

ANNUAL REPORT 2024

MELON
FASHION GROUP

ZARINA Befree LOVE REPUBLIC **sela.** ídol

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CEO'S LETTER

Dear friends,

As I was writing this letter, I had a thought: what was the main driving force behind Melon in 2024? Was it increased competition? Competition that was unprecedented even in the days when major international players were present on the market? Or, perhaps, completing the extensive growth phase of the offline sector and filling the market? The explosive growth of the online sector? All of this is important, even very important, but still.... Every business needs to be prepared for all eventualities. Especially in Russia. For new events, restrictions, difficult routes, rising delivery and advertising prices, new financial logistics and a sharp drop in shopping center traffic. That is the essence of it: there will always be risk and uncertainty.

So, what was the driving force? Balance. Pace yourself. Think and analyze. Act carefully and consistently. Be rational, not emotional. It's better to do right things than to do things right. And that is a source of optimism and confidence. Even in an unstable environment, accepting all our experiences, all the past victories and defeats that have made us stronger, we need to activate a powerful "core" – the very balance that allows us to hold on and do the unthinkable things.

And we have something to be proud of once again. We ended 2024 with revenues up 33% to 82.2 billion rubles. Our long-held dream and goal of being the number one in sales in Russia has come true. This is an unimaginable milestone for us and one that is still underestimated. Despite a crowded retail property market, our expansion has produced excellent results: together with our franchise partners, we have opened 121 stores and relocated large areas. And our young fifth brand, IDOL, is already present in Russia with 35 stores across the country. The proportion of the group's turnover accounted for by online sales has increased significantly. This demonstrates the harmonious coexistence of online and offline. All this is impressive and inspiring.

What comes next? To keep on growing by having the right product at the right price for each brand, with a clear hit in the heart of the customer, and a competent strategy with the most efficient business processes, able to adapt to unforeseen situations. Again, balance is a key.

And it is impossible to achieve balance without support. Giving thanks to the team is my favorite part of the Annual Report letter. To the people I see in our offices in Saint Petersburg, Moscow, Shanghai, Minsk and Tashkent, in our stores and warehouses. They are wonderful people. They are people with a capital P who do their job flawlessly. People who know how to dream and invent. People who fight for their dreams and enjoy their success. In a sense, our team is the perpetual motion machine. It creates ideas, meaning and winning strategy for businesses. Thank you for making Melon strong and brave.

What happens next? As the year draws to a close, our story continues... Our story continues because there are so many interesting things on the horizon. We can't stop for a minute, so we keep going and keep climbing. We will set new, incredible goals. We will take risks, act decisively and achieve them unconditionally. And most of all, we have a passion for what we do. We are bound to be successful!

With appreciation,
Your MM



COMPANY OVERVIEW

2024 IN FIGURES:

82.2

SALES BILLION ROUBLES

161

CITIES

5

COUNTRIES

937

STORES

>8,300

EMPLOYEES

EVENTS AND AWARDS

15 YEARS OF LOVE REPUBLIC

In January, LOVE REPUBLIC celebrated its 15th anniversary. Launched in 2009 as part of the Melon Fashion Group portfolio, the brand concept was an instant hit with the public. LOVE REPUBLIC held a social event at the Muravyov-Apostol estate with an exhibition of archive products and a retrospective of advertising campaigns featuring top models, as well as the launch of a new beauty line of four fragrances.



THE BEST EMPLOYER

According to the results of 2024, Melon Fashion Group entered the ranking of the best employers in Russia according to the Head Hunter recruitment platform, taking the 1st place among fashion retailers and the 5th place among non-food retailers.



FORBES GOLD STATUS

In 2024, Melon Fashion Group was again ranked among the best employers in Russia by Forbes, which ranks companies based on ESG indicators. The company was awarded platinum in the "Corporate Governance" category, gold in the "Ecology" category and silver in the "Employees & Community" category. In the overall standings, the company won the gold.



NATMALL AWARD

The IDOL brand won a special nomination for "Breakthrough of the Year in Retail" at the international NATMALL Awards. IDOL was also a finalist in the "Best Retail Concept in the Fashion Category".



CPM SHOP & RETAIL SOLUTIONS AWARDS

In August, the ZARINA brand won a nomination for the "Best Store Design Concept in the Mass Market Segment" for its flagship store in the Moscow Metropolis Shopping Centre. The renovated IDOL store in the Aviapark Shopping Centre in Moscow was the winner of two nominations: "Best Design Concept for a Store of Less than 150 Square Meters in the Premium Segment" and "Best Fitting Area of the Store".



BRANDS

ZARINA

301

TOTAL
STORES

245

OWN
STORES

56

FRANCHISE
STORES

40

OPENED AND RELOCATED
OWN & FRANCHISE STORES



STYLE. MEANING. POWER.

MODERN AND STYLISH CASUAL CLOTHES
FOR MEN AND WOMEN AT AFFORDABLE
PRICES.

PRODUCT

In 2024, ZARINA launched a new premium ICONIC line made of natural materials: cotton, linen and wool, as well as accessories made of genuine leather. The denim range has also been extended with new sizes: 164 and 175 cm.



TOUCH THE SKY



ZARINA X IRENA PONAROSHKU

LIMITED COLLECTIONS:

A collection of faux fabrics and knitted denim products called Touch the Sky;

An eco-friendly capsule made from recycled materials. Irena Ponaroshku became the face of the capsule;

Three collections in the premium ICONIC line: in June, August and October;

A limited edition capsule with Podari Zhizn [Give Life] Charity Fund;

The ROGOVTOUR collaboration for him and her, designed by stylist Aleksandr Rogov;

The first menswear collaboration with Zenit football club;

The Perfect Match collaboration for her and him, the women's line designed by Marianna Eliseeva, the men's line designed by Sergey Mezentsev;

New Year's Black Swan limited edition collection..



