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Board and executive strategy memorandum

Stratum Retail – AI and margin discipline

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Distribution: Board of directors, executive committee

Stratum Retail wins on scale and discipline.

Our margins are thin. That is the nature of this business. Small changes in cost or performance move the result quickly.

Artificial intelligence will be part of our operating model this year. It is already embedded in pricing, demand forecasting, fraud detection and customer support.

I support that direction.

But I am concerned about volatility.

Cloud spend linked to AI has grown faster than revenue in the past two quarters. Peak trading events amplify that effect.

At Stratum Retail, growth cannot come at the expense of predictability.

Over the next twelve months we must ensure:

- every production AI service has a named owner
- cost can be linked to a feature, not just an environment
- peak-period scaling is controlled
- owned infrastructure is used deliberately before cloud burst

We will continue to experiment.

But experimentation must sit inside defined boundaries.

Margin built this company.

Discipline will protect it.

Ben