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**NOTICE  
OF OPPORTUNITY TO EXERCISE PRE-EMPTIVE RIGHTS OF PUBLIC JOINT STOCK COMPANY “MAGNIT” SHAREHOLDERS OVER  
ADDITIONAL SHARES TO BE PLACED BY MEANS OF OPEN SUBSCRIPTION**

**Dear Shareholders of PJSC “Magnit”!**

Public joint-stock company “Magnit” (PJSC “Magnit”), Primary State Registration Number: 1032304945947, Individual Taxpayer Number: 2309085638, located at 15/5 Solnechnaya street, Krasnodar, the Russian Federation (hereinafter – «the Issuer») hereby notifies its shareholders that on December 4, 2017 the Bank of Russia registered an additional issue of ordinary registered uncertified shares with a nominal value of 0.01 rubles (0 rubles 01 kopeck) each, with state registration number of the additional issue 1-01-60525-P as of December 4, 2017 (hereinafter – the “Shares”).

In accordance with the Articles 40, 41 of the Federal law № 208-FZ dated 26.12.1995 “On Joint Stock Companies” (hereinafter – “FZ “On Joint Stock Companies”) shareholders of the Issuer have the pre-emptive right to acquire the Shares in the amount pro rata to their existing shareholdings (hereinafter – “Pre-emptive right to acquire shares”).

***The date of record for shareholders holding the Pre-emptive right to acquire shares is the 10th day from the decision of the Company’s Board of Directors concerning the offering of Shares.***

The Shares are offered by the Issuer in accordance with the terms and conditions of the Decision on the issue of additional securities and the Prospectus of securities approved by the Issuer’s Board of Directors as of November 15, 2017 (minutes w/o No. as of November 15, 2017) and registered by the Bank of Russia (hereinafter – “The Decision on the issue of additional securities” and “the Prospectus of securities” correspondingly).

The Shares shall be offered by means of open subscription.

**1. Total number of Shares offered by the Issuer:** 7,350,000 (seven million three hundred and fifty thousand) shares.

**2. Offer price per one Share (including at the exercise of the Pre-emptive right to acquire shares):** 6,185 (six thousand one hundred and eighty five) rubles.

**3. The procedure for determination of the number of Shares each shareholder holding the Pre-emptive right is entitled to acquire:**

The maximum amount of Shares which can be acquired in the exercise of the Pre-emptive right is proportional to the amount of existing shares of the Issuer owned by such shareholder as of the 10th day from the decision of the Company’s Board of Directors on the offering of Shares and shall be determined according to the following formula:

$$K = S * (7\,350\,000 / 94\,561\,355)$$

where:

K – the maximum number of Shares, which can be acquired by the shareholder holding the Pre-emptive right to acquire shares;

S – the number of ordinary registered uncertified shares of the Issuer owned by the shareholder holding the Pre-emptive right to acquire shares as of the 10th day from the decision of the Company’s Board of Directors on the offering of Shares;

7,350,000 – the number of Shares of the current additional issue;

94,561,355 – the number of issued ordinary registered shares of the Issuer as of the 10th day from the decision of the Company’s Board of Directors on the offering of Shares.

If in the course of determining the number of offered Shares which can be acquired by the shareholder under the Pre-emptive right there is a fractional number, such shareholder is entitled to acquire the part of the Share (fractional Shares) corresponding to the fractional part of the generated number.

The Fractional Share provides its shareholder with the right of the Share of the corresponding category in the amount corresponding to the fraction of the full Share it constitutes.

The Fractional Shares shall trade on an equal basis with the full shares.

**4. Validity period of the Pre-emptive right to acquire shares:**

The starting date of the Pre-emptive right period to acquire shares (hereinafter – “The Pre-emptive right period”): on the next day from the notification of shareholders of the Pre-emptive right to acquire shares by means of publication (disclosure) of Notification in the newswire of one of the information agencies authorized by the Bank of Russia or other regulatory and supervisory agency on the financial markets authorized to disclose information on the capital market (hereinafter – “the Newswire”), or at the Web Pages used by the Issuer for information disclosure: <https://www.e-disclosure.ru/portal/company.aspx?id=7671>, <http://ir.magnit.com/ru/> and <http://ir.magnit.com/en/> (hereinafter – “Web Pages of the Issuer”).

