CECONOMY

ANNUAL REPORT

2023/24

CECONOMY IN FIGURES

Sales and earnings

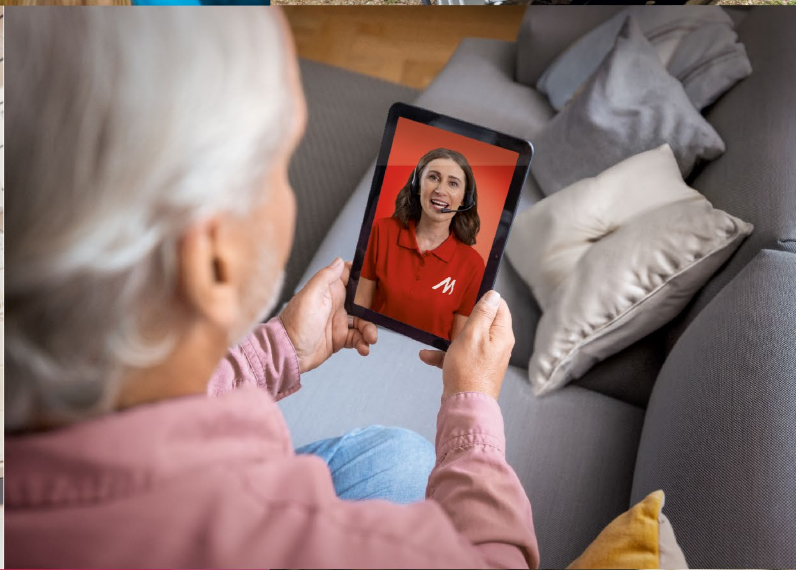
€ million	2022/23	2023/24
Sales	22,242	22,442
Thereof IAS 29 (hyperinflation in Türkiye)	(6)	(124)
Sales development adjusted for currency effects and portfolio changes	4.7%	5.3%
Sales trend like-for-like	4.3%	4.1%
Gross margin	17.7%	17.7%
Adjusted gross margin	17.9%	18.0%
EBIT	−21	254
Adjusted EBIT	243	305
Adjusted EBIT margin	1.1%	1.4%
Net financial result	−21	−166
Tax rate	12.7%	12.8%
Profit or loss for the period attributable to non-controlling interests	2	1
Net result	−39	76
Undiluted earnings per share (€)	−0.08	0.16

Other operating key figures

€ million	2022/23	2023/24
Online sales	4,943	5,136
Services & Solutions sales	1,379	1,487
Earnings share of operating companies recognised at equity	−132	23
Free cash flow	747	587
Investments as per segment report	668	758

Statement of financial position

€ million	30/09/2023	30/09/2024
Net working capital	−705	−857
Net liquidity (+)/net debt (−)	−1,687	−1,621



“WE CREATE EXPERIENCE ELECTRONICS TO ENRICH PEOPLE’S LIFE”

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TO OUR SHAREHOLDERS

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

Transformation requires not only a clear plan, but also the ability to adapt quickly to new market conditions and grow through challenges. In recent years, our determination has developed a momentum that is becoming more and more entrenched and anchored in our company.

This financial year was another successful chapter in this development - despite difficult economic conditions, especially for the retail sector. It was a year in which we capitalised on our momentum and made decisive progress on our way to becoming a service-oriented platform provider. The successes we are achieving today are the result of hard work, smart decisions and the conviction that our path is the right one.

Having embarked on our course for transformation, we have grown as a retail company in new business areas and areas of innovation. We are actively shaping our sector of industry and have set the course for lasting success early on. Our figures show progress, but there is more to it than that – it is the passion, creativity and commitment of our employees that have brought us here.

Our strategy puts our customers at the centre of everything we do. With our strong MediaMarkt and Saturn brands, we offer them inspiring technology and innovative services to accompany them through the digital transformation. Our aim is to create unforgettable shopping experiences – in-store, online or in the app. We call this concept "experience electronics" – a promise that we fulfil more and more every day and that goes far beyond the shopping experience. We offer an attractive working environment in which our employees can realise their full potential and give their best for our customers every day. At the same time, we support our customers on their way to a more sustainable lifestyle, because sustainable business practices are firmly anchored in our strategy. In this way, we make a positive contribution to society that goes beyond our core business and reflects our aspiration to take responsibility for the environment and for society.

These "experiences" represent our aspiration and our promise by which we measure our progress. At our last Capital Markets Day 18 months ago, we presented our strategy and clear performance indicators that make our progress transparent and measurable. With this consistent focus, we create sustainable value that is reflected in customer satisfaction and the performance of our company - to strengthen our market position and for your benefit as our shareholders.

We have continuously optimised our working methods and organisation and are now more effective than ever. Our omnichannel platform has been expanded significantly online and further strengthened through targeted consolidation opportunities in the Netherlands and Switzerland as well as a location partnership with the food retailer Bennett in Italy. We have also increased our margins and improved our cost structures. Furthermore, we have strengthened our financial stability through prudent liquidity management and strict cost control. The successful placement of our sustainability-linked bond on the capital market provides us with a solid financing basis for the future. The fact that it was oversubscribed reflects investors' confidence in our strategy.

In terms of both sales and adjusted EBIT, we have achieved results at the upper end of our forecast range. We adjusted our financial outlook upwards twice during the year due to our strong performance. We have increased our market share in almost all countries, both online and offline. This is particularly remarkable, given the challenging market conditions and macroeconomic environment that we faced. It is clear that we are pursuing our transformation strategy with vigour and that our growth strategy is working.

How we are actively shaping the future of retail is also evident in our day-to-day work. This is particularly evident in our stores: they are more modern and sustainable, and new product categories are being added to the range.

This is illustrated particularly in our new Lighthouse shop in Hamburg, where we have opened Europe's largest interactive technology world covering 15,000 square metres, combining our futuristic concepts "Tech Village" and the

"Xperion" gaming experience world. In addition to the classic product range, we also offer toys, products relating to e-mobility and, for the first time, musical instruments. Our various brick-and-mortar formats – from the core formats to the Lighthouse stores and the compact Xpress stores as local suppliers – are precisely tailored to the needs of our customers. All of our stores offer seamless omnichannel access, including the option to pick up goods ordered online. This offering has been well received: in addition to online, we have also gained market share in bricks-and-mortar stores across Europe.

We have also made significant progress in our online business: our new e-commerce technology platform now serves over 90 per cent of our sales in Europe. This not only strengthens our online presence, but also creates a solid foundation for sustainable growth in a dynamic digital world full of new opportunities. We are expanding our online business at a brisk pace. This also includes the rapid launch of our online shop in Poland. Shortly after the launch, sales figures there were already almost 30 per cent above expectations, while 40 per cent of orders were processed via our newly launched app. Online retail is a central element of our strategy, where our goal is to increase the share of digital sales to around 30 per cent by the 2025/26 financial year.

Artificial intelligence (AI) is poised to transform all industries - and retail is no exception. At MediaMarktSaturn, we recognise the immense potential of this technology and are preparing for an era in which AI not only brings massive improvements in efficiency and effectiveness, but also transforms business models and redefines customer behaviour. For example, we use AI in demand forecasting to better manage the availability of goods and avoid bottlenecks. In customer service, we use chatbots and voice assistants that offer personalised support around the clock. We also use AI-supported analysis to optimise our product range and offer targeted product recommendations based on individual customer preferences. We attach great importance to data protection and compliance and ensure the responsible use of AI. Through applications like these, we create a seamless and intelligent shopping experience that meets our customers' expectations in an increasingly digital world.

In order to offer our customers a comprehensive experience that goes beyond the purchase of products, we have expanded our range of services in a targeted manner, thereby also creating new opportunities for additional revenue. In Germany, for example, we have introduced a 90-minute delivery service together with Uber, which transforms our stores into efficient local distribution centres. We also offer services such as TV installations and repair insurance to provide our customers with real added value and additional security. This has proved a great success: our growth area Services & Solutions is one of our most important business areas. Thanks to high growth rates, we were able to significantly increase our contribution to profitability.

Our growth areas in Own Brands and Marketplace are developing very favourably and are making a significant contribution to the increase in EBIT. With over 1.9 million products offered by sellers on our online marketplace, we have significantly expanded our assortment in five countries and offer our customers a wide selection. We have been able to accelerate the roll-out of the Marketplace and are now also active in the Netherlands and Italy in addition to Germany, Spain and Austria.

We are also making remarkable progress in the retail media business and with our space-as-a-service offering: by strategically utilising our store spaces as advertising platforms, we are tapping into new sources of income and creating valuable customer contacts for our partners. Our space-as-a-service concept also optimises the use of retail space by external partners, increases space productivity and opens up new sources of income. In this way, we want to present our customers with constantly changing themes, products and services in defined areas in the store and allow them to experience these for themselves.

In the area of sustainability we are setting new standards and actively supporting our customers in leading a more sustainable lifestyle – from purchase and use to the environmentally friendly disposal of their electronic devices. We see great potential in the circular economy in particular and aim to continue to play a leading role here. Last year, we introduced our first store concepts with a clear focus on sustainability: the Urban Mobility Hub in Antwerp, the pop-up store in Tübingen, which exclusively offers refurbished products, and the BetterWay boutique in our Hamburg Lighthouse. These concepts have met with a very positive response from customers. We have also made our internal processes more sustainable: since the beginning of the year, we have been using 100 per cent green electricity for our stores and administrative locations. Our CO_2 reduction targets have been validated by the Science Based Targets initiative (SBTi), and by financial year 2032/33 we plan to reduce direct and indirect CO_2 emissions in our business operations (scope 1 and 2) by 58.8 per cent and in parts of our upstream and downstream value chain (scope 3) by 32.5 per cent.

The realignment of our business model and our consistent focus on customer benefits are highly appreciated by our customers. Our net promoter score (NPS), which measures customer satisfaction, has reached a new annual high of

58 points. Equally pleasing is the growing number of members in our MediaMarktSaturn loyalty programme, which has now risen to around 43 million. More and more customers are consciously opting for our community and the exclusive benefits we offer. This positive development confirms the success of our strategic initiatives in innovation and customer service and shows that we are well on the way to building long-term and trusting customer relationships.

My special thanks go to our approximately 50,000 employees at CECONOMY and MediaMarktSaturn. These achievements would not have been possible without their passionate commitment. They actively shape our transformation every day and develop MediaMarktSaturn into a customer-oriented service platform.

Our transformation has picked up the pace. With a clear focus and full of confidence, we are boldly forging new paths – always in the interests of our customers. Just as we managed to break out of the challenging market environment last year, we will continue to capitalise on opportunities in the future and drive our transformation forward with determination.

Thank you for your trust, and I look forward to sharing ideas with you.

Warm regards,

DR KARSTEN WILDBERGER
Chief Executive Officer and Labour Director

THE MANAGEMENT BOARD

DR. KARSTEN WILDBERGER
Chief Executive Officer and Labour Director

Responsible for
Strategy; Sustainability; Customers, including Services; Merchandise Procurement, including Category Management and Own Brands; Brands & Marketing; Country Portfolio; Human Resources; Corporate Communications; Technology, including Cyber Security; Locations and Formats; New Business Models Retail Media, B2B

Profile
Dr Karsten Wildberger has been Chairman of the Management Board and Labour Director of CECONOMY AG as well as Chairman of the Management Board of MediaMarktSaturn Retail Group GmbH and other key Group companies since 1 August 2021. Previously, the 55-year-old was member of the Management Board at E.ON SE, where, as COO from April 2016 onwards, he was responsible for sales and customer solutions in regional units, decentralised generation, energy management, marketing, digital innovation and transformation, as well as IT. Dr Wildberger began his professional career in 1998 as a management consultant at the Boston Consulting Group. He moved to T-Mobile in 2003, where he worked in various roles until 2006. From 2006 to 2011 he was a member of the Management Board at Vodafone in Romania, initially serving as the Chief Financial Officer and then as Chief Commercial Officer. After returning to the Boston Consulting Group as a partner and managing director, Dr Wildberger was appointed Group Managing Director of the Australian telecommunications company Telstra in 2013, where he was the member of the management board responsible for the retail and business customer segment, product development, Telstra's digital transformation and its retail and service organisations. Dr Karsten Wildberger holds a doctorate in physics and an MBA from INSEAD Business School in Fontainebleau, France.

DR. KAI-ULRICH DEISSNER
Chief Financial Officer

Responsible for
Controlling; Accounting, including GBS; Treasury; Investor Relations; Tax; Legal; Non-merchandise Procurement; Governance functions (Audit, Compliance, Data Privacy, Risk Management); Logistics; M&A

Profile
Dr Kai-Ulrich Deissner has been Chief Financial Officer of CECONOMY AG and Chief Financial Officer (CFO) of MediaMarktSaturn Retail Group GmbH and other key Group companies since 1 February 2023. The 56-year-old previously held various CFO roles at Deutsche Telekom for over ten years. During this time, he played a key role in the successful turnaround of Hrvatski Telekom, Croatia's third-largest listed company, as its Chief Financial Officer. Dr Kai-Ulrich Deissner was also CFO of the service & call centre business in Germany. Most recently as CFO Technology & Innovation, he helped to shape the successful transformation of the Group’s technology and innovation portfolio in Europe. Before joining Deutsche Telekom, where Dr Deissner initially worked in marketing, sales and service, he held various positions in the media industry and in consulting.

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

CECONOMY looks back on a successful 2023/24 financial year. In a persistently difficult market environment with politically and economically challenging conditions, we succeeded in increasing sales and earnings for the seventh consecutive quarter.

In addition to our core business, the growth areas of Services & Solutions, own brands, Marketplace and Retail Media have also developed very favourably. At the same time, we further expanded our omnichannel platform in the 2023/24 financial year: in Switzerland, we improved our presence with the acquisition of the Melectronics stores and in Italy we expanded our store partnership with the food retailer Bennett. In addition, selected shops previously operated by Gravis have been integrated in Germany by utilising the compact smart store format. The company is constantly working to expand the range of services it offers its customers. For example, the direct delivery service within 90 minutes offered in cooperation with Uber in major cities since the last financial year has been very well received by customers. This is just one of the reasons why customer satisfaction has reached a new high. The net promoter score (NPS), the key figure used to measure customer satisfaction, increased again compared to the previous year.

With the successful placement of a bond linked to sustainability targets on the capital market at the beginning of July, the company has also secured its long-term financing structure. This shows the confidence investors have in the company. At the same time, this gives us the financial security we need for the coming years to focus fully on implementing our strategy. With the sustainability-linked bond, we are also making a clear commitment to achieving our sustainability goals.

The Group targets for a better carbon footprint were also validated by the independent Science Based Targets initiative (SBTi) in the past financial year. The SBTi was launched in 2015 to support companies in setting emissions reduction targets that are in line with climate science and the goals of the Paris Agreement. The SBTi enables companies to independently assess and validate their own emissions targets using a team of experts. CECONOMY is striving for climate-neutral business practices. The company is reducing the carbon footprint of its own business activities, for example through building automation and optimisation of its own heating, ventilation and air conditioning technology, as well as by largely switching to LED lighting in its stores and purchasing green electricity. We also help our customers to choose and use the right, more sustainable products, for example to consume less energy.

The Supervisory Board thanks the Management Board and all employees for their outstanding achievements in the past financial year.

The Supervisory Board's work of in the 2023/24 financial year

In the 2023/24 financial year, the Supervisory Board of CECONOMY AG performed all of the duties required of it by law and the company's articles of association in full. In addition to the requirements of the law and the articles of association, the Supervisory Board also complied with the provisions regarding the recommendations of the Commission of the German Corporate Governance Code (GCGC) as well as the rules laid down in its own rules of procedure and guidelines.

The Supervisory Board advised and supervised the Management Board of CECONOMY AG in the management of the company. In the context of their cooperation, the Supervisory Board and Management Board maintained a regular dialogue outside the meetings of the Supervisory Board and its committees. The Management Board fulfilled its information duties at all times by informing the Supervisory Board verbally and in writing of all material developments in detail, without delay and in accordance with legal requirements. In particular, the Management Board informed the Supervisory Board about the course of business, the position of the company and the Group (including the risk situation, risk management and compliance) as well as the company's strategy and planning. The Management Board retrospectively explained individual deviations between business performance and planning. In the 2023/24 financial year, the Chairman of the Executive Board, Dr Karsten Wildberger, was in constant contact with me as Chairman of the Supervisory Board on important topics and upcoming decisions.

The Supervisory Board was involved in all decisions of material significance for the company. The Management Board presented for the Supervisory Board's approval all measures and transactions that require this approval in accordance with the law, the company's articles of association or rules stipulated by the Supervisory Board itself. In each case, the Supervisory Board comprehensively reviewed these matters and discussed their utility, potential risks and other implications in detail with the Management Board. Other measures and transactions of material significance for the company not requiring special approval were discussed jointly in connection with the reports and information provided by the Management Board. On the basis of the Management Board's reports, the full Supervisory Board and the committees discussed all business processes of significance for the company in detail.

The Supervisory Board did not exercise its right to inspect and audit as stipulated in Section 111 para. 2 sentence 1 and 2 of the German Stock Corporation Act (AktG) in the 2023/24 financial year.

No members of the Management Board or Supervisory Board were involved in conflicts of interest in the 2023/24 financial year.

↗ Details on potential conflicts of interest of individual Supervisory Board members can be found in the annual declaration on corporate governance, which is available on the website at www.ceconomy.de/en in the section Company – Corporate Governance.

Number of meetings and resolutions and meeting attendance

A total of six meetings of the Supervisory Board, five meetings of the Presidential Committee, six meetings of the Audit Committee, three meetings of the Nomination Committee and two meetings of the Strategy Committee were held in the 2023/2024 financial year. No meetings of the Mediation Committee were necessary in the 2023/24 financial year.

The following table shows the individual Supervisory Board members' respective attendance at the meetings of the Supervisory Board and the committees:

Overview of CECONOMY AG Supervisory Board members' individual meeting attendance in the 2023/24 financial year

	Attendance/number of meetings[1]					
Member of the Supervisory Board	Supervisory Board	Presidential Committee	Audit Committee	Nomination Committee	Mediation Committee	Strategy Committee
Adt, Katrin	6/6	5/5	–	–	–	–
Dannenfeldt, Thomas	6/6	5/5	–	3/3	0/0	2/2
Dohm, Karin	5/6	–	6/6	–	0/0	–
Eckardt, Daniela	6/6	–	–	–	–	–
Eckhardt, Sabine	6/6	–	–	3/3	–	–
Eickholt, Henrike	3/3	–	–	–	–	–
Funck, Dr Florian	3/3	–	3/3	–	–	–
Glosser, Ludwig	5/6	–	6/6	–	–	–
Groß, Corinna	6/6	–	5/6	–	–	–
Huber, Doreen	6/6	–	–	–	–	0/2
Infanger, Stefan	1/1	–	–	–	–	–
Kellerhals, Jürgen	6/6	–	–	–	–	–
Kimpel, Peter	2/2	–	2/2	–	–	–
Kretschmer, Birgit	5/5	–	3/3	–	–	–
Laube, Maria	5/6	–	–	–	0/0	–
Lehmann, Paul	5/6	–	–	–	–	–
Norberg, Julian	4/6	–	–	–	–	–
Plath, Claudia	2/2	–	2/3	–	–	–
Schuhmacher, Erich	6/6	–	–	–	–	–
Schulz, Jürgen	6/6	5/5	–	–	0/0	1/2
Sperl, Jascha	3/3	–	–	–	–	–

Overview of CECONOMY AG Supervisory Board members' individual meeting attendance in the 2023/24 financial year

	Attendance/number of meetings[1]					
Member of the Supervisory Board	Supervisory Board	Presidential Committee	Audit Committee	Nomination Committee	Mediation Committee	Strategy Committee
Ulbrich, Maren	0/1	–	–	–	–	–
Vilanek, Christoph	5/6	–	–	3/3	–	–
Woelke, Sylvia	6/6	5/5	6/6	–	–	2/2

[1] In the case of members who joined or departed the Supervisory Board and the committees during the year, the table shows only the number of meetings that were held in the period of the financial year in which the person in question was appointed as a member of the Supervisory Board or committee.

Overall, the Supervisory Board members' attendance rate at Supervisory Board and committee meetings was 93 per cent. When in the past financial year members of the Supervisory Board did not attend individual meetings of the full Supervisory Board or the committees in which they were members, they largely participated in the resolutions discussed at the meetings by voting in absentia.

The Supervisory Board and committee meetings in the 2023/24 financial year were conducted in person, by video/telephone conferences or as hybrid events, in which it was possible to participate either in person or by video/telephone conference. Of the total of six Supervisory Board meetings in the 2023/24 financial year, four meetings were held in person and two meetings were held via video/telephone conference. Of the total of five meetings of the Presidential Committee in the 2023/24 financial year, one meeting was held in person and four meetings were held via video/telephone conference. Of the total of six meetings of the Audit Committee in the 2023/24 financial year, one meeting was held in person, three meetings were held as hybrid events and two meetings were held via video/telephone conference. The three meetings of the Nomination Committee in the 2023/24 financial year were held by video/telephone conference.

In the 2023/24 financial year, one resolution was passed by the Audit Committee of the Supervisory Board outside an Audit Committee meeting. Otherwise, the resolutions of the Supervisory Board and the Supervisory Board committees in the 2023/24 financial year were passed at the meetings of the Supervisory Board and the Supervisory Board committees.

Material content of the Supervisory Board meetings

The Supervisory Board's work in the 2023/24 financial year and therefore also the content of the meetings were dominated by discussions on development and implementation of the strategy with the Management Board, particularly with regard to growth areas, financial planning for the coming years and ongoing discussions on the direction of the Assurance division (Compliance, Data Privacy and Audit & Consulting).

The main topic of the meeting of the Supervisory Board in **December 2023** was the resolution on the adoption of the annual financial statements and approval of the consolidated financial statements on the basis of the Management Board's explanations and the auditor's report on the audits. The Supervisory Board also passed a resolution on the adoption of the separate non-financial group report following a corresponding explanation by the Management Board and a report by the auditing firm commissioned to review the content of the report. The Supervisory Board was also informed about the achievement of the targets set for the Management Board remuneration for the 2022/23 financial year and passed a resolution to adjust EBIT in line with the remuneration system due to certain extraordinary developments. The Supervisory Board also adopted the resolution on the report on the work of the Supervisory Board in the 2022/23 financial year and the resolution on the remuneration report for the 2022/23 financial year. The Supervisory Board also passed the resolution on the Supervisory Board's proposals for resolutions and nominations for the Annual General Meeting on 14 February 2024 and - in each case subject to the relevant election by the Annual General Meeting - the resolution on the engagement of the auditor and the Group auditor for the 2023/24 financial year and on the conclusion of the corresponding fee agreement. The Supervisory Board furthermore decided to revise the bylaws for the Management Board. During the meeting, the Supervisory Board also received a status report on cyber security and an update on compliance.

At its meeting in **February 2024**, immediately following the company's Annual General Meeting, the Supervisory Board was reconstituted. The Supervisory Board passed resolutions on the election of the Chairman of the Supervisory Board, the membership of the committees, the targets for the composition of the Supervisory Board, the diversity concept and the skills profile as well as on the objections to the overall fulfilment of the statutory minimum quota of women and men on the Supervisory Board. As a precautionary measure, the Supervisory Board also passed a resolution to authorise a law firm in the event of actions for recission or annulment of the resolutions of the Annual General Meeting.

At the meeting in **March 2024**, the Management Board informed the Supervisory Board about the current market and competitive situation, finance planning and the capital allocation policy, among other things, as part of the current reporting. The Supervisory Board also received updates on the topics of risk management and internal auditing. Finally, emergency succession planning for the Management Board and the further development of governance were discussed.

At the meeting in **May 2024**, the Supervisory Board received a detailed overview of the business in Austria. The Supervisory Board passed a resolution approving the refinancing of CECONOMY AG's existing unsecured corporate bond by issuing a new unsecured 5-year corporate bond. Against the background of the appointment by the court of Mr Peter Kimpel as a member of the Supervisory Board, a resolution was also adopted to elect him to the Audit Committee. The Supervisory Board also received an update on ESG issues and the status of the cultural development and the transformation within the Group. The day before the meeting, the Supervisory Board held a full-day closed strategy meeting. However, this was not a Supervisory Board meeting as defined by the German Stock Corporation Act or the GCGC.

At its meeting in **July 2024**, the Supervisory Board passed a resolution to elect Ms Maria Laube as a member of the Mediation Committee. The Supervisory Board also received a status report on cyber security and an update on the internal auditing. Finally, the Supervisory Board discussed changes to the profile of skills and expertise needed for the Supervisory Board.

The main topic of the meeting in **September 2024** was the resolution on the approval of the budget for the 2024/25 financial year and the medium-term planning for the 2025/26 and 2026/27 financial years, including the finance planning. In consideration of the budget submitted by the Management Board, the Supervisory Board passed a resolution to set the respective performance targets for the short-term variable remuneration for the Management Board for the 2024/25 financial year and for the tranche of the long-term variable remuneration to be granted in the 2024/25 financial year. In addition, the Supervisory Board passed a resolution to submit the declaration of conformity in accordance with Section 161 AktG and the nominations to the Annual General Meeting on 26 February 2025 regarding the election of Ms Sabine Nitzsche. The Supervisory Board also passed a resolution on the further development of the skills profile for the Supervisory Board. Finally, the Supervisory Board received an update on compliance and the strategy of the Assurance department, which comprises the areas of Compliance, Data Privacy and Audit & Consulting. Reports were also provided on the current status and further development of ESG-related processes as well as the status of cultural development and transformation within the Group.

At the meetings of the Supervisory Board in the past financial year, the Management Board regularly informed the Supervisory Board about the market and the competition, current business trends, including the macroeconomic environment, the status of the strategy development and implementation and personnel changes in the top executive team of CECONOMY AG and MediaMarktSaturn Retail Group GmbH. Presentations on selected strategic initiatives were given at the meetings to further develop and implement the strategy.

The chairwomen and chairmen of the Supervisory Board committees informed the Supervisory Board at the committee meetings about the content and results of the previous committee meetings.

In the past financial year, the Supervisory Board regularly dealt with Management Board matters when individual Management Board members were not in attendance and also met in the absence of the Management Board members in a discussion scheduled at the end of each meeting.

The work of the Supervisory Board committees in the 2023/24 financial year

As of 10 December 2024, the Supervisory Board has formed five committees, which are composed as follows:

Presidential Committee
Thomas Dannenfeldt (Chairman)
Jürgen Schulz
Katrin Adt
Sylvia Woelke

Audit Committee
Karin Dohm (Chairwoman)
Sylvia Woelke (deputy Chairwoman)
Ludwig Glosser
Corinna Groß
Peter Kimpel
Birgit Kretschmer

Nomination Committee
Sabine Eckhardt (Chairwoman)
Thomas Dannenfeldt
Christoph Vilanek

Strategy Committee
Thomas Dannenfeldt (Chairman)
Jürgen Schulz (Vice Chairman)
Doreen Huber
Sylvia Woelke

Mediation Committee pursuant to Section 27 para. 3 of the German Co-Determination Act
Thomas Dannenfeldt (Chairman)
Jürgen Schulz
Karin Dohm
Maria Laube

The appointments to the committees follow the relevant requirements of the German Stock Corporation Act, the GCGC and the Supervisory Board's own targets for the composition of the Supervisory Board and its committees, including the profile of skills and requirements. The Audit Committee is expertly staffed by its highly experienced chairwoman, Ms Karin Dohm, and the other members. Karin Dohm is independent and is not a former member of the Management Board of CECONOMY AG. She has very extensive expertise in the areas of accounting (including the non-financial statement) and auditing as well as compliance and internal control procedures. The Vice Chairwoman of the Audit Committee, Ms Sylvia Woelke, has the necessary expertise in the areas of compliance, internal control procedures and accounting. Birgit Kretschmer has the necessary expertise in the areas of accounting and auditing (including the non-financial statement). Peter Kimpel has the necessary expertise in the areas of auditing and accounting. The other members of the Audit Committee all have sufficient knowledge and experience in the areas of auditing, accounting, compliance and internal control procedures.

The committees prepare the discussions and the resolutions of the full Supervisory Board regarding the tasks assigned to them by the law or the rules of procedure. Within the legally prescribed framework, the Supervisory Board has also conferred decision-making powers on the committees. Within these powers, the committees act directly in the Supervisory Board’s stead.

↗ The tasks assigned to the committees of the Supervisory Board can be found on the website at www.ceconomy.de/en under Company – Supervisory Board.

Material content of the committee meetings and committee resolutions passed outside of meetings

Presidential Committee
A total of five Presidential Committee meetings were held in the 2023/24 financial year.

At its meetings, the Presidential Committee discussed (emergency) succession planning for the Management Board and the managers of the company. In addition, the Presidential Committee submitted its recommended resolution on the remuneration report for the 2022/23 financial year to the Supervisory Board. Furthermore, the Presidential Committee discussed the current level of target achievement for the variable components of the Management Board remuneration for the 2022/23 financial years (including the recommended resolution to the Supervisory Board for the above-mentioned adjustment) and 2023/24 (including the review of share ownership compliance). Finally, another focal point of the Presidential Committee's meetings was the discussion of the key points for setting the performance targets for the variable components of the Management Board remuneration for the 2024/25 financial year, including corresponding resolution recommendations.

Material issues that the Presidential Committee also dealt with included the implementation of the recommendations for action derived from the self-assessments of the Supervisory Board's work, the corporate governance of CECONOMY AG, the review of Management Board and Supervisory Board remuneration (including the increase in the remuneration components of Dr Wildberger) and the topic of cultural change and transformation within CECONOMY.

The meetings of the Presidential Committee were attended by the Chief Executive Officer and also the Chief Financial Officer if necessary. In a discussion without the Chief Executive Officer scheduled at the end of every meeting, the Presidential Committee met in the Chief Executive Officer’s absence.

Audit Committee
A total of six Audit Committee meetings were held in the 2023/24 financial year. In October 2023, the Audit Committee also passed a resolution by way of circular procedure to approve the engagement of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to provide advisory services in connection with the Corporate Sustainability Reporting Directive (CSRD) and to conduct the statutory audits of the annual financial statements of certain subsidiaries.

At its scheduled meetings, the Audit Committee discussed a range of topics in a regular and standardised manner with the Management Board, auditors, and other guests relevant to the topic. These included in particular:

- The draft quarterly statements and half-year financial report presented to the Audit Committee by the Management Board before their publication and the accompanying discussion of plan achievement and the capital market viewpoint.

- The discussion of quarterly statements and of the review of the half-year financial report with the auditor.

- Information on the governance systems, the risk management system, the internal control system, their effectiveness and their ongoing development.

- A quarterly report by Internal Audit on completed and ongoing audits as well as the annual report of Internal Audit and the planning for the following period and

- The discussion of the capital market viewpoint together with the Management Board.

In addition to these agenda items, the following topics were discussed in depth at the individual meetings in the 2023/24 financial year:

At the meeting in **November 2023**, the Audit Committee discussed the indicative figures for the 2022/23 financial year, the annual report and audit planning of Internal Audit, the annual report on compliance and data protection and an update on the clearing process at MediaMarktSaturn Germany. The Audit Committee also passed a resolution on the focal points of the audits for the 2023/24 financial year.

The focus of the Audit Committee meeting in **December 2023** was the discussion and examination of the annual and consolidated financial statements and the combined management report prepared by the Management Board for the 2022/23 financial year. The Audit Committee discussed the audit reports and the findings of the audits with the auditor.

In so doing, the Audit Committee heard a report from the auditor about its independence during the performance of the audit. On the basis of its examinations and the discussion of the auditor's audits, the Audit Committee recommended that the Supervisory Board approve the annual financial statements and consolidated financial statement as well as the combined management report for the 2022/23 financial report. The Audit Committee also recommended that the Supervisory Board approve the separate non-financial Group report for the 2022/23 financial year. In addition, the Audit Committee submitted its recommended resolution to the Supervisory Board that it endorse the Management Board's proposal to the Annual General Meeting regarding appropriation of the balance sheet profit. The Audit Committee also discussed the assessment of the quality of the audit. The Audit Committee also submitted its recommendation to the Supervisory Board for a resolution regarding the award of the audit mandate to the auditor and the Group auditor for the 2023/24 financial year and the conclusion of the fee agreement. The Audit Committee also decided to commission PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to audit the separate non-financial Group report in the form of an audit with limited assurance. Finally, the Audit Committee received the annual report on donations and sponsorship.

At the meeting in **February 2024**, the Audit Committee discussed standard topics as well as financial planning for the coming years, paying particular attention to possible renewals and changes to debt financing.

At its meeting in **May 2024**, the Audit Committee discussed the refinancing of the existing unsecured corporate bond by issuing a new unsecured 5-year corporate bond and, in this context, passed a resolution to commission PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to issue a comfort letter. The Audit Committee also dealt with the Group tax planning for the 2023/24 and 2024/25 financial years and the preparation of the audit of the separate non-financial Group report for the 2023/24 financial year (including a report on non-financial initiatives). The Audit Committee also received an update on risk management, compliance, data protection and the internal control systems, on the current status of various implementation measures under company law and tax law following the Convergenta transaction in 2022 and on the status of the planned reduction of the company's own physical data centres and the move towards the use of cloud structures.

At the meeting in **August 2024,** the Supervisory Board discussed the results for the third quarter of the 2023/24 financial year with the Management Board and received an update on the expected development of the annual result for the 2023/24 financial year. The project to introduce a global minimum tax for large corporations (Pillar II) and its potential impact on CECONOMY was also presented.

At the meeting in **September 2024,** the Audit Committee prepared the Supervisory Board's resolution to approve the budget planning for financial year 2024/25 and the medium-term planning for the 2025/26 and 2026/27 financial years, including the finance planning, as adopted by the Management Board, and adopted a recommendation for a resolution to that effect. Furthermore, the Audit Committee discussed the current status of the project involving the introduction and implementation of the CSRD and the status of the non-financial report relevant to the current financial year with the Management Board and the responsible team leaders. The quarterly update on risk management, compliance and data protection and the internal control systems was also presented and discussed. In addition, the Audit Committee discussed the quarterly report of Internal Audit and its audit plan for the 2024/25 financial year with the responsible company representatives. The focal points of the audits for the 2024/25 financial year were then discussed together with the auditor.

The meetings of the Audit Committee were attended by the Management Board, the Chief Financial Officer and the auditor. The Audit Committee also regularly consulted with the auditors without the Management Board.

Nomination Committee
A total of three Nomination Committee meetings were held in the 2023/24 financial year.

At its meetings, the Nomination Committee discussed the succession planning for the shareholder representatives on the Supervisory Board, including the objectives for the composition of the Supervisory Board, the diversity concept and the skills profile for the Supervisory Board. The Nomination Committee also refined the skills profile and submitted a corresponding recommendation for a resolution to the Supervisory Board. Another focus of the meetings of the Nomination Committee was the further professional development of members of the Supervisory Board.

The Nomination Committee met without the members of the Management Board at all meetings.

Strategy Committee
The Strategy Committee held a total of two meetings in the 2023/24 financial year.

At these meetings, the Strategy Committee dealt with market developments and the competitive situation in Europe as well as the procedure and content of the Supervisory Board's planned strategy meeting in May 2024.

The members of the Management Board attended both meetings.

↗ A detailed description of the workings of the committees can be found in the annual declaration on corporate governance, which is available on the website www.ceconomy.de/en under Company – Corporate Governance.

Training and professional development of Supervisory Board members

In principle, the members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties. CECONOMY AG helps new members of the Supervisory Board members to familiarise themselves with topics relevant to the company with a wide range of webinars, which are also used by long-term members of the Supervisory Board for refresher training and further development. This programme includes modules on all topics relevant to the company, such as "Basic understanding of the CECONOMY commercial business model", "Basic understanding of the CECONOMY balance sheet and its special features", "Business management and controlling, accounting and reporting, financial statement auditing", "Strategy, trends and competition", "Core products", "New growth areas", "ESG", "Customer experience", "Corporate governance, stock corporation and capital market law" and "Audit, compliance and data protection". In addition, the members of the Supervisory Board are informed regularly and as required about current changes in legislation, new accounting and auditing standards and innovations in corporate governance issues. In the past financial year, CECONOMY AG organized an external training course for the Supervisory Board on the topic of AI transformation.

Corporate governance

The Management Board and Supervisory Board report on the corporate governance of CECONOMY AG for the 2023/24 financial year in the 2024 declaration on corporate governance.

↗ The declaration on corporate governance is published on the website at www.ceconomy.de/en under the heading Company - Corporate Governance.

The Management Board and Supervisory Board of CECONOMY AG last submitted their declaration of conformity pursuant to Section 161 AktG with the recommendations of the Commission of the GCGC in September 2024.

↗ This declaration has been made permanently available on the company's website at www.ceconomy.de/en/ under the heading Company – Corporate Governance. The current declaration is also reproduced in full in the 2024 declaration on corporate governance.

Annual and consolidated financial statements

As auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft audited the consolidated financial statements for financial year 2023/24 prepared by the Management Board on the basis of the International Financial Reporting Standards (IFRS) and issued an unqualified audit opinion. This also applies to the 2023/24 annual financial statements of CECONOMY AG prepared in accordance with the German Commercial Code (HGB) and the summarised management report for CECONOMY AG. The auditor presented a written report on the results of the audit.

The annual and consolidated financial statements and the audit reports were discussed and examined in detail at the meetings of the Audit Committee and at the meeting of the Supervisory Board in December 2024 with the auditor in attendance. The necessary documents were distributed to all members of the Audit Committee and the Supervisory Board in good time before these meetings, so there was ample opportunity for a review. At both meetings, the auditor reported on the material findings of its audit and was also available for questions and further information in the Management Board's absence.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft informed the Supervisory Board about the services that were provided in addition to those related to the audit of the financial statements. No circumstances arose that prompted concerns about the auditor's independence. Following its own audit review of the annual financial statements, the consolidated financial statements and the combined management report for financial year 2023/24, the Supervisory Board had no objections and as a whole approved the results of the audit conducted by the auditor. The Supervisory Board adopted the annual financial statements prepared by the Management Board and the consolidated financial statement. The annual financial statements of CECONOMY AG are thus approved. The audit opinions issued for the financial statements since the 2022/23 financial year have been signed by Ms Verena Heineke as the responsible auditor and Mr Christian David Simon as auditor.

Review of the content of the separate non-financial group report

The Supervisory Board discussed in detail and examined the content of the reporting on the matters specified in the Act to Strengthen Non-Financial Reporting by Companies in their Management and Group Management Reports (CSR Directive Implementation Act) of 11 April 2017 as part of the separate non-financial Group report of CECONOMY AG for the reporting period from 1 October 2023 to 30 September 2024. At its meeting on 16 December 2024, the Supervisory Board passed a resolution to approve the separate non-financial Group report of CECONOMY AG for the reporting period from 1 October 2023 to 30 September 2024. The content of the non-financial reporting was reviewed by the Supervisory Board with external support as part of an audit to obtain limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, which the Audit Committee of the Supervisory Board commissioned by resolution on 13 December 2023 to provide corresponding support separately from the audit of the annual financial statements and the consolidated financial statements. No matters have come to the attention of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft during its audit that cause it to believe that the separate non-financial Group report has not been prepared, in all material respects, in accordance with Sections 315b, 315c in conjunction with 289c to 289e HGB. At the Supervisory Board meeting in December 2024, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft reported on the key findings of the audit and was available to answer questions and provide additional information.

Personalia

1. PERSONNEL CHANGES ON THE MANAGEMENT BOARD

There were no personnel changes on the Management Board in the 2023/24 financial year.

2. PERSONNEL CHANGES ON THE SUPERVISORY BOARD

Personnel changes among the shareholder representatives

In the 2023/24 financial year, the shareholder representatives Claudia Plath and Dr Florian Funck left the Supervisory Board.

The term of office for which Claudia Plath was elected as a member the Supervisory Board ended as scheduled at the end of the annual general Meeting on 14 February 2024. The annual general meeting on 14 February 2024 elected Birgit Kretschmer as a shareholder representative to the Supervisory Board for the first time. In addition, the terms of office of Thomas Dannenfeldt, Karin Dohm and Sabine Eckhardt as shareholder representatives were renewed by their re-election at this annual general meeting.

Dr Florian Funck resigned from the Supervisory Board with effect from 30 April 2024. With effect from 3 June 2024, Peter Kimpel was then appointed by the court as a member of the Supervisory Board.

Personnel changes among the employee representatives

In the 2023/24 financial year, the employee representatives Maren Ulbrich and Stefan Infanger left the Supervisory Board.

Maren Ulbrich resigned from the Supervisory Board with effect from 15 January 2024. The court appointed Henrike Eickholt as a substitute member of the Supervisory Board with effect from 28 March 2024.

In addition, Stefan Infanger left the Supervisory Board with effect from 1 February 2024. The court appointed Jascha Sperl as a substitute member of the Supervisory Board with effect from 8 May 2024.

The distribution of skills in accordance with the profile of skills and expertise adopted by the Supervisory Board is available in the declaration on corporate governance.

On behalf of the entire Supervisory Board, I would like to thank all members who left the Supervisory Board in the past financial year for their commitment to the company and their loyalty to CECONOMY AG. We would also like to take this opportunity to thank Karin Dohm in particular for her extraordinary achievements as chairwoman of the Audit Committee. She resigned from the Supervisory Board with effect from the end of 16 December 2024.

I congratulate all of the new Supervisory Board members who joined in the past financial year on their election or appointment and thank all the Supervisory Board members for their valuable contributions. I look forward to the continued cooperation on our board.

For the Supervisory Board

THOMAS DANNENFELDT
Chairman

THOMAS DANNENFELDT

Chairman of the Supervisory Board

Profile: Thomas Dannenfeldt has been a member and Chairman of the Supervisory Board of CECONOMY AG since 2021.

Thomas Dannenfeldt was born in Feuchtwangen in 1966. After graduating from the University of Trier with a degree in business mathematics, he worked in various prominent management positions within the Deutsche Telekom AG Group, most recently – until 2018 – as the Chief Financial Officer. Given his professional career, Thomas Dannenfeldt brings exceptional experience in managing and supervising listed, internationally operating companies to the Supervisory Board. He has considerable expertise in all areas of finance and in sales, customer service, operations and marketing.

↗ Further information on Mr Thomas Dannenfeldt and the other members of the Supervisory Board can be found on the website www.ceconomy.de/en under Company - Supervisory Board.

CECONOMY AT THE CAPITAL MARKET

Performance of the CECONOMY AG shares

The CECONOMY AG share met with a cautious stance from investors at the start of the 2023/24 financial year. The persistently weak consumer climate in most European countries kept up the pressure on discretionary household spending. Against this backdrop, the share was trading at around €2.00 until mid-November. Towards the end of the month, the share price was boosted by rumours of a possible investment in CECONOMY by the Chinese provider JD.com. However, these were quickly denied.

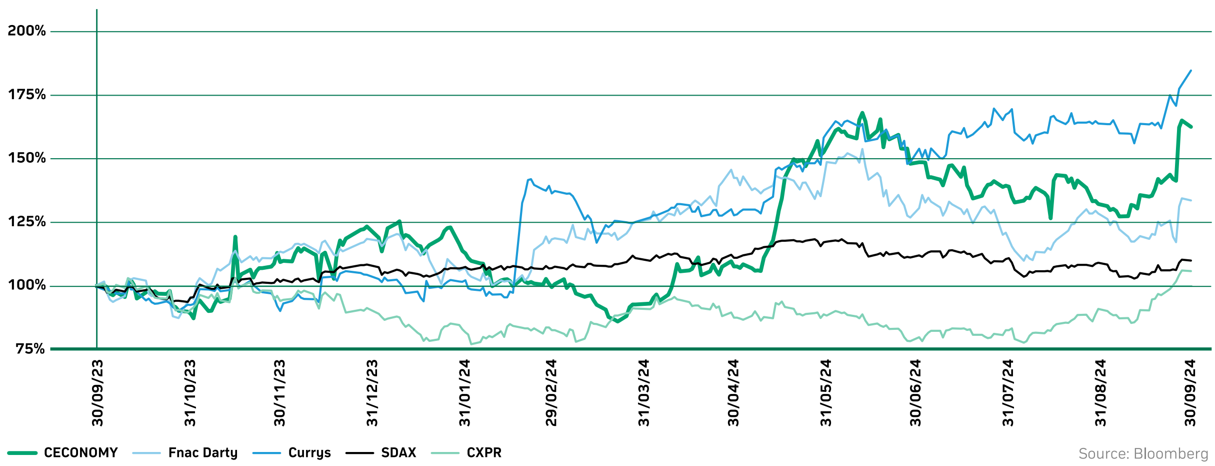
The share price initially fell slightly in December but resumed its upward trend after the publication of the financial year figures in mid-December. The positive trend continued until the end of January. This development was supported by the increase in the share price targets of three analysts following the publication of the results for 2022/23 and the outlook for 2023/24.

In February and March, the investors were particularly concerned about macroeconomic developments and consumer demand. Overall, the EU economy had a weaker than expected start to the 2024 calendar year.

The specification of the EBIT forecast in an ad hoc announcement on 13 May 2024 and the publication of the half-year figures on 15 May 2024 provided a positive impetus for the share price. The share reached its high for the year on 12 June 2024 at €3.37.

A positive trend began in mid-August after the results for the third quarter exceeded expectations. This development was supported by interest rate cuts by some national central banks, which strengthened the global equity market. CECONOMY shares closed the 2023/24 financial year on 30 September 2024 at a price of €3.26.

Performance on the capital market



The CECONOMY AG share price rose by some 63 per cent in the period from 29 September 2023 to 30 September 2024. The share has thus significantly outperformed the benchmark indices SDAX and Germany Prime Retail (CXPR)..

Price performance

Share/index	Name	Ticker	Yield 29/09/2023 to 30/09/2024 (closing prices)
Ordinary share	CECONOMY AG	CEC	+62.6%
Ordinary share	Fnac Darty S.A.	FNAC	+33.6%
Ordinary share	Currys plc	CURY	+84.8%
Index	SDAX	SDAX	+10.0%
Index	Germany Prime Retail	CXPR	+5.8%

Data based on Xetra closing prices
Source: Bloomberg

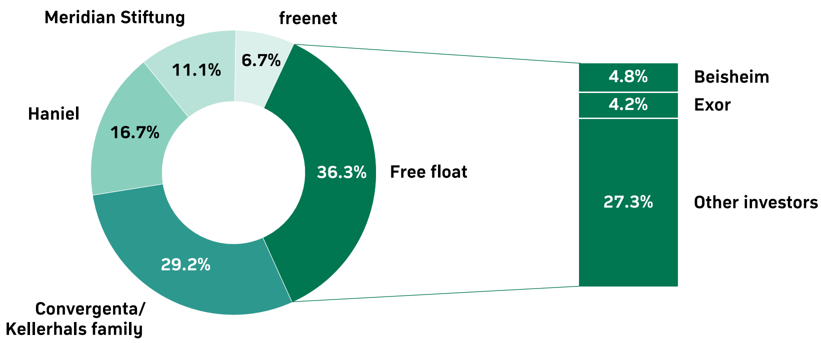
Information about the CECONOMY shares

	Ordinary share
Code number	725 750
ISIN code	DE 000 725 750 3
Reuters code	CECG.DE
Bloomberg code	CEC GY
Number of shares as of 30/09/2023	485,221,084 shares
Number of shares as of 30/09/2024	485,221,084 shares

Shareholder structure of CECONOMY AG

The shareholder structure as of 30 September 2024 is presented below based on voting rights.

Shareholder structure by voting rights



MAIN SHAREHOLDERS

The main shareholders of CECONOMY AG are Convergenta/Kellerhals family, Haniel, Meridian Stiftung and freenet AG. Based on notifications of voting rights and notifications of managers' transactions, Convergenta/Kellerhals family is the largest shareholder with a share of 29.2 per cent. The second-largest shareholder is Haniel, with 16.7 per cent of the voting rights. The third-largest shareholder is Meridian Stiftung, which holds 11.1 per cent of the voting rights. The fourth-largest shareholder is freenet AG with 6.7 per cent of the voting rights. It is followed by the Prof. Otto Beisheim Foundations, with a share of 4.8 per cent, and the investment company Exor Financial Investments, with 4.2 per cent.

FREE FLOAT

As of the reporting date, the free float of voting rights amounted to 36.3 per cent and was spread across a large number of national and international investors. The notifications of voting rights from investment companies and other available information show that British investors are the largest group of institutional investors, followed by investors from the United States, Germany and Switzerland.

Dividend

The annual financial statements of CECONOMY AG as of 30 September 2024, prepared in accordance with the provisions of the German Commercial Code (HGB), report balance sheet profit in the amount of €242 million for financial year 2023/24 after allocation of €102 million to other reserves retained from earnings in accordance with Sec. 272 para. 3 HGB. Partly due to the capitalisation of deferred tax assets in the statement of financial position as of 30 September 2024, balance sheet profit is blocked from distribution in accordance with Sec. 268 para. 8 HGB in the amount of €138 million. An amount of €104 million is therefore eligible for distribution.

In order to strengthen equity and preserve the company's liquidity, the Management Board and the Supervisory Board propose to carry forward €138 million of the balance sheet profit for the financial year 2023/24 totalling €242 million as reported in the approved annual financial statements as of 30 September 2024 to new account and to transfer €104 million to retained earnings.

Analyst recommendations

At the end of the 2023/24 financial year, nine analysts from international banks and brokers were covering and valuing the CECONOMY AG share. Five analysts recommended the CECONOMY share as a “Buy”. Three analysts rated the share as “Hold” or “Neutral”, and one as “Sell”. The median target price at closing date was €3.00.

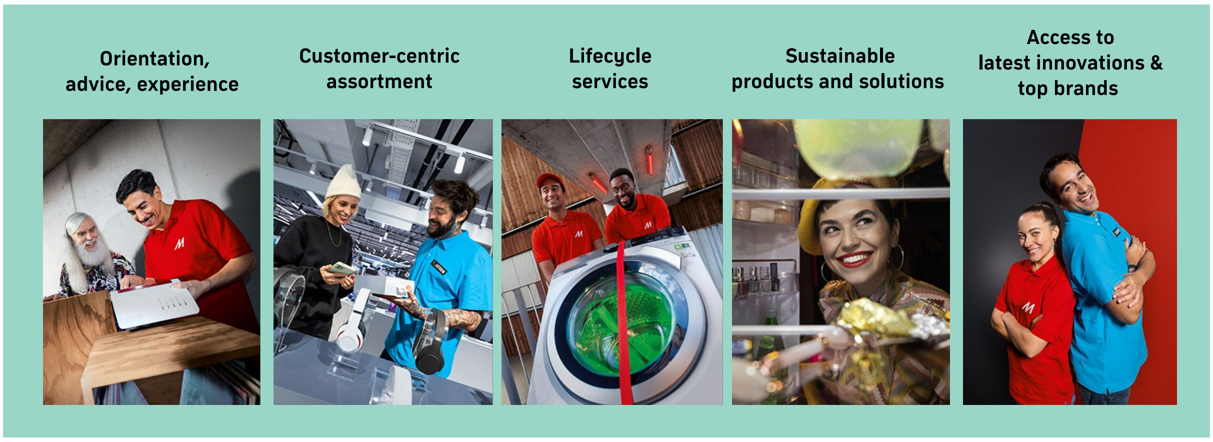
STRATEGY

Point of departure

We operate in an attractive and highly dynamic environment. The market for technical consumer goods (consumer electronics) has a volume of over €130 billion in the eleven countries in which we operate[1]. We are constantly expanding the market we address by introducing new categories, for example via our Marketplace. Consumer electronics are characterised by continuous product innovation, and the digitalisation of all areas of our customers is progressing rapidly – from the world of work, to the home, lifestyle, health care, mobility and much more.

To remain relevant in this constantly changing environment, we need to offer real added value. Today, our customers expect far more than just access to technology products. They are looking for guidance, first-class shopping experiences, innovative product ranges and services and access to the circular economy – all in a personalised and tailored way.

Changing customer needs



We are confident that we are better positioned than the competition to meet these changing customer needs. Our brands are among the best known in the market: MediaMarkt, MediaWorld and Saturn. Our loyalty customer base is already over 40 million and growing. Around 50,000 employees with a passion for technology[2] provide personalised advice and service. A strong omnichannel infrastructure ensures a customer-centred connection between our more than 1,000 stores and our online channels, which are among the leading e-commerce platforms in our countries, and an ever-growing range of products for our partners is deepening our long-standing relationships with the leading brands in our industry sector.

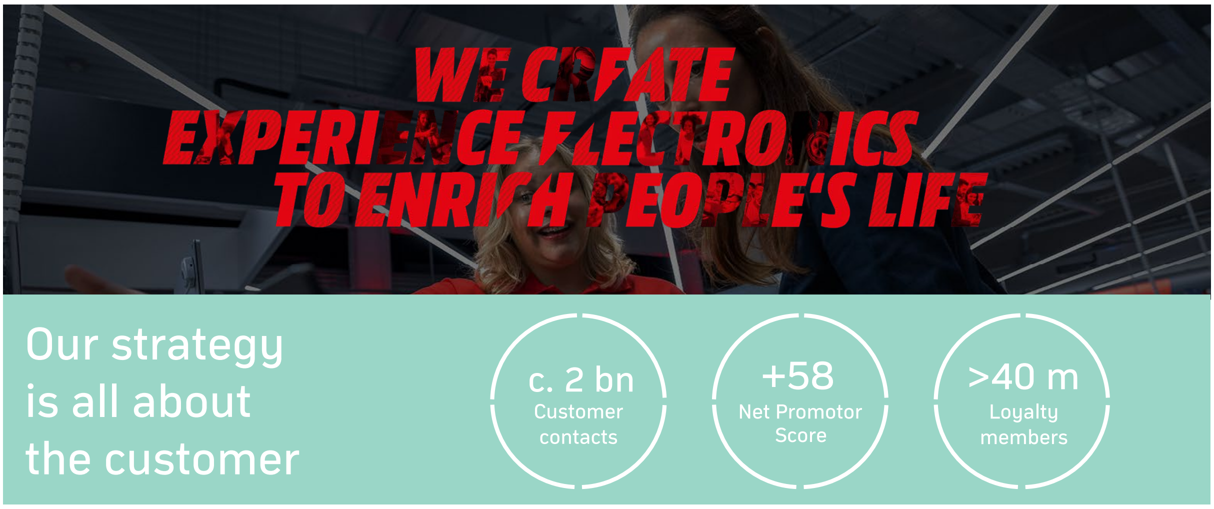
Our strategy

We are changing profoundly as a Group in order to fulfil these changing customer preferences. Our purpose serves as our north star for our transformation: "We create experience electronics to enrich people's lives." Our purpose expresses two key aspects of our strategy: We place customers at the centre of everything we do. And we go significantly beyond the transactional business: we build deep and long-lasting relationships with our customers - the main value drivers of our company.

[1] Source: Own calculations based on POS Panel GfK - An NIQ Company

[2] On 30/09/2024

Omnichannel offers the most customer benefits



We bring "experience electronics" to life along four pillars. Our ambition is to differentiate ourselves from our competitors by offering leading products and services:

Employee experience: Our employees are our greatest asset. They offer personalised service on all channels - with the "human touch".

Shopping experience: We combine the on-site experience in our modernised stores with innovative digital offerings better than others and offer the most relevant product range.

Usage experience: We offer the most customer-centred service to support customers throughout the entire life cycle.

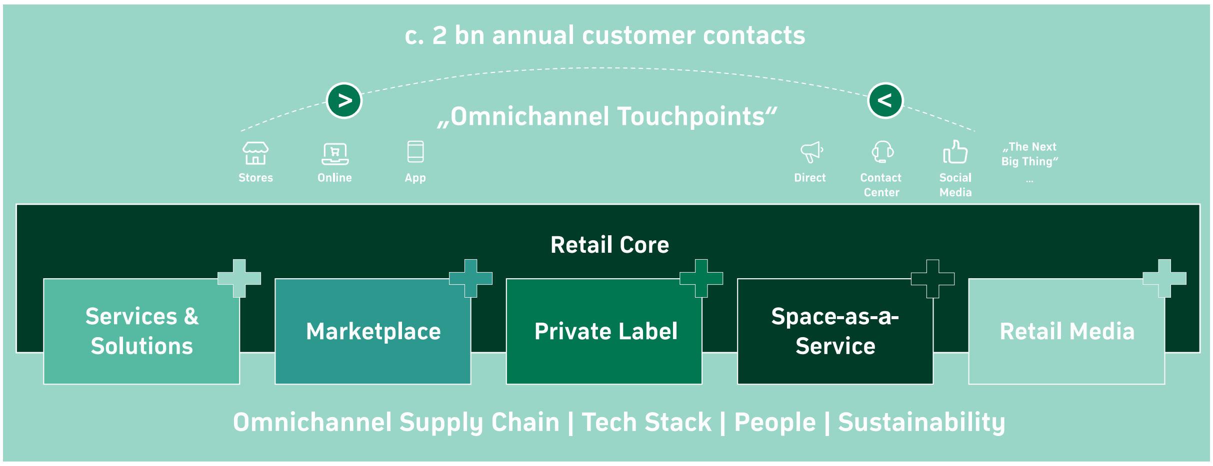
Impact experience: We offer the most comprehensive range of sustainable products and services in the circular economy.

Experience Electronics

Our business model

The retail business is the core of our business. But we want to be much more than just a retailer: we are in the process of developing our business model into an omnichannel service platform. Building on our deep customer relationships, we have successfully scaled up high-growth and increasingly independently managed business areas and are continuously exploring further opportunities to grow. Our growth areas not only enrich the shopping experience for our customers, but also have attractive margin profiles.

Our platform businesses increase customer relevance and profitability



The foundation of our platform is the **retail business** ("Retail Core") involving consumer electronics and related product categories with an experience-focused omnichannel offering for customers. We are continuously working to improve our profitability with a focus on high-growth, high-margin areas and to tap into additional market potential with new categories such as mobility and refurbished products. Sustainability plays a central role in our product mix, supported by MediaMarktSaturn's own "BetterWay" logo.

The **Services & Solutions** business includes a constantly growing portfolio of services such as financing, insurance, repairs, installation service, trade-in and IP-TV. In this way, we address the most important needs of our customers: affordability, worry-free usage, support in emergencies and conscious consumption. For us, services are an important lever for profitability while at the same time minimising the negative impact on our balance sheet, as we work together with partners (for example in the area of financing). We are offering an increasing range of services in the form of subscription models, which generate recurring cash flows.

The MediaMarktSaturn **Marketplace** offers an extensive range of products to complement our own retail business. Customers can seamlessly access a manufacturer's full range ("long tail") as well as complementary offerings from third parties. CECONOMY benefits from commissions without taking on inventory risk.

The **Private Label business** involving the Koenic, ISY, Peaq and ok. brands offers attractive value-for-money alternatives for our customers. The range is carefully curated with the portfolio of our industry partners and supported by strategic marketing campaigns. This allows us to achieve higher margins by acting not only as a retailer, but also as supplier along the value chain.

The **Space-as-a-service** business offers our partners access to shop space and retail infrastructure, enabling them to benefit from our reach. Partners can present their brands and innovations through offers such as shop-in-shop concepts, branded elements, experience zones and events. CECONOMY thus increases the value of its retail space, generates recurring revenue streams and deepens its relationships with the industry.

The **Retail Media** business offers manufacturers and advertisers the opportunity to present and market themselves strategically on MediaMarktSaturn's online and offline channels and to make their success measurable. This concept is based on proprietary, anonymised data on customer behaviour. Offers such as sponsored product ads, sponsored brand ads, in-store ads and reporting increase the visibility of partners directly where customers shop. For our end customers, this means more relevant offers and communication, while we develop a scalable and data-driven business model.

Our various business areas benefit from underlying growth and generate margins that are significantly higher than those achieved in retail core. In combination with our initiatives to continuously improve profitability in our core retail business, our aim is to significantly increase our EBIT contribution by the 2025/26 financial year. We have communicated clear targets for each area as part of our Capital Markets Day 2023 and regularly inform the capital market about our progress. Overall, we are well on track and are confident of achieving our ambitious targets. The target in the retail media segment has already been exceeded for the past financial year. The exact definitions can be found in the section on the management system.

Our capital market pledges

Business fields	KPI	FY 21/22	FY 22/23	FY 23/24	Target FY 25/26
Retail Core	Loyalty members	34 m	39 m	**43 m**	50 m
Retail Core	Online share	25%	23%	**24%**	c. 30%
Retail Core	Modernisation rate	30%	50%	**64%**	>90%
Retail Core	Stock reach progress	10.3 weeks	–11%	**–10%**	–10%
Space-as-a-service	# Lighthouses	6	8	**11**	Up to 20
Services & Solutions	Income in % of total sales	4.5%	4.5%	**5.1%**	c. 5.5%
Marketplace	GMV	€65 m	€137 m	**€277 m**	€750 m
Private Label	Private Label share	2.3%	2.4%	**2.7%**	c. 5%
Retail Media	Income	c. €5 m	€18 m	**€48 m**	c. €45 m

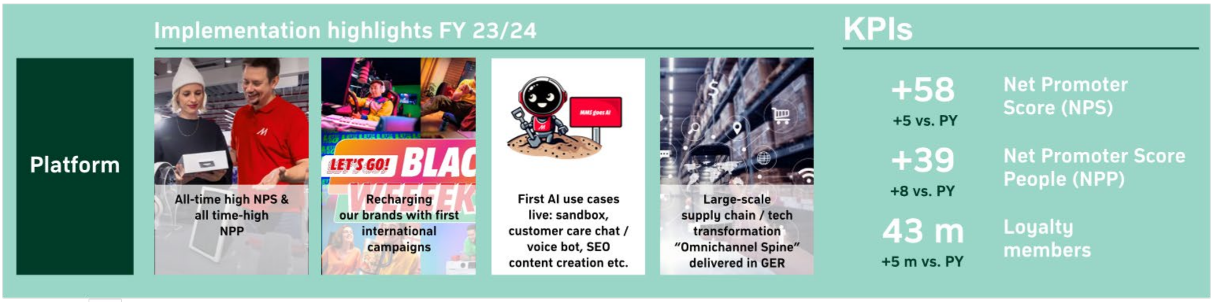
Strategy implementation achievments in the 2023/24 financial year

In the past financial year, we accelerated our transformation in all areas, driven by our dedicated and passionate teams. We are successfully implementing our strategy, and seeing the effect.

We have expanded our **platform**, starting with a focus on our greatest strength: our employees. We continuously invest in their further development, in leadership and in our corporate culture. Our loyalty base has continued to grow - from around 39 million to 43 million. The shopping basket penetration of these loyal customers has increased further, creating additional stickiness. And we have strengthened our brands, for example through global campaigns and the sponsorship of internationally famous sports clubs.