ZARINA X ZENIT



ZARINA X MARIANNA ELISEEVA & SERGEY MEZENTSEV



SEPTEMBER 2024

ROGOV TOUR

MARKETING

The Russian actress Ravshana Kurkova has become the face of the "Tenderness" advertising campaign for the spring-summer season.



In the first half of the year, the "Do everything!" project was launched with a new ambassador each month: Elena Krygina, Irena Ponaroshky, Aleksey Sukharev and Artem Losev. The aim of the project is to lead an active social life - the desire to do everything in every area of your life.



To promote the brand, chamber events were held with bloggers and loyal customers in honour of the launch of the premium ICONIC line, as well as a presentation with a large-scale advertising campaign in collaboration with Aleksandr Rogov.

LOYALTY CAMPAIGN

IN 2024, 1 MILLION OF NEW LOYAL CUSTOMERS JOINED THE ZARINA CLUB. THE BRAND LOYALTY PROGRAMME NOW NUMBERS UP TO MORE THAN

**>6
MILLION CLIENTS**





THE LARGEST FLAGSHIP STORE OF ZARINA WAS OPENED IN THE SUMMER OF 2024 IN VLADIVOSTOK IN THE KALINA MALL SHOPPING AND EXHIBITION CENTRE, WITH AN AREA OF ABOUT 1,000 SQUARE METRES.



STORES

In 2024, “hot spots” were introduced in the brand's flagship stores. The trading floor was also clearly zoned. There is a unique collection in each room. The ceiling supports the idea of space: it is divided into sections, each with its own backlight, creating the effect of a floating ceiling and visually enlarging the space.

The smoothness and softness of the design is reflected in the print on the wallpaper, decorative lamps, equipment, arched and rounded shapes in the architecture.



THE MOST IMPORTANT OPENINGS IN MOSCOW WERE ZARINA'S FLAGSHIP STORES IN THE EVROPEYISKIY SHOPPING CENTRE, THE METROPOLIS SHOPPING CENTRE, THE ATRIUM SHOPPING CENTRE AND THE OKHOTNY RYAD SHOPPING CENTRE, AS WELL AS IN THE KALINA MALL SHOPPING AND EXHIBITION CENTRE (VLADIVOSTOK).

IN 2024, THE BRAND ENTERED A NEW CITY, OBNINSK.

The ZARINA brand won the nomination for the “Best Store Design Concept in the Mass Market Segment” at the CPM shop & retail solutions awards. The ZARINA flagship store in the Metropolis Shopping Centre was shortlisted for the ADD Award for Architecture.



Befree

253

TOTAL STORES

202

OWN STORES

51

FRANCHISE STORES

24

OPENED AND RELOCATED OWN & FRANCHISE STORES

**FASHION,
INCLUSIVENESS,**



**HUMANITY,
FOCUS ON
THE FUTURE.**

**AN INCLUSIVE FAST
FASHION BRAND**

PRODUCT



In 2024, the brand launched the Fast Fashion direction. A separate men's sportswear line has also been added to the range, and the range of sizes for mini and plus-size customers has been expanded in the women's line.

We opened up the direction of B2B collaborations: we launched a drop with Samokat, a cosmetic bag with Gold Apple and sewed clothes for Alfa-Bank couriers.



17 collaborations with artists, licensees, charities and kindred spirits have been released as part of the Co:Create project. These include Smeshariki, Sila Vetra [The Power of the Wind] Sailing School and artist Anna Andrzhievskaja.



MARKETING



BEFREE CO:CREATE HUB TEAM

THE KEY EVENT OF 2024 WAS THE LAUNCH OF THE OWN BEFREE CO:CREATE HUB TALENT SEARCH PLATFORM, WHICH BROUGHT TOGETHER

>17,000 CREATORS

AS PART OF THE HUB, 6 OPEN COMPETITIONS WERE HELD, TWO OF THEM WITH PARTNERS - BOOKMATE, ATOM ELECTRIC VEHICLES.

THE BRAND RECEIVED THE RBC VISIONARIES AWARD FOR THE IMPLEMENTATION OF THE CO:CREATE PROJECT.



Continuing to promote the "It's always fashionable to be free" slogan, the Befree team released a manifesto book with Seans Publishing Company, collecting stories from the brand's community, friends and employees about what the concept of "freedom" means to them. The book was launched in the Podpisnye Izdaniya store and in Befree's flagship stores. The money raised from the sale of the book was used to support the "Anton tut ryadom" [Anton is nearby] charity foundation.



WE HELD THREE OFFLINE PRESENTATIONS OF THE BEFREE CO:CREATE COLLECTIONS:

DJ set and Befree pop-up performance with SAINT CITY LOVERS;

Sailing day with Sila Vetra [The Power of the Wind] Sailing School;

A party with the Wink online platform and the "Kombinaciya [Babydoll]" series.

In the summer, the first pop-up store opened in Vasileostrovsky market.

STORES

In 2024, the brand updated the architectural concept of its stores in the style of an art workshop and opened two new flagship stores in Moscow Columbus and Afimall Shopping Centers.



“Warm” industrialism, digitality and artistry are the hallmarks of the updated concept. The large, bright space with textured concrete walls and corrugated metal panels is complemented by wooden furniture, ceramic tiles and asymmetric mirrors. There is a sense of lightness and airiness as the equipment is thinner and there are fewer fastenings to the walls.



The interior is complemented by mirrors and digital panels propped against the walls. Colorful textiles and ottomans create a homely atmosphere, and the lounge area is furnished with designer sofas. The entrance to the store is designed as a digital portal. It plays videos of new collections.

