



9M 2023

Investor Presentation

October 2023

DISCLAIMER

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LENTA'S STRENGTHS TODAY



"LENTA IS PERFECTLY POSITIONED TO BE A GROWTH LEADER IN THE NEXT STAGE OF RUSSIAN FOOD RETAIL"



Largest
hypermarket
chain in Russia¹



Nationwide
coverage in
200+ localities



35+ million
loyal customers²



96% of Sales
are made with
Lenta's loyalty
card³



109%
explosive growth
of online sales
(in 2022)



530+ stores
serve as online
fulfillment centers³



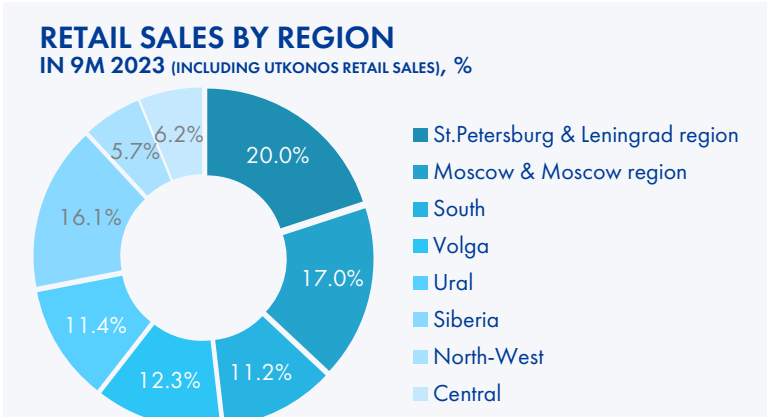
8.0 million
Lenta.App
users⁴



12
Online Partners

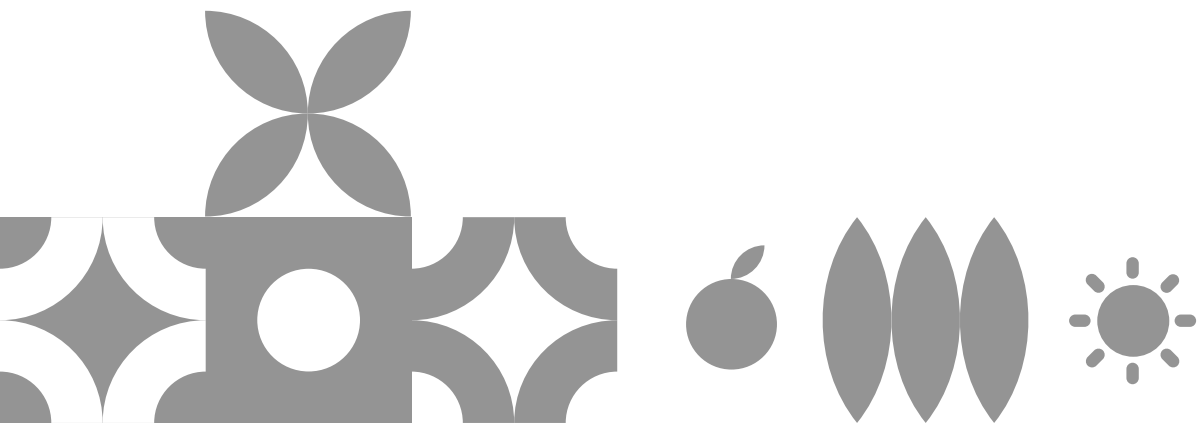
1. By Total Retail Sales. 2. Number of activated loyalty cards on 30 September 2023. 3. In Q3 2023. 4. Lenta.App audience in Q3 2023

BUSINESS GEOGRAPHY












STRATEGIC UPDATE



VIA EXPANSION IN PROXIMITY & ONLINE WE GET HIGHER SHARE IN CUSTOMER WALLETS



Shopping missions									
	Big planned purchase for a short time	Small purchases: Dry & Fresh	Purchase of fresh to eat right after (snack)	Purchase of missing fresh in nearby store	Big planned purchase for a long time	Quick/spontaneous purchase of dry (bring home)	Quick/spontaneous purchase of dry (eat right after)	Planned non-food purchase (durables)	Planned non-food purchase (near food)
HM	✓	✓	✓	✓	✓	✓	✓	✓	✓
SM	✓	✓	✓	✓	✓	✓	✓	✓	
Proximity	✓	✓	✓	✓		✓	✓		
Online	✓	✓	✓	✓	✓			✓	✓
<div> <div>✓</div> <div>Primary focus mission</div> </div> <div> <div>✓</div> <div>Secondary focus mission</div> </div>									

Number of Stores	261
Key Parameters ¹	
Average selling space, sqm	5,500
Average number of SKUs	24 k
Owned selling space	77.3%
Share of Non-food in Sales	21.5%
Share of Private Label	18.7%

Focus Missions



Big planned purchase for a short time



Big planned purchase for a long time



Planned non-food purchase (durables)



Planned non-food purchase (near food)

- Small purchase: dry & fresh
- Purchase of fresh to eat right after (snack)
- Purchase of missing fresh in nearby store
- Quick/spontaneous purchase of dry (bring home)
- Quick/spontaneous purchase of dry (eat right after)

Primary focus mission

Secondary focus mission

1. Based on 9M 2023 results

Number of Stores	285
Key Parameters ¹	
Average selling space, sqm	860
Average number of SKUs	7.3 k
Owned selling space	25.8%
Share of Non-food in Sales	8.3%
Share of Private Label	15.7%

Focus Missions



Small purchases:
Dry & Fresh



Big planned
purchase for a short
time



Big planned
purchase for a long
time

- Purchase of fresh to eat right after (snack)
- Purchase of missing fresh in nearby store
- Quick/spontaneous purchase of dry (bring home)
- Quick/spontaneous purchase of dry (eat right after)
- Planned non-food purchase (durables)

Primary focus mission

Secondary focus mission

1. Based on 9M 2023 results

Number of Stores 130

Key Parameters¹

Average selling space, sqm 450

Average number of SKUs 5.3 k

Owned selling space 3.1%

Share of Non-food in Sales 9.5%

Share of Private Label 20.0%

Focus Missions



Small purchases:
Dry & Fresh



Purchase of fresh to
eat right after (snack)



Purchase of missing
fresh in nearby
store



Quick/sponta-
neous purchase of
dry (bring home)



Quick/sponta-
neous purchase of
dry (eat right after)



Big planned
purchase for a short
time

Primary focus mission

Secondary focus mission



Acquisition of **Monetka**



Monetka Today is #10 Food Retailer in Russia¹ with an Attractive CVP and an Efficient Business Model



