



Investor Presentation

Leading children's goods digital
retailer in Russia and Kazakhstan

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Detsky Mir at a glance

Russia's Children goods retail market leader with strong growth profile

Detsky Mir at glance



Undisputed #1 player

- 24% share of total children's goods market in Russia in 2021⁽¹⁾



Iconic brand

- with 98% prompted awareness⁽¹⁾



Omni-channel with focus on online

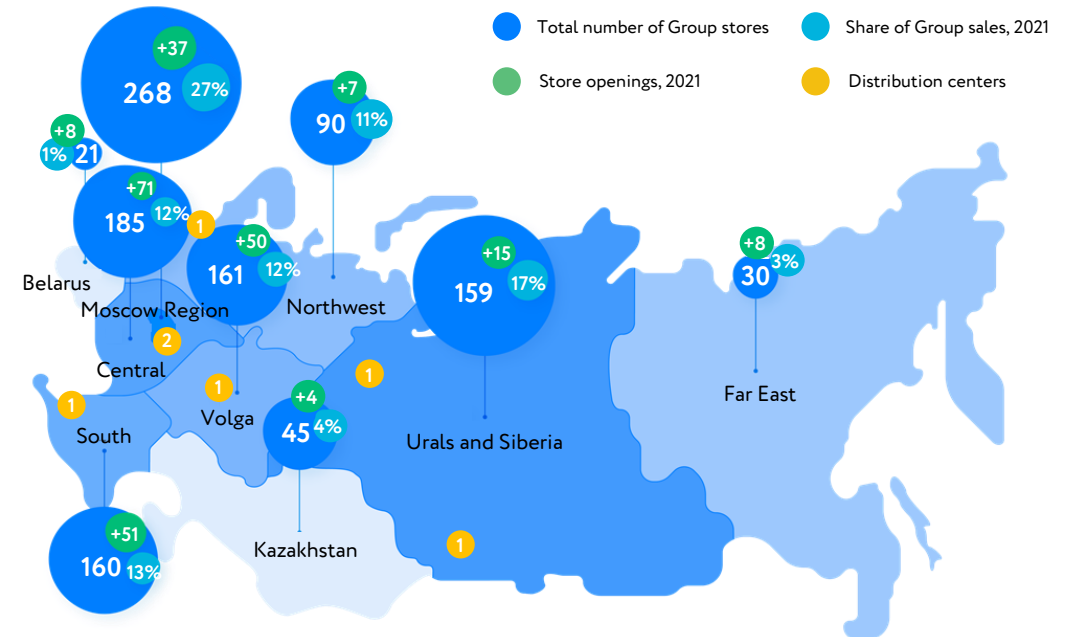
- 80% CAGR '18-21 in online sales
- 31% share of online in total sales in Q1 '22



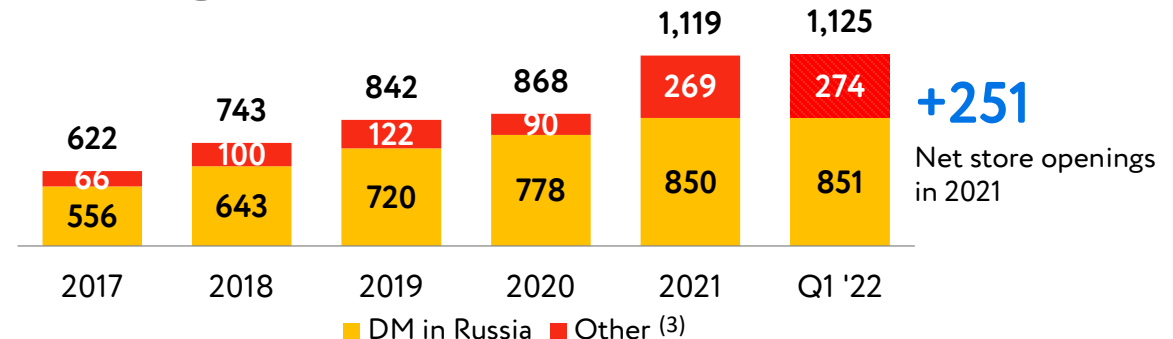
Private label & exclusive assortment

- 45% share of private label & direct imports in total sales in Q1 2022 in Russia

Geography of operations⁽²⁾



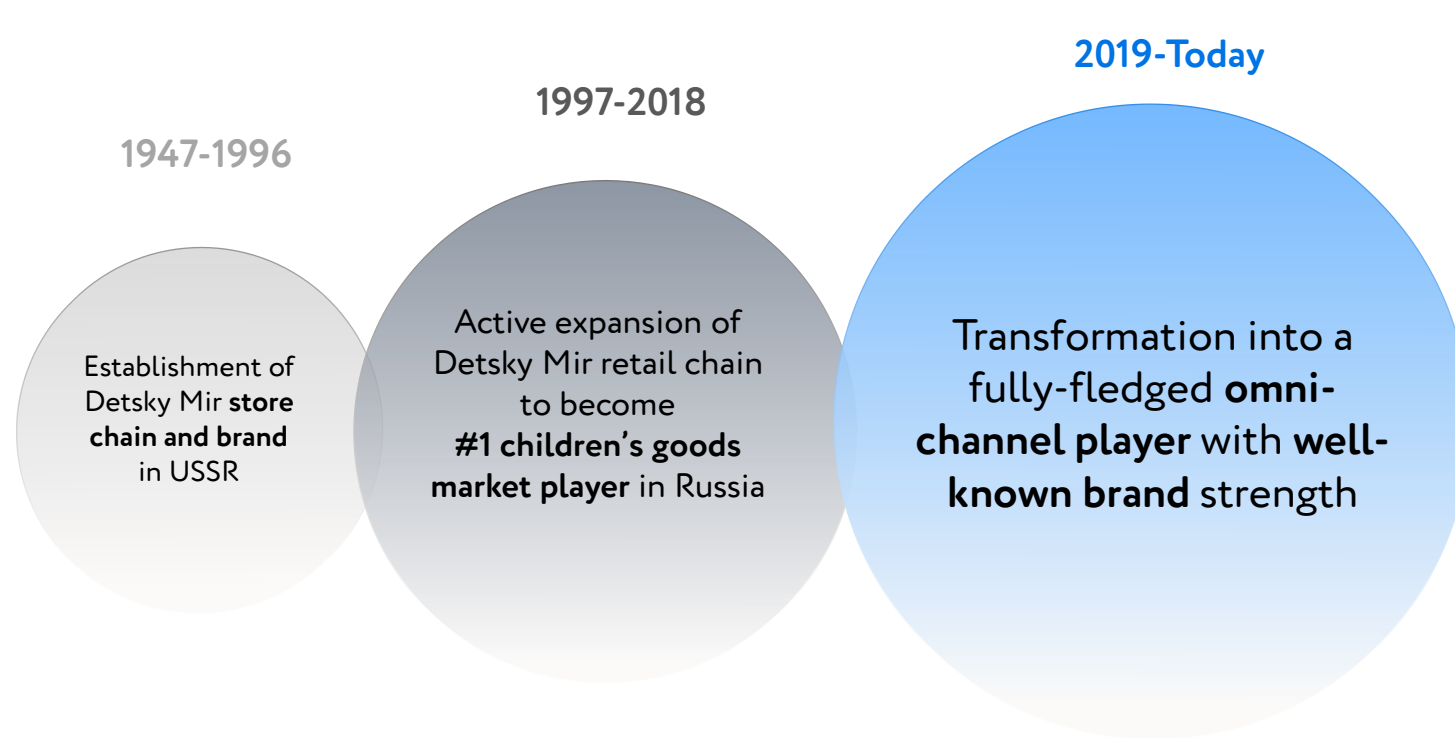
Stable growth of number of stores



Sources: Company data, Ipsos Comcon, MOEX as of 30 June 2021

Notes: (1) "Children Goods Market in Russia" report by Ipsos Comcon ("Ipsos Comcon report"). Consumer survey conducted in December 2021; (2) As of 31 Dec 2021; (3) Includes DM in Kazakhstan, DM in Belarus and Zoozavr

Iconic brand with 75 years of history

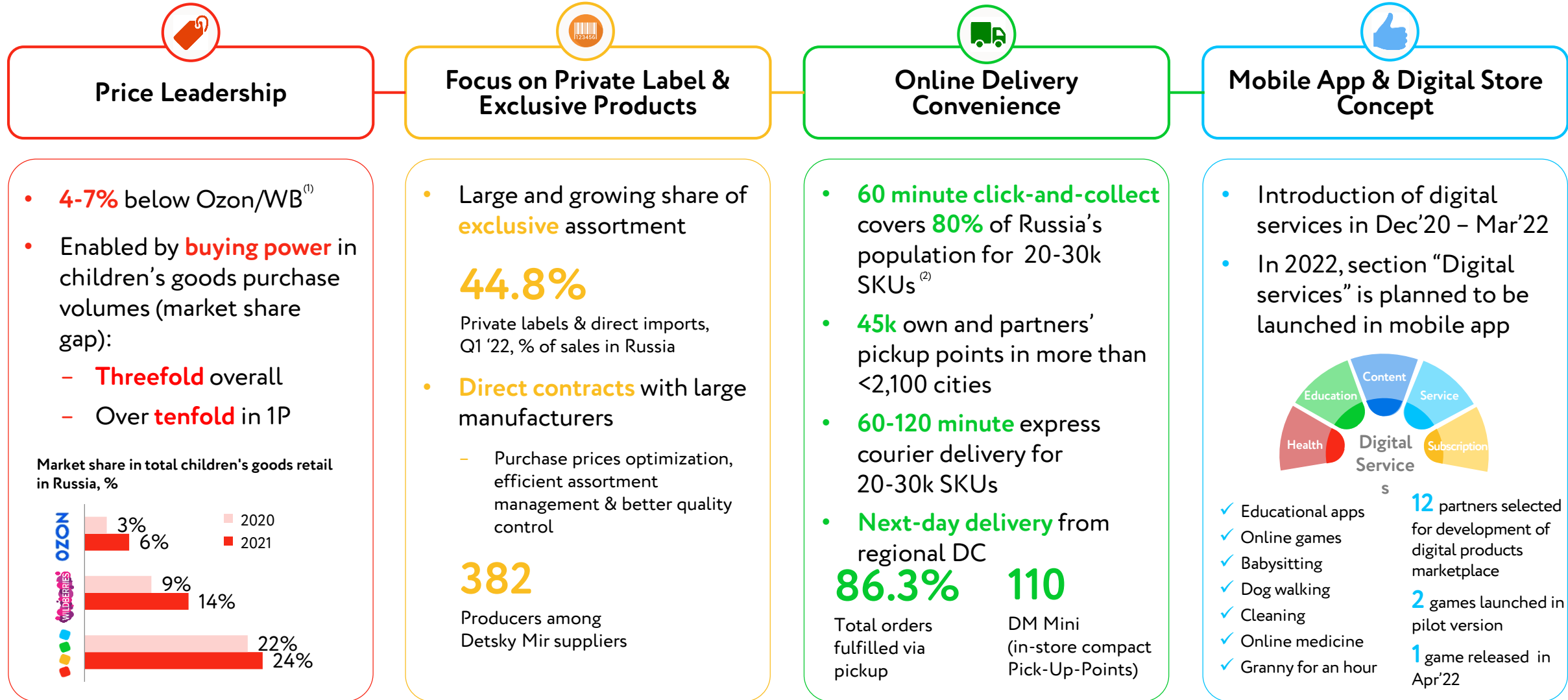


Revenue has increased ~6x since 2012 while number of stores performed 5.2x growth reaching 1,119 stores by December 2021

- 1947
 - ✓ First store with the name of "Detsky Mir" was established
- 1997
 - ✓ Sistema consolidated 100% of "Detsky Mir" company
- 2011-2012
 - ✓ Launch of e-commerce
 - ✓ Entering Kazakhstan market
 - ✓ Acquisition of ELC retail chain in Russia
- 2015-2017
 - ✓ Sale of 23.1% in DM to RCIF
 - ✓ Successful IPO on MOEX with over 30.5% free float
- 2019
 - ✓ Launch of own marketplace
 - ✓ Entering Belarus market
- 2020-2021
 - ✓ New Strategy 2020 – 2024
 - ✓ Online channel development with focus on mobile
 - ✓ Introduction of Detsky Mir 3.0
 - ✓ Developing new verticals (Zoozavr), digital services and own marketplace



Unique customer value proposition: tackling online competition via a better offering





Our investment story

Leading specialized children's goods retailer



Market leader in children's goods retail market in Russia and Kazakhstan

1



Unparalleled customer value proposition with the **focus on private label** and digital experience

2



Unique omni-channel model with **significant growth potential**, including new verticals

3



Asset-light business with strong returns on capital and **consistent dividend payments**

4



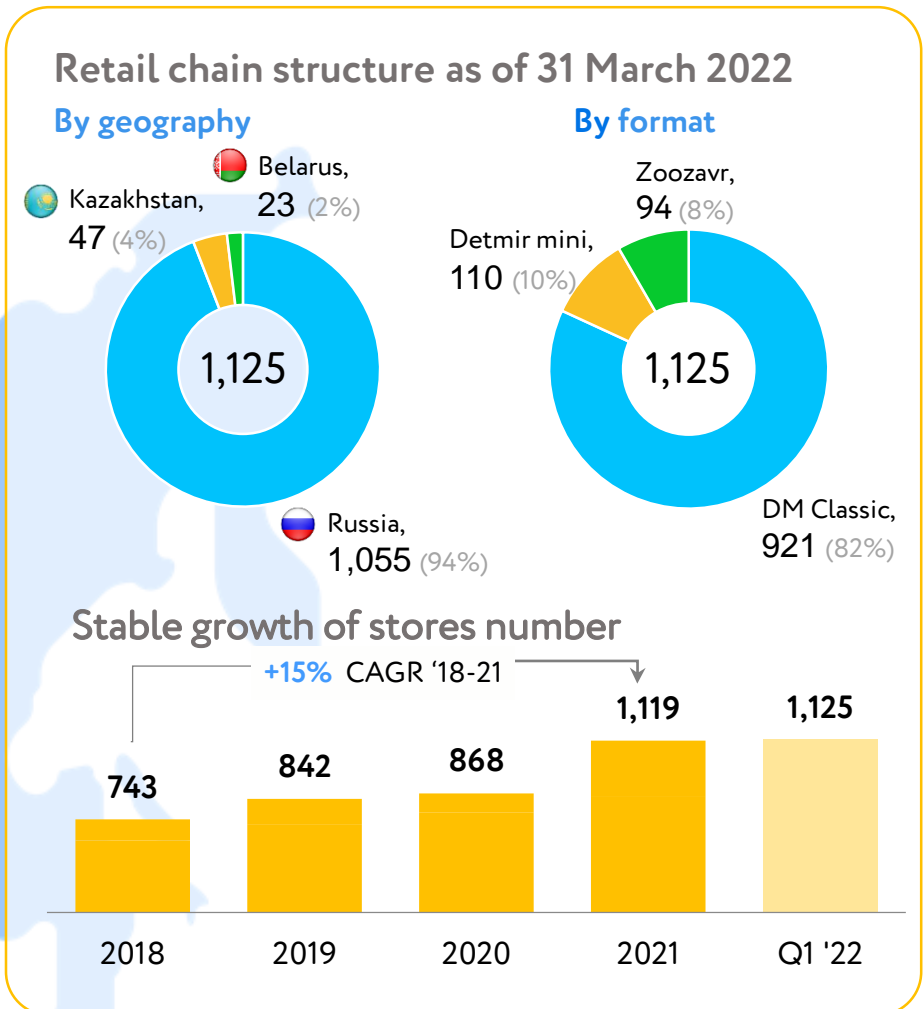
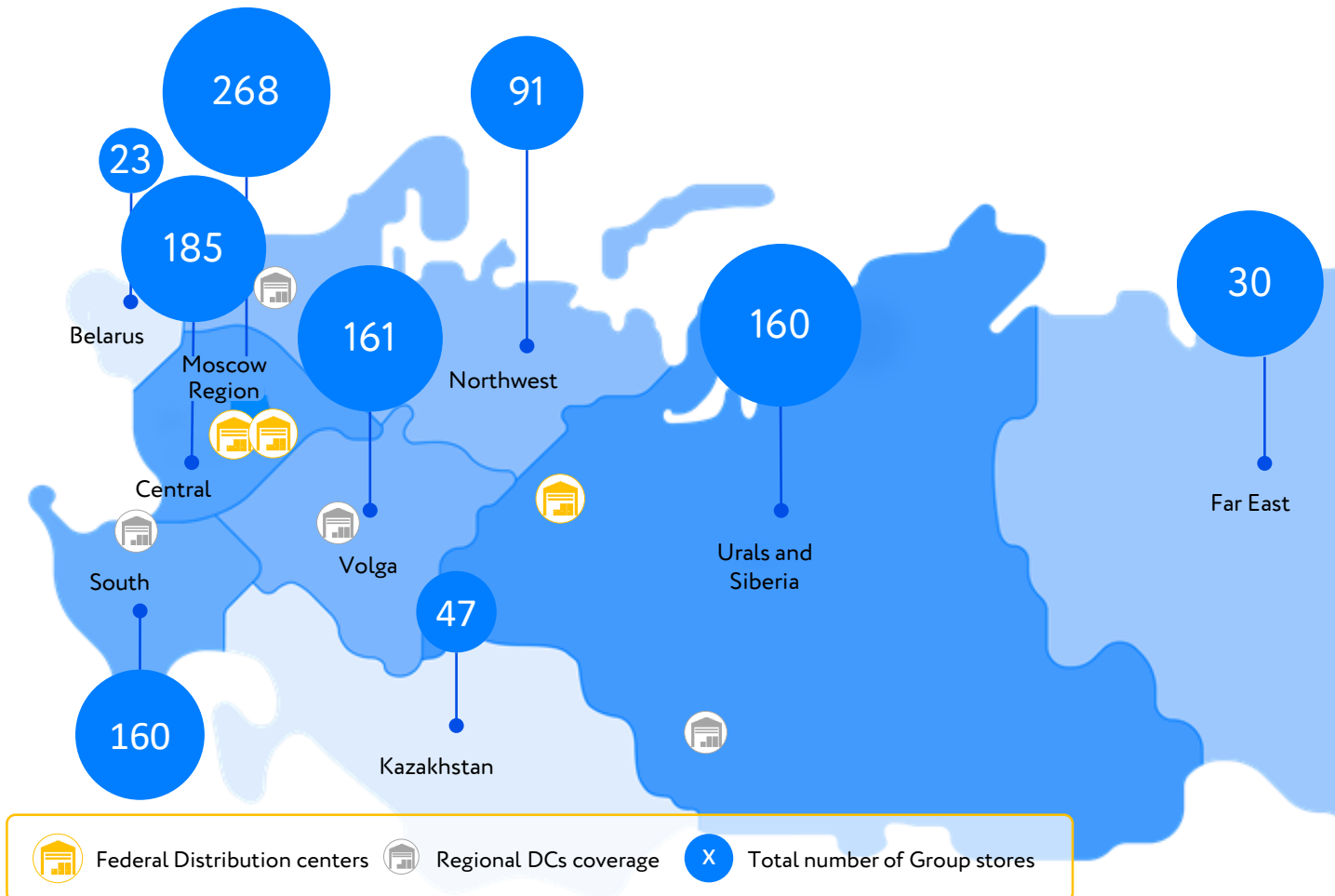
Experienced management team and strong adherence to ESG best practice

