

Press release

New Division in the Schwarz Group: Schwarz Digits as Powerhouse for IT and Digitalization

- **Ecosystem of the companies of Schwarz Group expanded to include the future-oriented business areas of digitalization and IT**
- **Sovereign solutions related to cloud, cybersecurity, e-commerce, and retail media consolidated under one roof**
- **Investments in sustainable development for promising and secure next-generation technology from Germany**
- **Dual leadership consisting of Christian Müller and Rolf Schumann heads Schwarz Digits: new division with 7,500 employees**

Neckarsulm, 29 September 2023 – The advancing digitalization of everyday life is a megatrend that is greatly influencing the transformation of business and society. As a result, custom IT solutions and digital services are becoming increasingly more relevant, from a future-proof IT infrastructure and e-commerce to the cloud and cybersecurity. The companies of Schwarz Group are accounting for this increased relevance by founding a new division. In addition to the familiar divisions Lidl, Kaufland, PreZero, and Schwarz Produktion, “Schwarz Digits” will now spearhead all matters related to IT and digitalization.

“Based on our long-standing tradition as a retail group, we are continuing to develop our ecosystem further. Investing in business areas that affect our society and our lives in the long term is in the DNA of the companies of Schwarz Group,” explains Gerd Chrzanowski, General Partner Schwarz Group. “Every year we invest roughly EUR 8 billion in strategic projects and future-oriented business areas, including digitalization and IT. By spinning off our own IT and digital division, we will be able to scale more quickly and position ourselves optimally on the market in the future.”

Sovereign, Reliable IT and Sustainable Digitalization

Sovereignty takes center stage for the companies of Schwarz Group in their focus on digitalization. In order to remain as independent as possible from providers outside of Europe, the companies of Schwarz Group decided to develop and promote this key issue themselves.

“With the strength of the largest retail group in Europe behind us, we are creating our own sovereign, reliable, and trustworthy IT solutions and digital services,” explains Christian Müller, Co-CEO Schwarz Digits. “Our unique selling point is that we are our own most critical customer: We only offer IT solutions to third parties if they are stable and add real value to our own

extensive and complex IT infrastructure: for example, our STACKIT cloud or the cybersecurity solutions from XM Cyber.“

“Digital solutions have become significantly more important over the last several years. With digital products and services for the external market, we have developed promising business models, which have gained momentum in the last several years in particular. We firmly believe that Schwarz Digits will enhance the visibility and scalability of our digital solutions and services even further,” says Rolf Schumann, Co-CEO Schwarz Digits.

Organization and Structure of Schwarz Digits

Schwarz Digits will be headed by a dual leadership, consisting of the Co-CEOs Christian Müller and Rolf Schumann. Schwarz Digits will include Schwarz IT, Schwarz Digital, STACKIT, XM Cyber, Kaufland e-commerce, Lidl e-commerce, the retail media provider Schwarz Media, and the full-service digital agency mmmake. A total of 7,500 employees are working in the new division.

Investments in Next-Generation Technology

Schwarz Digits offers ideal conditions for the sustainable development of pioneering digital innovations and for investments in promising young companies. Our goal is to make sovereign European products and services competitive across the globe, especially in relation to key technology such as cloud, cybersecurity, and artificial intelligence.

About the Schwarz Group

The Schwarz Group is an international leader in the retail industry with about 13,700 stores and 575,000 employees in 32 countries. The total revenue of the companies of Schwarz Group for the 2022 fiscal year amounted to 154.1 billion euros. Divided into a production, retail and environmental division, the companies of Schwarz Group cover the entire value cycle. Lidl and Kaufland are its pillars in food retailing. Many private label products on Lidl's and Kaufland's shelves ranging from ice cream to beverages are produced directly at the Schwarz Produktion. PreZero, the environmental services provider, pursues its vision of closed loop recycling in waste and recycling management and thus contributes to a cleaner tomorrow. Schwarz Digits develops and markets sovereign IT solutions and digital services, thus contributing to independent digitalization, both for the companies of Schwarz Group and for external customers. Schwarz Dienstleistungen, the Group's corporate services division, provides administrative and operational services.

About Schwarz Digits

Schwarz Digits is the IT and digital division of the Schwarz Group. It offers compelling digital products and services that comply with Germany's strict data protection standards. As such, Schwarz Digits guarantees the highest possible degree of digital sovereignty. With these ambitions in mind, Schwarz Digits provides the IT infrastructure and solutions for the extensive ecosystem of the companies of Schwarz Group, while ensuring that the ecosystem is fit for the future. Schwarz Digits creates the ideal conditions for developing pioneering innovations for end

customers, businesses, and organizations in the public sector. 7,500 employees from Schwarz IT, Schwarz Digital, STACKIT, XM Cyber, Kaufland e-commerce, Lidl e-commerce, Schwarz Media, and mmmake belong to Schwarz Digits.

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