

# Target business model

**We are changing**  
to gain your trust

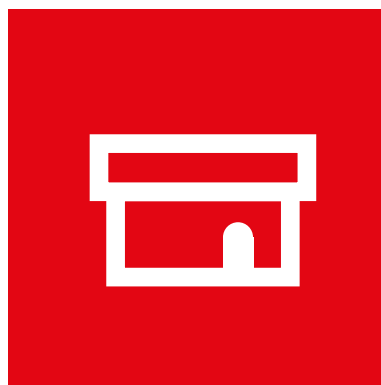
**18,399**  
stores

**2,976**  
cities

**38**  
distribution  
centers

**5,902**  
trucks

**Our strengths –**  
a foundation for growth



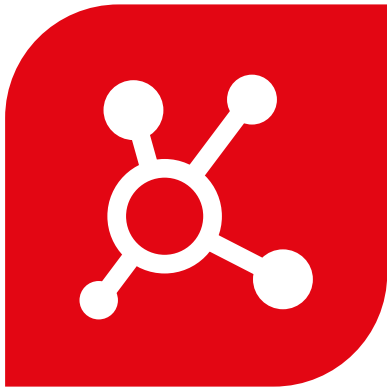
- No. 1 grocery chain in terms of selling space in Russia
- Multi-format model (food, cosmetics, pharmaceuticals)
- Extensive geographical presence
- High level of customer loyalty in the regions
- Availability of the company's own production facilities for private label development
- The second largest logistics network in the country
- New independent Board of Directors
- New management team

**Focus on what's  
most important –**  
improving the value proposition



- Availability of the most popular products
- Strong localization of the product range
- Private label development
- Product freshness and quality
- Store redesign
- Friendly and welcoming staff
- Multi-format loyalty program
- Continued price leadership

**Digital expertise –**  
a platform for leadership in  
the future



- Creating an omni-channel ecosystem
- Additional communication channels with the customer
- Convenient system for product selection, delivery, and payment
- New pricing methods
- Clear understanding of demand – mass personalization
- Breakthroughs in process efficiency

**Customer centricity -**  
is part of Magnit's DNA



**We will become**  
the new standard of affordable consumption for  
all Russian families

For details on new formats,  
see page 23.



The Company started out in Krasnodar in 1998 by meeting basic customer needs – people's demand for food. Today, with growing prosperity, customers increasingly demand service – a convenient location, pleasant atmosphere, and original unique solutions. Expanding the format and creating platforms to engage with customers in a real way is taking Magnit to a new level in terms of meeting customers' needs today.

**Olga Naumova,**  
CEO