5

Detsky Mir – increasing footprint in Russia and CIS

Nº1 Children's goods market player in Russia
With **24%** market share⁽¹⁾

Nº1 Children's goods market player in Kazakhstan
With **~30%** market share by selling space

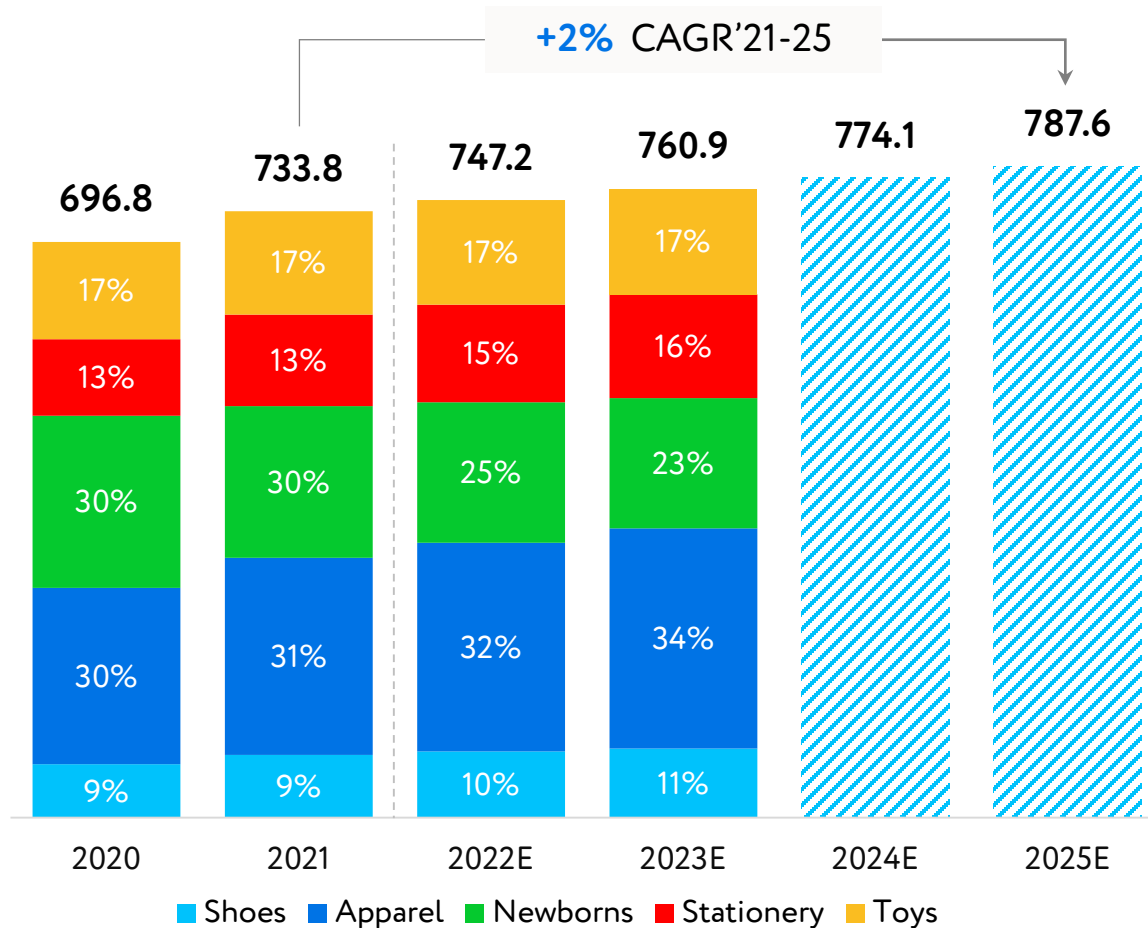


Sources: Company data
 Notes: (1) "Children Goods Market in Russia" report by Ipsos Comcon ("Ipsos Comcon report"). Consumer survey conducted in December 2021

Solid addressable market for Detsky Mir

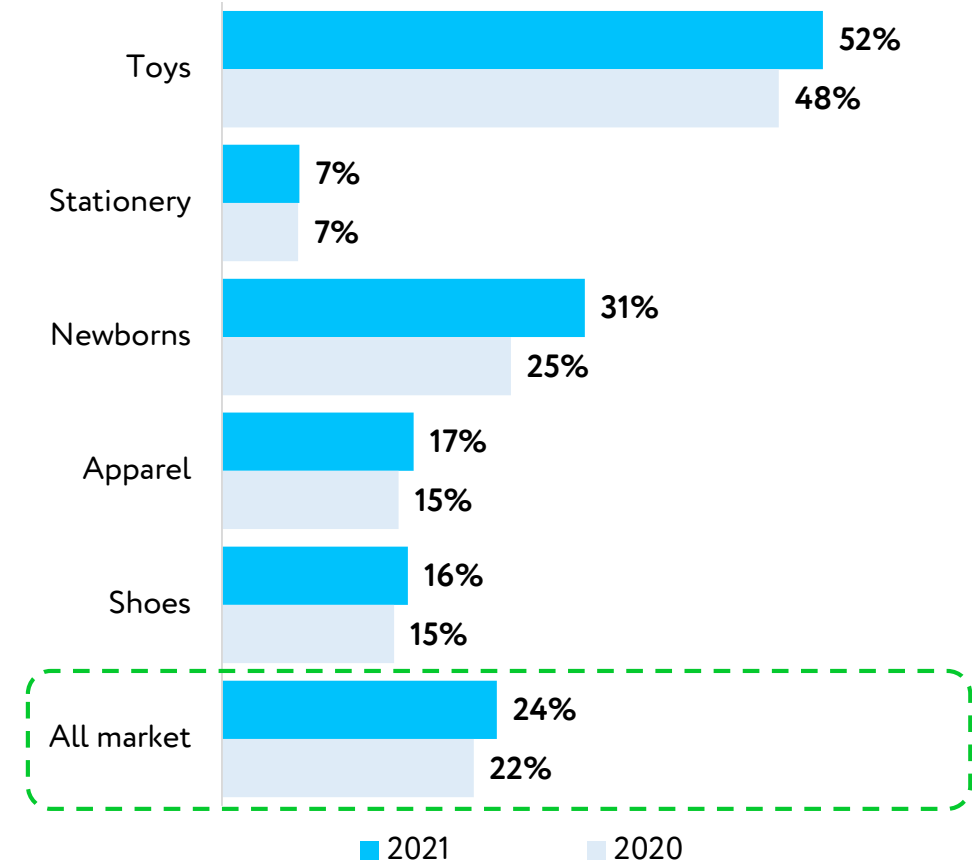
Healthy outlook on key market segments ...

Russian children's goods market in all Russian cities⁽¹⁾ (RUB bn)



... with DM gaining market leadership across all categories

Detsky Mir market share by segments⁽²⁾ (%)



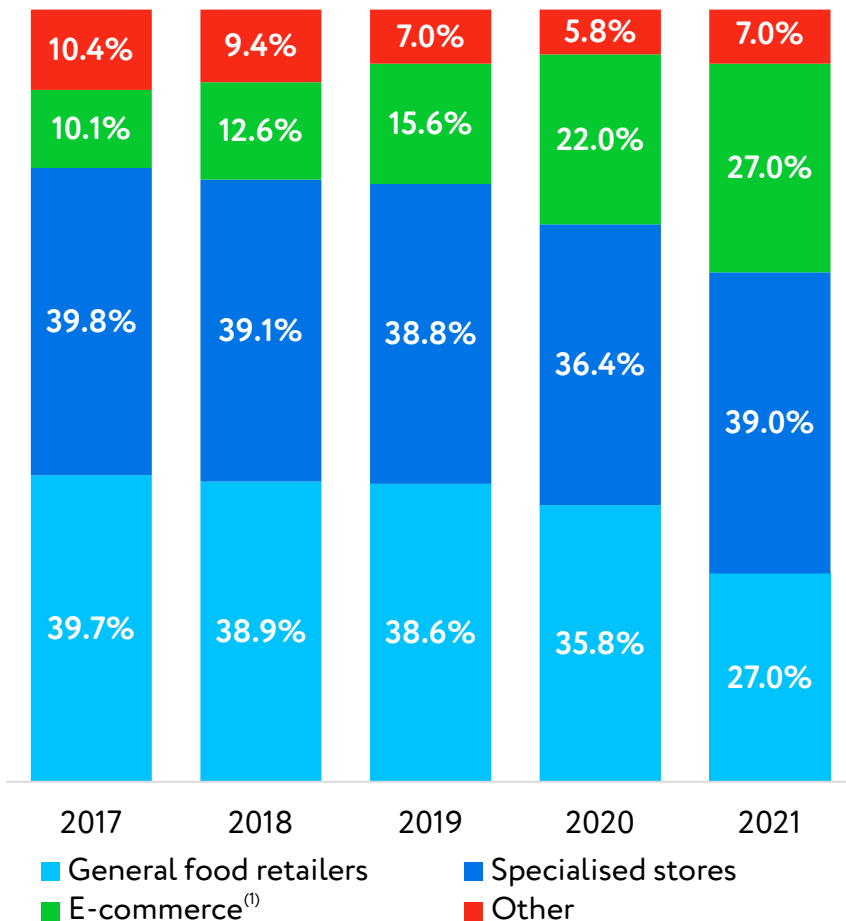
Sources: Company data, Ipsos Comcon report, NPD Group report

Notes: (1) Market volume is counted in retail prices including VAT (10%) in all Russian cities population); (2) Detsky Mir share estimation is based on total Detsky Mir sales

Market environment evolution

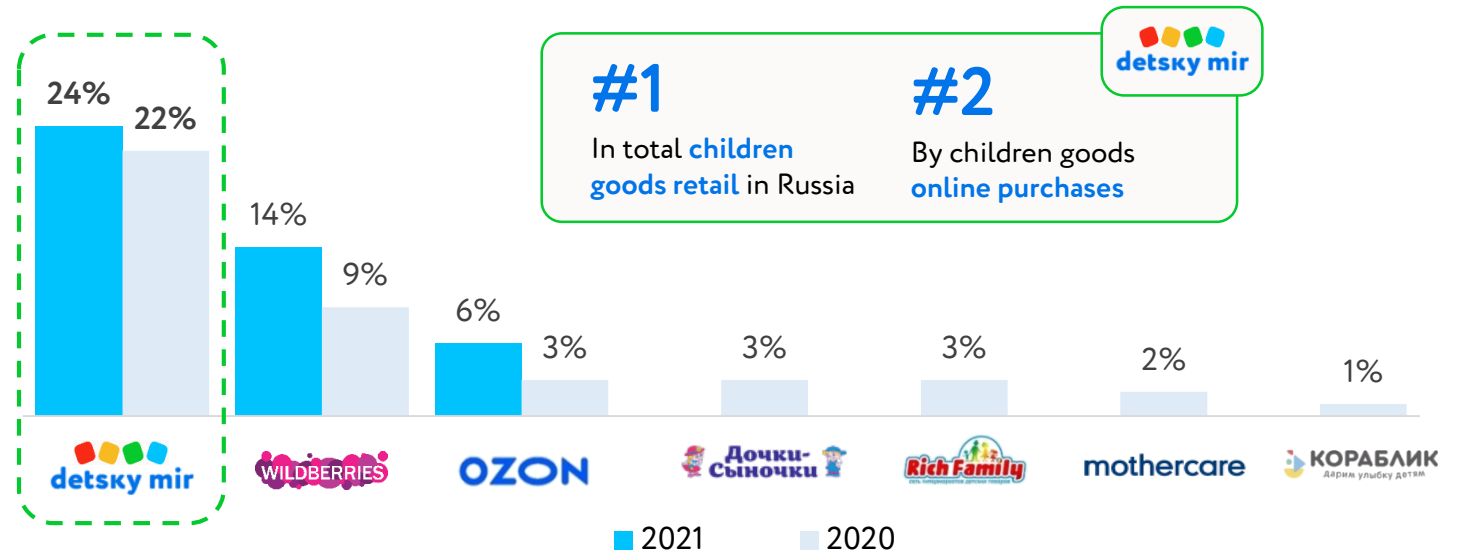
Online is one of the most fast-growing channels ...