2,120

convenience stores²

606 k sqm²

total selling space²

+19.9%

FY 2022 LFL sales growth
y-o-y

192 RUB bn

LTM Sales
as of 30 June 2023

>23 k

employees²

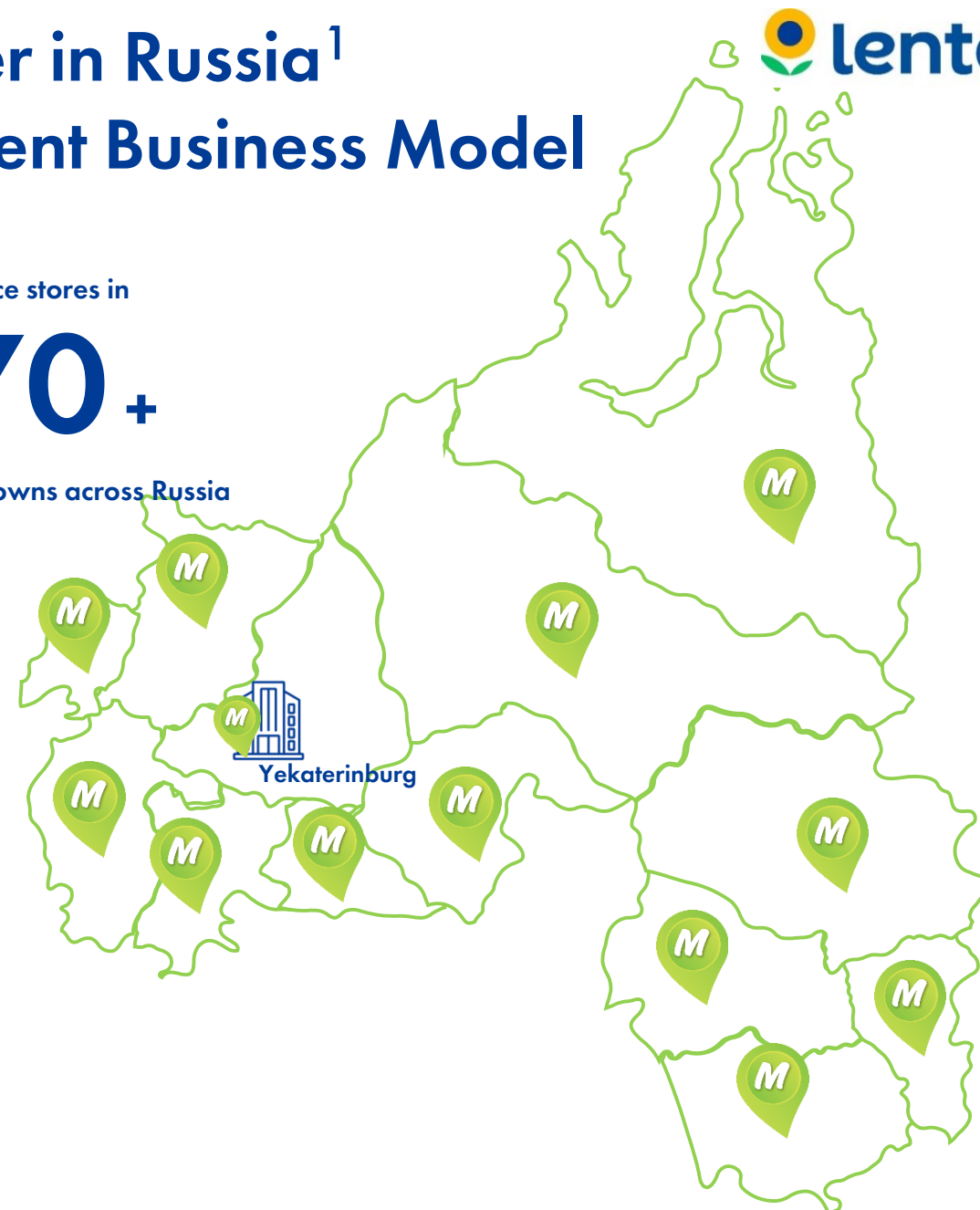
>110 k sqm²

total space of
5 Distribution Centers²

Convenience stores in

470+

cities and towns across Russia



Why Monetka?

1

Achieving Strategic Goals

The transaction is in line with Lenta's strategic goals of increasing revenue through expansion into the convenience store format. Thanks to the deal, the retail space of Lenta's small format stores will increase 2.4 times **to 902 k sqm**

2

Successful CVP

Monetka is a neat and clean convenience store with polite staff, where the availability of high-quality goods of daily demand at constantly low prices is guaranteed

3

Synergies

Lenta's revenue, including Monetka, will grow by more than 30%, which will significantly strengthen the purchasing power of the merged company

4

Significant Growth in Market Share

Following the transaction, Company's market share¹ in the Russian Federation will increase by 37%. In the Tyumen, Sverdlovsk, Kemerovo regions, Yamalo-Nenets Autonomous Okrug, Khanty-Mansi Autonomous Okrug, Perm Territory, the Company's share will exceed 10%

5

Foundation for Organic Growth

Further organic growth of the convenience store format will be driven by openings of stores under the Monetka brand.





Deal Parameters



Corporate & FAS Approvals Received

- Board of Directors approved the Transaction
- The FAS RF granted the request to approve the transaction while simultaneously issuing an order to take actions aimed at ensuring competition.
- Lenta will begin to consolidate the results of Monетка from October 2023



Transaction Perimeter

- LTM Sales as of 30 June 2023 - 192 RUB bn
- 2,120 convenience stores
- 5 distribution centers
- 560+ tracs



Transaction Financing

- To finance the transaction, the Company's used own available funds and also raised additional debt financing
- Lenta maintains its long-term goal of reducing its debt burden to 1.5x Net Debt / EBITDA (IAS 17)

Monetka's store: key characteristics

290 sqm

average store selling space

3,600 SKU

average number of SKUs

~340

RUB k per sqm in year
sales density

~17%

share of local assortment
in sales

30+

own private brands

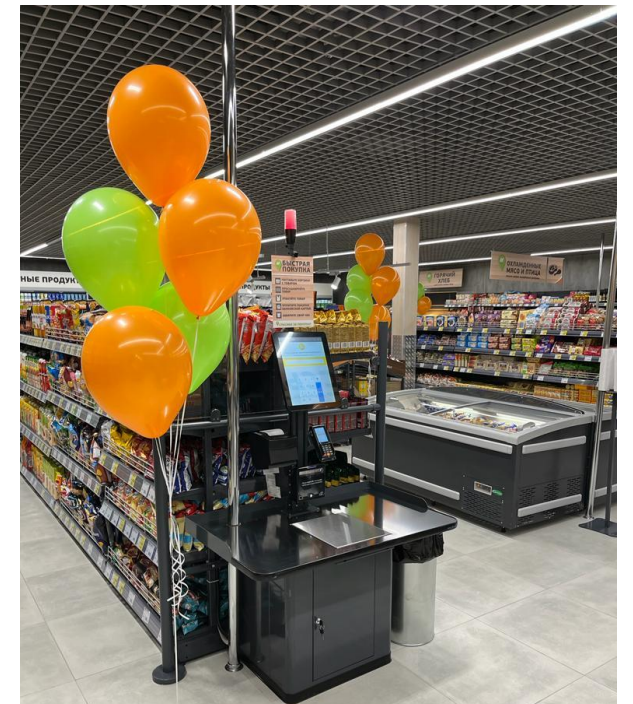
349 RUB

average ticket*

Pricing Approach

«Every Day Low Prices»

Every Day Low Price (EDLP) / Every Day Promo Price (EDPP)



Main Focus of the Integration: Maintaining the Successful Operating Model of Monetka and Realizing Synergies

Saving Operational Processes

- Preservation of the Monetka brand
- Saving operational processes of Monetka
- Organic expansion in regions of presence and “neighboring” regions
- Saving Monetka’s team. Launch of a top management retention program

Getting Synergies

- Reducing purchase prices for the overlapping range of federal and local suppliers
- Strengthening positions in direct import and private labels
- Strengthening Lenta's expertise in local brands in the regions of Monetka's presence
- Two-way exchange of best practices
- Cross-synergy in IT, logistics, and other operational processes
- Finding possible ways to reduce SG&A

Consolidation of Corporate Processes

- Consolidation of IFRS Reporting starting from October 2023
- Unification of decision-making processes related to strategy, investments, legal issues
- Unification of approaches to personnel management



9M 2023 RESULTS



9M 2023 HIGHLIGHTS



29

Stores added
(gross)



-3.2%

Selling space
dynamics
y-o-y*



1.0%

Sales growth
y-o-y*



0.1%

Retail Sales
growth
y-o-y*



3.2%

Hypermarkets
Sales growth
y-o-y



1.3%

LFL Total Retail
Sales growth
y-o-y



21.7%

Total Online
Sales growth
y-o-y*



40.5%

Total Online
Orders growth
y-o-y*

* Including Utikonos results from the date of consolidation (1 February 2022)

9M 2023 OPERATING RESULTS



Number of Stores

261

Hypermarkets
(2 HM opened)

