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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 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.

Goals of the internal control and risk management system

Strategic

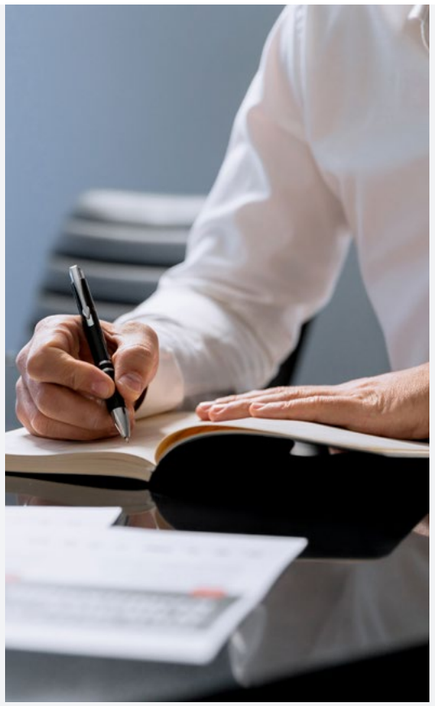
- Ensure the accomplishment of the Company's mission and efficient management of its operations

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



1 Approved by the Board of Directors on 12 December 2019 (Minutes w/o No. dated 13 December 2019).

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.

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

The Company adopts a consistent approach to the organisation of internal control and risk management with a focus on five key components

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

Performance

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

Information, communication and reporting

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

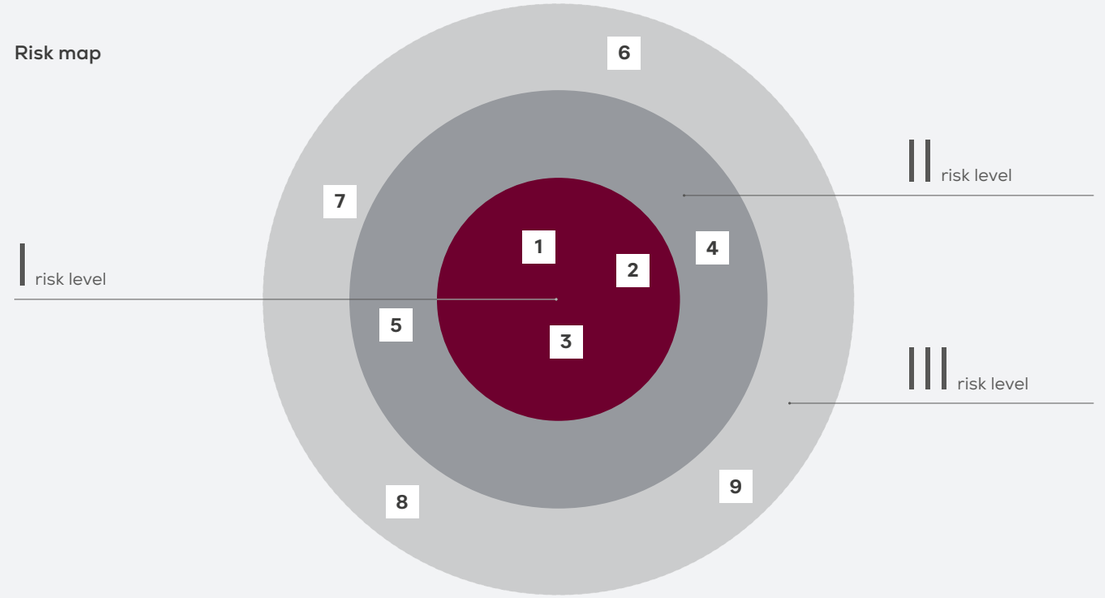


The Company's key risks

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	
3	**Risk of regulatory changes**	• Monitoring of laws and regulations	
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	
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	
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	
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	

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



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).

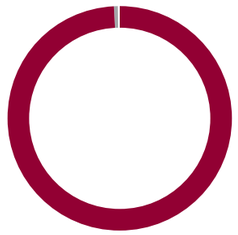
As at 31 December 2025, PJSC Magnit did not hold any treasury shares. As at 31 December 2025, Magnit Alyans LLC (an indirect wholly-owned subsidiary of the Company) held 30,245,828.8 shares of PJSC Magnit, or 29.7% of its total shares. These shares were acquired between June and December 2023 through 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



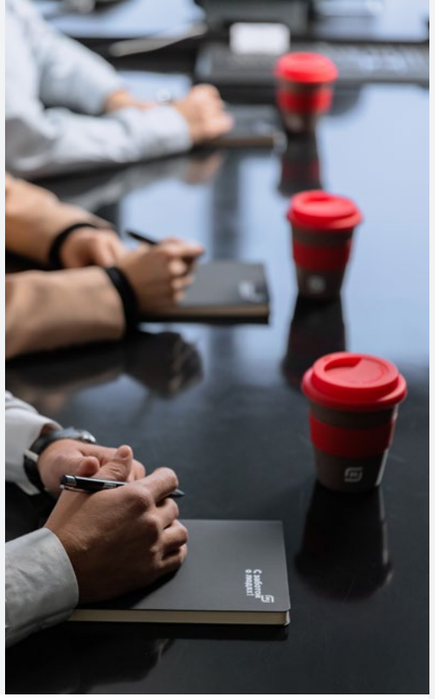
99.9988%	**Legal entities, including**	**6**
99.867%	National Settlement Depositary	1
0.1147%	**Individuals**	**94**
0.0000004%	**Other (unidentified persons)**	**1**

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.

