

Digital Transformation

Satisfying our customers' changing needs is the heart of everything we do.

Big Data analytics and innovative solutions we use allow us to continuously improve customer experience. We aim to build an ecosystem of complementary services around the Magnit brand and a strong omni-channel core.

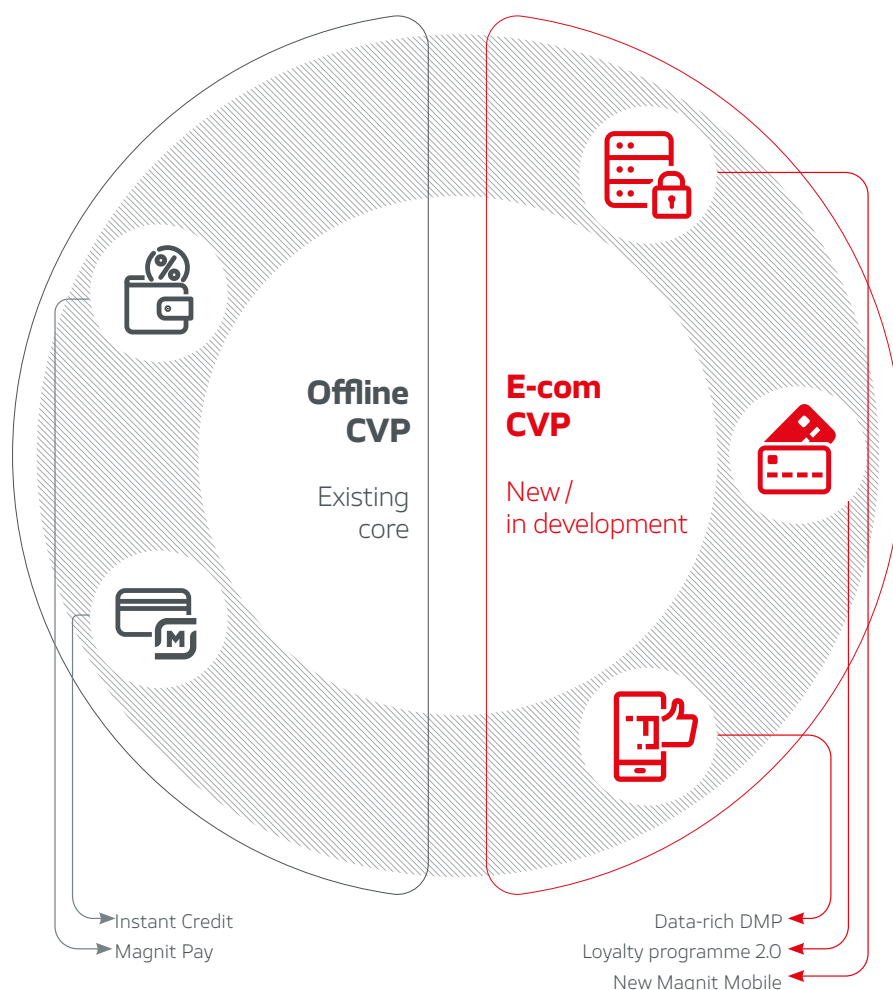
We took our first steps in large-scale digital transformation earlier by rolling out our unique cross-format loyalty programme which proved extremely successful. In 2020 Magnit launched an unmatched 5-year ERP Transformation Programme based on SAP solutions which will be the largest project of its kind in the Russian retail sector. We will leverage not only our partners' expertise, but also develop relevant internal expertise.


In the reporting year Magnit initiated development of its super app, which will use the existing loyalty programme to bring together online ordering, payment and credit solutions, lifestyle and other non-financial customer services, as well as privileges from its partners. The first step of implementing these solutions was the launch of Magnit Pay payment service which enables customers to pay for their purchases in any store, including online.

Components of digital transformation



Ecosystem of complementary services and tools¹



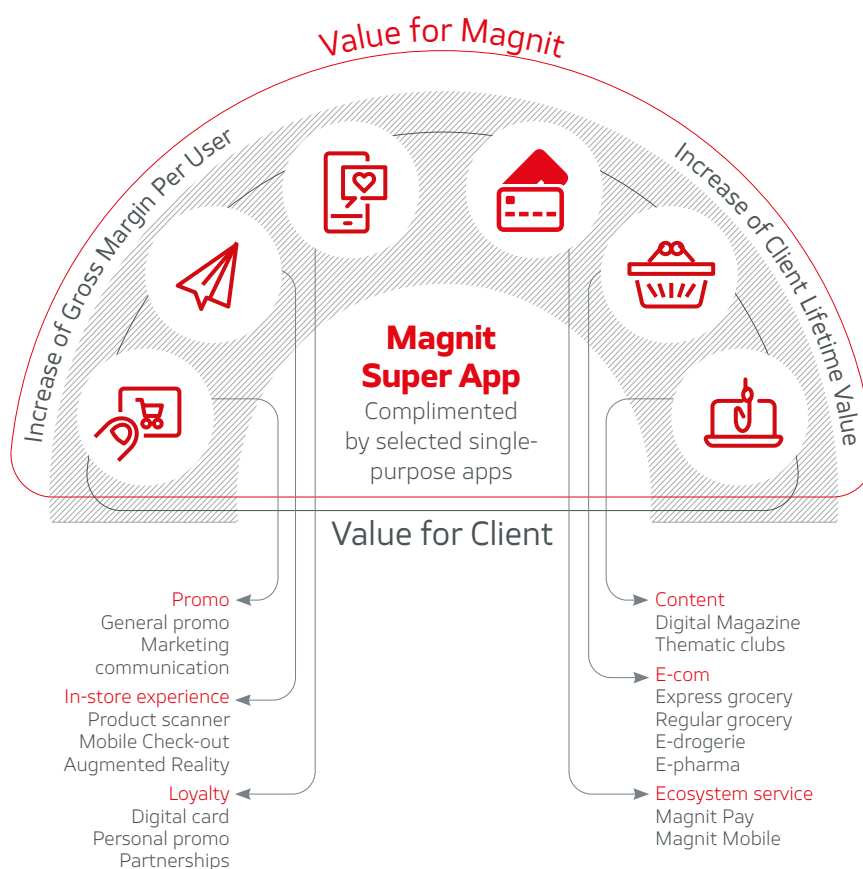
 For more information about Magnit Super App see next page.

¹ A data management platform (DMP) is a software platform used for collecting and managing data. They allow businesses to identify audience segments, which can be used to target specific users and contexts in online advertising campaigns.

Digital Transformation (continued)

We also began testing e-commerce services in the second half of 2020. Magnit currently runs six online delivery projects, both independently and in cooperation with partners. During the first three months, the pilots' growth dynamics exceeded original expectations and showcased the high potential of this market.

Magnit's future ecosystem will be in every customer's pocket within a single super app



~6,000

Average number of orders per day

>40,000

SKUs available across all services

43 mln

Active loyalty cardholders

>1,000

Stores in 47 regions and 72 cities

RUB 2.0 bln

Annualised run-rate

70 %

Penetration in sales

¹ The run rate for Magnit's online segment based on December sales turnover.