Russian children's goods market breakdown by channels (%)



... while DM maintains leading positions in both offline & online

Market share in total children's goods retail in Russia⁽²⁾ (%)



Key competitive strengths allowing Detsky Mir to sustain market leadership

- Price leadership
- Faster and wider and more convenient delivery
- Focus on private label and direct imports
- Strong offline presence appreciated by our customers

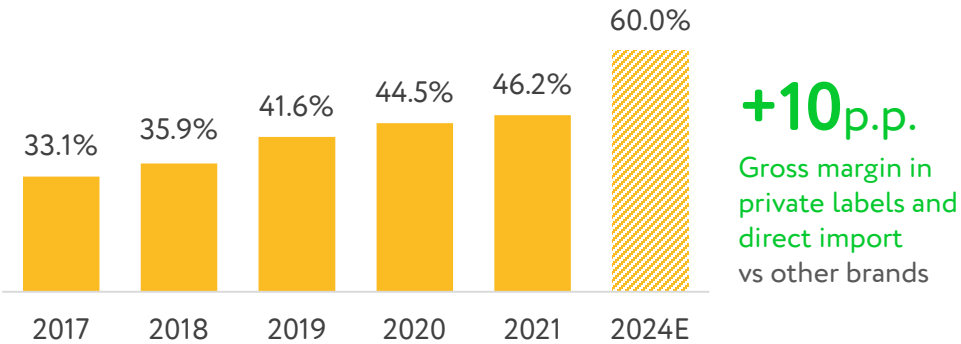
Sources: Company data, Ipsos Comcon report, SPARK, Data Insight

Notes: (1) Represents children's goods ordered online (excluding online stores of offline retailers from other sales channels); (2) Market share is based on sales (including VAT of c. 10%) and market volume estimation in Russian total urban population. Market share for Detsky Mir is based on the consolidated IFRS data (excl. Kazakhstan, Belarus and Zoozavr stores)

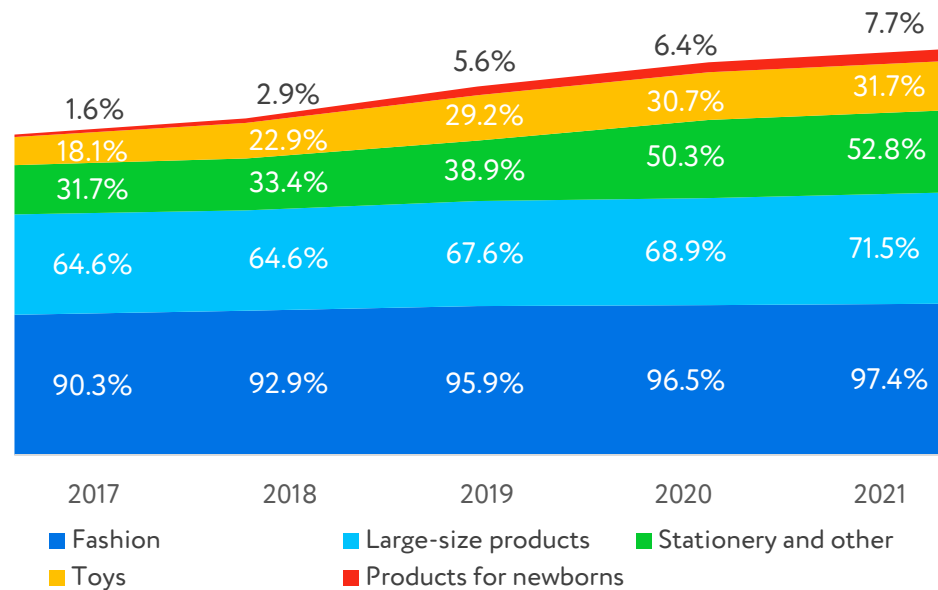
Private label and direct import – value accretive differentiating factor

Private label development is to support margin growth

Share of private labels and direct imports in total sales, %



Share of private labels and direct imports in sales by category, %



Exclusive value offers and direct contracts with large manufacturers

Private labels & direct imports % in total sales, 2021 (vs 2017)

Own brands

	Fashion	Large-Size products	Stationery and others	Toys	Products for newborns
Private labels & direct imports % in total sales, 2021 (vs 2017)	97.4% (90.3% in 2017)	71.5% (64.6% in 2017)	52.8% (31.7% in 2017)	31.7% (18.1% in 2017)	7.7% (1.6% in 2017)
Own brands					

Well-balanced product mix across traffic generators and high-margin products



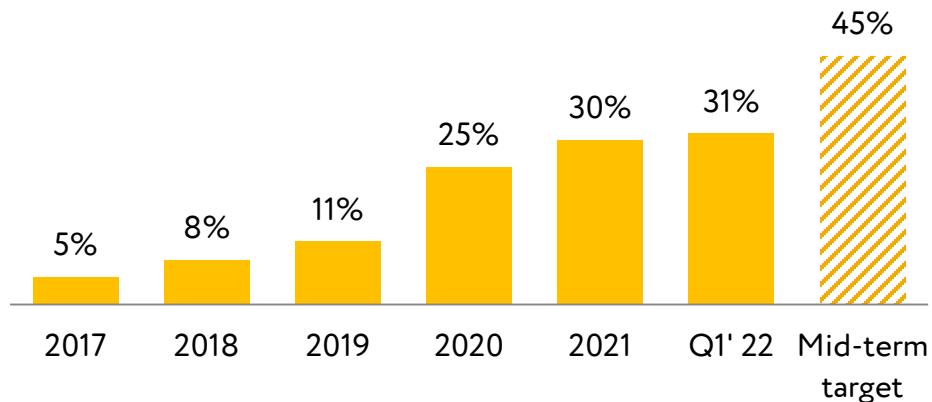
Unlocking online growth through omni-channel model

Efficient online channel



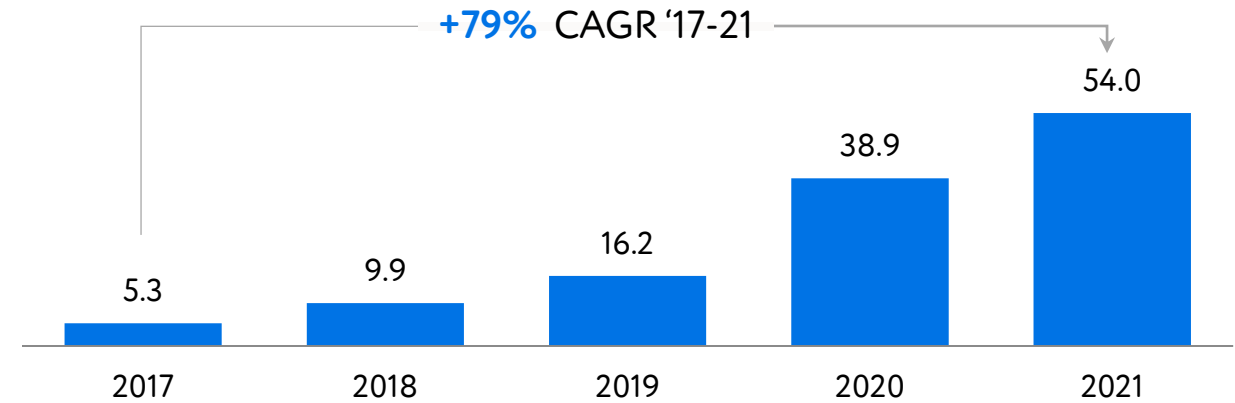
Rapidly shifting to online channel

Online sales as % of total GMV



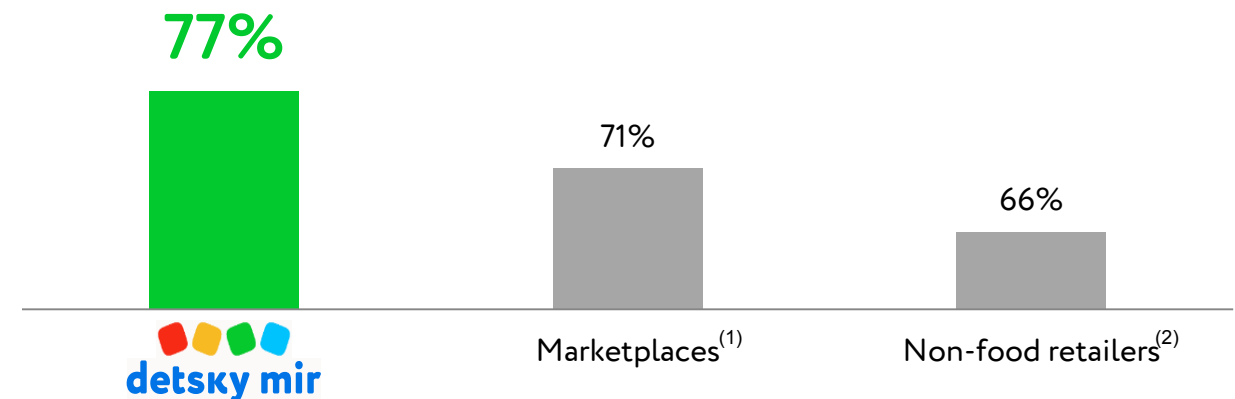
Accelerated growth on the back of the unique omni-infrastructure

Online sales, RUB bn



Outperforming pure e-commerce players and traditional retailers in online

Online sales CAGR'18-21, %



Detsky Mir – core store format overview

Detsky Mir Classic

- ✓ Presence in large cities with >100k population
- ✓ Sales channel mix with **focus on in-store** (70% offline, 30% online)
- ✓ Product assortment is almost equally allocated across toys, products for newborns and apparel & footwear
- ✓ **18-24 months** stores maturity period
- ✓ **2.5 - 3.0 years** payback period
- ✓ **99%** stores leased

1,057 sqm
Average selling space⁽¹⁾

20-30k
in-store SKUs

855
of stores

RUB 1,210
Average ticket



Detsky Mir Mini⁽²⁾

- ✓ Presence in smaller cities with **5k-100k** population, expanding Company's market size by **30%+** to c. RUB 700bn
- ✓ **Balanced sales channel mix** (50% offline, 50% online)
- ✓ **800+** stores in medium-term, **1,200+** additional stores in longer term
- ✓ Pick-ups with an **unlimited shelf** from DCs focused on products for newborns, clothing, footwear
- ✓ Relying on regional DCs coverage **within 500km**

138 sqm
Average selling space⁽¹⁾

~2k
in-store SKUs

110
of stores

RUB 856
Average ticket

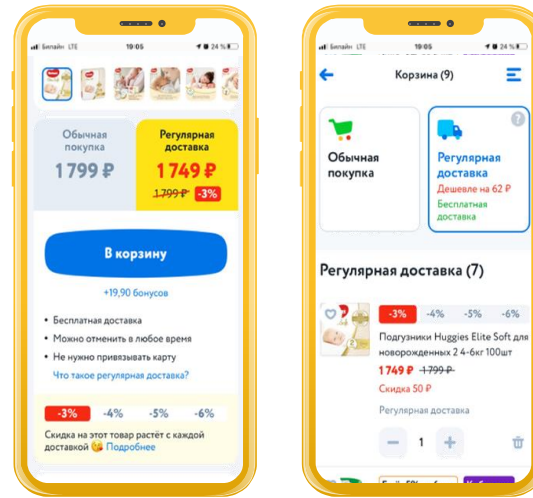
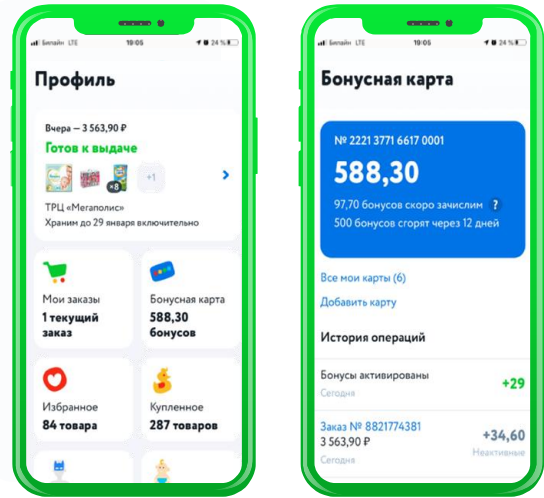








Initiatives to achieve best-in-class mobile user experience

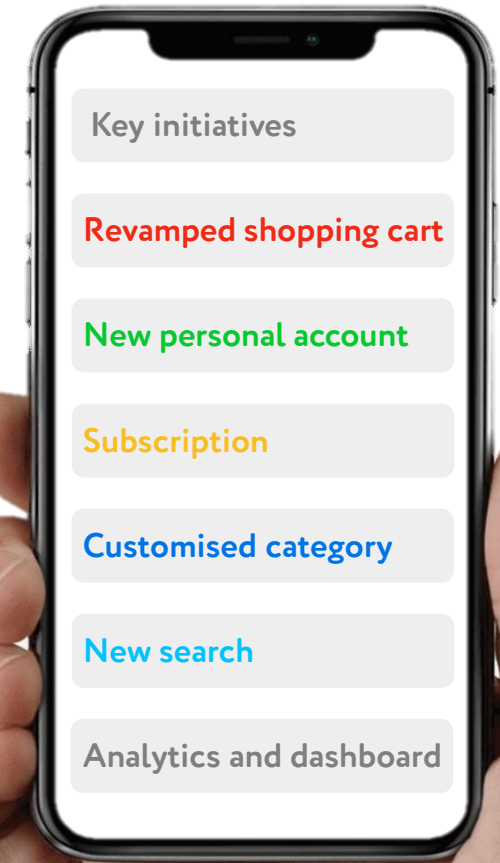
New personal account

Subscription

New planning and prioritisation

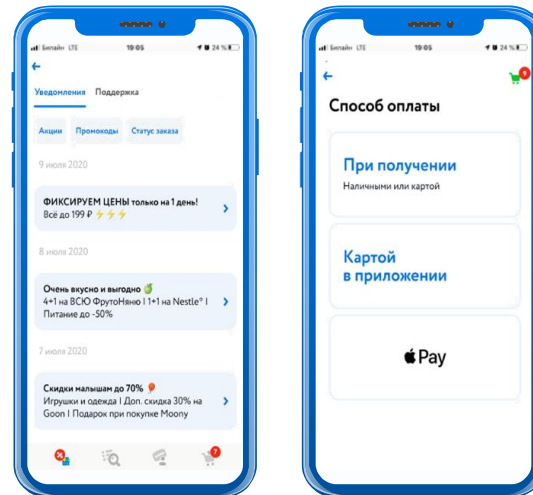
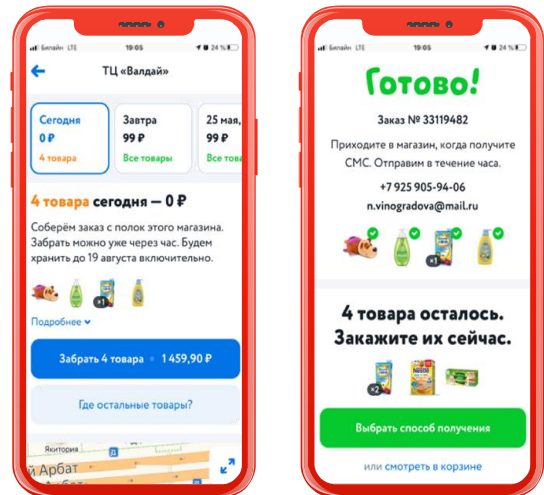


-  Explore customers needs
-  Define targets with a focus on NPS growth & UX improvement
-  Prioritise based on impact on UX
-  Assign responsibilities
-  Collect users' feedback
-  Single projects backlog and KPIs for multiple departments



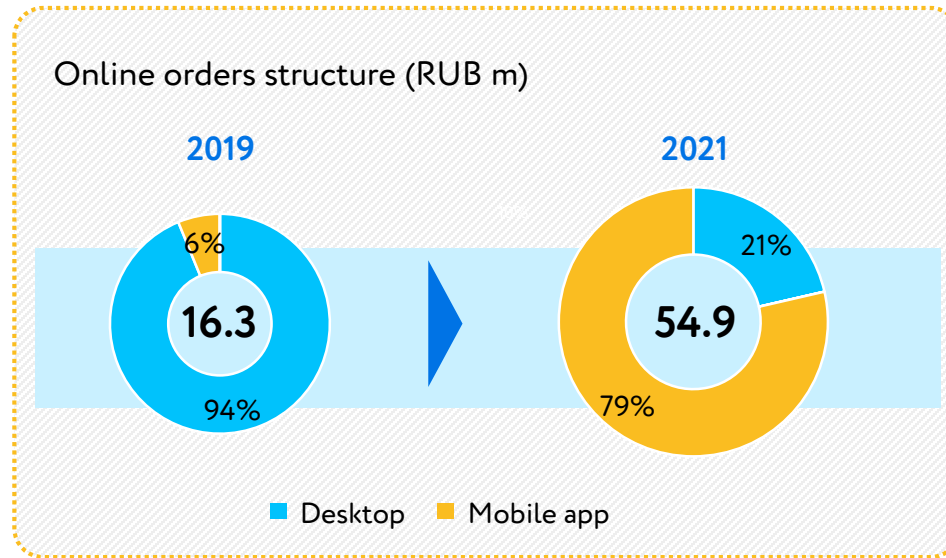
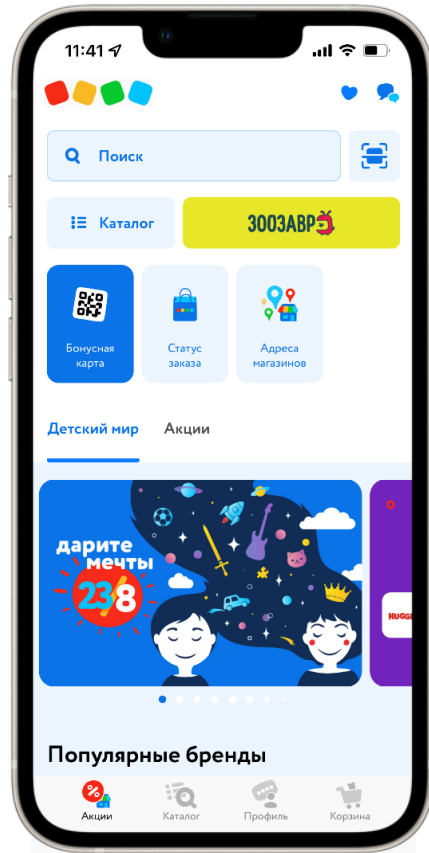
Shopping cart