The interior design of the flagship store in the Afimall Shopping Centre was created by street artist Vladimir Abikh. He created a mural in the dressing room area called “The main thing is not to repeat yourself” exclusively for the brand.

The Befree brand's team of architects has also collaborated with EDXXCAT Architectural Bureau to develop a special Co:Create zone for collaborative collections.



As part of the expansion and development program, the first Befree store opened in Kostroma in 2024.



BEFREE'S FLAGSHIP STORE IN THE EUROPOLIS SHOPPING CENTRE IN SAINT PETERSBURGH HAS RECEIVED A GREEN ZOOM GOLD CERTIFICATE FOR CREATING A SUSTAINABLE AND FRIENDLY ENVIRONMENT.



THE BEFREE RETAIL CHAIN IN THE REPUBLIC OF BELARUS BECAME THE WINNER OF THE BELARUS RETAIL & REAL ESTATE AWARDS 2024 IN THE “BEST FASHION CHAIN” NOMINATION.



LOVE REPUBLIC

166 TOTAL STORES

133 OWN STORES

33 FRANCHISE STORES

12 OPENED AND RELOCATED OWN & FRANCHISE STORES



**FEMALE ENERGY.
AMBITION.
CONFIDENCE.
HEDONISM.**

**COSMOPOLITAN CLOTHING, FOOTWEAR
AND ACCESSORIES BRAND FOR WOMEN.**

PRODUCT

A new STUDIO line with trendy designs and the latest catwalk trends was added to the brand's range in 2024. Two PREMIUM and three EVENING ranges are also available. A SWIMWEAR line was also launched.

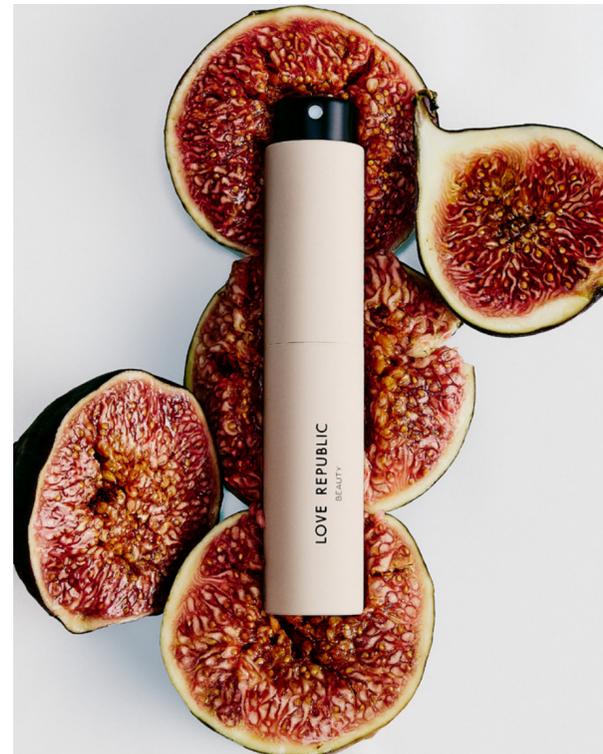


As part of the summer collection, LOVE REPUBLIC has expanded its range of flax products, focusing on innovations in the processing of linen threads of different textures, using mercerization for smoothness and luster.

The brand has enhanced the quality of its range of premium accessories by using natural materials such as genuine leather, cashmere and mother-of-pearl.

THE FIRST AMONG FASHION BRANDS IN RUSSIA

We have launched a beauty line consisting of 4 fragrances - WHITE, NUDE, SHADOW and BLACK in 50 ml and 10 ml (travel bottle) formats, as well as the eponymous moisturising lotion soufflé and spa candle.



MARKETING



THE GENERAL LINE OF COMMUNICATION IN 2024 WAS THE 15TH ANNIVERSARY OF THE BRAND WITH THE SLOGAN "15 YEARS OF LOVE".

Top model and actress Sasha Luss was the face of LOVE REPUBLIC. She also appeared as the brand face at the premiere of James Kroc's film "Hana's Game", in which she played the main role.



In September, LOVE REPUBLIC celebrated its birthday at the historic Muravyov-Apostol estate, where the brand's historical retrospective was recreated and a new BEAUTY line was launched. The event was attended by around 300 guests and the average coverage of the event in publications was more than 30 million people.

In support of the Pink October campaign, the "Love is Stronger than Cancer" project was launched together with Lamoda and the "Dalshe [Further]" charity foundation to support women diagnosed with breast cancer.



As part of the LOVE GARDEN environmental initiative, the brand contributed to the development of biodiversity at the ecological farm and made a charitable contribution to the Krasnopolyanskaya Cosmetic Farm to create a flowering garden with a rare variety of damask roses and magnolia trees.