The Date of expiry of the Pre-emptive right period: 12<sup>th</sup> business day from the start date of the Pre-emptive period (including the starting date of the Pre-emptive right period).

The Shares shall not be offered before the date of expiry of the Pre-emptive right period by any means other than the exercise of above Pre-emptive right to acquire shares.

**5. The procedure for submission of the applications to acquire Shares by shareholders entitled to exercise Pre-emptive right to acquire shares:**

The shares shall be placed to shareholders entitled to Pre-emptive right to acquire shares on the basis of written applications submitted by shareholders (hereinafter - "Applications", in the singular - "Application").

**Shareholders entitled to Pre-emptive right to acquire shares shall submit an Application within the Pre-emptive right Period.**

Shareholders entitled to Pre-emptive right to acquire shares can fully or partially exercise their Pre-emptive right to acquire shares by submission or delivery by hand of the Application signed by such shareholder to the Issuer's Registrar (Noviy Registrator JSC, unlimited license for registering activities No. 045-13951-000001 issued by the Federal Financial Markets Service on March 30, 2006) (hereinafter - the "Registrar"), and if it is provided for by the Registrar's rules - also by sending an electronic document signed by electronic signature.

An application sent or submitted to the Registrar is deemed to be submitted to the Issuer on the day of its receipt by the Registrar.

An application of a shareholder entitled to the Pre-emptive right to acquire shares, registered in the Issuer's register, shall be signed by a shareholder entitled to Pre-emptive right to acquire shares (or a person duly authorized on its behalf with an original or notarized copy of a duly executed power of attorney or other document confirming authority of a representative), and for legal entities it shall be stamped (if the stamp is available).

An application of a shareholder entitled to Pre-emptive right to acquire shares, registered in the Issuer's register, shall contain information sufficient to identify the submitting person, and the quantity of Shares to be acquired.

A shareholder entitled to the Pre-emptive right to acquire shares and not registered in the Issuer's register of holders of registered securities shall exercise such Pre-emptive Right to acquire shares by giving the relevant instruction to the entity which records rights to the Issuer's shares (hereinafter - "the Instruction"). Such Instruction shall be given in accordance with the requirements of the legislation of the Russian Federation and shall contain the number of Shares to be acquired. The submission of the Instruction by the shareholder entitled to Pre-emptive right to acquire shares and which is not registered in the Issuer's register of holders of the registered securities shall be deemed the Submission of the Application. In this case, the Application shall be deemed to be submitted to the Issuer on the day of receipt by the Registrar of a message from the nominal holder of shares registered in the Issuer's register which expresses the will of such shareholder.