Notifications & Payment options



Investing in mobile app as key driver to deliver strategic objectives

Detsky Mir mobile app – a go to app for anything children's goods related



13.1 million
downloads⁽¹⁾

3.4 million
MAU in 2021

4.9/4.8
★★★★★
Mobile app rating in
Google play /
AppStore⁽²⁾

**4th place in Markswebb
E-commerce checkout rank**
Rank of stores with the easiest order
placement in app

**2nd place in OMNI Retail
Rating**
Rank of seamlessness of customer's
experience

Developing Tier 1 app

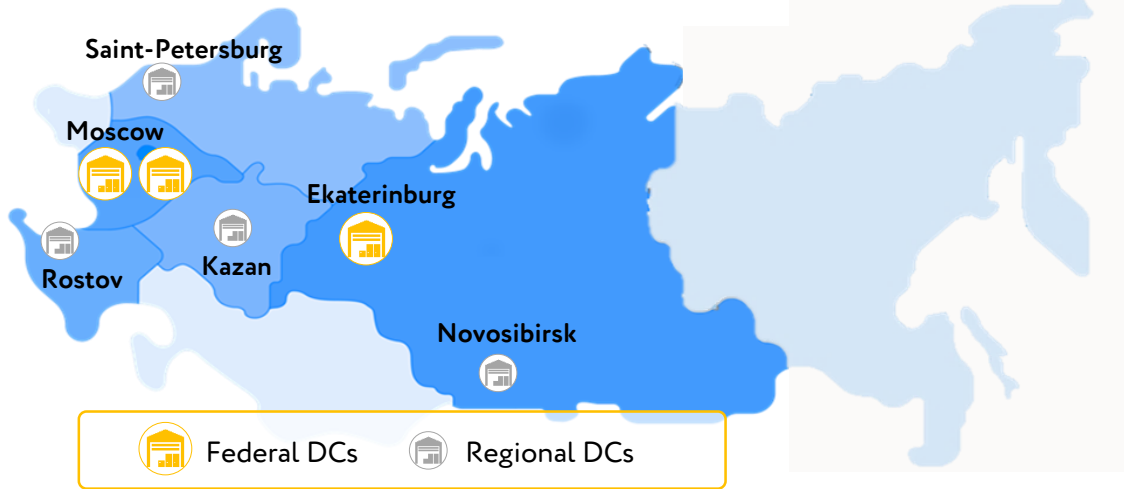


✔ Provided now
 🕒 Pending shortly

- ✔ 📄 Catalogue
- ✔ 🔍 Filters and sorting
- ✔ 🛒 Shopping cart and checkout
- ✔ ❤️ Favourites
- ✔ 💰 Online payment
- ✔ 🕒 Personal account with order history
- ✔ 🔍 Search
- ✔ 💬 Chat support
- ✔ 🔄 Recurring orders subscription
- 🕒 💬 Personalised product recommendations
- 🕒 📄 Digital services and products

Roll-out of regional DCs to boost availability of next-day delivery

Next-day coverage within 500km area from DCs



Distribution centers overview

Distribution center	Space, k sq.m	SKUs, m	Population coverage, m
Moscow (Bekasovo 1 and 2)	71.0	2.4	48.3
Rostov ⁽¹⁾	5.5	0.2	15.9
Kazan	8.0	0.2	14.9
Novosibirsk	10.0	0.2	14.4
Ekaterinburg	63.0	2.4	20.5
Saint-Petersburg ⁽²⁾	10.0	0.2	9.5
Federal DC ⁽³⁾		2.4	
Total	230.5		123.5

Sources: Company data

Notes: (1) Planned expansion to 7k sq.m in 2022; (2) Planned to open in Q1 2022; (3) Planned to open in 2024

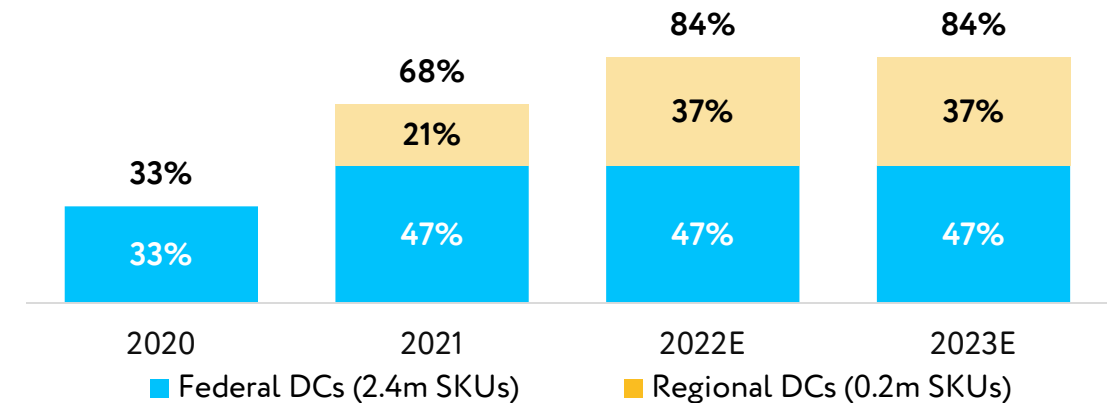
New Federal Distribution Center in Ekaterinburg

- Launched in **Feb 2022**
- ~ **RUB 3.5bn** Total Capex
- 2.4m** SKUs
- 64k m²** storage area
- 80%** next-day delivery coverage of **20.5m** population



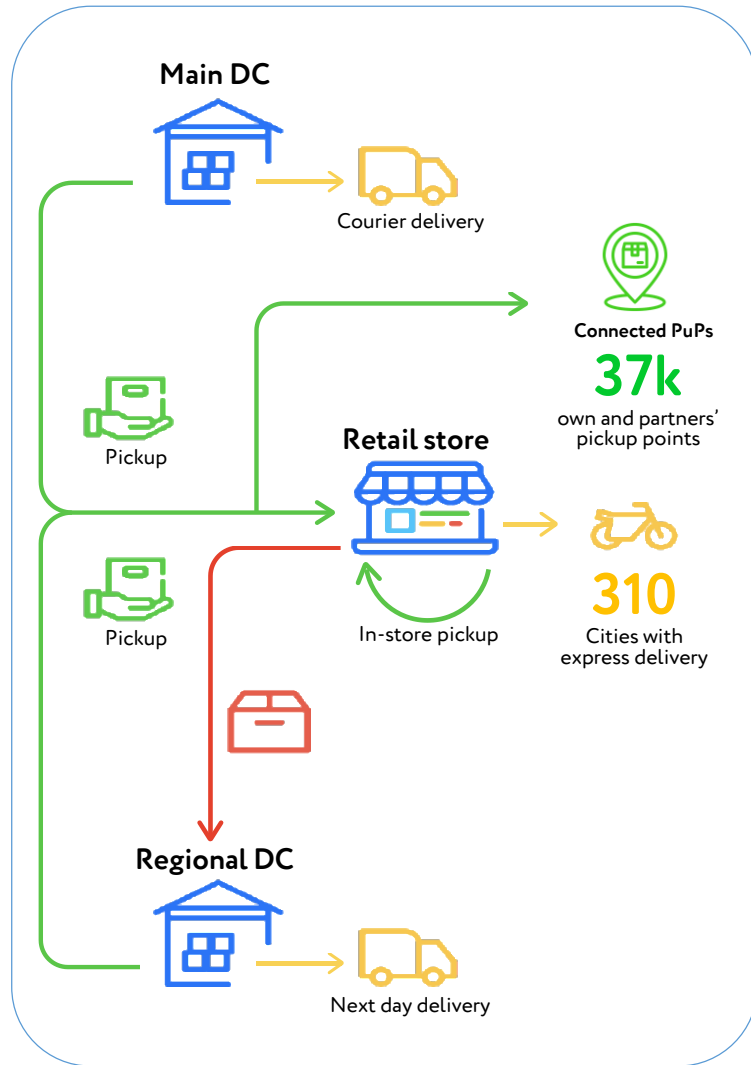
Growing availability of next-day delivery

Federal and Regional DCs Coverage as % of Russia population, (%)



3 complementary channels to optimise speed and coverage of courier delivery

Omni-channel delivery platform



Assortment

Number of locations

Coverage

Speed

Main DC

2.4m SKUs

2 Main DC⁽¹⁾
+ 2 DCs in the pipeline

95% of Russia population

1-20 days

Regional DCs

200k SKUs

2 Regional DC
+ 2 DCs in the pipeline

500km from Regional DCs,
84% of Russia population

Next-day

“Last mile” through retail chain

<40k SKUs

950 stores

5km within stores
30% of Russia population

Same-day
~2 hours

Detsky Mir marketplace contributes to the wide assortment

DM Marketplace profile



Assortment

Focus on children's FMCG and fashion



Pricing

Mid- to mid-high price segments



Economics

- ✓ 3PL commission-based model



Users

- ✓ Customers: same target base, same loyalty program
- ✓ Merchants: local producers and well-known international brands



Service platform

Interface and logistics / delivery on same platform as DM's 1P e-Commerce



Growth

- ✓ Focus on children's goods
- ✓ New categories (pet supplies)

Key developments in 2021

3.5

GMV (RUB bn)

6.3%

Share of marketplace in total online sales

2.1k

Number of suppliers added

920k

SKUs

Transition to a **structural commission** (similar to Ozon and Wildberries)

Deeper monetisation of merchants

Automation of logistics processes

Improvement of **reverse logistics** management

Long-term vision



2,400k SKUs - overtaking key local competitors in relevant categories



Double-digit share of marketplace in total online sales



19-22% fixed / actual **commission** rate



Lean costs structure – primarily logistics and payroll

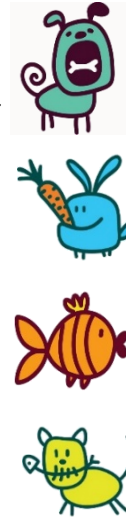


Low marketing cost vs other MPs thanks to "free" traffic / strong brand

Zoozavr – entering promising pets supplies market

Store Format

- 100sqm total / 85sqm selling area
- At shopping center or street retail, close to a chain food retailer
- Comprehensive assortment:
 - ~3k SKUs in store
 - >10.0k SKUs online – Upcoming private labels range
- Cross-integration with DM: stores, ordering, pickups, logistics
- Effective online coverage of entire Russia via DM's footprint



Why Zoozavr?

- Russian pet supplies market is large at **RUB 296bn** (2020)
- Solid market growth outlook
 - **8.3% 2020-24E CAGR**, outpacing children's goods
 - **Rising pet ownership rate**, while children's birth rates are sluggish
 - Same low elasticity to macro as children's goods
- High fragmentation with weak competition
 - Top 5 specialist players account for only **8% market share**
 - No highly recognized brand or large, well-funded and efficient player
- Large overlap with children's goods target customers and suppliers

Performance highlights in 2021

- ✓ ~**RUB 930m** revenue
- ✓ Share of online sales reached **66%** in total sales
- ✓ Loyalty program members generated **~75%** of total sales

Q1 '22 highlights

- ✓ **94** stores as of 31 March 2022
- ✓ **6** private labels with **600** SKUs were successfully launched

“Beyond retail” – digital services as the next growth layer



Entering digital services and products market in mid-term

Pilot results

- **Pilot stage** of digital products marketplace launched in Dec'20
- Selection of **20 partners** & adding **70 apps** to mobile app (incl. parental control & GPS, educational apps, entertainment and games)
- Adding **30 new services** in Mar'21 (incl. babysitting, dog walking, cleaning, online medicine, granny for an hour services)
- Starting to develop a **full-fledged platform** in Apr'21
- **12 partners** were finally selected for development of DM digital products marketplace
- **1 game** released in Apr'22
- Section “Digital services” is planned **to be launched in mobile app** in 2022

Key benefits

- For Partners** ✓ Free traffic and loyal audience
- For Customers** ✓ High confidence in brand
✓ Trustworthy content
✓ Unique customer experience at all touchpoints
- For Detsky Mir** ✓ Business diversification
✓ Additional source of monetizing traffic and audience
✓ Building long-term relationships with clients



Strategic update

Our Strategy 2021 – key building blocks

Solidify leadership in the children's goods retail

Investment in logistics – enhancing our delivery options

- ✓ 84% Next Day Delivery Coverage of Russian Population by 2022

Further roll-out of private label and exclusive offering

- ✓ 60% private label share in the sales by 2024

Continuous expansion of omni-channel proposition driving both offline and online sales

- ✓ 2x GMV growth '20-24

Pet supplies stores – penetrating new market

- ✓ Promising unconsolidated new market



Implementing best-in-class UX and CX across the channels

- ✓ An emerging go-to app for anything children's goods related

Marketplace as a tool to enrich the assortment

- ✓ 2.4m SKUs by 2024 – the leading children's goods assortment

Digital services – further unlocking value of our mobile app

- ✓ A promising new source of monetization / traffic

New verticals

2021 and Q1 2022 Highlights

- 1 Accelerated top-line growth
- 2 Explosive online sales growth
- 3 Continuous retail chain expansion
- 4 Solid EBITDA and margin
- 5 Sound financial discipline

2021

- 16.9% total GMV growth
- 15.0% net revenue growth

- 40.2% total online sales growth
- 29.8% online sales share

- 251 new stores: 84 Detsky Mir, 94 Detmir mini , 73 Zoozavr

- Adj. EBITDA at RUB 18.0 bn
- Adj. EBITDA margin at 11.0%

- Net debt / adj. EBITDA LTM at 1.8x
- Fully RUB-denominated debt to match RUB revenue, mostly fixed

Q1 '22

- 7.6% total GMV growth
- 6.1% net revenue growth







- 19.9% total online sales growth
- 30.7% online sales share

- 8 new stores: 7 Detsky Mir, 1 Zoozavr

- Adj. EBITDA at RUB 2.6 bn
- Adj. EBITDA margin at 7.0%

Strategy execution progress: Further consolidation of children's goods market

Continuous omni-channel retail platform development and growth






	2020	2021	Mid-term target
 Number of stores ⁽¹⁾	848	1,026	~1,970
 Distribution centers	2 Federal 1 Regional	2 Federal 3 Regional ⁽²⁾	4 Federal 4 Regional
 Online sales share of GMV (Russia)	25.5%	30.8%	45.0%
 Marketplace GMV % of online GMV	1.4%	6.3%	~10%
 Number of SKUs (incl. Marketplace)	250k	920k	~2.4m
 Private label share of revenue	44.5%	46.2%	60.0%

Strategy execution progress: Enhancement of customer and user experience

Mobile-first concept with best-in-class app








New features introduced to the mobile app, 2021 achievements included

-  Launch of DM mobile app in Belarus and Kazakhstan, launch of Zoozavr mobile app
-  Updated search engine with an improved user interface
-  Quick second order function and improved mobile app area “My orders”
-  Login and registration via social networks
-  Product recommendations and chat with customer support

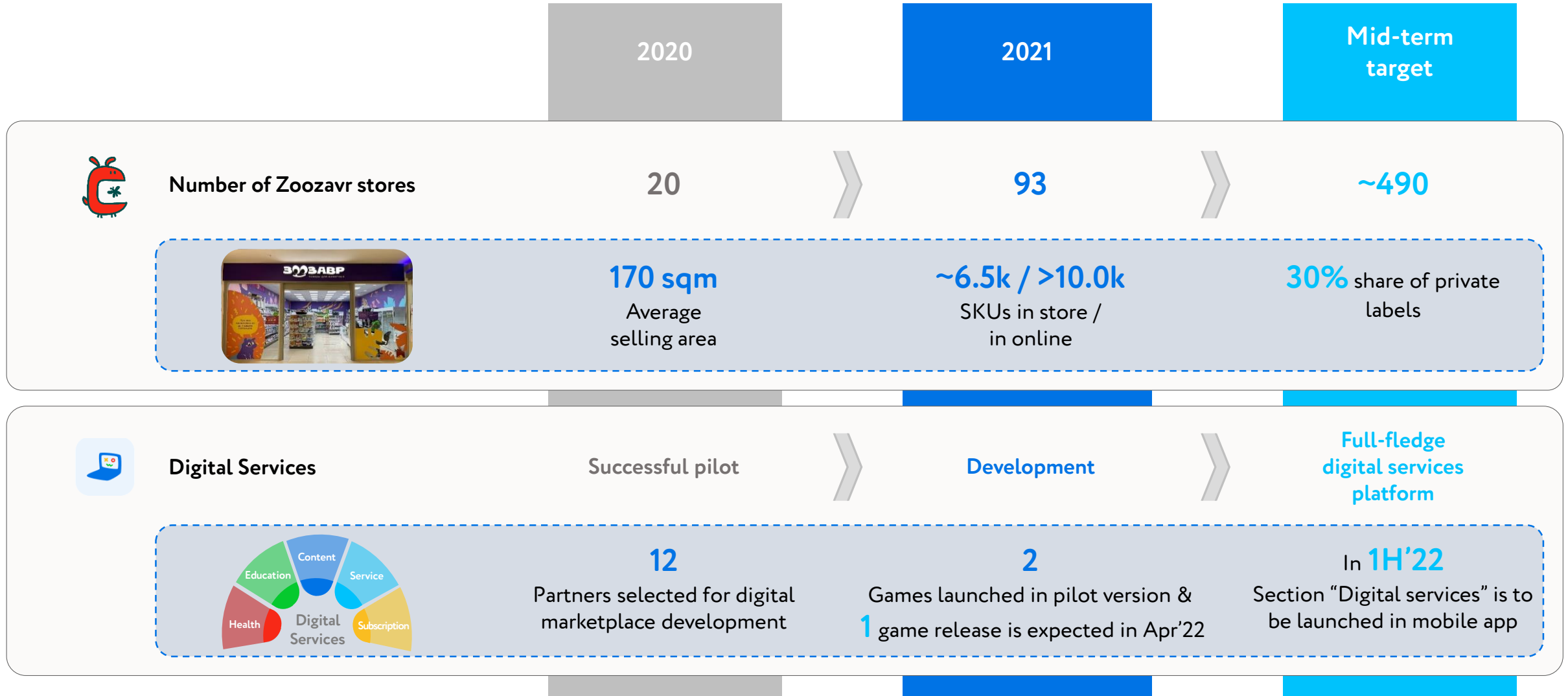
Detsky Mir 3.0 successful pilot and further roll-out