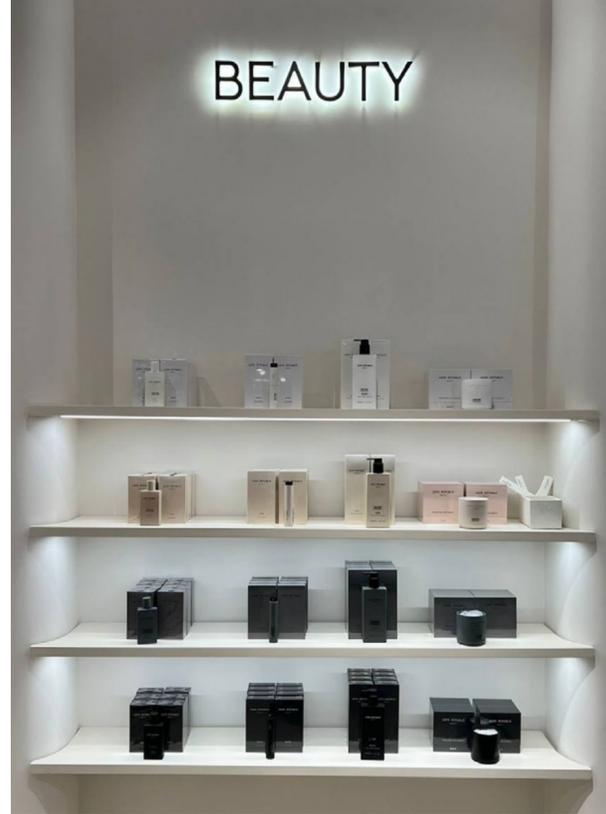


LOVE REPUBLIC was the first brand in the local fashion market to launch an AI campaign for its New Year's EVENING collection. More than 50 million people have viewed the viral video. Non-standard outdoor advertising solutions were used for the promotion: the largest media façade placements and 3D visualized screens at the Oktyabr Cinema in Moscow.

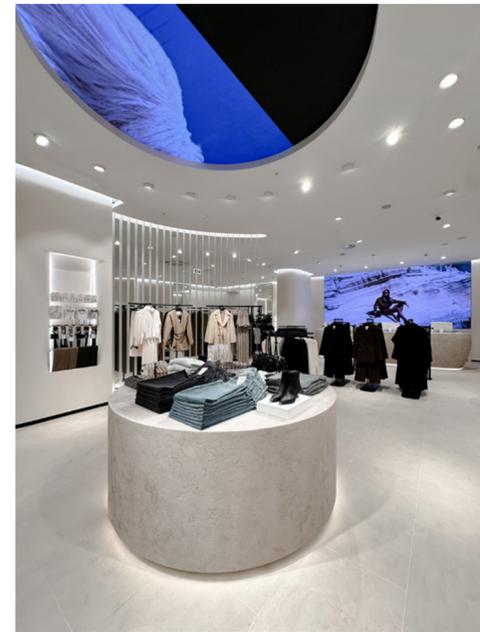
STORES

The key discovery was the opening of the flagship store in the Moscow Metropolis Shopping Centre, with radius walls and furnishings, bright warm monochrome tones in the design, high ceilings, abundant light and a focal point with a LED screen on the ceiling, as well as a rounded three-dimensional cash register, which vividly emphasizes the bionic direction in the overall store concept. New collection presentation techniques have been introduced in merchandising to highlight product features.

Accessory areas and a concept fitting room with a special area - a photo zone - are the hallmarks of the new flagship.



THE LAUNCH OF THE BRAND IN THE REPUBLIC OF BELARUS WAS AN IMPORTANT MILESTONE IN THE DEVELOPMENT OF LOVE REPUBLIC. IN DECEMBER, THE COMPANY OPENED ITS FIRST RETAIL STORE IN MINSK GALILEO SHOPPING CENTRE.





sela.

182 TOTAL STORES

152 OWN STORES

30 FRANCHISE STORES

28 OPENED AND RELOCATED OWN & FRANCHISE STORES

FAMILY. CARE. COMFORT.

LIFESTYLE BRAND FOR THE WHOLE FAMILY

PRODUCT

THE BRAND HAS PRESENTED SEVERAL SPECIAL COLLECTIONS:

Collaboration with Tsitsin Botanical Garden;

Licensed capsule with Soyuzmultfilm, sold out within days;

Cooperation with Saint Petersburg chain of Bushe bakeries and coffee shops;

Capsule with children's artwork - part of the proceeds from its sale benefited the Naked Heart Charity Foundation;

The first children's collection with augmented reality prints.



The first women's outdoor and ski collection with high-tech fabrics was also launched by SELA.



Children's footwear was added to the range in August 2024.



In 2024, the brand launched its first line of children's outerwear made from high-tech Seladrytex fabric. SELA has patented its own development of a membrane fabric that meets all government standards. Its main characteristics are water resistance, air permeability and wear resistance. Advanced clothing includes around 170 items (jackets, raincoats, overalls, trousers, etc.) for children of all ages from 0 to 14.

Thermochromic thermometers have also appeared in the advanced capsule to help control the temperature between the body and clothing, as well as "growing" seams to lengthen the clothes as the child grows.

MARKETING

sela.

REBRANDING

The brand has abandoned the moms & monsters interlinear associated with its rapid development and audience expansion. A circle, symbolizing the close circle of family and embrace, appeared in the new SELA logo.



"FROM HEAD TO TOE - IN LOVE" ADVERTISING CAMPAIGN

- SELA presented the music track "From head to toe - in love" as well as the videos "Mom" and "Dad" based on this track and a clip with the participation of the brand's employees. The song is available on all music platforms.

- The campaign won the national "Our Contribution" award in the special "Year of the Family" nomination for the implementation of communication projects reflecting family values.

- In 2024, SELA ran two television advertising campaigns and four outdoor campaigns in 10 cities.

THE BRAND HAS WON 12 AWARDS, INCLUDING LOYALTY & CX AWARDS RUSSIA, BABY.RU PARENTS' CHOICE, RED APPLE, ETC.

DIGITAL UNIVERSE

More than 700 thousand players have joined the SELA Roblox world. Inside the world, players can purchase AR-printed t-shirts from the limited edition collection.