**It is recommended to include the following information in the Application:**

1. The heading: "Application to acquire shares of PJSC "Magnit" in the exercise of the Pre-emptive right".
2. Full name (full company name) of the shareholder entitled to Pre-emptive right to acquire shares.
3. Place of residence (location) of the shareholder entitled to Pre-emptive right to acquire shares.
4. Amount of shares to be acquired.
5. Taxpayer Identification Number of the shareholder entitled to Pre-emptive right to acquire shares (if applicable).
6. For individuals – passport details (date and place of birth, series, number and the date of issue, issuing authority).
7. For legal entities – information of the state registration of the entity (for Russian legal entities - information on the state registration of a legal entity/registration in the Unified state register for legal entities (date, registration authority, number of the relevant certificate).
8. The number and details of the Applicant's personal account in the Issuer's register of holders of registered securities to transfer the acquired Shares to it.
9. Bank details of the potential buyer (hereinafter – the "Buyer") for the purposes of refund.
10. Contact details: e-mail, telephone number, postal address;
11. For non-residents – an indication of whether the non-resident is a qualified investor in the state of its location;
12. Confirmation that the person acquiring shares under the Pre-emptive right that it is the beneficial (ultimate) owner of the shares or the person making the investment decision to subscribe for the shares (the "Owner"), or on behalf of the Owner, if it is not the Owner, that at the time of the submission of this Application and at the time of the decision to subscribe and pay for the new shares (the "Relevant Times"), the Owner (A) is and will be a qualified institutional buyer (as defined in Rule 144A under the U.S. Securities Act of 1933 (the "Securities Act")) in the United States (within the meaning of Regulation S) and will not re-offer or re-sell the new shares except outside the United States in accordance with Rule 904 of Regulation S under the Securities Act ("Regulation S"); or (B) (i) is not and will not be in the United States (within the meaning of Regulation S); and (ii) (a) is not and will not be in the European Economic Area (hereinafter, "EEA"), or (b) is a "qualified investor" (as this term is defined in Directive 2003/71/EC as amended by Directive 2010/73/EC as implemented in the relevant EEA Member State, in which it is located at the Relevant Times); and (iii) is and will be outside the United Kingdom, or is an investment professional falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or a high net worth entity falling within Article 49(2)(a) to (d) of the Order; and (iv) has not taken and will not take any action which would require the Company to publish a prospectus or a supplement to a prospectus in any EEA member state or any other jurisdiction.

**It is recommended to enclose the document of payment for all Shares acquired by the applicant to the Application.**

The person exercising the Pre-emptive right on acquisition of shares is responsible for the accuracy of the information indicated in the Application and its correspondence to the data contained in the Issuer's register of shareholders.

The receipt of Applications shall be effected every business day from 9 am till 1 pm (Moscow time) at the following address: 48, letter B, office 202A ("Kavkaz" business centre), Odesskaya street, Krasnodar, the Russian Federation, 350020. Applications may be sent to the following postal address: 48, letter B, office 202A ("Kavkaz" business centre), Odesskaya street, Krasnodar, Russian Federation, 350020, JSC "Noviy registrator", Krasnodar branch. Contact telephone: (861) 251-74-39, 253-64-60.

If the amount of shares being acquired under the Pre-emptive right according to the Application of the shareholder exercising the Pre-emptive right is less than the amount of paid shares within the Payment period of shares acquired under the Pre-emptive right, such shareholder will be considered to have exercised their Pre-emptive right in respect to the amount of additional shares specified in the Application; the Application shall be satisfied in respect to the amount of additional shares specified therein.

If the amount of shares being acquired under the Pre-emptive right according to the Application of a shareholder exercising the Pre-emptive right exceeds the number of paid shares within the Payment period for shares acquired under the Pre-emptive right such shareholder will be considered to have exercised their Pre-emptive right in respect of the number of additional shares that such shareholder has actually paid for.

If the amount of shares specified in the Application exceeds the maximum amount of additional shares that might be acquired by the shareholder under the Pre-emptive right pro rata to its shareholding, and the number of paid shares within the Payment period for shares acquired under the Pre-emptive right is not less than the maximum amount of additional shares that the shareholder is entitled to acquire under the Pre-emptive right such shareholder will be considered to have exercised their Pre-emptive right in respect of the maximum number of additional shares that the shareholder has the right to acquire in the exercise of the Pre-emptive right with respect to additional shares.

If the amount of funds transferred to the Issuer for payment of the Shares acquired by the shareholder exercising the Pre-emptive right exceeds the amount of funds to be paid for the Acquired Shares, the excessively paid funds shall be returned via bank transfer within 10 (ten) business days from the date of expiry of the Pre-emptive right period. Funds shall be returned to the details specified in the Application. In the event that the Application does not specify the details for the return of funds, the refund shall be made to the details specified in the register of holders of the Issuer's registered securities.