DM 3.0 store concept was introduced in Q2 2021 to support online sales growth and improve customer experience:

-  107 stores in DM 3.0 format as of Dec'21
-  Unified customer communication in stores and online leads to NPS increase
-  All new stores will be opened in 3.0 format since 2021
-  Full digital transformation and modernisation of existing stores in the mid-term
-  Simplified store design and Omni-channel design concept improving user experience

Continued development of our complementary sources of growth



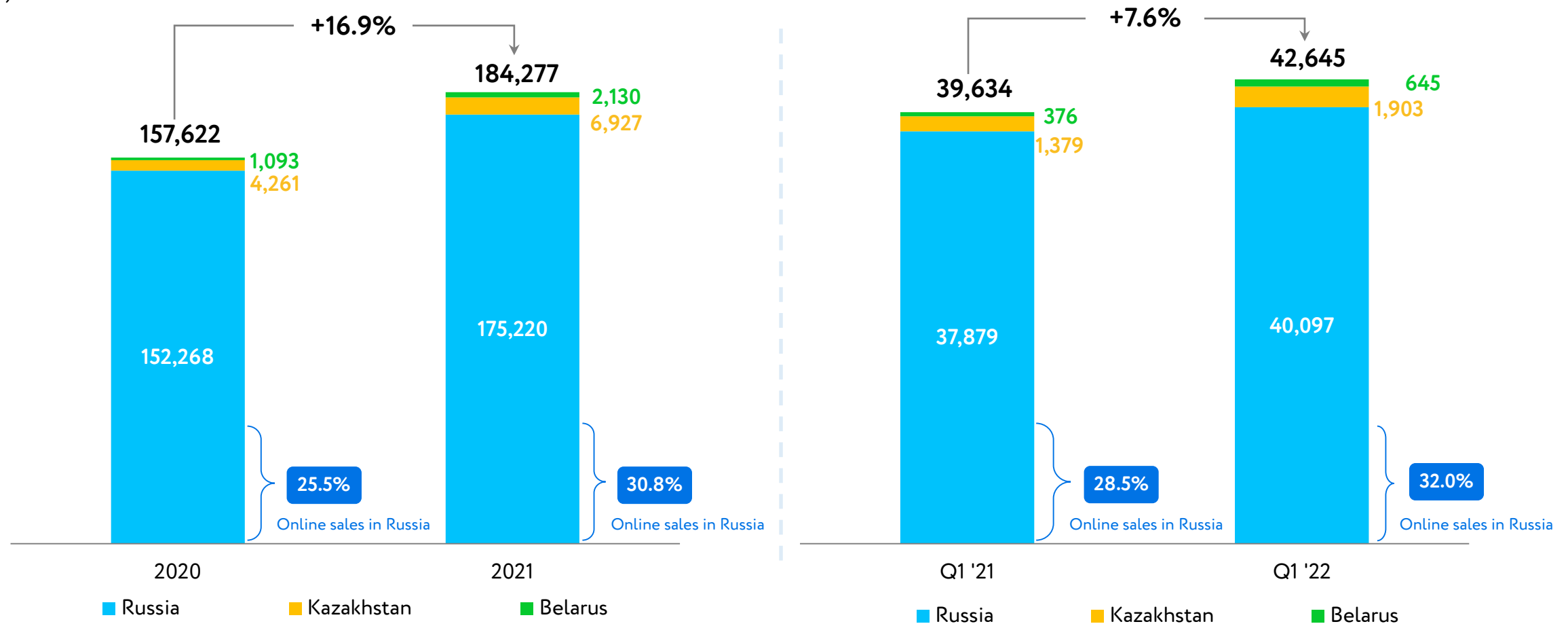


Recent financial performance

Continued top-line growth

Total GMV⁽¹⁾ stable growth, including growth of online sales⁽²⁾

(RUB m) incl. VAT



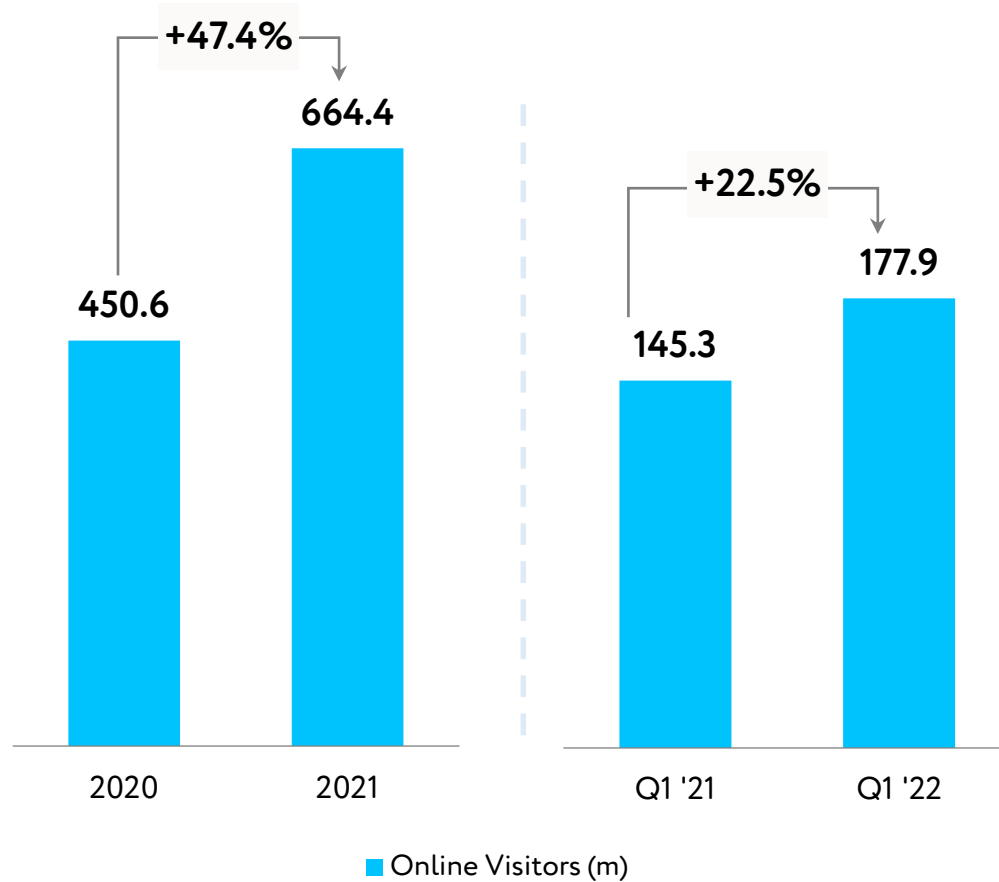
Source: Company data

Notes: (1) Hereinafter, GMV (gross merchandise value) includes purchases at the Group's retail stores and goods and services sold through the website and mobile application, which may be own or third-party goods and services. GMV includes value added tax, net of discounts given to customers and net of returns and cancelled orders during the reporting period; (2) Hereinafter, total online sales include all sales through the Company website and mobile app, including home delivery and in-store pickup. It includes value added tax, net of discounts given to customers and net of returns and cancelled orders during the reporting period

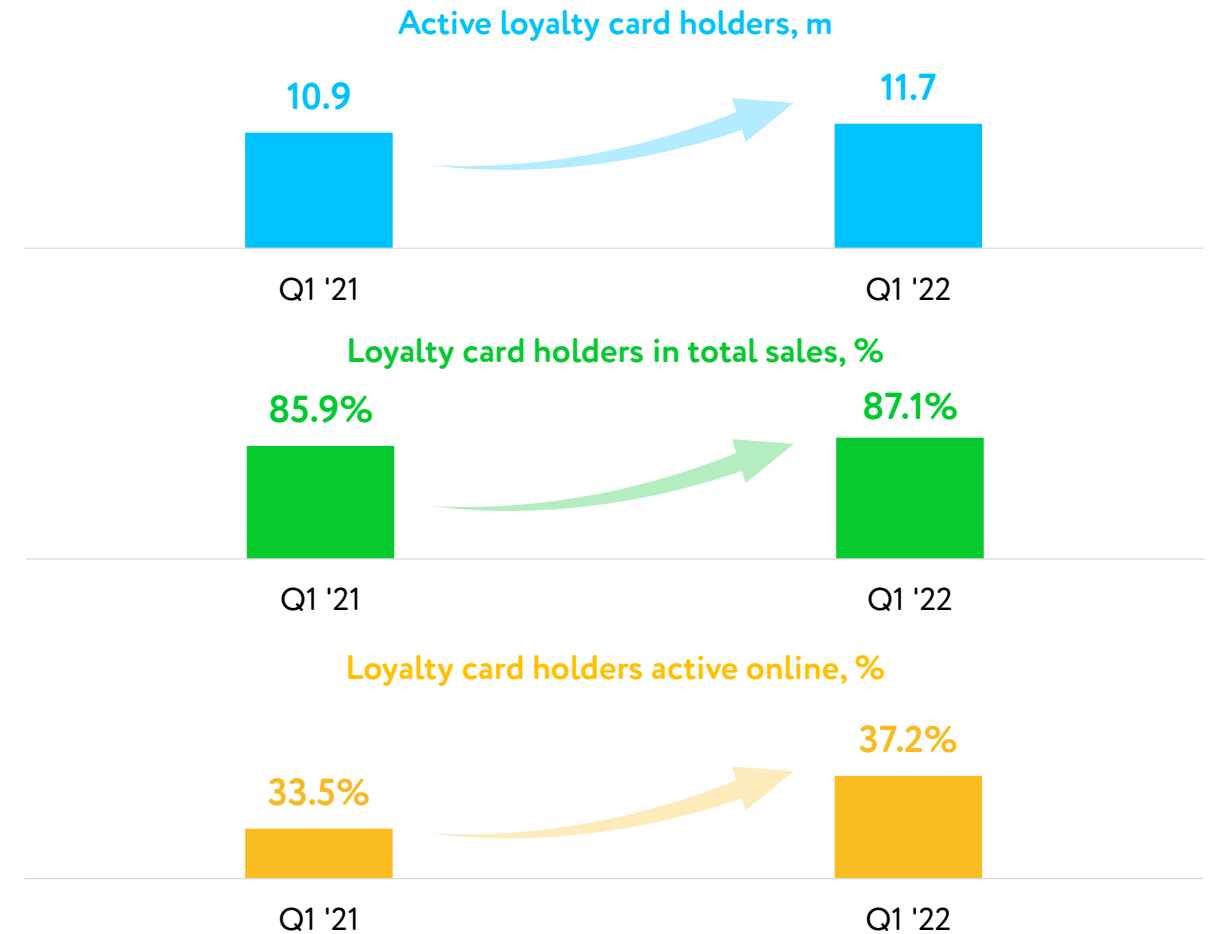
Solid online growth with strong loyal customer base

Continuous growth in online traffic

(Web and mobile platforms)



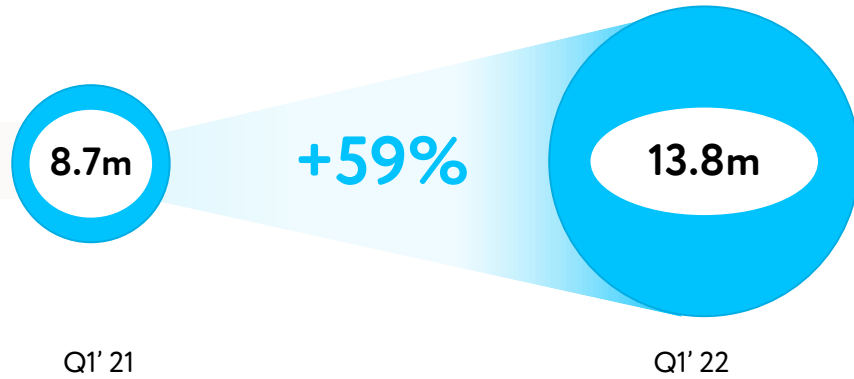
Strong loyal customer base⁽¹⁾



Best-in-class mobile app performance

Strong mobile app metrics

Installations⁽¹⁾

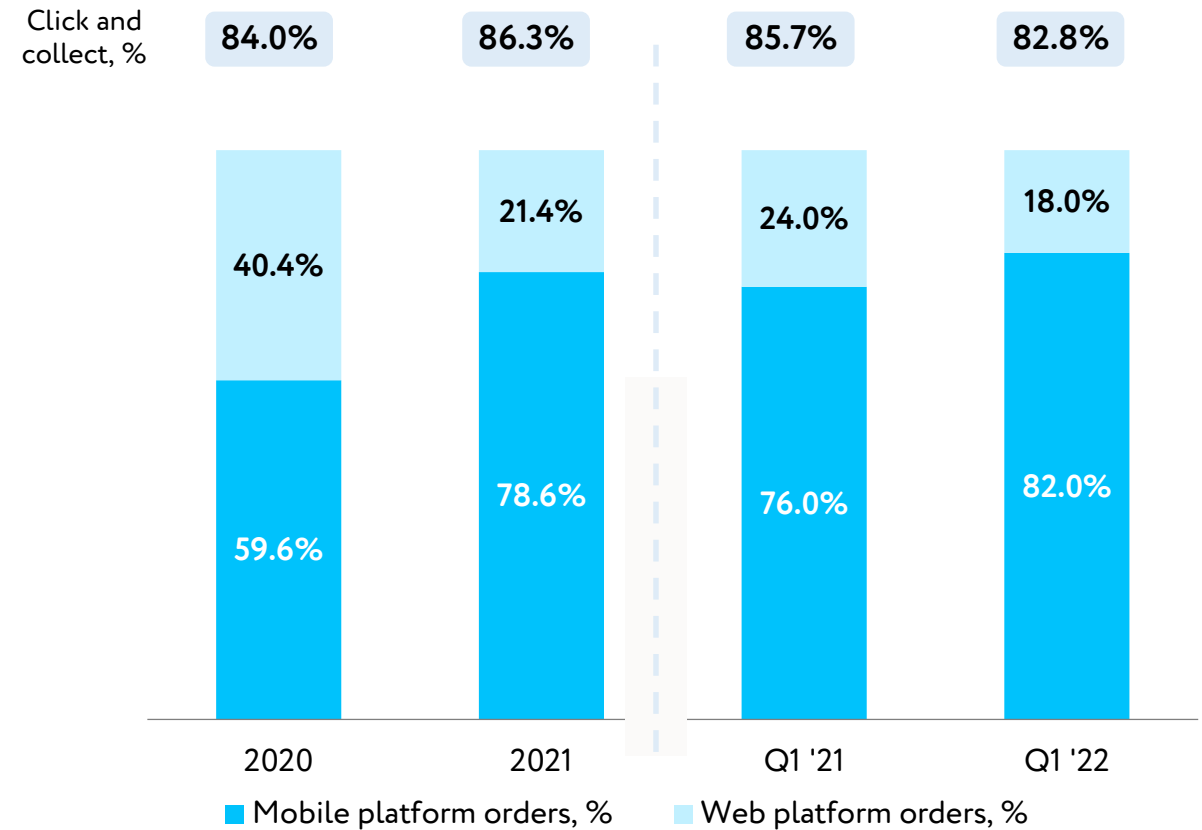


MAU⁽²⁾



Mobile app is the largest online channel

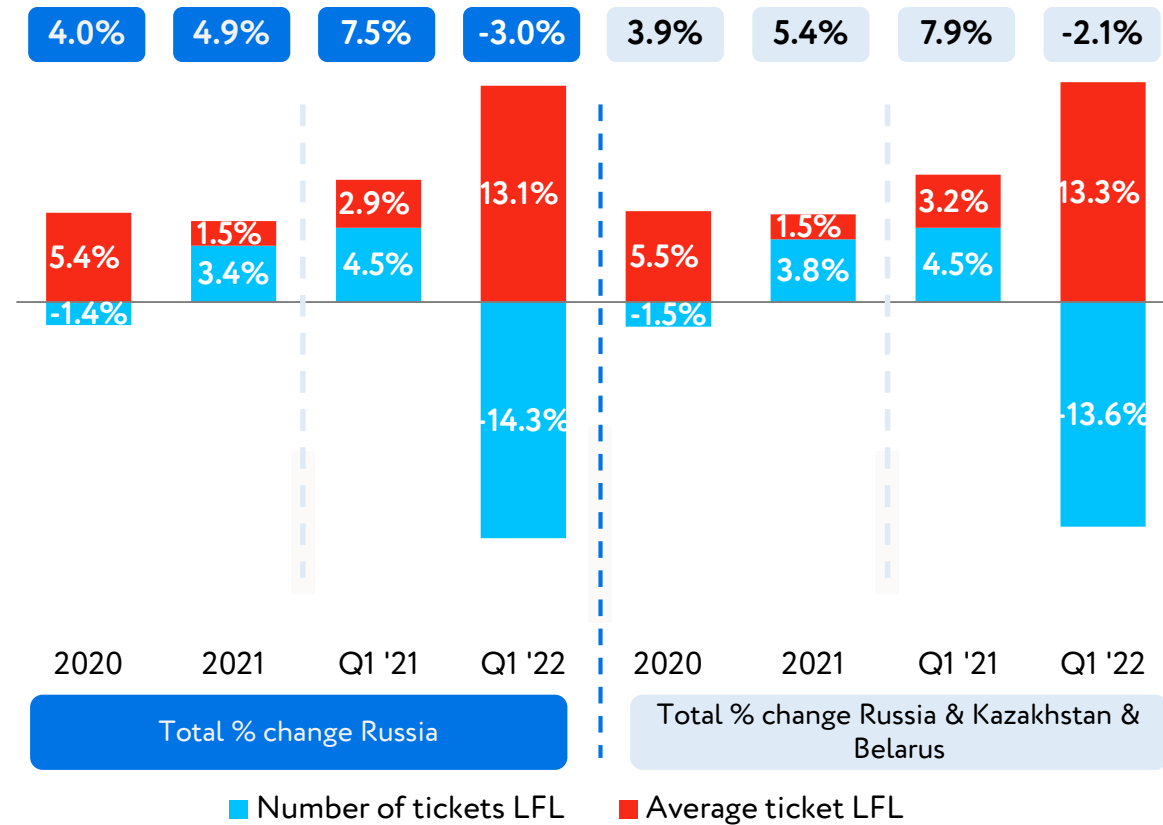
(Online orders, Russia)