LOYALTY CAMPAIGN

THE BASE OF LOYAL CUSTOMERS GREW BY 32.5% DURING THE YEAR TO

2.3 MILLION ACTIVE USERS

VIGGE UNIVERSE

In 2024, the brand's mascot was actively developing

LAUNCH OF THE VIGGE ASSORTMENT



ISSUE OF A CARD FOR CHILDREN, IN TWO DESIGNS, IN PARTNERSHIP WITH T-BANK

HOLDING OF THE ART VIGGE CREATIVE CONTEST IN SEVKABEL

PARTICIPATION IN MAJOR SUMMER FESTIVALS



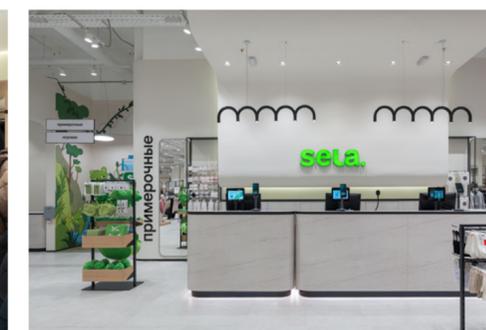
STORES

AN IMPORTANT EVENT FOR THE BRAND WAS THE LAUNCH OF THE VIGGE CAFÉ.

This cozy area in the SELA store is the perfect place to relax during or after shopping. The project took 2 months to complete. The first café opened in February in the Metropolis Shopping Centre in Moscow. During the year, three more cafés were opened in Saint Petersburg Okhta Shopping Centre, Khabarovsk Brosko Mall Shopping Centre and Moscow Columbus Shopping Centre.



THE BRAND'S LARGEST STORE IS OVER 1,700 SQUARE METRES - BROSKO MALL SHOPPING CENTRE, Khabarovsk.



THE FIRST SELA STORES OPENED IN STAVROPOL AND PUSHKINO.

ÍDOL

35 TOTAL STORES

35 OWN STORES

17 OWN STORES OPENED



A man and a woman are standing in a desert landscape. The man is on the left, wearing a dark blue jacket over a brown sweater and a collared shirt. The woman is on the right, wearing a tan suit jacket over a matching collared shirt and tie. The background shows a vast, sandy desert under a clear blue sky.

**ENERGY. LEADERSHIP.
SUCCESS. VITALITY.**

PREMIUM SMART CASUAL WEAR

PRODUCT

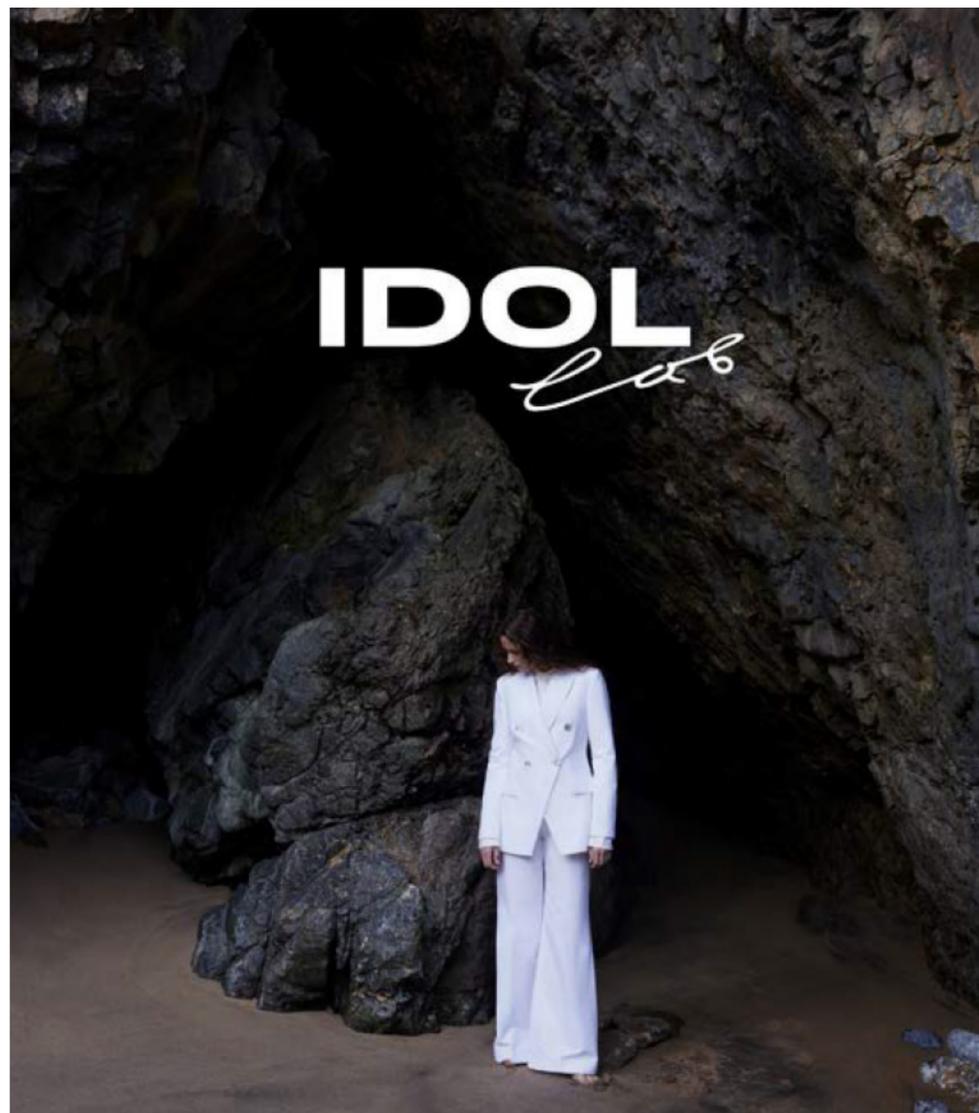
IN THE SUMMER OF 2024, THE BRAND LAUNCHED ITS FIRST LIMITED EDITION IDOL LAB COLLECTION, FOCUSING ON MANUAL TREATMENT OF FABRICS, DECORATIVE TECHNIQUES, EMBROIDERY AND EXCLUSIVE DESIGN.



Two more limited-edition IDOLLAB collections in genuine leather and premium Consinee cashmere were released by the end of the year.