415

Small-format stores
(146 stores closed,
net in 9M 2023)

Selling Space

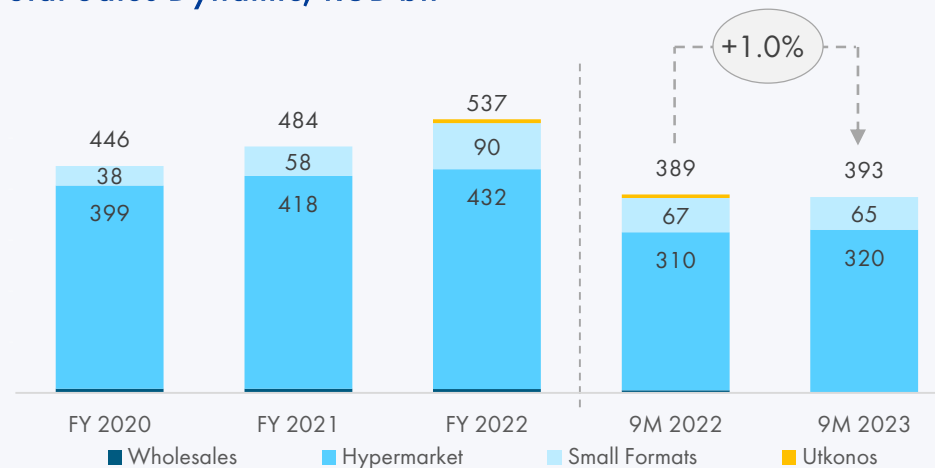
1,427 k sqm

Hypermarkets
(1.2% growth y-o-y)

296 k sqm

Small-format stores
(-20.0% decrease y-o-y)

Total Sales Dynamic, RUB bn



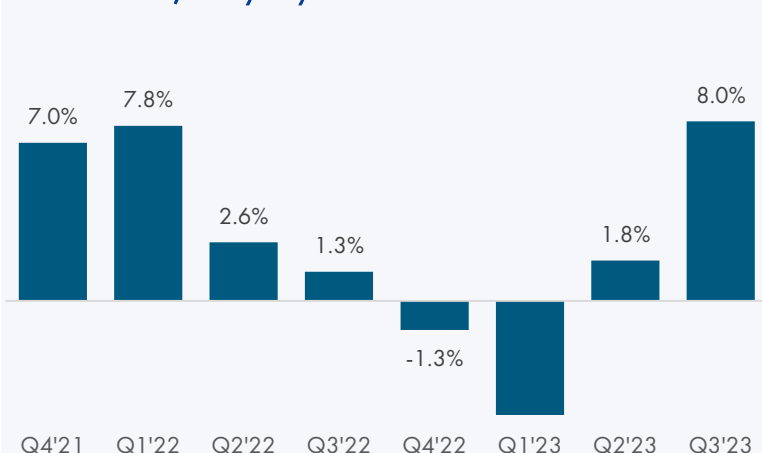
-0.7%

Average Ticket
decrease
y-o-y

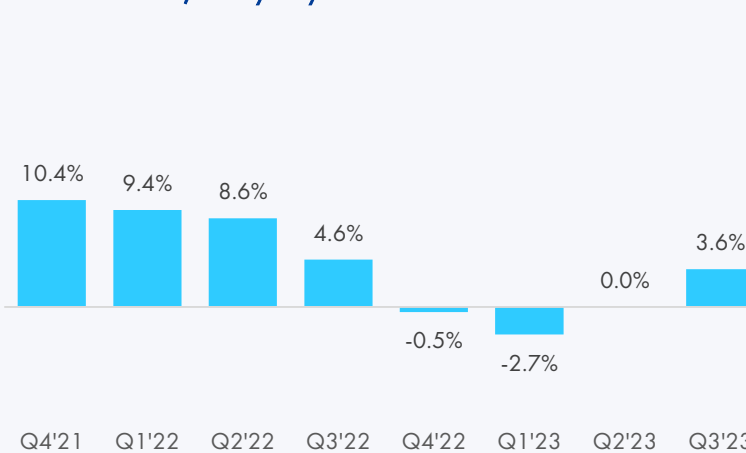
0.8%

Number of Tickets
growth
y-o-y

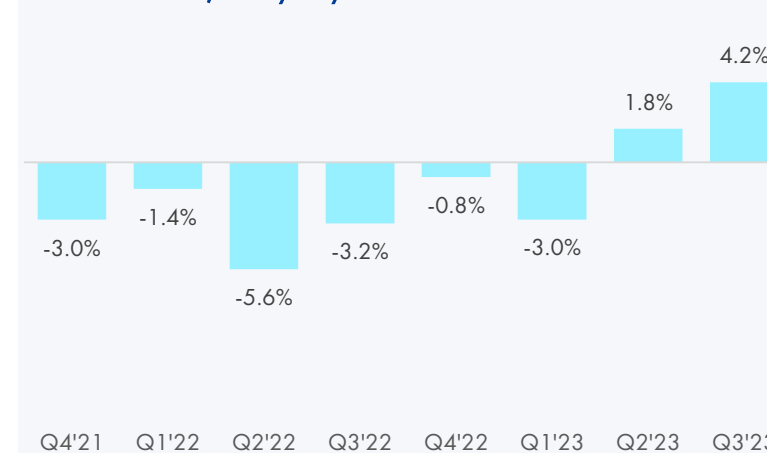
LFL sales*, Δ% y-o-y



LFL Ticket*, Δ% y-o-y



LFL Traffic*, Δ% y-o-y



* Billa stores' results are included in LFL sales started from September 2022 and Semya stores' results are included in LFL sales started from October 2022.

LOGISTIC CAPABILITIES¹



15

Distribution Centers (DC)