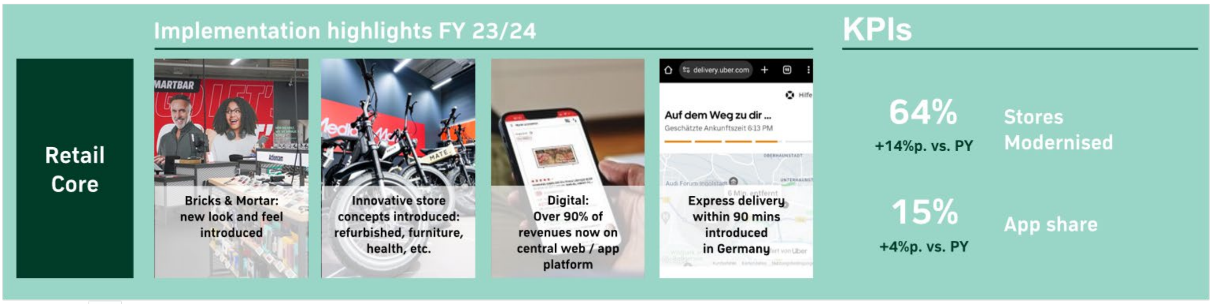
We have actively driven forward **consolidation** in our markets, including the acquisition of stores in the Netherlands, Switzerland and Germany. Thus, we were also able to welcome many new colleagues. We are also continuously improving our technology and supply chain to provide an outstanding customer experience:

Strengthening our platform



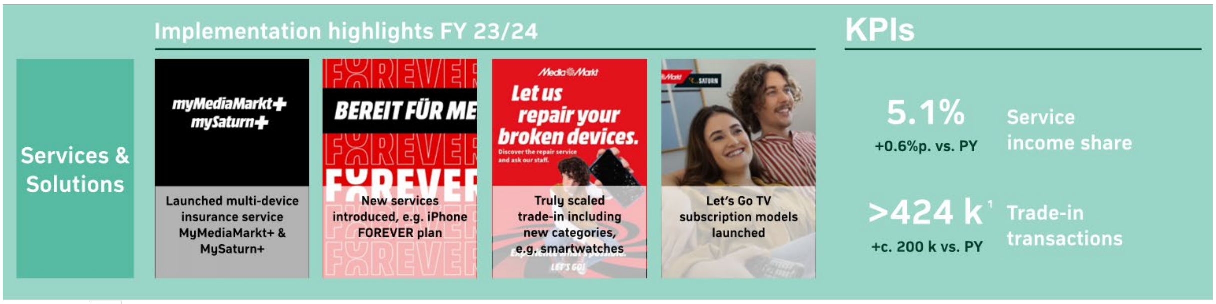
We are investing in our Retail **Core business**. We have further modernised our stores (64 per cent of our stores in the "Core" format already) and given them a fresh "look & feel". We have further improved our inventory management, which is reflected in reduced stock reach. We have also demonstrated our innovative strength with various new brick-and-mortar concepts. The online share including net merchandise value (NMV) has increased to 24 per cent. Our digital platform has been continuously improved and integrated with our digital channels to create a new omnichannel standard, for example with our express delivery option from the stores:

Innovating our core



Our **Services & Solutions** business continues to grow and increase our profitability with new offerings across all channels. It is one of the key distinguishing criteria not only in comparison to pure online providers, but also to other omnichannel retailers. Our aim is to build long-term relationships and steadily increase the proportion of recurring income. Important new products and capabilities were introduced for this purpose:

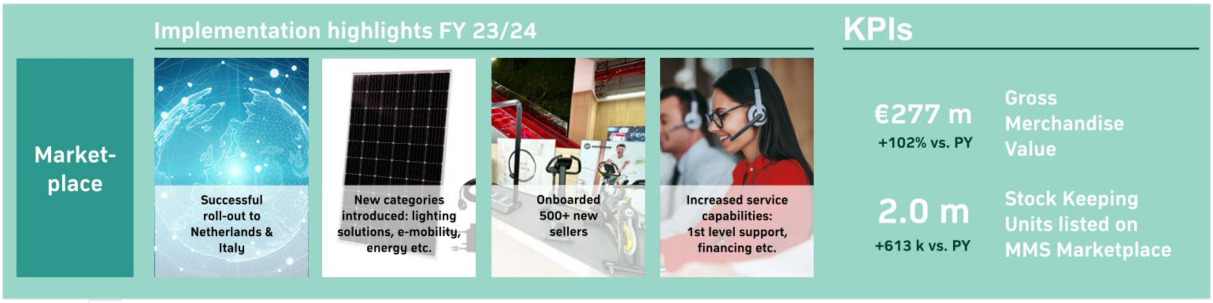
Extending our service proposition



[1] before final correction of devices in transit / losses

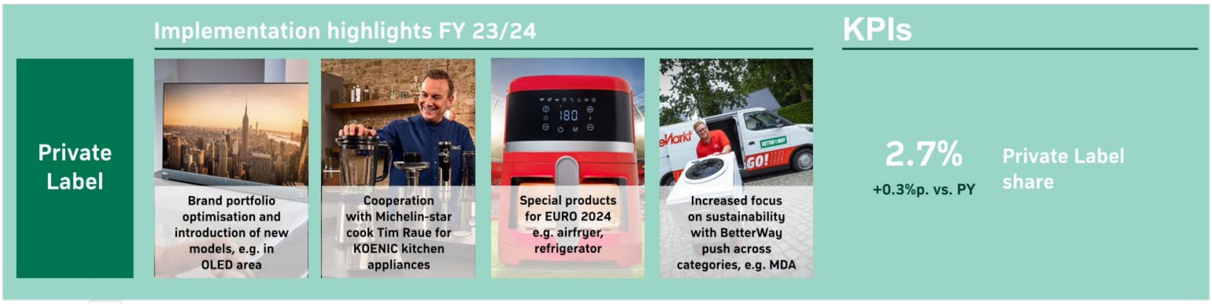
Our **Marketplace** continues to grow and has once again doubled its gross merchandise value year on year. This was driven by a systematic international roll-out, the onboarding of selected new sellers to expand our offering and the integration of service elements to ensure a seamless integration into our retail channel experience:

Dynamic Marketplace growth



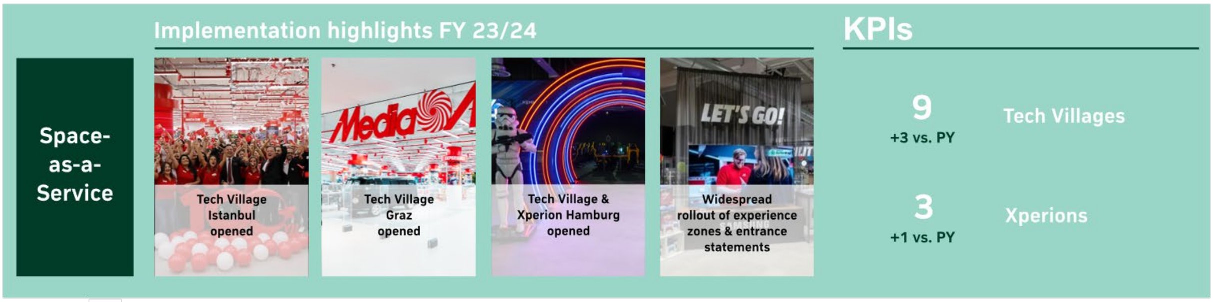
The **Private Label** business is showing positive momentum. An optimised portfolio with many new products, improved processes and supportive marketing measures, such as the cooperation with Tim Raue, are driving the business forward and laying the foundations for the necessary further acceleration:

Advancing our private label business



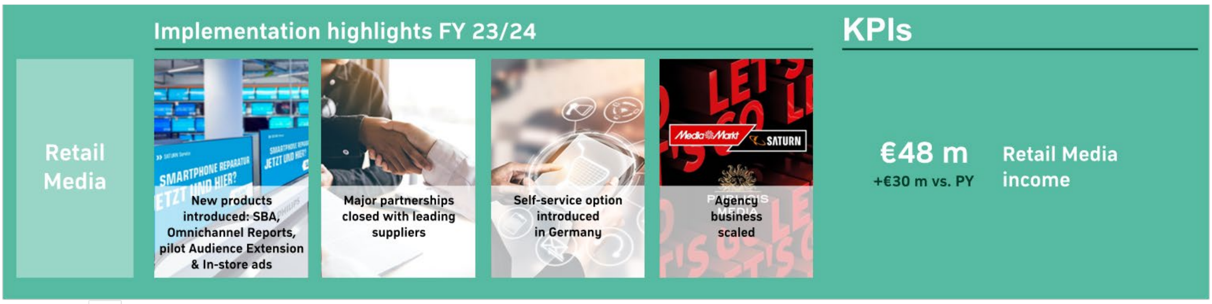
We have significantly professionalised and scaled up our **Space-as-a-Service** business in the past financial year. Our proven flagship concept of Tech Villages and the Xperion gaming experience was launched in three more cities. The two formats are both represented in one store. We therefore have a total of eleven Lighthouse locations as of 30 September 2024 and have also rolled out Space-as-a-Service offerings such as Experience Zones on a broad scale:

Scaling Space-as-a-Service offerings



The **Retail Media** business entered a new dimension in the past financial year. Additional product offerings, an expanded customer base and an improved customer experience led to additional income of around €30 million:

First capital market pledge delivered



Overall, we have seen a very satisfactory performance, with acceleration in both our core business and our growth areas. We will continue to inform the capital market regularly and transparently about our progress towards our communicated targets for the 2025/26 financial year.

Outlook for the next financial year

We want to build on the good momentum of our transformation in the next financial year and continue to accelerate it, driven by many ongoing and new initiatives.

In **Retail Core**, the focus remains on optimising our margins. Based on improved transparency in terms of profitability, we will focus on products on our own channels that require a high level of decision-making support, while the entire range will be directly available on our Marketplace. Rigorous, active cost management will ensure a further increase in profitability. Personalisation and personalised service are one of our key focus topics for strengthening customer relationships and our net promoter score (NPS). This includes, for example, the introduction of personalized appointment booking options and cultural change measures at all levels.

We will continue to grow in our **platform businesses**. In the **Services & Solutions** area, we will continue to expand our portfolio and optimise personalised offers across all touchpoints. In the **Private Label area** , the focus is on developing White Spots in our assortment in order to benefit from technical innovations. Integration into our overall product range will be further optimised. The growth of our **Marketplace** will be driven by the roll-out of the platform to additional countries, the onboarding of further sellers and products, targeted marketing, new categories and further improved omnichannel integration. **Space-as-a-Service offers** are being rolled out to the majority of our stores and further Lighthouse projects are being planned. In the **Retail Media** area, the expansion of our product portfolio, the more intensive use of first-party data and increased sales strength will ensure further growth.

We are constantly investing in our **brand**– centred around the partnership with Jürgen Klopp as a global brand ambassador. International campaigns are being run out on all channels, focussing on our distinguishing factors.

Strengthening the **teams** that are driving the transformation is crucial. This is being driven forward at all levels – from leadership programmes and the development of talent pools, through process improvements for all store employees to training opportunities and talent acquisition.

COMBINED MANAGEMENT REPORT

OVERALL STATEMENT BY THE MANAGEMENT BOARD OF CECONOMY AG ON CECONOMY'S BUSINESS PERFORMANCE AND SITUATION

For CECONOMY AG, the past financial year was characterised by positive growth in a very challenging market environment. We have continued to implement our strategy consistently and have once again increased our profitability. We were able to break away from the general market trend in retail in our favour. Over the past two years, we have thoroughly reorganised the company and are continuing to work towards our goal of becoming a service-oriented platform provider. Our realignment gained significant momentum in the past financial year, which is reflected in the company's performance: despite challenging market conditions, we were able to increase sales and gain market share in almost all countries, both online and in our brick-and-mortar business. At the same time, we have improved profitability significantly, with adjusted EBIT reaching the upper end of the forecast range. It is particularly pleasing that the fourth quarter is already the seventh quarter in a row with increased profitability compared to the previous year.

The start to the 2023/24 financial year has already been successful. The good preparation for the pre-holiday sales and the Christmas business paid off, with online business in particular recording an increase. In the second quarter, we were also able to increase our online share in addition to our brick-and-mortar business and recorded significant growth in the retail media and Marketplace growth areas in particular. The good operating momentum of the first six months largely continued in the third and fourth quarters. Thanks to last year's outstanding performance, we were even able to raise the financial outlook twice.

These successes are the result of the successful implementation of our strategy, in particular the promotion of growth areas and disciplined efficiency programmes. We are consistently driving forward the modernisation of existing stores and the development of new stores that are even more tailored to customer needs. At the same time, we are continuously improving our online functions and content and pushing the use of the MediaMarkt app to further expand the online share. The consistent implementation of our transformation strategy places our customers at the centre. And this is having an effect: our customer satisfaction has reached a new annual high with a Net Promoter Score (NPS) of 58 points[1].

The continuous optimisation of interfaces in the operating business has increased the company's efficiency and effectiveness. The omnichannel platform was further strengthened by an increased presence in Switzerland and a local partnership with a large food retailer in Italy. We have also improved cost structures and margins. Adjusted for lease payments, free cash flow was again markedly positive at €119 million and on track to achieve our medium-term target. We have secured our financial stability through prudent liquidity management and strict cost control. The successful placement of the sustainability-linked bond on the capital market provides us with a solid financing basis for the future, which underscores the confidence of investors in our strategy.

The market for consumer electronics remains highly dynamic and innovative. Despite the challenges posed by inflation and subdued consumer sentiment due to the tense overall economic situation, demand for technological products and services remains robust. Trends towards smart homes, wearables, artificial intelligence and connected devices are driving growth in the sector. CECONOMY has managed to successfully set itself apart in this highly competitive environment and gain market share through targeted product offerings and innovative services.

CECONOMY is on track to achieve the communicated medium-term targets on the capital market and to further expand its position as a leading company in the industry.

[1] Unaudited information

OVERVIEW OF FINANCIAL YEAR 2023/24 AND OUTLOOK

Earnings position

- In the financial year 2023/24, group sales from CECONOMY recorded a year-on-year increase of 0.9 per cent to €22.4 billion (2022/23: €22.2 billion).

- Adjusted for currency effects and portfolio changes, sales were moderately higher than the previous year’s level (like-for-like: 4.1 per cent) at 5.3 per cent and thus met the outlook, which had been raised in the course of the financial year.

- Group EBIT amounted to €254 million (2022/23: €−21 million). This includes non-recurring earnings effectst of €−75 million (2022/23: €−70 million) and earnings effects from companies accounted for using the equity method of €23 million (2022/23: €−132 million). Earnings effects from portfolio changes totalling €−63 million were additionally included in the previous year 2022/23.

- Adjusted for these effects and portfolio changes, Group EBIT of €305 million is at the upper end of the outlook range (€290 to €310 million) and thus significantly higher than the previous year’s level (2022/23: €243 million).

- The net result increased to €76 million (2022/23: €−39 million), partly due to the improved operating result and the impairment of the shareholding in Fnac Darty S.A. of €82 million included in the previous year.

- Undiluted earnings per share also rose as a result to €0.16 (2022/23: €−0.08).

Financial and asset position

- Equity increased by €49 million to €515 million as of 30 September 2024 (30/09/2023: €465 million). The equity ratio is 5.1 per cent (30/09/2023: 4.8 per cent).

- As of 30 September 2024, net debt was €1,621 million (30/09/2023: €1,687 million). Adjusted for the recognition of lease liabilities in the statement of financial position due to IFRS 16, net liquidity totalled €104 million (30/09/2023: €97 million).

- At €758 million, investments as per segment report were €90 million higher than the previous year's figure (2022/23: €668 million).

- Cash flow from operating activities led to a cash inflow of €838 million in the past financial year 2023/24 (2022/23: €1,004 million).

- Total assets increased by €499 million to €10,135 million as of 30 September 2024 (30/09/2023: €9,635 million).

- The balance sheet net working capital changed year-on-year by €−153 million to €−857 million (30/09/2023: €−705 million).

- CECONOMY AG's ratings as of 30 September 2024 were as follows: BB-/stable (S&P Global Ratings; previous year: BB-/stable), BB/stable (Fitch Ratings; previous year: BB/stable), BBB-/stable (Scope Ratings; previous year: BBB-/negative).

Outlook for CECONOMY

The consumer electronics sector continues to operate in a challenging environment characterised by strong volatility. Unfavourable economic indicators in the labour market and industrial sector, political uncertainties and significantly less optimistic economic forecasts, particularly in Germany, are influencing consumer sentiment. The ongoing tense geopolitical situation is also contributing to this. This in turn has an impact on sales in the consumer electronics sector.

CECONOMY will continue to actively respond to the uncertainties in the future by consistently aligning its activities with customer needs and its strategy. The transformation towards a customer-oriented service platform is making tangible progress. CECONOMY has already taken measures to ensure success even under difficult conditions. The performance of the growth areas and the positive closing of the 2023/24 financial year with a disciplined financial strategy confirm that the company is taking the right steps.

We expect a moderate increase in currency-adjusted total sales for the 2024/25 financial year. All segments are set to contribute to this.

We also expect a clear improvement in adjusted EBIT. The DACH and Western/Southern Europe segments are set to contribute to this. We anticipate a downward trend in the Eastern Europe segment because of the persistently challenging conditions in the sector.

The outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method (Fnac Darty S.A. and Power Retail Sweden AB). Accounting effects of the application of IAS 29 in Türkiye as a hyperinflationary country are likewise unaccounted for. It also does not include non-recurring effects, especially in connection with the simplification and digitalisation of central structures and processes and changes in the legal environment.

BASIC INFORMATION ON THE GROUP

The Group's business model

The companies in the CECONOMY portfolio have around two billion consumer contacts per year and offer products, services and solutions designed to make life in the digital world as easy and convenient as possible.

Together with MediaMarktSaturn Retail Group GmbH, CECONOMY AG forms the central management holding company, which is responsible for cross-divisional functions such as finance, accounting, controlling, legal and compliance as well as certain Group-wide strategic and operational functions. The MediaMarkt and Saturn brands are held by MediaMarktSaturn Intangibles GmbH & Co. KG, an indirect subsidiary of CECONOMY AG. CECONOMY AG and MediaMarktSaturn Retail Group GmbH have a unified management structure.

CECONOMY AG holds a minority stake of around 23 per cent in Fnac Darty S.A., one of France's leading retailers of consumer electronics and household appliances.

CECONOMY at a glance

MediaMarkt, Germany's and Europe's electronics number one retailer, was founded in 1979 and is now run as an independent company retail brand. In Germany, the company is represented by 309 stores as of 30 September 2024 and employs around 12,000 employees. MediaMarkt is present in eleven countries across Europe at 943 locations with over 36,000 employees. In addition to a constantly updated assortment of brand products, the successful concept also features personal advice and an extensive portfolio of services. MediaMarkt combines the advantages of brick-and-mortar and online retail under the umbrella of a familiar brand, supplemented by mobile shopping options via an app.

Saturn, founded in 1961, wants to turn technology into an experience for its customers and show them how modern technology products can enrich their lives. Saturn is now managed as an independent retail brand. In Germany, Saturn has 87 stores as of 30 September 2024 and employs around 4,000 employees. Saturn stores are synonymous with an appealing location, a wide range of brand products at excellent value for money, large sales areas as well as excellent service and advice. Saturn links its in-store business in Germany closely with its online shop and mobile shopping via app.

Significant investments

Fnac Darty S.A. is one of the leading French retail companies for consumer electronics and household appliances, with around 25,000 employees worldwide. As of the end of December 2023, the Group consists of an omnichannel network of 1,010 stores in thirteen countries. Online, the Fnac Darty websites alone recorded an average of over 27 million visitors per month in the fourth quarter of 2023. Fnac Darty S.A. generated sales of around €7.9 billion in 2023.

Store network by country

	30/09/2023	Openings/additions 2023/24	Closures/disposals 2023/24	30/09/2024
Germany	398	1	−3	396
Austria	54	1	0	55
Switzerland	25	0	0	25
Hungary	39	1	0	40
DACH	**516**	**3**	**−3**	**516**
Belgium	22	3	0	25
Italy	125	10	0	135
Luxembourg	2	0	0	2
Netherlands	48	7	0	55
Spain	110	3	−1	112
Western/Southern Europe	**307**	**23**	**−1**	**329**
Poland	80	5	0	85
Türkiye	95	5	0	100
Eastern Europe	**175**	**10**	**0**	**185**
CECONOMY	**998**	**36**	**−4**	**1,030**

Management system

The key figures used at CECONOMY for the management of the company are presented below. Alongside a brief description of the respective key figure, a reference is provided to the section of the Annual Report in which the key figure is discussed in further detail in its overall context.

CECONOMY’s most important key performance indicators – total sales growth adjusted for currency effects and portfolio changes and adjusted EBIT – are highlighted at the top of the table. CECONOMY provides an outlook for these most important key figures.

Following the explanation of these key figures, other key figures used for management are grouped according to their allocation to income statement, statement of financial position, cash flow statement and other operational key figures.

Key figure	Description	Section
Forecast key figures		
Total sales growth adjusted for currency effects and portfolio changes	Total sales growth adjusted for currency effects shows the percentage change in total sales without the influence of currency effects. Total sales growth adjusted for currency effects is calculated for the financial year by translating the previous year's sales at the average exchange rate for the current year. Since the third quarter of 2021/22, the currency adjustment has also included effects from the application of IAS 29 for Türkiye. Total sales growth adjusted for currency effects in individual quarters is calculated as the difference between the respective cumulated periods. All necessary cumulated periods are translated at the exchange rate of the most recent cumulated period (example: currency-adjusted total sales growth Q4 2023/24 is based on exchange rates for the full year 2023/24). An adjustment for portfolio changes is made by not including sales affected by the measure either in the current period or in the previous period.	Earnings position
Adjusted EBIT	Earnings before interest and taxes (EBIT) refers to earnings before the net financial result and income taxes. An adjustment for portfolio measures is made by not including the affected earnings contributions in either the current period or the previous period. Earnings effects from companies accounted for using the equity method are also adjusted for. For the reporting period 2023/24, non-recurring earnings effects in connection with the simplification and digitalisation of central structures and processes, from legal risks in connection with changes to the legal framework and accounting effects from the application of IAS 29 in the hyperinflationary country Türkiye are not included in the adjusted EBIT. For the previous year 2022/23, non-recurring earnings effects in connection with the simplification and digitalisation of central structures and processes, from the strengthening of the sales brands in Germany, from legal risks in connection with changes to the legal framework and accounting effects from the application of IAS 29 in the hyperinflationary country Türkiye are not included in the adjusted EBIT.	Earnings position

Key figure	Description	Section
Other key figures of the income statement		
Total sales	Total sales are stated in euros. The sales generated in a foreign currency in a certain period are generally translated at the appropriate average exchange rate of the period.	Earnings position
Total sales growth	The total sales growth is the percentage change in total sales in the reporting period compared to the corresponding period of the previous year.	Earnings position
Like-for-like sales	Like-for-like sales refers to sales on a comparable sales area or based on a comparable panel of stores, units ormerchandising concepts such as online retail and delivery (like-for-like panel). Sales are only included from stores with a comparable history over at least one full financial year. Therefore, stores affected by openings, closures or significant business changes in the reporting period or the comparative period are excluded.	Earnings position
Like-for-like sales growth	Like-for-like sales growth means the currency-adjusted growth of like-for-like sales.	Earnings position
Online sales	Online sales comprise the sales generated via the MediaMarktSaturn Retail Group's online shops. This also includes products ordered online and collected from the store.	Earnings position
Online growth	Online growth means the change in online sales compared with the corresponding prior-year period.	Earnings position
Online share	The online share is the share of online sales in the total sales of the period in question.	Earnings position
Pick-up rate	The pick-up rate is the percentage of online orders that are collected in-store.	Earnings position
Marketplace sales (GMV)	Marketplace sales denotes the gross merchandise value (GMV), i.e. the value of all goods sold including value-added tax (VAT) and delivery costs and after cancellations and returns, that is generated via the Marketplace. This includes the sales of third parties. Only the commissions and fees retained are included in the key figures for total sales and online sales for the period in question.	Earnings position
Online share including net merchandise value (NMV) of the Marketplace	The online share including net merchandise value (NMV) of the Marketplace is the share of online sales including NMV of the Marketplace in total sales including NMV of the Marketplace in the relevant period. For the calculation, the commissions and fees retained from the Marketplace business are deducted from the respective sales figure and the NMV (corresponds to the GMV less value added tax (VAT) is added.	Earnings position
Stationary sales or brick & mortar sales	Stationary sales or brick & mortar sales comprise the sales that are not generated via the Internet. Consequently: Total sales – online sales = Stationary sales or brick & mortar sales	Earnings position
Services & Solutions sales	Services & Solutions sales are defined as sales that are not purely sales of goods. Examples include warranty extensions, brokering mobile phone contracts, repair services, or delivery to and installation for the customer.	Earnings position
Services & Solutions growth	Services & Solutions growth means the change in Services & Solutions sales compared with the corresponding prior-year period.	Earnings position
Services & Solutions share	The Services & Solutions share is the share of Services & Solutions sales in total sales for the period in question.	Earnings position
Operating Services & Solutions income	Operating Services & Solutions sales are defined as Services & Solutions sales less, in particular, commissions from the Marketplace business, retail media sales and sales from customer deliveries. The corresponding operating Services & Solutions income corresponds to these sales less the corresponding cost of sales.	Earnings position
Retail media income	Retail media income refers to income from the sale of retail media products. These are Sponsored Product Ads (SPA), Sponsored Brand Ads (SBA), Consideration Report, Action Report, A+ Content and Instore Ads.	Earnings position
Own brand share	The own brand share is the share of sales generated with own brand products in the total sales of the period in question.	Earnings position
(Adjusted) gross margin	The (adjusted) gross margin equals (adjusted) gross profit on sales divided by (adjusted) total sales. Gross profit on sales is defined as total sales less cost of sales. Cost of sales also includes income from subsequent remuneration. The adjustment of the gross margin relates to portfolio measures, earnings effects from companies accounted for using the equity method and all non-recurring earnings effects (for a definition, see adjusted EBIT). Adjusted total sales corresponds to total sales adjusted for portfolio effects and effects from the application of IAS 29 for Türkiye.	Earnings position
(Adjusted) operating expenditure (OPEX)	(Adjusted) operating expenditures include selling expenses, general administrative expenses and other operating expenses. The adjustment of operating expenditures relates to portfolio measures, earnings effects from companies accounted for using the equity method and all non-recurring earnings effects (for a definition, see adjusted EBIT).	Earnings position
(Adjusted) OPEX ratio	The (adjusted) OPEX ratio equals the (adjusted) OPEX divided by (adjusted) total sales. Adjusted total sales corresponds to total sales adjusted for portfolio effects and effects from the application of IAS 29 for Türkiye.	Earnings position

Key figure	Description	Section
EBITDA	Earnings before interest, taxes, depreciation and amortisation (EBITDA) refers to earnings before the net financial result, income taxes, depreciation and amortisation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets as well as impairment and reversals of impairment losses on investments accounted for using the equity method and assets held for sale.	Segment report
EBIT	Earnings before interest and taxes (EBIT) refers to earnings before net financial result and income taxes.	Earnings position
(Adjusted) EBIT margin	The (adjusted) EBIT margin equals (adjusted) EBIT divided by (adjusted) total sales. Adjusted total sales corresponds to total sales adjusted for portfolio effects and effects from the application of IAS 29 for Türkiye.	Earnings position
EBT	EBT means earnings before income taxes. EBIT +/– net financial result = EBT	Earnings position
Tax rate	The tax rate equals tax expense divided by earnings before income taxes (EBT).	Earnings position
Minority share in the profit or loss for the period	The minority share in the profit or loss for the period is the share of the profit for the period attributable to non-controlling interests (synonymous with "profit or loss for the period attributable to non-controlling interests").	Earnings position
Net result	The net result is the amount remaining after deducting the shares of non-controlling interests from the profit or loss for the period (synonymous with "profit or loss for the period attributable to shareholders of CECONOMY AG").	Earnings position
Earnings per share (EPS)	Earnings per share (EPS) equals the net result divided by the average number of shares issued.	Earnings position
Key figures of the statement of financial position		
Equity	Equity is a residual value resulting from the recognition of the difference between assets and liabilities.	Financial and asset position
Equity ratio	The equity ratio is the ratio of equity to total assets.	Financial and asset position
Borrowings	Borrowings comprise current and non-current financial borrowings including lease liabilities.	Financial and asset position
Net liquidity/ net debt	Net liquidity/net debt is calculated by netting borrowings against cash and cash equivalents and short-term financial investments. Borrowings + cash and cash equivalents + Short-term financial investments = net liquidity (+)/net debt (-)	Financial and asset position
Net working capital	The balance sheet net working capital, as current assets required for operations, is defined as follows: Inventories + trade receivables and similar claims + receivables due from suppliers - trade payables and similar liabilities = net working capital	Financial and asset position
Key figures of the cash flow statement		
Change in net working capital	As part of cash flow from operating activities, the change in the balance sheet items included in the net working capital is shown here, primarily adjusted for currency effects and effects from the acquisition or sale of subsidiaries.	Financial and asset position
Income taxes paid (cash taxes)	As part of cash flow from operating activities, the actual cash outflow for income taxes in the relevant period is shown here.	Financial and asset position
Cash flow from operating activities	The cash flow from operating activities denotes movements of the line item "cash and cash equivalents" that are attributable to operating activities. These primarily include EBITDA, adjusted for additions to and reversals of provisions, changes in net working capital and tax payments.	Financial and asset position
Cash investments	Cash investments refers to the absolute level of cash investment in the period in question. "Acquisition of companies", "investments in property, plant and equipment" and "other investments" from cash flow from investing activities are summarised for this purpose.	Financial and asset position
Cash flow from investing activities	The cash flow from investing activities denotes movements of the line item "cash and cash equivalents" that are attributable to investing activities. These primarily include cash investments, inflows from divestments, changes in current and non-current financial assets and interest received.	Financial and asset position
Dividends paid	The key figure dividends paid comprises the cash outflows to shareholders included in cash flow from financing activities and includes both dividends to shareholders and payments to non-controlling shareholders.	Financial and asset position
Cash flow from financing activities	The cash flow from financing activities denotes movements of the line item "cash and cash equivalents" attributable to financing activities. These primarily include payments of dividends, proceeds from/redemption of borrowings, redemption of lease liabilities and interest payments.	Financial and asset position

Key figure	Description	Section
Free cash flow	Free cash flow comprises cash flow from operating activities less cash investments. Cash flow from operating activities – cash investments = Free cash flow	Financial and asset position
Other operating key figures		
Loyalty members	Number of members of customer loyalty programmes	Earnings position
Number of customer contacts	The number of customer contacts is the sum of the number of store visitors measured in the brick-and-mortar business and the number of website visits measured in the online business.	To our shareholders
Modernisation rate	Proportion of modernised stores in the "Core" store format out of the total number of "Core" stores	Earnings position
Stock reach	Stock reach is stocks as of the reference date divided by the average cost of sales of the last 30 days. Stock reach is stated in weeks.	Earnings position
Investments as per segment report	The key figure of investments as per segment report includes all additions to non-current intangible assets, property, plant and equipment (e.g. land, buildings, expenditures for modernisation) and investments accounted for using the equity method. In contrast to cash investments, the present value of leases entered into (addition of right-of-use assets) is also included here. However, cash outflows for financial assets and advance payments or prepaid rent are not included.	Financial and asset position
Total number of stores	The total number of stores refers to the number of brick-and-mortar stores with a selling space that can be measured in square metres.	Financial and asset position
Number of Lighthouse stores	The number of Lighthouse stores means the number of stores operated in TechVillage or Xperion format.	Earnings position
Total new stores	The number of new stores opened in a period.	Financial and asset position
Total closures	The number of closures in a period.	Financial and asset position
Total selling space	Selling space means the total area of all stores in square metres.	Financial and asset position
Average selling space per store	The average selling space per store equals the total area of all stores in square metres divided by the number of stores on the given reporting date.	Financial and asset position
Number of employees	The number of employees by headcount refers to the total number of all employees on the specified reporting date. The number of employees on a full-time basis is the total number of all employees converted to full-time employees on the given reporting date. The average number of employees on a full-time basis is calculated as the average of the corresponding monthly reporting date values for the reporting period.	Employees
Proportion of women	The proportion of women is the number of female employees divided by the number of employees in the total workforce.	Remuneration report
Net promoter score (NPS)	The NPS measures the extent to which customers would recommend a company/brand and provides information on customer loyalty and satisfaction. The customer rates the likelihood that they would recommend the company/brand on a scale from 0 (very unlikely) to 10 (very likely). The numerical NPS value is calculated as the difference between the share of promoters (scale 9-10) and detractors (scale 0-6) and can be between −100 and +100.	Remuneration report
Net promoter people (NPP)	NPP measures the extent to which employees would recommend a company and provides information on employee loyalty and satisfaction. The employees rate the likelihood that they would recommend the company on a scale from 0 (very unlikely) to 10 (very likely). The numerical NPP value is calculated as the difference between the share of promoters (scale 9-10) and detractors (scale 0-6) and can be between −100 and +100.	Remuneration report
Absolute total shareholder return (aTSR)	aTSR describes the performance of CECONOMY's ordinary share (ISIN: DE0007257503) in a defined period, measured as a percentage change versus the starting price.	Remuneration report
Relative total shareholder return (rTSR)	rTSR describes the relative performance of CECONOMY's ordinary share (ISIN: DE0007257503) compared with the performance of two indices, namely MDAX (ISIN: DE0008467416) and STOXX® Europe 600 Retail (ISIN: CH0102634984), in a defined period.	Remuneration report
Number of trade-in products	Total number of devices bought back as part of the trade-in process in the reporting period.	Separate non-financial Group report
Number of refurbished products	Number of refurbished products sold across all sales channels (retail, marketplaces or white label shops) in the reporting period. Refurbished products include only refurbished products from third-party suppliers.	Separate non-financial Group report
CO_2 emissions Scope 1–3 (carbon footprint)	Scope 1 to 3 describes the greenhouse gas emissions in thousand tonnes of CO_2 (CO_2 equivalents). Scope 1 measures direct greenhouse gas emissions (e.g. from the vehicle fleet), Scope 2 measures indirect greenhouse gas emissions (e.g. purchase of electricity for the operation of stores). Scope 3 also includes indirect greenhouse gas emissions from the upstream and downstream value chain (e.g. procurement, utilisation phase and disposal of third-party and own-brand products).	Separate non-financial Group report

Based on similar economic conditions and business activities of the operations, individual countries are aggregated to form the following reportable **operating segments**:

- DACH: Germany, Austria, Switzerland, Hungary

- Western/Southern Europe: Belgium, Italy, Luxembourg, Netherlands, Portugal (until 30 September 2023), Spain

- Eastern Europe: Poland, Türkiye

All non-reportable operating segments as well as business activities that do not meet the criteria to be defined as an operating segment are grouped together under "Others". This particularly includes Sweden (until 1 August 2023), the holding companies and smaller operating companies.

Sustainability management

As the European market leader, CECONOMY is setting new standards for customer experiences, the conscious discovery and experience of technology and support for customers in their everyday lives with its "Experience Electronics" vision. The "Impact Experience" anchors sustainability as one of four cornerstones at the centre of the company's strategic development. The company is pursuing a comprehensive sustainability strategy with clear objectives: the increasing demands on companies to reduce greenhouse gas emissions, conserve resources and comply with legal requirements, while at the same time considering sustainability as an integral part of corporate growth, are driving CECONOMY to set higher minimum standards in terms of business activities and ESG (environmental, social and governance) transparency. To fulfil these requirements, CECONOMY is continuously working on implementing its sustainability strategy. This is also intended to ensure that business activities are in line with the expectations of all stakeholders.

Sustainability strategy

CECONOMY pursues ambitious strategic ESG goals:

Target 1: "We offer a climate-neutral shopping experience"
CECONOMY has set itself ambitious, science-based climate targets as part of the Science Based Targets initiative (SBTi) in order to reduce its emissions (scope 1–3 reductions). By reducing the emissions of the own-brand products that are purchased, by reducing the emissions of all products sold during the utilisation phase of the end customer and by making CO_2-neutral deliveries to customers, they have the opportunity to make a contribution to climate protection with their purchase.

Goal 2: "We offer the most sustainable range of consumer electronics products and are a pioneer in the circular economy in Europe".
CECONOMY aims to make its range of products and services more attractive to customers through energy-efficient, sustainably produced and packaged products as well as offers that extend the product life cycle. The aim is to extend the life cycle of a product through repair options and to continuously expand the range of products for second and third-party use.

Goal 3: "We assume social responsibility for our employees, suppliers and communities"
CECONOMY respects human rights and creates an environment characterised by trust, respect and sustainable progress and is involved, beyond its core business activities, in the communities in which it operates. Diversity is also a central component of our corporate culture.

The ten material topics that have been identified by a materiality analysis form part of the sustainability strategy and also determine the content of the separate non-financial Group report.

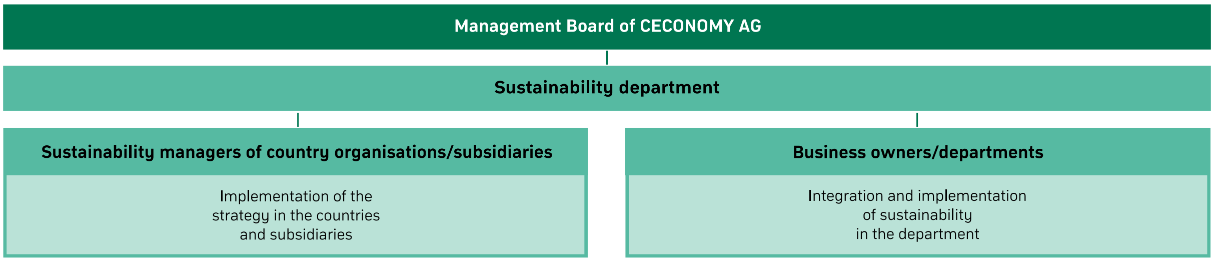
↗ The separate non-financial group report contains information on the sustainability strategy of CECONOMY and its implementation and measures. It also reports on sustainability at CECONOMY and the associated management approaches, targets and key figures. The separate non-financial group report is also published in the business register.

Sustainability management and organisation

Sustainability management is the responsibility of the Chief Executive Officer of CECONOMY AG. The Vice President Sustainability reports directly to the CEO and is responsible for sustainability issues at CECONOMY. Their department is responsible for devising the strategy, updating the key performance indicators and tracking all targets and progress. They are supported by the local sustainability managers in the various country organisations and subsidiaries as well as the respective points of contact from all relevant departments. The sustainability managers of the countries act as local contacts and have the task of conveying the understanding of sustainability to their countries and deriving appropriate country-specific activities on this basis. In effective sustainability management, the Management Board ensures a high level of transparency both internally and externally, defines the company's overall strategy, strengthens the conditions for the respective sustainability initiatives and monitors their development. In regular meetings, the Management Board and the Supervisory Board assess and update the targets, values and strategy of CECONOMY AG together with the Vice President of Sustainability. In sustainability reporting, the Management Board also makes the final decision on material topics and on which key performance indicators will be reported.

The sustainability Department at CECONOMY promotes dialogue with internal and external stakeholders and drives forward sustainability communication. The sustainability managers of the countries, the subsidiaries and the specialist departments form the sustainability organisation together with the Sustainability Department.

Sustainability organisation



↗ Further information on sustainability management and the sustainability organisation can be found in the separate non-financial group report, which is also published in the business register.

Employees

The focus of CECONOMY is on creating a consistently exceptional and attractive experience for customers across all channels. Employees play a central role here, as they are the main contributors to the daily experience of our customers. Employees and their employee experience are therefore a key priority for CECONOMY and of crucial importance. The resulting measures developed and implemented promote the well-being as well as the professional and personal development of employees, in line with corporate values, which increases the attractiveness of the employer brand.

Accordingly, employee satisfaction is of great strategic importance. In order to continuously record satisfaction and derive appropriate measures, CECONOMY conducted two anonymous Net Promoter People (NPP) surveys during the reporting period. The measures derived were developed in special deep-dive workshops and implemented with the involvement of managers at all levels. In addition to team-specific implementation plans, Group-wide measures were also taken to address the concerns identified. The results of the surveys emphasised the following areas of action: "development opportunities" and "feeling well informed", which were the focus of the Group-wide initiatives for communication formats as well as employee and management development programmes.

Ensuring a regular and consistent communication between the head quarter and the operational units, through a variety of communication formats, should ensure that all employees receive the necessary information directly or can have access to it. In addition to the regular "CEO Call", there is the "Let's Talk Business" series of appointments with the CEO and the CFO of the company, which provides an up-to-date overview of the development of the business. In order to address the concerns of employees, the "NPP Update" was introduced, a format that highlights the international results of the NPP employee survey and the key areas for action derived from them.

The performance dialogue, the annual conversation between employees and their managers, was gradually rolled out in a digitalised form to enable all employees to receive regular feedback and discuss their further development. A new function has been added to the corresponding tool to further improve the quality of the evaluations. This new calibration function in the performance dialogue tool enables managers to check the distribution of their ratings and thus ensure a fair and comparable assessment across teams and areas. In order to further increase the quality of the performance dialogue, a special focus was placed on employee self-assessment and the empowerment of managers and employees. This meant that the discussions could be held on an equal footing and with the perspective of feedback and development. This ensures that the company-wide guidelines and values remain in focus as the basis for the career development of our employees.

CECONOMY invests in the professional and personal development of its employees through various training and development programmes. In order to ensure diversity and self-development in learning, the existing range of e-learning courses on the Group-wide platform has been expanded to include courses from GoodHabitz, the market leader in online training. Programmes designed last year, such as the "Empower" talent programme and "Services & Solutions Upskilling" for store employees, were successfully rolled out and implemented among the target groups. The "Training 2.0" cultural programme was piloted in Spain and prepared for roll-out in all countries in the upcoming financial year in order to anchor the CECONOMY values more firmly in the stores and to provide the right guidance on how they should be lived within the organization. This hybrid "train-the-trainer" programme comprises four workshops, one for each corporate value, which all store employees and their managers will attend. The development opportunities additionally established by the international subsidiaries have received multiple awards.

↗ Further information on CECONOMY employees can be found in the separate non-financial Group report.

Recruitment of employees

Given the increasing competition for talented and new employees, retail and technology-driven companies in particular are facing a variety of challenges. CECONOMY is tackling these challenges by actively defining topics relevant to competition, such as digitalisation or customer and service orientation, and implementing them in programmes.

CECONOMY has further consolidated and expanded the various onboarding initiatives from the last reporting period, such as the digital onboarding events in Germany and the "Wow-boarding Platform" in Poland, with the aim of establishing a sense of belonging from day one and reducing staff turnover.

In addition, initial training programmes for various employee groups were strengthened and further professionalized. In Austria, the Academy has been restructured and implemented with the help of external training experts. In Türkiye, the P-Lot ("Potential Leaders of Tomorrow") programme was implemented as part of the MediaMarkt Leadership Tower, in particular for the next generation of managers. The learning journey applied there teaches a broad portfolio of skills for a successful career in the company, from the MediaMarkt business model to agile project management and modern data strategies.

Furthermore, CECONOMY is focusing on measures that improve external perception of the company among potential applicants. With the help of the new employer branding strategy, which both focuses on employee enthusiasm and creates transparency and appeal with meaningful brand messages, CECONOMY is strengthening its employee value proposition as an employer, promoting authenticity and helping to establish a strong and increasingly renowned employer brand, which will make it possible to attract, retain and nurture the best talents in the retail sector also over the long term. In addition, updated career landing pages have been launched with the very latest employer branding images and text while the technical features have also been optimised, creating a clear and uniform external profile for the Group that is also easier to find.

The employee referral program in Germany, which ensures the recruitment of suitable candidates by employees and promotes employee loyalty to the company, is now an established institution for the strategic recruitment of new talent.

Internal retail training programmes that are offered to employees are another key competitive factor in our recruitment processes.

Training at CECONOMY

	2022/23	2023/24
Average total number of trainees	2,611	2,484
thereof in Germany	(2,066)	(2,078)
thereof international	(545)	(406)
New trainees hired in Germany	1,174	1,165
Training rate (including apprentices and students) in Germany (in %)	10.0	10.4

CECONOMY offers 13 different training options within the Group (2022/23: 13) and employed an average of 2,484 trainees in the 2023/24 financial year (2022/23: 2,611).

The training supervision for trainees is almost entirely digitalised both in the stores and at the Ingolstadt campus.

With regard to training, CECONOMY was involved in the creation of a new apprenticeship program in "E-Commerce" and in training the apprentices accordingly. CECONOMY also cooperates with sales partners in order to support the professional training of employees in the stores.

In addition to dual vocational education, CECONOMY's companies offer the opportunity to begin a dual study programme with practical components. A total of 87 students (2022/23: 105) made use of this programme in Germany in the 2023/24 financial year.

DEVELOPMENT OF YOUNG TALENTS

The Group's internal development of junior staff is a critical success factor. An international trainee programme has been designed for next year and will be introduced simultaneously in all countries. This initiative is not only intended to promote intercultural competence, but also to facilitate exchanges between countries.

In Germany, the existing trainee programmes have been expanded to include learning opportunities for the acquisition of critical skills, such as data analytics or coding, which can be selected as part of an individually designed programme. CECONOMY continues to focus on needs-based programmes, so the trainee programme for stores has been adapted to meet these needs.

The Ingolstadt campus continues to organise a monthly exchange between all students to discuss their current projects. This promotes an overview of all strategic and sales initiatives as well as mutual learning and presenting.

In addition, there is close cooperation with the trainee representatives in order to better combine the needs of the younger generations in the training programme with the general business conditions and thus promote innovation and participation.

DEVELOPMENT OF NEW EXECUTIVES

The "Empower" talent programme for experts and managers was successfully introduced in Germany. This programme enables employees with high potential to be identified in the organisation while promoting leadership and social skills, ensuring visibility within the organisation and networking between participants. Establishing this talent pool is an important prerequisite for filling new management roles and retaining talent at CECONOMY. In the first year, 30 per cent of the talented employees successfully continued their development and were promoted to management roles. When it comes to stores, the "Managing Directors in Training" programme was also expanded to include management modules and ensure closer support from the HR department in order to best prepare participants for their leadership role as managing directors of a store. This target group is selected in a standardised manner through an assessment centre so that all participants receive qualified feedback on their development and career opportunities.

The "Fit2Lead" programme for new managers who have just taken on their first management role has been rolled out nationally and supports a strong network of managers in the stores and at the Ingolstadt campus. This creates a uniform understanding of the CECONOMY values and leadership principles and promotes the exchange of experience between the participants.

A programme is in place for the future store managing directors in Poland and Germany that provides them with months-long support in the form of several webinars and face-to-face training sessions that prepare them for the new management role.

Furthermore, the international talent pool has been further expanded, and participants in the second cohort are currently being prepared for their next management role in the course of a nine-month learning journey. In parallel, the same programme has been launched with a regional group of German sales managers. The learning journey includes various management and cultural topics as well as indirect training such as coaching and mentoring. The success of this pool is reflected in a growing number of vacancies that have been successfully filled internally as well as international succession planning arrangements.

EMPLOYER BRAND AND HR MARKETING

Recruiting employees, especially young talents and specialists, is of key strategic importance for the entire CECONOMY Group. In Germany, the recruiting process for stores was further developed last year, so that applications were received digitally throughout Germany. In addition, the reach of the job adverts and their visibility on various platforms was increased by the introduction of a "multi-posting tool". This led to a more efficient approach to potential candidates and supported the recruitment of highly qualified specialists. With a focus on the "candidate experience", applicant satisfaction was increased by introducing digital scheduling for job interviews. In order to promote the development of employees within the Group, an international jobs portal was also created.

As part of a joint project with the Ingolstadt Faculty of Economics (WFI), a valuable collaboration was initiated in which students actively participated in practical research projects on the topic of artificial intelligence. The students explored the development and application of AI intensively and had the opportunity to apply and deepen their theoretical knowledge in projects. This collaboration has allowed CECONOMY to benefit from fresh, innovative ideas supported by academic research, while giving young talents the chance to demonstrate their skills. CECONOMY is also strengthening its position as a forward-looking employer that supports innovative solutions and promotes talent.

EMPLOYEE TURNOVER RATE

The average length of service at CECONOMY in the reporting period was 8.7 years, slightly lower versus the previous year (2022/23: 8.95 years). The turnover rates differ sharply by region and are shown in the following table for comparison. The turnover rate is calculated by dividing the number of departures by the average workforce (by headcount) in the reporting period.

Turnover by region

in %	2022/23	2023/24
DACH	28.2	28.1
Western/Southern Europe	44.5	42.3
Eastern Europe	46.0	51.8
Other	21.8	17.3
CECONOMY	35.4	35.5

Diversity management

CECONOMY is convinced that inclusion and diversity lead to better business results – through better representation of customers in the company, access to a larger pool of talent and greater employee engagement and development. CECONOMY therefore offers an inclusive working environment and an open working culture in which individual differences are respected, appreciated and supported and a diverse workforce is established in which every individual can fully develop and use their personal potential and strengths.

Extract from diversity key figures in the 2023/24 financial year

	30/09/2023	30/09/2024
Average age of workforce (years)	37.9	37.8
Proportion of employees aged 50 or over in the total workforce in Germany (in %)	23.8	24.0
Proportion of employees aged 50 or over in the total workforce internationally (in %)	10.0	11.7
Employees with a recognised severe disability or equivalent in Germany	519	517
Employees with a recognised severe disability or equivalent internationally	467	496

To successfully support its growth strategy, CECONOMY relies on international cooperation, among other things. Employees from a total of 123 nations work together at CECONOMY.

In November 2017, CECONOMY AG signed the "Diversity Charter". This charter is implemented within the organisation with the aim of creating a working environment that is free from prejudice. All employees should feel valued. This is how CECONOMY creates a climate of acceptance and mutual trust.

After the top 100 international managers had already received comprehensive training on the topic of unconscious bias in webinars in the 2022/23 financial year, a mandatory international e-learning programme on this subject was rolled out for all employees. With this e-learning programme, CECONOMY supports all employees in learning more about their unconscious biases and in questioning them in their everyday lives. In addition, mandatory e-learning on the subject of anti-discrimination was rolled out in Germany and Austria in the 2022/23 financial year, accompanied by a corresponding communication to all employees.

The topic of diversity, equity and inclusion has been integrated as a fixed module in the International Leadership Programme, which is aimed at the top managers of tomorrow. During the one-day workshop, participants not only learn about the various dimensions of diversity, but also explore the topic of inclusive leadership and the different facets of diversity, equal opportunities and inclusion. The aim is to make challenges tangible and provide new food for thought in order to prepare participants for their management role in the best possible way. This module was organised for the second time in the 2023/24 financial year and was very well received by participants.

A new "Women @MMS" page was also created in the careers section of the MediaMarktSaturn website in September 2024, explaining why women play a central role on the path to becoming an Experience Champion. In addition, the Women in Retail initiative is presented and role models from various sectors of the company are also introduced to tell their stories. At the same time, the page shows some of the numerous benefits that CECONOMY offers to women. In this context, the content of the existing page on diversity, equity and inclusion was also thoroughly revised and supplemented with current initiatives.

In Germany, flexible working time models for leadership roles have also been actively promoted and advertised in "tandems" since September. This should give all employees the same opportunities to develop both professionally and personally, including in a leadership role.

Development of employee numbers

In the reporting period, CECONOMY employed an average of 41,518 (2022/23: 43,284) full-time employees. Most of the employees were employed outside the German domestic market. Around 46.7 per cent of them worked in the DACH region, while 41.8 per cent of employees worked full-time in Germany.

Development of personnel expenses

Personnel expenses amounted to €2.1 billion in the 2023/24 financial year (2022/23: €2.1 billion). Of this, €1.7 billion (2022/23: €1.7 billion) was attributed to wages and salaries. The rest was attributed to social security expenses, expenses for post-employment benefit plans and related employee benefits.

CECONOMY promotes the development of private pension schemes for employees, which also include voluntary benefits from CECONOMY. In the reporting period, 5,650 employees in Germany took advantage of this offer (2022/23: 3,569 employees). This corresponds to a rate of 27.6 per cent (2022/23: 17.0 per cent).

↗ Further information on personnel expenses can be found in the notes – note 16 Personnel expenses.

Development of employee numbers by country and segment as of the reporting date 30 September

	Full-time equivalents[1]		By headcount	
	2023[2]	2024	2023[2]	2024
Germany	15,526	14,862	17,683	17,335
Austria	2,085	2,025	2,521	2,447
Switzerland	649	664	813	828
Hungary	1,452	1,359	1,477	1,392
DACH	**19,713**	**18,909**	**22,494**	**22,002**
Belgium	984	1,089	1,096	1,209
Italy	4,081	4,049	4,845	4,850
Luxembourg	74	70	76	73
Netherlands	2,248	2,420	3,508	3,780
Spain	5,142	5,278	6,132	6,377
Western/Southern Europe	**12,529**	**12,905**	**15,657**	**16,289**
Poland	2,891	2,726	2,958	2,817
Türkiye	3,593	3,799	3,593	3,800
Eastern Europe	**6,484**	**6,526**	**6,551**	**6,617**
Other	**2,640**	**2,650**	**2,828**	**2,832**
CECONOMY	**41,365**	**40,990**	**47,530**	**47,740**

[1] Rounding differences may occur
[2] Adjustment of previous year due to change in segment composition, see "Additional notes on segment reporting" in the notes - note 35 Segment reporting

Features of the internal control system

CECONOMY’s internal control system is based on the internationally recognised “Internal Control – Integrated Framework” of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The main features of CECONOMY's internal control system comprise the control environment, including roles and responsibilities, risk assessment, control activities, information and communication, and monitoring activities.

Overall responsibility for the implementation of an appropriate and effective internal control system lies with the Management Board of CECONOMY AG. The Audit Committee of the Supervisory Board of CECONOMY AG monitors the effectiveness of the internal control system. The Corporate Risk Management & Internal Controls department defines and continuously updates Group-wide minimum standards for the design of the internal control system. A Group-wide policy describes the objectives, structure and processes of the internal control system as well as the underlying role concept and standardised documentation requirements for CECONOMY AG and its subsidiaries.

In addition to the objective of proper and reliable accounting and financial reporting, CECONOMY's internal control system also includes ensuring effective and efficient business activities and compliance with legal requirements and internal guidelines. In addition to accounting-related processes, other key financial processes such as controlling, treasury, taxes and human resources are also taken into account. The internal control system also covers the entire value chain, from procurement to logistics and goods sales, including marketing activities. Significant risks in the selection and (re)construction of store locations and the activities of the legal department are also considered. The safeguarding of governance processes in risk management and compliance management and sustainability-related aspects are likewise part of the internal control system. At the same time, the internal control system is structured identically across all processes. (Unaudited disclosures not included in the management report)

Centralised and decentralised risk assessments are used to identify significant risks to the achievement of objectives. The necessary preventive, monitoring and detective controls are defined and documented according to standardised requirements.

In order to determine and continuously improve the effectiveness of the internal control system, the main Group companies are obliged to evaluate the appropriateness and functionality of the controls at the end of each financial year (self-assessment). A standardised Group-wide methodology is specified for this purpose. Measures must be defined to rectify any control weaknesses.

The self-assessments must be reported in a standardised reporting format. The companies' individual reports are validated centrally and combined into an overall report on CECONOMY's internal control system. The results of the self-assessments are reported to the Governance, Risk and Compliance (GRC) Committee, the Management Board and the Supervisory Board.

In addition to the self-assessment of effectiveness, the appropriateness and functionality of CECONOMY's internal control system is subject to risk-oriented audits by Internal Audit, where the high degree of maturity of these audits has been confirmed by an external quality assessment. This independent monitoring process is intended to guarantee that potential control weaknesses are detected and rectified. It assists the continuous optimisation of the system.

Based on the aggregated results of the self-assessments and the findings of the reviews by Internal Audit, the Management Board is not aware of any circumstances that cast doubt on the appropriateness and effectiveness of the internal control system as a whole. In principle, however, it should be noted that an internal control system, regardless of its design and effective assessment, does not provide absolute certainty that it will always achieve its objectives. (Unaudited disclosures not included in the management report)

ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM

The internal control system for financial reporting is designed to identify, assess, manage and monitor risks that could have a material impact on the company's financial reporting and accounting processes by means of principles, procedures and measures. The material accounting-related processes are described in more detail below. These are embedded in the internal control system of CECONOMY.

All processes for preparing the consolidated financial statements, the combined management report and the annual financial statements of CECONOMY AG, as well as the upstream and downstream accounting processes that comprise CECONOMY's internal control system, are safeguarded by numerous organisational measures and control activities, taking into account materiality aspects. These particularly include authorization and access rules for IT systems, risk-oriented separation of functions, ongoing content controls (the four-eyes principle), and analyses and system-supported plausibility checks of the correct entry and processing of relevant data.

The specification of a Group-wide IFRS accounting policy, which is mandatory for all companies included in the consolidated financial statements, ensures standardised accounting in accordance with the International Financial Reporting Standards (IFRS) for CECONOMY. In addition, there are mandatory HGB-specific regulations that apply to CECONOMY AG and other CECONOMY companies that prepare their accounts in accordance with the German Commercial Code (HGB). The management of each significant Group company is required to confirm in a letter of representation at each reporting date that the IFRS accounting guidelines have been complied with. Changes to the IFRS are continuously incorporated into the guidelines and communicated to all companies included in the consolidated financial statements.

Central process instructions and deadlines for global milestones are specified and communicated for every reporting instance. CECONOMY AG's Accounting department monitors compliance with the global financial reporting calendar. The local schedule for specific financial statement procedures and controlling the necessary milestones and activities in connection with the local preparation of financial statements are the responsibility of the management of the respective individual company.

Companies included in accordance with IFRS for consolidation purposes generally prepare financial statements locally in SAP-based accounting systems. The consolidation of local accounting-related business data is performed by a central consolidation system (CCH Tagetik) in which all consolidated CECONOMY Group companies are integrated. This system uses a standardised chart of accounts that is applied by all the companies involved, taking into account the IFRS accounting policies.

After the local data has been transferred to the consolidation system, automated plausibility checks are carried out in the context of accounting-specific correlations and dependencies. If the system generates error or alert messages in connection with these validations, they must be processed accordingly by the person responsible for financial statements before the data are forwarded to the consolidation department. In addition, all material Group companies in the consolidation system have to comment on notable deviations against the prior period for the material items of the statement of financial position and the income statement.

The reporting and validation of local data is followed by the process of preparing the consolidated financial statements, for which key milestones, controls and deadlines have also been defined. Support activities in the process of preparing the consolidated financial statements are carried out by external service companies. These services primarily relate to the measurement of pension obligations, valuation reports for the valuation of investments or share-based remuneration. The consolidation steps to be performed to prepare the consolidated financial statements are subjected to various systematized and manual controls.

In order to guarantee the security of the information technology (IT), access rules are defined in the accounting-related IT systems. Every company included in the consolidated financial statement is subject to the rules of IT security, which are summarised in a corresponding policy. The organisation thus ensures that system users only have access to the information and systems they need to perform their tasks.

Compliance management system

Unaudited disclosures not included in the management report:

CECONOMY´s long-term success is built on the foundation of far-sighted corporate management and Group-wide standards that extend all the way to supply chain. Specifically, this foundation is reflected in transparent, legally compliant, dependable and secure processes that are implemented and put into practice by acting responsibly and with integrity.

The challenge lies in taking the different social and legal frameworks of the country companies into account and integrating the partly different corporate cultures and processes of the individual companies.

Building on this foundation, the CECONOMY Code of Conduct is a central authority and source of guidance that defines the common, company-wide values. The Code of Conduct not only highlights compliance with the law, but also CECONOMY's clear commitment to transparent and ethical behaviour as well as fairness and respect for others. Violations of these fundamental values and rules as well as violations of the law can pose existential risks for the company and result in reputational damage - which is why they are not going be tolerated under any circumstances. Any abuse of a personal position to their personal advantage, to the advantage of third parties or to the disadvantage of CECONOMY will be prosecuted and sanctioned.

The Code of Conduct not only defines the company-wide values for CECONOMY, but also sets the compliance standards for all employees. It is specified in more detail in the Group-wide antitrust, data protection and anti-corruption guidelines. Along with their employment contracts, every new employee receives a copy of the current Code of Conduct, which they are required to read thoroughly and confirm in writing.

In addition, there are further specific guidelines and policies for the country organisations and subsidiaries that focus on their respective risks, local conditions and business practices. This ensures a consistent set of rules.

The responsibility for ensuring that compliance requirements are fulfilled lies with the Management Board of CECONOMY AG and the management of the individual Group companies. A new department called Assurance was established under the responsibility of a Chief Assurance Officer (CAO) in the 2023/24 financial year. As a new executive vice president, the CAO heads the Compliance & Privacy and Group Audit & Consulting departments. As Chief Compliance Officer, the Vice President Compliance & Privacy is responsible for compliance matters at CECONOMY AG and the MediaMarktSaturn Retail Group (MMSRG). Specialist reports can be submitted directly to the Management Board at any time. MMSRG's Compliance Management department manages compliance issues centrally in coordination with CECONOMY AG and is supported by the local compliance officers (LCO) in the various national companies. Together with the Compliance Management department and the Compliance Committee, which deals with major compliance cases, the LCOs form the compliance organisation. Central elements of the internal monitoring are the self-assessment of the appropriateness and effectiveness of the compliance management system (CMS) by the management teams of the Group companies and the review of appropriateness and effectiveness by Internal Audit at Group company level. The aggregated results of the self-assessments by the Governance, Risk and Compliance (GRC) Committee and the findings from the audits conducted by Internal Audit do not provide any indications overall that the CMS at CECONOMY is not appropriate or effective. The appropriateness and effectiveness is also monitored by the Supervisory Board of CECONOMY AG.

The compliance management system is refined and developed on an ongoing basis in order to establish a long-term, company-wide culture of compliance with the help of various communication and training activities. The Management Board of CECONOMY AG and the management of the individual Group companies support this compliance culture *through regular "tone-from-the-top" messages and the enforcement of a zero-tolerance approach in dealing with compliance violations.*

Compliance violations can be reported - also anonymously - by anyone via the whistleblowing system.

In accordance with the applicable training process, all new employees receive basic information in the form of mandatory e-learning courses and targeted face-to-face trainings, particularly on the topics of anti-corruption, conflicts of interest, data protection, antitrust law, money laundering and the guidelines and policies. Aside from the objectives and measures described here, the CMS stipulates a series of controls and assessments to guarantee compliance with standards and to identify risks early on. Separate risk assessments for the compliance, anti-money laundering and supply chain areas are incorporated into Group-wide Corporate Risk Management, which – together with the internal control system – tracks, analyses, and manages corporate risks at Group level.

The measures derived from the risk assessments on prevention ultimately contribute to the improvement of the internal procedures, processes and training.

This risk-based approach is also used in business partner screening, for example in the Marketplace area with regard to sanctions list checks.

ECONOMIC REPORT

Macroeconomic and sector-specific parameters[1]

The following remarks on the macroeconomic and industry-specific conditions comprise descriptions relevant for CECONOMY's business activities in the 2023/24 financial year.

Global perspective

The global economy and the international markets continued to face a number of challenges in 2024. Geopolitical tensions, particularly in the regions of Asia and Eastern Europe, as well as the recent intensification of the Middle East conflict, had a significant impact on the retail trade and supply chains. The persistent inflation and shortage of raw materials also put pressure on companies to adjust their cost structures. The digital transformation continues to play a key role in global growth. In particular, demand for electronic products remained high, driven by trends such as remote working, digitalisation and the increasing importance of electromobility.

Development of global gross domestic product

Source: Feri (including purchasing power parities); 2024 outlook based on Feri Database (including purchasing power parities)
Previous year's figures may differ from the annual report 2022/23, as final figures were not yet available when it was completed.

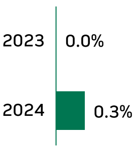
Economy in Europe

The economic situation in Europe has been characterised in 2024 by slow growth and ongoing uncertainties. The economy is suffering from high energy prices, supply bottlenecks and the consequences of the Russian war of aggression against Ukraine. European exports are restricted by the pressure on global supply chains and increased production costs. Domestic demand is weak, as the rising cost of living is reducing the disposable income of consumers. European industry, especially energy-intensive sectors, is struggling with high costs. However, the European Recovery Fund offers support and helps the countries that are impacted to restore economic stability. While employment markets are relatively stable, wage growth remains moderate.

DACH

Growth of 0.3 per cent is expected for the DACH segment in the 2024 calendar year.

Development of gross domestic product in the DACH segment



Source: Feri (including purchasing power parities); 2024 outlook based on Feri Database (including purchasing power parities)
Previous year's figures may differ from the annual report 2022/23, as final figures were not yet available when it was completed.

[1] The GDP development figures given in this chapter relate to the calendar years 2023 and 2024. Accordingly, the 2024 values are forecasts. In contrast, the qualitative statements in the text refer to the reporting period, unless otherwise stated. Current publications by Feri (World Industry Report) and the market research institute GfK were used as sources for the disclosures in this text.

Germany's economy is facing challenges: high inflation is putting pressure on consumption and investments. Uncertainty puts the brakes on new business projects. Weaker demand from abroad, particularly from the USA, is having a negative impact on foreign trade. Growth is stagnating and forecasts predict only a slow recovery. In addition, the shortage of skilled labour remains a long-term problem.

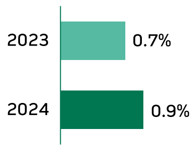
Austria struggled in 2024 with a slight decline in GDP, mainly due to low exports and falling investments. Inflation has fallen, but high interest rates are holding back private consumption. Unemployment is rising slightly and national debt remains high. The economic environment is tense due to recovery progressing slowly.

The Swiss economy recorded moderate growth: 2023 GDP growth weakened following a decline in investment. Higher energy prices and inflation led to interest rate hikes by the central bank. Thanks to the strict monetary policy, inflation was reduced and interest rates also fell slightly as a result. Nevertheless, weak exports and private consumer spending are hampering growth, which means 2024 will remain at the previous year's level.

The Hungarian economy is slowly recovering 2024, with positive growth thanks to stronger exports and rising private demand. Although inflation is still high, it is gradually falling, which is favourable for private households. The central bank lowers key interest rates to boost investments and consumption. Nevertheless, the unemployment rate remains slightly elevated and public debt high, which underlines the ongoing economic challenges.

Western/Southern Europe
Growth of 0.9 per cent is anticipated for the Western/Southern Europe segment for calendar year 2024.

Development of gross domestic product in the Western/Southern Europe segment



Source: Feri (including purchasing power parities); 2024 outlook based on Feri Database (including purchasing power parities)
Previous year's figures may differ from the annual report 2022/23, as final figures were not yet available when it was completed.