Our growth trajectory

Like-for-like sales challenged by the macroeconomic backdrop⁽¹⁾

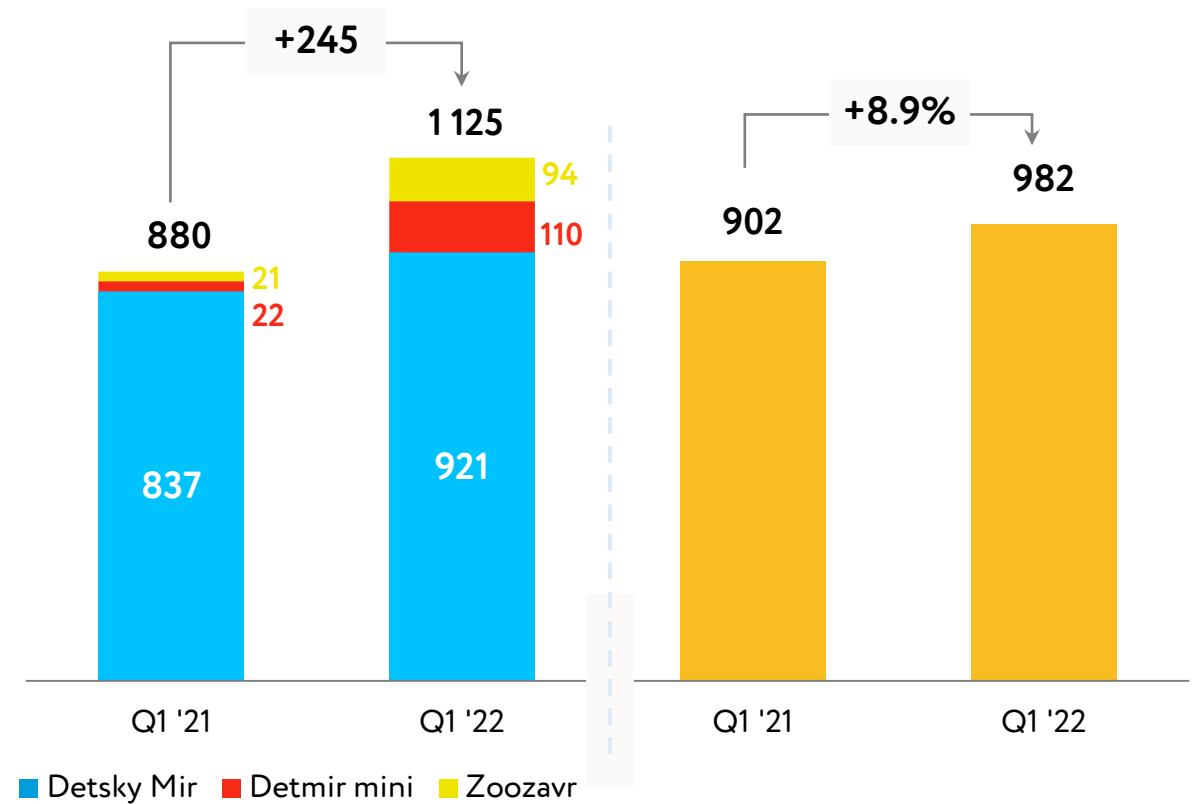
(RUB m)



Group's retail chains expansion⁽²⁾

of stores

Total selling space (sqm 000s)



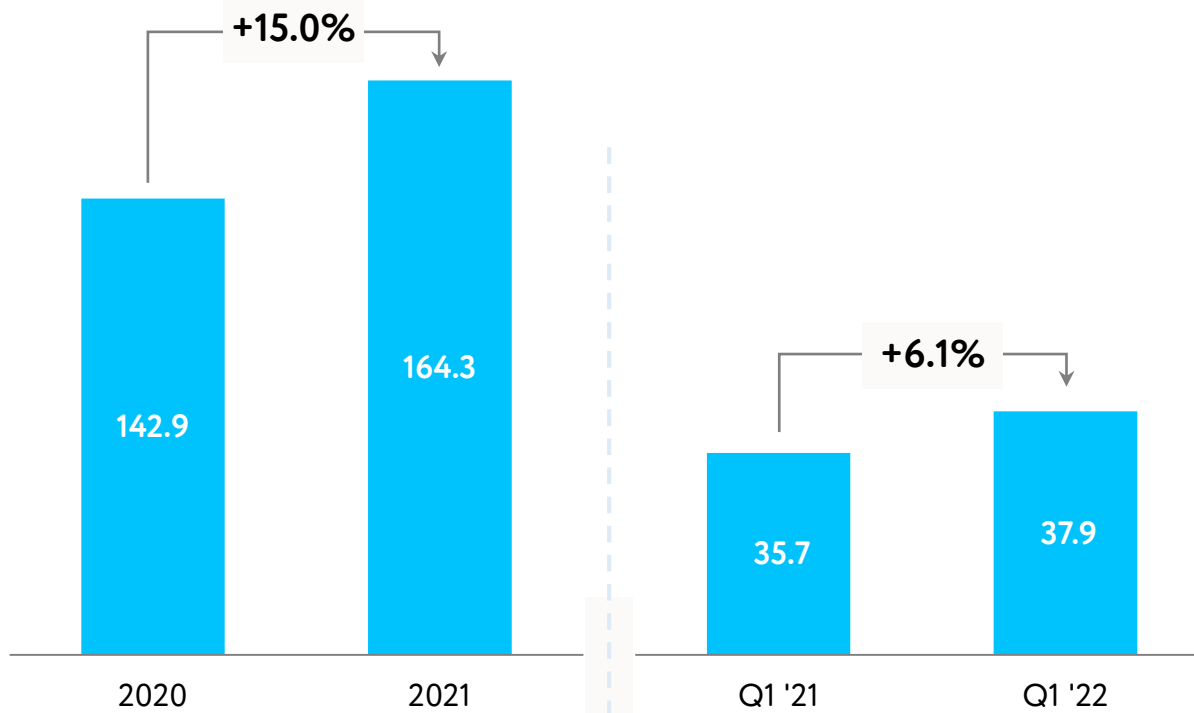
Sources: Company data.

Notes: (1) LFL revenue growth in Russian rubles, LFL number of tickets growth and LFL average ticket growth are based on stores in operation for at least 12 full calendar months preceding the reporting date. A store is considered comparable and is included in the calculation of the monthly like-for-like if the difference between the number of days worked in comparable months does not exceed three working days; (2) In order to improve margins by accelerating the opening of our small-format Detmir mini stores, the Group decided to close its ELC and ABC stores in Q3 2020, which accounted for 0.8% of total Group revenue in 2019

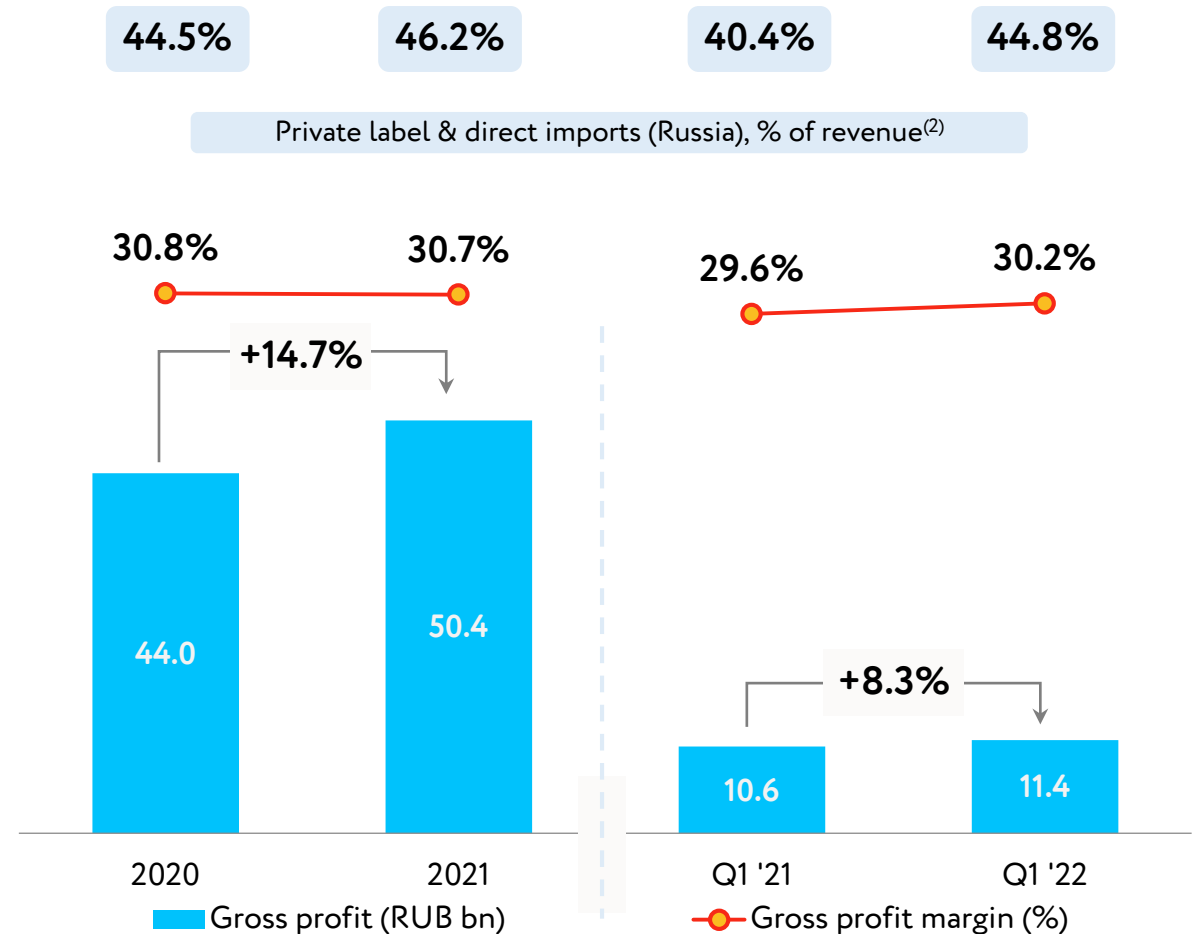
High gross margin driven by private label expansion

Group revenue is growing across all segments⁽¹⁾

(RUB bn)



While gross margin is supported by private label share increase



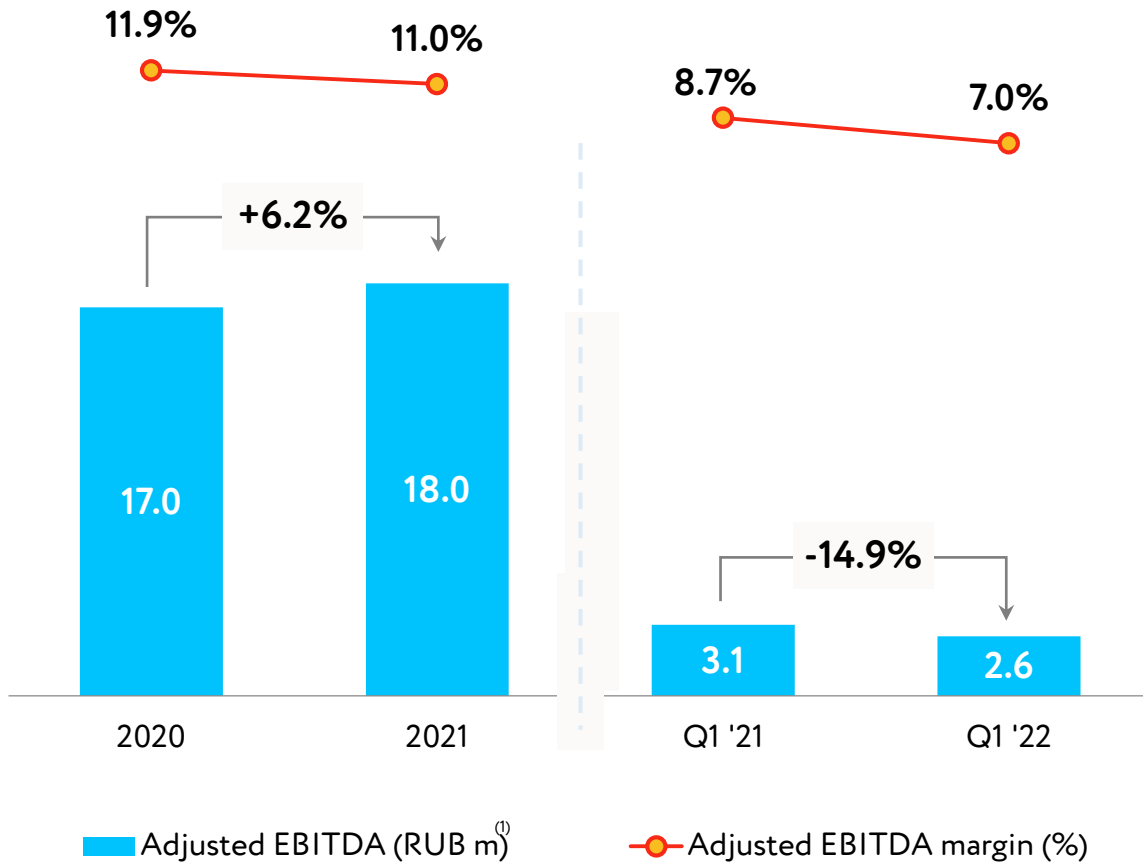
Sources: Company data

Notes: (1) Hereinafter, revenue is net of value added tax and includes revenue from the sale of goods as well as fees charged by the Group to third-party sellers for selling their goods through the Group marketplace. Detsky Mir in Russia includes all sales of children's goods in Russia, as well as the sales results of the Detmir Mini chain. Zozavr includes all sales of pet products, including sales made via the Company website and mobile app; (2) Sales of private labels and direct imports in Russia include sales of all children's goods in Russia, including through the Company website and mobile app

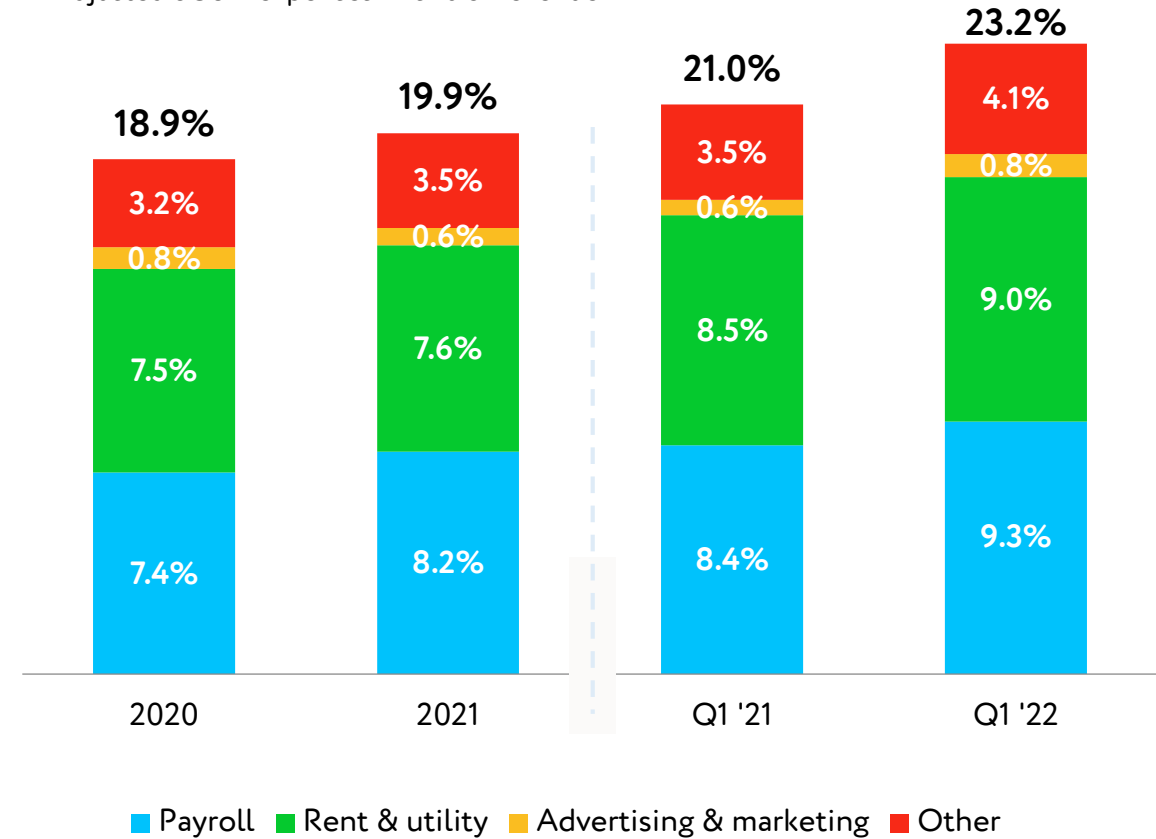
Consistently strong profitability

Continuous delivery of the solid double-digit profitability...