454k sq m

Distribution Centers space



81%

Own DC's space



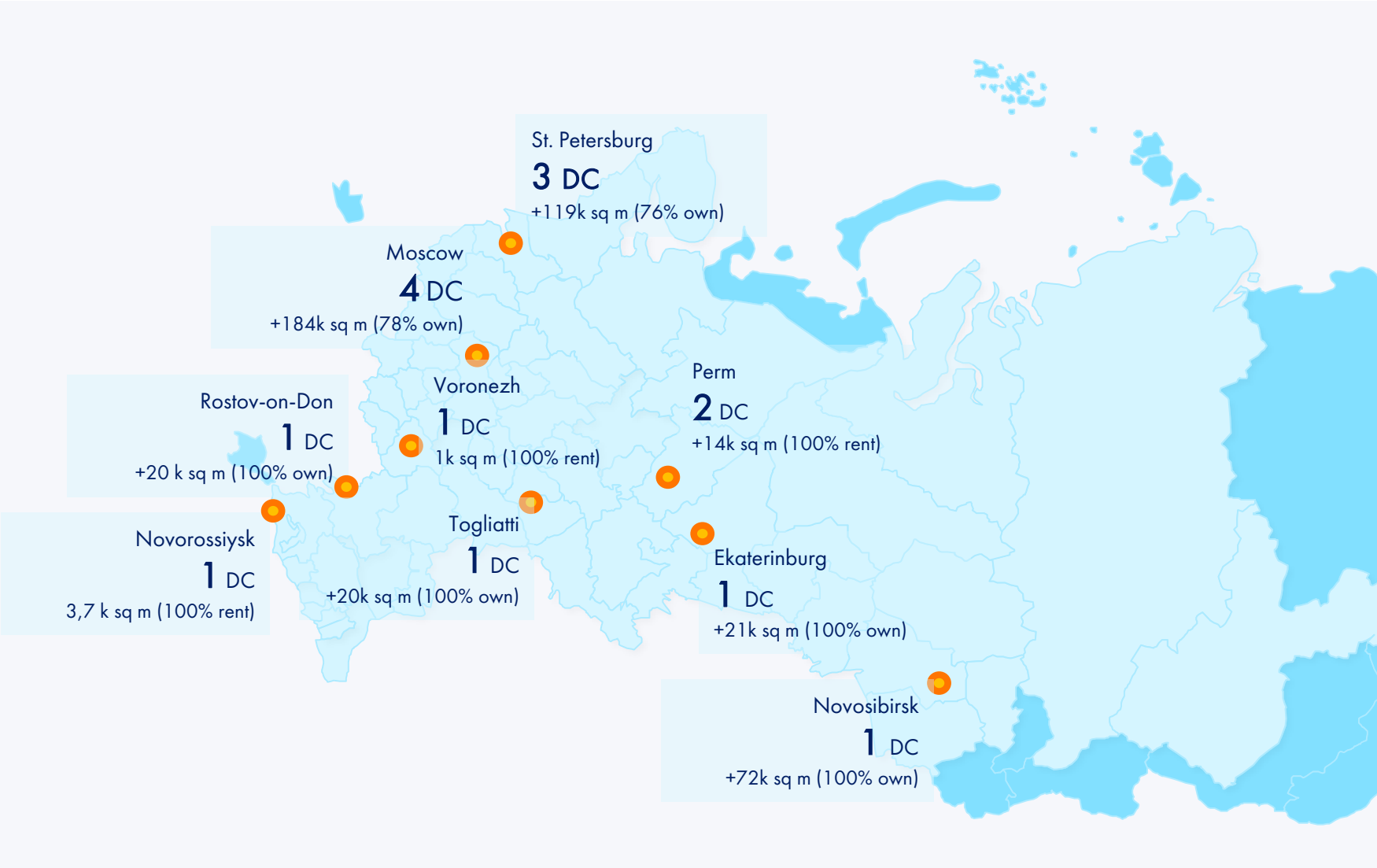
415

Own Trucks



74.1%

Centralization ratio²

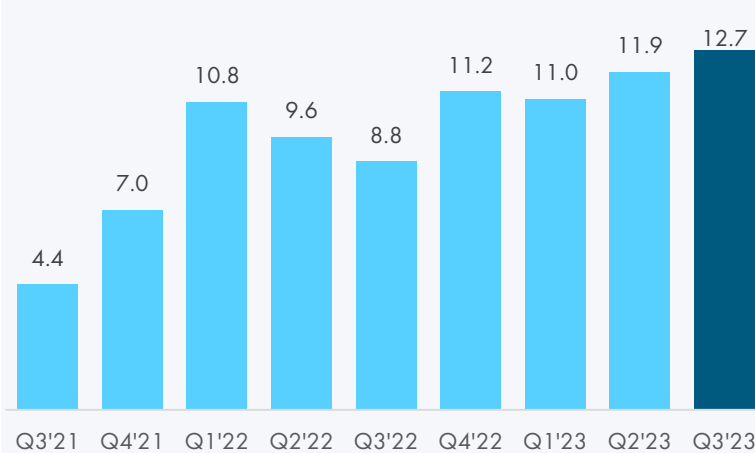


¹ Excluding DCs and trucks which are used by Utikonos. ²For 9M 2023

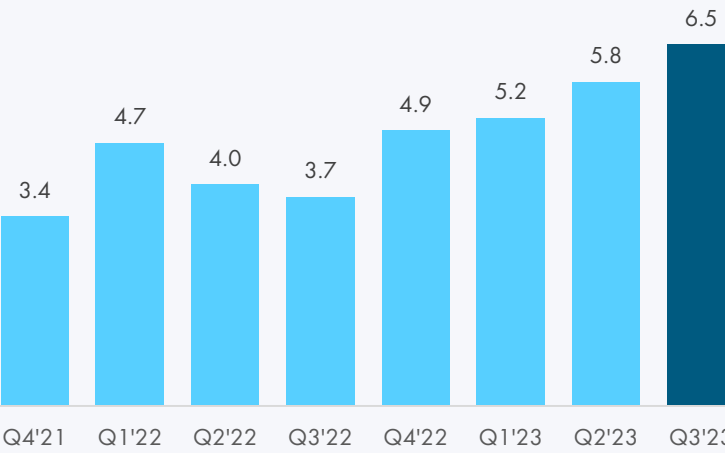
ONLINE OPERATING RESULTS¹



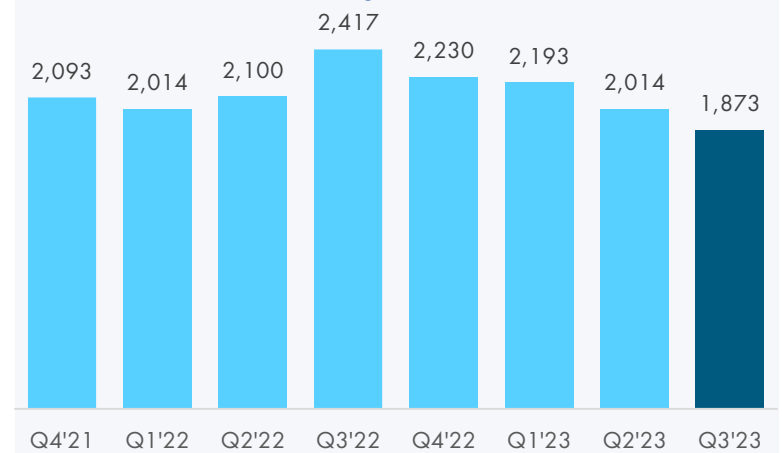
Total Online Sales, RUB bn



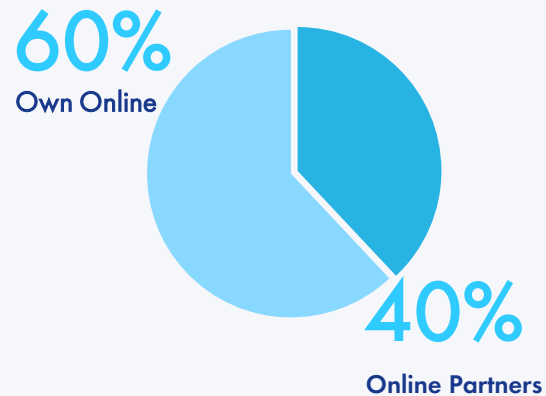
Total Online Orders, mn



Lenta Online Average Ticket, RUB



Online Sales Split²



Unique Set of Assets to Become a Champion in Online



Wide Geographical Coverage of HM

261 HMs

Convertible to hybrid / darkstores



Strong Commercial Terms

- Wide range with strong purchase power
- Great choice of 30+ SKUs
- Unique offer of best-in-class PL



Significant Online Customer Traffic³

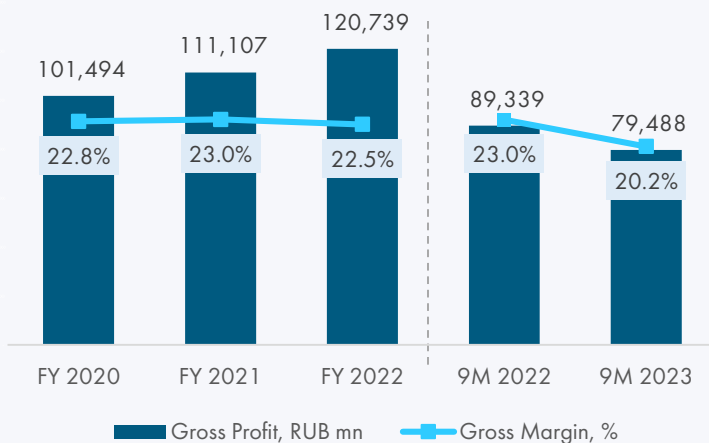
- 64 mn citizens in catchment area
- 35+ mn loyalty card holders

1. Including Utikonos results from the date of consolidation (1 February 2022). Based on Q3 2023 sales. As of September 30, 2023