Belgium is showing slow growth in 2024 and a moderate upturn in consumption. GDP is expected to rise, mainly driven by exports. However, high interest rates are holding back investments and national debt remains a major problem. Political uncertainties and a fragmented government are making economic stability more difficult.

The Dutch economy is experiencing slightly negative growth during 2024, burdened by weak investments and negative net exports. Private consumption is stable, while slightly lower inflation continues to play a role. High government spending is putting the federal budget under pressure. An increase in debt is expected. The economic recovery is proving slower than hoped.

Italy's economy is growing moderately in 2024, driven by exports and investments. Private consumption is gradually recovering, while public spending continues to play an important role. Public debt remains high despite attempts to reduce it. Long-term structural problems such as weak infrastructure and hesitant investments are slowing down growth and hampering economic recovery.

The situation in Spain is different: the economy is experiencing robust growth in 2024 fuelled by brisk private consumption and investments. Exports also contribute positively while public investments and EU fundings further support growth. Despite these positive trends, national debt remains high and the national budget is under pressure. This poses long-term structural challenges for stability.

Eastern Europe
Growth of 2.5 per cent is expected in the Eastern Europe segment for the 2024 calendar year.

Development of gross domestic product in the Eastern Europe segment

Source: Feri (including purchasing power parities); 2024 outlook based on Feri Database (including purchasing power parities)
Previous year's figures may differ from the annual report 2022/23, as final figures were not yet available when it was completed.

The Turkish economy is growing moderately in 2024, driven by private consumption and exports. Persistently high inflation is driving up the cost of living. As a countermeasure, the central bank has raised interest rates to 50 per cent in order to strengthen the currency and curb inflation. Despite high government spending, the debt ratio relative to gross domestic product (GDP) remains moderate due to inflation. Overall, Türkiye continues to struggle with structural economic challenges.

In Poland, the economy 2024 is growing moderately, driven by both strong private and public demand. Investments also make a contribution, but are weaker than in previous years. Exports remain a stable driver of growth. Government debt is rising slightly and high government spending is putting pressure on the budget. Nevertheless, the economic situation is robust and shows solid growth momentum.

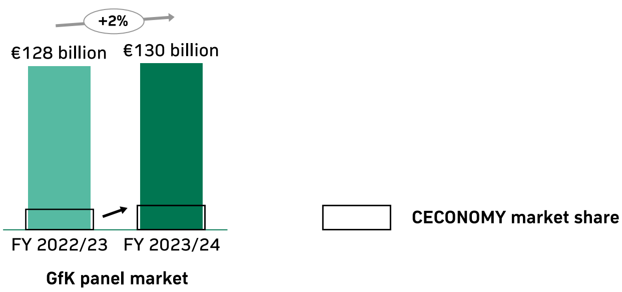
Development of gross domestic product

Changes compared to previous year (in %)	2023[1]	2024[2]
World	3.3	3.1
DACH[3]	0.0	0.3
Western/Southern Europe[4]	0.7	0.9
Eastern Europe[5]	2.6	2.5

Source: Feri
[1] The previous year's figures may differ from the 2022/23 annual report, as final figures were not yet available when it was finalised.
[2] Forecast
[3] Calculation for Germany, Austria, Switzerland and Hungary based on Feri Database (including purchasing power parities)
[4] Western Europe excluding Germany, Austria and Switzerland based on Feri Database (including purchasing power parities)
[5] Eastern Europe excluding Hungary and including Türkiye based on Feri Database (including purchasing power parities)

Development in the consumer electronics retail market

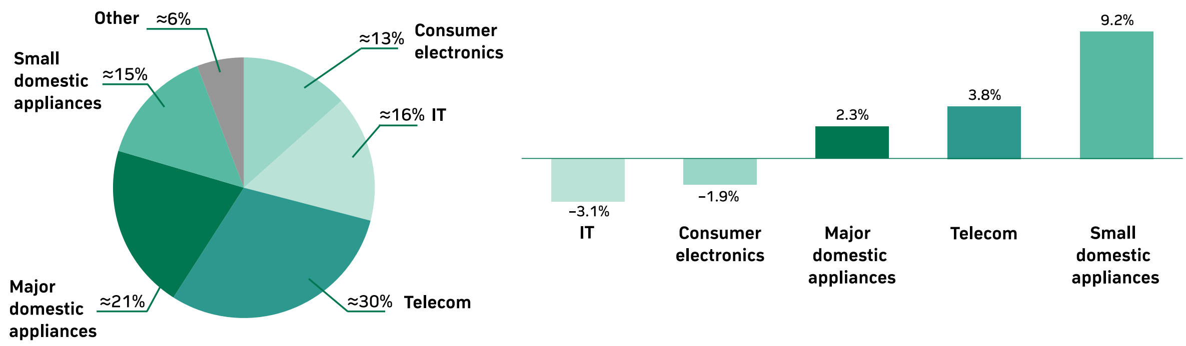
Development of the consumer electronics market and CECONOMY's market share



Source: Own calculation based on POS Panel GfK – An NIQ Company
The GfK panel market includes telecommunications, large and small household appliances, IT/office equipment and consumer electronics/photography
Entertainment and services are not included in the GfK panel market

In the 2023/24 financial year, the European market for consumer electronics is experiencing a slight recovery, fuelled by the dynamic growth in Türkiye, among other things, but this is associated with a high level of uncertainty. In local currency terms, the growth momentum of Türkiye has been declining since the middle of the year. After years of inflation and weak purchasing power, online retail is stabilising with a market share of some 37 per cent. At product group level, small domestic appliances and the telecom sector, which is dominated by smartphones, are seeing growth, while IT and consumer electronics are in decline.

Product composition of the consumer electronics market in financial year 2023/24 and year-on-year growth

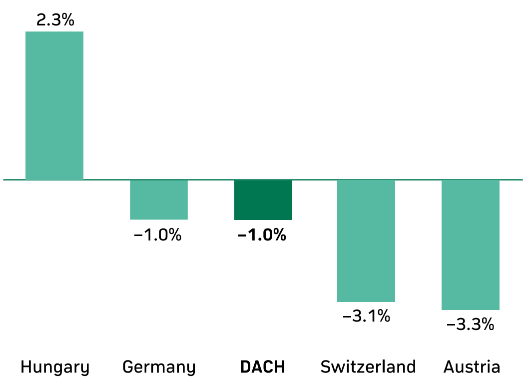


Source: Own calculations based on POS Panel GfK – An NIQ Company
IT includes IT hardware and accessories; consumer electronics includes TV and audio. Entertainment and services are not included in the GfK panel market.

DACH

In Hungary, the industry sector was able to continue its positive growth trajectory. In contrast, sales in the German, Austrian and Swiss consumer electronics retail sector were slightly negative in the past 2023/24 financial year.

Development of the consumer electronics market in the DACH segment in 2023/24 in a year-on-year comparison

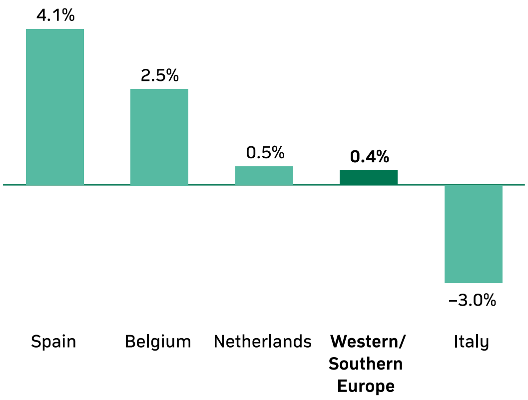


Source: Own calculations based on POS Panel GfK – An NIQ Company

Western/Southern Europe

Belgium and Spain recorded positive growth in consumer electronics retail sector in the 2023/24 financial year. The Dutch market showed signs of stabilization. In Italy, as in the previous year as a whole, the market for consumer electronics experienced a downward sales trend, but a positive trend has begun in recent months.

Development of the consumer electronics market in the Western/Southern Europe segment in 2023/24

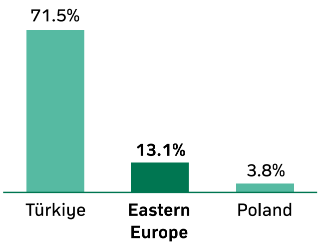


Source: Own calculations based on POS Panel GfK – An NIQ Company

Eastern Europe

Consumer electronics retailers in Türkiye recorded extremely positive growth in the 2023/24 financial year, driven by very high inflation, which weakened starting in the middle of the year. Poland showed moderate growth.

Development of the consumer electronics market in the Eastern Europe segment in 2023/24 in a year-on-year comparison



Source: Own calculations based on POS Panel GfK – An NIQ Company

Earnings, financial and asset position

Comparison of outlook with actual business developments

The outlook for the 2023/24 financial year, which was published on 18 December 2023, was characterised by macroeconomic and geopolitical uncertainties. There was particularly high uncertainty regarding the effects of the high inflation rate and the tense geopolitical situation on consumer sentiment and demand for consumer electronics.

For the 2023/24 financial year, CECONOMY expected a slight increase in total sales adjusted for currency effects across all segments. In addition, the company expected a significant improvement in adjusted EBIT in the DACH and Western/Southern Europe segments. A downward trend was assumed for the Eastern Europe segment due to the difficult conditions in the consumer electronics market.

Against the backdrop of the business performance in the first half of 2023/24, the Management Board of CECONOMY AG firmed up the adjusted EBIT in a range of €290 to €310 million in an ad hoc announcement on 13 May 2024. The Western/Southern Europe segment should contribute to this increase in particular. Previously, CECONOMY had assumed an increase in the DACH segment and the Western/Southern Europe segment.

On 14 August 2024 CECONOMY raised the outlook for sales growth from a slight increase to a moderate increase in its third quarter statement. The Western/Southern Europe and Eastern Europe segments should contribute to this. The company had previously expected a slight increase in currency-adjusted total sales in all segments.

The outlook was adjusted for further portfolio changes and did not take into account the earnings effects from companies accounted for using the equity method. It did not include non-recurring effects especially in connection with the simplification and digitalisation of central structures and processes as well as changes to the legal framework. Accounting effects from the application of IAS 29 in the hyperinflationary country Türkiye were also not taken into consideration.

SALES

For the 2023/24 financial year, CECONOMY had forecasted moderate growth in currency-adjusted total sales (2022/23: €22.2 billion) compared to the previous year, driven in particular by the Western/Southern Europe and Eastern Europe segments.

With an increase in total sales adjusted for currency effects and portfolio changes of 5.3 per cent, the target was achieved at the level of CECONOMY. The growth rates achieved in the Western/Southern Europe and in particular Eastern Europe segments were in line with expectations.

EARNINGS

For the 2023/24 financial year, CECONOMY expected an EBIT range of €290 to €310 million. This was to be driven in particular by the Western/Southern Europe segment.

With an adjusted EBIT of €305 million, CECONOMY was at the upper part of the forecast range. As expected, this result was mainly driven by the Western/Southern Europe segment.

Earnings position

SALES DEVELOPMENT IN THE GROUP

Financial year

	Sales		Change (%)	Currency effects (%)	Sales adjusted for currency effects and portfolio changes (%)	Like-for-like sales (local currency, %)
€ million	2022/23	2023/24	2023/24	2023/24	2023/24	2023/24
Total	**22,242**	**22,442**	**0.9**	**−2.6**	**5.3**	**4.1**
DACH	12,040[1]	11,868	−1.4	0.1	−1.5	−1.5
Western/Southern Europe	7,037	7,243	2.9	0.0	4.8	2.4
Eastern Europe	2,766	3,313	19.8	−29.2	44.7	40.8
Others	399[1]	18	−95.6	−0.7	−0.9	–

[1] Retrospective adjustment due to changes in segment composition; for effects on DACH, Other and Consolidation, see table in the "Additional notes on segment reporting" in the notes.

Quarter[1]

	Sales		Change (%)	Currency effects (%)	Sales adjusted for currency effects and portfolio changes (%)	Like-for-like sales (local currency, %)
€ million	Q4 2022/23	Q4 2023/24	Q4 2023/24	Q4 2023/24	Q4 2023/24	Q4 2023/24
Total	**5,347**	**5,206**	**−2.6**	**−2.3**	**6.3**	**4.5**
DACH	2,681[2]	2,661	−0.7	−0.1	−0.7	−1.3
Western/Southern Europe	1,675	1,765	5.4	0.0	7.3	4.4
Eastern Europe	951	776	−18.5	−19.3	34.5	30.7
Others	39[2]	5	−88.4	−1.4	−3.1	–

[1] In contrast to the figures for the financial year, the quarterly figures and their explanations comprise unaudited information.
[2] Retrospective adjustment due to changed segment composition; effects on DACH, Other and Consolidation, see tabular overview in the "Supplementary notes to segment reporting" in the notes.

Group sales again show significant growth on a currency and portfolio-adjusted basis

- In the **2023/24 financial year**, the outlook-relevant growth in Group sales, adjusted for currency and portfolio effects, was 5.3 per cent.

- In Group currency, CECONOMY's total sales increased by 0.9 per cent to €22.4 billion. This includes effects from the application of IAS 29 (hyperinflation in Türkiye) in the amount of €124 million.

- On a like-for-like basis, Group sales were 4.1 per cent higher than in the previous year.

- Both online sales and sales from Services & Solutions developed very favourably in the 2023/24 financial year, making a significant contribution to sales growth.

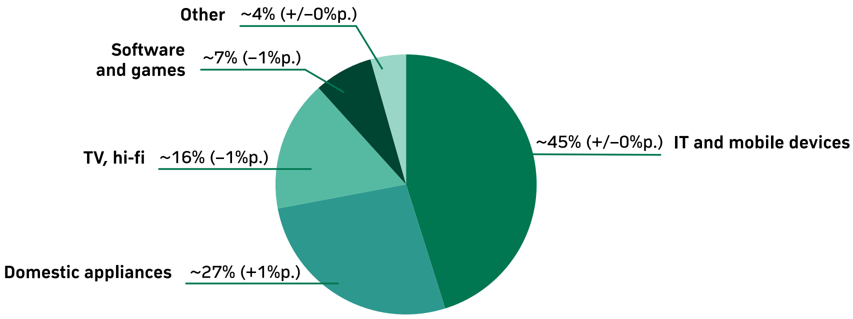
- The development of total sales was also influenced by 36 new openings and additions in the past 2023/24 financial year, compared to 23 new openings in the previous year. The closure of four locations in the past financial year 2023/24 and 49 closures in the previous financial year had an opposite effect. 29 of the 49 closures in financial year 2022/23 were due to the sale of the Swedish business and a further ten to the sale of the business in Portugal.

The reconciliation of total sales to like-for-like sales in a year-on-year comparison is shown below:

€ million	2022/23 as reported	2022/23 before IAS 29	2022/23 adjusted for currency and portfolio effects	2023/24 as reported	2023/24 before IAS 29
Total sales	22,242	22,236	21,185	22,442	22,318
Less sales that were not part of the like-for-like panel	–	–	227	–	494
Like-for-like sales	**–**	**–**	**20,958**	**–**	**21,824**

CECONOMY succeeded in increasing sales adjusted for currency effects and portfolio changes in every quarter of the 2023/24 financial year - with a growth rate of over six per cent in the second to fourth quarter. The Western/Southern Europe and Eastern Europe segments dominated in all quarters, while the DACH segment showed a weaker performance. The development of the individual segments is described in more detail below.

Total sales in 2023/24 and year-on-year change by product group



Explanation of sales in the DACH segment

The DACH segment recorded sales of €11.9 billion in the **2023/24 financial year**, down 1.4 per cent year on year. Adjusted for currency effects and portfolio changes, segment sales fell by 1.5 per cent.

In Germany and Switzerland, the challenging macroeconomic environment resulted in a sales decline. In Germany, online sales just exceeded the previous year's level, but sales in the brick-and-mortar business were below previous year's figure. Switzerland lost out in both channels. Austria and Hungary, on the other hand, developed positively. Austria recorded sales growth both online and offline, while in Hungary the brick-and-mortar business more than compensated for a slight decline in online sales.

Sales in the DACH segment fell by 0.7 per cent to €2.7 billion in the **fourth quarter of 2023/24**. Adjusted for currency and portfolio change effects, sales were also 0.7 per cent below the previous year's figure. This decline in sales was driven by Germany, while the other three countries developed positively in the fourth quarter. In Germany, the continued gloomy consumer sentiment and a difficult competitive environment were responsible for the decline in sales.

Explanation of sales in the Western/Southern Europe segment
Sales in the Western/Southern Europe segment rose by 2.9 per cent to €7.2 billion in the **2023/24 financial year**. Adjusted for currency and portfolio change effects, sales were 4.8 per cent higher than in the previous year. In the previous year, total sales still included the discontinued Portuguese business. Strong sales growth was recorded in the Netherlands and Spain. In contrast, Italy again suffered a slight drop in sales in a declining overall market.

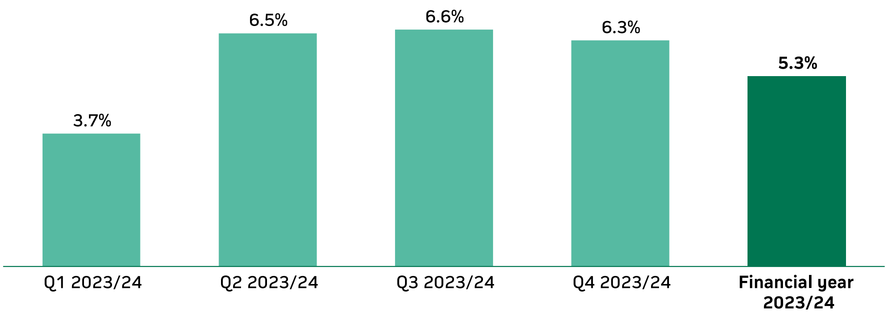
The Western/Southern Europe segment recorded sales of €1.8 billion in the **fourth quarter of 2023/24**, which corresponds to an increase in sales of 5.4 per cent compared to the same quarter of the previous year. Adjusted for currency and portfolio change effects, sales were 7.3 per cent higher than in the previous year. In the fourth quarter, as throughout the year as a whole, the Netherlands and Spain are the main drivers. Sales growth was achieved in both countries, both in brick-and-mortar business and online. In the fourth quarter, Italy achieved sales above the previous year's level for the first time in the financial year. Improvements were achieved in the online business and in brick-and-mortar business.

Explanation of sales in the Eastern Europe segment
In the Eastern Europe segment, sales increased significantly, by 19.8 per cent, in the **2023/24 financial year** and totalled €3.3 billion. This includes effects from the application of IAS 29 (hyperinflation Türkiye) for €124 million (2022/23: €6 million). The depreciation of the Turkish lira continued to have a negative impact on segment sales in Group currency. Adjusted for currency effects and portfolio changes, sales in the Eastern Europe segment rose by 44.7 per cent. Türkiye continued to develop positively, while sales in Poland were lower than the previous year's figure.

Sales in the Eastern Europe segment fell by 18.5 per cent to €0.8 billion in the **fourth quarter of 2023/24**. This was driven mainly by the sharp depreciation of the Turkish lira. The quarterly sales include a negative effect from the application of IAS 29 (hyperinflation Türkiye) totalling €4 million (2022/23: €275 million). Adjusted for currency effects and portfolio changes, segment sales rose by 34.5 per cent. The increase in sales also in the fourth quarter was due to continued strong customer demand and high inflation in Türkiye, although the trend is levelling off compared to previous quarters. There was a decline in sales in Poland.

Explanation of sales in the Others segment
In the **2023/24 financial year**, the Others segment recorded a decline in sales of 95.6 per cent year on year, to around €18 million. This is primarily due to the disposal of the Swedish business on 1 August 2023. A decline in sales adjusted for currency effects and portfolio changes of 0.9 per cent was recorded. The Others segment comprises smaller operating companies such as the private label company Imtron.

Total sales growth adjusted for currency effects and portfolio changes by quarter in financial year 2023/24[1]



[1] In contrast to the figures for the financial year, the quarterly figures and their explanations comprise unaudited information.

As in previous years, the 2023/24 financial year was dominated by the "IT and mobile devices" product category with a share of sales of around 45 per cent (2022/23: 45 per cent). A slight increase in the share of sales was recorded for household appliances, supported by various technological innovations. In contrast, the "TV, hi-fi" and "Software and games" categories lost a slight share of sales, partly due to a lack of new releases.

Online and Services & Solutions sales in the Group

€ million	Q4 2022/23[1]	Q4 2023/24[1]	Change[1]	2022/23	2023/24	Change
Online sales	1,059	1,097	3.7	4,943	5,136	3.9
Services & Solutions sales	361	393	8.9	1,379	1,487	7.8

[1] In contrast to the figures for the financial year, the quarterly figures and their explanation comprise unaudited information.

Online business performing well
CECONOMY's online business recorded an increase in sales of 3.9 per cent to €5.1 billion in the **2023/24 financial year** (2022/23: €4.9 billion). Including the net merchandise value (NMV) of the Marketplace business, the online share of total sales was 23.6 per cent (2022/23: 22.6 per cent). The increase can be attributed to the larger number of visitors to the online shops, which led to an increase in completed online purchases. The expansion of the Marketplace business also contributed to this, as the extended product range has attracted more customers to MediaMarktSaturn's online shops. The pick-up rate fell to an average of 35 per cent in the 2023/24 financial year (2022/23: 38 per cent).

Online sales rose by 3.7 per cent to €1.1 billion in the **fourth quarter of 2023/24** (Q4 2022/23: €1.1 billion). As in the previous quarters, all regions contributed to this on a currency- and portfolio-adjusted basis. Including NMV from the Marketplace business, the online share of total sales rose from 20.3 per cent in the previous year to 21.9 per cent. Here too, the main driver was the increase in visitor frequency. The pick-up rate was 35 per cent (Q4 2022/23: 39 per cent).

Services & Solutions business continues to be successful
Sales in Services & Solutions increased by 7.8 per cent to €1.5 billion in the **2023/24 financial year** (2022/23: €1.4 billion). In addition to Operational Services & Solutions, the definition used here also includes retail media and marketplace commissions and fees, for example. The relevant key figure for the income share of Operational Services & Solutions in total sales rose to 5.1 per cent (2022/23: 4.5 per cent). All areasin recorded growth in year-on-year comparison, with extended warranties and telecommunication services performing particularly well.

In the **fourth quarter of 2023/24**, Services & Solutions continued the momentum of the previous quarters. This resulted in an increase in sales of 8.9 per cent to €0.4 billion (2022/23: €0.4 billion). Here, the offering of power services was the main sales driver.

EARNINGS DEVELOPMENT IN THE GROUP

Financial year

	Reported EBIT	Reported EBIT	Change	Adjusted EBIT	Adjusted EBIT	Change
€ million	2022/23	2023/24	2023/24	2022/23	2023/24	2023/24
Total[1]	**−21**	**254**	**275**	**243**	**305**	**62**
DACH	84[2]	143	59	145[2]	162	17
Western/Southern Europe	41	82	41	36	88	53
Eastern Europe	117	44	−72	102	73	−30
Others	−263[2]	−13	250	−40[2]	−16	24

[1] Including consolidation
[2] Retroactive adjustment due to changes in segment composition; for effects on DACH, Others and consolidation, see the table under "Additional notes on segment reporting" in the notes.

Adjusted Group EBIT of €305 million at the upper end of the outlook range
Adjusted Group EBIT of €305 million was significantly above the previous year's level (2022/23: €243 million). The Western/Southern Europe and DACH segments in particular contributed to this growth, while the Eastern Europe segment closed the financial year weaker than in the previous year, as expected. Details on developments in the regions can be found later in this section.

– Reported Group EBIT increased by €275 million to €254 million in the past **financial year 2023/24** (2022/23: €–21 million).

– The previous year's figure includes non-recurring effects totalling around €–265 million. These resulted in particular from the impairment of the share in Fnac Darty S.A, portfolio effects and efficiency measures.

– In 2023/24, the non-recurring effects amounted to around €–52 million. These include €23 million in earnings effects from companies accounted for using the equity method and portfolio changes, €–29 million for the simplification and digitalisation of central structures and processes and €–46 million for other non-recurring effects, which primarily include the accounting effects from the application of IAS 29 in the hyperinflationary country Türkiye.

– Adjusted for these earnings effects, Group EBIT of €305 million significantly exceeded the previous year's figure (2022/23: €243 million).

In the past financial year of 2023/24, the **DACH segment** achieved EBIT of €143 million, which was therefore €59 million higher than the previous year's level (2022/23: €84 million). This includes non-recurring effects of around €–20 million (2022/23: €–62 million). Adjusted for these effects, EBIT in the DACH segment increased by €17 million to €162 million (2022/23: €145 million). Earnings growth in Austria, Switzerland and Hungary more than compensated for the slight decline in earnings in Germany. In Germany, cost savings could not fully offset the decline in sales.

In the **Western/Southern Europe segment**, EBIT increased by €41 million to €82 million in the past financial year of 2023/24 (2022/23: €41 million). This includes non-recurring effects of around €–6 million (2022/23: €–13 million). Adjusted for these earnings effects and portfolio changes, EBIT increased by €53 million to €88 million (2022/23: €36 million). Overall, this is primarily due to the earnings development in Spain, followed by a positive trend in Italy and the Netherlands.

At €44 million, EBIT in the **Eastern Europe segment** was around €72 million lower in the past financial year 2023/24 than the previous year's level (2022/23: €117 million). Non-recurring effects of around €–29 million (2022/23: €14 million) are included. Adjusted for these earnings effects, EBIT decreased by €30 million to €73 million (2022/23: €102 million). In Türkiye, the increase in sales was offset by the higher increase in costs, resulting in a decline in earnings compared to the previous year.

The **Others segment** comprises in particular the holding companies, the earnings effects from companies accounted for using the equity method (Fnac Darty S.A. and Power Retail Sweden AB) and the activities of smaller operating companies. In the past financial year 2023/24, EBIT increased year-on-year by €250 million to €–13 million (2022/23: €–263 million). This includes non-recurring effects of around €–21 million (2022/23: €–9 million). The significant increase in the reported EBIT can mainly be attributed to the impairment of €–82 million and to the subsequent measurement of the investment revaluation in Fnac Darty S.A. accounted for using the equity method of €–50 million recognised in the previous year. The earnings contribution from the investment in Fnac Darty S.A. amounted to €27 million in the past financial year 2023/24. In the previous year, an impairment loss related to the disposal of the Swedish business in the amount of €–65 million also had a negative impact on EBIT. Overall, the effects on earnings from companies accounted for using the equity method and portfolio changes totalled around €23 million in the 2023/24 financial year (2022/23: €–214 million). Adjusted for these effects, EBIT increased by €24 million to €–16 million (2022/23: €–40 million). The increase in EBIT results primarily from the optimisation of the earnings structure at the holding companies.

Quarter[1]

€ million	Reported EBIT Q4 2022/23	Reported EBIT Q4 2023/24	Change Q4 2023/24	Adjusted EBIT Q4 2022/23	Adjusted EBIT Q4 2023/24	Change Q4 2023/24
Total[2]	**−14**	**71**	**84**	**94**	**103**	**9**
DACH	7[3]	47	40	35[3]	65	30
Western/Southern Europe	88	53	−35	73	62	−11
Eastern Europe	45	5	−40	12	4	−8
Other	−153[3]	−36	117	−25[3]	−29	−4

[1] In contrast to the figures for the financial year, the quarterly figures and their explanation comprise unaudited information.
[2] Including consolidation
[3] Retroactive adjustment due to changes in segment composition; for effects on DACH, Others and consolidation, see the table under "Additional notes on segment reporting" in the notes.

The fourth quarter of 2023/24 is the seventh quarter in a row with a year-on-year increase in adjusted earnings

- A reported Group EBIT of €71 million was achieved in the **fourth quarter of 2023/24**. In the same period of the previous year, this totalled €−14 million.

- This includes non-recurring effects of around €−35 million (Q4 2022/23: €−1 million), primarily from efficiency measures and accounting effects from the application of IAS 29 in the hyperinflationary country Türkiye.

- The effects on earnings from companies accounted for using the equity method and portfolio changes totalled €2 million in the fourth quarter of the past financial year 2023/24 (Q4 2022/23: €−107 million). The share of the half-year profit of Fnac Darty S.A. was already recognised in the third quarter of the 2023/24 financial year.

- Adjusted for these earnings effects, Group EBIT was up on the previous year at €103 million (Q4 2022/23: €94 million).

EBIT in the **DACH segment** totalled €47 million in the fourth quarter of 2023/24, up €40 million on the previous year's level (Q4 2022/23: €7 million). The non-recurring effects included in this figure totalled €−18 million (Q4 2022/23: €−28 million). Adjusted for these effects, EBIT in the DACH segment increased by €30 million to €65 million (Q4 2022/23: €35 million). All countries contributed to the increase in earnings.

The **Western/Southern Europe segment** achieved EBIT of €53 million, which was therefore €35 million lower than the previous year's level (Q4 2022/23: €88 million). This includes non-recurring effects of around €−9 million (Q4 2022/23: €−6 million). Adjusted for these earnings effects and portfolio changes, EBIT fell by €11 million to €62 million (Q4 2022/23: €73 million). Spain in particular was below the previous year's level, while Italy achieved earnings above the previous year's figure.

EBIT decreased by €40 million to €5 million (Q4 2022/23: €45 million) in the **Eastern Europe segment**. This includes non-recurring effects of around €1 million (Q4 2022/23: €32 million). Adjusted for these earnings effects, EBIT fell by €8 million to €4 million (Q4 2022/23: €12 million). The significant rise in costs in Türkiye was also noticeable in the fourth quarter, while earnings in Poland improved slightly thanks to comparatively lower costs.

EBIT in the **Others segment** increased by 117 € million, to €−36 million, in the fourth quarter of 2023/24 (Q4 2022/23: €−153 million). This includes non-recurring effects in the amount of €−9 million (Q4 2022/23: €0 million). The effects on earnings from companies accounted for using the equity method and portfolio changes totalled €2 million in the fourth quarter (Q4 2022/23: €−128 million). Adjusted for these effects, EBIT fell by €−4 million to €−29 million (Q4 2022/23: €−25 million).

EBIT ADJUSTMENTS IN THE GROUP

Financial year

€ million	Reported EBIT	Non-recurring: Simplification and digitalisation of central structures and processes	Non-recurring: Strengthening of the retail brands in Germany	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
	2022/23					
Total[1]	**−21**	**−62**	**−4**	**−4**	**−195**	**243**
DACH	84[2]	−45[2]	−4	−12[2]	0[2]	145
Western/Southern Europe	41	−9	0	−5	19	36
Eastern Europe	117	−3	0	17	0	102
Others	−263[2]	−5[2]	0	−4[2]	−214[2]	−40

[1] Including consolidation
[2] Retroactive adjustment due to changes in segment composition; for effects on DACH, Others and consolidation, see the table under "Additional notes on segment reporting" in the notes.

€ million	Reported EBIT	Non-recurring: Simplification and digitalisation of central structures and processes	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
	2023/24				
Total[1]	**254**	**−29**	**−46**	**23**	**305**
DACH	143	−5	−14	0	162
Western/Southern Europe	82	−4	−2	0	88
Eastern Europe	44	−2	−27	0	73
Others	−13	−18	−3	23	−16

[1] Including consolidation

Quarter[1]

€ million	Reported EBIT	Non-recurring: Simplification and digitalisation of central structures and processes	Non-recurring: Strengthening of the retail brands in Germany	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
	Q4 2022/23					
Total[2]	**−14**	**−25**	**−2**	**25**	**−107**	**94**
DACH	7[3]	−22[3]	−2	−4[3]	0[3]	35
Western/Southern Europe	88	−3	0	−3	21	73
Eastern Europe	45	−3	0	36	0	12
Others	−153[3]	4[3]	0	−4[3]	−128[3]	−25

[1] In contrast to the figures for the financial year, the quarterly figures and their explanation comprise unaudited information.
[2] Including consolidation
[3] Retroactive adjustment due to changes in segment composition; for effects on DACH, Others and Consolidation, see the table under "Additional notes on segment reporting" in the notes.

€ million	Reported EBIT	Non-recurring: Simplification and digitalisation of central structures and processes	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
					Q4 2023/24
Total[2]	**71**	**–25**	**–9**	**2**	**103**
DACH	47	–11	–7	0	65
Western/Southern Europe	53	–7	–2	0	62
Eastern Europe	5	–1	2	0	4
Other	–36	–6	–2	2	–29

[1] In contrast to the figures for the financial year, the quarterly figures and their explanation comprise unaudited information.
[2] Including consolidation

EBITDA ADJUSTMENTS IN THE GROUP

Group EBITDA increased by €102 million to €916 million in the past **financial year 2023/24** (2022/23: €813 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method and portfolio changes, Group EBITDA increased by €38 million to €948 million (2022/23: €910 million).

Group EBITDA fell by €32 million to €232 million, in the **fourth quarter of 2023/24** (Q4 2022/23: €265 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method and portfolio changes, Group EBITDA fell by €22 million, to €259 million (Q4 2022/23: €282 million).

Financial year

€ million	EBITDA 2022/23	EBITDA 2023/24	Change compared to previous year 2023/24	Adjusted EBITDA 2022/23	Adjusted EBITDA 2023/24	Change compared to previous year 2023/24
Total[1]	**813**	**916**	**102**	**910**	**948**	**38**
DACH	453[2]	506	53	515[2]	526	11
Western/Southern Europe	262	284	22	252	289	37
Eastern Europe	182	111	–71	153	121	–33
Other	–83[2]	17	100	–11[2]	14	25

[1] Including consolidation
[2] Retroactive adjustment due to changes in segment composition; for effects on DACH, Others and Consolidation, see table under "Additional notes on segment reporting" in the notes.

Quarter[1]

€ million	EBITDA Q4 2022/23	EBITDA Q4 2023/24	Change compared to previous year Q4 2023/24	Adjusted EBITDA Q4 2022/23	Adjusted EBITDA Q4 2023/24	Change compared to previous year Q4 2023/24
Total[2]	**265**	**232**	**–32**	**282**	**259**	**–22**
DACH	105[3]	137	32	133[3]	155	22
Western/Southern Europe	150	99	–50	134	108	–26
Eastern Europe	68	23	–45	27	17	–10
Other	–57[3]	–29	29	–11[3]	–22	–11

[1] In contrast to the figures for the financial year, the quarterly figures and their explanation comprise unaudited information.
[2] Including consolidation
[3] Retroactive adjustment due to changes in segment composition; for effects on DACH, Others and Consolidation, see the table under "Additional notes on segment reporting" in the notes.

NET FINANCIAL RESULT AND TAXES

€ million	2022/23	2023/24
Earnings before interest and taxes EBIT	**–21**	**254**
Other investment result	0	15
Interest income/expenses (interest result)	–101[1]	–177
Other financial result	80[1]	–4
Net financial result	**–21**	**–166**
Profit before tax EBT	**–42**	**88**
Income taxes	5	–11
Profit or loss for the period	**–37**	**77**

[1] Retrospective adjustment due to the reclassification of interest expenses in connection with a bond from the Other financial result item to the Interest expenses item in the amount of €10 million

The **net financial result** decreased by €145 million, to €–166 million, in financial year 2023/24 (2022/23: €–21 million). This decline is primarily due to a decrease of €76 million, to €–177 million (2022/23: €–101 million), in the net interest result, which can primarily be attributed to higher interest expenses in connection with higher volume and interest-related bank commission as well as increased interest expenses from leases. In addition, other net financial result decreased by €83 million, to €–4 million (2022/23: €80 million), which is primarily due to effects from the deconsolidation of the Swedish MediaMarkt business as a result of the reclassification of currency effects from equity to the other net financial result in the amount of €76 million in financial year 2022/23. This was offset by a higher other investment result, which resulted primarily from income from investments in METRO PROPERTIES GmbH & Co. KG in the past financial year.

Earnings before tax increased from €–42 million to €88 million in financial year 2023/24.

↗ Further disclosures on the net financial result can be found in the notes - notes 7, 9 and 10 Other investment result, Interest income/interest expenses and Other financial result.

While financial year 2022/23 recognised tax income of €5 million, financial year 2023/24 reports a tax expense of €11 million. The current tax expense of €40 million is offset by tax income of €28 million from deferred taxes and relates primarily to the subsequent measurement of deferred taxes on loss carry forwards.

€ million	2022/23	2023/24
Current taxes	**–49**	**–40**
thereof Germany	(–9)	(–6)
thereof international	(–39)	(–34)
thereof tax expense/income for the current period	(–53)	(–44)
thereof tax expense/income from previous periods	(4)	(4)
Deferred taxes	**54**	**28**
thereof Germany	(51)	(–5)
thereof international	(3)	(34)
Income taxes	**5**	**–11**

The Group tax rate is the ratio between recognised income tax expenses and earnings before taxes. The Group tax rate was 12.8 per cent in the reporting period (2022/23: 12.7 per cent).

↗ Further information on income taxes can be found in the notes – number 12 Income taxes.

PROFIT OR LOSS FOR THE PERIOD AND UNDILUTED EARNINGS PER SHARE

Reported EBIT improved by €275 million from €–21 million to €254 million. The financial result fell by €145 million from €–21 million to €–166 million. The income tax result deteriorated by €17 million from €5 million to €–11 million. As a result of the very positive development of the reported EBIT in particular, **profit or loss for the period** improved by €114 million, from €–37 million to €77 million.

The profit or loss for the period attributable to non-controlling interests amounts to €1 million (2022/23: €2 million). This resulted in a profit or loss for the period attributable to shareholders of €76 million (2022/23: €–39 million) and undiluted **earnings per share** of €0.16 (2022/23: €–0.08 million).

The calculation of undiluted earnings per share for the 2023/24 financial year is based on a number of 485,221,084 shares.

				Change	
		2022/23	2023/24	Absolute	%
Profit or loss for the period	€ million	−37	77	114	–
Profit or loss for the period attributable to non-controlling interests	€ million	2	1	−1	−65.6
Profit or loss for the period attributable to shareholders of CECONOMY AG	€ million	−39	76	115	–
Undiluted earnings per share[1]	€	−0.08	0.16	0.24	–

[1] After non-controlling interests

Financial and asset position

CAPITAL STRUCTURE

As of 30 September 2024, CECONOMY's consolidated statement of financial position reported **equity** of €515 million (30/09/2023: €465 million).

The equity ratio increased in the reporting period to 5.1 per cent (30/09/2023: 4.8 per cent).

€ million	Note no.	30/09/2023	30/09/2024
Equity	**27**	**465**	**515**
Share capital		1,240	1,240
Capital reserve		389	389
Reserves retained from earnings		−1,166	−1,113
Non-controlling interests		2	−1

As of 30 September 2024, reserves retained from earnings increased by €53 million to €−1,113 million (30/09/2023 2023: €−1,166 million).

The increase of reserves retained from earnings is primarily due to the profit or loss for the period attributable to the shareholders of CECONOMY AG in financial year 2023/24 in the amount of €76 million. This was offset primarily by other earnings in the amount of €−19 million.

€ million	30/09/2023	30/09/2024
Cash and cash equivalents	897	1,010
Borrowings	2,584	2,630
Net liquidity (+)/net debt (−)	**−1,687**	**−1,621**

As of 30 September 2024, net debt on the balance sheet amounted to €1,621 million. Net debt of €1,687 million was reported in the previous year. At €1,010 million as of 30 September 2024, cash and cash equivalents were €113 million higher than previous year's level (30/09/2023: €897 million), with borrowings increasing by €46 million to €2,630 million (30/09/2023: €2,584 million). The decline in net debt can primarily be attributed to the improvement of net working capital, which led to an increase in cash and cash equivalents, and to the reduction in lease liabilities.

Adjusted for lease liabilities, net liquidity amounted to €104 million as of 30 September 2024 (30/09/ 2023: €97 million).

↗ For details, please refer to the cash flow statement and note 34 Notes to the cash flow statement.

Non-current liabilities as of 30 September 2024 increased by €61 million, to €2,548 million (30/09/2023: €2,487 million).

This development is primarily due to the increase in non-current borrowings by €96 million to €2,095 million (30/09/2023: €2,000 million). As part of the early refinancing of the bond issued in 2021 through the issue of a new bond on 3 July 2024, the tender offer for the notional amount of €144 million was not accepted, which increased the outstanding bond amount. This was partially offset by lower lease liabilities. Provisions for pensions and similar obligations also increased by €12 million to €328 million (30/09/2023: €316 million), which was primarily due to lower interest rates. In addition, other liabilities increased by €6 million to €9 million (30/09/2023: €3 million) and other financial liabilities by €2 million to €13 million (30/09/2023: €11 million). At €88 million, other provisions remained at the previous year's level (30/09/2023: €88 million). This was offset by the reduction in deferred tax liabilities to €15 million (30/09/2023: €69 million). The decline can be attributed to the expansion of the tax group and the associated higher netting of deferred taxes.

Current liabilities amounted to €7,072 million as of 30 September 2024 and were therefore €389 million higher than the previous year's figure (30/09/2023: €6,683 million).

The main driver of this development is the €504 million increase in trade liabilities and similar liabilities totalling €5,824 million (30/09/2023: €5,320 million). The increase was due in particular to the higher order volume as a result of the good sales trend, especially in the Western/Southern Europe segment, as well as preparations for the important Christmas business. The increase in current provisions by €11 million to €93 million (30/09/2023: €82 million) resulted primarily from provisions for rental obligations and personnel expenses in connection with restructuring. All other current liability items showed a decrease compared to the previous year. The decrease in current borrowings by €49 million to €535 million (30/09/2023: €584 million) resulted from the scheduled repayment of promissory notes in the amount of €50 million. Other financial liabilities fell by €41 million to €364 million (30/09/2023: €405 million). The decline in other financial liabilities can primarily be attributed to the decrease of liabilities for wages and salaries. Other current liabilities fell by €28 million to €220 million (30/09/2023: €249 million), due to lower VAT liabilities.

Compared to 30 September 2023, the debt ratio fell by 0.2 percentage points to 94.9 per cent (30/09/2023: 95.2 per cent). Compared to 30 September 2023, the ratio of current liabilities to total liabilities increased by 0.6 percentage points to 73.5 per cent (30/09/2023: 72.9 per cent).

↗ Further information on the maturity, currency and interest rate structure of the financial liabilities and credit facilities can be found in the notes – note 33.3 Borrowings.

€ million	Note no.	30/09/2023	30/09/2024
Non-current liabilities		**2,487**	**2,548**
Provisions for pensions and similar obligations	28	316	328
Other provisions	29	88	88
Borrowings	30, 33	2,000	2,095
Other financial liabilities	30, 32	11	13
Other liabilities	32	3	9
Deferred tax liabilities	24	69	15
Current liabilities		**6,683**	**7,072**
Trade liabilities and similar liabilities	30, 31	5,320	5,824
Provisions	29	82	93
Borrowings	30, 33	584	535
Other financial liabilities	30, 32	405	364
Other liabilities	32	249	220
Income tax liabilities	30	43	35

↗ Further information on the development of the liabilities can be found in the notes under the numbers indicated in the table. Information on contingent liabilities and other financial liabilities can be found in the notes – note 37 Contingent liabilities and note 38 Other financial liabilities.

INVESTMENTS/DIVESTMENTS

In the 2023/24 financial year, CECONOMY invested €758 million and was therefore around €90 million above the previous year's level (2022/23: €668 million). This significant increase can primarily be attributed to higher additions to rental right-of-use assets, which were €81 million higher than the previous year's level. The main drivers in financial year 2023/24 were lease extensions and adjustments to existing stores and the larger number of new leases entered into in the course of the increased expansion activity. The conversion of existing stores in Germany and Austria from core to lighthouse format also contributed to the increase in investments in a year-on-year comparison. Investments in expansion and modernisation activities in the stores and national distribution centres over and above the addition of right-of-use assets also increased slightly compared to the previous year. In contrast, investments in mergers & acquisitions fell after the minority stake in Power Retail Sweden AB was added in the prior-year comparable period.

The network of stores was expanded by a total of 36 locations in financial year 2023/24. In contrast, four locations were closed during the reporting period. At the end of the 2023/24 financial year, the total number of stores was therefore 1,030 (30/09/2023: 998 stores). Of these, 11 were in the Lighthouse format (30/09/2023: 8 stores). In the same period of the previous year, 23 stores were opened and 49 were closed. The comparatively high number of store closings in the reporting period of the previous year is due in particular to the disposal of the national companies in Sweden with 29 locations and in Portugal with 10 locations in the 2022/23 financial year. The total sales area amounted to 2,435 thousand square metres, compared to 2,465 thousand square metres in the previous year. The average selling space per store fell by 4 per cent from 2,470 square metres at the end of the previous financial year to 2,364 square metres at the end of the 2023/24 financial year.

Investments as per segment report

			Change	
€ million	2022/23	2023/24	Absolute	%
DACH	313[1]	351	38	12.0
Western/Southern Europe	209	264	55	26.4
Eastern Europe	90	97	6	6.9
Other	55[1]	47	−9	−15.7
	668	**758**	**90**	**13.5**

[1] Retrospective adjustment due to changes in segment composition; effects on DACH and Other, see table in the "Additional notes on segment reporting" in the notes.

In the **DACH** region, €351 million was invested in the 2023/24 financial year. Investments were therefore €38 million higher than in the same period of the previous year (2022/23: €313 million). On the one hand, the increase was due to a higher addition to rental right-of-use assets, particularly in connection with the conversion of existing stores in Germany and Austria from core to lighthouse format. On the other hand, the additional investments in modernisation activities at stores and in a national distribution centre in Germany were also higher than in the previous year. In the DACH region, one store each opened in the reporting period in Germany, Austria and Hungary. The store network was expanded by nine stores in previous year. In contrast, three stores in Germany were closed in the reporting period, following five store closures in the previous year.

At €264 million, investments in **Western/Southern Europe** in financial year 2023/24 were €55 million higher than investments in the same period of the previous year (2022/23: €209 million). The increase was primarily due to the greater addition of rental right-of-use assets. This development was driven by the higher number of rental contract extensions and adjustments to existing stores particularly in Italy and Spain as well as increased expansion activity especially in the Netherlands. In the Western/Southern Europe segment, ten stores in Italy and three stores each in Spain and Belgium were opened in the reporting period. In addition, the Dutch country organisation acquired seven stores from the insolvent electronics retail chain BCC and reopened them under its own name. In the same period of the previous year, there were eight new store openings. In contrast, one store in Spain was closed in the Western/Southern Europe segment during the reporting period, following four closures in the segment in the previous year. In addition, ten locations in Portugal were sold to the French electronics retailer Fnac Darty S.A. in the last financial year as a result of the disposal of CECONOMY 's Portuguese business.

In **Eastern Europe**, investments in financial year 2023/24 were €6 million higher than the previous year totalling at €97 million (2022/23: €90 million). The main driver of this development was the higher addition of rental right-of-use assets, particularly for the extension and adjustment of existing rental agreements. In the Eastern Europe segment, five stores each were opened in Poland and Türkiye in the reporting period, four more than in the previous year. In contrast, no stores were closed in the 2023/24 financial year, while there was one closure in the previous year.

Investments in the **Others** segment totalled €47 million in financial year 2023/24 and were therefore €9 million lower than the previous year's level (2022/23: €55 million). The decline was primarily due to lower investments in mergers & acquisitions following the acquisition of the minority stake in Power Retail Sweden AB in the prior-year comparable period. In addition, previous year also included investments in Sweden. In contrast, investments in IT projects increased in a prior-year comparison. Following the sale of 29 stores in Sweden in the previous year's reporting period as a result of the disposal of MediaMarkt Sweden, the Others segment no longer includes any stores since the reporting date as of 30 September 2023.

Divestments by CECONOMY led to a cash inflow of €20 million in financial year 2023/24, following a cash outflow of €27 million in the previous year. While the cash inflow from the sale of fixtures and other furnishings was slightly below the previous year's level, the disposal of the Swedish country organisation in particular led to an increased cash outflow in the previous year.

LIQUIDITY (CASH FLOW STATEMENT)

Cash flow from operating activities led to a cash inflow of €838 million in the past financial year 2023/24. This compares with a cash inflow of €1,004 million in the previous year. The €166 million decrease in cash flow from operating activities was partly due to the less pronounced improvement in the change in net working capital. In 2023/24, the change in net working capital led to a cash inflow of €190 million, following a cash inflow of €332 million in the previous year. The development of receivables due from suppliers was primarily responsible for the difference. In 2023/24, there was an increase in receivables due from suppliers as a result of the high order volume and the associated higher subsequent income, while there was a cash inflow in the previous year. Inventories increased in the 2023/24 financial year due to both the low starting level and stockpiling in preparation for the Christmas business, in contrast to the deliberate reduction in inventories in the previous year. The cash inflow from the significant increase in trade liabilities and similar liabilities resulting from the high order volume had an offsetting effect, whereas no significant cash flow was generated from this in the previous year. In addition to the change in net working capital, other operating cash flow also contributed to a lower inflow from the cash flow from operating activities in a year-on-year comparison. The correction of the non-cash effective result from the investment in Fnac Darty S.A. and the utilisation or reversal of wages and salaries liabilities that were created in the previous year primarily had an impact here. However, EBITDA developed very positively, which was due to both an improved operating result and lower negative one-off effects. The cash outflow from income taxes paid was also lower than in the previous year, which was the result in particular of tax refunds for previous years and lower tax prepayments in the past financial year 2023/24.

Cash flow from investing activities showed a cash outflow of €162 million in the past financial year 2023/24 (2022/23: €236 million). The lower cash outflow in a year-on-year comparison was primarily due to the cash outflow included in the previous year in connection with the disposal of the Swedish and Portuguese country organisations. In addition, other investments in 2023/24 were slightly lower than in the previous year, while at the same time there were higher cash inflows from investment income and higher interest received.

Cash flow from financing activities showed a cash outflow of €585 million in the 2023/24 financial year (2022/23: €649 million). The €64 million decrease in cash outflow compared to previous year was primarily due to a €89 million improvement in the net position from proceeds from long-term borrowings and redemption of borrowings excluding leases. The early refinancing of the bond issued in 2021 through the successful placement of a fixed-interest, unsecured bond on 3 July 2024 and the favourable agreement on the early partial redemption of the previously existing unsecured bond had an impact here. This was offset in the net position arising from proceeds from long-term borrowings and redemption of borrowings excluding leases by the on time repayment of promissory note loans in 2023/24 and the higher cash outflow in a year-on-year comparison from the net position of issued and repaid commercial paper that were issued in order to procure short-term funding. A €32 million higher cash inflow was generated from the change in other current borrowings and can primarily be attributed to an increase in liabilities to banks. The redemption of lease liabilities continued to be the main driver of the cash outflow in cash flow from financing activities, but at €467 million was €22 million lower than in the previous year (2022/23: €489 million). This was offset in the cash flow from financing activities by the €71 million increase in interest paid to €209 million (2022/23: €138 million) as a result of the higher interest expenses from leases and the higher bank commission related to both volumes and interest rates.

The **free cashflow** totalled €587 million in financial year 2023/24, down €160 million year on year (2022/23: €747 million). The lower free cashflow in the year-on-year comparison can be attributed in particular to a lower cash inflow from the change in net working capital and a higher cash outflow from other operating cash flow, while EBITDA improved significantly year-on-year.

↗ Explanations can be found in the consolidated financial statements - cash flow statement and in the notes - note 34 Notes to the cash flow statement.

Cash flow statement[1]

€ million	2022/23	2023/24
Cash flow from operating activities	1,004	838
Cash flow from investing activities	–236	–162
Cash flow before financing activities	768	676
Cash flow from financing activities	–649	–585
IAS 29 effects on cash flow from operating, investing and financing activities	12	–13
Total cash flows	131	79
Currency effects on cash and cash equivalents	–51	–36
Total change in cash and cash equivalents	80	43

[1] Condensed version. The full version is available in the consolidated financial statement.

FINANCIAL MANAGEMENT

Principles and objectives of finance activities

As part of its financial management, CECONOMY ensures that the Group has sufficient cash and cash equivalents at all times, arranges that liquidity is managed throughout the Group and reduces financial risks wherever economically appropriate. The Group Treasury Department manages these risks centrally for the Group. The aim is to invest surplus liquidity at attractive conditions through the central management of the Group companies' funding requirements and financial investments or, if refinancing is required, to meet these requirements as far as possible via the international capital markets. This applies both to the operating business and to investments. Financial instruments are used with a view to the optimal management of the capital structure, where CECONOMY's level of indebtedness is a key performance indicator. CECONOMY is guided in the selection of investment and finance products by the maturity of the underlying transaction.

CECONOMY's finance activities are based on the Group's financial planning, which includes all material companies. In addition to the daily reconciliation of the Group-wide financial status, CECONOMY prepares both short-term and long-term liquidity planning based on three months after the end of the financial year, which is updated on a rolling basis.

Optimum conditions for using the capital market are to be created through intensive dialogue with bond investors and credit analysts. All finance activities throughout the Group are subject to the following principles:

Single financial entity: the Group acts externally as a single financial entity and thus obtains better conditions on the financial markets.

Financial freedom: when it comes to making financial decisions, CECONOMY always maintains its freedom in relation to banks or business partners so as to remain independent.

Central risk hedging: CECONOMY uses financial transactions firstly to cover its funding requirements. Secondly, the company hedges underlying transactions that entail risks. The Group Treasury Department centrally monitors the entire portfolio of all CECONOMY's financial transactions.

Central risk monitoring: changing financial parameters, including interest or exchange rate changes, for example, can affect CECONOMY's financing. The associated risks are regularly quantified by the Group Treasury Department in scenario analyses. Open risk positions – such as the conclusion of financial transactions without a corresponding underlying transaction – may only be held after appropriate authorisation by the Management Board of CECONOMY AG.

Only authorised contract partners: only contract partners authorised by Treasury may be considered for CECONOMY's financial transactions. The creditworthiness of these contract partners is reviewed on a daily basis according to their rating and the observation of credit risk indicators (primarily credit default swap analyses). On this basis, the Group Treasury Department responsible at CECONOMY continuously monitors compliance with the authorised limits.

Approval requirement: as a rule, CECONOMY Group companies' financial transactions are concluded with CECONOMY AG. If this is not possible for legal reasons, they are agreed in consultation with CECONOMY AG on behalf of the Group company, with another Group company or directly between the Group company and the external financial partner.

Audit security: the four-eyes principle generally applies at the company. Processes and responsibilities are defined in Group-wide guidelines. The conclusion of financial transactions is organizationally separate from processing and control.

↗ Further information on risks from financial instruments and hedge accounting can be found in the notes – note 36 Management of financial risks.

Ratings

Ratings assess a company's ability to meet its financial obligations. They serve as evidence of the creditworthiness of a company vis-à-vis potential lenders. A rating also makes it easier to access international capital markets. CECONOMY AG has currently commissioned three rating agencies, Fitch Ratings, Scope Ratings and S&P Global Ratings, to continuously analyse the creditworthiness of CECONOMY AG.

The ratings of CECONOMY AG as of 30 September 2024 were as follows:

Fitch Ratings

Category	
Long-term	BB
Short-term	n/a
Outlook	Stable

Scope Ratings

Category	
Long-term	BBB–
Short-term	S-2
Outlook	Stable

S&P Global Ratings

Category	
Long-term	BB-
Short-term	n/a
Outlook	Stable

Financing measures

CECONOMY AG utilises issues on the capital market to medium- and long-term financing. As of 30 September 2024, CECONOMY AG had several outstanding promissory notes with a total volume of €72 million and with a remaining term of up to three years.

CECONOMY AG also has two unsubordinated, unsecured and fixed-interest bonds outstanding with a term until 24 June 2026 and 15 July 2029. On 3 July 2024, CECONOMY AG issued a new bond totalling €500 million with a term maturing on 15 July 2029. In addition, the tender offer for the bond issued in 2021 that is due on 24 June 2026 was successfully completed on 5 July 2024. The total nominal amount of the existing bond tendered was €356 million. The remaining nominal value of the bond issued in 2021 is therefore €144 million. CECONOMY AG used the gross proceeds from the new issue to finance the above-mentioned tender offer. Depending on market conditions and the company's judgement, the unused gross issue proceeds may be used for repayment of the bond issued in 2021 at maturity or earlier. CECONOMY currently intends to repay the bond from 2021 upon maturity in 2026.

As part of the Convergenta transaction, CECONOMY AG also issued a convertible bond in favour of Convergenta Invest GmbH in June 2022 with a nominal volume of €151 million and a term until 9 June 2027. For obtaining short-term financial funding, CECONOMY AG has a multi-currency commercial paper programme with a maximum volume of €500 million. Commercial paper outstanding as of 30 September 2024 were 5 million (30/09/2023: €25 million).

The Group had sufficient liquidity at all times. CECONOMY AG has comfortable liquidity reserves, which, in addition to the available liquidity, also consist of syndicated credit facilities totalling €1,060 million. These extensive, multi-year credit facilities have not been utilised since granting and thus also as of 30 September 2024.

The table below provides an overview of the credit facilities:

Undrawn credit facilities of CECONOMY AG

	30/09/2023			30/09/2024		
		Remaining term			Remaining term	
€ million	Total	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year
Syndicated credit facilities	1,060	0	1,060	1,060	0	1,060
Utilisation	0	0	0	0	0	0
Undrawn syndicated credit facilities	**1,060**	**0**	**1,060**	**1,060**	**0**	**1,060**

ASSET POSITION

In the 2023/24 financial year, **total assets** increased by €499 million to €10,135 million as of 30 September 2024 (30/09/2023: €9,635 million).

The €20 million increase **in non-current assets** to €3,680 million (30/09/2023: €3,660 million) is primarily attributable to property, plant and equipment. These increased by €52 million to €593 million (30/09/2023: €541 million). In addition, other intangible assets increased by €19 million and investments accounted for using the equity method by €17 million year-on-year. In contrast, right-of-use assets decreased by €51 million to €1,626 million (30/09/2023: €1,676 million). Financial assets also decreased by €15 million year-on-year. The following table provides further details.

€ million	Note no.	30/09/2023	30/09/2024
Non-current assets		**3,660**	**3,680**
Goodwill	18	524	524
Other intangible assets	19	165	184
Property, plant and equipment	20	541	593
Right-of-use assets	21	1,676	1,626
Financial assets	22	123	108
Investments accounted for using the equity method	22	257	275
Other financial assets	23	2	2
Other assets	23	3	12
Deferred tax assets	24	368	356

↗ Further information on the development of non-current assets can be found in the notes under the numbers stated in the table.

Current assets increased in the reporting period by €479 million to €6,455 million (30/09/2023: €5,975 million).

This can be attributed in particular to inventories, which increased by €196 million to €3,114 million (30/09/2023: €2,918 million). The reason for this is primarily the need to secure the availability of goods for the important Christmas quarter as well as the inventory build-up due to the increased online business and new store openings. Corresponding to the increase in sales in the past financial year, receivables due from suppliers are also €85 million higher and trade receivables and similar claims are €70 million higher than in the previous year. In addition, cash and cash equivalents increased by €113 million to €1,010 million (30/09/2023: €897 million). The following table provides a more detailed insight.

€ million	Note no.	30/09/2023	30/09/2024
Current assets		**5,975**	**6,455**
Inventories	25	2,918	3,114
Trade receivables and similar claims	26	490	560
Receivables due from suppliers	23	1,207	1,292
Other financial assets	23	123	140
Other assets	23	163	181
Income tax assets		177	158
Cash and cash equivalents	33	897	1,010

↗ Further information on the development of current assets can be found in the notes under the numbers stated in the table.

The balance sheet net working capital developed as follows in financial year 2023/24:

Net working capital

€ million	30/09/2022	30/09/2023	Change	30/09/2023	30/09/2024	Change
Inventories	3,176	2,918	–258	2,918	3,114	196
Trade receivables and similar claims	440	490	51	490	560	70
Receivables due from suppliers	1,296	1,207	–89	1,207	1,292	85
Trade liabilities and similar liabilities	–5,340	–5,320	20	–5,320	–5,824	–504
Net working capital	**–428**	**–705**	**–277**	**–705**	**–857**	**–153**

The balance sheet **net working capital** improved year on year by €153 million to €–857 million (30/09/2023: €–705 million). This is due to the significant increase in trade liabilities and similar liabilities associated with the rise in sales and higher inventories.Trade liabilities and similar liabilities increased in the past financial year by €504 million to €5,824 million (30/09/2023: €5,320 million). They were offset by higher inventories, the increase in receivables due from suppliers and higher trade receivables and similar claims.

OUTLOOK[1]

CECONOMY AG's outlook takes into account relevant facts and events that are known at the time of preparation of the consolidated financial statements and that influence future business development. Besides a wide range of sources from national and international economic research institutes and organizations, the main source for the outlook is Feri Trust.

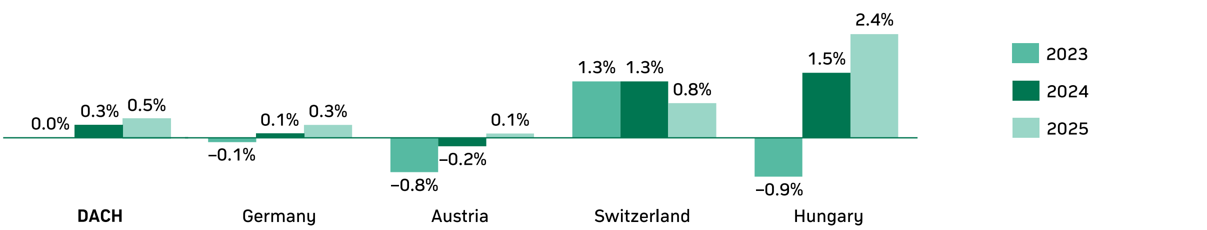
General economic conditions in the 2024/25 financial year

In 2024, global inflation has eased , mainly thanks to lower energy costs and a relaxation in supply chain pressure. The USA and the EU are particularly benefiting from this development. Central banks, including the European Central Bank (ECB), have responded by cutting interest rates. However, the economy continues to grow only at a modest rate. Economic momentum is strained by high government debt and geopolitical uncertainties, such as the tensions between China and Taiwan as well as conflicts in the Middle East and Ukraine. China's shaky property market remains a structural problem and an obstacle to the recovery of the Chinese economy.

The outlook for 2025 is cautiously positive. The interest rate cuts in the USA and Europe could boost growth, even if structural and political challenges remain. Stronger growth is expected in emerging Asian countries, which could benefit from more stable global demand. However, risks such as geopolitical tensions and possible renewed shocks in global supply chains remain.

DACH segment

Development and outlook of gross domestic product in the DACH segment



Source: Feri

The outlook for real economic growth in the DACH segment in 2024 is 0.3 per cent. A further slight increase in gross domestic product (GDP) of 0.5 per cent is forecast for 2025 in this segment.

Slight economic growth of 0.1 per cent is expected in Germany for 2024. Only a moderate recovery is forecast for the German economy in 2025. Although rising investments and a slight improvement in private consumption will drive growth, overall momentum remains weak. The GDP growth in Germany is therefore lower than the average for the industrialized nations in both years.

A slight decline in GDP is forecast for Austria for the year 2024. GDP growth is expected to be low at 0.1 per cent in the coming year due to rising government consumption.

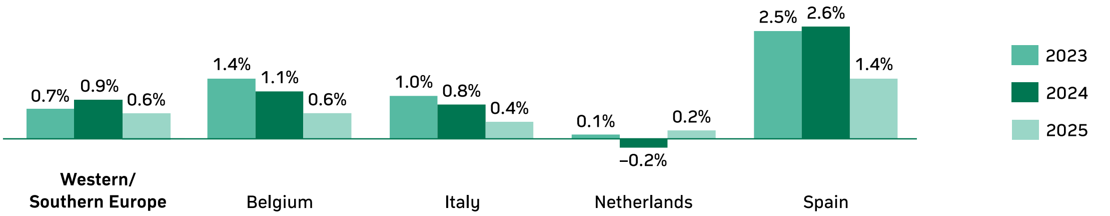
For Switzerland, real GDP is projected to increase by 1.3 per cent in 2024 compared to the previous year. In 2025, GDP growth will slow to 0.8 per cent compared to the previous year, primarily due to lower net exports and declining private consumption.

For 2024, Hungary's economy is forecast to grow by 1.5 per cent . In the coming year, GDP is expected to increase further, at 2.4 per cent, due to continued high private consumption and rising government investments.

[1] The figures on GDP performance stated in this section relate to the calendar years 2024 and 2025. Accordingly, the 2025 values are forecasts. In contrast, the qualitative statements in the text refer to the reporting period, unless otherwise stated. Up-to-date publications by Feri (World Industry Report), the GfK market research institute and the Bitkom association have been used as sources for the information in this text.

Western/Southern Europe segment

Development and outlook of gross domestic product in the Western/Southern Europe segment



Source: Feri

In Western and Southern Europe, economic development in 2024 is expected to exceed the previous year's level with growth of 0.9 per cent. Economic growth of 0.6 per cent is expected for 2025.

Belgium's economy is expected to grow by f 1.1 per cent in 2024, with growth projected to decline to 0.6 per cent in the following year. A decrease in private consumption is anticipated.