IDOL'S NEW YEAR COLLECTION FEATURES NATURAL SILK ITEMS INSPIRED BY EASTERN AESTHETICS.



MARKETING



THE AMBASSADORS FOR THE SS'24 SEASON WERE ACTRESS SVETLANA KHODCHENKOVA AND OLYMPIC TENNIS CHAMPION KAREN KHACHANOV.

IDOL ALSO PRESENTED SEVERAL SPECIAL PROJECTS:



POWER OF LOVE

with Roman Kostomarov and Oksana Domnina, Denis Rodkin and Eleonora Sevenard, Sergey Mezentsev and Marianna Eliseeva - couples where both partners are the epitome of DO PEOPLE - strong and successful people united by love.



IDOL FRAGRANCE

They told the story of the creation of the IDOL branded fragrance for in-store fragrance marketing: what character it has and how the blind perfumers of the Pure Sense project express their perception of the world and convey it through perfumes.

KATYA GOUSSET X IDOL

In a series of videos, fashion stylist Katya Gousset talked about the season's main trends. IDOLcollections were used as examples.

A COCKTAIL TO CELEBRATE IDOL'S BIRTHDAY AND THE OPENING OF THE FLAGSHIP STORE IN THE HEART OF SAINT PETERSBURG.

The festive atmosphere was shared by friends of the brand from Moscow and Saint Petersburg: Yana Rudkovskaya, Aleksey Zhidkovsky, Viktoria Shelyagova, Victoria Portfolio, Natalia Arkhangelskaya and others.



STORES



IN APRIL 2024, THE IDOL STORE OPENED IN A NEW CONCEPT IN THE MOSCOW AVIAPARK SHOPPING CENTRE.

The new design is a nod to contemporary art galleries. The design uses contrasts and a combination of textures: fine wood and textured concrete, embossed stone and smooth metal. There is more air in the new stores and the interiors have been enhanced with artwork.

The new equipment makes it possible to create thematic zones and focus on relevant capsules. This is supported by multi-level lighting. Lightweight brackets create a sense of weightlessness and emphasise the minimalist interior. In addition, massive stone-topped tables were used for additional layout and voluminous upholstered furniture – for relaxation areas and shoe fitting.



The new concept won the CPM shop & retail solutions awards in the categories “Best Design Concept for a Store of Less than 150 Square Meters in the Premium Segment” and “Best Fitting Area of the Store”.



IN SEPTEMBER, THE FIRST FLAGSHIP STORE WAS OPENED, COVERING AN AREA OF 423 SQUARE METRES ON BOLSHOY PROSPEKT OF PETROGRADSKAYA STORONA IN SAINT PETERSBURG.

IN 2024, IDOL STORES OPENED IN SOCHI, TYUMEN, IRKUTSK, KHABAROVSK, KRASNODAR, VLADIVOSTOK, ORENBURG, PERM AND KRASNOYARSK.



OVERVIEW OF BUSINESS AREAS

TOP MANAGEMENT

SUSTAINABILITY AND DEVELOPMENT ARE THE RESULT OF FLEXIBILITY AND ADAPTABILITY.

Throughout 2024, Melon Fashion Group's strong and cohesive top management team worked to strengthen its departments and introduce new solutions to optimize time and resources, as well as lay a solid foundation for future projects.



ANNA MAZURIK
DIRECTOR OF ZARINA

TATIANA BREDIKHINA
DIRECTOR OF Befree

NATALIA PILYAVSKAYA
DIRECTOR OF LOVE REPUBLIC

ANNA MILANOVICH
DIRECTOR OF SELA

OLGA VERTZ
DIRECTOR OF IDOL

JULIA SHEVKALENKO
DIRECTOR OF INFRASTRUCTURE

NATALIA SAMUTICHEVA
CFO

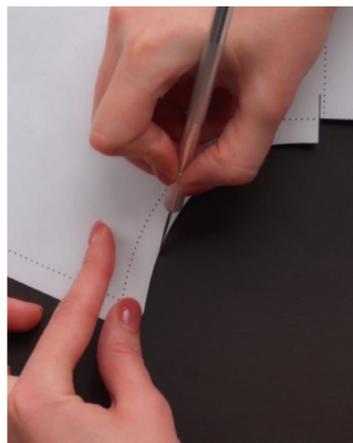
IGOR MALTINSKY
EXPANSION DIRECTOR

ELENA BICHEVAYA
HR & ORGANIZATION DEVELOPMENT DIRECTOR

HR DEPARTMENT

Teamwork is the ability to work together towards a common vision.

As well as attracting new talent, the Human Resources Department is constantly working to unite and involve Melonians in company projects, in order to effectively achieve organizational goals and new stages of development for Melon Fashion Group.



In 2024, the new Happy Job platform was used to conduct an anonymous survey on employee engagement in office and retail. The survey was conducted in a game format and showed the following results:

HAPPY INDEX

80%

BY BENCHMARK: AMONG THE BEST ABOVE THE AVERAGE BENCHMARK 6.6%

LOYALTY

86%

BY BENCHMARK: AMONG THE BEST ABOVE THE AVERAGE BENCHMARK 11.7%

ENPS

54%

BY BENCHMARK: AMONG THE BEST ABOVE THE AVERAGE BENCHMARK 21.6%

THERE ARE MORE THAN

8300

OF US

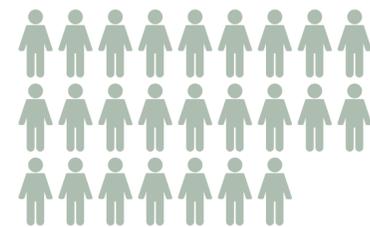


SELECTION AND ADAPTATION

For the convenience of candidates and recruiters, the company's page on the hh.ru platform was updated in the autumn of 2024: there is a division into target groups and areas of work, an infographic on the company's advantages and benefits.