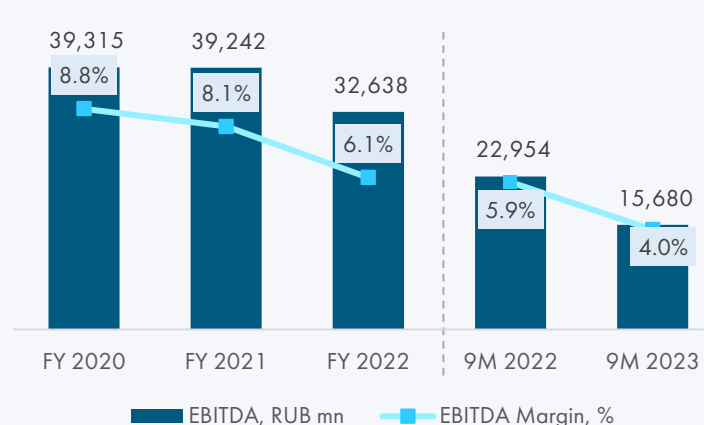
9M 2023 FINANCIAL RESULTS IAS 17



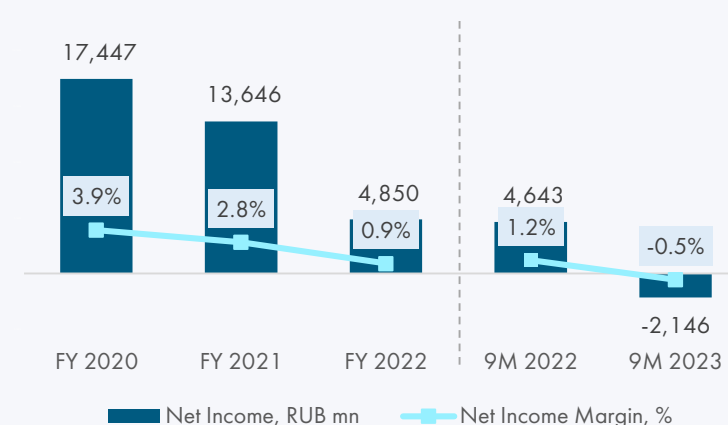
Gross Profit and Gross Margin



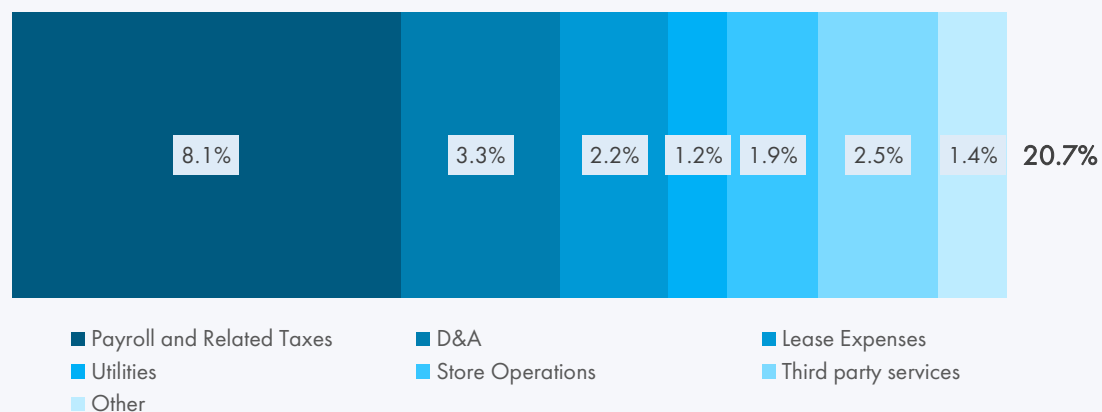
EBITDA and EBITDA Margin



Net Income and Net Income Margin



SG&A as % of Total Sales



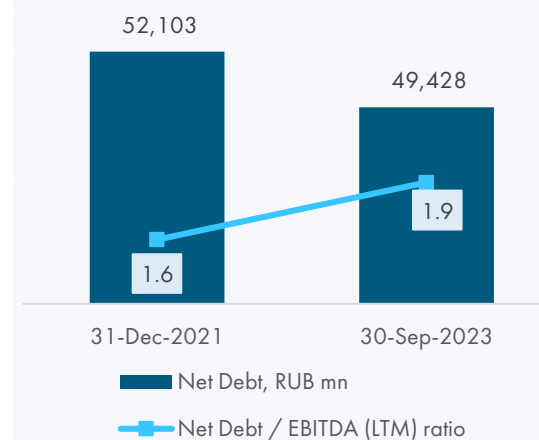
CapEx

RUB 5.6 bn

-38% y-o-y dynamics

Primarily due to reduction in expenses related to new openings

Debt Position and Leverage



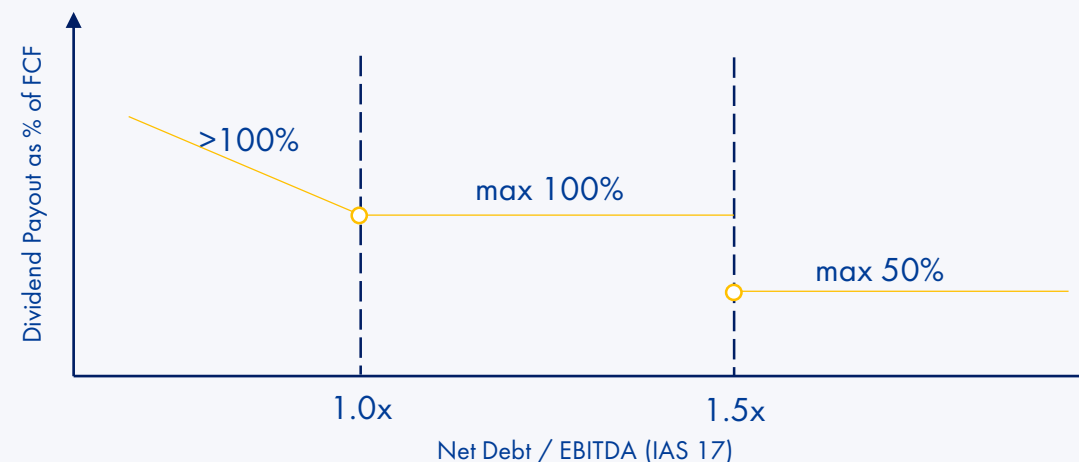
Dividend Policy

- Dividend Policy was approved by the Board in November 2021.
- Key Dividend Policy principals:
 - the Company intends to pay dividends on an annual basis. However, the Company may also pay interim dividends, provided that its current financial position is sustainable;
 - the dividend payout shall depend on the performance of the Company and its subsidiaries;
 - the average amount of dividends for a calendar year should not exceed 100% of FCF of the Company for the respective reporting period, provided that the Net Debt/EBITDA ratio based on figures in the Consolidated Financial Statements (IAS 17) is lower than 1.5x, and the Company is allowed to make an adjustment for seasonal fluctuations in working capital;
 - if the Net Debt/EBITDA ratio is lower than 1.0x, the amount of paid dividends can exceed 100% of FCF of the Company;
 - if the Net Debt/EBITDA ratio is higher than 1.5x, the Company may move to a policy, whereby an average annual amount of dividends shall not exceed 50% of FCF for the respective reporting period, until the Net Debt/EBITDA ratio returns to 1.5x or below.