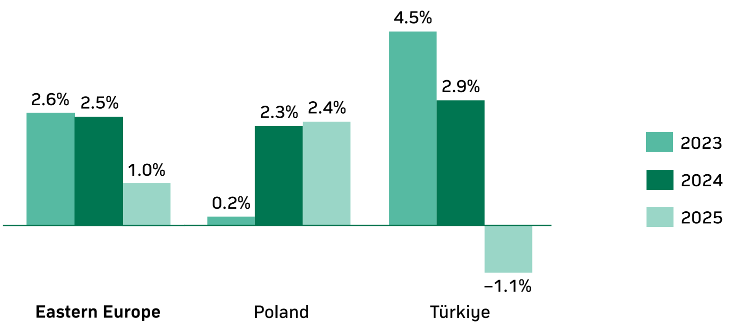
The Italian economy is expected to grow by 0.8 per cent in 2024. A lower value of 0.4 per cent is expected in the coming year, as the export surplus and public investments will stagnate.

The GDP of the Netherlands is expected to contract slightly by −0.2 per cent in 2024. In the following year, a modest GDP growth of 0.2 per cent is anticipated, driven by an increase in private consumption.

In Spain, economic growth is expected to show a significant increase of 2.6 per cent in 2024, while it is likely to slow in 2025 to 1.4 per cent due to falling exports and government spending.

Eastern Europe segment

Development and outlook of gross domestic product in the Eastern Europe segment



Source: Feri

In Eastern Europe (including Türkiye and excluding Hungary), real economic growth of 2.5 per cent is expected in 2024. For 2025, it is assumed that GDP growth in this segment will slow to 1.0 per cent.

Poland's economy is expected to grow by 2.3 per cent in 2024. Slightly higher growth of 2.4 per cent is forecast for the coming year 2025 driven by sustained high private consumption.

Türkiye, which is still expected to achieve moderately positive real growth in 2024 with 2.9 per cent, anticipates a significant slowdown in economic growth for 2025, probably even negative growth of −1.1 per cent due to falling consumer spending and weaker exports.

Sector development in the consumer electronics retail market

Following slightly positive market growth in the previous year, the consumer electronics market in the countries in which CECONOMY operates once again recorded sales growth in the 2023/24 financial year in a difficult market environment, supported by hyperinflation in the Turkish market. Industriy-specific growth in the MMSRG countries is expected to remain positive in the next financial year, albeit subject to the influence of political and economic uncertainties. It is anticipated that the online business will continue to account for a large share and will also outperform traditional retail in terms of absolute sales growth.

A key trend for the future is the increasing importance of convenience, sustainability and connected products. Consumers are increasingly valuing products that are not only easy to use, but also make their everyday lives easier with smart functions and automated processes. Connected devices that operate energy-efficiently, enable personalised routines and offer predictive maintenance functions increase convenience and efficiency at home.

Health is becoming increasingly important in this context. Smart devices enhance well-being by enabling better control over the home environment. Innovations in the tech industry are increasingly focusing on the integration of AI and the further development of the smart home in order to meet the growing demands of consumers.

Sustainability remains a decisive factor in purchasing behaviour. Products that conserve resources and are durable are in high demand. Manufacturers that offer environmentally friendly materials and energy-saving devices have clear advantages on the market. Ecological, social and economic sustainability are also gaining in importance and are increasingly influencing the market success of companies. By 2025, the market will be characterised by technological innovations as well as sustainable, user-friendly and health-promoting solutions that meet the growing expectations of consumers.

DACH segment

In view of the current macroeconomic situation, financial year 2024/25 is expected to see a slightly positive trend in the electronics retail sector in the DACH region , although still characterised by uncertainties.

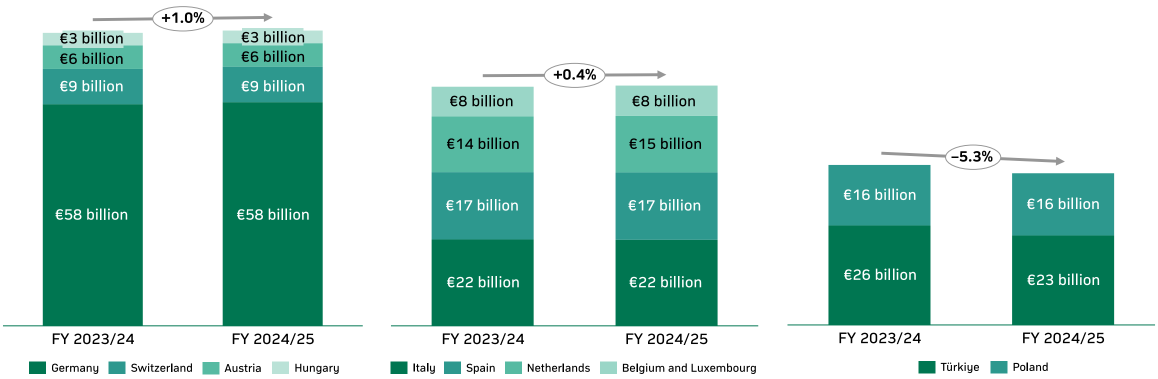
Western/Southern Europe segment

Despite the tense overall economic situation, CECONOMY expects stable sales for the Western and Southern European consumer electronics market in 2024/25 based on current market trends.

Eastern Europe segment

Eastern Europe is expected to see declining sales in the consumer electronics market as a result of the challenging conditions.

Outlook of the development of the consumer electronics retail market



Source: Own calculations, various sources, including Panel GfK – An NIQ Company and Feri

Outlook for CECONOMY

The consumer electronics sector continues to operate in a challenging environment characterised by strong volatility. Unfavourable economic indicators in the labour market and industrial sector, political uncertainties and significantly less optimistic economic forecasts, particularly in Germany, are influencing consumer sentiment. The ongoing tense geopolitical situation is also contributing to this. This in turn has an impact on sales in the consumer electronics sector.

CECONOMY will continue to actively respond to the uncertainties in the future by consistently aligning its activities with customer needs and its strategy. The transformation towards a customer-oriented service platform is making tangible progress. CECONOMY has already taken measures to ensure success even under difficult conditions. The performance of the growth areas and the positive closing of the 2023/24 financial year with a disciplined financial strategy confirm that the company is taking the right steps.

We expect a moderate increase in currency-adjusted total sales for the 2024/25 financial year. All segments are set to contribute to this.

We also expect a clear improvement in adjusted EBIT. The DACH and Western/Southern Europe segments are set to contribute to this. We anticipate a downward trend in the Eastern Europe segment because of the persistently challenging conditions in the sector.

The outlook is adjusted for portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method (Fnac Darty S.A. and Power Retail Sweden AB). Accounting effects of the application of IAS 29 in Türkiye as a hyperinflationary country are likewise unaccounted for. It also does not include non-recurring effects, especially in connection with the simplification and digitalisation of central structures and processes and changes in the legal environment.

OPPORTUNITY AND RISK REPORT

Opportunity and risk management system

CECONOMY operates in a dynamic market environment on the basis of a clear long-term strategy and the short-, medium- and long-term goals derived from it. The implementation of the measures to achieve these targets is associated with opportunities and risks. In some cases, however, CECONOMY must consciously take risks in order to be able to utilise opportunities in a targeted manner. The early identification and management of opportunities and risks is a core task for the management.

Risks are defined as uncertain but largely quantifiable internal or external events that could negatively affect the achievement of corporate objectives. Opportunities are defined as potential successes that go further than the targets specified in the planning and could thus benefit the business performance.

In this sense, CECONOMY sees opportunity and risk management system as a tool that helps to achieve the company's objectives realization. The systematic process underlying opportunity and risk management covers the entire Group. Risk management detects, at an early stage, developments and events that could negatively affect the achievement of business targets and analyses their effects. This means that CECONOMY can promptly initiate suitable measures to manage and monitor the situation. At the same time, opportunity management provides the chance to make targeted use of opportunities.

CENTRAL MANAGEMENT AND ORGANIZATION

The Management Board of CECONOMY AG has the responsibility and legal obligation to ensure an adequate governance system. In particular, this includes opportunity and risk management, the internal control and compliance management systems and Internal Audit. Together, they form the governance, risk and compliance system (GRC system). This is guided by the governance elements specified in Section 107(3) of the German Stock Corporation Act (AktG) and in the German Corporate Governance Code as well as the requirements of Section 91(2) and (3) AktG. The aim is to make structures and processes more transparent and to harmonize the sub-system processes. This increases the overall transparency and efficiency of the GRC system at CECONOMY and continuously improves its appropriateness and effectiveness.

CECONOMY AG’s Group Committee for Governance, Risk and Compliance (GRC Committee) regularly discusses the method harmonization and further development of the GRC sub-systems. The committee (consisting of all key Group divisions) also discusses the current opportunities and risk situation based on the reports from the respective units and draws up proposals for assessing the appropriateness and effectiveness of the individual GRC subsystems for Management Board.

RISK MANAGEMENT

Competences and responsibilities for the opportunity and risk management are clearly defined within the Group and reflect the corporate structure. Risks are identified, assessed, managed and monitored by the Group companies and central functions. The reported risks are aggregated, validated and processed for further analysis and consolidation at the level of CECONOMY AG.

Central elements of internal monitoring include the self-assessment of the appropriateness and effectiveness of the opportunity and risk management by the management teams of the Group companies and the review of appropriateness and effectiveness by Internal Audit at the Group company level. The aggregated results of the self-assessments by the GRC Committee and the findings of the internal audit do not indicate that CECONOMY AG's risk management system is not appropriate and effective. Overall responsibility for the implementation of an appropriate and effective opportunity and risk management system lies with the Management Board of CECONOMY AG. The Audit Committee of the Supervisory Board of CECONOMY AG monitors the appropriateness and effectiveness of opportunity and risk management. In accordance with the provisions of Section 317 (4) of the German Commercial Code (HGB), the auditor subjects the risk early warning system as part of the opportunity and risk management system to a periodic assessment as part of the audit of the consolidated financial statements. There are no findings or indications that suggest CECONOMY AG 's early risk identification system is not appropriate and effective (unaudited information extraneous to the management report).

Corporate Risk Management informs the Management Board of CECONOMY AG promptly and continuously about material developments in opportunity and risk management, ensures that information is shared within the company and supports the enhancement of the opportunity and risk management at Group level and in the Group companies.

OPPORTUNITIES MANAGEMENT

The systematic identification, evaluation and communication of opportunities is an integral component of CECONOMY's the management and controlling system. The fundamental aim is to ensure that the main opportunities and risks of CECONOMY are at least in balance.

CECONOMY conducts macroeconomic studies, analyses the relevant trend landscape and evaluates market, competition and location analyses. In addition, the critical success factors of the business models and the Group's relevant cost drivers are discussed. The Management Board of CECONOMY AG specifies the market and business opportunities derived from this as well as potential for increasing efficiency as part of strategic, short and medium-term planning. To this end, it communicates closely with the heads of the Group departments and the management of the Group companies. CECONOMY pursues market- and customer-driven business approaches in this process. It continuously reviews the elements of the strategy, which aims at long-term, sustainable and profitable growth.

REPORTING

Group reporting is the central element of internal opportunity and risk communication. The aim is to enable the structured and continuous examination of opportunities and risks and to document this in accordance with legal and regulatory requirements. In this way, the Management Board receives regular information about the risk situation. It is also ensured that negative trends are recognised in good time and appropriate countermeasures can be taken.

Twice a year, CECONOMY carries out a risk inventory. The inventory systematically records and describes all of the Group's material risks and measures them against standard benchmarks on the basis of quantitative and qualitative indicators with regard to loss potential and probability of occurrence. The results of the risk inventory and the risk portfolio are updated regularly.

The results reported by the Group companies are validated by the respective risk managers. In a second step, the risk managers summarise the results in a functional risk profile that includes a detailed description of the material individual risks. In addition, CECONOMY considers analyses and reports that are prepared as part of medium-term planning and forecasts. Finally, all the findings are used to derive the overarching opportunity and risk portfolio for CECONOMY.

The Management Board of CECONOMY AG continuously informs the Supervisory Board and the Audit Committee about the opportunity and risk management. The Audit Committee receives a detailed written report on the organisation and focus of opportunity and risk management as well as the current opportunity and risk situation twice a year.

For the preparation of the annual report, CECONOMY reviews the opportunity and risk portfolio drawn up in the previous year. An update is performed during the year for preparation of the half-year financial report. An emergency notification system is also used for the event of sudden, serious risks to the net assets, financial position and earnings position. In this case, the Management Board of CECONOMY AG receives all necessary information directly and without delay. In addition, a further risk update is carried out in order to analyse possible changes in the risk situation at an early stage.

STRICT PRINCIPLES FOR DEALING WITH RISKS

As a matter of principle, CECONOMY takes business risks only if they are considered manageable and the associated opportunities give reason to expect an appropriate increase in value for the company. Business interests and risk management aspects are therefore carefully weighed against each other and brought into alignment as far as possible.

Risks associated with the core retail processes are borne by CECONOMY itself. For example, core processes include the development and implementation of business models, location decisions and the purchasing and sale of goods and services. Risks from support processes are minimised within the Group or, if appropriate, transferred to third parties. Risks that relate neither to core processes nor to supporting processes are not taken by CECONOMY. The same applies to risks that could jeopardise the company as a going concern or lead to a violation of legal requirements.

CLEAR DEFINITION OF THE DETAILS OF RISK MANAGEMENT

All relevant facts are summarised in regulations based on the internationally recognised COSO II standard and the IDW auditing standard (PS) 981. In addition, CECONOMY has aligned its risk management system with the new and extended requirements set out in the IDW PS 340 standard as amended. Major components include the establishment of a risk-bearing capacity concept and risk aggregation through quantification of the total risk exposure on the basis of a Monte Carlo simulation. The Group-wide risk management system covers all material strategic, operating, financial and compliance risks. In principle, all risks and their effects at CECONOMY AG level are analysed over a one-year period and additionally in the third year.

RISK CLASSIFICATION

CECONOMY classifies all identified risks according to standardised Group-wide standards using quantitative and qualitative indicators in the dimensions loss potential (negative EBIT or cash impact in relation to the company's targets) and probability of occurrence (in per cent). With regard to loss potential, the Group risks are divided into five classes: marginal (≤€2.5 million), moderate (>€2.5 million), significant (>€12.5 million), serious (>€25 million) and critical (>€75 million).

The probability of occurrence is also divided into five classes: unlikely (≤5 per cent), low (>5 to 25 per cent), possible (>25 to 50 per cent), likely (>50 to 90 per cent), high (>90 per cent). All risks and their potential impacts are assessed as of the date of the risk analysis and before mitigation measures planned for the future. The risks are presented on a net basis, i.e. risks after measures already implemented and before measures to be implemented in the future in order to limit them. As a matter of principle, but as a compulsory requirement from a probability of occurrence of >25 to 50 per cent, specific measures are defined for each risk and are implemented to appropriately manage or avoid the risk or to mitigate the effects associated with the risk.

Presentation of the risk situation

In the reporting period, the Management Board of CECONOMY AG identified and assessed the material risks for CECONOMY described below.The risks of CECONOMY are categorised as follows - high, medium and low - based on the potential extent of damage and the probability of occurrence:

Risk matrix of CECONOMY

>€75 million Critical	1	M	H	H	H	H
>€25 million Material	2	M	M	H	H	H
>€12.5 million Significant	3	L	M	M	M	H
>€2.5 million Moderate	4	L	L	L	M	M
≤€2.5 million Marginal	5	L	L	L	L	L
		E ≤5% Unlikely	D >5–25% Low	C >25–50% Possible	B >50–90% Likely	A >90% High

The risks categorised as high (H) are considered significant for CECONOMY and are described in detail below. The order in which they are presented does not imply the significance of the risks. Risks classified as medium (M) or low (L) are not presented separately in the opportunity and risk report unless it is expected that the risk could become particularly relevant for the Group or its stakeholders in the future.

The overall risk situation in the 2023/24 financial year has developed positively due to a normalisation of the consumer price inflation rate; inflation risks had partially materialised in the last financial year. The risk of "deterioration in the consumer climate – economic crisis" is therefore rated as less significant compared to the previous year's assessment. Consumer sentiment is stagnating at a low level and the increase in geopolitical crises is resulting in uncertainty and consumer restraint. However, based on this situation and the risk of a prolonged recession in Germany as a core market and the increase in geopolitical tensions, the risk is still considered to be high. The intensification of competition in the digital transformation due to expansion plans by global or national online retailers and disruptive players such as Temu and TikTok Shop is creating a fiercely contested online market. The risk is still considered to be high and more significant compared to the previous year's assessment for CECONOMY. The risk of "lower credit ratings from banks and other credit stakeholders" was assessed as improved compared to the previous year due to the stable rating outlook and the early refinancing of the maturing bond, but was still classified as high. The risks of "shortage of qualified employees for key functions" and "IT and cybersecurity risks" were also considered improved compared to the previous year's assessment due to internal project progress, but still rated as high.

The main risks and the corresponding risk mitigation measures are explained below, arranged into various risk groups.

No.	Significant risks 2023/24	Risk group	Risk assessment
1	Intensification of competition in the digital transformation	Strategic risks	High
2	Deterioration of consumer confidence – economic crisis	Strategic risks	High
3	Shortage of qualified employees for key functions	Operating risks	High
4	IT and cybersecurity risks	Operating risks	High
5	Lower credit ratings from banks and other credit stakeholders	Financial risks	High
6	Impairment of assets	Financial risks	High
7	Impairment of Fnac-Darty-S.A. investment	Financial risks	High
8	Violation of data protection law, outflow or manipulation of confidential data	Compliance risks	High

STRATEGIC RISKS

A significant business risk is the ongoing intensification of competition in the retail sector, particularly from global online retailers such as Amazon, but also from disruptive players, such as Temu and TikTok Shop, as well as European or national online retailers and direct sales (risk no. 1), which are implementing expansion plans and continuing to create a fiercely contested online market. The risk is considered high and more significant compared to the previous year's assessment for CECONOMY. The persistently fierce battle for market share in saturated markets against price-aggressive competitors may lead to permanent pressure on margins and the loss of sales and market shares. This situation could be exacerbated further by a potential rise in logistics and purchasing costs. High market and price transparency and significantly shorter product life cycles with falling gross margins as a result of digitalisation and the associated change in the product mix may further intensify these effects. Intense competition and pressure on margins could negatively affect sales and/or EBIT. In order to counter this risk, CECONOMY is focusing specifically on digital skills and online expertise. CECONOMY continuously monitors the market and competitors and continues to develop the higher-margin area Services & Solutions also digitally. New revenue potential such as retail media is also being tapped. In addition, logistics processes are continuously reviewed with regard to the requirements of the digital transformation and the product mix in order to discover potential for improvement. By expanding marketplace activities, the company's own sales channels were opened up to external providers, allowing CECONOMY customers to be offered an even wider range of products. CECONOMY also continuously reviews the store network, optimises sales areas and modernises store formats in order to respond to changing customer needs. The strategic activities are continuously reviewed by means of regular implementation monitoring. The strategy is centred on an attractive customer experience that is consistent across all channels.

The geopolitical situation is characterised by multiple crises (Russian war of aggression against Ukraine, tensions between China and Taiwan, Middle East conflict). In the medium to long term, this situation may lead to subdued consumer behaviour, possible price increases and distortions along the entire value chain. The potential for deterioration in the consumer climate in most of the countries in which CECONOMY operates is a material risk (risk no. 2). In general, the change in consumer behaviour and the associated shift in sales shares from bricks-and-mortar to online retail has become firmly established. CECONOMY has been able to further improve its omnichannel processes and successfully counteract this with active cost management. Compared to the opportunity and risk report for 2022/23, risks from macroeconomic effects due to a sustained normalisation of the consumer price inflation rate have partially materialised. The risk is therefore considered to be less significant compared to the previous year's assessment but still high due to the strained situation in consumer sentiment and geopolitical uncertainties.

In addition, political developments in individual countries, the threat of trade wars and a possible intensification of protectionism remain challenges for CECONOMY's operating business and may also have a negative impact on consumer confidence. This can be seen, for example, at Türkiye, which continues to be affected by a tense domestic political situation, currency devaluation despite the current tightening of monetary policy and high inflation (albeit currently on a downward trend).

To handle these risks, the current and projected political and economic situations are regularly monitored and analysed in order to counter negative developments in good time. Concepts for the enhancement of business models and the optimization of process, organisational and cost structures are being developed on a continual basis.

OPERATING RISKS

Qualified employees form the basis for the success of the company. Competition for skilled labour remains fierce, particularly in areas relevant to digitalisation severe. There is therefore a risk that CECONOMY does not have enough suitable employees to fill key positions (risk no. 3). A number of measures have been implemented to ensure that CECONOMY will continue to have sufficient human resources with the necessary specialist and technological expertise in the future. On the one hand, these facilitate the effective management and further development of human resources and, on the other, support the recruitment of new highly qualified employees. CECONOMY considers the risk to be improved compared to the previous year due to the positive development of these measures, although they remain high.

Digitalisation and the associated connection of IT systems with the outside world pose a risk of attacks on the IT infrastructure. IT system failures can have a significant impact on the business development of CECONOMY, particularly in the ever-increasing online retail sector (risk no. 4). Consequences may include substantial sales losses and reputational damage. Permanent, uninterrupted availability is an essential requirement in online retail. Critical network structures and IT systems are therefore continuously reviewed and adjusted in order to prevent interruptions to important business processes. Generally, there has been a continuous increase in hacker attacks. A potential intensification of cyber threats is also anticipated in view of the geopolitical tensions. CECONOMY is investing more heavily in cyber security in order to take all the necessary precautions and increase resilience against attacks. On this basis, the risk has improved slightly compared to the previous year's assessment, but is still categorised as high by CECONOMY.

FINANCIAL RISKS

Price risks (interest rate risks currency risks share price risks), liquidity risks credit risks with counterparties for financial transactions as well as risks from fluctuations in cash flows and the devaluation of assets can have a significant negative impact on earnings position and liquidity.

An essential part of the management of financial risks is to guarantee unrestricted capital market access for CECONOMY AG. A rating downgrade by the external rating agencies and lower credit ratings by banks and suppliers could have negative implications for liquidity and Group financing. These effects can be mutually dependent or mutually reinforcing and can also be influenced by a downturn in economic and/or sector-specific negative developments in the retail sector. This could also have a negative impact on net working capital from CECONOMY. Despite a small EBIT effect, this could lead to a significant deterioration of the liquidity situation. CECONOMY optimises and continuously monitors the rating-relevant key figures in particular in order to be able to initiate countermeasures at short notice. In order to counter this risk, the strategy is aimed chiefly at optimising the net working capital through the active management of assets and liabilities. The perception of the company among credit stakeholders has recently improved or stabilised on the basis of the operating performance the company has demonstrated. This is reflected, for example, in the confirmation of the rating and the early refinancing of the outstanding bond. Due to the continuing uncertain macroeconomic situation and potential regulatory initiatives that could have a negative impact on net working capital, CECONOMY classifies the risk of "lower credit ratings from banks and other credit stakeholders" (risk no. 5) as improved compared to the previous year, but still high.

Operating losses, particularly in low-margin countries, partly due to a highly competitive market environment, may entail impairment of reported goodwill and other assets (risk no. 6). This can have a negative impact on the assets and earnings position of CECONOMY. CECONOMY still considers the risk of impairment of assets to be high, particularly due to the amount of any impairment. Numerous strategic initiatives have been defined and introduced to counter this risk in the long term. These support performance, particularly in the lower-margin countries. This includes the expansion of the Services & Solutions business and the increased marketing of own brands, as well as the continuous monitoring of the profitability of the location portfolio.

In addition, sustained or significant declines in the prices of listed financial instruments and investments accounted for using the equity method could indicate an impairment of the asset in question. As of 30 September 2024, the market price of the investment in Fnac Darty S.A., which is accounted for using the equity method, was below the carrying amount per share. The valuation indication prepared for this reason confirmed the intrinsic value. However, the risk of a possible impairment of the investment in Fnac Darty S.A. (risk no. 7) is still classified as high.

COMPLIANCE RISKS INCLUDING DATA PROTECTION

Regulatory and documentary requirements for data protection are high, and non-compliance can be punished with large fines (risk no. 8). It also increases the risk of reputational damage, claims for damages, official actions and other sanctions. One of the core issues in the area of data protection within the Group is the processing of personal data relating to customers and employees. CECONOMY is aware of the great responsibility and importance of this topic.

Based on a data protection management system, CECONOMY ensures compliance with legal data protection and data security requirements. As part of this data protection management system, employees in Germany and all other national organisations receive regular training on data protection issues, while the data protection management concept is monitored and updated if necessary. CECONOMY works on the continuous improvement of processes and documentation. In view of the further increase in government activity, the increased complexity of systems and issues and, in particular, growing online activities, CECONOMY continues to assess the risk as high.

OTHER RISKS

The following risks are continuously analysed as part of the risk management due to their general significance, but are not currently classified as high for CECONOMY. Non-material risks may arise from the various legal provisions and self-imposed standards of behaviour to which CECONOMY is subject. For example, CECONOMY is exposed to antitrust law risks in connection with business relationships with suppliers, such as with regard to the resale prices of merchandise. Similarly, corruption risks also arise for CECONOMY in the context of business relationships. CECONOMY has a risk-based compliance management system that serves to protect employees and the companies belonging to CECONOMY from compliance violations. In addition, it is intended to protect the company from reputational and economic damage and limit the corporate management’s liability in the event of compliance violations by individual employees. Employees in sensitive business segments receive intense training as part of the compliance management system.

Presentation of the opportunity situation

CECONOMY has many diverse opportunities for sustained positive business development. They arise primarily from the consistent and early alignment with customers’ needs. The central aim is to create added value for customers and to assist them in the digital world. To this end, CECONOMY is constantly developing new business models, solutions and formats and exploiting the opportunities arising from digitalisation.

CECONOMY considers the opportunities presented below to be significant in terms of their potential positive impact on corporate goals over the next five years.

CORPORATE STRATEGY OPPORTUNITIES

The use of artificial intelligence (AI) has been identified as an opportunity. In the retail industry, AI offers numerous opportunities to optimise operational processes and improve the customer experience. It enables new products and offers a wide range of options for CECONOMY along the value chain. Taking advantage of the potential and the resulting efficiency levers is the current challenge and opportunity for CECONOMY and the entire retail industry sector.

Opportunities for the future success of CECONOMY arise in the development of new and innovative business areas and services. The needs and behaviour of customers are constantly changing, opening up new business areas (e.g. smart home, gaming) and services (e.g. delivery within 90 minutes). CECONOMY sees potential in new business models that offer customers excellent added value, fit in with the strategy of CECONOMY and build on the existing strengths of the operational processes. CECONOMY is also constantly reviewing new concepts, strategic partnerships and acquisitions. New business areas can thus be occupied appropriately. The local and national market consolidation will continue at CECONOMY.

CECONOMY's brands enjoy very high name recognition in the countries in which the Group is represented. Leading positions are achieved in many countries. This must be further consolidated and expanded. Transformation and repositioning measures already underway are aimed at further improving the market position, making processes and decision-making channels more efficient and increasing profitability. Further opportunities will continue to arise from the consistent implementation of the transformation of the business model. This relates in particular to focus issues such as category management, supply chain, online and Services & Solutions and the international expansion of successful marketplace activities. For the implementation of a customer-centric, digitally driven omnichannel sales model, the optimization and expansion of the necessary processes and structures is ongoing.

The topic of sustainability is a fundamental part of our strategy and will continue to gain importance globally in the future based on current social and regulatory developments (e.g. implementation of the "Lieferkettensorgfaltspflichtengesetz"). A holistic sustainability strategy has been developed and consistently implemented in order to meet the expectations of customers, employees, investors, politicians and society. CECONOMY also sees a variety of options for new business areas based on this issue. These include the expansion of a more sustainable product range and service offering in the area of "Circular Economy Business Models", high-quality customer advice and education on sustainable consumption and measures to reduce the CO_2 emissions of our own business activities. CECONOMY sees it as its social responsibility to make a relevant contribution to sustainability.

Overall assessment of the opportunity and risk situation by the company's management

The Management Board and Supervisory Board of CECONOMY AG are regularly informed about the company's opportunity and risk situation. To evaluate the present situation, the opportunities and risks are not only looked at in isolation. On the contrary, interdependencies are also analysed and assessed according to their probability or impact. The assessment found that the risks are manageable on the whole. The identified risks, both individually and as a whole, do not pose a threat in terms of illiquidity or over-indebtedness – both of which could jeopardise the continued existence of CECONOMY AG and the Group – for a period of at least one year. The Management Board of CECONOMY AG does not currently expect any fundamental changes to the opportunity and risk situation.

DISCLOSURES PURSUANT TO SEC. 315A SENTENCE 1 AND SEC. 289A SENTENCE 1 OF THE GERMAN COMMERCIAL CODE AND EXPLANATORY REPORT BY THE MANAGEMENT BOARD

Composition of subscribed capital (Sec. 315a sentence 1 no. 1 and Sec. 289a sentence 1 no. 1 of the German Commercial Code (HGB))

CECONOMY AG's share capital as of 30 September 2024 amounts to €1,240,448,004.17 and is divided into 485,221,084 ordinary bearer shares. The pro rata value per share of the share capital is around €2.56. Each ordinary share carries one vote. The rights and obligations associated with the shares are set out in the German Stock Corporation Act (AktG).

Restrictions that affect voting rights or the transfer of shares (Sec. 315a sentence 1 no. 2 and Sec. 289a sentence 1 no. 2 HGB)

To the knowledge of the Management Board, the following agreement exists or existed as at 30 September 2024, which may be regarded as a restriction within the meaning of Sec. 315a sentence 1 no. 2 and Sec. 289a sentence 1 no. 2 HGB:

There is a pooling agreement between BC Equities GmbH & Co. KG, Düsseldorf, and Beisheim Holding GmbH, Baar (Switzerland), which includes the shares in CECONOMY AG held by BC Equities GmbH & Co. KG and Beisheim Holding GmbH.

In addition, there may be legal restrictions on voting rights, for example in the case of certain conflicts of interest pursuant to Sec. 136 AktG , Sec. 28 sentence 1 WpHG (breach of the obligation to notify) or, if the company holds treasury shares, pursuant to Sec. 71b AktG.

In the context of Article 19 para. 11 of Regulation (EU) No. 596/2014 (Market Abuse Regulation) and in accordance with the internal requirements for members of the Management Board and Supervisory Board of CECONOMY AG, specific restrictions apply to transactions in shares of CECONOMY AG. These include, among other things, certain trading prohibitions, in particular in connection with the publication of business figures, as well as purchase and holding obligations in connection with the remuneration of the Management Board.

Shares in capital exceeding ten per cent of the voting rights (Sec. 315a sentence 1 no. 3 and Sec. 289a sentence 1 no. 3 HGB)

These are the following direct and indirect (pursuant to Sec. 33, 34 of the German Securities Trading Act (WpHG)) shares in the capital that exceed ten per cent of the voting rights:

Name/company	Direct/indirect share of more than ten per cent of the voting rights
Haniel Finance Deutschland GmbH, Duisburg, Germany	Direct
Franz Haniel & Cie. GmbH, Duisburg, Germany	Indirect
Palatin Verwaltungsgesellschaft mbH, Essen, Germany	Direct
BVG Beteiligungs- und Vermögensverwaltungs-GmbH, Essen, Germany	Indirect
Gebr. Schmidt GmbH & Co. KG, Essen, Germany	Indirect
Gebr. Schmidt Verwaltungsgesellschaft mbH, Essen, Germany	Indirect
Meridian Stiftung, Essen, Germany	Indirect
Convergenta Invest GmbH, Bad Wiessee	Direct
Convergenta Invest und Beteiligungs GmbH, Salzburg, Austria	Indirect
Jürgen Kellerhals and Helga Kellerhals	Indirect

The information above is based primarily on notifications in accordance with Sec. 33 WpHG received and published by CECONOMY AG. CECONOMY AG has not been notified of any other direct or indirect shares in the share capital that exceed 10 per cent of the voting rights, nor is CECONOMY AG aware any such shareholdings.

↗ Notifications of voting rights published by CECONOMY AG can be accessed online at www.ceconomy.de/en under Investor Relations - Legal Announcements.

Holders of shares with special rights and the form of controlling voting rights when employees hold an interest in the capital (Sec. 315a sentence 1 no. 4 and 5 and Sec. 289a sentence 1 no. 4 and 5 HGB)

The company has not issued any shares with special rights in accordance with Sec. 315a sentence 1 no. 4 and Sec. 289a sentence 1 no. 4 HGB. Employees who hold shares in CECONOMY AG directly exercise their rights in the same way as other shareholders in accordance with the law and the articles of association.

Provisions regarding the appointment and dismissal of members of the Management Board and changes to the articles of association (Sec. 315a sentence 1 no. 6 and Sec. 289a sentence 1 no. 6 HGB)

The appointment and dismissal of members of the Management Board of CECONOMY AG are determined by Sec. 84, 85 AktG and Sec. 30, 31, 33 of the German Co-Determination Act (MitbestG). Sec. 5 of the articles of association of CECONOMY AG also stipulates that the Management Board must consist of at least two members and that the Supervisory Board determines the number of members of the Management Board.

Changes to the articles of association of CECONOMY AG are generally determined in accordance with Sec. 179, 181, 133 AktG. In addition, there are numerous other provisions of the German Stock Corporation Act that may apply in the event of a change to the articles of association and that modify or supersede the aforementioned provisions, for example Sec. 182 et seqq. AktG in the event of capital increases, Sec. 222 et seqq. AktG for capital reductions or Sec. 262 AktG if the AG is liquidated. In accordance with Sec. 14 of the articles of association of CECONOMY AG, changes that only affect the wording of the articles of association may be approved by the Supervisory Board without a resolution by the General Meeting.

Powers of the Management Board, in particular with regard to the possibility of issuing or buying back shares (Sec. 315a sentence 1 no. 7 and Sec. 289a sentence 1 no. 7 HGB)

POWER TO ISSUE NEW SHARES

The General Meeting held on 12 April 2022 authorized the Management Board, with the approval of the Supervisory Board, to increase the company’s share capital by issuing new ordinary bearer shares on one or more occasions in the period up to 11 April 2027 in exchange for cash contributions and/or contributions in kind, but only up to a maximum of €321,600,000 (Authorized Capital 2022/I).

The General Meeting held on 12 April 2022 further authorized the Management Board, with the approval of the Supervisory Board, to increase the company's share capital by issuing new ordinary bearer shares on one or more occasions in the period up to 11 April 2027 in exchange for cash contributions and/or contributions in kind, but only up to a maximum of €112,560,000 (Authorized Capital 2022/II).

As of 30 September 2024, CECONOMY AG therefore has authorized capital totalling €434,160,000, which can be utilized in tranches by issuing shares.

Shareholders have subscription rights in each case. The new ordinary shares can also be acquired by one or more credit institution(s) designated by the Management Board in accordance with Sec. 186 para. 5 sentence 1 AktG or by one or more company/companies operating in accordance with Sec. 53 para. 1 sentence 1 or Sec. 53b para. 1 sentence 1 or para. 7 of the German Banking Act (KWG), who are obliged to offer them to the shareholders for subscription (indirect subscription right). However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders’ subscription rights in the following cases:

(a) for the compensation of fractional amounts;

(b) if the ordinary shares are issued against contributions in kind for the purpose of corporate mergers or for the acquisition (also indirectly) of companies, divisions of companies, operational activities, branches of activity or company interests and the pro rata amount attributable to the new ordinary shares issued subject to the exclusion of subscription rights does not exceed a total of ten per cent of the share capital existing when the respective authorization becomes effective;

(c) to implement a scrip dividend, in which case shareholders are offered to contribute their claim for payment of the dividend to the company (in whole or in part) as a contribution in kind against granting of new ordinary shares from the authorized capital;

(d) in the event of capital increases against cash contributions, to the extent required to grant subscription rights for new ordinary shares to the holders of warrants or convertible bonds issued by the company or by Group companies in which the company holds at least 90 per cent of the shares, directly or indirectly, in the scope to which they would be entitled as shareholders upon exercising the warrant or conversion right or fulfilment of the warrant or conversion or upon exercising a substitution right of the company;

(e) in the event of capital increases against cash contributions, if the pro rata amount of the share capital of these capital increases attributable to the new ordinary shares issued subject to an exclusion of subscription rights in accordance with Sec. 186 para. 3 sentence 4 AktG does not exceed a total of ten per cent of the share capital, neither at the time the respective authorization becomes effective nor – if this value is lower – at the time of exercising the respective authorization, and if in each case the issue price of the new ordinary shares is not significantly lower than the quoted market price of the company's ordinary shares that are already listed with the same features within the meaning of Sec. 203 para. 1 and para. 2, 186 para. 3 sentence 4 AktG. The limit of ten per cent of share capital is reduced by the portion of the share capital attributable to the company's ordinary shares that, during the term of the authorized capital, (i) are issued or disposed of as treasury shares subject to an exclusion of the shareholders´ subscription rights under direct or mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG, or (ii) that are issued from contingent capital to settle warrant or convertible bonds issued or to be issued without subscription rights under mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG.

In total, ordinary shares issued against cash or in kind in accordance with these authorizations subject to an exclusion of the shareholders' subscription rights in accordance with the respective (b) or (e) may not amount to more than ten per cent of the share capital existing at the time the respective authorization becomes effective. Ordinary shares that are issued subject to an exclusion of the subscription rights in direct or mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG, or that are issued for the fulfilment of warrant or convertible bonds issued during the term of the respective authorization subject to an exclusion of the subscription rights in mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG, are to be counted towards this maximum limit.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the respective capital increase. Authorized Capital 2022/I and Authorized Capital 2022/II have not yet been utilized. There are no specific plans at present to exercise these authorizations.

POWER TO ISSUE WARRANT AND/OR CONVERTIBLE BONDS

The General Meeting held on 12 April 2022 authorized the Management Board, with the approval of the Supervisory Board, to issue bearer warrant and/or convertible bonds (jointly "bonds") on one or more occasions until 11 April 2027 in a total nominal amount of up to €1,000,000,000 with or without a maturity date and to grant or impose, as applicable, warrant rights or obligations to/on the holders of warrant bonds or, respectively, conversion rights or obligations to/on the holders of convertible bonds for the ordinary bearer shares of CECONOMY AG with a proportionate amount of the share capital of up to total of €127,825,000 subject to the provisions of the terms and conditions of the respective warrant or convertible bond (hereinafter each referred to as "conditions"). This authorization provides contingent capital in an amount of up to €127,825,000 (Contingent Capital 2022/II).

The General Meeting held on 12 April 2022 further authorized the Management Board, with the approval of the Supervisory Board, to issue bearer warrant or convertible bonds (jointly "bonds") on one or more occasions up to 11 April 2027 in a total nominal amount of up to €350,000,000 with or without a maturity date and to grant or impose, as applicable, warrant rights or obligations to/on the holders of warrant bonds or, respectively, conversion rights or obligations to/on the holders of convertible bonds for the ordinary bearer shares of CECONOMY AG with a proportionate amount of the share capital of up to total of €44,738,750 subject to the provisions of the terms and conditions of the warrant or convertible bond in question (hereinafter each referred to as “conditions”). This authorization provides contingent capital of up to €44,738,750 (Contingent Capital 2022/III).

In addition to the issuance in euro, the bonds may also be issued in the legal currency of an OECD country, limited to the appropriate equivalent amount in euro. The bonds may also be issued by a CECONOMY AG Group company within the meaning of Sec. 18 AktG in which CECONOMY AG directly or indirectly holds at least 90 per cent of the shares. In this case, the Management Board is authorized, with the approval of the Supervisory Board, to grant a guarantee for these bonds for the CECONOMY AG Group company and to grant or impose warrant or conversion rights or obligations for ordinary bearer shares in CECONOMY AG to/on the holders of the bonds.

The bonds are divided into partial bonds. If warrant bonds are issued, one or more warrants will be attached to each partial bond entitling or obliging the holder to subscribe to ordinary bearer shares of CECONOMY AG in accordance with the terms and conditions of the warrants set out by the Management Board. The terms and conditions of the warrants can specify that the warrant price may also be settled by transfer of partial bonds and, where applicable, by supplementary cash payment. Where this results in fractional shares, provisions may be established under which these fractional shares can be added up in accordance with the terms and conditions of the of warrants or bonds, where applicable against supplementary payment, in order to acquire full shares.

If convertible bonds are issued, the holder (in the case of bearer bonds) and in other cases the creditors of the partial bonds are granted the right to convert their partial bonds into ordinary bearer shares of CECONOMY AG in accordance with the terms and conditions of the convertible bond determined by the Management Board. The conversion ratio is to be determined by dividing the nominal amount or the issuing price of a partial bond that is lower than the nominal amount by the fixed conversion price for an ordinary bearer share of CECONOMY AG and can be rounded up or down to a whole number. In addition, an additional payment payable in cash and the consolidation or compensation for fractional shares that cannot be converted can also be determined. The conditions may provide for a variable conversion ratio and a determination of the conversion price (subject to the minimum price determined by the resolution of the General Meeting) within a specified range depending on how the price of the CECONOMY AG ordinary share performs during the term of the bond .

The conditions may provide for the right of CECONOMY AG not to grant new ordinary shares in the event of conversion or the exercise of warrant rights, but instead to pay a cash amount which, for the number of shares otherwise to be delivered, is equivalent to the volume-weighted average closing price of the ordinary shares of CECONOMY AG in electronic trading on the Frankfurt Stock Exchange (i.e. Xetra trading or a functional comparable successor system that replaces the Xetra system) during a period to be specified in the conditions. The conditions may also provide that the bond with the warrant or conversion rights may, at the discretion of CECONOMY AG, be converted into existing shares of CECONOMY AG or another listed company as opposed to into new shares from contingent capital, or that the warrant or conversion right or obligation can be fulfilled by delivery of such shares.

The conditions may also provide for the right of CECONOMY AG to grant the holders or creditors, in part or in full, ordinary shares in CECONOMY AG or another listed company when the bond with warrant or conversion rights or obligations matures instead of paying the cash amount due (maturity here also includes maturity as a result of termination).

The conditions may also provide for a warrant or conversion obligation at the end of the term (or at an earlier date or when a specific event occurs). The conditions may also entitle CECONOMY AG to settle in cash, in full or in part, any difference between the nominal amount and the issue amount of the bonds and the product of the conversion price and conversion ratio, where this is lower.

As a general rule, shareholders are to be granted subscription rights to the bonds. The bonds may also be acquired by one or more credit institution(s) or one or more companies operating in accordance with Sec. 53 para. 1 sentence 1 or Sec. 53b para. 1 sentence 1 or para. 7 of the German Banking Act (KWG), who are obliged to offer them to the shareholders for subscription indirectly within the meaning of Sec. 186 para. 5 AktG (indirect subscription right). If bonds are issued by a CECONOMY AG Group company within the meaning of Sec. 18 AktG in which CECONOMY AG directly or indirectly holds at least 90 per cent of the shares, CECONOMY AG must ensure that the statutory subscription right for shareholders of CECONOMY AG is granted in accordance with the provisions of the previous sentence

However, the Management Board is authorized, with the approval of the Supervisory Board, to exclude the shareholders’ subscription rights to bonds,

(a) to exclude fractional amount resulting from the subscription ratio;

(b) to the extent required to grant subscription rights to holders of warrant or conversion rights or obligations that have already been issued to the extent that these holders would be entitled as shareholders after exercising their warrant or conversion right or fulfilling the warrant or conversion obligation;

(c) if the bonds are issued with warrant or conversion rights or warrant or conversion obligations against cash payment and the issue price of the bonds is not significantly lower than the value determined in accordance with recognized financial mathematical methods within the meaning of Sec. 221 para. 4 sentence 2, 186 para. 3 sentence 4 AktG. However, the authorization to exclude the shareholders´ subscription rights only applies for bonds conferring a warrant or conversion rights or warrant or conversion obligations relating to shares representing a total proportionate amount of the share capital not exceeding ten per cent of the share capital, neither at the time the respective authorization becomes effective nor – if this value is lower – at the time of exercising the respective authorization. To this maximum limit of ten per cent of share capital, the proportionate amount of the share capital has to be credited which is attributable to shares which since the granting of the respective authorization have – subject to an exclusion of subscription rights – either been issued on the basis of an authorization of the Management Board to exclude subscription rights in direct or mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG, or disposed of as acquired treasury shares in mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG, until the issue – subject to an exclusion of subscription rights pursuant to Sec. 186 para. 3 sentence 4 AktG utilizing the respective authorization – of bonds with conversion and/or warrant rights or conversion and/or warrant obligations.

On aggregate, pursuant to these authorizations, the shares issued or to be issued for the fulfilment of warrant or convertible bonds which are issued subject to an exclusion of shareholders' subscription rights may not amount to more than ten per cent of the share capital at the time the respective authorization becomes effective. Shares that are newly issued subject to an exclusion of the subscription right in direct or mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG, or that are issued from authorized capital against contribution in kind subject to an exclusion of the subscription right for the purpose of corporate mergers or for the acquisition (also indirectly) of companies, divisions of companies, operational activities, branches of activity or company interests, are to be counted towards this maximum limit

The following applies if bonds are issued that grant a warrant or conversion right or impose a warrant or conversion obligation, where Sec. 9 para.1 and 199 para. 2 AktG remain unaffected and must be observed: the respective warrant or conversion price to be determined for an ordinary share of CECONOMY AG must – with the exception of cases in which a warrant or conversion obligation or the right to substitute is provided – amount to at least 80 per cent of the volume-weighted average closing price of the ordinary shares of CECONOMY AG in electronic trading on the Frankfurt Stock Exchange in the last ten trading days before the day on which the Management Board passes its resolution on issuing the bond or – where subscription rights are granted – at least 80 per cent of the volume-weighted average stock market price of the ordinary shares of CECONOMY AG in electronic trading on the Frankfurt Stock Exchange during the period in which the subscription rights can be exercised, with the exception of the days of this period that are required to give timely notice of the warrant or conversion price in accordance with Sec. 186 para. 2 sentence 2 AktG.

In the event that the terms and conditions establish a conversion or warrant obligation at the end of the term (or at another time) or grant CECONOMY AG the right of substitution, the warrant or conversion price must, in accordance with the conditions, be at least equal to the above-mentioned minimum price or must be equal to the volume-weighted average closing price of CECONOMY AG's ordinary share in electronic trading on the Frankfurt Stock Exchange during the ten trading days before or after the final maturity date or the other determined date, even if this average price lower than the above-mentioned minimum price. The proportionate amount of share capital for the ordinary shares of CECONOMY AG to be issued in the event of conversion or if the warrant is exercised must not exceed the nominal amount of the bonds.

Notwithstanding Sec. 9 para. 1 AktG, the warrant or conversion price can be reduced on the basis of an anti-dilution provision in accordance with the conditions if, during the warrant or conversion period, CECONOMY AG (i) increases share capital by way of a capital increase from retained earnings or (ii) increases share capital or disposes of treasury shares granting exclusive subscription rights to its shareholders or (iii) issues, grants or guarantees additional bonds with warrant or conversion rights or obligations granting exclusive subscription rights to its shareholders and in the cases described under (ii) and (iii) the holders of existing warrant or conversion rights or obligations are not granted any subscription rights for these to which they would be entitled after exercising the warrant or conversion right or fulfilling the warrant or conversion obligation. The warrant or conversion price can also be reduced by means of a cash payment when the warrant or conversion right is exercised or a warrant or conversion obligation is fulfilled. The conditions can also stipulate an adjustment of the warrant or conversion rights or obligations in the event of a capital reduction or other measures or events that entail economic dilution of the value of the warrant or conversion rights or obligations (such as dividends paid, control assumed by third parties).

The Management Board is authorized, with the approval of the Supervisory Board, to determine further details regarding the issue and terms of the bonds, in particular the interest rates, issue price, term and denomination, anti-dilution provisions and the warrant or conversion period, or to stipulate these in consultation with the corporate bodies of the CECONOMY AG's Group company issuing the bonds within the meaning of Sec. 18 AktG.

The authorizations to issue warrant and/or convertible bonds have not yet been exercised and there are no specific plans at present to exercise these authorizations.

POWER TO AQUIRE TREASURY SHARES

A resolution adopted by the General Meeting held on 12 April 2022 authorized the company to purchase treasury shares of any share class until 11 April 2027 in accordance with Sec. 71 para. 1 no. 8 AktG. The authorization restricted to the purchase of shares representing a pro rata share of no more than ten per cent of the share capital at the time this authorization becomes effective or – if this value is lower – of the share capital at the time such authorization is exercised. The shares purchased on the basis of this authorization, together with any treasury shares purchased for other reasons and held by the company or attributable to the company under Sec. 71a et seqq. AktG, must at no time exceed ten per cent of the company's respective share capital.

At the discretion of the Management Board, the shares are purchased in each individual case via the stock exchange or by way of a purchase offer addressed to all shareholders. The authorization sets out provisions regarding the purchase price and the procedure in the event that a purchase offer addressed to all shareholders is oversubscribed.

The company is authorized to use treasury shares that have been or are to be acquired on the basis of the authorization described above or an authorization granted at an earlier date for all legally permitted purposes, in particular the following:

(a) to dispose of company shares (i) on the stock exchange or (ii) by offering them to shareholders;

(b) to float company shares on foreign stock exchanges on which they were not previously listed, where the authorization contains provisions regarding the initial price;

(c) to transfer company shares to third parties in return of contributions in kind in the course of corporate mergers or the acquisition (also indirectly) of companies, divisions of companies, operational activities, branches of activity, company interests or other assets;

(d) to sell company shares through channels other than the stock exchange or by offering them to all shareholders, provided they are sold in return for a cash payment and at a price that is not significantly lower than the quoted market price of company shares with the same terms that are already listed at the time of the disposal. This authorization is restricted to the sale of shares representing a total pro rata share of no more than ten per cent of the share capital at the time this authorization becomes effective or - if this value is lower - at the time this authorization is exercised. To this upper limit of ten per cent of share capital portion of the share capital is to be credited which is (i) relating to company shares that are issued or sold during the term of this authorization subject to an exclusion of subscription rights under direct or mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG, and (ii) relating to company shares issued or to be issued during the term of this authorization to settle warrant or convertible bonds that were issued during the term of this authorization subject to an exclusion of subscription rights under mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG;

(e) to transfer shares to the holders of warrant or convertible bonds of the company or its Group companies within the meaning of Sec. 18 AktG in accordance with the conditions of the warrant or convertible bonds; this also applies to transferring shares on the basis of exercising subscription rights which may be granted to the holders of warrant or convertible bonds of the company or its Group companies within the meaning of Sec. 18 AktG if treasury shares are sold by way of an offer to all shareholders or in the event of a capital increase with subscription rights, to the extent that the holders of warrant or convertible bonds would have subscription rights to the company's shares after exercising the warrant or conversion right or fulfilling the warrant or conversion obligation. Total shares transferred on the basis of this authorization must not account for more than a ten per cent pro rata share of the share capital at the time this authorization becomes effective or – if this value is lower – at the time of exercising this authorization, provided the shares are used to fulfil warrant or conversion rights or obligations granted or imposed under mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG. This limit of ten per cent of share capital is to be diminished by such portion of the share capital relating to company shares that are issued or sold as treasury shares during the term of this authorization under direct or mutatis mutandis application of Sec. 186 para. 3 sentence 4 AktG;

(f) to implement a scrip dividend, in which company shares are used to meet shareholders' dividend claims (including in part and optionally);

(g) to withdraw company shares without the need for an additional resolution of the General Meeting. They can also be withdrawn without reducing capital by increasing the pro rata amount of the company's share capital represented by the remaining no-par-value shares. In this case, Management Board is authorized to adjust the number of no-par value shares in the articles of association.

All of the above authorizations relating to the acquisition and use of treasury shares acquired on the basis of the above or a previous authorization may be exercised in part or in full, on one or on more than one occasion, individually or jointly by the company or by its Group companies within the meaning of Sec. 18 AktG or by third parties acting for the account of the company or the third parties. All of the above authorizations may be exercised to acquire and use both ordinary shares and preference shares or to acquire and use only ordinary shares or only preference shares. The use of treasury shares in accordance with the authorizations stated in (b), (c), (d), (e), (f) and (g) above must be approved by the Supervisory Board. Shareholder subscription rights are excluded for the use of treasury shares in accordance with the authorizations in (a) (i), (b), (c), (d), and (e). If treasury shares are used in accordance with the authorization in (a) (ii) by way of an offer to all shareholders in accordance with the principles of equal treatment (Sec. 53a AktG), the Management Board is authorized to exclude shareholders' subscription right for fractional amounts. The Management Board is also authorized to exclude the subscription right if treasury shares are used in accordance with the authorization in (f).

The General Meeting held on 12 April 2022 also authorized the Management Board to purchase shares under the resolved authorization using put options, call options, future purchase agreements relating to company shares where there are more than two trading days between entering into the respective purchase contract and the transfer of the purchased shares (forward purchases) or combinations of these instruments (put options, call options, forward purchase and combinations of these instruments are hereinafter jointly referred to as "derivatives"). All shares acquired using derivatives are restricted to shares representing no more than five per cent of the share capital at the time this authorization becomes effective or – if this value is lower – at the time of exercising this authorization. Each individual derivative must have a term of no longer than 18 months, must end no later than the close of day on 11 April 2027 and must be selected in a way that ensures the shares cannot be purchased using the derivatives after 11 April 2027. The derivatives may be concluded only with one or more independent credit institution(s) or by one or more company/companies operating in accordance with Sec. 53 para. 1 sentence 1 or Sec. 53b para. 1 sentence 1 or para. 7 of the German Banking Act (KWG). They must be structured so as to ensure that the derivatives are supplied only with shares that were previously acquired in accordance with the principles of equal treatment (Sec. 53a AktG); acquiring the shares on the stock market is sufficient

The option premium received by the company for call options and put options must not be significantly lower than the theoretical market value of the respective options calculated using recognised financial mathematical methods. The purchase price to be paid per share when exercising put or call options or when the forward purchase matures must not be more than ten per cent higher or lower than the arithmetic mean of the closing auction price for shares in the corresponding share class in Xetra trading (or a functional comparable successor system that replaces the Xetra system) on the Frankfurt Stock Exchange during the last three trading days before the derivative transaction in question is entered into (in each case excluding ancillary acquisition costs but including the option premium received or paid).

If treasury shares are acquired using derivatives in accordance with the above provisions, any shareholder rights to conclude such derivatives with the company are excluded, as is the shareholders' put option.

The provisions stated above for the use of treasury shares also apply for the use of the company's treasury shares acquired using derivatives.

The authorization granted by resolution at the General Meeting on 12 April 2022 to purchase treasury shares in accordance with Sec. 71 para. 1 no. 8 AktG, including using derivatives, has not yet been exercised and there are no specific plans to make use of this authorization.

Material agreements conditional upon a change of control following a takeover bid (Sec. 315a sentence 1 no. 8 and Sec. 289a sentence 1 no. 8 HGB)

CECONOMY AG is the borrower in a syndicated loan agreement, which may be terminated by the lender in the event of a change of control. A change of control requires one or more parties acting in concert to obtain control over CECONOMY AG. In this case, each bank may revoke their loan commitment and require that loans issued under the agreement are repaid. These provisions in the event of a change of control are standard for the market and serve to protect creditors. The credit facilities had not been utilized as of 30 September 2024.

In addition, CECONOMY AG issued a senior unsecured five-year bond with an initial principal amount of €500 million in June 2021 (Bond 21/26). As part of an early refinancing of Bond 21/26, a buy-back offer was made for Bond 21/26, reducing the outstanding nominal amount to €144 million. In July 2024, CECONOMY AG issued a €500 million fixed rate unsecured bond linked to a sustainability target (Bond 24/29). The terms and conditions of Bond 21/26 and Bond 24/29 provide for a redemption right for bondholders in the event of a change of control. A change of control is deemed to have occurred in respect of Bond 21/26 if a change of control has occurred in relation to which a rating downgrade has occurred. A change of control is deemed to have occurred if a person or persons acting in concert, or one or more persons acting on behalf of such person or persons, at any time directly or indirectly (i) acquires more than 50 per cent. of the share capital of CECONOMY AG or (ii) acquires a number of shares in the share capital of CECONOMY AG that carry more than 50 per cent. of the voting rights that may be exercised at the annual general meetings of CECONOMY AG. A change of control with respect to the Bond 24/29 will be deemed to have occurred (i) if one or more persons acquire the economic entitlement to more than 30 per cent of the total voting rights of the voting shares of CECONOMY AG or (ii) upon the sale of all or substantially all of the assets of CECONOMY AG or certain subsidiaries of CECONOMY AG (other than by way of merger, consolidation or other business combination). Certain entitled shareholders are excluded from the definition of a change of control.

CECONOMY AG has also issued convertible bonds with a total nominal value of €151 million and a term of five years. The terms and conditions of the convertible bonds provide for the right of each bondholder, upon the announcement of a change of control or a merger with CECONOMY AG as the transferor entity, to accelerate the maturity of all or some of its bonds that have not yet been converted or redeemed by way of a declaration of termination. An acquisition of control in this sense shall be deemed to have occurred (a) if a person or several persons acting in concert within the meaning of Sec. 34 para. 2 WpHG (with the exception of Convergenta Invest GmbH or one of its affiliated companies within the meaning of Sec. 15 et seqq. AktG) directly or indirectly at any time holds or has acquired such a number of shares in CECONOMY AG that 30 per cent. or more of the voting rights in CECONOMY AG are attributable to such person or persons, or (b) CECONOMY AG sells or transfers all or substantially all of its assets to another person or persons.

Finally, CECONOMY AG has taken out several promissory note loans. Two of these promissory note loans, with a total nominal value of €60 million and a term of five years, give the lender the right to demand immediate repayment in the event of a change of control. A change of control is deemed to have occurred if a person or group of persons acting in concert directly or indirectly acquires more than 50% of the voting rights or share capital of CECONOMY AG or otherwise exercises control within the meaning of Sec. 17 AktG.

Compensation agreements with members of the Management Board or employees in the event of a takeover bid (section 315a sentence 1 no. 9 and section 289a sentence 1 no. 9 HGB)

There are no compensation agreements within the meaning of Sec. 315a sentence 1 no. 9 and Sec. 289a sentence 1 no. 9 HGB with members of the Management Board or employees in the event of a takeover bid.

SUPPLEMENTARY NOTES FOR CECONOMY AG (PURSUANT TO THE GERMAN COMMERCIAL CODE)

Overview of financial year 2023/24 and outlook of CECONOMY AG

As the ultimate holding company of the Group, CECONOMY AG is dependent in terms of its business performance, position and expected development with its material opportunities and risks to a significant extent on the development of the Group.

Given the holding structure, the most important key performance indicator for CECONOMY AG within the meaning of German Accounting Standard DRS 20 is – in contrast to the Group-wide view – the net income under commercial law before dividends from subsidiaries and before expenses and income from profit and loss transfer agreements.

For financial year 2023/24, CECONOMY AG expected a net holding result (net income before income from accrual, before dividends from subsidiaries, before income and expenses from profit and loss transfer agreements, before impairment on shares in affiliated companies and excluding the recognition of deferred tax assets) at the level of financial year 2022/23, which corresponds to a result of around €–26 million. The net holding result for 2023/24 amounted to €–22 million. The forecast was thus slightly exceeded.

CECONOMY AG's business development

CECONOMY AG's business development is shaped primarily by the performance and dividend policies of its investments. CECONOMY AG´s financial statements in accordance with the requirements of commercial law serve as a basis for calculating dividends. CECONOMY AG's income statement and balance sheet in accordance with the German Commercial Code (HGB) are presented below.

Income statement for the financial year from 1 October 2023 to 30 September 2024 pursuant to HGB

€ million	2022/23	2023/24
Revenue	15	16
Investment result	2	112
Net interest result and other financial result	0	–1
Other operating income	4	96
Personnel expenses	–16	–14
Depreciation, amortisation and impairment losses on intangible and tangible assets	0	0
Other operating expenses	–23	–23
Income taxes	83	18
Earnings after tax	**65**	**204**
Other taxes	0	0
Net income for the year	**65**	**204**
Retained earnings from the previous year	74	139
Appropriation to other reserves retained from earnings	0	–102
Balance sheet profit	**139**	**242**

Revenue includes €11 million in income from guarantee fees (2022/23: €10 million), which is primarily attributable to Media-Saturn Deutschland GmbH, and €5 million (2022/23: €5 million) in service charges of CECONOMY AG to affiliated companies.

CECONOMY AG recognised an investment result of €112 million in financial year 2023/24 (2022/23: €2 million).

The income from investments of €15 million (2022/23: €6 million) includes €11 million in profit shares from the limited partnership investment in METRO Properties GmbH & Co. KG and €2 million in dividend distributions from the investment in METRO AG. In the previous year, the income from investments included a distribution from CECONOMY Retail GmbH´s capital reserve in the amount of €6 million.

The income from profit transfer agreements in the amount of €97 million (2022/23: €21 million) primarily relates to €55 million from CECONOMY Retail International GmbH (2022/23: expenses from loss transfer €25 million). This includes €51 million in non-cash income from the reversal of impairment losses of the investment in Fnac Darty S.A. In addition, income from profit transfer agreements in the amount of €42 million relates to CECONOMY Retail GmbH (2022/23: €10 million). This includes indirect income from profit transfer agreements totalling €75 million, of which €52 million is attributable to non-cash income from the merger of Redcoon GmbH with MMS Portfolio GmbH. CECONOMY Retail GmbH's own earnings amount to €−33 million and primarily include interest expenses from the utilization of intra-Group loans. In addition, the previous year includes income from profit transfer agreements of CECONOMY Digital GmbH in the amount of €11 million. The company was merged with CECONOMY Retail GmbH in this financial year.

The expenses from loss absorption amount to €0 million (2022/23: €25 million). In the previous year, this item included expenses from loss absorption from CECONOMY Retail International GmbH in the amount of €25 million.

A tax group for income and value-added tax purposes is formed with certain subsidiaries.

CECONOMY AG's net interest result primarily comprises interest expenses in connection with the syndicated loan agreement entered into in 2020/21 of €7 million (30/09/2023: €9 million) and €4 million (30/09/2023: €0 million) from the one-off interest advantage passed on to MediaMarktSaturn Retail Group GmbH from the early partial repayment of the bond in the amount of €343 million. In addition, the net interest result includes interest expenses of €8 million (30/09/2023: €0 million) from the bond issued in financial year 2023/24 and €8 million (30/09/2023: €8 million) from the convertible bonds issued in financial year 2021/22, €4 million (30/09/2023: €3 million) from financial investments from subsidiaries, €3 million (30/09/2023: €3 million) from promissory note loans and €2 million (30/09/2023: €1 million) interest expenses from the liabilities raised as part of the multi-currency commercial paper programme and other interest expenses of €3 million (30/09/2023: €4 million). In addition, the other financial result includes €27 million (30/09/2023: €19 million) interest income from loan receivables from subsidiaries and €13 million (30/09/2023: €0 million) a one-off interest income from the early partial repayment of the bond issued in financial year 2020/21, which results from the difference between the nominal value of the repaid bond and the amount actually paid in the amount of €343 million. In addition, the other net financial result of €6 million (30/09/2023: €5 million) includes other interest income, of which €5 million (30/09/2023: €5 million) is attributable to interest income from fixed-term deposits.

Other operating income of €96 million (2022/23: €4 million) includes €87 million (2022/23: €0 million) in income from the accrual of MWFS Zwischenholding GmbH & CO. KG to CECONOMY AG. A further €7 million (2022/23: €2 million) relates to income from price gains from the sale of securities. €1 million (2022/23: €1 million) is also attributable to income from the reversal of provisions and other income totalling €1 million (2022/23: €1 million). The income from accrual relates to the accrual of MWFS Zwischenholding GmbH & Co. KG to CECONOMY AG at €87 million. This income is not offset by any liquidity. Income from the reversal of provisions primarily relates to the reversal of provisions for outstanding invoices and personnel provisions. Income from the sale of securities accounts for €7 million of income from foreign currency gains. Other income mainly comprises cost transfers to MediaMarktSaturn Retail Group GmbH for costs incurred by third parties of €1 million.

Personnel expenses total €14 million in the past financial year 2023/24, €13 million of which attributable to wage and salary expenses.

The decrease in post-employment benefit expenses in the amount of €4 million is due to the reduction in the pension trend from 2.2 per cent in the previous year to 2.0 per cent in financial year 2023/24, the inclusion of cumulative inflation in the previous year and other changes specific to those entitled to benefits.

In the past financial year 2023/24, CECONOMY AG's other operating expenses primarily include consulting expenses of €4 million (2022/23: €6 million) and other expenses in connection with the holding function.

For the calculation of income taxes, the earnings of the subsidiaries included in the CECONOMY AG tax group allocable for tax purposes to CECONOMY AG as the tax group parent are declared. The recognised tax comprises the net tax expenses and income of the entire CECONOMY AG tax group.