The Succession Planning project is in place to plan for the succession and development of employees within the company. The aim is to strengthen professional skills and identify the human potential of the teams. More than 200 Melonians participated in the first wave.

We have also implemented automated HR analytics for selecting and matching staff based on BI reports, and tripled the number of HR operations in PEDF.



61 EMPLOYEES

joined the company under the "Bring a Friend" program.

48 CANDIDATES

with disabilities received their first work experience in stores and the headquarters of Melon Fashion Group.



49 MENTORS

from the retail and office sectors have become participants in the Supported Employment program after completing special training.

TRAINING

In 2024, the Talent Development Group delivered 149 offline and online training events, covering a wide range of topics to develop soft skills for effective people management.

Employees invested 10,555 academic hours in their development.

73 managers have successfully completed the "Muscle Factory for Leaders" and "LEVEL UP Muscle Factory" management courses. In addition, the first online leadership course was held for the heads of the subsidiaries in Moscow, Shanghai, Belarus and Uzbekistan.

The Talent Development Group, in collaboration with the company's HR specialists, also organized 11 Retail SHOP DAYS for 120 head office employees, as well as 7 INSIDERS MEETUP adaptation meetings for newcomers, which were attended by more than 90 participants.

149

TRAINING EVENTS

>10.5K

ACADEMIC HOURS

>3K

PARTICIPANTS

73

MANAGERS

UNIVERSITY RECRUITING



84 > 11
STUDENTS HIRED TO THE STAFF

As a result of cooperation with leading Russian universities, 84 students completed internships at the Melon Fashion Group headquarters, 11 of whom were hired after successful completion of their internships.



In order to find young designers, HR specialists actively participated in events, competitions and finals as part of the Admiralty Needle, Pushkin Ball and Work in Fashion projects.



In 2024, 26 career-related field trips were conducted for university students and schoolchildren.

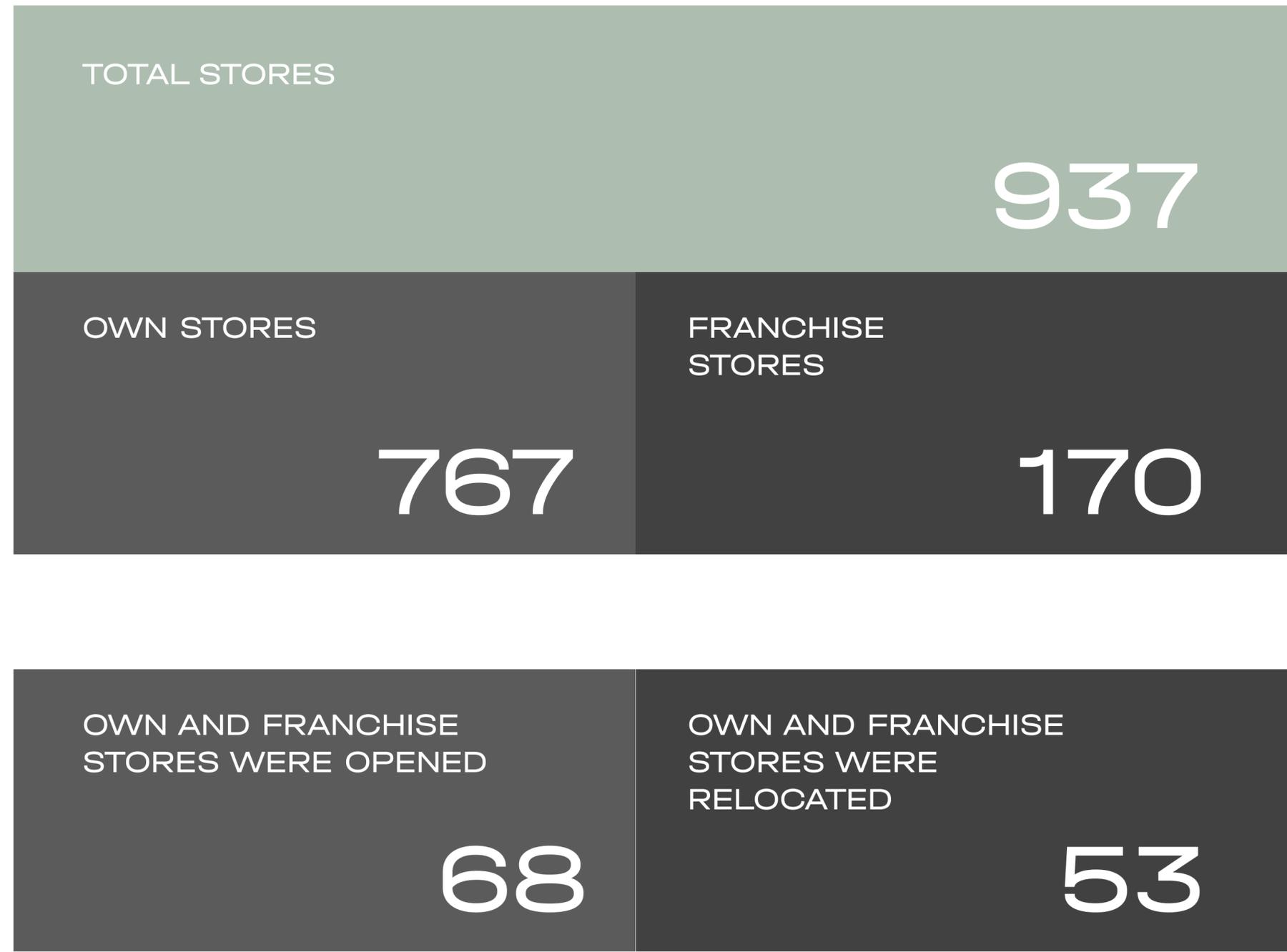
26
TRIPS



DISTRIBUTION CHANNELS

440K M²

OWN RETAIL BUSINESS



OWN RETAIL BUSINESS

In 2024, Melon Fashion Group continued its active expansion program with the opening of larger stores. The result has been the opening of 105 new stores and the relocation of other ones to larger sites.