Lenta's Strategic Priorities in Capital Allocation

- 01.** Maintain healthy Leverage: long-term target of 1.5x
- 02.** Invest into profitable growth of sales in existing stores, organic and inorganic growth
 - Existing stores renovation
 - New stores opening and online channel development
 - Industry consolidation
- 03.** Distribute dividends

Dividend Payout Determination Principle





Appendices



QUARTERLY OPERATIONAL DATA



	FY'20	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23
Total sales, RUB bn	445.5	107.3	110.8	118.2	147.3	483.6	132.4	130.1	126.8	148.2	537.4	124.6	132.5	136.0
Retail sales	437.5	105.9	109.0	116.1	144.8	475.8	130.6	128.7	125.1	145.8	530.2	122.5	129.5	132.7
Hypermarkets	399.3	96.2	99.5	99.7	122.7	418.1	105.6	102.7	101.9	121.7	431.9	100.8	107.5	111.8
Small Formats	38.2	9.7	9.6	16.3	22.2	57.7	22.8	23.5	21.2	23.0	90.5	21.7	22.0	20.9
Utkonos	-	-	-	-	-	-	2.2	2.6	2.0	1.1	7.9	-	-	-
Wholesales	8.1	1.4	1.7	2.2	2.5	7.9	1.8	1.4	1.7	2.3	7.2	2.2	3.0	3.3
Number of stores	393	394	406	674	757	757	795	809	811	820	820	827	773	676
Hypermarkets	254	254	255	259	258	258	258	258	258	259	259	259	260	261
Small Formats	139	140	151	415	499	499	537	551	553	561	561	568	513	415
Selling space, k sqm	1,519	1,522	1,529	1,726	1,755	1,755	1,772	1,779	1,780	1,788	1,788	1,789	1,768	1,722.8
Hypermarkets	1,401	1,404	1,407	1,416	1,411	1,411	1,411	1,411	1,411	1,416	1,416	1,416	1,421	1,427.0
Small Formats	118	118,4	122	310	344	344	362	368	370	372	372	373	347	295.9
LFL retail sales growth	5.4%	1.3%	(2.6%)	3.5%	7.0%	2.4%	7.8%	2.6%	1.3%	(1.3%)	2.3%	(5.6%)	1.8%	8.0%
Hypermarkets	5.1%	1.9%	(2.3%)	4.2%	7.9%	3.1%	8.6%	2.5%	2.3%	(0.4%)	3.0%	(4.9%)	4.1%	8.7%
Small Formats	9.5%	(5.0%)	(5.7%)	(4.0%)	(2.8%)	(4.3%)	(0.1%)	2.9%	(6.8%)	(6.2%)	(3.6%)	(8.7%)	(9.0%)	4.1%
LFL traffic growth	(5.5%)	(9.3%)	5.8%	(1.2%)	(3.0%)	(2.1%)	(1.4%)	(5.5%)	(8.1%)	(0.8%)	(2.6%)	(3.0%)	1.8%	4.2%
Hypermarkets	(5.8%)	(8.1%)	5.4%	(0.4%)	(2.3%)	(1.5%)	(1.0%)	(6.1%)	(3.1%)	(0.1%)	(2.6%)	(3.2%)	3.2%	3.9%
Small Formats	(3.9%)	(14.7%)	7.7%	(5.0%)	(6.3%)	(5.0%)	(3.6%)	(3.0%)	(3,7%)	(2.2%)	(2.8%)	(2.6%)	(0.7%)	4.9%
LFL ticket growth	11.6%	11.6%	(7.9%)	4.7%	10.4%	4.7%	9.4%	8.6%	10.3%	(0.5%)	5.0%	(2.7%)	0.0%	3.6%
Hypermarkets	11.6%	10.9%	(7.3%)	4.6%	10.5%	4.6%	9.7%	9.2%	5.6%	(0.4%)	5.7%	(1.8%)	0.9%	4.6%
Small Formats	14.0%	11.3%	(12.4%)	1.1%	3.7%	0.8%	3.6%	6.1%	(3,2%)	(4.1%)	(0.8%)	(6.3%)	(8.4%)	(0.7%)

BALANCE SHEET (IFRS 16)



Assets, RUB mn	30 Jun 2023	31 Dec 2022	31 Dec 2022	Equity and Liabilities RUB mn	30 Jun 2023	31 Dec 2022	31 Dec 2021
Non-current assets				Total Equity	126,478	130,005	106,961
PP&E	164,500	170,963	170,963	Non-current liabilities			
Right-of-use assets	47,018	50,667	50,667	Long-term borrowings	67,908	26,968	66,912
Intangible assets	5,858	5,369	5,369	Long-term lease liabilities	45,021	47,019	54,150
Other non-current assets	9,518	9,428	9,428	Other non-current liabilities	2,686	3,161	7,989
Total non-current assets	226,895	236,426	236,426	Total non-current liabilities	115,615	77,148	129,051
Current assets				Current liabilities			
Inventories	52,933	57,681	57,681	Trade and other payables	56,234	74,447	74,031
Trade and other receivables	8,168	9,695	9,695	Short-term borrowings and short-term portion of long-term borrowings	21,207	54,155	21,502
Advanced paid	4,769	6,607	6,607	Short-term lease liabilities	5,649	6,131	6,398
Cash and cash equivalents	29,857	29,020	29,020	Other non-current assets	6,618	5,676	5,345
Other current assets	9,181	8,133	8,133				
Total current assets	104,907	111,136	111,136	Total current liabilities	89,709	140,409	107,276
Total assets	331,802	347,562	347,562	Total liabilities	205,323	217,557	236,327
				Total equity and liabilities	331,802	347,562	343,288

FY 2022 KEY FINANCIAL HIGHLIGHTS



RUB mn	IFRS 16			IAS 17		
	FY 2022	FY 2021	Change	FY 2022	FY 2021	Change
Total Sales	537,401	483,641	11.1%	537,401	483,641	11.1%
Gross Profit	121,204	111,361	8.8%	120,739	111,107	8.7%
<i>Gross Margin (%)</i>	<i>22.6%</i>	<i>23.0%</i>	<i>-47 bps</i>	<i>22.5%</i>	<i>23.0%</i>	<i>-51 bps</i>
SG&A	-110,264	-91,447	20.6%	-112,987	-93,066	21.4%
<i>SG&A as % of Total Sales</i>	<i>-20.5%</i>	<i>-18.9%</i>	<i>-161 bps</i>	<i>-21.0%</i>	<i>-19.2%</i>	<i>-178 bps</i>
EBITDA	43,665	46,885	-6.9%	32,638	39,242	-16.8%
<i>EBITDA Margin</i>	<i>8.1%</i>	<i>9.7%</i>	<i>-157 bps</i>	<i>6.1%</i>	<i>8.1%</i>	<i>-204 bps</i>
Operating Profit	15,412	25,422	-39.4%	12,082	23,348	-48.3%
<i>Operating Profit Margin</i>	<i>2.9%</i>	<i>5.3%</i>	<i>-239 bps</i>	<i>2.2%</i>	<i>4.8%</i>	<i>-258 bps</i>
Net Interest Expenses	-10,017	-8,428	18.9%	-4,924	-4,923	0.0%
(Net FX Loss)	163	-524	-	-52	-497	-89.5%
Profit Before Income Tax	5,558	16,470	-66.3%	7,106	17,928	-60.4%
Net Income	3,611	12,480	-71.1%	4,850	13,646	-64.5%
<i>Net Income Margin</i>	<i>0.7%</i>	<i>2.6%</i>	<i>-191 bps</i>	<i>0.9%</i>	<i>2.8%</i>	<i>-192 bps</i>