As a result of the tax group connection with the MediaMarktSaturn Group, a loss utilization was realised at the level of CECONOMY AG in the reporting year. Taking into account the minimum taxation, this results in an income tax charge of €2 million (2022/23: €5 million). A provision of €5 million was recognised for trade tax risks in the reporting year. For previous assessment periods, there is an out-of-period tax benefit of €1 million. In the reporting year, CECONOMY AG's tax group subsidiaries paid foreign withholding taxes totalling approximately €3 million.

The income from the recognition of deferred taxes amounted to €27 million in financial year 2023/24 (2022/23: €88 million). This includes a tax benefit of €78 million from an increase in utilizable loss carry-forwards. Tax expense of €41 million arose from the first-time recognition of deferred tax liabilities for temporary differences of the MediaMarktSaturn Group, which was newly integrated into the tax group in the reporting year.

The regulations on global minimum taxation came into force in Germany with effect from 28 December 2023 through the Minimum Tax Act. In accordance with the Minimum Tax Act, CECONOMY AG is subject to the German regulations on global minimum taxation from financial year 2024/25. In accordance with the applicable minimum tax legislation, the Group is obliged to determine the effective tax rate for each country in which business units within the meaning of the law exist and, if the effective tax rate determined is below the minimum tax rate of 15 per cent, to pay a supplementary tax in the amount of the difference between the effective tax rate and the minimum tax rate.

CECONOMY AG carried out an initial indicative analysis as of the closing date of 30 September 2024 to determine the basic impact and the jurisdictions from which the Group can expect potential effects in connection with a supplementary tax. The first step was to check whether the CbCR (Country by Country Reporting) safe harbour regulations are relevant. Overall, no significant impact on the income tax expenses of CECONOMY AG is expected.

The company closely monitors the progress of the legislative procedure in each country in which it operates. In accordance with Sec. 274 para. 3 HGB, CECONOMY AG does not recognise any deferred tax assets or liabilities arising from differences in connection with global minimum taxation.

The annual financial statements of CECONOMY AG as of 30 September 2024, prepared in accordance with the provisions of the German Commercial Code (HGB), report balance sheet profit in the amount of €242 million for financial year 2023/24 after allocation of €102 million to other reserves retained from earnings in accordance with Sec. 272 para. 3 HGB. Partly due to the capitalisation of deferred tax assets in the statement of financial position as of 30 September 2024, balance sheet profit is blocked from distribution in accordance with Sec. 268 para. 8 HGB in the amount of €138 million. An amount of €104 million is therefore eligible for distribution.

In order to strengthen equity and preserve the company's liquidity, the Management Board and the Supervisory Board propose to carry forward €138 million of the balance sheet profit for the financial year 2023/24 totalling €242 million as reported in the approved annual financial statements as of 30 September 2024 to new account and to transfer €104 million to retained earnings.

Financial position of CECONOMY AG

CASH FLOWS

Securities comprise €106 million (30/09/2023: €0 million) in money market funds from the investment of cash within the scope of liquidity provision.

The item cash on hand and bank deposits totalled €15 million as of the closing date (30/09/2023: €33 million) and comprises short-term deposits at banks.

CAPITAL STRUCTURE

Equity and liabilities

€ million	30/09/2023	30/09/2024
Equity		
Share capital	1,241	1,241
Ordinary shares	1,241	1,241
(Contingent capital)	(89)	(89)
Capital reserve	353	353
Reserves retained from earnings	0	102
Balance sheet profit	139	242
	1,733	**1,938**
Provisions	**124**	**125**
Liabilities	**986**	**947**
Deferred income	**10**	**16**
	2,853	**3,026**

On the equity and liabilities side of the balance sheet, equity accounted for €1,937 million (30/09/2023: €1,733 million) and provisions, liabilities and deferred income for €1,089 million (30/09/2023: €1,120 million). The equity ratio as of the closing date was 64 per cent compared to 60.7 per cent in the previous year. The change in equity compared to the previous year resulted from the net income for the year in the amount of €204 million, of which €102 million was transferred to reserves retained from earnings and the remaining part of the net income for the year in the amount of €102 million was recognized in balance sheet profit. The decrease in liabilities in the amount of €39 million results primarily from the decrease in liabilities to affiliated companies from fixed-term deposits in the amount of €111 million, of which €94 million is attributable to MWFS Zwischenholding GmbH & Co. KG, which was merged into CECONOMY AG in this financial year and €17 million to CECONOMY Digital GmbH, which was merged into CECONOMY Retail GmbH in this financial year. CECONOMY AG's financial liabilities increased by €80 million. This includes an increase in bonds of €130 million and a decrease in promissory note loans of €50 million.

The provisions consist of provisions for post-employment benefits plans and similar obligations totalling €75 million (30/09/2023: €83 million), tax provisions of €5 million (30/09/2023: €0 million) and other provisions of €45 million (30/09/2023: €41 million).

Provisions for post-employment benefit plans and similar obligations have been recognised for direct pension commitments in the amount of €67 million (30/09/2023: €74 million) and for shortfalls in underfunded pension funds in the amount of €8 million (30/09/2023: €9 million). Please refer to Section 2 of the notes for information on the general measurement parameters.

Assets from pension insurance of €38 million (30/09/2023: €36 million) were set off within the "provisions for post-employment benefit plans and similar obligations" item with a gross obligation value of €112 million (30/09/2023: €118 million). Assets from pension reinsurance are pledged and secured against insolvency. The cost is primarily commensurate with the fair values of the pension reinsurance and the settlement amount of the obligations. No material offset expenses or income arose in this context.

The tax provisions of €5 million (30/09/2023: €0 million) were recognised for potential trade tax backpayments.

Other provisions include a provision of €13 million (30/09/2023: €12 million) for the utilization of a guarantee issued for possible future bad debt losses from the sale of receivables from mobile phone contracts of Media-Saturn Deutschland GmbH to a financial institution. Other provisions include obligations to employees and to members of the Management Board of €8 million (30/09//2023: €4 million), of which €3 million (30/09/2023: €2 million) relates to bonus provisions, €3 million (30/09/2023: €1 million) to obligations for share-based payments and €2 million (30/09/2023: €1 million) to other personnel-related provisions. Miscellaneous other provisions essentially comprise €22 million (30/09/2023: €24 million) in obligations for indirect post-employment benefits to employees and pensioners of the former ITS International Tourist Services Länderreisedienste GmbH. CECONOMY AG is internally liable to ITS International Tourist Services Länderreisedienste GmbH only for fulfilling these obligations and does not expressly declare that it will assume debt.

CECONOMY AG possesses liquidity reserves that, as well as the held liquidity, comprise syndicated credit facilities of €1,060 million, which were adjusted in financial year 2020/21. The syndicated credit facility has two tranches, with tranche A comprising €353 million (term to 06/05/2025) and tranche B €707 million (term to 06/05/2026). Each tranche has two options to extend the term by a further year. Both options have already been exercised for tranche A of €353 million. The credit facilities had not been utilized as of 30 September 2024.

The liabilities from bonds in the amount of €800 million (30/09/2023: €676 million) comprise a new unsecured bond issued in this financial year with a nominal value of €500 million and a term of five years until 15 July 2029. In addition, this line item contains a convertible bond issued in financial year 2021/22 with a nominal value of €151 million, divided into 1,510 partial bonds, and a term until 9 June 2027. The conversion right can be exercised at any time within the term. The conversion price is €5.42. The non-subordinated unsecured five-year bond of €500 million issued in financial year 2020/21 was partially repaid in the amount of €356 million. The remaining liability amounts to a nominal €144 million (30/09/2023: €500 million). CECONOMY AG used the gross proceeds from the new issue in the amount of €500 million to finance the buyback. Depending on market conditions and the company's judgement, the unused gross issue proceeds may be used to repay the bond issued in 2021 at maturity or earlier. CECONOMY AG currently intends to repay the remaining bond from 2021 at maturity in 2026. In addition, liabilities from bonds include short-term money market securities (commercial paper) in the amount of €5 million (30/09/2023: €25 million).

The liabilities to banks of €79 million (30/09/2023: €123 million) include promissory note loans of €71 million with a remaining term of one to five years. An additional €8 million is the result of short-term interest liabilities, €1 million of which is attributable to the promissory note loan and €7 million to the bonds issued in financial year 2020/21 and financial year 2023/24.

Trade payables include cost and investment accounts.

Liabilities to affiliated companies of €65 million (30/09/2023: €179 million) primarily comprise short-term financial investments by Group companies with CECONOMY AG amounting to €43 million (30/09/2023: €124 million) and a further €11 million (30/09/2023: €29 million) from liabilities to Group companies from the assumption of tax liabilities. €5 million of this (30/09/2023: €25 million) relate to liabilities to CECONOMY Retail GmbH for capital gains tax of Media-Saturn-Holding GmbH, €4 million (30/09/2023: €4 million) to VAT liabilities of Media-Saturn-Holding GmbH and €2 million (30/09/2023: €0 million) to trade tax liabilities of Media-Saturn Deutschland GmbH. Interest payments result in €6 million (30/09/2023: €0 million) in liabilities to MediaMarktSaturn Retail Group GmbH as part of the cost sharing agreements in connection with the syndicated credit facilities and the bond issued in financial year 2020/21.

The €114 million change in liabilities to affiliated companies from the previous year is essentially the result of the decrease in liabilities from fixed-term deposits of €111 million, of which €94 million is attributable to MWFS Zwischenholding GmbH & Co. KG, which was merged into CECONOMY AG in this financial year, and €17 million is attributable to CECONOMY Digital GmbH, which was merged into CECONOMY Retail GmbH in this financial year. This is offset by an increase in financial investments, which is attributable to the subsidiary CECONOMY Retail International GmbH in the amount of €29 million, resulting from the collection of its receivable from profit transfer from financial year 2022/23 in the amount of €25 million and the dividend distribution from Fnac Darty S.A. in the amount of €3 million. A further change in liabilities to affiliated companies in the amount of €25 million results from the decline in the liability to CECONOMY Retail International GmbH from the profit and loss transfer agreement. Liabilities from tax transfers decreased by €7 million.

At €1 million, other liabilities mainly comprise liabilities from promissory note loans, primarily to insurance companies.

This item includes deferred income of €16 million in total. €8 million of this relates to the assumption of guarantees for Media-Saturn Deutschland GmbH for potential future bad debt losses from the sale of receivables from mobile phone contracts. The reversal through profit and loss takes place over the term of the guarantee. Another €8 million relates to the passing on of expenses for the syndicated loan and for the bonds issued to MediaMarktSaturn Retail Group GmbH in financial year 2020/21 and 2023/24. The reversal through profit and loss takes place over the term of the syndicated loan agreement or the bonds.

The contingent liabilities as of 30 September 2024 primarily comprise €1,670 million (30/09/2023: €1,400 million) for the assumption of guarantees by CECONOMY AG to secure operating liabilities of Media-Saturn companies. The change compared to the previous year is due to the assumption of a further guarantee in the amount of €270 million. Based on the liquidity available at Media-Saturn companies and liquidity planning, the risk of utilization is considered low. There are also contingent liabilities of €32 million (30/09/2023: €33 million) for the assumption of a guarantee by

CECONOMY AG to a financial institution to hedge against potential future bad debt losses from the sale of the receivables from mobile phone contracts of Media-Saturn Deutschland GmbH to a financial institution as well as CHF 105 million (30/09/2023: CHF 105 million) or €111 million (30/09/2023: €109 million) for a guarantee by CECONOMY AG to a bank to provide cover for the contractual obligations of PayRed Services AG, Switzerland, in connection with the sale of credit card receivables. On the basis of the financial calculations performed in a risk model analysis, the risk of utilization is classified as unlikely in both cases.

There is a €17 million bank guarantee that expires on 15 October 2028 (30/09/2023: €24 million) to the acquirer of the pension obligations in order to hedge the statutory subsequent liability risks for pension liabilities spun off from CECONOMY Retail GmbH in financial year 2017/18. This guarantee was transferred from CECONOMY Retail GmbH to CECONOMY AG in financial year 2022/23. The amount corresponds to the cash flows of the pension benefit obligations that mature and are payable in the first ten years, after the spin-off and sale of the pension obligations, calculated in accordance with actuarial principles. The risk of this contingent liability being utilized is considered unlikely.

In addition, there are contingent liabilities from a framework agreement with a financial institution for insolvency protection of credit in the partial retirement block model of €0 million (30/09/2023: €1 million) through a directly enforceable guarantee by the financial institution for company employees and for Group employees for the benefit of the affiliated company Media-Saturn Deutschland GmbH. The company concerned can fulfil the obligations underlying the guarantees.

The spin-off of the former METRO GROUP in financial year 2016/2017 gives rise to a legal contingent liability from a ten-year continuing liability in accordance with Sec. 133 para. 1 and 3 of the German Transformation Act (UmwG). The legal entities involved in the spin-off are liable as joint and several debtors for the liabilities (five years) and the pension obligations (ten years) of CECONOMY AG as the transferring legal entity that had been in existence before the spin-off entered into force. The related five-year period of continuing liability has now ended. With regard to the remaining subsequent liability from pension obligations, the liability amount is insignificant. In addition, the risk of this contingent liability being utilized is considered unlikely on the basis of publicly available information, in particular METRO AG's rating.

CECONOMY AG enters into contingent liabilities only after weighing up all the risks and only in connection with its own operating activities. Provisions are recognised for any liability risks that actually materialize. As of the date of preparation of this report, the company is not aware of any liability claims.

The financial obligations from loans granted of €178 million (30/09/2023: €36 million) relate to interest to be paid over the coming years of €167 million, €156 million of which relates to the bond of €500 million issued in financial year 2023/24, €5 million to the bond of €500 million issued in financial year 2020/21 and €6 million to promissory note loans of €71 million. Further obligations of €10 million relate to outstanding commitment fees for the long-term syndicated credit facility with a nominal volume of €1,060 million (30/09/2023: €1,060 million).

The nominal value of the loan commitments to Group companies amounts to €2,217 million (30/09/2023: €2,228 million), of which €303 million (30/09/2023: €720 million) was utilized as of the closing date. The year-on-year change in the nominal values of the loan commitments to Group companies primarily relates to cancelled loan commitments in the amount of €10 million to CECONOMY Digital GmbH and €1 million to CECONOMY Invest GmbH. Both companies were merged into CECONOMY Retail GmbH in financial year 2023/24.

The obligations from rental agreements and leases primarily relate to the rental obligation for CECONOMY AG's rented building at Kaistrasse 3 in Düsseldorf. The tenancy began on 1 November 2019 and has a term of ten years.

The purchase obligations of €5 million (30/09/2023: €7 million) comprise €1 million from rental and maintenance agreements for licences and IT services, €1 million from insurance contracts and €3 million from other contractual obligations.

Asset position of CECONOMY AG

Assets

€ million	30/09/2023	30/09/2024
Fixed assets		
Intangible assets	0	0
Tangible assets	1	1
Financial assets	1,347	2,136
	1,348	**2,137**
Current assets		
Receivables and other assets	1,151	421
Securities	0	106
Cash on hand and bank deposits	33	15
	1,184	**542**
Prepaid expenses	**34**	**33**
Deferred tax assets	**287**	**314**
	2,853	**3,026**

CECONOMY AG's assets totalled €3,026 million (30/09/2023: €2,853 million) as of the closing date. The change compared to the previous year in the amount of €173 million primarily comprises an increase in financial assets in the amount of €790 million resulting from the contribution of receivables from CECONOMY Retail GmbH in the amount of €800 million and €10 million from the disposal of the shares in MWFS Zwischenholding GmbH & Co. KG due to the accrual of the company to CECONOMY AG. Furthermore, receivables from affiliated companies decreased by €719 million, of which €800 million is attributable to the non-cash contribution of receivables from CECONOMY Retail GmbH, while receivables from profit and loss transfer agreements increased by €76 million. In addition, other assets decreased by €8 million. The change in assets also includes securities totalling €106 million as well as a decrease in cash and cash equivalents of €18 million and an increase in deferred tax assets of €27 million.

Intangible assets primarily include purchased software and licences. All depreciation and amortisation for financial year 2023/24 was scheduled.

Tangible assets primarily comprise business and office equipment. All depreciation and amortisation for financial year 2023/24 was scheduled.

Shares in affiliated companies amounted to €2,123 million as of 30 September 2024 (30/09/2023: €1,334 million) and comprise 100 per cent of the shares in CECONOMY Retail GmbH with a carrying amount of €1,649 million (30 /09/2023: €842 million). CECONOMY Retail GmbH itself holds 78.38 per cent of the shares in Media-Saturn-Holding GmbH. The change of €807 million in comparison with the previous year includes around €800 million from a non-cash contribution of receivables from CECONOMY Retail GmbH, of which €421 million relates to the contribution of receivables from Group loans and €378 million to the contribution of receivables from distributions from the capital reserve of CECONOMY Retail GmbH from previous years. In addition, €7 million is attributable to mergers of subsidiaries with CECONOMY Retail GmbH, of which €6 million is attributable to the merger of CECONOMY Digital GmbH and €1 million to the merger of CECONOMY Invest GmbH. A further €10 million result from the disposal of the shares in MWFS Zwischenholding GmbH & Co. KG due to the accrual of MWFS Zwischenholding GmbH & Co. KG to CECONOMY AG. In addition, the shares in affiliated companies include 21.62 per cent of the shares in Media-Saturn-Holding GmbH with a carrying amount of €473 million (30/09/2023: €473 million) and 100 per cent of the shares in CECONOMY Data GmbH with a carrying amount of €1 million (30/09/2023: €1 million).

Investments comprise 6.61 per cent of the shares in METRO PROPERTIES GmbH & Co. KG in the amount of €13 million (30/09/2023: €13 million) and the approximately one per cent share in METRO AG held directly by CECONOMY AG with a carrying amount of €1.

The approximately one per cent share in METRO AG held directly by CECONOMY AG was subject to a seven-year tax vesting period, meaning that it could not be sold without incurring negative tax consequences. This vesting period ended on 30 September 2023, meaning that the restriction described above no longer applies as of financial year 2023/24.

On 19 September 2016, CECONOMY AG and the current METRO AG entered into an option agreement for the remaining limited partnership share in METRO PROPERTIES GmbH &. Co. KG. In this agreement, CECONOMY AG grants METRO AG a call option and METRO AG grants CECONOMY AG a put option at the pro rata enterprise value at the exercise date with regard to this limited partnership share held by CECONOMY AG. Each of the options can be exercised only in certain timeframes of six months in each case. The call option can be exercised for the first time three years after the spin-off took effect. It was not utilized. The put option can be exercised for the first time seven years after the spin-off took effect, no earlier than 13 July 2024. This option has also not been utilized to date.

Receivables from affiliated companies primarily comprise €297 million in receivables from Group companies on account of CECONOMY AG's financing function as the holding company (30/09/2023: €715 million), €280 million of which relates to MediaMarktSaturn Retail Group GmbH (30/09/2023: €300 million) and €17 million to CECONOMY Retail GmbH (30/09/2023: €414 million). Receivables from affiliated companies also include €97 million (30 /09/2023: €21 million) in receivables on the basis of existing profit and loss transfer agreements, of which €54 million are primarily attributable to CECONOMY Retail International GmbH (30/09/2023: loss absorption liabilities €25 million) and €42 million (30/09/2023: €10 million) to CECONOMY Retail GmbH. Another €4 million in receivables from affiliated companies result from passing on of costs from third parties to subsidiaries (30/09/2023: €3 million).

The decrease in receivables from affiliated companies compared with the previous year in the amount of €719 million results primarily from the non-cash contribution of receivables from CECONOMY Retail GmbH of €800 million and, in contrast, from an increase in receivables from profit and loss transfer agreements in the amount of €76 million.

Other assets primarily comprise €20 million in entitlements to tax refunds (30/09/2023: €34 million). Receivables from withheld tax on capital gains account for €6 million of this figure. €2 million of this relates to the assumption of the receivable for capital gains tax of MediaMarktSaturn Retail Group GmbH, €2 million to the assumption of the receivable for capital gains tax of Media-Saturn Deutschland GmbH, €1 million to retained capital gains taxes on interest payments (30/09/2023: €2 million) and €1 million (30/09/2023: €1 million) to METRO AG´s dividend distribution for financial year 2022/23. Other assets also include €5 million (30/09/2023: €3 million) in corporation tax receivables and €4 million (30/09/2023: €0 million) in trade tax receivables. In addition, other assets include €5 million in value-added tax refund claims (30/09/2023: €3 million).

Other assets also include €3 million (30/09/2023: €0 million) for a derivative financial instrument measured at fair value in the form of a termination option embedded in the bond of €500 million issued in this financial year. This can be exercised voluntarily by CECONOMY through early repayment of the respective financial debt, whereby the advantageousness of exercising the termination options depends on the refinancing options that CECONOMY would receive on the market at the date of exercise for taking out alternative financing. The fair value is determined by an expert using an option pricing model.

Prepaid expenses amounted to €33 million as of the closing date (30/09/2023: €34 million) and primarily include prepaid expenses of €21 million (30/09/2023: €29 million) in connection with the convertible bonds of €151 million issued in financial year 2021/22. The prepaid expenses comprise the difference between the fair value of the convertible bond on the closing date of the transaction on 3 June 2022 of €112 million and the nominal value of the convertible bond of €151 million less reversals of prepaid expenses recognised in interest expenses. Furthermore, prepaid expenses of €8 million were recognised as commission paid in advance for the bond issued in financial year 2023/24 with a nominal value of €500 million. In addition, prepaid expenses of €2 million were recognised for the bond issued in financial year 2020/21 with a remaining nominal value of €144 million after partial redemption, of which €1 million relates to a discount and €1 million to commission paid in advance. The item also includes commission paid in advance of €2 million in connection with the syndicated loan agreement concluded in financial year 2020/21 with a credit facility of €1,060 million. The prepaid expenses will be reversed through profit and loss over the respective term of the contracts.

Deferred taxes are calculated on differences between tax carrying amounts and accounting carrying amounts in accordance with Sec. 274 para. 1 HGB. Deferred tax assets on temporary differences primarily relate to provisions for pension obligations. Loss and interest carry-forwards must also be included in the calculation of deferred tax assets. As in the previous year, deferred taxes are recognised as of 30 September 2024.

Deferred tax liabilities are recognised only if they exceed deferred tax assets. As of 30 September 2024, there were excess deferred tax assets that were recognised exercising the option under Sec. 274 para. 1 sent. 2 HGB.

Deferred tax assets amounted to €375 million at the end of the financial year (30/09/2023: €288 million), while deferred tax liabilities amounted to €61 million (30/09/2023: €1 million). The differences between the financial accounting and tax accounts primarily result from differing carrying amounts in fixed assets and from pension and other provisions of CECONOMY AG and its subsidiaries. Most of the deferred tax assets result from corporation and trade tax loss carry-forwards.

As of 30 September 2024, loss carry-forwards totalled €2,326 million for corporation tax and € 2,673 million for trade tax. Of this, set-off is only expected after the five-year period of Sec. 274 para. 1 sent. 4 HGB in the amount of €1,559 million for corporation tax and € 1,807 million for trade tax. This includes corporation and trade tax loss carry-forwards of €1,230 million each from a valuation adjustment that became known in the past financial year as part of a tax audit for previous years (facts originating in the assessment period 2016).

Opportunity and risk situation of CECONOMY AG

As CECONOMY AG is linked to its Group companies through financing and guarantee commitments and through direct and indirect investments in the subsidiaries and investees, among other things, CECONOMY AG's opportunity and risk situation is largely dependent on the opportunities of the entire group of companies. In this respect, the statements on the overall assessment of the risk situation by the company management also summarise the risk situation of CECONOMY AG.

Outlook for CECONOMY AG

The performance of CECONOMY AG in its function as the ultimate Group holding company depends largely on the performance and dividends of its subsidiaries and investments. The company is managed on the basis of the expected net holding result. CECONOMY AG expects the holding result for the coming financial year 2024/25 to remain at the level of the past financial year 2023/24 (€–22 million).

Planned investments of CECONOMY AG

In the context of the implementation of investments in subsidiaries and investees, CECONOMY AG will support these as required by means of share or capital increases or loans. In addition, intra-Group share transfers may result in investments in shares in affiliated companies.

Declaration on corporate governance

The declaration on corporate governance is publicly available on the company's website (www.ceconomy.de) under the heading Company - Corporate Governance.

CONSOLIDATED FINANCIAL STATEMENTS

Income statement
for the financial year from 1 October 2023 to 30 September 2024

€ million	Note no.	2022/23	2023/24
Sales	**1**	**22,242**	**22,442**
Cost of sales	2	−18,303	−18,481
Gross profit on sales		**3,938**	**3,961**
Other operating income	3	252	220
Selling expenses	4	−3,341	−3,284
General administrative expenses	5	−647	−647
Other operating expenses	6	−76	−9
Earnings share of operating companies recognised at equity	22	−132	23
Net impairments on operating financial assets and contract assets	8	−16	−10
Earnings before interest and taxes EBIT		**−21**	**254**
Other investment result	7	0	15
Interest income	9	64	70
Interest expenses	9	−165[1]	−247
Other net financial result	10	80[1]	−4
Net financial result		**−21**	**−166**
Profit before tax EBT		**−42**	**88**
Income taxes	12	5	−11
Profit or loss for the period		**−37**	**77**
Profit or loss for the period attributable to non-controlling interests	13	2	1
Profit or loss for the period attributable to shareholders of CECONOMY AG		−39	76
Undiluted earnings per share in €	**14**	**−0.08**	**0.16**
Diluted earnings per share in €	**14**	**−0.08**	**0.16**

[1] Retrospective adjustment due to the reclassification of interest expenses in connection with a bond from the item Other net financial result to the item Interest expenses. Information on changes in presentation can be found in the notes to the Group accounting principles and methods

Reconciliation of profit or loss for the period to total comprehensive income for the financial year from 1 October 2023 to 30 September 2024

€ million	Note no.	2022/23	2023/24
Profit or loss for the period		**−37**	**77**
Other comprehensive income			
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	**27**	**−23**	**−31**
Remeasurement of defined benefit pension plans	28	−13	−26
Gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income	22	−20	−16
Subsequent measurement of associates/joint ventures accounted for using the equity method	22	1	−2
Income tax attributable to items of other comprehensive income that will not be reclassified subsequently to profit or loss	24	9	14
Items of other comprehensive income that may be reclassified subsequently to profit or loss	**27**	**−63**	**12**
Currency translation differences from translating the financial statements of foreign operations	27	−65	12
Subsequent measurement of associates/joint ventures accounted for using the equity method	22	0	0
Income tax attributable to items of other comprehensive income that may be reclassified subsequently to profit or loss	24	2	0
Other comprehensive income	**27**	**−86**	**−19**
Total comprehensive income	**27**	**−123**	**58**
Total comprehensive income attributable to non-controlling interests	27	2	1
Total comprehensive income attributable to shareholders of CECONOMY AG	27	−125	57

Statement of financial position as of 30 September 2024
Assets

€ million	Note no.	30/09/2023	30/09/2024
Non-current assets		**3,660**	**3,680**
Goodwill	18	524	524
Other intangible assets	19	165	184
Property, Plant and Equipment	20	541	593
Right-of-use assets	21	1.676	1.626
Financial assets	22	123	108
Investments accounted for using the equity method	22	257	275
Other financial assets	23	2	2
Other assets	23	3	12
Deferred tax assets	24	368	356
Current assets		**5,975**	**6,455**
Inventories	25	2,918	3,114
Trade receivables and similar claims	26	490	560
Receivables due from suppliers	23	1,207	1,292
Other financial assets	23	123	140
Other assets	23	163	181
Income tax assets		177	158
Cash and cash equivalents	33	897	1,010
		9,635	**10,135**

Equity and liabilities

€ million	Note no.	30/09/2023	30/09/2024
Equity	**27**	**465**	**515**
Share capital		1,240	1,240
Capital reserve		389	389
Reserves retained from earnings		−1,166	−1,113
Non-controlling interests		2	−1
Non-current liabilities		**2,487**	**2,548**
Provisions for pensions and similar obligations	28	316	328
Other provisions	29	88	88
Borrowings	30, 33	2,000	2,095
Other financial liabilities	30, 32	11	13
Other liabilities	32	3	9
Deferred tax liabilities	24	69	15
Current liabilities		**6,683**	**7,072**
Trade liabilities and similar liabilities	30, 31	5,320	5,824
Provisions	29	82	93
Borrowings	30, 33	584	535
Other financial liabilities	30, 32	405	364
Other liabilities	32	249	220
Income tax liabilities	30	43	35
		9,635	**10,135**

Statement of changes in equity[1]
for the financial year from 1 October 2023 to 30 September 2024

€ million	Share capital	Capital reserve	Effective portion of gains/ losses from cash flow hedges	Gains/ losses on remeasuring financial instruments measured at fair value through other comprehensive income (OCI)	Currency translation differences from translating the financial statements of foreign operations	Remeasurement of defined benefit pension plans
01/10/2022	**1,240**	**389**	**0**	**−140**	**22**	**−203**
Profit or loss for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	−20	−65	−13
Total comprehensive income	**0**	**0**	**0**	**−20**	**−65**	**−13**
Distributions	0	0	0	0	0	0
Equity transactions with change in equity interest without obtaining/ relinquishing control	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
30/09 or 01/10/2023	**1,240**	**389**	**0**	**−160**	**−43**	**−216**
Profit or loss for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	−16	12	−26
Total comprehensive income	**0**	**0**	**0**	**−16**	**12**	**−26**
Distributions	0	0	0	0	0	0
Equity transactions with change in equity interest without obtaining/ relinquishing control	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
30/09/2024	**1,240**	**389**	**0**	**−176**	**−31**	**−242**

[1] Equity is explained in the notes – note 27 Equity.

Statement of changes in equity[1]
for the financial year from 1 October 2023 to 30 September 2024

€ million	Subsequent measurement of associates/joint ventures accounted for using the equity method	Income tax attributable to items of other comprehensive income	Other reserves retained from earnings	Total reserves retained from earnings	Total equity before non-controlling interests	Non-controlling interests	Total equity
01/10/2022	**–81**	**43**	**–679**	**–1,039**	**590**	**2**	**592**
Profit or loss for the period	–132	0	93	–39	–39	2	–37
Other comprehensive income	1	11	0	–86	–86	0	–86
Total comprehensive income	**–131**	**11**	**93**	**–125**	**–125**	**2**	**–123**
Distributions	0	0	–2	–2	–2	–1	–3
Equity transactions with change in equity interest without obtaining/ relinquishing control	0	0	–1	–1	–1	0	–1
Other changes	1	0	–1	1	1	0	1
30/09 or 01/10/2023	**–211**	**54**	**–589**	**–1,166**	**463**	**2**	**465**
Profit or loss for the period	23	0	53	76	76	1	77
Other comprehensive income	–3	14	0	–19	–19	0	–19
Total comprehensive income	**20**	**14**	**53**	**57**	**57**	**1**	**58**
Distributions	0	0	–5	–5	–5	0	–5
Equity transactions with change in equity interest without obtaining/ relinquishing control	0	0	–1	–1	–1	–4	–4
Other changes	0	1	0	1	1	0	1
30/09/2024	**–190**	**68**	**–542**	**–1,113**	**516**	**–1**	**515**

[1] Equity is explained in the notes – note 27 Equity.

Cash flow statement[1]
for the financial year from 1 October 2023 to 30 September 2024

€ million	2022/23	2023/24
EBIT	−21	254
Scheduled depreciation/amortisation, impairment losses and reversals of impairment losses on intangible assets, property, plant and equipment, right-of-use assets and impairment losses and reversals of impairment losses on investments accounted for using the equity method and assets held for sale	835	662
Change in provisions for pensions and similar obligations	−17	−21
Change in net working capital[2]	332	190
Income taxes paid	−109	−28
Reclassification of gains (−)/losses (+) from the disposal of fixed assets	2	2
Other	42	−163
Gain or loss on the net monetary position	−60	−57
Cash flow from operating activities	**1,004**	**838**
Investments in property, plant and equipment	−176	−193
Other investments	−81	−59
Disposals of companies	−57	−1
Disposal of long-term assets and other disposals	29	20
Interest received	48	52
Profit and loss transfers	1	18
Cash flow from investing activities	**−236**	**−162**
Dividends paid	−3	−5
thereof dividends paid to the shareholders of CECONOMY AG	(0)	(0)
Equity transactions with change in equity interest without obtaining/relinquishing control	0	−4
Redemption of liabilities from put options of non-controlling interests	−1	−2
Proceeds from long-term borrowings	248	847
Redemption of lease liabilities	−489	−467
Redemption of borrowings (excluding leases)	−253	−763
Change in other current borrowings	−3	29
Interest paid	−138[3]	−209
Other financing activities	−9[3]	−10
Cash flow from financing activities	**−649**	**−585**
IAS 29 effects on cash flow from operating, investing and financing activities	12	−13
Total cash flows	**131**	**79**
Currency effects on cash and cash equivalents	−51	−36
Total change in cash and cash equivalents	**80**	**43**
Total cash and cash equivalents as of 1 October	816	967
Less the effects of indexing cash and cash equivalents	48	70
Cash and cash equivalents as of 1 October according to statement of financial position	**769**	**897**
Cash and cash equivalents as of 30 September according to statement of financial position	**897**	**1,010**

[1] The cash flow statement is explained in the notes - note 34 Notes to the cash flow statement.

[2] Change in net working capital shown from the related items of the statement of financial position, mainly adjusted for currency effects

[3] Retrospective adjustment of interest expenses in connection with a bond that have been reclassified from other financing activities to interest paid. Information on changes in presentation can be found in the notes to the Group accounting principles and methods

NOTES

Segment reporting[1]

Operating segments[2]

€ million	DACH		Western/ Southern Europe		Eastern Europe		Others		Consolidation		CECONOMY[3]	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
External sales (net)	12,040	11,868	7,037	7,243	2,766	3,313	399	18	0	0	22,242	22,442
Internal sales (net)	1	2	3	4	0	3	248	307	−253	−315	0	0
Sales (net)	12,041	11,869	7,040	7,248	2,766	3,316	647	324	−253	−315	22,242	22,442
EBITDA	453	506	262	284	182	111	−83[4]	17[4]	0	−2	813	916
Depreciation/amortisation and impairment losses	375	366	220	207	65	68	180	30	0	0	841	671
Reversals of impairment losses	6	2	0	6	0	1	0	0	0	0	6	9
EBIT	84	143	41	82	117	44	−263[5]	−13[5]	0	−2	−21	254
EBIT adjusted	145	162	36	88	102	73	−40	−16	0	−2	243	305
Investments	313	351	209	264	90	97	55	47	0	0	668	758
Non-current segment assets	1,639	1,593	926	945	184	218	421	460	0	0	3,169	3,216
thereof investments accounted for using the equity method	(0)	(0)	(0)	(0)	(0)	(0)	(257)	(275)	(0)	(0)	(257)	(275)

[1] Segment reporting is explained in the notes – note 35 Segment reporting.
[2] Altered segment composition, see "Additional notes on segment reporting" in the notes - note 35 segment reporting.
[3] Includes external sales in financial year 2023/24 for Germany totalling €9,547, million (2022/23: €9,774 million), for Italy totalling €2,195 million (2022/23: €2,266 million) and for Spain totalling €2,568 (2022/23: €2,333 million) as well as long-term segment assets as of 30/09/2024 for Germany totalling €1,795 million (30/09/2023: €1,801 million) and for Italy totalling €403 million (30/09/2023: €391 million).
[4] Includes income from operating companies accounted for using the equity method in the Others segment totalling €23 million (2022/23: expenses of €50 million).
[5] Includes income from operating companies accounted for using the equity method in the Others segment totalling €23 million (2022/23: expenses of €132 million).

Notes to the Group accounting principles and methods

Accounting principles

CECONOMY AG, the company that prepares the consolidated financial statements for the largest and at the same time the smallest group of companies, is a listed corporation with its registered office at Kaistrasse 3 in 40221 Düsseldorf, Germany. It is registered at the Düsseldorf District Court under register number HRB 39473. The consolidated financial statement and the summarised management report are submitted to the operator of the company register and published in the company register. In addition, the components subject to disclosure requirements are also published in electronic reporting format (“ESEF format”) in the business register. The entire annual report is also available online at www.ceconomy.de/en/.

The business purpose comprises trade of all kinds, especially the retail and wholesale of consumer electronics, and the manufacture and development of products for this purpose and all associated activities.

These consolidated financial statements of CECONOMY AG as of 30 September 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS). They apply all accounting standards and interpretations that have been adopted and are mandatory in the European Union as of this date. By complying with the standards and interpretations, a true and fair view of the net assets, financial position and earnings position of CECONOMY is provided.

This version of the consolidated financial statements complies with the provisions of section 315e of the German Commercial Code (HGB). This forms the legal basis for Group accounting in accordance with international standards in Germany, together with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The date they were signed by the Management Board of CECONOMY AG (10 December 2024) is also the date on which the Management Board approved the consolidated financial statements for publication and submission to the Supervisory Board.

These consolidated financial statements are generally based on the historical cost method. The main exceptions to this are financial instruments recognised at fair value. Liabilities from cash-settled share-based payments are similarly stated at fair value. Moreover, provisions are measured at their expected settlement amount.

The income statement has been prepared using the cost-of-sales method.

To enhance clarity and informative value, individual line items in the income statement and in the statement of financial position are combined. These line items are presented and explained separately in the notes.

The consolidated financial statements were prepared in euros. All amounts are stated in millions of euros (€ million) unless otherwise stated. In order to provide a better overview, decimal places are not shown in the tables in some cases. Figures in the tables may contain rounding differences.

The following sections outline the accounting and measurement methods used to prepare the consolidated financial statements.

Application of new accounting methods

ACCOUNTING STANDARDS APPLIED FOR THE FIRST TIME IN FINANCIAL YEAR 2023/24

The following revised, supplemented and newly published accounting standards and interpretations issued by the International Accounting Standards Board (IASB), which were mandatory for CECONOMY AG in financial year 2023/24, were applied for the first time in these consolidated financial statements, unless it is noted that they were applied early on a voluntary basis:

IFRS 17 Insurance Contracts including the Amendments to IFRS 17 and IFRS 9
IFRS 17 regulates the accounting treatment of insurance contracts and replaces IFRS 4. The adoption of the standard and the amendments to IFRS 17 and IFRS 9 had no impact on CECONOMY's consolidated financial statements, as no relevant insurance contracts are held.

IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting policies
The amendments to IAS 1 specify which accounting policies are to be presented in the notes and stipulate that in future "material" rather than "significant" accounting policies should be disclosed. The amendments to IFRS Practice Statement 2 "Making Materiality Judgements" provide guidance on the application of the concept of materiality to disclosures of accounting policies. The relevant disclosures in the CECONOMY notes were analysed and adjusted accordingly. However, no material changes were made.

IAS 8 Definition of Accounting Estimates
The amendments to IAS 8 include the definition of accounting estimates in order to make it easier to distinguish between accounting policies and accounting estimates. According to the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The changes have no material impact on the consolidated financial statements of CECONOMY.

IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments to IAS 12 restrict the scope of the initial recognition exemption for deferred taxes. It is clarified that the exemption does not apply to assets and liabilities that result from a single transaction and where taxable and deductible temporary differences of the same amount arise simultaneously on initial recognition. The changes have no material impact on the consolidated financial statements of CECONOMY.

IAS 12 International Tax Reform - Pillar Two –Model Rules
The amendments to IAS 12 provide temporary exceptions in the recognition of taxes resulting from the implementation of global minimum tax regulations in the relevant countries. The additional disclosure requirements that have been introduced are intended to help companies better understand their exposure to income taxes resulting from the reform, particularly before the new legislation comes into force. The results of initial indicative analyses are described in the notes to the consolidated financial statements in note 12 Income taxes.

ACCOUNTING STANDARDS PUBLISHED BUT NOT YET APPLIED IN FINANCIAL YEAR 2023/24

Other accounting standards and interpretations were adopted or revised by the IASB that were not implemented by CECONOMY in financial year 2023/24, as they were either not yet mandatory or had not yet been approved for application by the European Commission.

Standard/ interpretation	Title	Start of application in accordance with IFRS[1]	Application at CECONOMY AG with effect from[2]	Approved by the EU[3]
IFRS 10/IAS 28	Consolidated Financial Statements/Investments in Associates and Joint Ventures (amended by Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Unknown[4]	Unknown[4]	No
IAS 1	Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	01/01/2024	01/10/2024	Yes
IFRS 16	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	01/01/2024	01/10/2024	Yes
IAS 7/IFRS 7	Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	01/01/2024	01/10/2024	Yes
IAS 21	Amendments to IAS 21: Lack of Exchangeability	01/01/2025	01/10/2025	Yes
IFRS 9/IFRS 7	Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	01/01/2026	01/10/2026	No
Various	Improvements to IFRS (Annual Improvements - Volume 11)	01/01/2026	01/10/2026	No
IFRS 18	Presentation and Disclosure in Financial Statements	01/01/2027	01/10/2027	No
IFRS 19	Subsidiaries without Public Accountability	01/01/2027	01/10/2027	No
Agenda decision IFRS 8	Agenda Decision of the IFRS Interpretations Committee (IC) Disclosure of Revenues and Expenses for Reportable Segments	directly		n/a

[1] Not including early application
[2] Application only from 1 October due to the financial year's deviation from the calendar year; on the condition of EU endorsement
[3] As of 10 December 2024 (date the consolidated financial statements were signed by the Management Board of CECONOMY AG)
[4] First-time application indefinitely postponed by the IASB

An analysis of the effects of IFRS 18 on CECONOMY regarding the presentation and disclosures in the financial statements has been started. With regard to the adoption of the other standards and interpretations listed in the table as well as other standards amended in the annual improvements, no material effects on the Group's net assets, financial position and earnings position are currently expected.

In July 2024, the IASB confirmed an agenda decision by the IFRS Interpretations Committee (IC) containing clarifications on segment reporting in accordance with IFRS 8. Companies might be required to make additional disclosures on income and expense items at segment level, even if these are not regularly monitored by the chief operating decision maker. CECONOMY has started to review its segment reporting in particular with regard to the disclosure of significant income and expense items that are included in the segment profit.

Consolidation group

In addition to CECONOMY AG, the consolidated financial statements include all companies directly or indirectly controlled by CECONOMY AG, provided these companies are not insignificant for the consolidated financial statements either individually or collectively. Control exists when a majority of voting rights, the articles of association, a company contract or a contractual agreement enable control to be exercised over the financial and business policy of a company in order to draw a benefit from its activities.

With CECONOMY AG, 401 German (30/09/2023: 406) and 249 international (30/09/2023: 246) companies are included in the consolidated financial statements.

The consolidation group changed as follows in financial year 2023/24:

As of 01/10/2023	**652**
Disposals	6
Newly founded companies	3
Additions	1
As of 30/09/2024	**650**

With one exception, the financial year of the Group companies included in the consolidated financial statements ends on 30 September.

Deconsolidated companies are accounted for as Group companies up to the date of their disposal.

The disposals relate to six mergers. The newly founded companies are two companies in the Netherlands and one company in Italy.

The addition relates to a subsidiary that was previously not fully consolidated for reasons of materiality. This subsidiary was recognised at cost and reported under the financial assets item until 30 September 2023.

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Two associates (30/09/2023: two associates) are included in the consolidated financial statements using the equity method.

NON-CONTROLLING INTERESTS

There were no material non-controlling interests as of 30 September 2024.

↗ An overview of all material Group companies can be found in note 47 Overview of the material fully consolidated Group companies. In addition, a complete list of all Group companies and associated companies in accordance with Section 313 HGB is available on the website at www.ceconomy.de/en under Investor Relations - Publications.

Consolidation principles

The financial statements of the domestic and foreign subsidiaries included in consolidation are prepared in accordance with IFRS 10 (Consolidated Financial Statements) using uniform accounting and measurement methods.

Subsidiaries are generally fully consolidated if they are material for the presentation of a true and fair view of the net assets, financial position and earnings position.

The recognition of earnings from investments in associates, joint ventures and joint operations in the income statement depends on whether the investee conducts operating or non-operating activities. Operating activities include both the retail business and support activities (e.g. leasing/letting of commercial properties, purchasing, logistics). Results from operating associates, joint ventures and joint operations are included in the operating earnings (EBIT), while results from non-operating companies are included in the net financial result. Any deviating accounting and measurement methods used in the financial statements of companies accounted for using the equity method are retained, provided they do not significantly conflict with CECONOMY's Group-wide accounting and measurement methods.

Intra-Group profits and losses are eliminated. Sales, expenses and income as well as receivables and liabilities and provisions between consolidated Group companies are consolidated. Intercompany profits in non-current assets and inventories from intra-Group trading are eliminated if not immaterial. Deferred taxes are recognised on consolidation procedures in accordance with IAS 12 (Income Taxes).

Unrealised gains from transactions with companies accounted for using the equity method are offset and derecognised against the investment in the amount of the Group's share in the investee.

An increase or decrease in the interests held in subsidiaries must be presented in the reserves retained from earnings as an equity transaction through other comprehensive income, as long as the parent company retains control. If a reduction or complete disposal of the interests results in a loss of control, the full consolidation of the subsidiary is ended on the date on which the parent company loses the possibility of control. All previously fully consolidated assets, liabilities and equity items are derecognised at amortised Group carrying amounts. The interests disposed of are deconsolidated in accordance with the general rules for deconsolidation. If there are any remaining residual shares, they are recognised at fair value as a financial instrument in accordance with IFRS 9 or as an associate measured on the basis of the equity method in accordance with IAS 28.

Currency translation

FOREIGN CURRENCY TRANSACTIONS

In the subsidiaries' separate financial statements, foreign currency transactions are measured at the exchange rate at the time of the transaction. At the closing date, monetary assets and liabilities in a foreign currency are measured at the exchange rate at closing date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

Gains and losses from exchange rate fluctuations before the closing date are recognised through profit or loss. Currency translation differences from receivables and liabilities in foreign currency that are to be regarded as a net investment in a foreign business operation as well as from equity instruments held for sale and qualified cash flow hedges are recognised through other comprehensive income in reserves retained from earnings.

FOREIGN OPERATIONS

The annual financial statements of foreign subsidiary are translated into euros using the functional currency concept in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates). The functional currency is the currency of the primary economic environment in which the subsidiary operates. The consolidated companies generally conduct their businesses independently in financial, economic and organisational terms, so the functional currency is usually their respective local currency. The assets and liabilities are therefore translated at the exchange rate on the closing date. The line items of the income statement are generally translated using the average exchange rate during the financial year. Differences from the translation of the financial statements of foreign subsidiaries are recognised through other comprehensive income and reported separately in the reserves retained from earnings. If the foreign subsidiary is not fully owned by the parent company, the corresponding portion of the currency translation differences is allocated to the non-controlling interests.

The currency translation differences are reversed through profit or loss via the net financial result in the year that a foreign subsidiary is disposed of or at the time its business operations are closed. If part of a foreign subsidiary is disposed of but the control opportunity is not lost, the corresponding portion of the cumulative currency translations differences is allocated to the non-controlling interests. If parts of foreign associates or jointly controlled entities are sold without a loss of significant influence or joint control, the corresponding portion of the cumulative currency translation differences is recognised through profit or loss.

In financial year 2021/22, a functional currency of a consolidated company was classified as hyperinflationary as defined by IAS 29 (Financial Reporting in Hyperinflationary Economies) for the first time, namely the Turkish lira.

Türkiye was classified as a hyperinflationary economy in April 2022. This change was effective for reporting periods ending on or after 30 June 2022. The assessment, which was based on quantitative and qualitative criteria, was made in particular against the background that cumulative inflation over the last three calendar years in Türkiye had risen to over 100 per cent in the first quarter of the 2022 calendar year and continued to rise (see data from the Statistical Office of the European Union (Eurostat) on the harmonised consumer price index).

IAS 29 stipulates that, when the accounting standard is applied for the first time, the functional currency of the hyperinflationary economy must be treated as if the economy in question had always been hyperinflationary (retrospective application).

The aim of IAS 29 is to determine the change in purchasing power caused by hyperinflation and to restate the Group's non-monetary assets, liabilities, equity and the income statement in terms of the measuring unit current as of the closing date. Under IAS 29, monetary line items do not need to be restated, as they are already stated in terms of the measuring unit current at the closing date.

Data from Eurostat on the harmonised consumer price index for Türkiye was used (CPI basis 2015 = 100) to determine the change in purchasing power. The harmonised consumer price index was 401.10 basis points as of 30 September 2022 and increased to 648.45 basis points as of 30 September 2023 and to 969.11 basis points as of 30 September 2024.

All line items of the statement of financial position and income statement are translated into the Group's presentation currency in accordance with IAS 21 after the items concerned have been indexed. The exchange rate at closing date is used for the translation in both cases. The exchange rate at closing date per EUR of TRY 38.26930 (30/09/ 2023: TRY 29.05140) was applied as of 30 September 2024.

To provide a better presentation, CECONOMY has decided to show the following effects in the currency reserve: (a) the adjustment of the financial statements/equity using the relevant price index and (b) the currency translation effects of the underlying financial statements in euros at the exchange rate at closing date.

The effects from the indexing of non-monetary assets and liabilities, equity and line items of the statement of comprehensive income in the past financial year 2023/24 are shown in a line item "Gain on the net monetary position". A total gain on the net monetary position of €57 million (2022/23: €60 million) was recognised, which resulted primarily from restatements of operating items. For better presentation of operating profitability, this was recognised in other operating income as an offsetting item to the negative effects in the operating earnings at € –87 million (2022/23 € –39 million). In addition, the higher indexed values of the property, plant and equipment, right-of-use assets and inventories also result in increases in depreciation, amortisation and cost of sales. Overall, the application of IAS 29 had a negative effect of around €30 million on EBIT (2022/23: positive effect of €21 million).

The line items of the cash flow statement are also indexed. The gain or loss on the net monetary position is presented in a separate line within cash flow from operating activities. Together with the effect from the indexation of the opening balance of cash and cash equivalents, the gain or loss on the net monetary position is also recognised in the line "IAS 29 effects on cash flow from operating, investing and financing activities".

For the currencies of the most important countries for CECONOMY that are not members of the European Monetary Union, currency translation was based on the following exchange rates:

		Average rate per €		Closing rate per €	
		2022/23	2023/24	30/09/2023	30/09/2024
Pound sterling	GBP	0.87058	0.85529	0.86458	0.83543
Hong Kong dollar	HKD	8.35882	8.47150	8.29590	8.69330
Norwegian krone	NOK	11.10804	11.59906	11.25350	11.76450
Polish złoty	PLN	4.61973	4.33351	4.62830	4.27880
Russian rouble	RUB	83.59685	98.68051	103.11760	103.82090
Swedish krona	SEK	11.34182	11.42685	11.53250	11.30000
Swiss franc	CHF	0.97891	0.95716	0.96690	0.94390
Turkish lira	TRY	22.80655	34.02299	29.05140	38.26930
Hungarian forint	HUF	389.04822	388.93650	389.50000	396.88000

Sources: European Central Bank, Bloomberg

Income statement

RECOGNITION OF INCOME AND EXPENSES

CECONOMY sells a large number of standard products to customers. These Customers are primarily private end consumers.

When determining the timing of sales recognition, a distinction is generally drawn between four cases:

- In-store product business: sales are recognised at the point in time when control is transferred. Control is generally transferred at the time when the product is handed over to the customer and payment is made at the same time by the customer.

- Online sales: sales are recognised at the time of the expected delivery of the product to the customer and is not subject here to any significant judgements.

- Sale of services (over time): if the services constitute a separate performance obligation over time according to IFRS 15, sales are recognised over time as the performance obligation is satisfied. This applies in connection with the sale of extended warranties - for which CECONOMY acts as an agent. The portion of the commission received from the insurer for the settlement of claims and the forwarding of payments is recognised as revenue in accordance with the requirements of IFRS 15 over the period in which the corresponding services are performed.

- Sale of services (at a point in time): if the services constitute a performance obligation at a point in time according to IFRS 15, revenue is recognised upon completion of the performance obligation. This applies in particular to the installation and delivery of products, marketing services (retail media) and commission for brokering contracts.

Obligations from the return of products are recognised as a refund liability. For cases of expected returns, sales are recognised only for those products that are not expected to be returned. The estimate takes account of these to the extent that a significant reversal of sales is highly unlikely to occur as a result of the estimate.

When accounting for the sale of a subsidized device in connection with the brokerage of a service contract, two performance obligations are identified: the sale of the device and the performance of the service (brokerage of the mobile phone contract). To identify the respective transaction prices of the contract components, they are allocated on the basis of the relative stand-alone selling prices. There is an observable market price for the device. The brokerage commission is estimated using the cost-plus margin approach. Both performance obligations are satisfied at the time of transfer to the customer. As a result, revenue is recognised at a point in time.

CECONOMY makes use of the option under IFRS 15.94 to recognize directly as expenses the contract acquisition and fulfilment costs that would be amortised over a maximum period of one year if capitalised.

Furthermore, CECONOMY makes use of the practical expedient in accordance with IFRS 15.63 for financing components allowing the effects of a financing component to be disregarded if the period between the transfer of goods or services and the payment by the customer is one year or less.

Government grants are recognised if it is guaranteed with sufficient certainty that the eligibility criteria are met and the grants will actually be received. Grants that are performance-based and attributable to future periods are recognised on an accrual basis according to the related expenses. Performance-based grants already received for subsequent periods are deferred and reversed pro rata in the subsequent periods. Grants where the entitled beneficiary is the employee are shown as a transitory line item.

Operating expenses are recognised as an expense when the service is utilised or at the time they are incurred.

The **net financial result** primarily comprises the other investment result, interest and currency effects. Interest is recognised as income or expense on an accrual basis, using the effective interest method where appropriate. As an exception, the interest expense on borrowings directly attributable to the acquisition or production of a qualifying asset is not recognised in profit or loss and must therefore be capitalised as part of the acquisition or production cost of this asset in accordance with IAS 23 (Borrowing Costs). Distributions are recognised through profit or loss when the legal claim to payment is established.

INCOME TAXES

Income taxes relate to current and deferred income taxes. They are generally recognised in profit or loss unless they are related to business combinations or to an item recognised directly in equity or through other comprehensive income.

Statement of financial position

GOODWILL

Goodwill is capitalised in accordance with IFRS 3 (Business Combinations). Goodwill resulting from a business combination is allocated to the group of cash-generating units that benefits from the synergies of the combination. A cash-generating unit is defined in IAS 36 (Impairment of Assets) as the smallest identifiable group of assets that generates cash inflows cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Based on the provisions of IFRS 3 in conjunction with IAS 36, goodwill is tested for impairment annually as of the closing date. This test is performed at the level of a group of cash-generating units. At CECONOMY, this group is basically each country's organizational unit.

Capitalised goodwill is regularly tested for impairment once a year - or during the year if there are indications of impairment. If impairment is found, it is recognised through profit or loss. To determine potential impairment, the recoverable amount of a group of cash-generating units is compared to the sum of the carrying amounts. Recoverable amount is the higher of value in use and fair value less costs to sell. The goodwill allocated to a group of cash-generating units is impaired only if the recoverable amount is less than the sum of carrying amounts. Impairment is not reversed if the reasons for impairment recognised in previous periods no longer apply.

OTHER INTANGIBLE ASSETS

Purchased other intangible assets are recognised at cost. **Internally generated intangible assets** are capitalised at development cost in accordance with IAS 38 (Intangible Assets). The costs of the research phase are not capitalised but recognised as an expense. Production costs include all costs directly attributable to development. They can include the following costs:

Direct costs	Direct material costs
	Direct production costs
	Special direct production costs
Overheads (directly attributable)	Material overhead
	Production overhead
	Amortisation
	Amortisation Development-related administrative costs

Borrowing costs are included in the calculation of production costs only if they relate to a qualifying asset in accordance with IAS 23 (Borrowing Costs). A qualifying asset is a non-financial asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Other intangible assets with a finite expected useful life are subsequently measured according to the cost model. The revaluation option is not exercised. All other intangible assets at CECONOMY with a finite expected useful life are subject to straight-line amortisation. Capitalised internally generated and purchased software and comparable intangible assets are amortised over a period of up to ten years. Licences are generally amortised over their term. These intangible assets are tested for impairment at every closing date. Impairment is recognised if the recoverable amount is less than the amortised cost. If the asset does not generate cash inflows that are largely independent of other assets or groups, the impairment test is performed at the level of the respective cash-generating unit. The carrying amount of the cash-generating unit is compared with its recoverable amount. If the reasons for impairment recognised in previous periods no longer apply, the impairment is reversed to amortised cost.

Other intangible assets with an indefinite expected useful life are not amortised but tested for impairment at least once a year. Impairment or reversals of impairment are recognised through profit or loss according to the cost principle.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost in accordance with IAS 16 (Property, Plant and Equipment). In addition to direct costs, the cost of internally generated assets includes directly attributable overheads. Borrowing costs are capitalised as part of cost only for qualifying assets. **Investment grants** received are recognised in accordance with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) by reducing the cost of the corresponding asset by the amount of the grant. The grants are not recognised as deferred income. **Asset retirement obligations** are included in cost at the discounted settlement amount. Subsequent costs of property, plant and equipment are additionally capitalised only if they result in a higher future economic benefit for CECONOMY.

Property, plant and equipment is subject exclusively to straight-line depreciation using the cost model in accordance with IAS 16.30. The optional revaluation model in accordance with IAS 16.31 is not applied. The useful lives on which the depreciation is based fall within the following ranges, which are standardised throughout the Group:

Buildings	33 to 50 years
Leasehold improvements	15 years or shorter lease term
Business and office equipment	3 to 15 years

Capitalised asset retirement costs are written down pro rata over the expected useful life of the asset.

If there are indications of impairment of property, plant and equipment, an impairment test is carried out in accordance with IAS 36. Impairment is recognised on the property, plant and equipment if the recoverable amount is less than the amortised cost. If the asset does not generate cash inflows that are largely independent of other assets or groups, the impairment test is performed at the level of the respective cash-generating unit.

If the reasons for impairment cease to apply, the impairment is reversed to amortised cost.

LEASES

CECONOMY accounts for all leases as the lessee using the standardised right-of-use approach under IFRS 16. Accordingly, a liability is recognised for each lease that is equal to the present value of the future lease payments. The lease payments are made up of the total of all fixed lease payments less incentive payments for entering into the contract. All index and interest-based variable lease payments are added. Variable payments that in economic terms constitute fixed payments and amounts expected to be payable under residual value guarantees are also included. Lease payments based on purchase price options and extension options are included if the lessee is reasonably certain to exercise them. Contractually agreed penalties for prematurely terminating the lease are also recognised if it can be assumed that the lessee will terminate the lease prematurely. With the exception of real estate leasing, the fee is not divided into a lease component and a non-lease component. Variable lease payments are recognised as rental expenses.

In principle, the lease must be measured using the interest rate implicit in the lease. If CECONOMY cannot determine this rate, the incremental borrowing rate is used. The lease liability is measured at amortised cost, after taking the lease payments made into account, over the term of the lease using the effective interest method. The liability must be remeasured if any changes are made to the calculation parameters, such as the lease term, the assessment of whether a lease extension or purchase option will be exercised or the expected lease payments.

The corresponding right-of-use asset capitalised at the value of the lease liability. Lease payments that have already been made and directly attributable costs are also included. Payments received from the lessor in connection with the lease are deducted. The measurement also takes restoration obligations arising from leases into account.

The right-of-use asset is measured at amortised cost in accordance with IAS 16 (Property, Plant and Equipment). Accordingly, the right-of-use asset is depreciated over the shorter of the expected useful life and the lease term. However, if it is already reasonably certain at the commencement of the lease that ownership will transfer to the lessee, it is depreciated over the expected useful life of the underlying asset. If there are indications of impairment of a right-of-use asset, IAS 36 (Impairment of Assets) is applied.

Remeasurement of the lease liability to reflect changes to the lease payments results in a corresponding adjustment at fair value of the right-of-use asset. Negative adjustments in excess of the carrying amount are recognised immediately through profit or loss.

The right-of-use approach is not applied to short-term leases (terms of no more than twelve months) or to low-value assets. Low-value assets are components of leases that, taken individually, are immaterial for the company's business activities. Instead, lease payments for short-term leases and leases for low-value assets are recognised as rental expenses.

In case of sale-and-lease-back transactions, CECONOMY initially assesses whether a sale has actually taken place in accordance with IFRS 15. If this is the case, a right-of-use asset is recognised at the proportion carrying amount of the asset measured against the retained right-of-use asset. Any gain on disposal is recognised in the amount of the proportion transferred to the lessor. If there is no sale, the transaction is treated as financing, with no disposal of the asset.

Leases where CECONOMY is the lessor are classified as operating and finance leases. For operating leases, CECONOMY as the lessor continues to recognize an asset and recognizes the lease payments as rental income. For finance leases, CECONOMY recognizes a receivable for the lease payments (net investment). The lease receivable is measured using the simplified approach in accordance with IFRS 9 (Financial Instruments). The lease payments made are divided into an interest portion and a redemption portion in accordance with the effective interest method.

CONTRACT ASSETS

Contract assets are reported under the "Trade receivables and similar claims" balance sheet item. A contract asset represents the right to consideration in the form of payment from the customer if goods or services have been transferred to the customer but this right still depends on factors other than the passage of time.

At CECONOMY, contract assets primarily arise from variable commission claims, e.g. from the brokerage of mobile phone contracts that are still linked to certain conditions. CECONOMY uses the simplified approach in accordance with IFRS 9 (Financial Instruments) to calculate impairment on contract assets.

OTHER ASSETS

These include other receivables and assets such as other current tax assets. Transitory accruals are recognised as part of prepaid expenses and deferred income.

FINANCIAL INSTRUMENTS

Unless they relate to **associates** as defined by IAS 28 (Investments in Associates and Joint Ventures) or **joint ventures** according to IFRS 11 (Joint Arrangements), **financial assets** are recognised based on the measurement categories described below.

Transaction costs are included in all categories apart from “financial assets measured at fair value through profit or loss”. They are always recognised on the trade date. Trade receivables without a significant financing component are initially recognised at the transaction price.

Financial instruments are subsequently measured either at amortised cost or at fair value depending on their allocation to the measurement categories described below.

Financial assets are derecognised if the contractual rights to cash flows from the line item are extinguished or have expired or the financial asset is transferred. In addition, financial assets are derecognised if substantially all risks and opportunities associated with ownership are neither transferred nor retained and control of the transferred asset is not retained. There is no full disposal if substantially all opportunities and risks have neither been retained nor transferred and CECONOMY retains control of the receivables. In this case, the remaining continuing involvement is taken into account and only a partial disposal of the receivables is recognised. A financial liability is derecognised only if it is extinguished, i.e. when the obligations specified in the contract are settled or cancelled or have expired.

Financial assets measured at amortised cost
All debt instruments that are held to maturity as financial assets or for which the objective is to realise the contractual cash flows ("hold" business model) are measured at amortised cost. In addition, it is necessary that these financial instruments meet the SPPI (solely payments of principal and interest) criterion. The SPPI criterion is met if the contractual cash flows are solely unmodified and unleveraged payments of principal and interest on the principal amount outstanding.

For financial assets measured at amortised cost, impairment must be recognised for expected and incurred credit losses. A distinction is drawn here between the general and the simplified approach. CECONOMY applies the **general approach** unless a voluntary measurement is carried out in accordance with the simplified approach (see below). The impairment is recognised in three stages. Financial instruments where the credit risk has not increased significantly since initial recognition are recognised in stage 1. Cash and cash equivalents are not impaired for reasons of materiality.

On this basis, the impairment is measured at an amount equal to twelve-month expected credit losses. In stage 2, impairment is recognised at an amount equal to the expected credit losses over the lifetime of the financial instrument if the credit risk has increased significantly. Stage 3 relates to incurred losses, which are explained below. The general approach is applied in particular to receivables due from suppliers.

For the following line items, the asset is impaired using the **simplified approach**: trade receivables, contract assets in accordance with IFRS 15 and lease receivables. An impairment matrix is created for each region (DACH, Western/Southern Europe, Eastern Europe and Others) for the calculation and recognition of expected credit losses. This recognizes the expected credit losses over the lifetime of the financial instrument. It is based on the receivables for which specific bad debt allowances have not yet been recognised. An individual rating is used to calculate the expected credit losses for trade receivables and contract assets due from providers.

Financial assets are examined for substantial objective evidence of impairment (incurred credit losses) at each closing date. This evidence includes, for example, delays or defaults in principal or interest payments and significant financial difficulties on the part of the issuer or debtor. If such evidence exists, the amount of the impairment is calculated as the difference between the carrying amount of the asset and the present value of the (still) expected future cash flows. The effective interest rate previously is used as the discount rate for the expected future cash flows. A specific bad debt allowance must always be recognised for financial assets with loss events.

