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PRESS RELEASE

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SECOND BATCH FINALIZED: 11 STARTUPS MOVE INTO RETAILTECH HUB

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New partner: Property developer Aachener Grundvermögen

Munich, 14.03.2018: After one of the first pilot projects of the Retailtech Hub's initial batch went live last week (the checkout-free Saturn Express), the second batch will start on 19 March. Eleven startups chosen from hundreds of applicants will be taking part in the innovation platform set up in conjunction with the Plug and Play Tech Center. Their business models range from smart surveillance systems which spot probable shoplifting before it occurs to smart home solutions and cloud-based logistics solutions for the last mile. In addition to the Schwarz Group fronting supermarkets Lidl and Kaufland, MediaMarktSaturn has signed up a new partner to the Retailtech Hub: property manager Aachener Grundvermögen.

"The Retailtech Hub has gained momentum incredibly quickly," said its Managing Director Thorsten Marquardt. "The pilot projects and new startups will enable us to firmly establish ourselves as an innovation driver for the entire retail sector. Apart from the Schwarz Group, we're delighted to be joined by Aachener Grundvermögen, a company from the real estate sector." Aachener

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Grundvermögen, which owns retail premises in pedestrian zones in Germany and Europe, is very interested in the digitized, customer-driven development of the urban city. "The digitalization of bricks-and-mortar retail is in full swing. Physical and online retail will soon merge and become indistinguishable. As a large owner of retail property, we want to be among the frontrunners," declared Frank Wenzel, CEO of the Cologne-based company.

The following startups will be part of the Retailtech Hub:

2txt (www.2txt.de) automates the creation of explanatory and promotional texts in e-commerce. The software developed by this Berlin startup automatically produces texts of the highest linguistic calibre. It works by using specially developed algorithms based on a combination of techniques from linguistics, computer science and artificial intelligence. The system extracts the meaning from item master data and translates this information into high-quality product descriptions. The semantic models and grammar are far more flexible than conventional template solutions and can generate significantly more scalable and diverse texts than comparable methods.

AiFi (www.aifi.io) offers a scalable AI-based solution for cashierless shopping. Using special software and a network of ultracompact cameras of the type used in mobile phones, products picked up by customers are tracked (if they so wish). As soon as a product has been taken off the shelf, it's registered in the customer's virtual shopping cart and then debited from their account when they leave the store with it.

Checkout Technologies (www.checkoutfree.it) is also working on a solution for checkout-free retail. Once customers have signed up to the system, computers with artificial intelligence use cameras to recognize them as well as the products they've chosen by means of the packaging. There's no need to stand in line at the till since the system already knows who has taken what from the shelves. Payment is made automatically via customer accounts.

Commerce.AI (www.commerce.ai) analyses customers' online reviews to help consumers choose the most suitable product. The software is based on deep learning and therefore language-independent. When searching for the most popular products, not just text but also audio and video reviews are assessed. Moreover, the software enables retailers to continuously optimize their product range in line with demand.

free machines (www.free-machines.com) offers an AI-based solution for mobile e-commerce. It adapts itself to each user and employs smart algorithms to take customers to the desired product two to four times faster. This web-based solution works on all mobile devices without the need for additional installation. The modular platform can be individually geared to the retailer's requirements. Customers can then use a single platform to access all their preferred retailers.

Heptasense (www.heptasense.com) is an AI-based software solution for the evaluation of surveillance camera feeds. By detecting suspicious behaviour patterns, it warns security staff before a shoplifting incident takes place. In addition, the software can be used as a marketing tool to analyse and better predict customers' behaviour. Heptasense is an economical solution since it uses the existing CCTV infrastructure and requires no additional hardware apart from a computer running the software.

LightnTec (www.lightntec.com) produces LED-embedded light film for indoor and outdoor billboards. Each individual LED on the plastic film can be individually controlled, enabling moving images to be displayed on large surfaces. The illuminated surface is about 90% lighter than conventional LED screens and can be individually cut to size and shape with a pair of scissors or a knife without

impairing its function. The LED films developed by LightnTec have a light density of up to 5,000 candelas per square metre.

SMARTMILE (de.smartmile.rocks) uses cloud computing and its own parcel stations to optimize the last mile to the customer in the logistics chain. SMARTMILE parcel stations are available to all delivery services and local dealers offering click & collect, and even allow prepaid parcels and returns to be shipped. Whether customers have their weekly shop delivered by courier from the local supermarket or are expecting online orders from different parcel carriers, an app simply lets them know when their items have arrived and which collection locker they've been placed in for pick-up any time, day or night. Moreover, customers can deposit prepaid parcels and returns for shipping there, too.

ThingOS (www.thingos.io) connects all IoT devices and standards via a central interface. Whether smart home or Industry 4.0, ThingOS translates commands into all common IoT standards, enabling seamless communication even between devices not originally designed to talk to each other. Retailers can centrally control all network-capable devices such as checkout systems, electronic shelf labels, display boards and robots, enabling them to communicate with each other.

Vayyar (www.vayyar.com) began in 2011 by developing a cheaper yet more efficient method for breast cancer screening. The result was a solution based on radio waves that can create detailed 3D images even through walls and other materials. However, the sensors can also be used to inventory shelf stocks or track customers' in-store movements. Due to the sensors' small size and ability to penetrate certain materials, they can be inconspicuously integrated into the store's interior behind screens and panels. Unlike X-rays, this technology poses no danger to humans.

ZigZag Global (www.zigzag.global) offers a solution to help retailers manage returns on a central platform comprising a network of 200 warehouses and 50 delivery companies in 130 countries. Customers access the returns portal via a frontend individually designed by the retailer and can select the solution they want, e.g. with or without collection and their choice of courier. Via a backend with SaaS, the retailer keeps track of returned items and decides where they are to be sent. For example, they can specify whether faulty items are to be dispatched to the repair centre or straight to recycling.

About the Retailtech Hub
The RetailTech Hub was launched in August 2017 and is made possible by the MediaMarktSaturn Retail Group in cooperation with the Plug and Play Tech Center from Silicon Valley as well as the partners Schwarz Group (Lidl and Kaufland) and Aachener Grundvermögen. The participants of each batch undergo a three-month programme with various focus weeks in which they work with mentors and attend workshops on topics such as HR, marketing, funding, business development and operations. The main aim is to carry out a joint pilot project with one of the partner companies during which the innovations' technical feasibility and customer impact are tested. At the end of the programme, a Demo Day is staged at which the startups showcase themselves to decision-makers from the partner companies, Plug and Play, and numerous investors and stakeholders from the startup scene.

About the MediaMarktSaturn Retail Group
The MediaMarktSaturn Retail Group is Europe's leading commerce company for consumer electronics and related services. It sees itself as a partner, daily companion and navigator for consumers in an increasingly digitized world. MediaMarktSaturn and its portfolio of formats and brands flexibly respond to the needs of different customer groups and countries. Apart from fronting the MediaMarkt and Saturn brands, which comprehensively network their more than 1,000 bricks-and-mortar stores with online sales platforms, the Media-Saturn Group operates online pure players

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such as redcoon and iBood as well as the digital entertainment platform JUKE. Moreover, its portfolio includes its own brands PEAQ, KOENIC, ISY and ok. A subsidiary of CECONOMY AG, in 2016/17 MediaMarktSaturn and its approximately 65,000 employees in 15 countries generated total sales of about €22 billion.

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