1H 2023 KEY FINANCIAL HIGHLIGHTS



RUB mn-	IFRS 16			IAS 17		
	1H 2023	1H 2022	Change	1H 2023	1H 2022	Change
Total Sales	257,153	262,459	-2.0%	257,153	262,459	-2.0%
Gross Profit	51,993	63,102	17.6%	51,778	62,839	-17.6%
<i>Gross Margin (%)</i>	<i>20.2%</i>	<i>24.0%</i>	<i>382 bps</i>	<i>20.1%</i>	<i>23.9%</i>	<i>-381 bps</i>
SG&A	-52,432	-59,299	-11.6%	-54,081	-60,504	-10.6%
<i>SG&A as % of Total Sales</i>	<i>-20.4%</i>	<i>-22.6%</i>	<i>220 bps</i>	<i>-21.0%</i>	<i>-23.1%</i>	<i>202 bps</i>
EBITDA	14,327	20,686	-30.7%	8,637	15,409	-43.9%
<i>EBITDA Margin</i>	<i>5.6%</i>	<i>7.9%</i>	<i>-231 bps</i>	<i>3.4%</i>	<i>5.9%</i>	<i>-251 bps</i>
Operating Profit	1,957	7,991	-75.5%	-136	6,593	-
<i>Operating Profit Margin</i>	<i>0.8%</i>	<i>3.0%</i>	<i>-228 bps</i>	<i>-0.1%</i>	<i>2.5%</i>	-
Net Interest Expenses	-4,943	-4,910	0.7%	-2,443	-2,455	-0.5%
(Net FX Loss)	-633	1,253	-	-200	357	-
Profit Before Income Tax	-3,619	4,334	-	-2,779	4,495	-
Net Income	-3,076	3,230	-	-2,404	3,358	-
<i>Net Income Margin</i>	<i>-1.2%</i>	<i>1.2%</i>	-	<i>-0.9%</i>	<i>1.3%</i>	-

1H 2023 CASH FLOW STATEMENT



RUB mn	IFRS 16			IAS 17		
	1H 2023	1H 2022	Change	1H 2023	1H 2022	Change
Profit before Income Tax	-3,619	4,334	-	-2,779	4,495	-
Net adjustments for loss on disposal of assets, impairment, depreciation & amortization, and other	18,335	16,834	8.9%	12,034	11,328	6.2%
Movement in Working Capital	-9,313	-17,929	-48.1%	-9,028	-17,897	-49.6%
Cash Generated from Operating Activities	5,403	3,239	66.8%	227	-2,074	-
Net Interest & Income Tax Paid	-6,036	-7,946	-24.0%	-3,527	-5,477	-35.6%
Net Cash from Operating Activities	-633	-4,707	-86.6%	-3,300	-7,551	-56.3%
Net Cash Used in Investing Activities	-3,772	-7,340	-48.6%	-3,792	-7,359	-48.5%
Net Cash generated from / (used in) Financing Activities	5,239	-7,914	-	7,926	-5,051	-
Effect of exchange rate on cash and cash equivalents	3	-138	-	3	-138	-
Net Increase / (Decrease) in Cash and Cash Equivalents	837	-20,099	-	837	-20,099	-