Within CECONOMY, the following financial assets generally fall under the "hold" business model:

- Loans.

- Trade receivables.

- Receivables due from suppliers: depending on the underlying circumstances, receivables due from suppliers are recognised as a reduction in cost, reimbursement or payment for services rendered. Supplier compensation is recognised on an accrual basis, provided it is contractually agreed and is likely to be realised. The accruals are based on projections, provided the supplier compensation is regularly tied to certain calendar year targets.

– Cash and cash equivalents: cash and cash equivalents include cheques, cash in hand and at bank and other short-term liquid assets, such as available balances in lawyer trust accounts, money market funds or money in transit with an original term of up to three months. They are measured at their nominal values.

– Securities, provided the specified conditions are met.

Financial assets measured at fair value through other comprehensive income with recycling
This measurement category includes all debt instruments that are included in a portfolio for which there are two concurrent objectives: firstly, to hold them to maturity and generate contractual cash flows, and, secondly, to sell the instruments before maturity ("hold and sell" business model).

These financial assets are subsequently measured at fair value, while changes in fair value are recognised through other comprehensive income. This does not include impairment gains or losses or gains and losses from currency translation until the financial asset is derecognised or reclassified.

Within CECONOMY, the following financial assets generally come under the "hold and sell" business model:

– Securities that are part of the liquidity reserve and are sold before maturity if liquidity is required.

Financial assets measured at fair value through other comprehensive income without recycling
Non-derivative equity instruments that are not held for trading can optionally be recognised in this measurement category. The gains and losses associated with the instrument are recognised in other comprehensive income. The amounts recognised in other comprehensive income are not reclassified to the income statement at any time (neither on derecognition nor in the event of impairment).

The following financial assets can generally be assigned to this category at CECONOMY:

– Investments in corporations.

– Securities, provided they meet the definition of equity.

Financial assets measured at fair value through profit or loss
This measurement category, in which assets are measured at fair value through profit or loss, comprises the following items:

– Debt instruments that are held in a portfolio with the objective of selling the instruments before maturity ("sell" business model) and that do not meet the SPPI criterion are measured at fair value through profit or loss. At CECONOMY, these include trade receivables if they are part of an appropriately structured factoring or similar programme.

– Derivative financial instruments, provided they are not in an effective hedge.

– Equity instruments where there is an intention to sell or where there is no intention to sell and no optional allocation to the "measured at fair value through other comprehensive income without recycling" category.

Liabilities measured at amortised cost
All financial liabilities that are not measured at fair value through profit or loss (see below) must be measured at amortised cost. This measurement category primarily includes bond liabilities, liabilities to banks, liabilities from promissory note loans, notes payable and trade payables.

Liabilities measured at fair value through profit or loss
The following financial liabilities, which are held for trading, are measured at fair value through profit or loss:

– Financial liabilities that were entered into with a short-term repurchase intention or that on initial recognition are part of a portfolio of clearly identifiable financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

– Derivative financial liabilities, provided they are not part of an effective hedge.

- Liabilities arising on the transfer of a financial asset that does not meet the criteria for disposal or is recognised according to the continuing involvement approach.

The application of the fair value option, and thus a voluntary allocation of further financial liabilities to the category of financial instruments measured at fair value through profit or loss, is not exercised at CECONOMY.

Compound financial instruments

Compound financial instruments issued by the Group include convertible bonds in euros, which can be converted into equity shares at the option of the holder, provided the number of shares to be issued is fixed and does not change due to changes in fair value.

The debt component of the compound financial instrument is recognised on initial recognition at the fair value of a similar liability that does not contain an option to convert it to equity. The equity component is recognised on initial recognition as the difference between the fair value of the compound financial instrument and the fair value of the debt component. Directly attributable transaction costs are to be allocated in the ratio of the carrying amounts of the debt and equity components of the financial instrument at the time of initial recognition.

The debt component of the compound financial instrument is subsequently measured at amortised cost using the effective interest method The equity component of the compound financial instrument continues to be carried at the figure recognised on initial recognition.

Interest in connection with the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity without affecting profit or loss.

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In accordance with IAS 28, an investee is deemed to be an associate if it is not a subsidiary, but significant influence can be exercised on the financial and operating policy of the investee. Investments in associates are recognised using the equity method in accordance with IAS 28. The carrying amounts of investments accounted for using the equity method are increased or decreased by pro rata earnings, distributions or other changes in equity on a quarterly basis. If there are indications that the value of an investment is lower, an impairment test is performance and, if necessary, an impairment is recognised in profit or loss. If the reasons for the impairment no longer apply, the impairment loss is reversed to the newly identified recoverable amount, but by no more than the amount of the impairment previously recognised. If a controlling interest in a subsidiary is sold to an associate, there is no pro rata elimination in accordance with IAS 28. Instead, the profit or loss resulting from the sale is recognised in full in accordance with IFRS 10.

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities are calculated in compliance with IAS 12 (Income Taxes) in accordance with the concept of the balance sheet liability method. Deferred taxes result from temporary differences between the carrying amounts recognised in the consolidated financial statements and the tax bases of assets and liabilities. Deferred tax assets are also recognised for tax loss and interest carry-forwards not yet used.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable income for the realization of the corresponding benefit will be generated in the future.

Deferred tax assets and deferred tax liabilities are offset if the income tax claims and liabilities are from or to the same tax authority and relate to the same tax subject or a group of different tax subjects that are assessed jointly for income tax purposes. Deferred tax assets are reassessed at every closing date and adjusted if necessary.

Deferred taxes are calculated on the basis of the tax rates expected in the individual countries on the date of realization. These are generally based on the statutory regulations in force or already enacted as of the closing date.

The assessment of deferred taxes reflects the tax consequences arising from CECONOMY's expectation regarding the manner of realisation of the carrying amounts of its assets or fulfilment of its liabilities as of the closing date.

INVENTORIES

Merchandise accounted for as inventories is measured at cost in accordance with IAS 2 (Inventories). Cost is determined using the weighted average cost method. Supplier compensation classified as a reduction in cost reduces the carrying amount of inventories. Both internal and external costs are recognised as incidental acquisition costs if they are directly attributable to the acquisition process.

Merchandise is measured on the closing date at the lower of cost and net realizable value. Individual deductions are applied to merchandise if the net realizable value is lower than the carrying amount. Net realizable value is the expected recoverable sales proceeds less the directly attributable selling expenses still to be incurred up to the time of the sale.

If the reasons that led to the devaluation of the merchandise no longer exist, the impairment losses are reversed accordingly.

As CECONOMY's inventories are never qualifying assets, interest expense on borrowings attributable to inventories is not capitalised in accordance with IAS 23 (Borrowing Costs).

The sub-item **"Assets for products to be returned (right of return)"** takes the customer's right of return into account. When products with a right of return are sold, sales are recognised only in the amount of the consideration to which the company is expected to be entitled. The proportion of products that the company expects to be returned must therefore be estimated and not included in the calculation of the transaction price.

INCOME TAX ASSETS AND LIABILITIES

The recognised income tax assets and liabilities relate to domestic and foreign income taxes for 2023/24 and from previous years. They are determined in accordance with the tax regulations of the country in question.

The calculation of income tax liabilities also includes the effects of tax risks. The assumptions and estimates on which these risks are based are regularly reviewed and accounted for in the tax calculation.

EMPLOYEE BENEFITS

Short-term employee benefits include for example wages, salaries, social security contributions, paid annual leave and paid sick leave and are recognised as liabilities at the repayment amount as soon as the associated work is performed.

Post-employment benefits are paid in connection with either a defined contribution or a defined benefit plan. For **defined contribution plans**, the periodic contribution obligation to the external pension provider is recognised as a pension expense at the same time as the work is performed. Missed payments or payments made in advance to the pension provider are recognised as a liability or a receivable. Liabilities with a maturity of over twelve months are discounted.

The actuarial valuation of pension provisions for company post-employment benefit plans as part of a **defined benefit plan** is carried out in accordance with the projected unit credit method stipulated in IAS 19 (Employee Benefits) on the basis of actuarial opinions. This projected unit credit method uses biometric data and takes into account both the pensions and earned entitlements known as of the closing date and the expected future increases in salaries and pensions. If the calculated performance obligation or the fair value of plan assets increases or decreases between start and end of a financial year due to experience-based adjustments (relating to a higher employee turnover rate for example) or changes to the underlying actuarial assumptions (in the discount rate for example), this results in actuarial gains and losses. These are recognised through other comprehensive income. Effects of plan changes and plan curtailments are recognised through profit or loss in service costs. The interest portion of additions to provisions included in pension expenses is recognised as interest expenses within the financial result. The amount of the provision is calculated as the difference between the present value of defined benefit obligations and the fair value of plan assets, where any effect from the asset ceiling must also be taken into account.

Provisions for obligations similar to pensions (such as jubilee and death benefits) comprise the present value of the future payments to be made to the employees or their surviving dependants less any associated assets, measured at fair value. The amount of the provisions is determined using actuarial reports in accordance with IAS 19. Actuarial gains and losses are recognised through profit or loss in the period in which they are incurred.

Termination benefits are severance payments to employees. They are recognised through profit or loss as a liability if payments must be paid to employees upon termination of the employment relationship on the basis of a contractual or constructive obligation. Such an obligation exists when a formal plan is in place for the early termination of the employment relationship and it is not possible to withdraw from this plan. If the benefit falls due more than twelve months after the closing date, it must be recognised at its present value.

The share bonuses granted under the **share-based payment system are classified as "cash-settled share-based payments"** in accordance with IFRS 2 (Share-based Payment). Proportionate provisions measured at the fair value of the obligations entered into are recognised for these bonuses, if any. The provisions are recognised proportionately through profit or loss as personnel expenses spread over the underlying vesting period. The fair value is recalculated using an option pricing model at every closing date during the vesting period up to the exercise date. The provision is adjusted accordingly through profit or loss. If the share-based payments granted were hedged by entering into corresponding hedging transactions, the hedging transactions are measured at fair value and recognised under other financial and non-financial assets. The part of the fluctuation in the value of the hedging transactions that corresponds to the fluctuation in the value of the share-based payments is recognised through profit or loss as personnel expenses. The part of the fluctuations in the fair value exceeding this is recognised through other comprehensive income.

(OTHER) PROVISIONS

(Other) provisions are recognised in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets) if there are legal or constructive obligations to third parties that are based on past transactions or events and are likely to result in an outflow of resources that can be reliably measured. The provisions reflect all discernible risks relating to the assumed settlement amount.

Long-term provisions with a term of more than one year are discounted to the closing date at a matched-term interest rate that reflects the current market expectations with regard to the time value of money. Provisions with a term of more than one year are discounted accordingly, provided the effect of the time value of money is material. Claims for recourse are not offset against the provision amount but are recognised separately as assets, provided their realization is virtually certain.

Provisions for restructuring are recognised if the constructive obligation to restructure has been formalised at the closing date by the adoption of a detailed restructuring plan that has then been communicated to the parties affected. Restructuring provisions include only expenses that are necessarily incurred in the course of restructuring and are not related to the company's ongoing activities.

Provisions for warranties are recognised at handling costs.

BORROWINGS AND OTHER FINANCIAL LIABILITIES

The fair values of financial liabilities disclosed in the notes are calculated on the basis of the interest rates applicable on the closing date for the corresponding residual maturities and repayment structures.

Financial liabilities from leases are measured at the present value of the future minimum lease payments.

The sub-item "**Refund liability**" in the “Other financial liabilities (current)” balance sheet item takes into account the customer's right of return. When services with a right to a refund are offered, sales are recognised only in the amount of the consideration to which the company is expected to be entitled. The proportion of products that the company expects to be returned must therefore be estimated and not included in the calculation of the transaction price.

CONTRACT LIABILITIES

Contract liabilities are reported in the “Trade payables and similar liabilities” balance sheet item. A contract liability must be recognised if the customer has already paid, but CECONOMY has not yet fulfilled the performance obligation to transfer goods or services to the customer.

At CECONOMY, contract liabilities primarily relate to deferred sales from customer loyalty programmes, the sale of vouchers and extended warranties as well as prepayments received on orders.

OTHER LIABILITIES

Other liabilities are carried at their settlement amount.

Deferred income includes transitory accruals.

Other

CONTINGENT LIABILITIES

Contingent liabilities are, firstly, possible obligations that arise from past events but the existence of which will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the company’s control. Secondly, contingent liabilities constitute current obligations resulting from past events where an outflow of resources is considered unlikely or where a sufficiently reliable estimate of the amount of the obligation cannot be made. In accordance with IAS 37, such obligations are not recognised in the statement of financial position but rather disclosed in the notes. The calculation of the size of the contingent liabilities is based on the principles of provision measurement.

Summary of selected measurement methods

Item	Measurement method
Assets	
Goodwill	Cost (subsequent measurement: impairment test)
Other intangible assets	
Purchased other intangible assets	(Amortised) cost
Internally generated intangible assets	Development costs (direct costs and directly attributable overheads)
Property, plant and equipment	(Amortised) cost
Investments accounted for using the equity method	Equity method
Right-of-use assets	(Amortised) cost
Financial assets/other financial assets	
Financial assets measured at amortised cost	(Amortised) cost
Financial assets measured at fair value through other comprehensive income with recycling	At fair value through other comprehensive income (OCI)
Financial assets measured at fair value through other comprehensive income without recycling	At fair value through other comprehensive income (OCI)
Financial assets measured at fair value through profit or loss	At fair value through profit or loss
Inventories	Lower of cost and net realisable value
Trade receivables and similar claims	
Trade receivables	(Amortised) cost
Contract assets	(Amortised) cost
Receivables due from suppliers	(Amortised) cost
Other assets	(Amortised) cost
Cash and cash equivalents	(Amortised) cost
Equity and liabilities	
Provisions	
Pension provisions	Projected unit credit method (benefit/years of service method)
Other provisions	Discounted settlement amount (with best-possible estimate)
Financial liabilities	
Liabilities measured at fair value through profit or loss	At fair value through profit or loss
Liabilities measured at amortised cost	(Amortised) cost
Lease liabilities	(Amortised) cost
Borrowings and other financial liabilities	(Amortied) cost or fair value
Other liabilities	(Amortised) cost
Trade payables and similar liabilities	
Trade payables	(Amortised) cost
Contract liabilities	Settlement amount

Changes in presentation

In financial year 2023/24, there was a retroactive adjustment of €10 million from the item “Other net financial result” to the item “Interest expenses” in the income statement. In addition, interest expenses of 10 € million were reclassified from “Other financing activities” to “Interest paid” in the cash flow statement. These changes in presentation resulted from a reclassification of interest expenses in connection with a bond.

Judgements, estimates and assumptions

The preparation of these consolidated financial statements required **the use of judgements, estimates and assumptions** that affected the recognition and amount of the assets, liabilities, income, expenses and contingent liabilities.

JUDGEMENTS

Information on significant judgements that have the greatest material effect on the amounts reported in these consolidated financial statements is includes in the following disclosures in the notes:

– Definition of the consolidation group by assessing the control possibilities (section on "Consolidation Group")

- Determination of whether CECONOMY acts as principal or agent in sales transactions (note 1 Sales). If CECONOMY has obtained control over the goods or service before they are transferred to the customer, CECONOMY acts as principal. If the company does not obtain control over the goods or service sold (before transfer to the customer), CECONOMY acts as an agent. For example, CECONOMY acts as principal when it sells physical goods. In contrast, CECONOMY regularly acts as an agent when brokering the sale of software products, prepaid cards from external partners and warranties. The assessment requires discretion and depends on the respective contractual relationship.

- Allocation of the transaction price on the basis of the relative stand-alone selling prices for multicomponent transactions and the associated sales recognition (note 1 Sales). A standalone selling price is indicated by the observable price at which a good or service is sold separately in similar circumstances and to similar customers. At CECONOMY, multicomponent transactions take place for example when goods are sold in conjunction with service packages or extended warranties.

- Fair value measurements of financial instruments allocated to levels 2 and 3 in accordance with IFRS 9 and of goodwill in connection with impairment tests.

- The definition of cash-generating units (CGU) within the Group to which the goodwill relates and the allocation of goodwill acquired through business combinations: for the purpose of impairment testing, the goodwill is allocated to the CGUs that correspond to a country, as they are the lowest level at which the goodwill is monitored for internal management purposes and are no larger than an operating strategic market.

- Where the specific provisions for accounting in hyperinflationary economies are applied, the effects of indexing non-monetary assets and liabilities, equity and the items of the statement of comprehensive income are shown in the line item "Gain on the net monetary position". To improve the presentation of operating profitability, the gain on the net monetary position (primarily from restatements of operating items) is recognised in other operating income as an item offsetting the negative effects in the operating earnings.

- Determination of lease term: It is assessed on the commencement date whether the exercise of extension or termination options is reasonably certain. This assessment depends on facts and circumstances that provide an economic incentive for or against consideration of the option. In addition to economic incentives, the length of the basic rental period and past experience are also included in the assessment of the probability of exercise. Due to the diverse contract designs at CECONOMY, term clusters are formed over the non-cancellable basic rental period, which can be used to assess the consideration of the option. Every individual factor or circumstance must be reviewed separately in order ultimately to make an overall assessment of the probability of exercise.

- Receivables due from suppliers: Compensation is often negotiated by the supplier to CECONOMY on the basis of a target purchasing volume over the calendar year. At the end of the financial year, discretion is exercised regarding the achievement of the target purchasing volume at the end of the calendar year. An accrual is recognised on the basis of the probable purchasing volume.

ESTIMATES AND ASSUMPTIONS

Information on estimates and the underlying assumptions with significant implications for these consolidated financial statements can be found in the following disclosures in the notes:

- Group-wide definition of expected useful lives for depreciable assets (note 15 Depreciation/amortisation and impairment losses, note 19 Other intangible assets and note 20 Property, plant and equipment).

- Ad hoc impairment testing of depreciable assets (note 15 Depreciation/amortisation and impairment losses, note 19 Other intangible assets and note 20 Property, plant and equipment).

- Annual test for indicators of impairment and, if necessary, impairment test of goodwill (note 18 Goodwill - including sensitivity analyses) and investments accounted for using the equity method (note 22 Financial assets and investments accounted for using the equity method).

- Measurement of the lease liability and right-of-use asset from leases – especially to determine the probability of exercise of extension and termination options for leases, impairment of the right-of-use asset and the interest rate, which, in the absence of an incremental interest rate, is generally calculated on the basis of the respective incremental borrowing rate.

- Recoverability and definition of receivables - especially receivables due from suppliers and from commission (note 23 Receivables due from suppliers other financial assets and other assets and note 26 Trade receivables and similar claims).

- Measurement of variable supplier compensation (note 23 Receivables due from suppliers other financial assets and other assets and note 25 Inventories).

- Measurement of contract assets (note 26 Trade receivables and similar claims).

- Measurement of inventories (note 25 Inventories).

- Calculation of provisions for post-employment benefit plans (note 28 provisions for post-employment benefit plans and similar obligations).

- Calculation of other provisions - for example for operating model, warranties, taxes and risks from legal proceedings and procedures (note 29 Other provisions (non-current)/provisions (current)).

- Estimate of expected returns and the associated sales recognition (note 1 Sales).

- Calculation of deferred tax assets on loss carry-forwards, in particular on the associated planning horizon (note 12 Income taxes).

Although the estimates and assumptions were made with great care, actual figures may differ in individual cases. The estimates and assumptions used for the consolidated financial statements are regularly reviewed. Changes are taken into account when better knowledge comes to light.

CHANGES IN ESTIMATES IN ACCORDANCE WITH IAS 8

As part of the further implementation of the logistics strategy of CECONOMY, a change was made to the estimate of the incidental acquisition costs of inventories. In addition, the stronger focus on own brands led to an adjustment of the purchase cost reductions for inventories. Both changes were associated overall with a positive earnings effect in the low double-digit million euro range.

In the current year, the calculation of the actuarial interest rate required a refinement in the definition of the bonds that are included in the derivation of the yield curve in the eurozone. If the actuarial interest rate had been calculated as of 30 September 2024 without this adjustment actuarial interest rate would have been 10 basis points higher for CECONOMY and the DBO would have been approximately €2.4 million lower.

IMPACT OF GEOPOLITICAL TENSIONS ON ACCOUNTING

Business activity continued to be affected in the past financial year 2023/24 by the tense geopolitical situation and characterised by strong uncertainty among consumers. CECONOMY has no direct or indirect presence in Ukraine or the Middle East and also ceased operations in Russia in 2018. The estimates and assumptions relevant to the consolidated financial statements were made to the best of our knowledge and belief on the basis of current events and measures. The ongoing uncertainty continues to make it difficult to predict the impact on assets, liabilities, income and expenses.

Capital management

The capital management strategy of CECONOMY aims to secure ongoing business operations, increase the value of the company, create a solid capital base to finance future growth and ensure capital service. This includes unrestricted access to the banking and capital markets in order to effectively manage the capital structure through the use of appropriate financing instruments. Another key aspect of the strategy is maintaining a sufficient supply of liquidity at all times with the aim of managing cash and liquidity reserves efficiently and securely. Identifying and quantifying financial risks and developing suitable risk diversification strategies, form an important basis for this. The capital management strategy is intended to ensure CECONOMYT's financial flexibility and independence at all times.

CECONOMY's capital management strategy has not changed compared to the previous year.

EQUITY AND LIABILITIES AND NET LIQUIDITY/NET DEBT IN THE CONSOLIDATED FINANCIAL STATEMENTS

Equity amounts to €515 million (30/09/2023: €465 million), while the liabilities total €9,620 million (30/09/2023: €9,170 million).

As of 30 September 2024, net debt amounted to €1,621 million. Net debt of €1,687 million was reported in the previous year.

At €1,010 million, cash and cash equivalents were €113 million higher than the previous year's level (30/09/2023: €897 million).

Borrowings increased by €46 million to €2,630 million as of 30 September 2024 (30/09/2023: €2,584 million). These include lease liabilities, which fell by €59 million to €1,725 million (30/09/2023: €1,784 million).

Adjusted for lease liabilities, net liquidity totalled €104 million as of 30 September 2024 (30/09/2023 adjusted: €97 million).

€ million	30/09/2023	30/09/2024
Equity	**465**	**515**
Liabilities	**9,170**	**9,620**
Net liquidity (+)/net debt (–)	**–1,687**	**–1,621**
Borrowings	2,584	2,630
Cash and cash equivalents	897	1,010

↗ Additional disclosures can be found in note 27 Equity, in note 30 Liabilities, in note 33.2 Cash and cash equivalents, in note 33.3 Borrowings and in note 34 Explanatory notes to the cash flow statement.

LOCAL CAPITAL REQUIREMENTS

CECONOMY's capital management strategy always aims to ensure that the Group companies are capitalised in line with local requirements. In financial year 2023/24 all external capital requirements were met. These include for example compliance with a certain level of indebtedness or a fixed equity ratio.

Notes to the income statement

1. SALES

Sales (net) result primarily from product sales and break down as follows:

	DACH		Western/ Southern Europe		Eastern Europe		Other		CECONOMY	
€ million	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Product sales	11,242	11,039	6,606	6,745	2,661	3,168	353	3	20,862	20,955
Services & Solutions	797	829	432	499	104	145	46	14	1,379	1,487
Total sales	**12,040**	**11,868**	**7,037**	**7,243**	**2,766**	**3,313**	**399**	**18**	**22,242**	**22,442**

Compared to the previous year, Group sales increased by 0.9 per cent to €22,442 million. This includes effects from the application of IAS 29 (hyperinflation in Türkiye) totalling €124 million (2022/23: €6 million).

Of the Group sales totalling €22,442 million (2022/23: €22,242 million), €5,136 million was attributable to online sales (2022/23: €4,943 million).

A total of 36 new stores were opened in financial year 2023/24, including one store in each of Germany, Austria and Hungary, three in each of Belgium and Spain, five in each of Poland and Türkiye, seven in the Netherlands and ten in Italy. A total of four stores were closed, three in Germany and one in Spain. The store network increased to 1,030 at the closing date.

2. COST OF MATERIALS

The cost of sales includes the cost of materials for purchased goods totalling €18,067 million (2022/23: €17,912 million).

3. OTHER OPERATING INCOME

€ million	2022/23	2023/24
Income from deconsolidation	21	0
Income from rents and subleases including reimbursement of incidental rental costs	7	7
Services rendered to suppliers	15	13
Income from the disposal of fixed assets and from reversals of impairment losses	12	15
Cost refunds	57	56
Gain on the net monetary position	60	57
Miscellaneous	78	72
	252	**220**

Income from services rendered to suppliers relates to marketing activities. Income from cost refunds primarily includes income for transport, travel, labour and material costs incurred.

The gain on the net monetary position resulted primarily from restatements of operating items in connection with hyperinflation in Türkiye. To improve the presentation of operating profitability, this was recognised in other operating earnings as an offsetting item to the negative effects in the operating result in the amount of €–87 million (2022/23: €–39 million).

The miscellaneous other operating income includes in particular income from claims for damages totalling €20 million (2022/23: €13 million). It also includes income from the derecognition of statute-barred liabilities of €10 million (2022/23: €4 million).

Income from deconsolidation related in the 2022/23 financial year to the disposal of the MediaMarkt Portugal business.

4. SELLING EXPENSES

€ million	2022/23	2023/24
Personnel expenses	1,537	1,476
Cost of materials	1,804	1,808
	3,341	**3,284**

The decline in personnel expenses is due to the disposal of the MediaMarkt business in Sweden and Portugal as well as a correction in the presentation of wage and salary costs to ancillary costs of goods purchased.

The cost of materials increased primarily as a result of higher expenses for merchandise management, transport costs and incidental rental costs. Lower depreciation and amortisation and energy costs has the opposite effect.

5. GENERAL ADMINISTRATIVE EXPENSES

€ million	2022/23	2023/24
Personnel expenses	333	315
Cost of materials	313	331
	647	**647**

The decline in personnel expenses is primarily due to expenses in connection with the simplification and digitalisation of central structures and processes in the previous year.

The cost of materials increased primarily on account of higher licence expenses for IT infrastructure.

6. OTHER OPERATING EXPENSES

€ million	2022/23	2023/24
Losses from disposals of property, plant and equipment and intangible assets	7	5
Expenses from deconsolidation	69	4
	76	**9**

The expenses from deconsolidation in the amount of €4 million relate primarily to the disposal of the MediaMarkt Portugal business (2022/23: €69 million, MediaMarkt Sweden business).

7. OTHER INVESTMENT RESULT

The other investment result reported in the net financial result amounts to €15 million (2022/23: €0 million). The reason for the €15 million improvement in the other investment result is primarily the recognition of income of €13 million from the investment in METRO PROPERTIES GmbH & Co. KG, whereas income of €0 million was recognised in the previous year. In addition, income of €2 million from the investment in METRO AG was recognised in financial year 2023/24. In contrast, no income was recognised from this investment in financial year 2022/23.

As in the previous year, no investment result from the investment in PJSC "M.video" was recognised in financial year 2023/24, because the company decided not to distribute profits. Against the background of the trade and capital market restrictions imposed by Russia, it is still practically impossible to recognise investment income from the investment in PJSC "M.video".

↗ Additional information on the investments can be found in note 22 Financial assets and investments accounted for using the equity method investments.

8. NET IMPAIRMENTS ON OPERATING FINANCIAL ASSETS AND CONTRACT ASSETS

Net impairments amount to €10 million in the 2023/24 financial year (2022/23: €16 million).

↗ Additional information on net impairments can be found in note 33.1 Impairments of capitalised financial instruments and contract assets.

9. INTEREST INCOME/INTEREST EXPENSES

Interest income and interest expenses from financial instruments are allocated to the measurement categories in accordance with IFRS 9 based on the underlying transactions. The net interest result comprises the following:

€ million	2022/23	2023/24
Interest income	64	70
thereof from lease liabilities	(0)	(0)
thereof from financial instruments per measurement category in accordance with IFRS 9:		
Loans and receivables including cash and cash equivalents	(0)	(0)
Financial instruments measured at amortised cost	(45)	(43)
Financial instruments measured at fair value through other comprehensive income	(0)	(0)
Financial instruments measured at fair value through profit or loss	(0)	(0)
Interest expenses	−165[1]	−247
thereof from lease liabilities	(−47)	(−66)
thereof from financial instruments per measurement category in accordance with IFRS 9:		
Financial instruments measured at fair value through profit or loss	(0)	(0)
Financial instruments measured at amortised cost	(−36)[1]	(−44)
Net interest result	**−101**[1]	**−177**

[1] Retroactive adjustment due to the reclassification of interest expenses in connection with a bond from the item Other net financial result to the item Interest expenses in the amount of €10 million

Interest income rose by €6 million from €64 million to €70 million. The increase in interest income can primarily be attributed to the early refinancing of a bond maturing in June 2026. In this context, outstanding bonds were repurchased below the underlying carrying amount, resulting in income of €12 million. In addition, interest income in the amount of €5 million was recognised in the previous year; this was realised in connection with the elimination of VAT risks and, due to its non-recurring nature, now produces comparatively lower interest income.

↗ More detailed information on the bond issue and the associated repurchase of outstanding bonds can be found in the "Financial management" section in the combined management report.

Interest expenses increased by €82 million to €247 million (2022/23: €165 million). The increase in interest expenses results primarily from higher bank commission due to higher volumes and interest rates. In addition, the increase in interest expenses can be attributed to higher interest from leases and comparatively higher interest expenses for bonds issued. The net interest expenses from direct and indirect company pension commitments amount to €13 million in the 2023/24 financial year (2022/23: €12 million).

10. OTHER NET FINANCIAL RESULT

Other financial income and expenses from financial instruments are allocated to the measurement categories in accordance with IFRS 9 on the basis of the underlying transactions. In addition to income and expenses from the measurement of financial instruments in accordance with IFRS 9, measurements of foreign currency items in accordance with IAS 21 are also taken into account.

€ million	2022/23	2023/24
Other financial income	129	34
thereof from currency effects	(50)	(33)
thereof from currency hedges	(0)	(0)
Other financial expenses	−50[1]	−38
thereof from currency effects	(−37)	(−28)
thereof from currency hedges	(−1)	(−1)
Other net financial result	**80[1]**	**−4**
thereof from financial instruments per measurement category/benchmark in accordance with IFRS 9		
Loans and receivables including cash and cash equivalents	(0)	(0)
Financial instruments measured at amortised cost	(5)[1]	(−2)
Financial instruments measured at fair value through other comprehensive income	(0)	(0)
Financial instruments measured at fair value through profit or loss	(−1)	(−1)

[1] Retroactive adjustment due to the reclassification of interest expenses in connection with a bond from the item Other net financial result to the item Interest expenses in the amount of 10 € million

Total comprehensive income from currency effects and measurement results from currency hedging transactions and currency hedging relationships essentially relates to MediaMarkt Türkiye.

Other financial income fell by €95 million from €129 million to €34 million in the 2023/24 financial year. This is largely the result of effects from the deconsolidation of the Swedish MediaMarkt business recognised in financial year 2022/23, which are due to the reclassification of currency effects from equity to other net financial result in the amount of €76 million. In addition, lower income from currency effects reduced other financial income.

Other financial expenses decreased by €12 million to €38 million in financial year 2023/24 (2022/23: €50 million). Other financial expenses decreased primarily due to lower expenses from currency effects.

↗ Additional information on the potential impact of currency risks can be found in note 36 Management of financial risks.

11. NET GAINS/LOSSES BY MEASUREMENT CATEGORY

The main effects on earnings from financial instruments can be presented as follows:

2022/23

€ million	Dividends paid	Interest income/ interest expenses	Changes in market value	Net impairments	Currency translation	Other	Net gains/ losses
Financial assets – at amortised cost	0	45	0	–15	21	0	51
Financial assets – Fair value - through other comprehensive income (with recycling)	0	0	0	0	0	0	0
Financial assets – Fair value - through other comprehensive income (without recycling)	0	0	–20	0	0	0	–20
Financial assets/ liabilities - fair value - through profit or loss	0	0	–1	0	0	0	–1
Financial liabilities – at amortised cost	0	–36[1]	0	0	–8	–3[1]	–47
Financial liabilities – Fair value - through profit or loss	0	0	0	0	0	0	0
	0	**9[1]**	**–21**	**–15**	**13**	**–4[1]**	**–17**

[1] Retroactive adjustment due to the reclassification of interest expenses in connection with a bond from the item Other net financial result to the item Interest expenses in the amount of €10 million

2023/24

€ million	Dividends paid	Interest income/ interest expenses	Changes in market value	Net impairments	Currency translation	Other	Net gains/ losses
Financial assets – at amortised cost	0	43	0	–9	14	0	48
Financial assets – Fair value - through other comprehensive income (with recycling)	0	0	0	0	0	0	0
Financial assets – Fair value - through other comprehensive income (without recycling)	15	0	–16	0	0	0	–1
Financial assets/ liabilities - fair value - through profit or loss	0	0	–1	0	0	0	–1
Financial liabilities – at amortised cost	0	–44	0	0	–9	2	–51
Financial liabilities – Fair value - through profit or loss	0	0	0	0	0	0	0
	15	**–1**	**–17**	**–9**	**5**	**2**	**–4**

The other net gains/losses from financial liabilities measured at amortised cost amounting to €2 million (2022/23: €–4 million) relate primarily to positive effects on earnings from the derecognition of time-barred liabilities amounting to €10 million (2022/23: €4 million). These are offset primarily by expenses for loan and commitment fees of €5 million (2022/23: €8 million) and expenses for measurement effects arising from multi-year compensation payments to minority shareholders based on profit and loss transfer agreements entered into with selected store entities of €2 million (2022/23: €–2 million).

↗ A detailed description of impairments can be found in note 33.1 Impairments of capitalised financial instruments and contract assets.

12. INCOME TAXES

Expected income taxes for the individual countries and deferred taxes are recognised as income taxes.

€ million	2022/23	2023/24
Current taxes	**–49**	**–40**
thereof Germany	(–9)	(–6)
thereof international	(–39)	(–34)
thereof tax expense/income for the current period	(–53)	(–44)
thereof tax expenses/income from previous periods	(4)	(4)
Deferred taxes	**54**	**28**
thereof Germany	(51)	(–5)
thereof international	(3)	(34)
Income taxes	**5**	**–11**

The application of IAS 29 results in tax income of around €1 million in current taxes. In addition, deferred taxes include tax income of around €3 million. The German income tax rate applicable to CECONOMY AG is made up of the corporate income tax of 15 per cent plus the solidarity surcharge of 5.5 per cent and the trade tax of 14.7 per cent at an average assessment rate of 420.15 per cent. Overall, this produces a total tax rate of 30.53 per cent, which is in line with the previous year's rate. The foreign income tax rates that are applied are based on the laws and regulations in force in the individual countries and range between 9.0 and 27.9 per cent (2022/23: 11.3 and 27.9 per cent).

€ million	2022/23	2023/24
Deferred taxes in the income statement	**54**	**28**
thereof from temporary differences	9.	(–39)
thereof from loss and interest carryforwards	45.	65.
thereof from tax rate changes	(0)	2.

The tax expense of €11 million (2022/23: €5 million tax benefit) is €16 million lower than the expected income tax expenses of €27 million (2022/23: €13 million expected income tax income) that would result from applying the Group tax rate (30.53 per cent) to the earnings before tax.

The reconciliation of expected to recognised income tax is as follows:

€ million	2022/23	2023/24
Earnings before tax	**–42**	**88**
Expected income tax (30.53%)	13	–27
Tax rate changes	1	1
Effects of differing national tax rates	1	1
Tax expenses and income relating to other periods	1	4
Effects from other tax types	–12	–4
Non-deductible business expenses for tax purposes	–27	–17
Effects of not recognised or impaired deferred taxes	27	14
Tax holidays	9	20
Permanent differences	–9	10
Other deviations[1]	1	–14
Income taxes	**5**	**–11**
Group tax rate (in %)	**12.7**	**12.8**

[1] Primarily contains effects from IAS 29 (hyperinflation Türkiye)

Current income taxes were reduced by €8 million due to the utilisation of previously unrecognised tax losses in financial year 2023/24. Furthermore, the reversal of impairment losses for deferred tax assets on loss carryforwards and temporary differences result in a deferred tax benefit of €58 million (2022/23: €86 million), which relates primarily to the capitalisation as part of the subsequent measurement of deferred taxes at the level of CECONOMY AG.

The regulations on global minimum tax came into force in Germany with effect from 28 December 2023 as a result of the Minimum Tax Act. In accordance with the Minimum Tax Act, the CECONOMY AG Group will be subject to the German regulations on global minimum tax from the 2024/25 financial year onwards. In accordance with the applicable minimum tax legislation, the Group is required to calculate the effective tax rate for each country in which it has business units within the meaning of the law and, if the calculated effective tax rate is lower than the minimum tax rate of 15 per cent, to pay "top-up tax" in the amount of the difference between the effective tax rate and the minimum tax rate.

The CECONOMY AG Group carried out an initial indicative analysis as at the closing date of 30 September 2024 to determine how it will be impacted and the jurisdictions where the Group may be exposed to possible effects in connection with a Pillar 2 top-up tax. The first step here was to check whether the CbCR (Country by Country Reporting) Safe Harbour regulations were relevant. Overall, no significant impacts on the CECONOMY AG Group's income tax expenses are expected.

The company is closely monitoring the progress of the legislative procedure in each country in which it operates. The CECONOMY AG Group applies the exception of IAS 12 whereby it does not have to recognise and does not have to disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes (BEPS Pillar II).

13. PROFIT OR LOSS FOR THE PERIOD ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The profit or loss for the period attributable to non-controlling interests amounts to €1 million (2022/23: €2 million). In the past financial year 2023/24, the non-controlling interests primarily comprise profit shares attributable to the store managers from MediaMarkt Netherlands. It was primarily profit shares attributable to the store managers from MediaMarkt Austria that were included in the previous year's reporting period.

14. EARNINGS PER SHARE

Undiluted earnings per share is calculated by dividing the profit or loss for the period attributable to shareholders of CECONOMY AG by the weighted number of shares outstanding.

	2022/23	2023/24
(Weighted) number of no-par-value shares outstanding – undiluted	485,221,084	485,221,084
Profit or loss for the period attributable to shareholders of CECONOMY AG (€ million) – undiluted	−39	76
Undiluted earnings per share in €	**−0.08**	**0.16**

Diluted earnings per share is calculated by dividing the profit or loss for the period attributable to shareholders of CECONOMY AG by the weighted number of shares outstanding adjusted for all dilutive effects of potential ordinary shares, as shown below:

	2022/23	2023/24
(Weighted) number of no-par-value shares outstanding – undiluted	485,221,084	485,221,084
(Weighted) number of potential shares from convertible bonds	27,859,778	27,859,778
(Weighted) number of no-par-value shares outstanding – diluted	513,080,862	513,080,862
Profit or loss for the period attributable to shareholders of CECONOMY AG (€ million) – undiluted	−39	76
Interest expenses on convertible bonds – after taxes (€ million)	7	8
Profit or loss for the period attributable to shareholders of CECONOMY AG (€ million) – diluted	−31	84
Diluted earnings per share in €	**−0.08**	**0.16**

Protection against dilution is present both in the past financial year 2023/24 and in the previous year's reporting period, because the diluted earnings per share lead to an improvement in earnings per share due to the inclusion of the convertible bonds.

CECONOMY AG has not issued any preference shares as of 30 September 2024.

15. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

The breakdown of amounts of depreciation/amortisation in the income statement and into the relevant asset categories is as follows:

2022/23

€ million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Assets held for sale	Total
Cost of sales	0	0	0	0	0	0	0
thereof depreciation/amortisation	(0)	(0)	(0)	(0)	(0)	(0)	(0)
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Selling expenses	0	4	142	484	0	0	630
thereof depreciation/amortisation	(0)	(4)	(125)	(480)	(0)	(0)	(608)
thereof impairment losses	(0)	(0)	(18)	(4)	(0)	(0)	(22)
General administrative expenses	0	32	18	13	0	0	64
thereof depreciation/amortisation	(0)	(25)	(18)	(12)	(0)	(0)	(55)
thereof impairment losses	(0)	(8)	(0)	(1)	(0)	(0)	(9)
Other operating expenses	0	0	0	0	0	65	65
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(65)	(65)
Earnings share of operating companies recognised at equity	0	0	0	0	82	0	82
thereof impairment losses	(0)	(0)	(0)	(0)	(82)	(0)	(82)
Total	**0**	**36**	**161**	**498**	**82**	**65**	**841**
thereof depreciation/amortisation	(0)	(28)	(143)	(493)	(0)	(0)	(664)
thereof impairment losses	(0)	(8)	(18)	(5)	(82)	(65)	(177)

2023/24

€ million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Total
Cost of sales	0	0	0	0	0
thereof depreciation/amortisation	(0)	(0)	(0)	(0)	(0)
thereof impairment losses	(0)	(0)	(0)	(0)	(0)
Selling expenses	0	2	132	478	612
thereof depreciation/amortisation	(0)	(2)	(126)	(478)	(606)
thereof impairment losses	(0)	(0)	(5)	(0)	(6)
General administrative expenses	0	33	16	10	58
thereof depreciation/amortisation	(0)	(32)	(16)	(9)	(57)
thereof impairment losses	(0)	(1)	(0)	(0)	(2)
Other operating expenses	0	0	0	0	0
thereof impairment losses	(0)	(0)	(0)	(0)	(0)
Earnings share of operating companies recognised at equity	0	0	0	0	0
thereof impairment losses	(0)	(0)	(0)	(0)	(0)
Total	**0**	**35**	**148**	**488**	**671**
thereof depreciation/amortisation	(0)	(34)	(142)	(487)	(663)
thereof impairment losses	(0)	(1)	(5)	(0)	(7)

Of the impairments of €7 million (2022/23: €177 million), €5 million (2022/23: €18 million) is attributable primarily to property, plant and equipment. Of the impairments in the previous year, €82 million is attributable to Fnac Darty S.A.

and €65 million is attributable to impairments on assets held for sale, which relate to the MediaMarkt Sweden disposal group.

Of the impairments, the DACH segment accounts for €4 million (2022/23: €8 million), the Western/Southern Europe segment for €1 million (2022/23: €9 million), the Eastern Europe segment for €1 million (2022/23: €6 million) and the Others segment for €1 million (2022/23: €154 million). The previous year's figures for the DACH and Others segments were restated as a result of changes in the segment composition (see "Additional notes on segment reporting" - note 35 Segment reporting).

16. PERSONNEL EXPENSES

Personnel expenses are comprised as follows:

€ million	2022/23	2023/24
Wages and salaries	1,722	1,669
Social security expenses, expenses for post-employment benefit plans and related employee benefits	391	409
thereof post-employment benefits	(27)	(28)
	2,113	**2,078**

Wages and salaries reported under personnel expenses include expenses associated with efficiency measures totalling €16 million (2022/23: €56 million associated with efficiency measures). Variable remuneration increased from €100 million in the previous year to €109 million in financial year 2023/24.

The average number of employees in the Group during the year was as follows:

Workforce by headcount	2022/23	2023/24
Wage-earning/salaried employees	49,936	48,434
Trainees	2,611	2,484
	52,547	**50,918**

This includes 15,978 part-time employees on a per-person basis (2022/23: 15,691). Of the employees, 4,968 are in management positions (2022/23: 5,115) and 43,466 are non-management staff (2022/23: 44,821). 28,355 members of staff were employed outside Germany (2022/23: 29,248). The number of employees working outside Germany increased by 287 and the number of managers by 199 in the previous year. In contrast, the number of employees in Germany declined by 287 and the number of non-management staff by 199 in the previous year.

17. OTHER TAXES

Other taxes (such as land tax, road tax, excise duties and transfer tax) break down as follows:

€ million	2022/23	2023/24
Other taxes	**16**	**25**
thereof from selling expenses	(14)	(24)
thereof from general administrative expenses	(2)	(1)

Notes to the statement of financial position

18. GOODWILL

Goodwill amounted to €524 million as of 30 September 2024 (30/09/2023: €524 million).

As of the reporting date, goodwill was broken down among the following groups of cash-generating units:

	30/09/2023		30/09/2024	
		WACC		WACC
	€ million	%	€ million	%
Germany	314	6.0	314	5.6
Italy	72	7.6	72	7.1
Netherlands	51	6.5	51	6.1
Spain	49	7.1	49	6.6
Other countries	38		38	
	524		**524**	

In accordance with IAS 36, goodwill is tested for impairment annually as of 30 September. However, if there are indications that goodwill may be impaired, however, it is also necessary to perform an impairment test during the year. This impairment test is performed at the level of a group of cash-generating units. At CECONOMY, this group is basically the organisational unit per country.

The impairment test compares the total carrying amounts of the group of cash-generating units with the recoverable amount. The recoverable amount is the fair value less selling expenses, which is calculated from discounted future cash flows using inputs from level 3 of the fair value hierarchy.

↗ The fair value hierarchy is described in note 33.6 Carrying amounts and fair values by measurement category.

Expected cash flows are based on a qualified planning process and take into account past figures within the company as well as external economic data. In the 2023/24 financial year, the detailed planning period covers a total of five financial years. As in the previous year, it is assumed that the country organisations return after five financial years to a steady state that is suitable for the perpetual annuity calculation. It is assumed here that short to medium-term measures to increase economic profitability will be implemented by the end of the detailed planning period and will have a positive impact on sales and earnings. These earnings figures ultimately form the basis for the extrapolation following the detailed planning period. In line with the approach in previous years, an annual growth rate of 1.00 per cent is assumed in the financial years following the detailed planning period.

The weighted average cost of capital (WACC) is calculated as the capitalisation rate using the capital asset pricing model. The calculation uses a peer group of comparable companies for all groups of cash-generating units operating in the same business unit. The capitalisation rates are also determined on the assumption of a base interest rate of 2.5 per cent (30 2023: 2.7 per cent), a market risk premium of 6.9 per cent (30/09/2023: 7.0 per cent) and a beta factor of 1.32 (30/09/2023: 1.04). Country-specific risks premiums are charged both for the cost of equity and for borrowing costs. The capitalisation rates after taxes calculated individually for each group of cash-generating units range between 5.6 and 8.9 per cent (30/09/2023: 6.0 to 10.4 per cent).

CECONOMY continued to operate in a challenging market environment in financial year 2023/24. This was characterised by geopolitical tensions, a generally pessimistic economic outlook and, as a result, a reduced propensity to consume among private households. These developments gave reason to test the recognised goodwill for impairment during the 2023/24 financial year. Despite a deterioration in the earnings position compared with the previous year's planning projections, the ad hoc impairment tests carried out did not produce any indications of impairment one the recognised goodwill.

In addition, the annual impairment tests of goodwill in the 2023/24 financial year were performed as of 30 September 2024.

In the mandatory annual impairment test as of 30 September 2024, the following assumptions regarding the development of sales, EBIT and the EBIT margin targeted for measurement purposes were made for the goodwill deemed to be significant, where the assumptions made refer to an average growth rate over the five-year detailed planning period and the EBIT margin represents the ratio of EBIT to sales.

	Sales	EBIT	EBIT margin	Detailed planning period (years)
Germany	Moderate growth	Significant growth	Significant growth	5
Italy	Slight growth	Significant growth	Significant growth	5
Netherlands	Slight growth	Slight growth	Slight growth	5
Spain	Slight growth	Slight growth	Slight growth	5

The annual impairment tests did not result in any need for impairment of the goodwill recognised as of 30 September 2024.

Finally, three sensitivity analyses were carried out for each group of cash-generating units. The first sensitivity analysis assumed a growth rate that was one percentage point lower and thus a growth rate perpetual annuity of zero per cent for the perpetual annuity. In the second sensitivity analysis, the capitalisation rate for each group of cash-generating units was increased by 20 per cent. In the third sensitivity analysis, a flat-rate discount also of 20 per cent was applied to the assumed perpetual EBIT. The discounts calculated in this way are intended to take appropriate account of the uncertainties associated with the free cash flow forecasts.

The sensitivity analyses of the capitalisation rate resulted in an impairment requirement in the low double-digit million euro range for the group of cash-generating units in Italy. The recoverable amount calculated for the group of cash-generating units in Italy exceeds the associated carrying amount by €67 million. The carrying amount applicable to the group of cash-generating units in Italy would be equal to the corresponding recoverable amount if - in otherwise identical conditions - the capitalisation rate were 8.18 per cent. In addition, all three sensitivity analyses for the group of cash-generating units in Poland signalled a need for impairment in the low double-digit million euro range. The recoverable amount determined for the group of cash-generating units in Poland exceeds the associated carrying amount by €7 million. In otherwise identical conditions, the carrying amount applicable to the group of cash-generating units in Poland and the corresponding recoverable amount would be the same if the capitalisation rate were 7.56 per cent, the growth rate applicable to the perpetual annuity were 0.62 per cent and the discount on the assumed perpetual EBIT were 6.32 per cent. The sensitivity analyses did not result in any impairment at any of the other groups of cash-generating units.

€ million	Goodwill
Cost	
As of 01/10/2022	531
Currency translation	0
Additions to consolidation group	0
Disposals	0
Reclassifications to IFRS 5	0
Transfers	0
As of 30/09 / 01/10/2023	531
Currency translation	0
Additions to consolidation group	0
Disposals	0
Reclassifications to IFRS 5	0
Transfers	0
As of 30/09/2024	531
Impairment	
As of 01/10/2022	7
Currency translation	0
Additions	0
Additions to impairment	0
Disposals	0
Reclassifications to IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30/09 / 01/10/2023	7
Currency translation	0
Additions	0
Additions to impairment	0
Disposals	0
Reclassifications to IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30/09/2024	7
Carrying amount 01/10/2022	524
Carrying amount 30/09/2023	524
Carrying amount 30/09/2024	**524**

19. OTHER INTANGIBLE ASSETS

€ million	Intangible assets without goodwill	(thereof internally generated intangible assets)
Cost		
As of 01/10/2022	488	(216)
Currency translation/indexing	0	(0)
Additions to consolidation group	0	(0)
Additions	52	(24)
Disposals	–8	(0)
Reclassifications to IFRS 5	–6	(–2)
Transfers	0	(–3)
As of 30/09 / 01/10/2023	527	(234)
Currency translation/indexing	1	(0)
Additions to consolidation group	0	(0)
Additions	56	(43)
Disposals	–24	(–4)
Reclassifications to IFRS 5	0	(0)
Transfers	0	(–1)
As of 30/09/2024	561	(272)
Depreciation/amortisation and impairment losses		
As of 01/10/2022	336	(100)
Currency translation/indexing	0	(0)
Additions	28	(10)
Additions to impairment	8	(2)
Disposals	–4	(0)
Reclassifications to IFRS 5	–6	(–2)
Reversals of impairment losses	0	(0)
Transfers	0	(–4)
As of 30/09 / 01/10/2023	362	(105)
Currency translation/indexing	1	(0)
Additions	34	(17)
Additions to impairment	1	(0)
Disposals	–22	(–4)
Reclassifications to IFRS 5	0	(0)
Reversals of impairment losses	0	(0)
Transfers	0	(0)
As of 30/09/2024	376	(119)
Carrying amount 01/10/2022	152	(116)
Carrying amount 30/09/2023	165	(129)
Carrying amount 30/09/2024	**184**	**(153)**

Other intangible assests include exclusively intangible assets with a finite expected useful life. These are primarily concessions, rights, licences and software. They are therefore amortised and subjected to an impairment test only when necessary.

Of the additions, €43 million (2022/23: €24 million) is attributable to internally generated intangible assets and relates primarily to software under development totalling €42 million (2022/23: €23 million). Other additions totalling €13 million (2022/23: €28 million) include concessions, rights and licences acquired from third parties of €10 million (2022/23: €14 million) and software under development purchased from third parties of €3 million (2022/23: €15 million).

Of the disposals, €20 million (2022/23: €8 million) is attributable to non-internally generated intangible assets and relates to concessions, rights and licences purchased from third parties of €19 million (2022/23: €4 million). The other disposals amounting to €4 million (2022/23: €0 million) primarily include internally developed software.

Depreciation and amortisation amounts to €34 million (2022/23: €28 million). €32 million (2022/23: €25 million) of this is recognised in general administrative expenses, €2 million (2022/23: €4 million) in selling expenses and €0 million (2022/23: €0 million) in cost of sales.

As in the previous year, there are no restrictions on ownership or title for intangible assets. Purchase obligations for intangible assets totalling €1 million (30/092023: €1 million) were entered into.

20. PROPERTY, PLANT AND EQUIPMENT

Changes in property, plant and equipment are presented in the table below.

€ million	Land and buildings	Other plant, business and office equipment	Assets under construction	Total
Cost				
As of 01/10/2022	5	2,802	30	2,837
Currency translation/indexing	0	6	–1	5
Additions to consolidation group	0	0	0	0
Additions	0	180	16	196
Disposals	0	–139	–4	–144
Reclassifications to IFRS 5	0	–106	0	–106
Transfers	0	17	–17	0
As of 30/09 / 01/10/2023	5	2,759	24	2,788
Currency translation/indexing	0	29	–1	29
Additions to consolidation group	0	0	0	0
Additions	0	174	35	209
Disposals	0	–133	–4	–137
Reclassifications to IFRS 5	0	0	0	0
Transfers	0	1	–15	–14
As of 30/09/2024	5	2,831	39	2,875
Depreciation/amortisation and impairment losses				
As of 01/10/2022	5	2,291	0	2,295
Currency translation/indexing	0	5	0	5
Additions	0	143	0	143
Additions to impairment	0	18	0	18
Disposals	0	–118	0	–118
Reclassifications to IFRS 5	0	–97	0	–97
Reversals of impairment losses	0	0	0	0
Transfers	0	0	0	0
As of 30/09 / 01/10/2023	5	2,242	0	2,246
Currency translation/indexing	0	23	0	23
Additions	0	142	0	142
Additions to impairment	0	5	0	5
Disposals	0	–118	0	–118
Reclassifications to IFRS 5	0	0	0	0
Reversals of impairment losses	0	–6	0	–6
Transfers	0	12	0	12
As of 30/09/2024	5	2,277	0	2,282
Carrying amount 01/10/2022	0	511	30	541
Carrying amount 30/09/2023	0	517	24	541
Carrying amount 30/09/2024	**0**	**554**	**39**	**593**

Depreciation and amortisation amounts to €142 million (2022/23: €143 million). €126 million (2022/23: €125 million) of this is recognised in selling expenses, €16 million (2022/23: €18 million) in general and administrative expenses and €0 million (2022/23: €0 million) in cost of sales.

Impairments totalling €5 million (2022/23: €18 million) were recognised on property, plant and equipment in the past financial year 2023/24. These include impairments of €3 million (2022/23: €13 million) attributable to capitalised asset retirement obligations and of €2 million (2022/23: €5 million) to sustained losses and store closures. Sustained losses and site closures to which property, plant and equipment is allocated led here to impairment tests at the level of the respective store as a cash-generating unit. In this impairment test, the carrying amount of the cash-generating unit was compared with its recoverable amount. The recoverable amount was generally determined here as the fair value less selling expenses, which is calculated from discounted future cash flows using inputs from level 3 of the fair value hierarchy. The comparison of the carrying amounts of these cash-generating units with the recoverable amounts resulted in the impairment stated.

The stores for which impairment was recognised on property, plant and equipment due to sustained losses in previous years underwent a test in the reporting period to determine whether the reasons for the impairment had ceased to exist. This test led to a reversal of impairment losses of €6 million in the past financial year 2023/24. There were no reversals of impairment losses on property, plant and equipment in the previous year.

There were no restrictions on title in the form of mortgages or encumbrances on items of property, plant and equipment in financial year 2023/24 or in the previous year.

Purchase obligations totalling €12 million (30/09/2023: €13 million) were entered into for property, plant and equipment.

21. RIGHT-OF-USE ASSETS

When entering into a contract, CECONOMY assesses whether the contract is, or contains, a lease pursuant to IFRS 16. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a certain period of time in exchange for payment of a fee. A lease agreement conveys the right to control the use of an identified asset if the lessee has the right throughout the period of use to obtain substantially all the economic benefits from the use of the identified asset and to make decisions on the use of the identified asset during the lease term.

All stores in the Group are leased. This largely involves land and buildings for the stores as well as additional warehouse space. These real estate leases are generally concluded for a non-cancellable basic rental period of five years, but generally always include extension or termination options for reasons of operational flexibility. Some leases contain additional rent adjustments based on the development of the consumer price index. The lease conditions are agreed individually; there are leases with fixed lease payments as well as variable rental conditions depending on sales. Leases for movable assets largely relate to leased vehicles and IT equipment as well as some leases for electronic shelf labels.

The carrying amounts of the right-of-use assets from leases developed as follows:

€ million	Real estate	Vehicle fleet	IT infrastructure	Business and office equipment	Total
Right-of-use assets as of 01/10/2022	**1,819**	**3**	**6**	**8**	**1,835**
Currency translation/indexing	4	0	0	0	4
Additions	411	0	0	0	412
Disposals	−82	0	0	0	−82
Depreciation and amortisation/impairment	−489	−2	−4	−3	−498
Reversals of impairment losses	6	0	0	0	6
Right-of-use assets as of 30/09/2023	**1,668**	**1**	**1**	**5**	**1,676**

€ million	Real estate	Vehicle fleet	IT infrastructure	Business and office equipment	Total
Right-of-use assets as of 01/10/2023	**1,668**	**1**	**1**	**5**	**1,676**
Currency translation/indexing	12	0	0	0	12
Additions	491	2	0	0	493
Disposals	−71	0	0	0	−71
Depreciation and amortisation/impairment	−483	−1	−1	−2	−488
Reversals of impairment losses	3	0	0	0	3
Right-of-use assets as of 30/09/2024	**1,620**	**2**	**0**	**3**	**1,626**

In addition to depreciation/amortisation/impairment and reversals of impairment losses, the following lease expenses were recognised in profit or loss for the period:

€ million	2022/23	2023/24
Interest expenses	47	66
Expenses for short-term leases recognised in accordance with IFRS 16.6	3	1
Expenses for leases for low-value assets that are recognised in accordance with IFRS 16.6	14	16
Expenses for variable lease payments	33	36
	96	**119**

Sustained losses and decisions to close stores led to impairment tests at the level of the respective store as a cash-generating unit. In this impairment test, the carrying amount of the cash-generating unit was compared with its recoverable amount. The recoverable amount of the right-of-use asset for real estate was calculated on the basis of indexed benchmark rents for each store. In addition, the determined benchmark rents were discounted by an interest rate based on the respective current incremental borrowing rate over the remaining non-cancellable rental period. Store-related risk assessments and contract-specific circumstances were also included in the calculation. It is analysed whether the fair value of the right-of-use asset is reduced by other influences such as the contractual possibility of subletting, the quality of the location or other risks. These components are incorporated into a scoring model that can be used to derive a discount on the recoverable benchmark rent.

The comparison of the carrying amounts of these cash-generating units with the recoverable amounts resulted in an impairment requirement of €0 million (2022/23: €5 million) and a reversal requirement of €3 million in financial year 2023/24 (2022/23: €6 million).

In the past financial year 2023/24, the total cash outflows for leases amounted to €587 million (2022/23: €576 million).

Variable lease payments

As well as fixed lease payments, real estate leases for retail spaces can also or exclusively include sales-based lease payments. The expected future variable lease payments for sales-based rents amount to €64 million (2022/23: €50 million) over a planning period of three years.

Extension or termination options

Many real estate leases contain extension or termination options, which CECONOMY can in some cases exercise up to one year before the end of the non-cancellable lease term. Where possible, endeavours are made to include extension options when entering into new leases in order to ensure operational flexibility. The options are used to limit the duration of the contract commitment as far as possible for individual contracts and thus to maximise operational flexibility in terms of the duration and the closure of stores. These options can generally only be exercised by CECONOMY and not by the lessor. At the commencement date, it is assessed whether the exercise of extension or termination options is reasonably certain.

↗ A description of the assessment of the probability that agreed extension and termination options will be exercised can be found in the notes to the Group accounting principles and methods.

Whether the exercise of an extension option is sufficiently certain is reassessed if a significant event or a significant change in circumstances occurs.

The potential future lease payments from contractual options that could be exercised by 30 September 2034 but are not reported in the statement of financial position amount to €2,370 million (30/09/2023: €2,319 million). These unilateral options, which can only be exercised by CECONOMY, give the company more freedom in store decisions, but do not constitute a financial obligation as of the current closing date.

Future cash outflows from leases already concluded

As of 30 September 2024, there are future payment obligations of €13 million (30/09/2023: €1 million) for leases that have not yet commenced and have therefore not been taken into account in the measurement of lease liabilities.

As in the previous year, there are no lease payments from subleases that CECONOMY will receive from properties in the future and that are classified as finance leases.

Lease payments from subleases that are classified as operating leases and that CECONOMY will receive in the future amount to €6 million nominally (30/09/2023: €4 million).

They break down as follows:

€ million	30/09/2023	30/09/2024
Up to 1 year	2	3
1 to 2 years	2	1
2 to 3 years	1	1
3 to 4 years	0	0
4 to 5 years	0	0
Over 5 years	0	0
	4	**6**

22. FINANCIAL ASSETS AND INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, INCLUDING THE EARNINGS SHARE FROM OPERATING COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Financial assets

Financial assets amounting to €108 million (30/09/2023: €123 million) were recognised as of 30 September 2024.

Financial assets include €65 million (30/09/2023: €81 million) in equity investments and €42 million (30/09/2023: €41 million) in loans.

In addition to the PJSC "M.video" investment, which is included in the financial assets as of 30 September 2024 at €10 million (30/09/2023: €20 million), financial assets also include an approximately 1 per cent stake in METRO AG totalling €18 million (30/09/2023: €24 million) and a 6.61 per cent stake in METRO PROPERTIES GmbH & Co. KG totalling €35 million (30/09/2023: €35 million).

The 15 per cent financial minority stake held in PJSC "M.video" is measured at fair value, where fluctuations in the fair value are recognised through other comprehensive income. Upon the start of the Russian war of aggression against Ukraine, a reliable level 1 market valuation of the 15 per cent interest using the share price determined in restricted trading on the Moscow Stock Exchange was no longer possible on the reporting date. It therefore became necessary to change the fair value hierarchy level from 1 to 3 as of 31 March 2022. As of 30 September 2024, the shares in PJSC "M.video" are also measured on the basis of a level 3 market valuation, as it can still be assumed as of this reporting date that a market value for the shares in PJSC "M.video" cannot be reliably derived from the market price set on the Moscow Stock Exchange.

↗ The fair value hierarchy is described in note 33.6 Carrying amounts and fair values according to measurement categories. The level 3 market valuation of the PJSC "M.video" investment is also explained here.

With regard to the investment in METRO PROPERTIES GmbH & Co. KG, an expert was commissioned to prepare a value indication based on an outside-in analysis. Ultimately, no objective indications were identified that could have led to the conclusion that the recognition of the share at €35 million was inappropriate. This assessment specifically included assumptions regarding macroeconomic developments in Türkiye in general and the development of the Turkish retail property market in particular, as the main value drivers of METRO PROPERTIES GmbH & Co. KG are real estate that is held and operated by subsidiaries and investees in Türkiye.

The approximately one per cent stake that CECONOMY AG holds directly in METRO AG was subject to a seven-year vesting period for tax purposes, with the result that it could not be sold without incurring negative tax consequences. However, this vesting period ended on 30 September 2023, meaning that the restriction described above no longer applies as of financial year 2022/23.

CECONOMY AG and what is now METRO AG entered into an option agreement for the remaining limited partnership's share in METRO PROPERTIES GmbH & Co. KG on 19 September 2016. In this agreement, CECONOMY AG grants what is now METRO AG a call option and what is now METRO AG grants CECONOMY AG a put option at the pro rata enterprise value on the date the option is exercised with regard to this limited partnership share held by CECONOMY AG. Each of the options can be exercised only in certain time-frames of six months in each case. The call option can be exercised for the first time three years after the spin-off took effect. It has not been utilised. The put option can be exercised for the first time seven years after the spin-off took effect, thus no earlier than 13 July 2024. This option has also not been exercised to date.

These investments are recognised at fair value through other comprehensive income in accordance with the exercise of the option Information on other investments recognised at fair value through other comprehensive income is provided in the table below.

€ million	Fair value at 30/09/2023	Investment income recognised in 2022/23	Fair value at 30/09/2024	Investment income recognised in 2023/24
METRO AG	24	0	18	2
PJSC "M.video"	20	0	10	0
METRO PROPERTIES GmbH & Co. KG	35	0	35	13
Other	2	0	2	0
Total	**81**	**0**	**65**	**15**

€–16 million was recognised in other comprehensive income in financial year 2023/24 (2022/23: €–20 million).

Investments accounted for using the equity method including the earnings share of operating companies recognised at equity
Investments accounted for using the equity method totalling €275 million (30/09/2023: €257 million) are recognised as of 30 September 2024. The investment in the associate Fnac Darty S.A. is a material investment accounted for using the equity method and is recognised in CECONOMY's consolidated financial statements at a value of €272 million as of 30 September 2024 (30/09/2023: €250 million). In addition, a 20 per cent minority stake in Power Retail Sweden AB has been included in CECONOMY's consolidated financial statements using the equity method since 1 August 2023. This minority stake is recognised at €3 million as of 30 September 2024 (30/09/2023: €7 million).

