

# Strategy

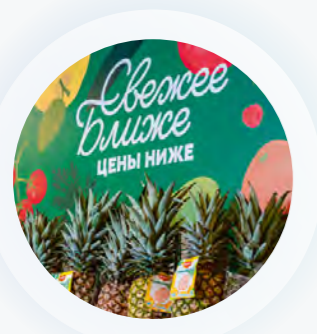
**Our strategic ambition is to uphold leadership by maintaining competitiveness in an ever-evolving environment that requires adaptability to structural challenges.**

We aim to preserve our market share and its balanced growth to solidify our current position as one of the leading retail players.

**Magnit is focused on boosting efficiency in the prevailing market conditions.**

To achieve this goal, we identified several priorities, both front-end (first group) and back-end (second group).

## Our strategy relies on continuous improvement of Magnit's key existing formats:



development of our flagship convenience store format



smart investments in the Magnit Cosmetic drogerie format



balance between sustaining and expanding the Magnit Family and Magnit Extra hypermarket formats

## ...as well as new areas of growth with the focus on expanding the product offering and enhancing customer experience:



development of the discounter format



piloting of the ultra-convenience format



E-com services: Magnit Delivery, a marketplace on the basis of the acquired KazanExpress and a Superapp<sup>1</sup>

## Key first group (front-end) priorities include:

- consumer-centric decision-making with enhanced loyalty and improved personalisation powered by Big Data (and later AI);
- improved brand positioning (including care, safety, sustainability, and value for money);
- improved loyalty programme;
- technological ecosystem to offer a fully-fledged omni-channel experience;
- broader private label offering;
- product assortment and store offerings tailored to local customer preferences through effective clustering strategies and assortment management.

## Key second group (back-end) priorities include:

- all cross-functional end-to-end initiatives focused on improving the efficiency of key business processes;
- flexible organisational structure with clear responsibilities, combined with entrepreneurial culture and efficient cross-functional collaboration;
- investments in process automation and standardisation;
- flexible, reliable and scalable cloud-based IT solutions and data platform;
- new distribution centre openings;
- fleet renewal;
- monetisation of online and offline infrastructure.

## To be able to respond to structural challenges, we place a special focus on:

- retaining and developing our employees as our key asset;
- taking a flexible and proactive approach to personnel attraction;
- intensifying investment in people to ensure best competences and business continuity;
- designing refined functional strategies;
- adjusting the offering of imported products.

<sup>1</sup> Developing a super application that integrates a loyalty programme, communication platform, delivery service, and marketplace.