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## PJSC "Magnit" Announces the Results of the BOD Meeting

Krasnodar, Russia (26 September, 2018): Magnit PJSC (MOEX and LSE: MGNT), one of Russia's leading retailers announces the results of the Board of Directors meeting held on September 25, 2018.

Please be informed that on September 25, 2018 the BOD meeting was held (minutes of the BOD meeting of PJSC "Magnit" are w/o No. of September 26, 2018).

The meeting agenda:

1. Approval of the PJSC "Magnit" transformation strategy.
2. Approval of the Long-Term Incentive Programme of PJSC "Magnit" Group of Companies and its participants.
3. Consideration of the development issues of Magnit Cosmetic and Pharmacy business lines.
4. Determination of the position of the PJSC "Magnit" representative at the exercise of the voting right on the JSC "Tander" shares in the charter capital owned by the Company to approve Additional agreement to the Credit Agreement with Gazprombank (Joint Stock Company).

7 (seven) of the 7 (seven) BOD members participating in the BOD meeting were present.

Quorum to hold the BOD meeting with this agenda is present.

### **Voting Results:**

#### **Item 1**

Mowat Gregor William - "for", Demchenko Timothy - "for", Simmons James Pat - "for", Makhnev Alexey Petrovich - "for", Foley Paul Michael - "for", Prysyzhnyuk Alexander Mikhailovich - "for", Ryan Charles Emmitt - "for".

#### **Item 2**

Mowat Gregor William - "for", Demchenko Timothy - "for", Simmons James Pat - "for", Makhnev Alexey Petrovich - "for", Foley Paul Michael - "for", Prysyzhnyuk Alexander Mikhailovich - "against", Ryan Charles Emmitt - "for".

#### **Item 3**

Mowat Gregor William - "for", Demchenko Timothy - "abstained", Simmons James Pat - "for", Makhnev Alexey Petrovich - "abstained", Foley Paul Michael - "for", Prysyzhnyuk Alexander Mikhailovich - "for", Ryan Charles Emmitt - "for".

#### **Item 4**

Mowat Gregor William - "for", Demchenko Timothy - "for", Simmons James Pat - "for", Makhnev Alexey Petrovich - "for", Foley Paul Michael - "for", Prysyzhnyuk Alexander Mikhailovich - "for", Ryan Charles Emmitt - "for".

The decisions were made.

### **Content of the decisions:**

#### **Item 1 on the agenda:**

"To approve the PJSC "Magnit" transformation strategy".

#### **Item 2 on the agenda:**

"To approve the Long-Term Incentive Programme of PJSC "Magnit" Group of Companies and the list of participants of this Programme".

#### **Item 3 on the agenda:**

"The management described to the Board the options that they had considered for the development of Magnit Cosmetic and Pharmacy business lines with respect to the warehouse and logistics infrastructure, including the potential acquisition of SIA Group.

The Board supports the Company's strategy to further develop such business lines and sees the value and the synergies that can be achieved through such acquisition as outlined in the analysis of the transaction and other available options prepared by the management and international financial advisor to the Company. The Board supports that the management negotiate such potential acquisition on the best possible terms for the Company. Management shall present to the Board the final proposed terms of the potential transaction."

#### **Item 4 on the agenda:**

"To recommend the sole executive body of PJSC "Magnit", which is the sole shareholder of JSC "Tander", to make the following decision at the exercise of its voting rights on shares in the Charter capital of JSC "Tander" owned by the Company:

"To give JSC "Tander" (hereinafter - the Borrower) consent to entering into an Additional agreement to the Credit agreement on the opening of the credit line No 0117-001 as of August 22, 2017 (hereinafter - the Credit agreement), which the Borrower executed with Gazprombank (Joint Stock Company) (hereinafter - the Creditor) related to acquisition, disposal and possible direct or indirect company's disposal of the property, the cost of which amounts to 5 and more percent of the balance sheet value of assets of the company, its subsidiaries, the principal company (in relation to which the company is a subsidiary), as well as other subsidiaries of the principal company (the "Group"), determined on the basis of the latest available consolidated statements of the Group, prepared in compliance with the International Financial Reporting Standards, based on the following terms and conditions of the Credit agreement including changes introduced by the Additional agreement:

1. The Creditor shall open the Credit line for the Borrower and provide the credit tranches (part of the credit provided within the credit line) in the amount and under the terms and conditions specified in the Credit agreement, and the Borrower shall repay the credit received under the credit line, pay interest and fulfill other obligations under the Credit agreement;
2. The debt limit under the credit line (maximum amount of the aggregate debt under the credit line) shall amount to not more than 30,000,000,000 (Thirty billion) rubles;
3. The term of provision of each credit tranche shall amount to not more than 36 (Thirty six) months;

4. The interest rate for the credit use shall amount to not more than 14% (Fourteen) percent per annum;
5. Final date of debt repayment under the credit line - February 21, 2025 (inclusive).
6. Terms, procedure of provision and repayment of the credit amounts, interest and other payments shall be determined by the Credit agreement. Hereby to provide the Chief Executive Officer of JSC "Tander" with the right to sign the additional agreements, which change the terms and conditions of the Credit agreement, including but not limited to the change of the interest rates, the credit amount and the term of the credit provision within the limits hereof».

**For further information, please contact:**

**Dina Svishcheva**  
Head of IR  
Email: Chistyak@magnit.ru  
Office: +7-861-277-4554 x 15101

**Media Inquiries**  
Media Relations Department  
Email: press@magnit.ru

**Note to editors:**

Public Joint Stock Company "Magnit" is one of Russia's leading retailers. Founded in 1994, the company is headquartered in the southern Russian city of Krasnodar. As of June 30, 2018, Magnit operated 37 distribution centers and 16,960 stores (12,503 convenience, 244 hypermarkets, 213 supermarkets and 4,000 drogerie stores) in 2,808 cities and towns throughout 7 federal regions of the Russian Federation.

In accordance with the reviewed IFRS consolidated financial statements for 1H 2018, Magnit had revenues of RUB 595 billion and an EBITDA of RUB 44 billion. Magnit's local shares are traded on the Moscow Exchange (MOEX: MGNT) and its GDRs on the London Stock Exchange (LSE: MGNT) and it has a credit rating from Standard & Poor's of BB.

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