... despite the rising cost inflation



Adjusted SG&A expenses⁽²⁾ as % of revenue



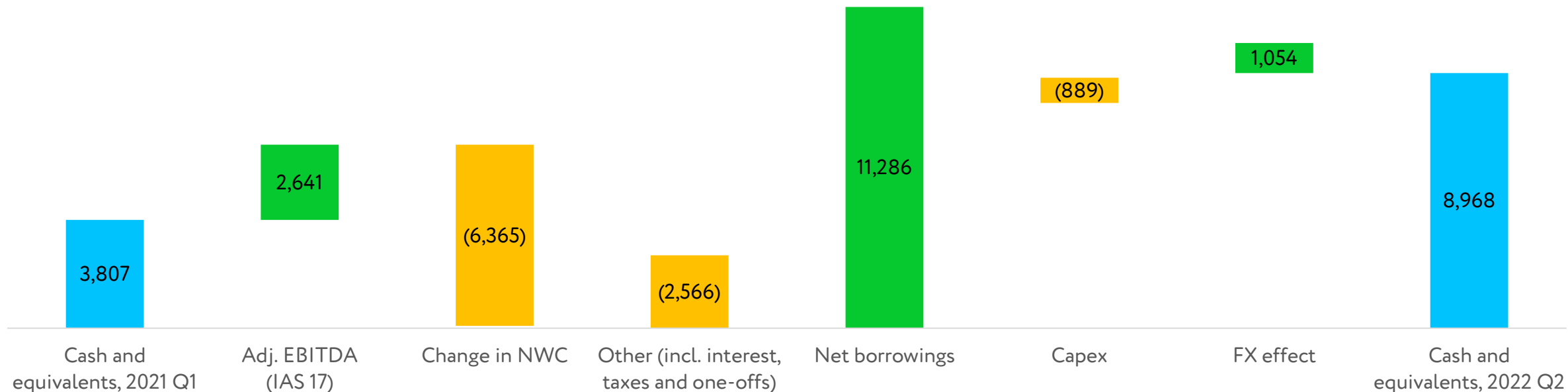
Sources: Company data

Notes: (1) Hereinafter, adjusted EBITDA is calculated as profit for the period before income tax expense, foreign exchange (loss)/gain, gain on acquisition of controlling interest in associate, finance expense, finance income, depreciation and amortization, adjusted for share-based compensation expense and cash bonuses under the LTI program and one-off (income) / expense items; (2) Hereinafter, adjusted selling, general and administrative expenses is calculated as selling, general and administrative expenses adjusted for depreciation and amortisation expenses, additional share-based compensation expense and cash bonuses under the LTI program

Cash flow evolution

Q1 '22 cash flow evolution

(RUB m)



Capex breakdown

CAPEX (RUB m)	2021	1Q'22
New openings	1,082	83
IT	1,098	358
Infrastructure (inc. DC Ural)	2,679	350
Other (inc. HQ)	397	106
Total	5,256	897

- Solid operating cash flow driven by high EBITDA
- Disciplined capex focused on store openings and selective investments in IT and infrastructure; limited maintenance capex requirements

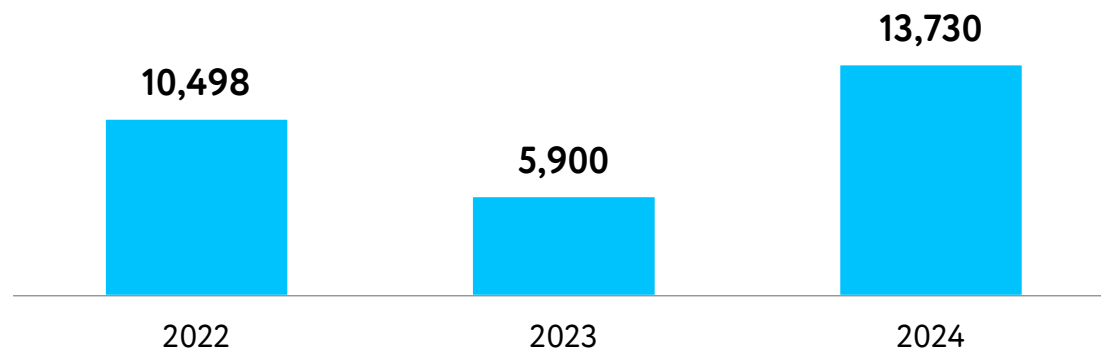
Conservative financial policy

Comments

- Commitment to a conservative financial policy
 - Fully RUB-denominated debt to match RUB revenue, mostly fixed rates
 - Relationships with multiple Russian and international banks
- Net debt / Adj. EBITDA ratio as of 31 March 2022 is 1.8x vs. 4.0x average covenant level across the loan portfolio (IAS 17)
- Weighted average interest rate⁽¹⁾ – 12% as of 31 March 2022
- No contingent off-balance sheet liabilities
- Available undrawn credit limit of RUB 29.7 bn for refinancing of the current credit portfolio aiming at its further diversification as of 31 March 2021

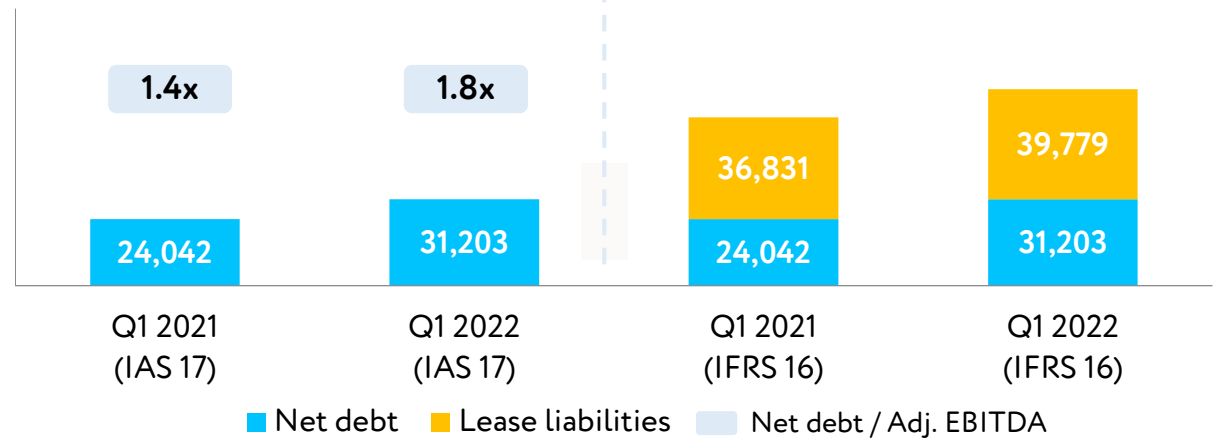
Debt maturities as of 31 March 2022

(RUB m)

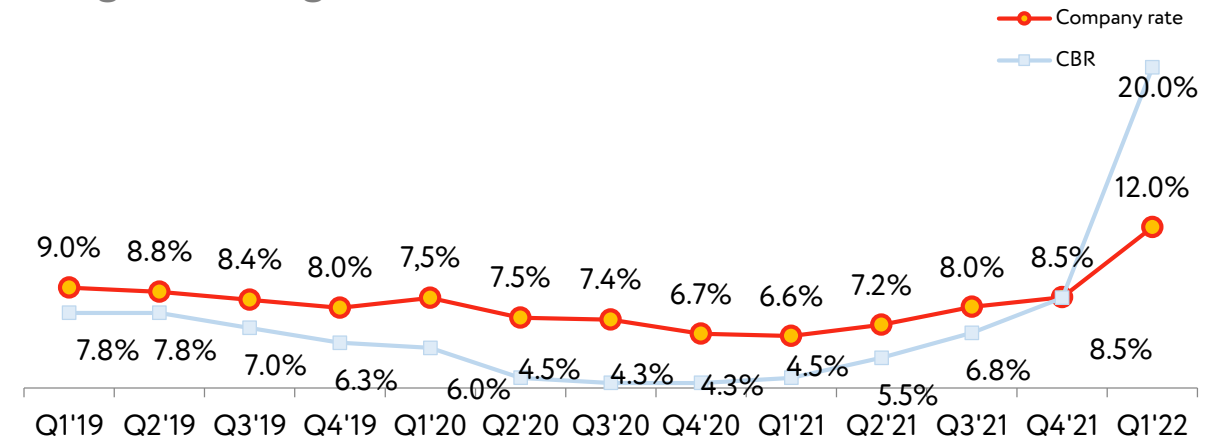


Leverage

Q1 '22 total debt – RUB 40.2 bn



Weighted average interest rate⁽¹⁾





Sustainable development

Continuous Focus on ESG

Environmental



40% of hangers are made of recycled plastic by the end of 2021



6.6 kt of waste for recycling were collected at the Company's distribution centers



- 26% reduction of GHG emission⁽¹⁾ intensity in 2021 vs 2018
From 0.89 in 2018 to 0.66 tons of CO₂ per RUB m in 2021



71% and 44% of the purchases in the Clothing and Footwear categories were made from participating suppliers in the ZDHC initiative



BCI's cotton processing standards are applied to the Company's own line of Baby Go and Futurino brands

Social



RUB 2.6bn paid to the national and regional budgets as social payments



81% women employment rate with minimal gender pay gap (0.90 ratio of basic salary of women to men)



Over RUB 1bn The total value of goods donated to charitable causes in 2021



25.3% of total sales Are children's goods manufactured in countries where the Company operates



More than 900 beneficiaries Received help due to Participate! Campaign in 2021

Governance



5 INEDs out of 10 BoD members



Independent Chairwoman heads the BoD



Transparent compensation system Information is disclosed based on the principles of regularity, consistency and availability



Zero tolerance to corruption



100% of suppliers signed Supplier Code of Conduct

International sustainability initiatives supported by Detsky Mir



Strong Independent Governance Framework

INEDs



Maria Gordon

Chairwoman,
Head of Nomination and Remuneration Committee



David Rönnerberg

Independent Director

- CEO of Musti Group (a Scandinavian omnichannel pet supplies retailer)



Alexander Shevchuk

Independent Director

- Executive Director at the Association of Professional Investors



Michael Foss

Independent Director

- Co-founder & BoD member of Independent Pet Partners



Andrey Anischenko

Independent Director

- Co-founder of Skillbox
- Member of the BoD of Grape LLC and Possible LLC

Non-INEDs



Pavel Grachev

Deputy Chairman, Non-Executive Director.
Head of Strategy and ESG Committee



Dmitri Klenov

Non-Executive Director

- CEO of Altus Capital
- Member of the BoD at Pharmacy Chain 36.6 and Sakhalin Shipping Company



Mikhail Stiskin

Non-Executive Director

- CFO of Polyus
- Chairman of the BoD of Lenzoloto Gold Mining Company



Tony Maher

Non-Executive Director

- Director at Da Vinci Capital
- Member of the BoD at Steppo Agro



Vladimir Klimanov

Non-Executive Director

- Investment Director of Veta Capital Partners LLC
- Deputy M&A Director at Management Company Polyus

BoD of 10 members with **50% INEDs**
(incl. **Independent Chairwoman**)

INEDs

Non-INEDs



Committees of the BoD:



Audit

100% INEDs



Nomination and Remuneration

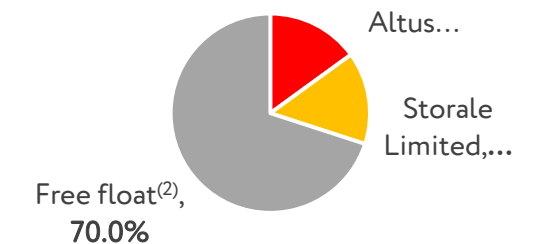
100% INEDs



Strategy and ESG

50% INEDs

Prominent shareholder base ⁽¹⁾





6 Appendix

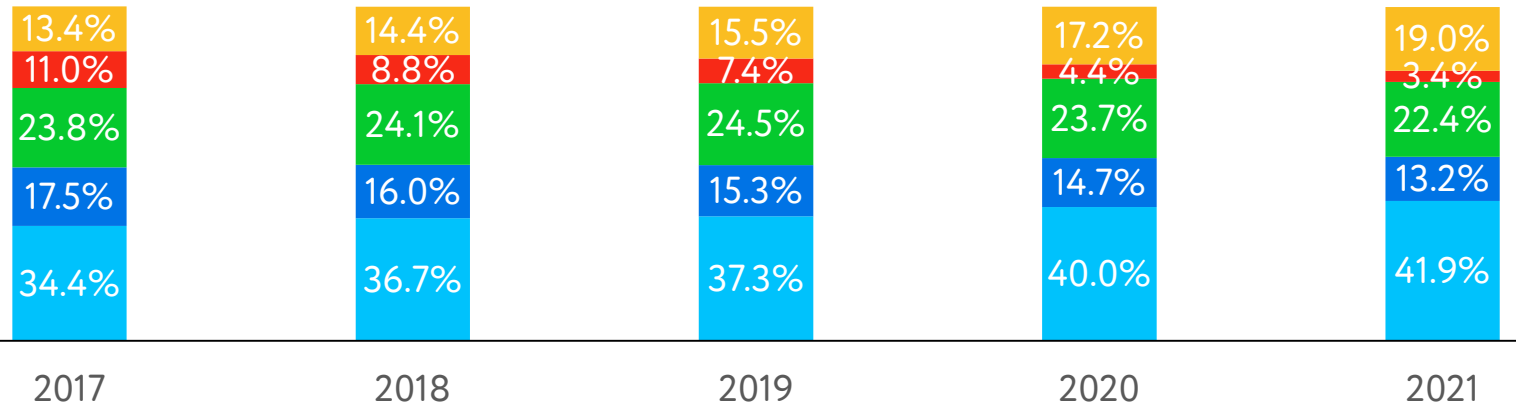
Gaining market share in baby food and diapers segments