Fnac Darty S.A., one of the leading French retailers of consumer electronics and household appliances, is classified as an associate within the meaning of IAS 28 and is included in CECONOMY's consolidated financial statements using the equity method. The equity interest amounts to 23.41 per cent as of 30 September 2024 (30/09/2023 23.41 per cent).

As a result of the subsequent measurement of the investment in Fnac Darty S.A. accounted for using the equity method, a profit of €27 million was recognised in EBIT in the 2023/24 financial year (2022/23: loss of €50 million). In financial year 2023/24, the income from the subsequent measurement of the investment in Fnac Darty S.A. accounted for using the equity method consists of the pro rata income for the period recognised in profit or loss totalling €26 million (2022/23: €–35 million), effects from the change in the proportion of equity interest totalling €0 million (2022/23: €–13 million), effects from capital increases carried out in financial year 2023 totalling €4 million (2022/23: €0 million) and depreciation and amortisation of hidden reserves reduced by deferred taxes totalling €–3 million (2022/23: €–3 million). €–3 million was recognised in other comprehensive income in financial year 2023/24 (2022/23: €1 million). Other items recognised directly in reserves retained from earnings amount to €0 million in financial year 2023/24 (2022/23: €1 million). Information on total comprehensive income is published here by Fnac Darty S.A. for the second and fourth financial quarters of a calendar year, where this information serves as the basis for the subsequent measurement of the equity interest.

A dividend of €3 million (2022/23: €9 million) was also recognised in cash in the 2023/24 financial year.

As of 30 September 2024, there were objective indications of a possible impairment of the recognition of the investment in Fnac Darty S.A. In addition to economic risks and geopolitical crises and uncertainties, which also have an impact on the business environment of Fnac Darty S.A., it was in particular the ratio of the share prices of Fnac Darty S.A. to the amortised cost of the shares reported in the balance sheet that led to the assumption of impairment. As a result, an expert was commissioned to prepare a value indication based on the discounted cash flow method (DCF method). In the final analysis, it can be seen that the carrying amount of the shares in Fnac Darty S.A. after application of the equity method totalling €272 million is within the value range determined using a scenario-based DCF method. Also in an overall assessment of the alternative valuation methods used to validate the DCF result, no substantial indications can be identified that the recoverable amount is lower than the carrying amount and that the shares in Fnac Darty S.A. are therefore impaired. As of the reporting date of 30 September 2024, the recoverability of the shares in Fnac Darty S.A. accounted for using the equity method can therefore be assumed.

Reconciliation of financial market information on Fnac Darty S.A. to the carrying amounts of the investments

€ million	30/09/2023	30/09/2024
Net assets 100%[1]	1,355	1,459
CECONOMY's share in net assets	317	341
Impairment on the carrying amount of the investment	–82	0
Reversal of impairment on the carrying amount of the investment	0	0
Adjusted goodwill from purchase price allocation	15	–69
Carrying amounts of the investments	**250**	**272**

[1] Derived from the Interim Financial Report as of 30 June 2023 and the Interim Financial Report as of 30 June 2024

Disclosures on Fnac Darty S.A. can be found in the table below:

	Fnac Darty S.A.	
€ million	30/09/2023	30/09/2024
Size of share (in %)	23.41	23.41
Pro rata stock market value	151	202
Carrying amount	250	272
Disclosures on the income statement	**H1 2023[1]**	**H1 2024[2]**
Sales	3,344	3,390
Post-tax earnings from continuing operations	–163	–75
Post-tax earnings from discontinued operations	29	2
Other comprehensive income	–2	6
Total comprehensive income	–136	–68
Dividends paid to the Group	9	3
Disclosures on the statement of financial position	**30/06/2023[1]**	**30/06/2024[2]**
Non-current assets	3,879	3,922
Current assets	2,116	2,319
Non-current liabilities	2,067	2,083
Current liabilities	2,573	2,701

[1] Disclosures in accordance with the interim financial report as of 30/06/2023 for the period 01/01/2023 to 30/06/2023
[2] Disclosures in accordance with the interim financial report as of 30/06/2024 for the period 01/01/2024 to 30/06/2024

A pro rata loss in the amount of €4 million (2022/23: €0 million) was recognised in EBIT in financial year 2023/24, as a result of the subsequent measurement of the investment in Power Retail Sweden AB accounted for using the equity method. The published annual report for the past calendar year and other unpublished financial information of Power Retail Sweden AB serve as the basis for the update.

23. RECEIVABLES DUE FROM SUPPLIERS, OTHER FINANCIAL ASSETS AND OTHER ASSETS

	30/09/2023			30/09/2024		
		Remaining term			Remaining term	
€ million	Total	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year
Receivables due from suppliers	**1,207**	**1,207**	**0**	**1,292**	**1,292**	**0**
Securities	0	0	0	0	0	0
Miscellaneous financial assets	125	123	2	142	140	2
Other financial assets	**125**	**123**	**2**	**142**	**140**	**2**
Other current tax assets	106	106	0	125	125	0
Prepaid expenses and deferred charges	56	53	3	67	55	12
Miscellaneous other assets	5	5	0	1	1	0
Other assets	**166**	**163**	**3**	**192**	**181**	**12**

Receivables due from suppliers totalling €1,292 million (30/09/2023: €1,207 million) primarily include both invoiced receivables and accruals for subsequent supplier compensation, such as staggered bonuses based on the calendar year, which depend on expected purchasing volumes, and advertising subsidies.

Other financial assets increased to €142 million (30/09/2023: €125 million). A significant component of miscellaneous financial assets is formed by refund claims against a bank from the sale of receivables in the mobile communications area.

Other current tax assets include input taxes that cannot yet be offset of €65 million (30/09/2023: €50 million), VAT refund claims of €53 million (30/09/2023: €49 million) and other current tax assets of €7 million (30/09/2023: €7 million).

Prepaid expenses include accrued rent, lease and interest prepayments and other deferrals.

24. DEFERRED TAX ASSETS/DEFERRED TAX LIABILITIES

The recognised deferred tax assets on loss carryforwards and temporary differences amount before offsetting to €966 million (30/09/2023: €898 million) and have increased by €51 million compared to 30 September 2023. The balance sheet item Financial liabilities was calculated for both the current and the previous year in due consideration of the new regulations of IAS 12.

In financial year 2023/24, CECONOMY AG recognised deferred tax assets on temporary differences of €641 million between the carrying amounts recognised in the consolidated financial statements and the tax bases of assets and liabilities. Deferred tax assets were also recognised on interest carryforwards in the amount of €325 million capitalised.

The profit and loss transfer chain entered into by contract in the 2021/22 financial year as a result of the Convergenta transaction was expanded in the current financial year to include Media-Saturn Holding GmbH. As a result of the consolidated tax group, taxable income of the Media-Saturn Group can now be transferred to CECONOMY AG and offset against the tax loss carryforwards and temporary differences. Against this backdrop and the positive development of the corporate planning, additional deferred taxes on loss carryforwards totalling €29 million were capitalised in the 2023/24 financial year. The application of IAS 29 increases the deferred tax assets by €3 million.

Deferred tax liabilities before offsetting amount to €625 million (30/09/2023: €616 million) and have by €9 million compared to 30 September 2023. The balance sheet item right-of-use assets was calculated for both the current year and the previous year in due consideration of the new regulations of IAS 12.

Deferred tax assets and liabilities are offset within each company or tax group. After offsetting, deferred tax assets of €356 million deferred tax liabilities of €15 million are recognised as of 30 September 2024. Due to the further expansion of the tax group in financial year 2023/24, the offsetting amount has increased slightly, resulting in a decrease in deferred tax liabilities.

The deferred taxes relate to the following statement of financial position items:

€ million	30/09/2023		30/09/2024	
	Active[1]	Passive[1]	Assets	Liabilities
Goodwill	0	3	0	4
Other intangible assets	1	29	3	41
Property, plant and equipment	5	18	8	16
Inventories	25	1	31	5
Receivables and other assets (including right-of-use assets)	22	496	22	520
Provisions for post-employment benefits plans and similar obligations	30	7	68	2
Other provisions	21	12	16	4
Borrowings (including lease liabilities)	529	10	469	7
Other financial and non-financial liabilities	23	22	46	26
Outside basis differences	0	1	0	1
Write-downs of temporary differences	−18	0	−23	0
Loss carryforwards	260	0	325	0
Subtotal before offsetting	**898**	**599**	**966**	**625**
Offsetting	−530	−530	−609	−609
Carrying amount of deferred taxes	**368**	**69**	**356**	**15**

[1] The gross recognition of deferred taxes according to the previous year's comparison column has been partially adjusted in the above table compared to the presentation in the previous year's annual report in order to improve clarity and comprehensibility. This has no effect on the deferred taxes shown in the consolidated statement of financial position in the previous year.

The loss and interest carryforwards in the Group as a whole are presented in the table below:

€ million	30/09/2023	30/09/2024
Corporate tax losses	2,096	3,462
Trade tax losses	2,063	3,323
Interest carry-forwards/other carry-forwards	97	58

Of the corporate income tax loss carryforwards as of 30 September 2024, €2,852 million (30/09/2023: €1,590 million) is attributable to German companies and €610 million (30/09/2023: €505 million) to foreign companies. The trade tax loss carryforwards include €152 million (30/09/2023: €122 million) loss carryforwards relating to local taxes of companies outside Germany.

The increase in tax loss carryforwards relates primarily to CECONOMY AG and results from a valuation adjustment identified in the past financial year 2023/24 in the course of a tax audit for previous years (facts originating in the assessment period 2016). The effect on the amount of corporate income tax and trade tax loss carryforwards is €1,230 million in each case. This has no effect on the deferred taxes as of the closing date. There is currently legal uncertainty regarding this matter.

In addition to the interest carryforward of €28 million (30/09/2023: €64 million), a carryforward item within the meaning of section 4f of the German Income Tax Act (EStG) arose in the 2017/18 financial year in connection with the disposal of certain pension obligations, which will be reversed over 15 years and which amounted to €30 million (30/09/2023: €33 million) as of 30 September 2024.

With regard to the loss and interest carryforwards and temporary differences in the Group as a whole (see table above), no deferred tax assets are recognised on the basis of a current five-year plan in the following amounts, as it is unlikely that the claims will be realised in the short to medium term:

€ million	30/09/2023	30/09/2024
Corporate tax losses	1,213	2,489
Trade tax losses	1,325	2,353
Interest carryforwards/other carryforwards	33	0
Temporary differences	83	91

In accordance with IAS 12 (Income Taxes), deferred tax liabilities must be recognised for the difference between the pro rata equity of a subsidiary recognised in the consolidated statement of financial position and the carrying amount of the investment for this subsidiary in the parent company's tax accounts (known as outside basis differences) if realisation is expected. These differences are primarily due to retained earnings at German and foreign subsidiaries. No deferred taxes were calculated on these retained earnings because they are reinvested for an indefinite period or are not subject to taxation. Any dividends from subsidiary corporations would be subject to dividend taxation. Dividends from countries outside Germany could also trigger withholding tax. As of 30 September 2024, deferred tax liabilities from outside basis differences of €1 million (30/09/2023: €1 million) were recognised for planned dividend payments.

The table below shows the tax effects on the components of other comprehensive income:

			2022/23			2023/24
€ million	Before taxes	taxes	After taxes	Before taxes	taxes	After taxes
Currency translation differences from the translation of the financial statements of foreign operations	−65	2	−63	12	0	12
thereof currency translation differences from net investments in foreign operations	(−6)	(2)	(−4)	(0)	(0)	(0)
Valuation effects on financial instruments measured at fair value through other comprehensive income	−20	0	−20	−16	0	−16
Remeasurement of defined benefit pension plans	−13	9	−4	−26	14	−13
Subsequent measurement of associates/joint ventures that are accounted for using the equity method	1	0	1	−3	0	−3
	−97	**11**	**−86**	**−33**	**14**	**−19**

25. INVENTORIES

Inventories increased by €196 million from €2,918 million to €3,114 million. The increase can primarily be attributed to the DACH segment, accounting for €99 million, and Eastern Europe, accounting for €43 million.

Inventories include impairments totalling €80 million (30/09/2023: €73 million).

CECONOMY's inventories are subject to retentions of title customary under industry standards.

Inventories include assets in connection with rights of return totalling €16 million (30/09/2023: €15 million).

26. TRADE RECEIVABLES AND SIMILAR CLAIMS

€ million	30/09/2023	30/09/2024
Trade receivables	210	221
Contract assets	280	339
Trade receivables and similar claims	**490**	**560**
thereof remaining term ≤12 months	(358)	(411)
thereof remaining term > 12 months	(132)	(149)

The contract assets of €339 million (30/09/2023: €280 million) primarily represent claims for commission from mobile phone providers. This increase is mainly due to the business of brokering contracts, such as mobile phone contracts and insurance policies. As soon as the claim from a contract asset is substantiated, it is transferred to trade receivables.

The item Trade receivables and similar claims recognised under current assets includes line items with a remaining term of more than one year amounting to €149 million (30/09/2023: €132 million), which result primarily from claims against mobile phone providers.

Both trade receivables and contract assets contain continuing involvements from factoring programmes.

As part of the revolving sale of receivables from the Swiss customer financing programme, PayRed Card Services AG guarantees to service a limited number of customer defaults. A continuing involvement in the amount of the cumulative nominal volume of the default guarantees provided of €15 million (30/09/2023: €15 million) was recognised as a liability and the customer receivables in the same amount were not fully derecognised. As of 30 September 2024, the carrying amount of the original asset was €96 million (30/09/2023: €90 million).

The risk that a high default on receivables from Swiss customer receivables that have already been sold will impact CECONOMY's earnings is limited to the cumulative nominal volume of the default guarantee. Opportunities can arise where a low bad debt ratio leads to lower utilisation of the default guarantees.

There are no restrictions regarding the transferred assets.

Revolving commission receivables due from contract partners in the mobile communications area are sold within the framework of two other factoring programmes. CECONOMY provides guarantees here for partial defaults by the end customer up to a maximum amount of €64 million (30/09/2023: €59 million). Thus, a continuing involvement was recognised as a liability and the customer receivables in the same amount were not fully derecognised. The carrying amount of the original asset is €180 million as of 30 September 2024 (30/09/2023: €168 million).

The risk that a high default on receivables from receivables that have already been sold will impact CECONOMY's earnings is limited to the cumulative nominal volume of the default guarantee. This risk is accounted for in the form of a provision of €13 million (30/09/2023: €12 million). Opportunities can arise where a low bad debt ratio leads to lower utilisation of the default guarantees.

There are no restrictions regarding the transferred assets.

↗ Information on the impairments can be found in note 33.1 Impairments of capitalised financial instruments and contract assets

27. EQUITY

The subscribed capital has not changed in terms of the amount and composition compared to 30 September 2023 and amounts to €1,240,448,004.17. It is divided as follows:

No-par value bearer shares, pro rata value per share in the share capital approx. €2.56		30/09/2023	30/09/2024
	Number	485,221,084	485,221,084
Ordinary shares	approximately €	1,240,448,004	1,240,448,004
Total shares	**Number**	**485,221,084**	**485,221,084**
Total share capital	**€ approx.**	**1,240,448,004**	**1,240,448,004**

Each ordinary share carries one vote.

Authorized Capital

The General Meeting held on 12 April 2022 authorized the Management Board, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 11 April 2027 up to a maximum of €321,600,000 by issuing new ordinary bearer shares in exchange for contributions in cash and/or in kind (Authorized Capital 2022/I).

The General Meeting held on 12 April 2022 also authorized the Management Board, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 11 April 2027 up to a maximum of €112,560,000 by issuing new ordinary bearer shares in exchange for contributions in cash and/or in kind (Authorized Capital 2022/II).

The Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain, pre-defined cases. Authorized Capital 2022/I and Authorized Capital 2022/II have not yet been utilized.

Contingent capital

The General Meeting held on 12 April 2022 resolved to contingently increase share capital by up to €89,476,079.21, divided into up to 35,000,000 no-par value ordinary bearer shares (Contingent Capital 2022/I). This contingent capital increase relates to the issuing of convertible bonds with a total nominal amount of €151,000,000, divided into 1,510 equal bearer partial bonds with a nominal amount of €100,000 ("convertible bonds"), in exchange for contributions in kind and serves exclusively to grant shares to the holders of convertible bonds. The convertible bonds grant their holders conversion rights to an initial total of up to 27,859,778 no-par value ordinary bearer shares in CECONOMY AG, each with a pro rata amount of the share capital of around €2.56 ("conversion shares"). Statutory subscription rights for shareholders were excluded. All convertible bonds were issued to Convergenta Invest GmbH.

The General Meeting held on 12 April 2022 also resolved to contingently increase share capital by up to €127,825,000, divided into up to 50,000,000 ordinary bearer shares (Contingent Capital 2022/II). This contingent capital increase relates to a Management Board authorization, with the approval of the Supervisory Board, to issue bearer warrant or convertible bonds (jointly "bonds") on one or more occasions until 11 April 2027 in a total nominal amount of up to €1,000,000,000, and to grant or impose warrant rights or obligations on the holders of warrant bonds and conversion rights or obligations on the holders of convertible bonds for the ordinary bearer shares of CECONOMY AG with a pro rata amount of the share capital totalling up to €127,825,000 in accordance with the terms and conditions of the respective warrant or convertible bond, or to grant CECONOMY AG the right to grant ordinary shares in CECONOMY AG or another listed company in full or in part instead of repaying the bonds in cash. The Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain, pre-defined cases. No warrant and/or convertible bonds have yet been issued on the basis of the authorization described above.

The General Meeting held on 12 April 2022 further resolved to contingently increase share capital by up to €44,738,750, divided into up to 17,500,000 ordinary bearer shares (Contingent Capital 2022/III). This contingent capital increase relates to a Management Board authorization, with the approval of the Supervisory Board, to issue bearer warrant or convertible bonds (jointly "bonds") on one or more occasions until 11 April 2027 in a total nominal amount of up to €350,000,000, and to grant or impose warrant rights or obligations on the holders of warrant bonds and conversion rights or obligations on the holders of convertible bonds for the ordinary bearer shares of CECONOMY AG with a pro rata amount of the share capital totalling up to €44,738,750, in accordance with the terms and conditions of the respective warrant or convertible bond, or to grant CECONOMY AG the right to grant ordinary shares in CECONOMY AG or another listed company in full or in part instead of repaying the bonds in cash. The Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain, pre-defined cases. No warrant and/or convertible bonds have yet been issued on the basis of the authorization described above.

Acquisition of treasury shares
On the basis of Sec. 71 para. 1 no. 8 AktG, the General Meeting held on 12 April 2022 authorized the company to purchase treasury shares of any share class until 11 April 2027 that represent a total of no more than ten per cent of the share capital at the time this authorization becomes effective or – if this value is lower – of the share capital at the time such authorization is exercised. This authorization has not yet been exercised by the company or by an independent business or a business in which the company holds a majority interest, or by another business acting on behalf of the company or on behalf of an independent business or a business in which the company holds a majority interest.

↗ Further information on authorized capital, contingent capital and the authorization to issue warrant or convertible bonds and to purchase treasury shares can be found in the combined management report - Disclosures in accordance with Sec. 315a sentence 1 HGB and Sec. 289a sentence 1 HGB and explanatory report by the Management Board.

Capital reserve
The capital reserve amounts to €389 million (30/09/2023: €389 million).

Reserves retained from earnings
Reserves retained from earnings include the cumulative other comprehensive income and other reserves retained from earnings.

€ million	30/09/2023	30/09/2024
Valuation effects on financial instruments measured at fair value through other comprehensive income	−160	−176
Currency translation differences from translating the financial statements of foreign operations	−43	−31
Remeasurement of defined benefit pension plans	−216	−242
Subsequent measurement of associates/joint ventures, accounted for using the equity method	−211	−190
Income tax attributable to items of other comprehensive income	54	68
Other reserves retained from earnings	−589	−542
	−1.166	**−1,113**

The €53 million increase in reserves retained from earnings in financial year 2023/24 is primarily due to the positive profit or loss for the period of €76 million attributable to the shareholders of CECONOMY AG. This was offset by other comprehensive income of €−19 million. This is primarily the result of negative valuation effects on financial instruments measured at fair value through other comprehensive income (OCI) and the remeasurement of defined benefit pension plans. In the past financial year 2023/24, the gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income (OCI) of €−16 million (2022/23: €−20 million) relate to the subsequent measurements of the PJSC "M.video" investment of €−10 million (2022/23: €−18 million) and the METRO AG investment of €−6 million (2022/23: €−2 million). The other comprehensive income in financial year 2023/24 from there measurement of defined benefit pension plans amounts to €−26 million (2022/23: €−13 million). Both the other comprehensive income from currency effects arising from the translation of the financial statements of foreign operations totalling €12 million (2022/23: €−65 million) and the income taxes attributable to components of other comprehensive income in the amount of €14 million (2022/23: €11 million) improve the other comprehensive income.

The distributions in the 2023/24 financial year amount to €5 million (2022/23: €2 million) and relate to minority shareholders whose shares are recognised in full as liabilities due to put options.

↗ An overview of the tax effects on components of other comprehensive income can be found in note 24 Deferred tax assets/deferred tax liabilities.

Non-controlling interests
Non-controlling interests include third-party interests in the equity of consolidated subsidiaries and amounted to €−1 million as of 30 September 2024 (30/09/2023: €2 million).

There were no material non-controlling interests as of 30 September 2024.

Appropriation of the net retained profit, dividends
The dividend distribution of CECONOMY AG is based on the annual financial statements of CECONOMY AG in accordance with German commercial law.

The annual financial statements of CECONOMY AG as of 30 September 2024, prepared in accordance with the provisions of the German Commercial Code (HGB) report balance sheet profit in the amount of €242 million for financial year 2023/24 after allocation of €102 million to other reserves retained from earnings in accordance with Sec. 272 para. 3 HGB. Partly due to the capitalisation of deferred tax assets in the statement of financial position as of 30 September 2024, balance sheet profit is blocked from distribution in accordance with Sec. 268 para. 8 HGB in the amount of €138 million. An amount of €104 million is therefore eligible for distribution.

In order to strengthen equity and preserve the company's liquidity, the Management Board and the Supervisory Board propose to carry forward €138 million of the balance sheet profit for the financial year 2023/24 totalling €242 million as reported in the approved annual financial statements as of 30 September 2024 to new account and to transfer €104 million to retained earnings.

28. PROVISIONS FOR POST-EMPLOYMENT BENEFITS PLANS AND SIMILAR OBLIGATIONS

Provisions for post-employment benefit plans are recognised in accordance with the regulations of IAS 19 (Employee Benefits).

The provisions for post-employment benefit plans include obligations that mostly relate to benefits granted under company pension schemes. These are defined benefit claims from direct commitments (employer's commitments) and from external pension providers (benevolent funds in Germany and pension funds or insurance companies outside Germany). The external provider's assets serve exclusively to finance pension claims and qualify as plan assets. The pension benefits are based on income and length of service in accordance with the respective benefit plans; the benefits based on length of service are granted on the basis of fixed amounts.

The most important defined benefit pension plans are described below:

- CECONOMY grants employees in **Germany** a commitment to retirement, disability and surviving dependants' benefits. New commitments are granted in the form of defined benefit commitments within the meaning of IAS 19 (defined contribution commitments within the meaning of the German Company Pensions Act), which include a deferred compensation component and an employer-matching component. The contributions are paid into a pension reinsurance policy, from which the benefits due are granted in the event of a pension claim. A provision is recognised for claims not covered by the reinsurance policy.

- In addition, there are also various pension plans that can no longer be taken out but that generally provide for lifetime pensions from retirement or from the time of a recognised disability. Benefits are for the most part defined as a fixed amount or as an annual increase. In special cases, benefits are calculated taking into account statutory pensions. These commitments provide for widower's/widow's benefits in varying amounts depending on the benefit that the former employee received or would have received in the event of disability. The old commitments are partly covered by assets held in provident funds, while the parts not covered by assets are covered by a provision. The bodies (Management Board, General Meeting and Advisory Board) of the benevolent funds are composed of both employer representatives and representatives of the beneficiaries. The Management Board is responsible for deciding on the use of funds and investments. It can engage third parties to manage the fund assets. There are no statutory minimum funding requirements. In the event that agreed benefits cannot be provided from the benevolent fund’s assets, the employer must provide these benefits directly.

- CECONOMY spun off a significant portion of the existing pension obligations to former employees to an independent company in the 2017/2018 financial year as part of the German Reorganisation Act and subsequently sold this company. Due to the continuing liability under the German Transformation Act, the benefits due in the first ten years after the hive-down continue to be recognised by CECONOMY. The company's assets that are used exclusively to cover pension obligations are credited to CECONOMY's plan assets. The value of the assets covers the obligations. In addition, there is a bank guarantee for the continuing liability that would take effect in the event of any payment obligations. Therefore, the asset value was recognised at the amount of the obligations.

- In **Switzerland**, the Federal Law on Occupational Retirement, Survivors’ and Disability Benefit Plans (BVG) imposes a legal requirement on the employer to insure their employees in a benefit plan. The statutory minimum benefits set out a defined pension plan with a guaranteed interest rate. The BVG also sets minimum contributions. Contributions are paid into a pension fund as a percentage of the pensionable salary and converted into retirement benefits upon retirement using conversion rates. The retirement plans are available to new employees. The pension fund takes the legal form of a foundation. Pension plans in Switzerland are recognised as defined benefit plans. CECONOMY grants employees in Switzerland additional pension commitments over and above the statutory minimum entitlement.

- Additional pension schemes are recognised in sum under **Other countries**.

The table below gives an overview of the percentage breakdown of the present value of defined benefit obligations for CECONOMY countries with material obligations:

%	30/09/2023	30/09/2024
Germany	82	83
Switzerland	15	14
Other countries	3	3
	100	**100**

CECONOMY’s plan assets are split in percentage terms between the following countries:

%	30/09/2023	30/09/2024
Germany	57	50
Switzerland	43	50
Other countries	0	0
	100	**100**

The above-mentioned obligations are assessed on the basis of actuarial calculations in accordance with the relevant principles of IAS 19. Measurements are based on the legal, economic and tax situation in each country.

The average assumptions for the key parameters shown below were based on measurements calculated on the basis of actuarial calculations.

			30/09/2023			30/09/2024
%	Germany	Switzerland	Other countries	Germany	Switzerland	Other countries
Actuarial interest rate	4.10-4.40	1.95	5.22	3.20-3.50	1.25	4.59
Pension trend	2.20	0.00	n/a	2.00	0.00	n/a

For the material part of the obligation in Germany (CECONOMY AG and CECONOMY Retail GmbH), the present value of defined benefit obligations is measured at an actuarial interest rate of 3.20 per cent, which is determined on the basis of the yield of high-quality corporate bonds and the term of the underlying obligations. For the companies of the MediaMarktSaturn Retail Group in the eurozone (Germany, Austria and Italy), a uniform actuarial interest rate of 3.50 per cent is used, which is based on the corresponding average duration of the obligations in these countries. For countries without a liquid market to set interest rates of suitable corporate bonds, yields on government bonds were used as a reference when setting the actuarial interest rate instead.

In the current year, the calculation of the discount rate required a refinement in the definition of the bonds that are included in the derivation of the yield curve in the eurozone. If the actuarial interest rate had been calculated as of 30 September 2024 without this adjustment, the actuarial interest rate would have been 10 basis points higher for CECONOMY and the defined benefit obligation would have been around €2.4 million lower.

In addition to the actuarial interest rate, the pension trend represents another key actuarial parameter. The rate of pension growth in Germany is based on inflation, to the extent that pension adjustments are to be determined with the rise in costs of living. In addition to the long-term pension trend of 2.0 per cent per annum, a one-off pension adjustment of 15.6 per cent was taken into account for the benefit increases due in 2025 and a one-off pension adjustment of 8.6 per cent was taken into account for the benefit increases due in 2026 when the present value of the defined benefit obligation was calculated. This takes account of the high rate of inflation in recent years and thus the significant increase in the cost of living in Germany, in so far as this will only be reflected in future pension adjustments. At the companies outside Germany, the plan includes a capital payment or it is assumed that current pensions will not be increased.

The mortality rate calculations for the German Group companies are based on the 2018 G mortality tables of Prof. Klaus Heubeck. Measurements on the basis of actuarial calculations for outside Germany are based on country-specific mortality tables.

The level of the other parameters used when measuring pension obligations corresponds to CECONOMY's long-term expectations.

A sensitivity analysis is presented below showing the key parameters of the measurement regarding the present value of defined benefit obligations. The actuarial interest rate and the inflation rate were identified as material parameters for the present value of defined benefit obligations. The sensitivity analysis used the same methods as in the previous year. Changes to the parameters that are considered reasonably possible were taken into consideration. Stress tests or worst-case scenarios, on the other hand, are not included in the sensitivity analysis. The range of potential parameter changes was selected based on past observations over a number of years. The fact that potential future developments were inferred almost exclusively on the basis of past figures represents a methodological limitation.

The impact on the present value of defined benefit obligations of the actuarial interest rate increasing/decreasing by 100 basis points or the inflation rate increasing/decreasing by 25 basis points is shown below:

			30/09/2023			30/09/2024	
€ million		Germany	Switzerland	Other countries	Germany	Switzerland	Other countries
Actuarial interest rate	Increase by 100 basis points	−21.20	−5.60	−1.50	−21.40	−6.10	−1.40
	Decrease by 100 basis points	23.90	7.40	1.70	24.30	7.40	1.60
Pension trend	Increase by 25 basis points	4.10	1.30	0.00	4.20	1.30	0.00
	Decrease by 25 basis points	−4,00	0.00	0.00	−4.10	0.00	0.00

The influence of changes in employee turnover and mortality assumptions was analysed for the material plans. The resulting effects from an increase in life expectancy by one year amount to around four per cent to five per cent of the total obligation for plans that grant lifelong benefits. The resulting effects from employee turnover assumptions were assessed as immaterial and were not shown separately.

CECONOMY's commitments to defined benefit pension claims expose it to various risks. These include the general actuarial risks arising from the measurement of the pension obligation (e.g. interest rate, inflation and longevity risks) and capital and investment risks for the plan assets.

With regard to the financing of future pension payments from indirect commitments and stable actuarial reserves, CECONOMY invests plan assets primarily in low-risk types of investment. Financing for direct pension commitments is secured by CECONOMY’s operating cash flow.

The percentage breakdown of the fair value of plan assets among the individual asset categories is as follows:

		30/09/2023		30/09/2024
	%	€ million	%	€ million
Fixed-interest securities	16	34	20	41
Shares, funds	14	29	16	34
Real estate	27	57	23	47
Other assets	43	92	41	83
	100	**212**	**100**	**205**

Fixed-interest securities, shares and funds are regularly traded on active markets. Market prices are thus available. Within the "fixed-interest securities" asset category, investments are made only in corporate bonds, government bonds and German covered bonds with a high credit rating (investment grade). Geographical diversification minimizes the risk in the “shares and funds” category.

The portfolio of other assets primarily comprises receivables from insurance companies in Germany. These are top insurance companies. Real estate assets and insured benefits are not traded on an active market.

The actual income from plan assets amounts to €9 million in the reporting period (2022/23: €15 million).

For financial year 2024/25, employer payments to external pension providers of €4 million and employee contributions of €3 million to plan assets are expected, where these contributions will be incurred in Switzerland and Germany. The expected benefit payments of the next ten years break down as follows:

€ million	
Benefit payments 2024/25	52
Benefit payments 2025/26	48
Benefit payments 2026/27	45
Benefit payments 2027/28	42
Benefit payments 2028/29	36
Benefit payments 2029/2030–2033/2034	141

The changes in the present value of defined benefit obligations are as follows:

€ million	2022/23	2023/24
Present value of defined benefit obligations		
At beginning of period	515	495
Recognised through profit or loss	**20**	**21**
Interest expenses	17	19
Current service cost	2	2
Past service credit (including plan curtailments and amendments)	0	0
Expenses from settlements	1	0
Recognised under "Remeasurement of defined benefit pension plans" through other comprehensive income (OCI)	**32**	**16**
Actuarial gains/losses from change		
in demographic assumptions (–/+)	0	0
in financial assumptions (–/+)	8	28
due to experience adjustments (–/+)	24	–12
Other effects	**–72**	**–48**
Benefit payments (incl. tax payments)	–55	–55
Contributions from plan participants	3	4
Change in consolidation group/transfers	–18	2
Currency effects	–2	1
At end of period	**495**	**484**

Changes in the actuarial parameters led to an overall increase in the present value of the defined benefit obligation of €28 million (2022/23: increase of €8 million). For the most part, the effects result from the decline in the actuarial interest rate, partially offset by the decline in the expected adjustments to current benefits.

The weighted average duration of defined benefit obligation for the countries with material pension obligations was:

Years	30/09/2023	30/09/2024
Germany	6	7
Switzerland	12	10
Other countries	11	10

The present value of defined benefit obligations is allocated to the individual groups of beneficiaries as follows:

%	30/09/2023	30/09/2024
Active members	14	15
Former claimants	9	10
Pensioners	77	75

The fair value of plan assets developed as follows:

€ million	2022/23	2023/24
Change in plan assets		
Fair value of plan assets as of beginning of period	227	212
Recognised through profit or loss	**6**	**6**
Interest income	6	6
Recognised through other comprehensive income under "Remeasurement of defined benefit pension plans"	**9**	**3**
Gain/loss on plan assets not including return on plan assets (+/-)	9	3
Other effects	**–30**	**–16**
Benefit payments (including tax payments)	–35	–36
Settlement payments	0	0
Employer contributions	3	12
Contributions from plan participants	3	4
Change in consolidation group/transfers	0	2
Currency effects	–1	2
Fair value of plan assets as of end of period	**212**	**205**

€ million	30/09/2023	30/09/2024
Financing status		
Present value of defined benefit obligations	495	484
Fair value of plan assets	–212	–205
Asset adjustment (asset ceiling)	17	33
Net liability/asset	**300**	**312**
thereof recognised as provision	(–300)	(–312)
thereof recognised as net assets	(0)	(0)

At the company in Switzerland, the plan assets exceeded the value of the obligation at the closing date. As the company cannot derive any economic benefit from the overfunding, the balance sheet amount was reduced to €0 in accordance with IAS 19.64 (b). The effect of the asset ceiling changed as follows:

€ million	30/09/2023	30/09/2024
Changes in the effect of the asset ceiling		
Asset adjustment at the start of the period	27	17
Interest expenses	1	0
Asset adjustment recognised in other comprehensive income	–10	15
Currency effects	–1	1
Asset adjustment at the end of the period	**17**	**33**

The movements described above result in the following changes in the net provision:

€ million	30/09/2023	30/09/2024
Change in the net provision		
Net provision at the start of the period	314	300
Effects recognised in the income statement	15	15
Changes recognised in other comprehensive income	13	28
Employer contributions	–3	–12
Direct benefit commitments (including tax payments)	–20	–19
Change in consolidation group/transfers	–18	0
Currency effects	–1	0
Net provision at the end of the period	**300**	**312**

The pension expenses from direct and indirect commitments of the post-employment benefit plans break down as follows:

€ million	2022/23	2023/24
Current service cost[1]	2	2
Net interest expenses	12	13
Past service credit (including plan curtailments and amendments)	0	0
Settlements	1	0
Other pension expenses	0	0
Pension expenses	**15**	**15**

[1] Contributions from employees are set off here.

In addition to the expenses from defined benefit pension commitments, expenses for defined contribution pension commitments were incurred for payments to external pension providers in the financial year totalling €23 million (2022/23: €24 million) and for payments to statutory pension insurance providers totalling €176 million (2022/23: €156 million).

MediaMarkt Netherlands participates in a defined benefit multi-employer plan, which has been classified as a defined contribution pension plan, as the obligations and assets attributable to CECONOMY cannot be quantified. This plan is typical for the Netherlands and is subject to strict regulations. In the event of a shortfall in cover, MediaMarkt Netherlands is not obliged to compensate for this shortfall by making higher contributions in the future. In the event of a surplus, MediaMarkt Netherlands has no claim to this income. More than 32,000 companies in the retail industry participate in the plan, where contributions are collected for a total of more than 360,000 employees from all the companies. MediaMarkt Netherlands currently makes contributions to the plan for 5,972 employees. The contributions are calculated for five years. These correspond to a fixed percentage of an employee's salary (currently 24.75 per cent), where the employee pays part of the contributions if their salary is higher than €17,522 and no further contributions are payable if their salary is higher than €71,628. Contributions totalling around €11.2 million are expected to be made to the "Bedrijfs pen sioenfonds voor de Detailhandel" in financial year 2023/24. The coverage ratio was 123.5 per cent in September 2024 (September 2023: 122.6 per cent). On settlement of or withdrawal from the plan, MediaMarkt Netherlands is not obliged to make up any shortfalls and also will not share in any asset surplus.

Provisions for obligations similar to pensions primarily include obligations from jubilee and death benefits, continued salary payments in the event of death and partial retirement arrangements. Provisions totalling €15 million (30/09/2023: €16 million) were recognised for these obligations. The obligations are measured on the basis of actuarial reports. The measurement parameters used are essentially identical to those of the post-employment benefit plans.

29. OTHER PROVISIONS (NON-CURRENT)/PROVISIONS (CURRENT)

Other provisions (non-current)/provisions (current) developed as follows in the reporting period:

€ million	Commitments related to real estate	Obligations from trade transactions	Taxes	Miscellaneous	Total
As of 30/09 / 01/10/2023	**67**	**15**	**8**	**80**	**170**
Currency translation	0	0	0	−1	−1
Addition	23	17	46	49	135
Reversals	−13	0	0	−28	−41
Utilisation	−5	−13	−44	−20	−81
Change in consolidation group	0	0	0	0	0
Interest portion in addition/change in interest rate	1	0	0	0	1
Reclassifications to IFRS 5	0	0	0	0	0
Transfer	−2	0	0	0	−2
As of 30/09/2024	**71**	**18**	**10**	**81**	**180**
Long-term	37	0	10	41	88
Short-term	34	18	0	40	93
As of 30/09/2024	**71**	**18**	**10**	**81**	**180**

The provisions for real estate-related obligations relate to obligations from rental agreements, such as incidental rental costs, totalling €34 million (30/09/2023: €28 million) and asset retirement obligations totalling €37 million (30/09/2023: €38 million).

As in the previous year, the provisions for tax risks mainly include provisions for VAT matters.

Miscellaneous provisions include provisions arising from obligations to former employees of €22 million (30/09/2023: €22 million), provisions for guarantee and warranty risks of €13 million (30/09/2023: €12 million), provisions for severance payments of €5 million (30/09/2023: €21 million), provisions for legal risks of €5 million (30/09/2023: €7 million) and provisions for interest on tax provisions of €3 million (30/09/2023: €4 million).

It is assumed that the current portion of the provisions totalling €93 million will lead to payments within one year. The portion of provisions recognised as non-current of €88 million includes other provisions of €41 million, which primarily relate to obligations to former employees of €22 million, to provisions for guarantee and warranty risks of €13 million and interest on tax provisions of €3 million. The real estate-related obligations relate to provisions for asset retirement obligations. For these types of provisions, the pay-out dates are related to the respective remaining terms of the rental agreements.

↗ Additional information on provisions for share-based payments included in miscellaneous provisions can be found in note 42 Long-term incentive for Exectuives.

The interest rates for non-interest-bearing non-current provisions range between 0.38 and 36.23 per cent (30/09/2023: 1.05 and 27.34 per cent) depending on the term, country and currency.

30. LIABILITIES

		Remaining term				Remaining term		
€ million	**30/09/2023 Total**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**	**30/09/2024 Total**	**Up to 1 year**	**1 to 5 years**	**Over 5 years**
Trade payables and similar liabilities	**5,320**	**5,249**	**71**	**0**	**5,824**	**5,747**	**77**	**0**
thereof notes payable (non-interest-bearing)	(508)	(508)	(0)	(0)	(463)	(463)	(0)	(0)
Bonds	645	27	617	0	779	13	766	0
Liabilities to banks	33	33	0	0	54	54	0	0
Promissory note loans	122	50	72	0	72	1	72	0
Lease liabilities	1,784	474	1,119	192	1,725	467	1,048	210
Borrowings	**2,584**	**584**	**1,808**	**192**	**2,630**	**535**	**1,885**	**210**
Payroll liabilities	272	272	0	0	239	239	0	0
Liabilities from other financial transactions	0	0	0	0	0	0	0	0
Miscellaneous financial liabilities	145	134	1	10	138	125	0	13
Other financial liabilities	**417**	**405**	**1**	**10**	**378**	**364**	**0**	**13**
Other tax liabilities	230	230	0	0	200	200	0	0
Deferred income	15	11	3	0	28	19	9	0
Miscellaneous non-financial liabilities	8	8	0	0	1	1	0	0
Other liabilities	**252**	**249**	**3**	**0**	**230**	**220**	**9**	**0**
Income tax liabilities	**43**	**43**	**0**	**0**	**35**	**35**	**0**	**0**
	8,615	**6,530**	**1,884**	**202**	**9,097**	**6,903**	**1,971**	**223**

31. TRADE PAYABLES AND SIMILAR LIABILITIES

€ million	30/09/2023	30/09/2024
Trade payables	5,034	5,509
Contract liabilities	211	236
Liabilities from continuing involvement	75	79
Trade payables and similar liabilities	**5,320**	**5,824**
thereof remaining term ≤12 months	(5,249)	(5,747)
thereof remaining term > 12 months	(71)	(77)

The contract liabilities result from payments received that have not yet been recognised as sales. These primarily include deferred revenue from the sale of vouchers totalling €143 million (30/09/2023: €132 million) and deferred revenue from the sale of extended warranties totalling €17 million (30/09/2023: €13 million). The sales recognised in financial year 2023/24 from performance obligations satisfied (or partially satisfied) in previous periods amounts to €129 million (30/09/2023: €145 million).

The item with a remaining term of more than one year totalling €77 million (30/09/2023: €71 million) primarily includes the recognition of the continuing involvement.

The liabilities from continuing involvement were recognised in connection with three factoring programmes. The relevant assets are reported under the "trade receivables and similar claims" item.

32. OTHER FINANCIAL LIABILITIES AND NON-FINANCIAL LIABILITIES

	30/09/2023			30/09/2024		
		Remaining term			Remaining term	
€ million	Total	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year
Payroll liabilities	272	272	0	239	239	0
Miscellaneous financial liabilities	109	98	11	98	84	13
Refund liabilities	36	36	0	41	41	0
Other financial liabilities	**417**	**405**	**11**	**378**	**364**	**13**
Other tax liabilities	230	230	0	200	200	0
Deferred income	15	11	3	28	19	9
Miscellaneous non-financial liabilities	8	8	0	1	1	0
Other liabilities	**252**	**249**	**3**	**230**	**220**	**9**

Material items in miscellaneous non-financial liabilities are liabilities from the acquisition of assets totalling €50 million (30/09/2023: €40 million), liabilities from the real estate sector totalling €9 million (30/09/2023: €12 million) and liabilities from put options held by non-Group shareholders totalling €13 million (30/09/2023: €11 million).

Other tax liabilities primarily includevalue added tax, payroll and church tax and land tax.

Deferred income includes deferred rent and advertising subsidies as well as other deferred items.

33. FINANCIAL INSTRUMENTS

33.1 Impairments of capitalised financial instruments and contract assets

Capitalised financial instruments are generally impaired via an allowance account, which reduces the carrying amount of the financial assets.

General approach

The method for calculating impairment is based on the general approach and has to be applied in principle to all financial instruments that are measured at amortised cost or at fair value through other comprehensive income with recycling and are not subject to the simplified approach.

In financial year 2023/24, CECONOMY applied the general approach, including stages 1 and 2, for the expected default risk exclusively for receivables due from suppliers. For all other financial instruments covered by the general approach, only impairments that have already occurred within the meaning of stage 3 and where the amount of the risk provision is immaterial are recognised.

The following table shows impairments on receivables due from suppliers for the gross carrying amounts:

€ million	Stage 1 Credit risk unchanged since recognition	Stage 2 Increased credit risk	Stage 3 Credit-impaired	30/09/2023 Total
Suppliers with investment grade credit ratings	541	0	0	541
Other suppliers	508	131	47	686
	1,049	**131**	**47**	**1,227**

€ million	Stage 1 Credit risk unchanged since recognition	Stage 2 Increased credit risk	Stage 3 Credit-impaired	30/09/2024 Total
Suppliers with investment grade credit ratings	571	0	0	571
Other suppliers	580	123	34	737
	1,150	**123**	**34**	**1,308**

The impairments in financial year 2023/24 for expected losses and losses already incurred for receivables due from suppliers correspond to the general approach and are presented below:

€ million	Stage 1 Credit risk unchanged since recognition	Stage 2 Increased credit risk	Stage 3 Credit-impaired	Total
Risk provisioning as of 30/09/2022	**2**	**1**	**14**	**16**
Newly granted/purchased financial assets	0	0	4	5
Remeasurement of impairment	0	0	0	0
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Sold financial assets	0	0	0	0
Other changes[1]	0	0	0	0
Risk provisioning as of 30/09/2023	**2**	**1**	**18**	**20**

[1] Other changes include currency translation differences, changes to the consolidation group and changes to model parameters/assumptions.

€ million	Stage 1 Credit risk unchanged since recognition	Stage 2 Increased credit risk	Stage 3 Credit-impaired	Total
Risk provisioning as of 30/09/2023	**2**	**1**	**18**	**20**
Newly granted/purchased financial assets	0	0	1	1
Remeasurement of impairment	0	0	0	0
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Sold financial assets	0	0	−5	−5
Other changes[1]	0	0	0	0
Risk provisioning as of 30/09/2024	**2**	**0**	**13**	**15**

[1] Other changes include currency translation differences, changes to the consolidation group and changes to model parameters/assumptions.

Receivables due from suppliers that were written down in financial year 2023/24 and are still subject to enforcement measures amount to €12 million (30/09/2023: €8 million).

Simplified approach

In financial year 2023/24, the simplified impairment approach was applied for trade receivables measured at amortised cost and for contract assets, in each case excluding the part attributable to a continuing involvement.

Risk provisions for this item are generally measured on the basis of impairment matrices. Receivables were pooled in various portfolios with similar risk elements in order to calculate the expected credit losses. These portfolios correspond to CECONOMY's operating segments and are based on similar economic conditions and economic characteristics of the business activities.

If an individual approach is not taken, impairment on trade receivables is recognised using the impairment matrix. The table below shows the gross carrying amounts:

€ million	Total carrying amount 30/09/2023	thereof not overdue, not impaired	thereof past due, not impaired: Due within the last 90 days	Past due for 91 to 180 days	Past due for 181 to 270 days	Past due for 271 to 360 days	Past due for more than 360 days
Expected default rate (in %)	1.9	0.7	2.3	11.1	14.0	21.7	32.4
Gross carrying amount excluding impaired receivables	125	103	16	2	2	1	2
Risk provisions	**2**	**1**	**0**	**0**	**0**	**0**	**1**

€ million	Total carrying amount 30/09/2024	thereof not overdue, not impaired	thereof past due, not impaired: Due within the last 90 days	Past due for 91 to 180 days	Past due for 181 to 270 days	Past due for 271 to 360 days	Past due for more than 360 days
Expected default rate (in %)	1.4	0.3	3.8	5.7	14.4	8.2	16.3
Gross carrying amount excluding impaired receivables	148	124	12	4	1	3	3
Risk provisions	**2**	**0**	**0**	**0**	**0**	**0**	**1**

In addition to the risk provisions specified in the table above, specific bad debt allowances amounting to €17 million (30/09/2023: €17 million) were recognised on the gross carrying amount of €170 million (30/09/2023 €156 million).

Trade receivables that were written down in the 2023/24 financial year and are still subject to enforcement measures amount to €16 million (30/09/2023: €19 million).

Trade receivables and contract assets due from mobile communications providers are measured individually using the individual providers' credit risks. As in the previous year, a small risk provision was recognised on a gross carrying amount of €331 million (30/09/2023: €280 million). Of the gross carrying amount, 80.8 per cent (30/09/2023 91.2 per cent) of the mobile communications providers have an investment grade rating and therefore a good to very good credit rating.

In addition to the above risk provisioning, no specific bad debt allowances were recognised on the gross carrying amount of trade receivables or contract assets due from mobile communications providers, as in the previous year.

€ million	2022/23	2023/24
Impairments as of 01/10 according to IFRS 9	**14**	**20**
Currency translation	0	0
Additions	15	12
Reversals	−5	−8
Reclassifications to IFRS 5	0	0
Utilisation	−4	−6
Transfers	0	1
Impairments as of 30/09 in accordance with IFRS 9	**20**	**19**

↗ Additional information on credit rating and credit risks can be found in note 36 Management of financial risks and in the notes to the Group accounting principles and methods.

33.2 Cash and cash equivalents

€ million	30/09/2023	30/09/2024
Cheques and cash on hand	61	53
Cash at bank and other current liquid financial assets	836	957
	897	**1,010**

↗ For details, please refer to the cash flow statement and note 34 Notes to the cash flow statement.

33.3 Borrowings

The term borrowings covers liabilities from bonds, liabilities to banks, promissory note loans and lease liabilities. Overall, borrowings increased by €46 million year-on-year from €2,584 million to €2,630 million.

CECONOMY AG utilises issues on the capital market for its medium and long-term financing. As of 30 September 2024, CECONOMY AG had several outstanding promissory notes with a total volume of €72 million and with a remaining term of up to three years.

CECONOMY AG also has two unsubordinated, unsecured and fixed-interest bonds outstanding with a term until 24 June 2026 and 15 July 2029. On 3 July 2024, CECONOMY AG issued a new bond in the amount of €500 million with a term maturing on 15 July 2029 . In addition, the tender offer for the bond issued in 2021 and maturing on 24 June 2026 was successfully completed on 5 July 2024. The total nominal amount of the bond issued in 2021 that was tendered and accepted for purchase was €356 million. The remaining nominal value of the bond issued in 2021 is therefore €144 million. CECONOMY AG used the gross proceeds from the new issue to finance the above-mentioned buyback. Depending on market conditions and the company's judgement, the unused gross issue proceeds may be used for repayment of the bond issued in 2021 at maturity or earlier. CECONOMY currently intends to repay the bond from 2021 upon maturity in 2026.

As part of the Convergenta transaction, CECONOMY AG also issued a convertible bond in favour of Convergenta Invest GmbH in June 2022 with a Nominal volume of €151 million and a term until 9 June 2027.

CECONOMY AG has a multi-currency commercial paper programme with a maximum volume of €500 million at its disposal for the procurement of short-term funds. Commercial paper outstanding as of 30 September 2024 were 5 million (30/09/2023: €25 million).

The Group had sufficient liquidity at all times. CECONOMY AG has comfortable liquidity reserves, which, in addition to the available liquidity, also consist of syndicated credit facilities totalling €1,060 million. These extensive, multi-year credit facilities have not been utilised since their inception and thus also as of 30 September 2024.

The table below provides an overview of the credit facilities:

Undrawn credit facilities of CECONOMY AG

	30/09/2023			30/09/2024		
		Remaining term			Remaining term	
€ million	Total	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year
Syndicated credit facilities	1,060	0	1,060	1,060	0	1,060
Utilisation	0	0	0	0	0	0
Undrawn syndicated credit facilities	**1,060**	**0**	**1,060**	**1,060**	**0**	**1,060**

The default of a creditor can be covered at all times by the existing unutilized credit facilities and/or the available money and capital market programmes.

CECONOMY generally does not provide collateral for borrowings.

The tables below outline the maturity/interest rate structure of the borrowings from bonds and promissory note loans. The stated carrying amounts and fair values include accrued interest, the remaining term of which is less than one year in each case.

Bonds – maturity structure

		30/09/2023				30/09/2024			
		Nominal value	Nominal value	Carrying amount	Fair value	Nominal value	Nominal value	Carrying amount	Fair value
Currency	Remaining term	Million Currency	€ million	€ million	€ million	Million Currency	€ million	€ million	€ million
EUR	Up to 1 year	25	25	27		5	5	13	
	1 to 5 years	651	651	617		795	795	766	
	Over 5 years	0	0	0		0	0	0	
	Total	**676**	**676**	**645**	**538**	**800**	**800**	**779**	**792**

Bonds – interest rate structure

	Currency	Remaining term	30/09/2023 Nominal value € million	30/09/2024 Nominal value € million
Fixed interest	EUR	Up to 1 year	25	5
		1 to 5 years	651	795
		Over 5 years	0	0
Variable interest	EUR	Up to 1 year	0	0
		1 to 5 years	0	0
		Over 5 years	0	0

Promissory note loans – maturity structure

		30/09/2023				30/09/2024			
		Nominal value	Nominal value	Carrying amount	Fair value	Nominal value	Nominal value	Carrying amount	Fair value
Currency	Remaining term	Million Currency	€ million	€ million	€ million	Million Currency	€ million	€ million	€ million
EUR	Up to 1 year	50	50	50		0	0	1	
	1 to 5 years	72	72	72		72	72	72	
	Over 5 years	0	0	0		0	0	0	
	Total	**122**	**122**	**122**	**114**	**72**	**72**	**72**	**70**

Promissory note loans – interest rate structure

	Currency	Remaining term	30/09/2023 Nominal value € million	30/09/2024 Nominal value € million
Fixed interest	EUR	Up to 1 year	28	0
		1 to 5 years	72	72
		Over 5 years	0	0
Variable interest	EUR	Up to 1 year	22	0
		1 to 5 years	0	0
		Over 5 years	0	0

The fixed interest rates of the short-term borrowings and the interest reset dates of all fixed interest borrowings correspond to the remaining terms shown. The interest reset periods of variable interest rates are less than one year.

↗ The effects of interest rate changes in the variable portion of the borrowings on CECONOMY's profit or loss for the period and equity are described in detail in note 36 Management of financial risks.

33.4 Offsetting financial assets and financial liabilities

Financial assets and financial liabilities that are subject to offsetting agreements, enforceable master netting arrangements and similar agreements were as follows:

€ million	(a) Gross amounts of recognised financial assets/liabilities	(b) Gross amounts of recognised financial liabilities/assets that are netted in the statement of financial position	(c) = (a) – (b) Net amounts of financial assets/liabilities that are recognised in the statement of financial position	(d) Corresponding amounts that are not netted in the statement of financial position: Financial instruments	(d) Corresponding amounts that are not netted in the statement of financial position: Collateral received/provided	(e) = (c) – (d) Net amount
						30/09/2023
Financial assets						
Receivables due from suppliers	1,290	83	1,207	62	0	1,145
Trade receivables and similar claims[1]	216[2]	21	195[2]	0	0	195[2]
Further financial assets	248	0	248	0	0	248
Cash and cash equivalents	897	0	897	0	0	897
	2,650[2]	**104**	**2,547[2]**	**62**	**0**	**2,485[2]**
Financial liabilities						
Trade payables and similar liabilities[3]	5,107[2]	73	5,034[2]	43	0	4,991[2]
Further financial liabilities	3,032	31	3,001	19	0	2,981
	8,139[2]	**104**	**8,035[2]**	**62**	**0**	**7,973[2]**

[1] Not including continuing involvement of €75 million and contract assets without continuing involvement of €221 million
[2] Previous year's figures adjusted
[3] Not including continuing involvement of €75 million and contract liabilities of €211 million

€ million	(a) Gross amounts of recognised financial assets/liabilities	(b) Gross amounts of recognised financial liabilities/assets that are netted in the statement of financial position	(c) = (a) – (b) Net amounts of financial assets/liabilities that are recognised in the statement of financial position	(d) Corresponding amounts that are not netted in the statement of financial position: Financial instruments	(d) Corresponding amounts that are not netted in the statement of financial position: Collateral received/provided	(e) = (c) – (d) Net amount
						30/09/2024
Financial assets						
Receivables due from suppliers	1,435	143	1,292	67	0	1,225
Trade receivables and similar claims[1]	219	13	206	0	0	206
Further financial assets	250	0	250	0	0	250
Cash and cash equivalents	1,010	0	1,010	0	0	1,010
	2,914	**156**	**2,758**	**67**	**0**	**2,691**
Financial liabilities						
Trade payables and similar liabilities[2]	5,642	134	5,509	53	0	5,455
Further financial liabilities	3,030	23	3,008	13	0	2,994
	8,673	**156**	**8,517**	**67**	**0**	**8,450**

[1] Not including continuing involvement of €79 million and contract assets without continuing involvement of €275 million
[2] Not including continuing involvement of €79 million and contract liabilities of €236 million

The financial instruments that are not offset would be offsetable on the basis of the underlying framework agreements, but do not meet the offsetting criteria of IAS 32 (Financial Instruments: Presentation).

CECONOMY enters into offsetting agreements, enforceable master netting arrangements and similar agreements with individual suppliers. These agreements enable receivables due from suppliers resulting from subsequent compensation, product returns and similar claims to be offset against trade payables to suppliers. A set-off is carried out if there is a legal claim to a set-off and the offsetting is unconditional.

33.5 Undiscounted cash flows of financial liabilities
The undiscounted cash flows of borrowings trade payables and derivatives carried as liabilities are as follows:

€ million	Carrying amount 30/09/2023	Contractual cash flows			
		Total amount	Up to 1 year	1 to 5 years	Over 5 years
Financial liabilities					
Bonds	645	703	34	669	0
Liabilities to banks	33	33	33	0	0
Promissory note loans	122	130	52	77	0
Lease liabilities	1,784	1,941	523	1,210	209
Trade payables and similar liabilities[1]	5,109	5,109	5,049	60	0
Currency derivatives carried as liabilities	0	0	0	0	0

€ million	Carrying amount 30/09/2024	Contractual cash flows			
		Total amount	Up to 1 year	1 to 5 years	Over 5 years
Financial liabilities					
Bonds	779	961	39	922	0
Liabilities to banks	54	54	54	0	0
Promissory note loans	72	78	3	75	0
Lease liabilities	1,725	1,918	529	1,163	226
Trade payables and similar liabilities[1]	5,588	5,588	5,524	64	0
Currency derivatives carried as liabilities	0	0	0	0	0

[1] This item does not include contract liabilities of €236 million (30/09/2023: €211 million).

In the 2023/24 financial year, the reported carrying amounts of the bonds include a convertible bond of €128 million (30/09/2023: €120 million). The contractual cash flows of the convertible bond amount to €0 million for up to one year and €151 million for one to three years.

33.6 Carrying amounts and fair values by measurement category

Financial instruments are accounted for in accordance with IFRS 9 and allocated to the appropriate categories as follows:

					30/09/2023
		Value in statement of financial position			
€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value
Assets					
Measured at amortised cost	**2,465**	**2,465**	**0**	**0**	**2,465**
Cash and cash equivalents	897	897	0	0	897
Receivables due from suppliers	1,207	1,207	0	0	1,207
Trade receivables and similar claims[1]	195	195	0	0	195
Loans and advance credit granted	41	41	0	0	41
Miscellaneous assets	124	124	0	0	124
Measured at fair value through profit or loss	**1**	**0**	**1**	**0**	**1**
Securities	0	0	0	0	0
Trade receivables and similar claims	0	0	0	0	0
Derivative instruments	1	0	1	0	1
Measured at fair value through other comprehensive income	**81**	**0**	**0**	**81**	**81**
Equity instruments	81	0	0	81	81
Debt instruments	0	0	0	0	0
Equity and liabilities					
Measured at amortised cost	**6,251**	**6,251**	**0**	**0**	**6,137**
Borrowings[2]	800	800	0	0	686
Trade payables and similar liabilities[3]	5,034	5,034	0	0	5,034
Miscellaneous liabilities	417	417	0	0	417
Measured at fair value through profit or loss	**0**	**0**	**0**	**0**	**0**
Derivative instruments	0	0	0	0	0
Miscellaneous liabilities	0	0	0	0	0

[1] Not including continuing involvement of €75 million and contract assets without continuing involvement of €221 million
[2] Not including lease liabilities of €1,784 million
[3] Not including continuing involvement of €75 million and contract liabilities of €211 million

€ million	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value through other comprehensive income	Fair value
	30/09/2024				
		Value in statement of financial position			
Assets					
Measured at amortised cost	**2,636**	**2,636**	**0**	**0**	**2,636**
Cash and cash equivalents	1,010	1,010	0	0	1,010
Receivables due from suppliers	1,292	1,292	0	0	1,292
Trade receivables and similar claims[1]	206	206	0	0	206
Loans and advance credit granted	42	42	0	0	42
Miscellaneous assets	86	86	0	0	86
Measured at fair value through profit or loss	**3**	**0**	**3**	**0**	**3**
Securities	0	0	0	0	0
Trade receivables and similar claims	0	0	0	0	0
Derivative instruments	3	0	3	0	3
Measured at fair value through other comprehensive income	**65**	**0**	**0**	**65**	**65**
Equity instruments	65	0	0	65	65
Debt instruments	0	0	0	0	0
Equity and liabilities					
Measured at amortised cost	**6,791**	**6,791**	**0**	**0**	**6,928**
Borrowings[2]	905	905	0	0	1,042
Trade payables and similar liabilities[3]	5,509	5,509	0	0	5,509
Miscellaneous liabilities	377	377	0	0	377
Measured at fair value through profit or loss	**0**	**0**	**0**	**0**	**0**
Derivative instruments	0	0	0	0	0
Miscellaneous liabilities	0	0	0	0	0

[1] Not including continuing involvement of €79 million and contract assets without continuing involvement of €275 million
[2] Not including lease liabilities of €1,725 million
[3] Not including continuing involvement of €79 million and contract liabilities of €236 million

The classes are formed on the basis of similar risks and characteristics corresponding to the nature of the respective financial instruments. Further subdivision for individual financial assets and liabilities is shown the table above.

The fair value hierarchy comprises three levels and is determined on the basis of the market proximity of the inputs used in the valuation techniques. In cases where various inputs are critical for the measurement, the fair value is allocated to the hierarchy level corresponding to the lowest-level input that is relevant for the measurement.

Level 1 inputs: quoted (unadjusted) prices on active markets for identical assets or liabilities that the company can access on the measurement date

Level 2 inputs: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 inputs: unobservable inputs for the asset or liability

Equity instruments totalling €65 million (30/09/2023: €81 million) are subsequently recognised at fair value through other comprehensive income. €28 million (30/09/2023: €44 million) of this is attributable to shares in listed companies, of which €10 million (30/09/2023: €20 million) relates to the 15-per cent investment in Russia's leading consumer electronics retailer PJSC "M.video" and €18 million (30/09/2023: €24 million) to the approximately one per cent stake in METRO AG.

Equity instruments at fair value through other comprehensive income that are not listed and for which there is no active market are recognised at €37 million (30/09/2023: €37 million). There are no plans to sell these equity instruments. The major component at €35 million (30/09/2023: €35 million) is the 6.61 per cent stake in METRO PROPERTIES GmbH & Co. KG.

The financial instruments measured at fair value in accordance with IFRS 9 are allocated as follows within the three-level fair value hierarchy:

€ million	Total	Level 1	Level 2	Level 3
	30/09/2023			
Assets	**82**	**24**	**1**	**57**
Measured at fair value through profit or loss	**1**	**0**	**1**	**0**
Securities	0	0	0	0
Derivative instruments	1	0	1	0
Measured at fair value through other comprehensive income	**81**	**24**	**0**	**57**
Equity instruments	81	24	0	57
Equity and liabilities	**0**	**0**	**0**	**0**
Measured at fair value through profit or loss	**0**	**0**	**0**	**0**
Derivative instruments	0	0	0	0
Total	**82**	**24**	**1**	**57**

€ million	Total	Level 1	Level 2	Level 3
	30/09/2024			
Assets	**68**	**18**	**0**	**50**
Measured at fair value through profit or loss	**3**	**0**	**0**	**3**
Securities	0	0	0	0
Derivative instruments	3	0	0	3
Measured at fair value through other comprehensive income	**65**	**18**	**0**	**47**
Equity instruments	65	18	0	47
Equity and liabilities	**0**	**0**	**0**	**0**
Measured at fair value through profit or loss	**0**	**0**	**0**	**0**
Derivative instruments	0	0	0	0
Total	**68**	**18**	**0**	**50**

Equity instruments (level 1) are measured on the basis of quoted market prices in active markets.

The securities (level 1) relate to short-term investments in funds and are measured on the basis of quoted market prices in active markets.

For interest rate swaps and foreign exchange transactions (all level 2), there is a mark-to-market valuation based on quoted exchange rates and yield curves available on the market.

The equity instruments without an active market recognised in the assets of the statement of financial position totalling €47 million as of 30 September 2024 (30/09/2023: €57 million) are allocated to fair value level 3. The derivative financial instruments capitalised at €3 million as of 30 September 2024 (30/09/2023: €0 million) are also allocated to fair value level 3.