**Reasons for rejection in the exercise of the Pre-emptive right to acquire Shares:**

- the application does not meet the requirements set by the legislation of the Russian Federation, Clause 8.5. of the Decision on the issue of additional securities and item 8.8.5 of the Prospectus;
- the application does not allow the identification of the shareholder on whose behalf the Application was submitted, as a shareholder entitled to Pre-emptive right to acquire shares;
- the Application signed by the authorized representative of the shareholder exercising the Pre-emptive right to acquire shares does not include the original or a notarized copy of a duly executed power of attorney or other document confirming the representative's authority;
- the person entitled to Pre-emptive right to acquire shares did not fulfill the obligation to pay for the securities to be placed within the Pre-emptive right period;
- the application was received by the Issuer upon the expiry of the Pre-emptive right period.

In this case the Issuer shall deliver the notice on impossibility to exercise the Pre-emptive right to acquire shares according to the conditions indicated in the Application to the person who submitted the Application within 3 business days after the receipt of the Application with explanation of reasons why such exercise of the Pre-emptive right for the acquisition of shares is impossible to the e-mail address specified in the Application, and if the Application does not contain e-mail address - to the postal address specified in the Application.

In case of receipt of the notice on impossibility to exercise the Pre-emptive right for the acquisition of shares a shareholder, interested in exercising the Pre-emptive right to acquire shares before the expiry of the Pre-emptive right period is entitled to submit such Application repeatedly after elimination of the reasons due to which exercise of the Pre-emptive right was impossible.

#### **6. The period and procedure of Shares payment:**

Payment for Shares by the Buyers shall be made via bank transfer of monetary funds in the currency of the Russian Federation to the settlement accounts of the Issuer under the details indicated below.

At the exercise of the Pre-emptive right to acquire shares the Shares shall be fully paid within Pre-emptive right period.

The Shares are placed subject to their full payment. Deferred payment is not applicable.

The obligation to pay for the Shares shall be deemed settled from the receipt of monetary funds on the corresponding account of the Issuer specified by the Decision on the issue of additional securities and the Prospectus of securities.

If the obligation to pay for the Shares is not fulfilled within the period specified in the Decision on the Additional Issue of Securities, the Issuer does not have a counter obligation to transfer the Shares to the person having the Pre-emptive right to acquire the Shares.

Information on the credit Institution

Full company name: *Public joint-stock company "Sberbank of Russia", Krasnodar branch No. 8619.*

Short company name: *Krasnodar branch No. 8619, PJSC «Sberbank», Krasnodar.*

Address: *34 Krasnoarmeyskaya street, Krasnodar.*

Bank details of accounts to transfer monetary funds for securities payment:

Individual Taxpayer Number: *7707083893*

RCBIC: *040349602*

Account number: *40702810330000100078*

Correspondent account: *30101810100000000602*

Type of account: *settlement account in the currency of the Russian Federation*

Account owner: *PJSC "Magnit"*

Individual Taxpayer Number/*KPP code of the account owner: 2309085638/230750001*

Non-monetary form of payment is not acceptable.

Form of non-cash payments: *settlements by payment orders.*

#### **7. Procedure for rendering the results of Pre-emptive rights to acquire the offered securities and the disclosure of the relevant information:**

The results of the Pre-emptive rights to acquire shares shall be finalized by the sole executive body of the Issuer within 5 (five) days from the date of expiry of the Pre-emptive right period.

The Issuer discloses information on the results of the Pre-emptive rights to acquire shares by means of publication of the report in the News Wire and on the Website within 5 (five) days from the date of rendering the results of the Pre-emptive rights to acquire shares. Publication on the Websites shall be made after the publication on the Newswire.

#### **8. Additional information:**

The text of the Decision on the issue of securities and the Prospectus of Securities is available on the Website of the Issuer. All interested parties may review the Decision on the issue of additional securities and the Prospectus of securities and receive copies at the following address: 15/5 Solnechnaya street, Krasnodar, 350072, the Russian Federation.