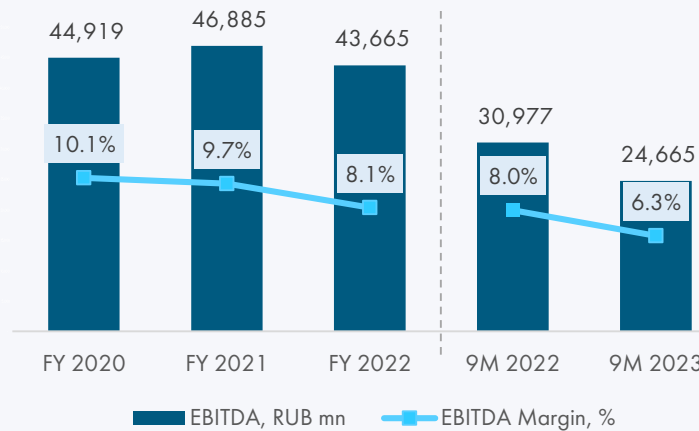
9M 2023 FINANCIAL RESULTS IFRS 16



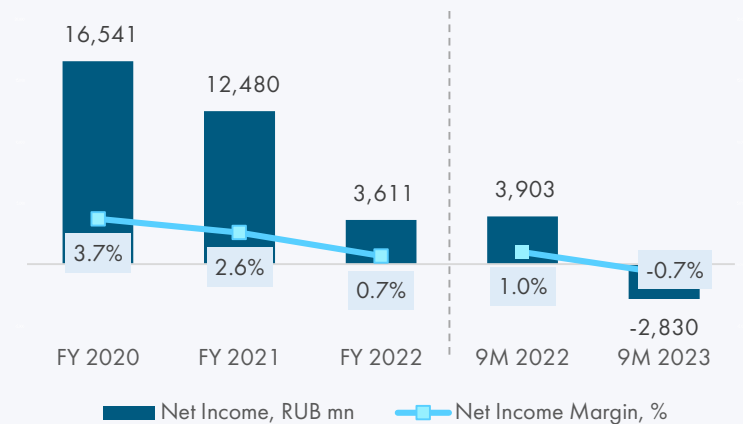
Gross Profit and Gross Margin



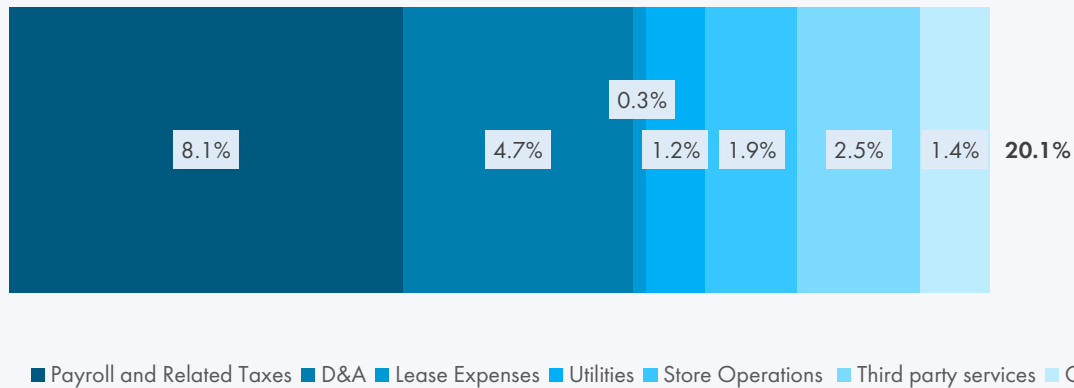
EBITDA and EBITDA Margin



Net Income and Net Income Margin



SG&A as % of Total Sales



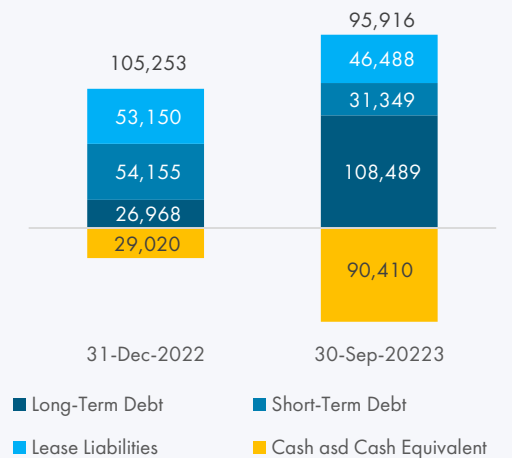
CapEx

RUB 5.6 bn

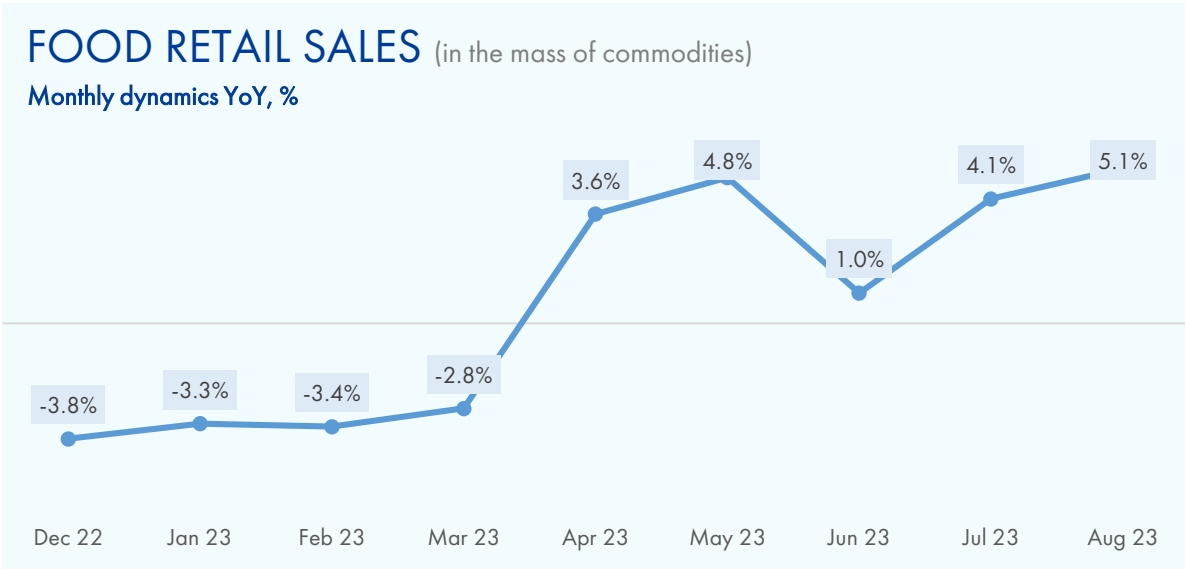
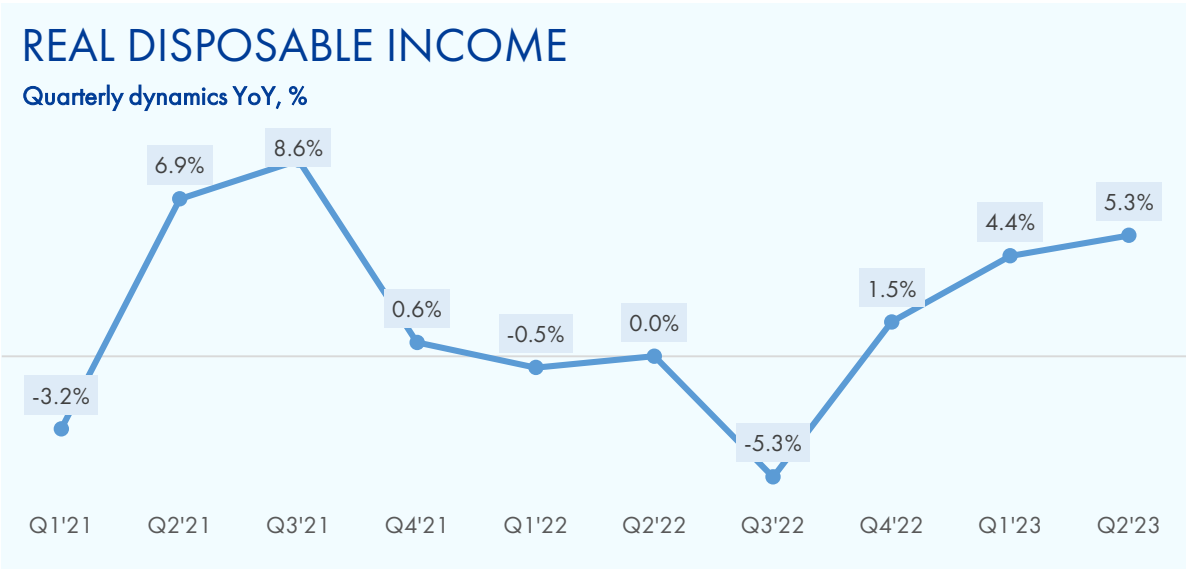
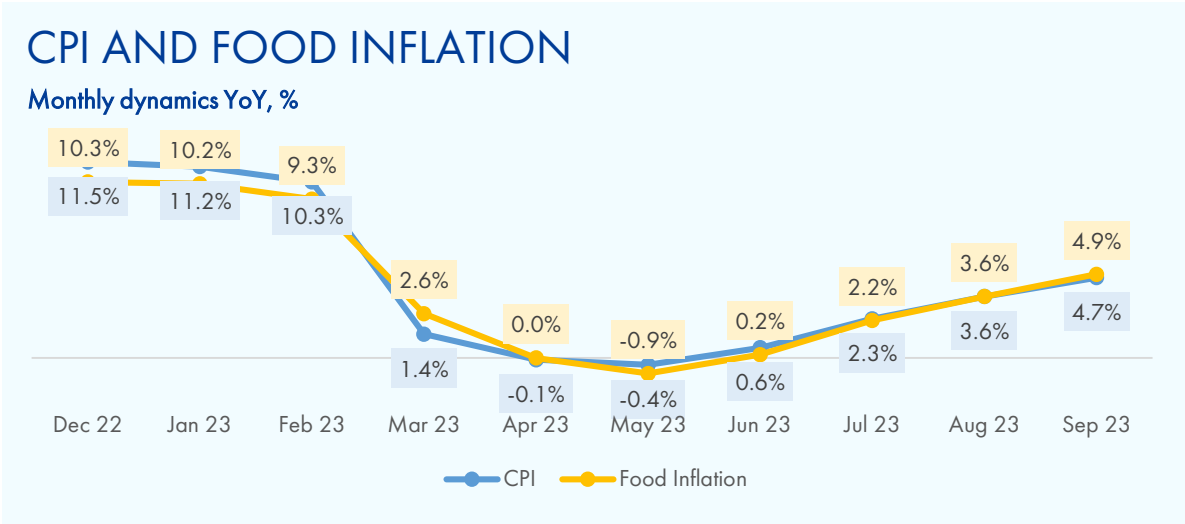
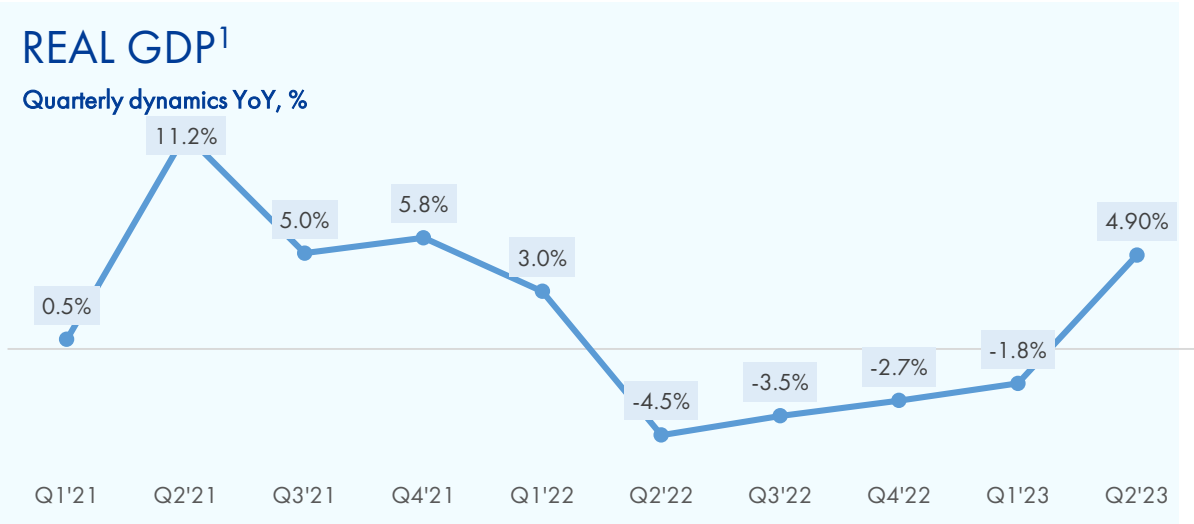
-38% y-o-y growth

Primarily related to new store openings

Net Debt, RUB mn



MARKET – INFLATION AND INCOME TRENDS



1. Indices of the Physical Volume of the Gross Domestic Product



Tatyana Vlasova

Head of Investor Relations and M&A
Tatyana.vlasova@lenta.com

112 Savushkina str.
St. Petersburg, Russia