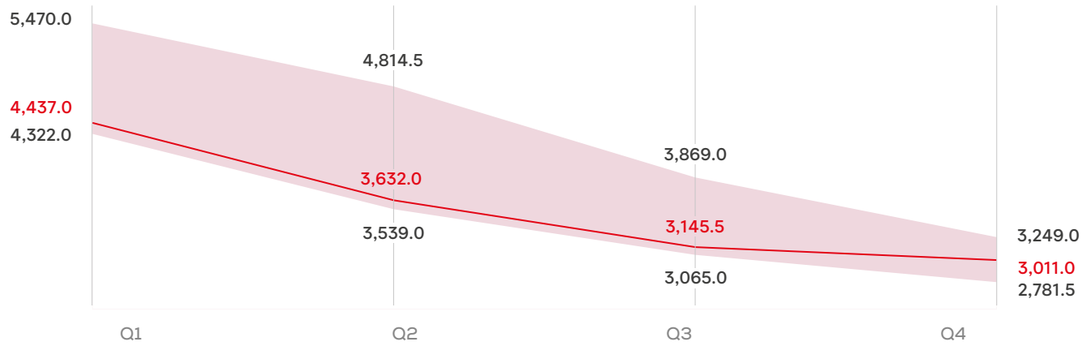
Listing of shares on the Moscow Exchange

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.

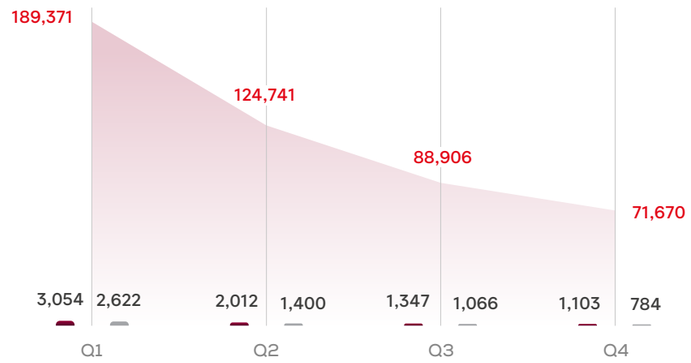
As at 31 December 2025, Magnit's shares are included in the following eight indices on the Moscow Exchange:
- Broad Market Index;
- Consumer Sector Index;
- RTS Consumer Sector Index;
- RTS Broad Market Index;
- MOEX-RSPP Responsibility and Transparency Index;
- MOEX-RSPP Sustainability Vector Index;
- MOEX Climate Sustainability Index for Non-Financial Companies;
- MOEX-RSPP MRSV RU Co.



