 2,200 stores and is updated daily, enabling more rapid decision-making.

1 DMP – Data Management Platform.