Baby food sales by channel in Russia

+1.4x

Detsky Mir's market share growth over 4 years

- Supermarkets
- Minimarkets
- Detsky Mir
- Hypermarkets
- Specialised stores

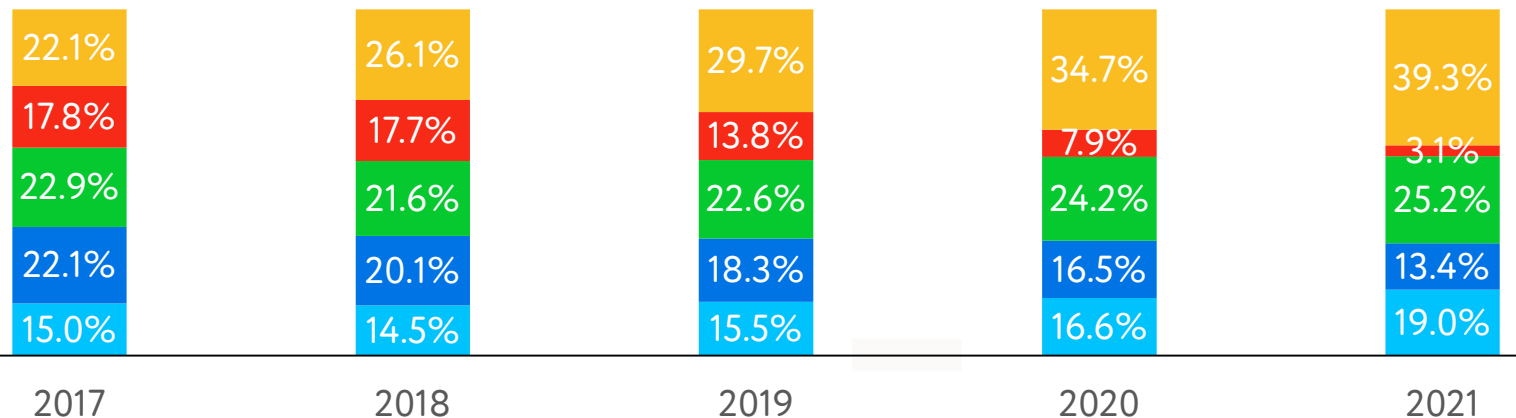


Diapers sales by channel in Russia

+1.8x

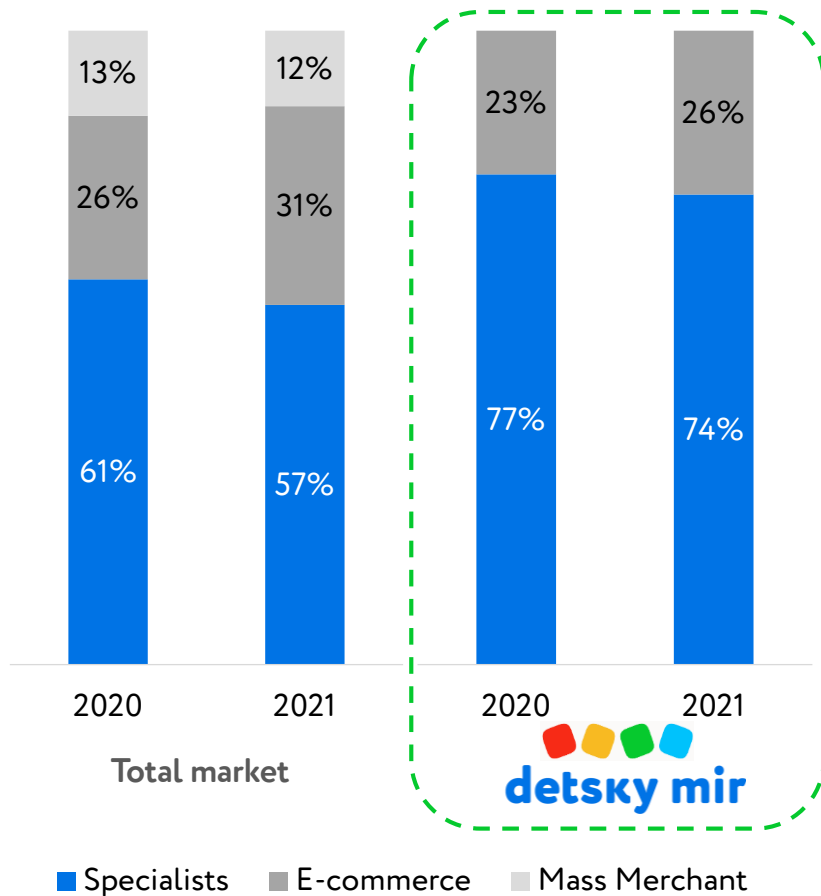
Detsky Mir's market share growth over 4 years

- Supermarkets
- Minimarkets
- Detsky Mir
- Hypermarkets
- Specialised stores



Gaining market share in toys segment

Toys market and DM sales structure by channels

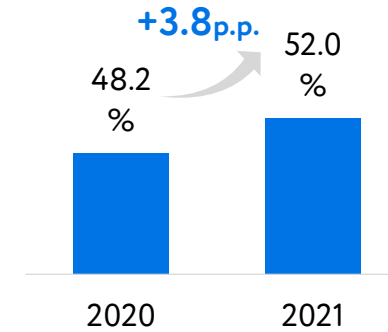
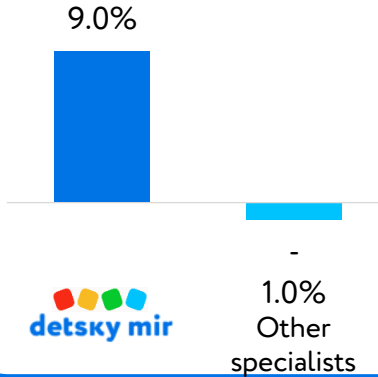


Sales growth 2020-21

DM market shares

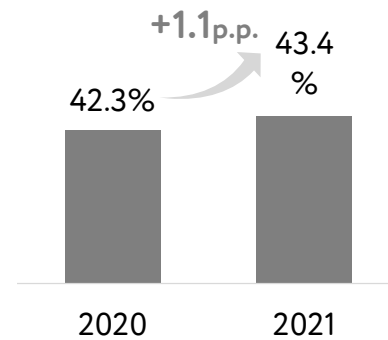
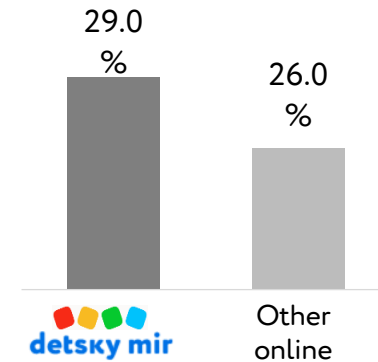
Key categories enhancing growth

Specialist retailers



- Transport
- Constructors
- Games for preschoolers

Online retailers



- Constructors
- Dolls
- Sport goods & outside games

Why is our offline channel so important?

Purposes of DM store visiting

Emotional purposes

- Choose gift for a child
- Store visit purposefully at the child's wish
- Impulsive shopping (customers passed by DM store)
- Visiting a store for entertainment



- Frequency of mentioning the purpose of DM store visiting

Practical purposes

- Buy new apparel & footwear
- Pickup an online order
- Large targeted purchase of necessary goods
- Buy staples in small amounts

70%

Detsky Mir clients prefer buying offline⁽¹⁾

98%

Detsky Mir brand awareness

#1

Source of family entertainment - **shopping centers**

98%

Share of DM stores located in shopping malls

86%

The share of **click & collect** (fast delivery, post-payment and no min limit for orders)

Strong presence in offline channel allows Detsky Mir to deliver unique customer experience, which is highly appreciated by our clients, who prefer in-store shopping

Shopping malls – core family entertainment centers

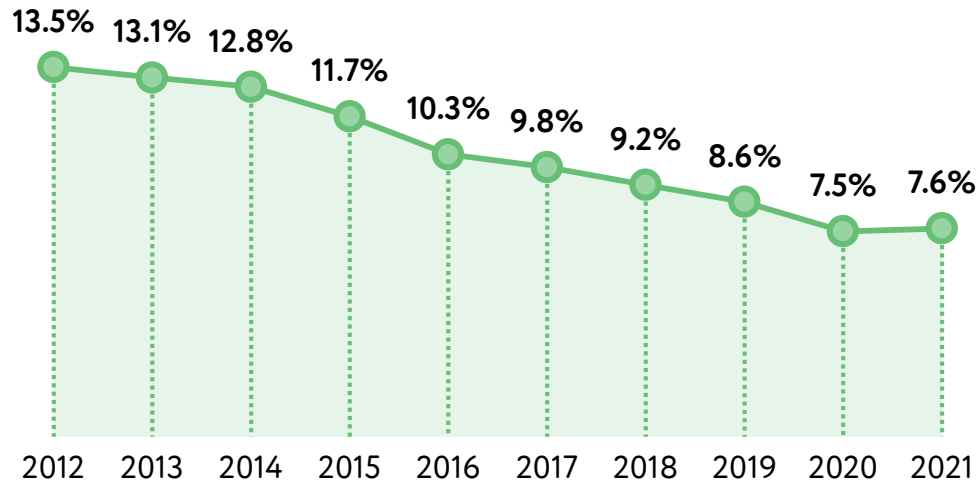
Detsky Mir is a **core tenant** for shopping malls

98%

Share of Detsky Mir stores located in shopping malls

Favorable rental terms lead to costs saving

Rental expenses % of revenue



Detsky Mir is a **must** for the most shopping malls



Exceptional **brand** awareness **boosts traffic generation**



Detsky Mir is a large and financially sound counterparty with **strong bargain power**



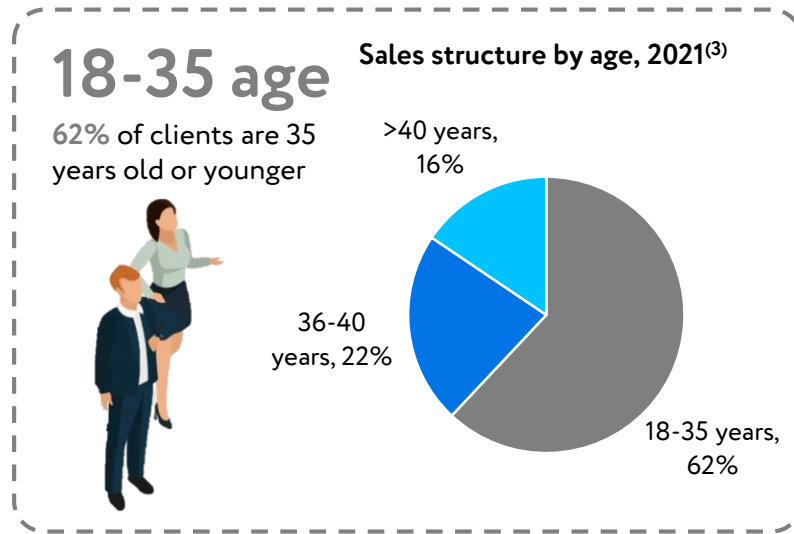
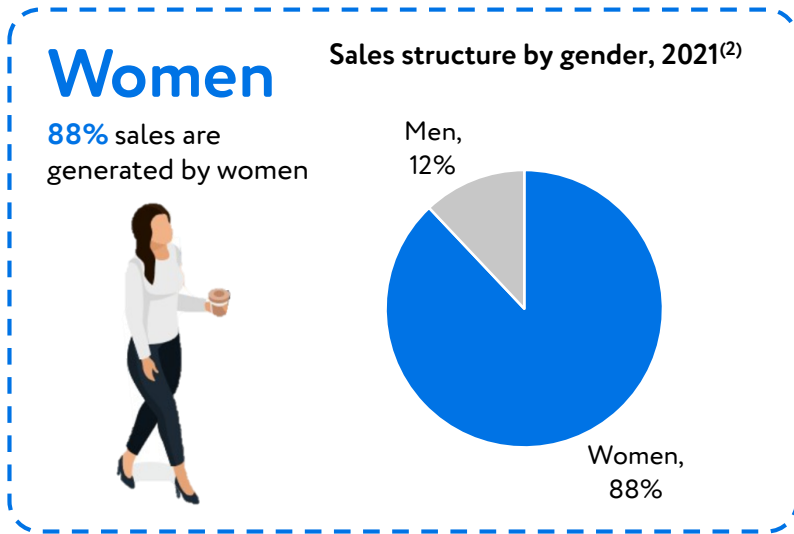
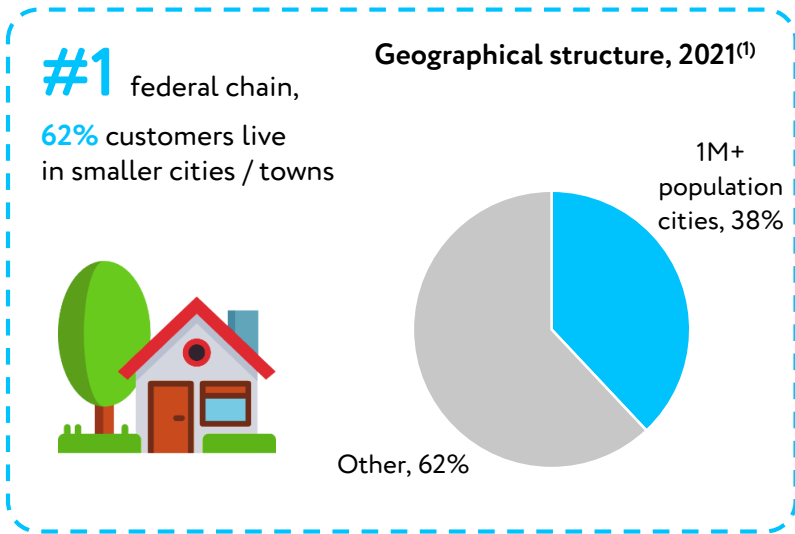
Shopping malls in Russia – **#1 source of family entertainment**



Favorable rental terms

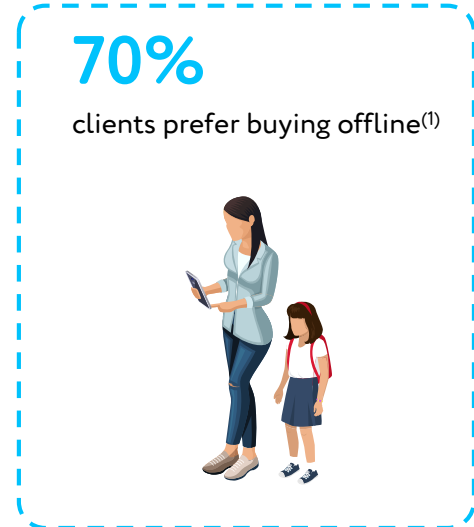


Who is DM's customer?







Children and average salary of DM customers⁽³⁾

	1 child	2 children
% share of clients	39.3%	40.5%
Monthly income	RUB 40-90k	RUB 30-60k



New Government measures to support birth rates and boost disposable income for families with children

Allowance per child	Before changes (2020)	After Changes (2022)
1 st child 	-	RUB 524k ⁽¹⁾
2 nd child 	RUB 467k	RUB 169k ⁽¹⁾ / RUB 693k ^{(1),(2)}
1 st child 	c.540k children	
2 nd child 	c.560k children	
Total program	c. RUB 260bn	c. RUB 440bn
Cumulative incremental funds available	+RUB 180bn	

- Strictly defined use of proceeds, overwhelmingly linked to purchases of housing and compensation of mortgage payments
- Incremental funds available = c. 1/3 of the total children's good market size
- Russian Government expects substantial positive impact of the new measures on the actual birth rates
 - Supporting demographics remains of paramount importance for the Government

Additional payments of **c. RUB 600bn** for families with children starting from June 2020

- One-off payments related to COVID-19
 - RUB 15k per child in Q2 2020 for children <3 years old
 - RUB 10k per child for children 3-16 years old in June
 - RUB 10k per child for children <16 years old in July
 - RUB 5k per child for children <8 years old in December

Supporting measures have been updated starting from 2021

- Ongoing support for lower income families: **50%, 75% or 100% of the living wage** payments per month depending on the family income for children 3-7 years old accruing from January 2021
- Ongoing payment of **RUB 7.7k⁽¹⁾** per month for children <1.5 years old starting from February 2022
- One-off payment of **RUB 20.5k⁽¹⁾** for the birth of a child starting from February 2022

In April 2021, the President instructed the Federal Assembly to prepare a comprehensive system of support measures for families with children by July 2021

- Ongoing payments of **RUB 6.4k** per month for pregnant women with low income
- A lump sum payment in August 2021 in the amount of **RUB 10k** for families with schoolchildren and future first-graders
- Ongoing payments of **RUB 5.7k** per month for children growing up in single-parent families
- Sick leaves** for child care (<7 years old) to be paid at **100% of the parent's income**

In February 2022, the Government announced maternity allowance indexation

Top management compensation structure overview

Annual compensation structure

	CEO	«CEO-1»	«CEO-2»
Fixed	50%	50%-80%	60%-85%
Variable	Total	20%-50%	15%-40%
	<i>Incl. Financial⁽¹⁾</i>	5%-20%	4%-14%
	<i>Incl. Functional⁽²⁾</i>	15%-30%	10%-26%

Last LTI programme

At IPO

- %-based payment linked to valuation increase at IPO
- Amount calculated as 3% from the differential between new liquidity event (i.e. IPO) price and RCIF price in 2015
- 50%/50% cash and share based payments (via purchases of shares in the open market)

After IPO

- Approved by the Board of Directors in August 2017
- Covers the 3-year period to February 2020, the third anniversary of the Company's IPO, senior management in continuing employment by the Company as of that anniversary will be eligible for cash payments from a pool equivalent in value to up to 4.6% of the increase in the Company's stock market value (including dividend payments) over the period
- The LTIP also provides for additional cash payments expected to total around RUB 500m (plus any social taxes)

New equity-based compensation programme

The new 3-year LTIP

- Approved by the Board of Directors in October 2019
- Covers the 3-year period from the end date of the previous program (Feb 8, 2020) to February 7, 2023
- Senior management team in continuing employment by the Company and in program membership as of April 30, 2024 will be eligible for the Company's share grants and cash payments from a bonus fund valued at up to 4.6% of the increase in the Company's stock market value (incl. dividend payments) over the period. The new LTIP includes more than 40 key employees of the Company
- In 2022, the Company plans to increase the number of LTI program participants

Incentive program to cement the management's long-term focus on shareholder value creation