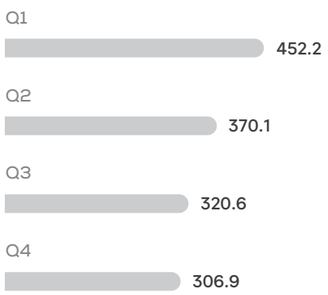
Share price, RUB



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

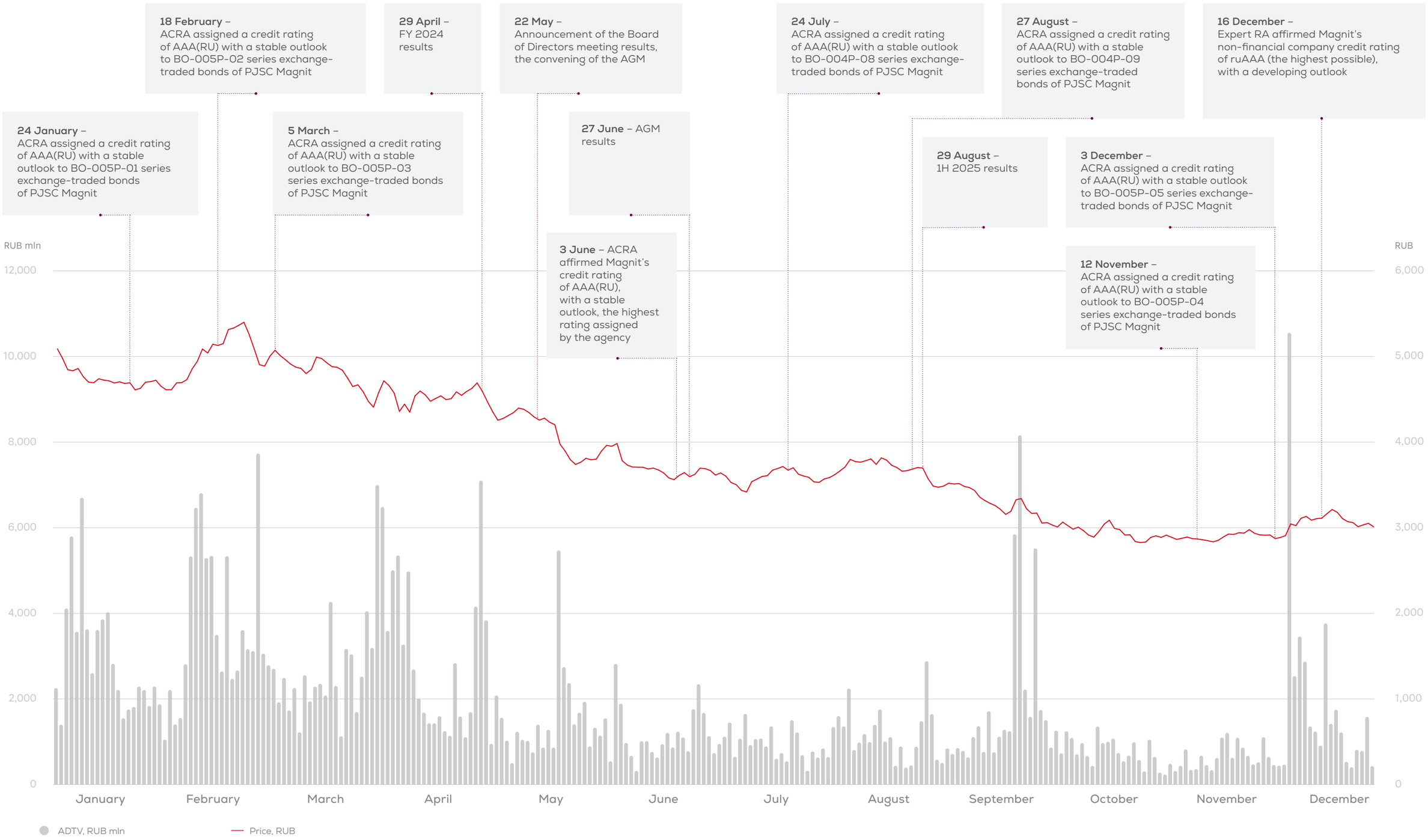
The UK Financial Conduct Authority (FCA) deleted Magnit's GDRs from the Official List and the London Stock Exchange cancelled their admission to trading on the Main Market.

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

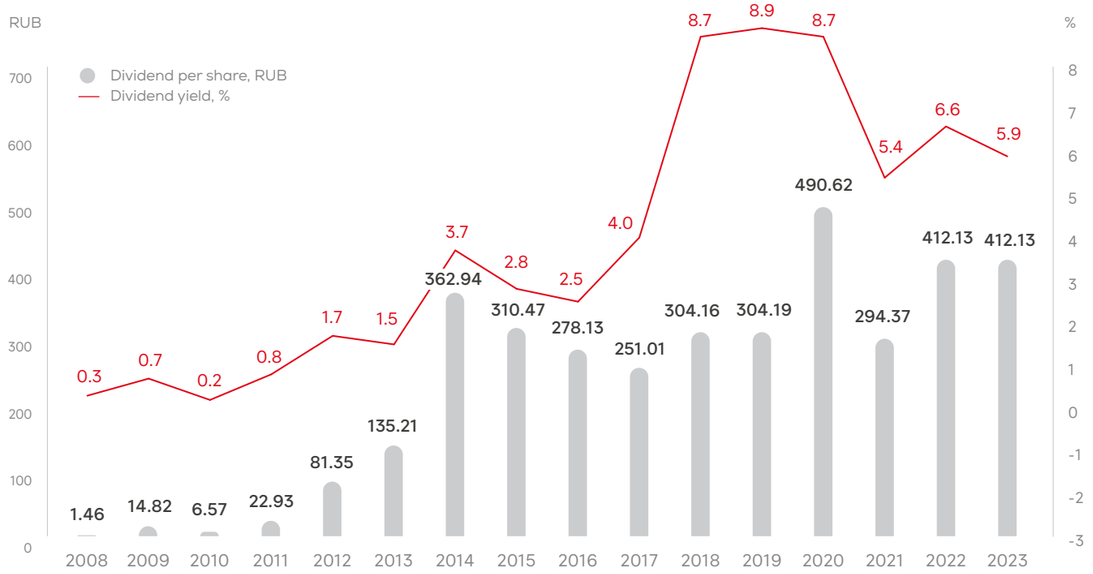
Commitment to ensuring a stable level of dividend payments

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	EVlUsanova@sberbank.ru
Sovcombank	Sergey Zorin		zorinss1@sovcombank.ru
T-Investments	Alexander Samuylov		a.samuylov@tinkoff.ru