The development department delivered strategically important openings in prime locations: Moscow Aviapark, Metropolis, European, Afimall and Columbus Shopping Centers, as well as key regional shopping centers Kalina Mall in Vladivostok and Brosko Mall in Khabarovsk.

In addition, four Vigge cafés were opened in SELA's flagship stores: Metropolis and Columbus Shopping Centers in Moscow, Okhta Mall in Saint Petersburg and Brosko Mall in Khabarovsk.

THE RESULT HAS BEEN THE OPENING OF 105 NEW STORES AND THE RELOCATION OF OTHERS TO LARGER SITES.

FRANCHISING

Franchisees continued their policy of upgrading the chain. As a result, 7 stores were opened in the new format in 2024. 9 stores moved to new expanded locations.

By the end of the year, the partner store chain composed 170 franchise stores in Russia, Kazakhstan, Armenia and Kyrgyzstan

ECOMMERCE

Online sales continued to grow strongly due to the wide presence of Melon Fashion Group brands on marketplaces and the convenience of online shopping.



PROCUREMENT

In 2024, Melon Fashion Group continued to work on expanding the supplier pool and strengthening partnerships. The company worked with 500 suppliers from 11 countries: China, Uzbekistan, Bangladesh, Vietnam, India, Turkey, Pakistan, Egypt and Russia. We have also started working with factories in Belarus and Myanmar.

As part of the implementation of the ESG strategy, the company's uniform quality standards for the production of apparel, footwear and accessories were revised and updated in 2024. 50% of the brands' products were manufactured in factories that have passed an ethical audit in the form of a socio-environmental audit based on international standards. There are plans to increase the number of audits.

For more information on suppliers and production assessment, please refer to the 2024 Sustainability Report.



LOGISTICS AND INFRASTRUCTURE

LOGISTICS

Despite the turbulence in the logistics sector, the company continued to develop new routes to reduce logistics leverage and diversify risk. A consolidation warehouse was also opened in Uzbekistan.

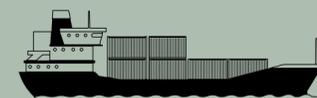
Melon Fashion Group logistics specialists have completed the implementation of the customs declaration project. For example, by 2024, half of all imported goods were processed independently, without the involvement of customs agents (brokers), significantly reducing the cost and time of document verification.

In 2024, the second wave of labelling through the Honest SIGN system was successfully completed on time. Preparations for the third phase of the control and identification mark project have begun.

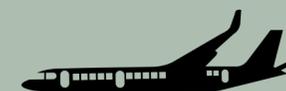
THE AVERAGE TIME TAKEN TO DELIVER FROM SUPPLIER TO WAREHOUSE WAS **40 DAYS**, **4 DAYS** LESS THAN A YEAR EARLIER.

65.1 mln

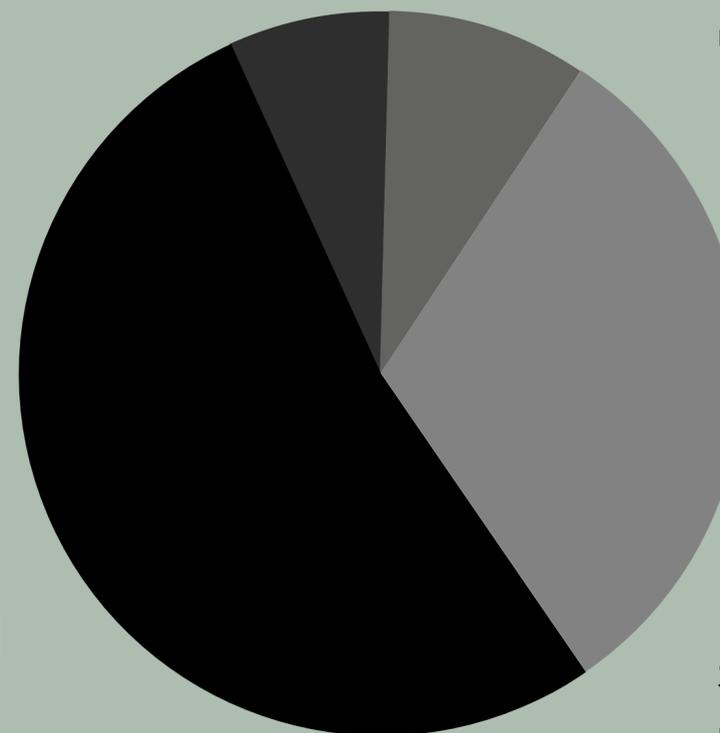
PIECES WERE DISPATCHED IN 2024



BY SEA 7%



BY AIR 9%



BY TRUCKS 53%



BY RAILWAY 31%

IT DEVELOPMENT



KEY PROJECTS OF THE IT DEVELOPMENT TEAM IN 2024:

Implementation of the Melon Scan supplier application for the assembly of labelled kits, improving the quality and accuracy of order assembly and box level analysis.

Implementation of the OMS 2 system and transfer of the Befree brand to in-house fulfilment.

Implementation of the PIM (Product Information Management) system in LOVE REPUBLIC to centrally manage product data and reduce the number of manual operations.

Implementation of a robotics platform for routine operations in logistics based on PIX RPA.

Implementation of the new point-of-sale software pilot and development of an integrated service architecture.

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