



Press release
January 14, 2021

Baltika Brewer and Magnit Retailer have adopted the VMI Model using Generix Group's SaaS solution: Generix Collaborative Replenishment

Generix Group, a global provider of collaborative SaaS Software solutions for the Supply Chain, industrial, and retail ecosystems, has successfully deployed its VMI (Vendor Managed Inventory) solution between the Magnit retailer and the Baltika brewer. In this new collaborative model, Baltika replenishes Magnit's stock, generating a 98.8% satisfaction level of in-store orders, therefore allowing consumers to benefit from products with a longer use-by date.

Generix Group's SaaS solution - Generix Collaborative Replenishment (GCR) - is at the core of the VMI process implemented as well as the co-managed inventory model in which a retailer can adjust supplier orders. Deploying this type of collaborative model significantly reduces labor costs related to demand calculations and order placement: the solution also suggests the recommended product volume for each distribution center.

The system was jointly tested by Baltika and Magnit at the retailer's distribution center located in the Samara region, which supplies products to approximately 300 outlets across the region. As a result, supplied stores satisfaction has increased by 5.7 points to 98.8%.

"We consider innovation as a key factor of success, and we encourage experiments. The growth of our company has opened up the potential for another way of managing inventory - CMI and VMI. When we first brought up the subject with Magnit at Carlsberg Group, we already shared a successful experience in VMI with players from other countries. Therefore, we decided to continue the journey with our historical partner we fully trust: Generix Group. We trusted the solution and its reliability, those were decisive criteria in our choice, not only for us but also for Magnit's partners" said **Anna Kudryavtseva, Customer Service Development Manager at Baltika Breweries Group.**

With daily updates from the retailer, Generix Collaborative Replenishment suggests the optimal delivery volume to the supplier. Thanks to data sharing, the supplier is quickly informed of sales trends and, if there is a risk of shortage, he can ship the requested products the same day. In case of regular replenishment, the solution automatically calculates the order within the predetermined minimum and maximum stock limits. During promotional periods, it tracks the volume shipped and proposes additional quantities if necessary. In addition, the implementation of VMI enhances products quality on shelf through a more frequent replenishment. Quick inventory flow prevents selling the goods at low prices and reduces stock levels, improving the range of items available to customers.

Easily customizable, Generix Collaborative Replenishment is a powerful tool allowing retailers to regenerate their inventory, regardless of their geographical location, while maintaining total supply chain visibility. At the same time, users have the possibility to manage the shipment according to the sales region.

"Stock management is an important key factor for any retailer. VMI helps manufacturers and distributors to make better replenishment decisions. We plan to extend the project to the entire Magnit territory and, in 2021, we will link suppliers - who have the know-how - to this solution" said **Anastasia Sorokoumova, Director of Magnit's Operational Planning Department.**

"The VMI model perfectly shows the mutual benefits a close cooperation between supply chain actors can bring. From the pilot phase, the Magnit-Baltika project had already produced excellent results. It is a great honor for us to launch a VMI project with the Russian market leaders. We hope that this new replenishment approach will resonate with their partners" adds **Ghislain Vathelot, Managing Director of Generix Group Vostok.**

About Generix Group

Generix Group is an expert in the Collaborative Supply Chain with presence in 60 countries thanks to its subsidiaries and network of partners. More than 6,000 companies around the world use its SaaS solutions. The group's 750 employees provide daily assistance to clients such as Carrefour, Danone, FM Logistic, Fnac-Darty, Essilor, Ferrero and Geodis in the digital transformation of their Supply Chains. Its collaborative platform, Generix Supply Chain Hub, helps companies keep their promises to their customers. It connects companies to all their partners so together they can operate physical flows, digitize information flows, and collaboratively manage processes in real time. Generix Supply Chain Hub is intended for all actors in the supply chain: manufacturers, logistic service providers (3PL/4PL), and distributors.

Founded in 1990 in France, the company is listed on the Euronext Paris Stock Exchange, compartment C (ISIN: FR0004032795). To find out more: www.generixgroup.com

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About Magnit Retail Group

Public Joint Stock Company "Magnit" (MOEX and LSE: MGNT, S&P - "BB") is the holding company of a group of companies (the Company) engaged in retail trade through the Magnit store chain, based in Krasnodar. The Magnit store chain is one of the leading food retailers in Russia. As of September 30, 2020, the Magnit chain had 21,154 stores: 14,699 convenience stores, 469 Magnit Family supermarkets and 5,986 drogerie stores located in 3,819 locations in the Russian Federation.

Approximately two-thirds of the Company's stores are located in cities with a population of less than 500,000 inhabitants. Most of the Group's stores are located in the Southern, North Caucasian, Central and Volga Federal Districts. Magnit stores are also located in the Northwestern, Urals and Siberian Federal Districts.

The company operates its own logistics system, which as of September 30, 2020, consists of 38 distribution centers. 38 distribution centers, an automated inventory management system and a fleet of 4,852 vehicles.

According to the unaudited IFRS 16 management accounts of the Company, its revenue for 1H 2020 was RUR 763.4 bln, EBITDA was RUR 86.9 bln.

About Baltika

Baltika Breweries, part of the Carlsberg Group, is one of the largest producers of consumer goods in Russia. Baltika Breweries operates eight breweries in Russia and is an important part of the Carlsberg Group and its operations in the Eastern Europe region, which also includes Azerbaijan, Belarus, Kazakhstan and Ukraine. "Baltika is the leading exporter of Russian beer and exports to more than 75 countries around the world. Thanks to its world-class quality, Baltika's brands have received more than 670 Russian and international awards at professional and consumer competitions.