The fair value of the 15 per cent investment in Russia's leading consumer electronics retailer PJSC "M.video" declined by €10 million to €10 million as of 30 September 2024 (30/09/2023: €20 million). This change in the carrying amount was recognised through other comprehensive income ("Valuation effects on financial instruments recognised at fair value through other comprehensive income"). Once the Russian war of aggression against Ukraine started, a reliable level 1 market valuation of the 15 per cent interest using the share price determined in restricted trading on the Moscow stock exchange was no longer possible on the closing date and it was necessary to change the fair value hierarchy level from 1 to 3 as of 31 March 2022. The shares in PJSC "M.video" were also measured on the basis of a level 3 market valuation as of 30 September 2024, as it was still assumed on this reporting date that a market value for the shares in PJSC "M.video" could not be reliably derived from the stock market price set on the Moscow Stock Exchange.

Based on the market value of the shares in PJSC "M.video", a discount was applied to take account of the ongoing uncertainty regarding investments in Russian equity interests and the low free float of the share. This discount amounted to around 66 per cent as of 30 September 2024. The market value estimate of the 15 per cent investment in PJSC "M.video" amounts to €10 million. In addition to the share price, the market value estimate also depends here on the performance of the Russian rouble.

If the material measurement parameters are varied, a 10 per cent increase in the discount would result in a carrying amount that is €2 million lower. A 10 per cent reduction in the discount would result in a carrying amount that is €2 million higher. A 10 per cent increase in the exchange rate would result in a carrying amount that is €1 million lower. A 10 per cent reduction in the exchange rate would result in a carrying amount that is €1 million higher.

As in the previous year, the fair value of the shares in METRO PROPERTIES GmbH & Co. KG amounts to €35 million. The fair value of the shares is determined by the value of the real estate behind the investment. Timely property transactions are also taken into account here, as is the expected development of the property portfolio belonging to METRO PROPERTIES. As in the previous year, an expert was commissioned in the 2023/24 financial year to carry out an indicative analysis to review the appropriateness of the recognised value. In the final analysis, the expert also did not identify any circumstances that might indicate that the recognised carrying amount of €35 million might be inappropriately high.

The derivative financial instruments allocated to level 3 are a termination option embedded in a bond. This can be exercised voluntarily by CECONOMY by repaying the relevant financial debt ahead of schedule. The advantage of exercising a termination option depends on the refinancing options that CECONOMY would receive on the market for taking out alternative financing at the time it exercises the option. This refinancing interest rate represents the market interest rate at which CECONOMY could refinance itself while taking into account a risk premium (credit spread) specific to CECONOMY.

The fair value is determined using an option pricing model. Risk-free interest rates and credit spreads are simulated using a Hull-White one-factor model. Observable inputs are the risk-free yield curve and swaption volatilities quoted on the market. Unobservable inputs are the credit spread rates and the credit spread volatilities. The latter are estimated on the basis of the historical volatility of credit spread rates over two years.

An increase in the risk-free yield curve of 100 basis points as of the reporting date would, all other things being equal, lead to a reduction in the recognised value by €3 million and thus to a loss in this amount. A reduction in the risk-free yield curve of 100 basis points as of the reporting date would, all other things being equal, lead to an increase in the recognised value by €7 million and thus to a gain in this amount.

If all other influencing factors remained constant, an increase in credit spread rates of 100 basis points as of the reporting date would result in a reduction in the carrying amount and thus a loss of €3 million. A reduction in the credit spread rates of 100 basis points would, if all other influencing factors remained constant, result in an increase in the carrying amount and thus a gain of €8 million.

The other observable and non-observable inputs did not have any material effects as defined by the sensitivity analysis.

No transfers were made between levels 1 and 2 during the past reporting period and in the previous year.

No transfers to or from level 3 were made in financial year 2023/24.

Financial instruments that are recognised at amortised cost in the statement of financial position, but for which the fair value is stated in the notes, are also classified in a three-tier fair value hierarchy.

As they are generally short-term in nature, the fair values of receivables due from suppliers trade receivables and similar claims, trade payables and similar liabilities as well as cash and cash equivalents essentially correspond to their carrying amounts.

The fair values of bonds, liabilities to banks and promissory note loans are calculated based on the market interest curve in line with the zero-coupon method while taking account of credit spreads (level 2). The values include accrued interest as of the closing date.

The fair values of all other financial assets and financial liabilities that are not listed on a stock exchange correspond to the present values of the payments associated with these statement of financial position items. The country-specific yield curves applicable as of the closing date (level 2) were used in the calculation.

Other notes

34. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement in accordance with IAS 7 (Cash Flow Statements) shows how cash and cash equivalents in the Group have changed in the course of the financial year as a result of cash inflows and outflows.

Cash and cash equivalents include cheques and cash in hand as well as cash in transit and cash at bank and other short-term liquid financial assets with a term of up to three months.

The cash flow statement distinguishes between changes in funds from operating activities, investing activities and financing activities. Cash flows from discontinued operations are reported separately.

In the past financial year 2023/24, **cash flow from operating activities** led to a cash inflow of €838 million. This compares with a cash inflow of €1,004 million in the previous year.

The €166 million decrease in cash flow from operating activities is initially due to a less pronounced improvement in the change in net operating assets. In 2023/24, the change in net operating assets led to a cash inflow of 190 million, following a cash inflow of 332 million in the previous year. The difference of €–142 million is primarily due to the development of receivables due from suppliers. In financial year 2023/24, as a result of the high order volume and the associated higher subsequent remuneration, there was an increase in receivables due from suppliers, which acted as a cash outflow, while cash inflow was still generated from this situation in the previous year. There was an increase in inventories in the 2023/24 financial year, due to both the low starting level and stockpiling in preparation for the Christmas business, while there was a deliberate reduction in inventories in the previous year. In contrast, cash inflow from the significant increase in trade payables as a result of the high order volume, while no significant cash flow was generated from this in the previous year.

In addition to the change in net operating assets, other operating cash flow, which amounted to €–163 million in financial year 2023/24 (2022/23: €42 million), also contributed €–206 million to a lower cash inflow of cash flows from operating activities in a year-on-year comparison. On the one hand, this reflects the technical corrections that were required to eliminate the effects on the cash flow from operating activities resulting from the amortisation of companies included in the consolidated financial statement using the equity method. These corrections are €82 million lower than in the previous financial year. On the other hand, payroll liabilities were utilised or reversed in the 2023/24 financial year, for which a corresponding liability item was recognised in the previous year. In a comparison of the financial years, this resulted in an effect of €–84 million. Finally, cash inflow from realised claims for damages in the previous year is offset by a balance sheet increase in claims for damages in financial year 2023/24, resulting in a reduction in other operating cash flows in the amount of €–44 million.

In contrast, EBITDA significantly positively, which was due to both an improved operating result and lower negative one-off effects. Compared to the previous financial year, cash flow from operating activities improved by €102 million.

The scheduled depreciation, amortisation, impairment losses and reversals of impairment losses on intangible assets, property, plant and equipment, right-of-use assets and impairment losses and reversals of impairment losses on investments accounted for using the equity method and assets intended for disposal totalling €662 million (2022/23: €835 million) are attributable to property, plant and equipment in the amount of €142 million (2022/23: €161 million), other intangible assets in the amount of €35 million (2022/23: €36 million), right-of-use assets in the amount of €485 million (2022/23: €491 million), with €0 million (2022/23: €82 million) to impairment losses on investments accounted for using the equity method and €0 million (2022/23: €65 million) to impairment losses on assets held for sale.

Finally, at €28 million (2022/23: €109 million), cash outflow from income taxes paid is also significantly lower than in the previous year. This positive effect on cash flow from operating activities of €81 million in a comparison of the financial years results in particular from tax refunds for previous years and lower tax prepayments in the 2023/24 financial year.

The profit from the net position of the monetary line item in the amount of €57 million (2022/23: €60 million) resulting from the application of IAS 29 "financial reporting in hyperinflationary economies" and shown in EBIT is reflected in the separate line "profit or loss from the net position of the monetary line item" within cash flows from operating activities as cash outflow. Together with the effect from the indexation of the opening balance of cash and cash equivalents in the amount of €70 million (01/10/2023: €48 million), profit from the net position of the monetary line item is instead recognised under cash flows from financing activities in the line "IAS 29 effects on the cash flow of operating, investing and financing activities".

Cash flow from investing activities **in the past financial year 2023/24 shows a cash outflow** of €162 million (2022/23: €236 million). The €74 million decrease in cash outflow compared to the previous year is initially due to cash outflows of €57 million from company disposals in the previous year in connection with the sale of the MediaMarkt business in Sweden and Portugal, which amounted to €1 million in the 2023/24 financial year. In addition, cash outflows from other investments decreased by €23 million to €59 million (2022/23: €81 million). This is primarily due to the granting of a loan to Power International AS in the previous year, which was granted in the context of the sale of the Swedish MediaMarkt business. At €18 million (2023/24: €1 million), cash inflows from profit and loss transfers were also higher than in the previous year. These comparatively higher cash inflows are mainly associated with cash inflows realised from the investments held in METRO PROPERTIES GmbH & Co. KG and METRO AG in financial year 2023/24. The slightly higher cash inflow from interest received compared to the previous year at €52 million (2022/23: €48 million) also had an impact on the reduced cash flow from investing activities at €4 million. In contrast, cash flow from financing activities was reduced by €9 million to €20 million (2022/23: €29 million) due to a decrease in proceeds from asset disposals and other disposals and an increase of €16 million to €193 million (2022/23: €176 million) in payments for investments in property, plant and equipment compared to the previous year.

The amount of the investments in property, plant and equipment shown as a cash outflow differs from the addition shown in the asset reconciliation by the amount of the non-cash transactions. These relate to primarily to the changes in liabilities from acquisition of property, plant and equipment and effects from currency translation.

Cash flow from financing activities shows a cash outflow of €585 million in the 2023/24 financial year (2022/23: €649 million). The €64 million decrease in cash outflow compared to the previous year is initially due to an €89 million improvement in the net position from proceeds from long-term borrowings and redemption of borrowings excluding leases. The successful placement of a fixed-interest, unsecured bond and the favourable agreement on the early partial repurchase of an unsecured bond issued in 2021, whereby the gross issue proceeds from the new issue were used to finance the repurchase offer, had an impact here. In contrast, the timely repayment of promissory notes in the financial year and the higher cash outflow from the net position of the issued and repaid commercial paper, which was issued for the procurement of short-term funding, had a positive effect here in comparison to the previous year.

In addition to the improved net position from borrowings and the repayment of financial liabilities excluding leases, a €32 million year-on-year increase in cash inflows from the change in other current financial liabilities and a €22 million decrease in repayments of lease liabilities also contributed to the lower cash outflow from financing activities. The higher cash inflows from the change in other current borrowings is primarily attributable to the increase in liabilities vis-à-vis banks. As in the previous year, repayments of liabilities from leases had the greatest impact on cash flow from financing activities at €467 million (2022/23: €489 million).

By contrast, the €71 million increase in interest paid, to €209 million (2022/23: €138 million), resulted in a higher cash outflow from financing activities compared to the previous financial year. The higher interest payments are primarily attributable to increased interest expenses from leases and higher bank commissions due to higher volumes and interest rates.

Cash flows in connection with factoring programmes are recognised both in cash flow from operating activities and in cash flow from financing activities. For programmes in which customer pays CECONOMY directly, payment flows between customers and CECONOMY are shown in cash flow from operating activities, and payment flows between CECONOMY and the factor are recognised in cash flow from financing activities. However, if the customer pays the factor directly, cash flows between the factor and CECONOMY are recognised in the cash flow from operating activities. Customers' payments to the factor are classified as non-cash transactions of CECONOMY. In the 2023/24 financial year, these non-cash transactions related to factoring programmes amounted to €274 million (2022/23: €273 million).

The cash and cash equivalents were subject to an amount of €17 million (2022/23: €12 million) restrictions on title.

The following tables show the reconciliation of changes from liabilities from financing activities:

€ million	01/10/2022	Cash flows	Non-cash changes				
		Payment effective Change	Currency Course-related	Acquisition or disposal From companies	To be enclosed Fair values	Miscellaneous	30/09/2023
Bonds	641	−14	0	0	0	17	645
Liabilities to banks	48	−23	−1	0	0	9	33
Promissory note loans	122	−3	0	0	0	3	122
Lease liabilities	1,961	−536	−13	−35	0	407	1,784
Other liabilities in connection with with financing activities	15	−8	0	0	0	5	12
Liabilities from financing activities	**2,788**	**−584**	**−14**	**−35**	**0**	**441**	**2,596**

€ million	01/10/2023	Cash flows	Non-cash changes				
		Payment effective Change	Currency Course-related	Acquisition or disposal From companies	To be enclosed Fair values	Miscellaneous	30/09/2024
Bonds	645	122	0	0	0	12	779
Liabilities to banks	33	17	0	0	0	4	54
Promissory note loans	122	−52	0	0	0	3	72
Lease liabilities	1,784	−533	−7	0	0	481	1,725
Other liabilities in connection with With financing activities	12	−15	0	0	0	16	13
Liabilities from financing activities	**2,596**	**−461**	**−7**	**0**	**0**	**516**	**2,643**

As in the previous year, the non-cash changes of €516 million (2022/23: €441 million) reported under "Other" are mainly attributable to net additions to liabilities from leases, which have their equivalent in balance sheet item "right-of-use assets". In addition, effects from unwinding of discount and delimitations of interest expenses are presented here.

35. SEGMENT REPORTING

Segmentation is in line with the Group's internal management and reporting.

The Chief Operating Decision Maker (CODM) in accordance with IFRS 8 (operating segments) of CECONOMY is the Management Board of CECONOMY AG. The Management Board members have joint responsibility for allocating resources and assessing the Group's operating profitability. At CECONOMY, management is generally performed at a national level. The CODM of CECONOMY therefore manages the company's activities on the basis of internal reporting that generally includes key figures for each country. Resource allocation and performance measurement accordingly take place at a national level.

CECONOMY is active in a unique business sector/segment, the electronics sector. Combined with a relatively homogeneous alignment, its products, services and customer groups and its sales methods are similar in all countries. Based on similar economic conditions and business activities of the operations, individual countries are aggregated to form the following reportable **operating segments**:

– DACH: Germany, Austria, Switzerland, Hungary

– Western/Southern Europe: Belgium, Italy, Luxembourg, the Netherlands, Spain

– Eastern Europe: Poland, Türkiye

All non-reportable operating segments, as well as business activities that do not meet the criteria to be defined as an operating segment, are grouped together under "Others". With retroactive effect from 1 October 2022, this primarily includes companies with administrative and cross-divisional functions as well as smaller operating companies.

Supplementary notes on segment reporting

The composition of the DACH segment and the Others segment has been changed and the previous year's figures have been restated. The change reflects the effects of the Convergenta transaction (acquisition of shares of non-controlling interests in Media Saturn Holding GmbH). The management and cross-divisional service companies of the Media-Saturn Group in Germany are now reported together with those of CECONOMY in the Other segment. They were previously presented in the DACH segment. In addition to taking into account the effects of the aforementioned transaction, the change leads to a better summarisation of operating activities on the one hand and administrative and cross-divisional functions on the other. In the segment report, adjustments only affect DACH, Other and consolidation and has no impact on the Group's net assets, financial position and earnings position.

The change in segment composition resulted in the following adjustments to the 2022/23 financial year:

	DACH			Others			Consolidation		
€ million	2022/23 So far	Adjustment	2022/23 New	2022/23 So far	Adjustment	2022/23 New	2022/23 So far	Adjustment	2022/23 New
External sales (net)	12,054	–14	12,040	385	14	399	0	0	0
Internal sales (net)	40	–39	1	33	216	248	–76	–176	–253
Sales (net)	12,094	–54	12,041	417	230	647	–76	–176	–253
EBITDA	469	–16	453	–99	15	–83	–1	1	0
Depreciation and impairment losses	400	–25	375	155	25	180	0	0	0
Reversals of impairment losses	6	0	6	0	0	0	0	0	0
EBIT	75	9	84	–253	–10	–263	–1	1	0
EBIT adjusted	142	4	145	–36	–5	–40	–1	1	0
Investments	350	–36	313	19	36	55	0	0	0
Non-current segment assets	1,655	–17	1,639	404	17	421	0	0	0
Investments accounted for using the equity method	(0)	(0)	(0)	(257)	(0)	(257)	(0)	(0)	(0)

Further disclosures on the segments can be found in the summarised management report.

The main components of segment reporting are described below, insofar as they were relevant in the financial year or previous year:

- External sales represent the sales of the business segments with external parties.

- Internal sales show sales with other business segments.

- Segment EBIT describes profit before net financial result and income taxes. Intra-Group rental agreements are presented in the segments as operating leases. The properties are leased at market terms. Location-related risks and risks relating to the value of non-current assets are only recognised in the segments if they are Group risks. This applies analogously to active and passive accruals and deferrals, which are only mapped at segment level if this would also be necessary in the consolidated statement of financial position.

- Segment EBITDA comprises EBIT before depreciation and amortisation, impairment losses and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets as well as impairment losses and reversals of impairment losses on investments accounted for using the equity method and assets held for sale.

- Adjusted EBIT, CECONOMY's key earnings figure for management purposes, will be adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method and portfolio changes in the 2023/24 financial year. Non-recurring effects on earnings include effects in connection with the simplification and digitalisation of central structures and processes, legal risks in connection with changes to the legal framework and accounting effects from the application of IAS 29 in the hyperinflationary country Türkiye. For previous year 2022/23, non-recurring earnings effects in connection with the simplification and digitalisation of central structures and processes, the strengthening of the sales brands in Germany, legal risks in connection with changes to the legal framework and accounting effects from the application of IAS 29 in the hyperinflationary country Türkiye are not included in the adjusted EBIT. In the 2023/24 financial year, expenses for non-recurring effects amounted to €75 million (2022/23: €70 million). Income for companies accounted for using the equity method amounts to €23 million (2022/23: €132 million expenses). These consist of the impairment of €0 million (2022/23: €82 million) and income of €23 million (2022/23: €50 million expenses) from the amortisation of the stake in Fnac Darty S.A. €0 million (2022/23: €63 million expenses) was recognised for portfolio changes.

The reconciliation of adjusted EBIT to EBIT for the 2023/24 financial year is presented below:

€ million	2022/23	2023/24
Adjusted EBIT	**243**	**305**
Simplification and digitalisation of central structures and processes	−62	−29
Strengthening of the retail brands in Germany	−4	0
Other	−4	−46
Companies accounted for using the equity method and portfolio changes	−195	23
EBIT	**−21**	**254**

↗ Further disclosures on the adjusted EBIT are provided in the section on the control system.

- Segment investments include additions (including additions to the scope of consolidation) to non-current intangible assets, property, plant and equipment, right-of-use assets and investments accounted for using the equity method. Exceptions to this are additions due to the reclassification of "assets earmarked for disposal" as non-current assets.

- Non-current segment assets comprise all the non-current assets. They particularly do not include financial assets or tax items.

  The reconciliation of non-current segment assets at Group assets is shown below:

€ million	30/09/2023	30/09/2024
Non-current segment assets	**3,169**	**3,216**
Inventories	2,918	3,114
Receivables due from suppliers	1,207	1,292
Cash and cash equivalents	897	1,010
Trade receivables and similar claims	490	560
Deferred tax assets	368	356
Income tax assets	177	158
Financial assets	123	108
Other current tax assets[1]	106	125
Active deferred income[1]	53	55
Receivables from claims for damages[2]	6	20
Other[1,2,3,4]	122	121
Group assets	**9,635**	**10,135**

[1] Included in the “Other assets (current)” balance sheet item
[2] Included in the “Other financial assets (current)” balance sheet item
[3] Included in the “Other financial assets (non-current)” balance sheet item
[4] Included in the “Other assets (non-current)” balance sheet item

- The transfer pricing system between the segments is based on a cost-plus basis in addition to licence allocation, which includes cost relief in connection with routine services. The licence allocation, which is calculated on the basis of the segments’ sales, covers the use of brands in the Group, among other things.

36. MANAGEMENT OF FINANCIAL RISKS

The Treasury Department manages the financial risks of CECONOMY. Specifically, these include:

- Price risks

- Liquidity risks

- Credit risks

- Cash flow risks

↗ Further details on the risk management system can be found in the summarised management reporting the economic report - earnings, financial and asset position - financial and asset position - financial management and in the opportunity and risk report.

Price risks
Price risks for CECONOMY result from the fact that the value of a financial instrument is influenced by changes in market interest rates, exchange rates and share prices.

Interest rate risks
Interest rate risks result from changes in interest rates. Interest rate derivatives can be used to mitigate these risks if necessary.

CECONOMY's residual interest rate risk is calculated using sensitivity analyses in accordance with IFRS 7. The following assumptions are applied in analysing changes in interest rates:

- The total impact determined by sensitivity analyses relates to the portfolio as at closing date and expresses the effect for one year.

- Variable-interest, primary financial instruments, whose interest payments are not designated as an underlying transaction as part of cashflow hedges against interest rate changes, have an effect on sensitivity analysis earnings in the net interest result. The sensitivity for a change of 50 basis points is determined.

- Fixed interest primary financial instruments are not included in sensitivity analyses.

- Financial instruments which are designated as hedges as part of a cashflow hedge to hedge variable interest flows only have an effect on the net interest result when the cash flows are triggered. However, the measurement of the hedge at fair value affects reserves retained from earnings in equity.

- Interest rate derivatives that are not part of a qualifying hedging relationship in accordance with IAS 39 are recognised through profit or loss in the other financial result due to measurement at fair value and in the interest result due to interest flows.

The remaining interest rate risk at closing date primarily results from variable-interest receivables and liabilities from banks and from other current liquid financial assets (recognised at cash and cash equivalents) with a total investment balance after taking hedging transactions into account of €741 million (30/09/2023: €781 million).

With this overall balance, an interest rate increase of 50 basis points results in a €4 million (2022/23: €4 million) increase in net interest income per year. An interest rate reduction of 50 basis points results in an offsetting effect of €–4 million (2022/23: €–4 million).

CECONOMY is exposed to **currency risks** as a result of the international procurement of goods and as a result of costs and financing incurred in a currency other than that of the respective country or linked to the performance of another currency. There is a hedging obligation for the resulting foreign currency positions in accordance with the "Foreign Currency Risk Guideline" from CECONOMY. Exceptions are permitted where hedging is not economically reasonable and where there are statutory and regulatory restrictions in the respective countries. Forward currency contracts/options and interest rate and currency swaps can be used for hedging purposes.

The foreign currency risk arising from the exceptions is also presented in accordance with IFRS 7 using sensitivity analyses. The following assumptions are made when analysing a depreciation or appreciation of the euro against foreign currencies:

The overall impact shown by sensitivity analyses relates in terms of its amount and earnings characteristics to the foreign currency holdings within the consolidated subsidiaries of CECONOMY and expresses the effect of the depreciation or appreciation of the euro.

The depreciation of the euro has a positive effect if a subsidiary whose functional currency is the euro has a foreign currency receivable, or if a subsidiary whose functional currency is not the euro has a liability in euro. The table below shows the nominal volumes of currency pairs in this category with a positive sign.

The depreciation of the euro has a negative effect if a subsidiary whose functional currency is not the euro has a receivable in euro, or if a subsidiary whose functional currency is the euro has a foreign currency liability. Accordingly, the following table shows the nominal volumes of currency pairs in this category with a negative sign.

By contrast, an appreciation of the euro has the opposite effect for all currency pairs shown above.

The effects from the measurement of foreign currency items that are translated at the closing rate in accordance with IAS 21 and that do not have the character of equity are recognised in the income statement in the sensitivity analyses. In cases where the foreign currency items have the character of equity, so-called net investments, the effects of the closing rate valuation are recognised in equity (other comprehensive income).

Forward currency contracts/options as well as interest rate and currency swaps that are not part of a qualified hedging relationship in accordance with IAS 39 are recognised in the income statement at fair value in the income statement. This is countered by the effects of the measurement of the hedged item held in foreign currency, hence the opposing effects are cancelled out if the hedge is fully effective.

CECONOMY has exercised the option of continuing to apply the hedge accounting rules under IAS 39. This option can be exercised until the IASB has completed its macro hedging project. This project is not expected to be finalized in the near future.

The effects of the currency translation of financial statements whose functional currency is not the reporting currency of CECONOMY do not affect cash flows in local currency and are therefore not included in sensitivity analyses.

The remaining currency risk of CECONOMY, which primarily arises from the fact that certain currencies cannot be hedged for legal reasons or due to a lack of market depth, is as follows at the closing date:

		Effect if euro depreciates/appreciates by 10%			
€ million	Currency pair	Volume	30/09/2023	Volume	30/09/2024
Profit or loss for the period			+/–		+/–
	PLN/EUR	+108	+11	+97	+10
	HUF/EUR	+29	+3	+25	+2
	TRY/EUR	+6	+1	+18	+2
	CHF/EUR	+6	+1	+3	0
	USD/EUR	+2	0	–4	0

In addition to the currency pairs shown in the table, there is a US dollar foreign currency position at a subsidiary whose functional currency is the Turkish lira (currency pair: USD/TRY). With a volume of USD 25 million (30/09/2023: USD 24 million), a depreciation of the US dollar by ten per cent would have a positive effect of €3 million (2022/23: €2 million) on profit or loss for the period. Conversely, an appreciation of the US dollar by ten per cent would have a negative effect on profit or loss for the period of €–3 million (2022/23: €–2 million.

Interest rate and currency risks are significantly reduced and limited by the principles laid down in CECONOMY's internal treasury guidelines. This stipulates that any hedging measures must be carried out within predefined limits and may not lead to an increase in the risk position under any circumstances. CECONOMY consciously accepts that the opportunities to use current or expected interest or exchange rate developments to optimise earnings are severely limited.

In addition, only marketable derivative financial instruments may be used for hedging purposes, the correct mathematical and accounting mapping and valuation of which is ensured in the treasury systems.

The following derivative instruments are used to reduce risk at closing date:

	30/09/2023			30/09/2024		
		Fair values			Fair values	
€ million	Nominal volume	Financial assets	Financial liabilities	Nominal volume	Financial assets	Financial liabilities
Currency transactions						
Forward currency contracts/options						
Within fair value hedges	0	0	0	0	0	0
Within cashflow hedges	0	0	0	0	0	0
Not in a hedge	72	0	0	215	0	0
	72	**0**	**0**	**215**	**0**	**0**

The nominal volume primarily comprises forward currency contracts/options and results from the foreign currency amounts bought and sold, translated using the corresponding exchange rate as of the closing date. All fair values represent the theoretical value when the transactions are cancelled on the reporting date. Assuming that the transactions are held until maturity, these are unrealised gains and losses that will be offset by gains and losses on the underlying transactions if the hedge is fully effective until maturity.

In order to show this offsetting on an accrual basis, relationships are created between hedges and hedged items and presented as follows:

- In a fair value hedge, both the hedge and the hedged risk of the hedged item are recognised at fair value. Fluctuations in the value of both transactions are recognised in the income statement, where they are offset when the hedge is fully effective.

- Hedging transactions within cashflow hedges are also generally recognised at fair value. If the hedge is fully effective, the valuation changes are recognised in equity until the hedged cash flows or expected transactions affect earnings. Only then is it recognised in the income statement.

- Hedging transactions that are not in a hedging relationship in accordance with IAS 39 are recognised at fair value. Changes in their value are recognised in the income statement. Even if no formal hedging relationship has been established here, these are hedging transactions that are closely related to an underlying transaction and whose effect on profit or loss offsets that of the underlying transaction (natural hedge).

The currency derivatives used mainly relate to the Polish złoty.

The following maturity dates exist for derivative financial instruments:

			30/09/2023			30/09/2024
			Maturity dates			Maturity dates
€ million	Up to 1 year	1 to 5 years	Over 5 years	Up to 1 year	1 to 5 years	Over 5 years
Currency transactions						
Forward currency contracts/options						
Within fair value hedges	0	0	0	0	0	0
Within cashflow hedges	0	0	0	0	0	0
Not in a hedge	0	0	0	0	0	0
	0	**0**	**0**	**0**	**0**	**0**

The fair values of the financial assets and liabilities that mature during these time bands are shown under the maturity dates.

Liquidity risks
Liquidity risk describes the risk of being unable to obtain or provide cash, or of only being able to do so at higher cost. Liquidity risks arise, for example, due to the temporary failure of the capital markets, default by lenders, insufficient credit facilities or the absence of scheduled incoming payments. The Treasury Department ensures that the financial requirements for the operating business and investments are covered as cost effectively as possible and in sufficient amounts at all times. The necessary information is provided by the Group financial planning of the individual Group companies on a rolling three-month basis after the end of the financial year and is subjected to a variance analyses. This financial planning is supplemented by short-term liquidity planning and is updated on a rolling basis.

Financing instruments include money market and capital market products (bonds, promissory notes, commercial papers, convertible bond) and multi-year syndicated credit facilities.

To reduce the liquidity risk, multi-year syndicated credit facilities in the amount of €1,060 million are held. The standard market credit terms contained in the loan agreement, including the financial covenants to be complied with, were fulfilled at all times and are also expected to be complied with in the future. In addition, CECONOMY AG further strengthened its liquidity base by early refinancing of the bond issued in 2021 with a unsubordinated, unsecured five-year bond in the amount of €500 million on 5 July 2024.

CECONOMY therefore has a sufficient liquidity reserve so that liquidity risks do not arise even if unexpected events have a negative financial impact on the liquidity situation. Please refer to the information on the corresponding balance sheet items for details of financing instruments and credit facilities.

↗ Further details can be found under Note 33.2 Cash and cash equivalents and Note 33.3 Borrowings.

Intra-Group cash pooling allows Group companies to use the surplus liquidity of other company units to cover their liquidity requirements. This reduces the Group's amount of debt and thus its interest expenses. Furthermore, the expertise bundled in the Treasury Department is used to advise and support the Group companies in all relevant financial matters. This extends from planning the financing of investment projects to assisting the financial officers of the individual Group companies in their talks with local banks and financial service providers. This ensures that CECONOMY's financial resources are optimally utilised and that all Group companies benefit from the creditworthiness and strength of CECONOMY with regard to their financing conditions.

Credit risks

Credit risks arise from the complete or partial default of a counterparty, for example due to insolvency, in the context of financial investments and in the case of derivative financial instruments with positive market values. The maximum default risk to which CECONOMY is exposed at the closing date is reflected by the carrying amounts of the financial assets totalling €2,704 million (30/09/2023: €2,547 million).

There was no material collateral for financial assets as of the closing date.

The cash holdings recognised in cash and cash equivalents amounting to €53 million (30/09/2023: €61 million) are not subject to any significant default risk.

As part of the risk management of financial investments totalling €719 million (30/09/2023: €753 million) and asset side derivative financial instruments totalling €0 million (30/09/2023: €0 million), minimum credit rating requirements and individual maximum exposure limits are set for all business partners of CECONOMY. Cheques and money in transit are not included in the calculation of credit risks. This is based on a limit system laid down in the treasury guidelines, which primarily is based on the classifications of international rating agencies, the development of the credit default swap or internal creditworthiness checks. Each counterparty at CECONOMY is assigned an individual limit, compliance with which is monitored on an ongoing basis.

As of 30 September 2024, around 80 per cent (30/09/2023: around 79 per cent) of the investment volume was placed with counterparties with an investment grade rating, which therefore have a good to very good credit rating. Counterparties that do not yet have an internationally recognised rating are renowned financial institutions whose creditworthiness can be regarded as impeccable on the basis of analyses. CECONOMY is also represented in countries whose financial institutions do not have an investment grade rating due to their own country ratings. It is necessary and reasonable to cooperate with these institutions for reasons specific to the countries in question and in terms of cost and efficiency considerations. The share of the total volume here is around 19 per cent (30/09/2023: around 18 per cent).

CECONOMY's exposure to credit risks from financial investments is therefore low.

CECONOMY takes into account the probability of default when an asset is initially recognised and determines whether the credit risk has increased continuously in each reporting period. In order to assess whether the credit risk significantly increases, the company compares the risk of default of the asset at closing date with the default risk at the time of initial recognition. All available, appropriate and forward-looking information is taken into account. In particular, the following indicators are included:

- Internal rating models
- External credit information (if available)
- Actual or anticipated substantial negative changes in a borrower's business situation or financial position that are expected to substantially alter its ability to settle its obligations
- Significant increases in credit risk on other financial instruments of the same borrower

- Material changes in the borrower's expected performance and behaviour, including changes in the borrower's payment status within the Group and changes in the borrower's operating results

Macroeconomic information (such as market interest rates or growth rates) and other forward-looking information are taken into account in the internal rating model. For trade receivables and provider receivables, these are taken into account by means of an outlook for the following year via the annual change in corporate insolvencies in the corresponding operating segment.

The above analyses notwithstanding, a significant increase in credit risk is presumed if an obligor's contractual payment is more than 30 days past due. Financial assets are transferred from level 1 or 2 to level 3 as soon as there is objective evidence of impairment. The CECONOMY Group also uses indicators including the following:

- Significant financial difficulty of the debtor

- A breach of contract, such as default or delinquency in interest and/or principal payment

- Disappearance of an active market for the financial asset in question

- Concessions granted for economic or contractual reasons due to the financial difficulty of the debtor

- Increased probability of bankruptcy or forfeiture procedures

It is also considered whether a financial asset is in default if the counterparty makes no contractual payments within 90 days of the due date. Financial assets are derecognised if there is no reasonable expectation of repayments, for example if an obligor does not agree upon a repayment plan with the company. In the case of the derecognition of loans or receivables, the company continues to take enforcement measures to attempt to collect the receivable due. If amounts are claimed in return, these are recognised through profit or loss.

No significant changes were made to estimation techniques or assumptions in the reporting period.

Cash flow risks
Fluctuations in the cash flows of variable-interest assets and liabilities can be caused by a change in future interest rates. Stress tests are used to analyse the effects that changes in interest rates could have on cash flows and how they can be limited by hedging transactions in accordance with internal treasury guidelines.

37. CONTINGENT LIABILITIES
CECONOMY's contingent liabilities amounted to €153 million as of 30 September 2024 (30/09/2023: €42 million). At around €121 million (30/09/2023: €16 million), these relate to uncertain income and sales tax issues. In addition, there are contingent liabilities of around €32 million (30/09/2023: €26 million) for guarantees to banks in connection with factoring programmes.

38. OTHER FINANCIAL OBLIGATIONS
The nominal value of other financial obligations as of 30 September 2024 is €235 million (30/09/2023: €207 million) and includes primarily purchase obligations for service contracts.

The demerger of the former METRO GROUP in the 2016/2017 financial year resulted in a statutory liability arising from a five- and ten-year extended liability in accordance with Section 133 para. 1 and 3 of the German Transformation Act (UmwG). The legal entities involved in the demerger are jointly and severally liable for the liabilities (five years) and pension obligations (ten years) of CECONOMY AG as the transferring legal entity that were established before the demerger took effect. The related five-year period of continuing liability has now ended. With regard to the remaining subsequent liability from pension obligations, the liability amount is insignificant. In addition, the risk of this contingent liability being utilized is considered unlikely on the basis of publicly available information, in particular METRO AG's rating.

↗ Disclosures regarding the purchase obligations for other intangible assets, property, plant and equipment and lease obligations can be found at 19 Other intangible assets, 20 Property, plant and equipment and 21 right-of-use assets.

39. OTHER LEGAL MATTERS
CECONOMY is not currently involved in legal disputes, investigations or other legal matters that could have a material impact on CECONOMY's economic situation or otherwise be of significant importance for CECONOMY.

40. EVENTS AFTER THE CLOSING DATE

No events occurred between closing date (30/09/2024) and the date of preparation of the consolidated financial statements (10/12/2024) that have a material impact on the assessment of the earnings, financial and asset position of CECONOMY AG and CECONOMY.

41. NOTES ON RELATED PARTIES

Related parties with significant influence

As the parent company of CECONOMY, CECONOMY AG is not controlled by any company.

Convergenta Invest GmbH (Convergenta) is a German investment and holding company and has held a stake in CECONOMY AG since June 2022. With a stake of 29.2 per cent, it is the largest shareholder of CECONOMY AG (significant influence). As part of the investment in CECONOMY AG, Convergenta was granted convertible bonds with a total nominal amount of €151 million in addition to the ordinary shares already acquired. The convertible bonds give Convergenta the right to acquire new ordinary shares by conversion at any time until July 2027.

Business relations between CECONOMY and Convergenta consist primarily of the rental of locations for the stores and administrative buildings. Lease payments, including incidental costs, amounted to €11 million in the 2023/24 financial year.

Obligations arising under the leases with Convergenta mature in subsequent years as follows:

Future lease payments (nominal) in € million	30/09/2024
Up to 1 year	9
1 to 5 years	18
Over 5 years	3
	30

In accordance with IFRS 16, these lease liabilities are recognised at present value and included in the financial liabilities. Apart from lease liabilities, there are no other liabilities or receivables from Convergenta.

Business relations with related parties are contractually agreed at arm's-length conditions.

Key management personnel

In accordance with IAS 24, key management personnel at CECONOMY comprises the Management Board and the Supervisory Board of CECONOMY AG. Other than their remuneration, no further services were granted or received between CECONOMY and key management personnel. The remuneration of key management personnel in the Group that must be disclosed in accordance with IAS 24 comprises the remuneration of the active Management Board and Supervisory Board.

The remuneration for the members of the Management Board and Supervisory Board active during the 2023/24 financial year in accordance with IAS 24 totalled €8.1 million in financial year 2023/24 (2022/23: €6.8 million). Of this amount, €6.0 million (2022/23: €5.7 million) is attributable to short-term benefits (not including share-based payment), €0.2 million (2022/23: €0.2 million) to post-employment benefits and €1.9 million (2023/23: €0.9 million) to share-based payment. Termination benefits were not incurred in the reporting period or at previous year.

↗ The basic features of the remuneration system and the amount of remuneration paid to the Management Board and Supervisory Board in accordance with the German Commercial Code (HGB) are listed at 43 Management Board and Supervisory Board. Further details on Management Board and Supervisory Board remuneration can be found in the remuneration report.

Other transactions with related parties in the form of associates

In financial year 2022/23, an agreement was concluded with Fnac Darty S.A. regarding the sale of MediaMarktSaturn's Portugal business. In the course of this, Fnac Darty Portugal, a wholly owned subsidiary of Fnac Darty S.A., acquired 100 per cent of MediaMarkt Portugal, including the ten store locations, the online business and the approximately 450 employees.

The sales agreement provided for a pro rata variable purchase price payment for which, in view of the uncertainties surrounding the realisation of this purchase price component, a receivable in the amount of €3 million was recognised in the balance sheet as of 30 September 2023. This was offset by Fnac Darty S.A. in the 2023/24 financial year. In addition, CECONOMY received a low single-digit million euro amount in financial year 2023/24 as a result of licence and service agreements. As part of a purchase price mechanism, payments in the low single-digit million euro range were made.

In the 2022/23 financial year, Power Retail Sweden AB, a wholly owned subsidiary of the Nordic electronics retailer Power International AS, acquired 100 per cent of MediaMarkt Sweden. In return, CECONOMY received a minority stake of 20 per cent in Power Retail Sweden AB. Since the transaction was closed on 1 August 2023, Power Retail Sweden AB has been a related party of CECONOMY. There were no other business transactions in the 2023/24 financial year other than those in connection with the settlement of the transaction.

There were no transactions with related parties other than those mentioned above in the 2023/24 financial year (2022/23: €0 million).

42. LONG-TERM INCENTIVE FOR EXECUTIVES

Fundamentals

At the beginning of the 2023/24 financial year, the Management Board decided to grant a long-term performance-related remuneration component to top senior managers. The modalities regarding performance targets, term and payment are generally based on the long-term performance-related component granted by the Supervisory Board to the Management Board.

↗ Further information can be found in the remuneration report.

Design

The long-term performance-related component is granted annually and paid out after a performance period totalling four financial years. If the employment relationship begins or ends in the course of a financial year, the LTI is granted and paid pro rata temporis for the financial year. Financial performance targets are included in the calculation with a weighting of 70 per cent and non-financial performance targets with a weighting of 30 per cent. The performance targets for the LTI are set annually by management at the beginning of each financial year for all eligible executive employees. In doing so, the management takes into account the thresholds defined for the Management Board of CECONOMY AG. The LTI follows a "vesting logic", i.e. the formulated objectives are broken down into the four individual years of the performance period. After the end of each financial year, the target achievement factors for the individual financial and non-financial performance targets are measured and recorded in accordance with the "vesting logic".

Financial performance targets of the LTI

The overall financial performance criteria, which are generally weighted equally at 70 per cent and in relation to each other, are the absolute development of the share return ("aTSR") and the relative development of the share return ("rTSR").

aTSR component: The aTSR target achievement factor is calculated as a percentage from the change in the end price of the ordinary share and the sum of the hypothetically reinvested dividends during the performance period in relation to the starting price of the ordinary share.

rTSR component: The target achievement factor of the rTSR component is calculated on the basis of the relative development of the share return of the company's ordinary share in the performance period compared to the relevant benchmark indices, the MDAX and the STOXX Europe 600 Retail.

The relevant starting price of the company’s ordinary share for the aTSR and rTSR components is calculated by taking the average of the XETRA closing prices over a period of 40 consecutive trading days immediately after the beginning of the financial year. One year later, the relevant end price for the respective tranche year is also calculated using the XETRA closing prices of the company’s ordinary share over a period of 40 consecutive trading days immediately after the beginning of the financial year. The opening and closing values for the benchmark indices for the rTSR component are calculated accordingly.

Non-financial LTI performance targets

The non-financial performance criteria of the LTI, which are generally weighted at 30 per cent, are each based on up to five specifically formulated quantitative objectives from the following subject areas:

– Employee satisfaction

– Climate and environmental protection

– HR development and training

– Diversity

– Corporate culture and compliance

Calculation of the LTI payment amount
The threshold values for the financial and non-financial performance targets of the LTI are determined at the beginning of each financial year by the management Board at its discretion. In doing so, the management takes into account the thresholds defined for the Management Board of CECONOMY AG. Factors (achievement factors) are allocated to the degree of achievement for each indicator. To this end, the management determines the value for the lower threshold (entry hurdle), the target value for 100-percent target achievement and the value for a 300-percent target achievement, for which the respective target achievement factor is limited in terms of amount. The subsequent amendment of targets or the comparative parameters is precluded.

After the end of each financial year, the target achievement factors for the individual financial and non-financial performance targets are measured and recorded in accordance with the "vesting logic". Intermediate values are interpolated on a straight-line basis. The weighted average of the achievement factors for the financial and non-financial performance targets forms the basis for the respective total achievement factor. It is limited to 3 in each case. The overall target achievement factor of the LTI for the respective year is determined from the resulting overall target achievement factors of the financial performance targets and the non-financial performance targets based on the defined weighting of the performance targets in relation to each other. This overall target achievement factor is also limited to 3. The overall target achievement factor of the LTI for the respective year is recorded. At the end of the four-year performance period, the target achievement factor for the total four-year period is then calculated as the arithmetic mean of the target achievement in each of the four years.

The target achievement factor calculated for the LTI for the four-year period as a whole is multiplied by the LTI target amount to give the payment amount. The payout amount is limited to a maximum of 200 per cent of the agreed individual target amount (payout cap).

The remuneration amount calculated for the LTI is paid out after the end of the performance period of the LTI in question. If the employment relationship is terminated during the year, any entitlements to the LTI not yet paid out that relate to the period up to the termination of the contract are paid pro rata temporis in accordance with the originally agreed targets and at the original maturity.

Objectives of the LTI tranche granted for the 2023/24 financial year
The performance targets and weightings set by the management Board for the tranche of the LTI granted to senior executives for the 2023/24 financial year are as follows:

Quantitative financial performance targets (70% Weighting)
– rTSR (weighting 1/2)

– aTSR (weighting 1/2)

Quantitative non-financial performance targets (30% Weighting)
– Diversity: Female share in management positions (weighting 1/3)

– Employee satisfaction: Employee satisfaction/NPP (weighting 1/3)

– Climate and environmental protection: Reduction of carbon dioxide emissions (Scope 3) (weighting 1/3)

Pre-existing tranches in the financial year
In financial year 2023/24, an LTI tranche was granted for the first time for executives with the modalities described above. No payment was therefore made in the past financial year.

The provision for the LTI tranche granted in the 2023/24 financial year amounted to €0.549 million as of 30 September 2024.

€ million	Provision as of 30/09/2023	Provision as of 30/09/2024
LTI tranche 2023/24	0.00	0.55
TOTAL	**0.00**	**0.55**

43. MANAGEMENT BOARD AND SUPERVISORY BOARD

Remuneration of members of the Management Board in financial year 2023/24
In accordance with the remuneration system valid for financial year 2023/24, the remuneration of the active members of the Management Board of CECONOMY AG comprises non-performance-based fixed remuneration components and performance-based variable remuneration components. The fixed, non-performance-based remuneration consists of the fixed annual salary, the contributions for the post-service benefit plans and other supplemental benefits (contributions to accident insurance, allowances for health/nursing insurance, assumption of costs for preventive health care, provision of a company car). The performance-based remuneration components are variable remuneration as a short-term incentive (STI) for the respective financial year and variable remuneration as a long-term incentive (LTI) over several financial years.

↗ The remuneration of members of the Management Board is explained in detail in the remuneration report. The remuneration report has also been made permanently available on the company's website www.ceconomy.de/en/ under Company – Corporate Governance.

The STI for financial year 2023/24 was calculated using financial and non-financial performance criteria. These are based on the following key performance indicators, in the case of the first three performance criteria in accordance with the company's consolidated financial statement (also adjusted for the effects of portfolio changes, for example):

- Earnings before interest and tax (EBIT) on the basis of absolute EBIT values
- Sales growth adjusted for exchange rates
- Net working capital (NWC) on the basis of absolute NWC values (four-quarter average)
- Customer satisfaction (NPS)

Provisions of €1.9 million were recognised for STI payments to members of the Management Board (2022/23: €1.6 million).

The LTI is granted annually and paid out after a performance period of four financial years in total. The expenses for the LTI are recognised proportionately over the four-year performance period. A requirement for the payment is that the entitled member of the Management Board of the company can prove the necessary investment in ordinary shares of the company according to the company's shareholding programme. The payout amount is limited to a maximum of 200 per cent of the agreed individual target amount (payment cap). If the employment relationship commences or terminates during a financial year, the LTI is granted and paid on a pro rata basis for that financial year.

The calculation for the LTI tranche issued on 1 October 2023 is based on financial performance targets with a weighting of 70 per cent and non-financial performance targets with a weighting of 30 per cent. The financial performance criteria, which are equally weighted, are the absolute total shareholder return (aTSR) and the relative total shareholder return (rTSR). For the LTI tranche issued on 1 October 2023, non-financial targets were defined in the areas of climate and environmental protection, diversity and employee satisfaction.

The remuneration of the members of the Management Board in office in financial year 2023/24 (calculated in accordance with DRS 17 pursuant to HGB) amounts to €5.5 million (2022/23: €5.4 million). The previous year's figures relate to the Managment Board members in office in the financial year 2022/23.

For the tranche of the LTI running from the beginning of the 2023/24 financial year, the target amounts are €1.18 million for Dr Karsten Wildberger and €0.53 million for Dr Kai-Ulrich Deissner. The fair value at the grant date of this tranche of the LTI, as determined by external experts using a recognised actuarial valuation method, is €0.95 million for Dr Wildberger and €0.42 million for Dr Deissner. The provisions for all outstanding tranches of the LTI for current members of the Management Board amount to €2.4 million (2022/23: €0.6 million).

The company post-employment benefit plan for members of the Management Board takes the form of a reinsured direct commitment with a defined contribution component. It is funded jointly by the Management Board and the company. If a Management Board member contributes five per cent of his defined assessment basis, the company adds double the amount. Contributions by the company to the post-employment benefit plan are capped at €100,000 per year in each case.

The present value of the obligation volume for pension entitlements in accordance with IFRS for Management Board members in office in financial year 2023/24 is €1.0 million (2022/23: €0.8 million). The present value of the obligation volume for pension entitlements in accordance with HGB for Management Board members in office in financial year 2023/24 €1.0 million (2022/23: €0.8 million). The figures shown for the previous year relate to members of the Management Board in office in financial year 2022/23.

Total compensation of the former members of the Management Board
Pension benefits €3.1 million (2022/23: €3.2 million) were paid to former members of the Management Board of CECONOMY AG and companies merged into CECONOMY AG and their surviving dependants in financial year 2023/24.

The present value of obligations for ongoing pensions and pension entitlements in accordance with IFRS for former Management Board members is €35.9 million (2022/23: €37.1 million). The corresponding present value of the obligation volume for ongoing pensions and pension entitlements in accordance with the HGB for former Management Board members is €39.4 million (2022/23: €43.1 million).

Remuneration of the members of the Supervisory Board
The total remuneration of all members of the Supervisory Board for financial year 2023/24 amounts to €1.9 million (2022/23: €2.0 million).

↗ Further information on the remuneration of Management Board and Supervisory Board members can be found in the remuneration report.

44. GROUP AUDITOR'S FEES

For the services provided by the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and other companies in the PwC network, whose fees for the 2023/24 financial year are recognised for the first time in accordance with the International Ethics Standards Board for Accountants Code of Ethics. A total of fees in the amount of €11 million has been calculated. Other companies in the PwC network account for a total of €4 million for audit services, while other assurance services, tax consultation services and other services each account for €0 million.

The total fee shown below was charged for the services provided by the auditor of the consolidated financial statements, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft.

€ million	2022/23	2023/24
Audit of financial statements	6	6
Other assurance services	0	1
Tax consultation services	0	0
Other services	0	0
Group auditor's fees	**6**	**7**

Only services in compliance with the engagement of the auditor of the annual financial statements and the consolidated financial statements of CECONOMY AG were performed.

PwC's fee for auditing services relates primarily to the audit of the consolidated financial statements of CECONOMY AG, including the related work on IFRS reporting packages of the consolidated subsidiary and the annual financial statements of CECONOMY AG and various subsidiaries, including statutory extensions. In addition, interim financial statements and related IFRS reporting packages were reviewed.

Other assurance services include, for example, voluntary assurance services relating to the issuance of comfort letters, the audit of the separate non-financial Group report with limited assurance and certificates in connection with disposal and recycling obligations.

45. DECLARATION OF CONFORMITY REGARDING THE RECOMMENDATIONS OF THE GERMAN CORPORATE GOVERNANCE CODE

CECONOMY AG makes the declaration of conformity issued jointly by the Management Board and Supervisory Board in accordance with section 161 para. 1 AktG on the recommendations of the Government Commission on the German Corporate Governance Code of September 2024 and any declarations of conformity or amendments to declarations of conformity that are no longer current permanently available to the public on the website www.ceconomy.de/en under Company - Corporate Governance.

46. ELECTION TO BE EXEMPT IN ACCORDANCE WITH SECTION 264 PARA. 3 AND SECTION 264 B HGB

The following domestic subsidiaries in the legal form of a corporation or partnership have exercised the simplification option according to Sec. 264 para. 3 HGB or Sec. 264 b HGB, respectively and therefore refrain from disclosing their 2023/24 annual financial statements and mostly from preparing the (HGB) notes and management report.

Operating companies and service entities	
CECONOMY Data GmbH	Düsseldorf
CECONOMY Dreizehnte Gesellschaft für Vermögensverwaltung mbH	Ingolstadt
CECONOMY Retail GmbH	Düsseldorf
CECONOMY Retail International GmbH	Düsseldorf
DTB Deutsche Technikberatung GmbH	Cologne
Imtron GmbH	Ingolstadt
Media Markt CCLXXV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt
Media Markt CCXCVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt
Media Markt TV - HiFi - Elektro GmbH Egelsbach	Egelsbach
Media Markt TV HiFi-Elektro GmbH Berlin-Spandau	Berlin
MEDIA MARKT TV-HiFi-Elektro GmbH	Peißen
Media Markt TV-HiFi-Elektro GmbH Aachen	Aachen
Media Markt TV-HiFi-Elektro GmbH Aalen	Aalen
Media Markt TV-HiFi-Elektro GmbH Albstadt	Albstadt
Media Markt TV-HiFi-Elektro GmbH Alzey	Alzey
Media Markt TV-HiFi-Elektro GmbH Amberg	Amberg
Media Markt TV-HiFi-Elektro GmbH Ansbach	Ansbach
Media Markt TV-HiFi-Elektro GmbH Aschaffenburg	Aschaffenburg
Media Markt TV-HiFi-Elektro GmbH Augsburg	Augsburg
Media Markt TV-HiFi-Elektro GmbH Augsburg-Göggingen	Augsburg
Media Markt TV-HiFi-Elektro GmbH Bad Dürrheim	Bad Dürrheim
MEDIA MARKT TV-HiFi-Elektro GmbH Bad Kreuznach	Bad Kreuznach
Media Markt TV-HiFi-Elektro GmbH Baden-Baden	Baden-Baden
Media Markt TV-HiFi-Elektro GmbH Bamberg	Bamberg
Media Markt TV-HiFi-Elektro GmbH Baunatal	Baunatal
Media Markt TV-HiFi-Elektro GmbH Bayreuth	Bayreuth
Media Markt TV-HiFi-Elektro GmbH Belm	Belm
Media Markt TV-HiFi-Elektro GmbH Bergisch Gladbach	Bergisch Gladbach
Media Markt TV-HiFi-Elektro GmbH Berlin-Biesdorf	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Charlottenburg	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Friedrichshain	Berlin
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Gropiusstadt	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Hohenschönhausen	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Mitte	Berlin
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Neukölln	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Prenzlauer Berg	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Schöneweide	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Steglitz	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Tegel	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Tempelhof	Berlin
Media Markt TV-HiFi-Elektro GmbH Berlin-Wedding	Berlin
Media Markt TV-HiFi-Elektro GmbH Bielefeld	Bielefeld

Operating companies and service entities

Media Markt TV-HiFi-Elektro GmbH Bischofsheim	Bischofsheim
Media Markt TV-HiFi-Elektro GmbH Bocholt	Bocholt
Media Markt TV-HiFi-Elektro GmbH Bochum	Bochum
Media Markt TV-HiFi-Elektro GmbH Bochum-Ruhrpark	Bochum
Media Markt TV-HiFi-Elektro GmbH Bonn	Bonn
Media Markt TV-HiFi-Elektro GmbH Brandenburg an der Havel	Brandenburg an der Havel
Media Markt TV-HiFi-Elektro GmbH Braunschweig	Braunschweig
Media Markt TV-HiFi-Elektro GmbH Bremen	Bremen
Media Markt TV-HiFi-Elektro GmbH Bremen-Habenhausen	Bremen
Media Markt TV-HiFi-Elektro GmbH Bremen-Waterfront	Bremen
Media Markt TV-HiFi-Elektro GmbH Bruchsal	Bruchsal
Media Markt TV-HiFi-Elektro GmbH Buchholz in der Nordheide	Buchholz
Media Markt TV-HiFi-Elektro GmbH Buxtehude	Buxtehude
Media Markt TV-HiFi-Elektro GmbH Castrop-Rauxel	Castrop-Rauxel
Media Markt TV-HiFi-Elektro GmbH Celle	Celle
Media Markt TV-HiFi-Elektro GmbH Chemnitz	Chemnitz
Media Markt TV-HiFi-Elektro GmbH Chemnitz-Röhrsdorf	Chemnitz
Media Markt TV-HiFi-Elektro GmbH Coburg	Coburg
Media Markt TV-HiFi-Elektro GmbH Cottbus/Groß Gaglow	Cottbus
Media Markt TV-HiFi-Elektro GmbH Dessau	Dessau-Roßlau
MEDIA MARKT TV-HiFi-Elektro GmbH Dietzenbach	Dietzenbach
Media Markt TV-HiFi-Elektro GmbH Donauwörth	Donauwörth
Media Markt TV-HiFi-Elektro GmbH Dorsten	Dorsten
Media Markt TV-HiFi-Elektro GmbH Dortmund-Eving	Dortmund
Media Markt TV-HiFi-Elektro GmbH Dortmund-Hörde	Dortmund
Media Markt TV-HiFi-Elektro GmbH Dortmund-Oespel	Dortmund
Media Markt TV-HiFi-Elektro GmbH Dresden Centrum	Dresden
Media Markt TV-HiFi-Elektro GmbH Dresden-Mickten	Dresden
Media Markt TV-HiFi-Elektro GmbH Dresden-Prohlis	Dresden
Media Markt TV-HiFi-Elektro GmbH Duisburg	Duisburg
Media Markt TV-HIFI-Elektro GmbH Düren	Düren
Media Markt TV-HiFi-Elektro GmbH Düsseldorf	Düsseldorf
Media Markt TV-HiFi-Elektro GmbH Eiche	Ahrensfelde
Media Markt TV-HiFi-Elektro GmbH Eisenach	Eisenach
Media Markt TV-HiFi-Elektro GmbH Eislingen	Eislingen
Media Markt TV-HiFi-Elektro GmbH Elmshorn	Elmshorn
Media Markt TV-HiFi-Elektro GmbH Emden	Emden
Media Markt TV-HiFi-Elektro GmbH Erding	Erding
Media Markt TV-HiFi-Elektro GmbH Erfurt Thüringen-Park	Erfurt
Media Markt TV-HiFi-Elektro GmbH Erfurt-Daberstedt	Erfurt
Media Markt TV-HiFi-Elektro GmbH Erlangen	Erlangen
Media Markt TV-HiFi-Elektro GmbH Erlangen Arcaden	Erlangen
Media Markt TV-HiFi-Elektro GmbH Eschweiler	Eschweiler
Media Markt TV-HiFi-Elektro GmbH Essen	Essen
Media Markt TV-HiFi-Elektro GmbH Esslingen	Esslingen am Neckar
Media Markt TV-HiFi-Elektro GmbH Fellbach	Fellbach
Media Markt TV-HiFi-Elektro GmbH Flensburg	Flensburg
Media Markt TV-HiFi-Elektro GmbH Frankfurt	Frankfurt am Main
MEDIA MARKT TV-HiFi-Elektro GmbH Frankfurt-Borsigallee	Frankfurt am Main
Media Markt TV-HiFi-Elektro GmbH Freiburg	Freiburg im Breisgau
Media Markt TV-HiFi-Elektro GmbH Friedrichshafen	Friedrichshafen
Media Markt TV-HiFi-Elektro GmbH Fulda	Fulda
Media Markt TV-HiFi-Elektro GmbH Gifhorn	Gifhorn
Media Markt TV-HiFi-Elektro GmbH Goslar	Goslar
Media Markt TV-HiFi-Elektro GmbH Göttingen	Göttingen

Operating companies and service entities	
Media Markt TV-HiFi-Elektro GmbH Greifswald	Greifswald
Media Markt TV-HiFi-Elektro GmbH Gründau-Lieblos	Gründau
Media Markt TV-HiFi-Elektro GmbH Günthersdorf	Leuna
Media Markt TV-HiFi-Elektro GmbH Gütersloh	Gütersloh
Media Markt TV-HiFi-Elektro GmbH Hagen-Iserlohn	Hagen
Media Markt TV-HiFi-Elektro GmbH Halberstadt	Halberstadt
Media Markt TV-HiFi-Elektro GmbH Halstenbek	Halstenbek
Media Markt TV-HiFi-Elektro GmbH Hamburg-Altona	Hamburg
Media Markt TV-HiFi-Elektro GmbH Hamburg-Billstedt	Hamburg
Media Markt TV-HiFi-Elektro GmbH Hamburg-Harburg	Hamburg
Media Markt TV-HiFi-Elektro GmbH Hamburg-Hummelsbüttel	Hamburg
Media Markt TV-HiFi-Elektro GmbH Hamburg-Nedderfeld	Hamburg
Media Markt TV-HiFi-Elektro GmbH Hamburg-Wandsbek	Hamburg
Media Markt TV-HiFi-Elektro GmbH Hameln	Hameln
Media Markt TV-HiFi-Elektro GmbH Hanau	Hanau
Media Markt TV-HiFi-Elektro GmbH Hannover Ernst-August-Platz	Hanover
Media Markt TV-HiFi-Elektro GmbH Hannover-Vahrenheide	Hanover
Media Markt TV-HiFi-Elektro GmbH Hannover-Wülfel	Hanover
Media Markt TV-HiFi-Elektro GmbH Heide	Heide
Media Markt TV-HiFi-Elektro GmbH Heidelberg	Heidelberg
Media Markt TV-HiFi-Elektro GmbH Heidelberg-Rohrbach	Heidelberg
Media Markt TV-HiFi-Elektro GmbH Heilbronn	Heilbronn
Media Markt TV-HiFi-Elektro GmbH Henstedt-Ulzburg	Henstedt-Ulzburg
Media Markt TV-HiFi-Elektro GmbH Heppenheim	Heppenheim (Bergstraße)
Media Markt TV-HiFi-Elektro GmbH Herzogenrath	Herzogenrath
Media Markt TV-HiFi-Elektro GmbH Hildesheim	Hildesheim
Media Markt TV-HiFi-Elektro GmbH Hof	Hof
Media Markt TV-HiFi-Elektro GmbH Homburg/Saar	Homburg
Media Markt TV-HiFi-Elektro GmbH Hückelhoven	Hückelhoven
Media Markt TV-HiFi-Elektro GmbH Hürth	Hürth
Media Markt TV-HiFi-Elektro GmbH Idar-Oberstein	Idar-Oberstein
Media Markt TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt
Media Markt TV-HiFi-Elektro GmbH Ingolstadt Westpark	Ingolstadt
Media Markt TV-HiFi-Elektro GmbH Isernhagen	Isernhagen
Media Markt TV-HiFi-Elektro GmbH Itzehoe	Itzehoe
Media Markt TV-HiFi-Elektro GmbH Jena	Jena
Media Markt TV-HiFi-Elektro GmbH Jena-City	Jena
Media Markt TV-HiFi-Elektro GmbH Kaiserslautern	Kaiserslautern
Media Markt TV-HiFi-Elektro GmbH Karlsfeld	Karlsfeld
Media Markt TV-HiFi-Elektro GmbH Karlsruhe	Karlsruhe
Media Markt TV-HiFi-Elektro GmbH Karlsruhe-Ettlinger Tor	Karlsruhe
Media Markt TV-HiFi-Elektro GmbH Kassel	Kassel
Media Markt TV-HiFi-Elektro GmbH Kempten	Kempten (Allgäu)
Media Markt TV-HiFi-Elektro GmbH Kerpen	Kerpen
Media Markt TV-HiFi-Elektro GmbH Kiel	Kiel
Media Markt TV-HiFi-Elektro GmbH Kiel-Sophienhof	Kiel
Media Markt TV-HiFi-Elektro GmbH Kirchheim	Kirchheim unter Teck
Media Markt TV-HiFi-Elektro GmbH Koblenz	Koblenz
Media Markt TV-HiFi-Elektro GmbH Köln Hohe Straße	Cologne
Media Markt TV-HiFi-Elektro GmbH Köln-Kalk	Cologne
Media Markt TV-HiFi-Elektro GmbH Köln-Marsdorf	Cologne
Media Markt TV-HiFi-Elektro GmbH Konstanz	Konstanz
Media Markt TV-HiFi-Elektro GmbH Krefeld	Krefeld
Media Markt TV-HiFi-Elektro GmbH Kulmbach	Kulmbach
Media Markt TV-HiFi-Elektro GmbH Lahr	Lahr

Operating companies and service entities	
Media Markt TV-HiFi-Elektro GmbH Landau/Pfalz	Landau in der Pfalz
Media Markt TV-HiFi-Elektro GmbH Landsberg/Lech	Landsberg am Lech
Media Markt TV-HiFi-Elektro GmbH Landshut	Landshut
Media Markt TV-HiFi-Elektro GmbH Leinfelden-Echterdingen	Leinfelden-Echterdingen
Media Markt TV-HiFi-Elektro GmbH Leipzig Höfe am Brühl	Leipzig
Media Markt TV-HiFi-Elektro GmbH Leipzig-Paunsdorf	Leipzig
Media Markt TV-HiFi-Elektro GmbH Limburg	Limburg
Media Markt TV-HiFi-Elektro GmbH Lingen	Lingen (Ems)
Media Markt TV-HiFi-Elektro GmbH Lübeck	Lübeck
Media Markt TV-HiFi-Elektro GmbH Lübeck Dänischburg	Lübeck
Media Markt TV-HiFi-Elektro GmbH Lüdenscheid	Lüdenscheid
Media Markt TV-HiFi-Elektro GmbH Ludwigsburg	Ludwigsburg
Media Markt TV-HiFi-Elektro GmbH Ludwigshafen	Ludwigshafen/Rh.
Media Markt TV-HiFi-Elektro GmbH Lüneburg	Lüneburg
Media Markt TV-HiFi-Elektro GmbH M232	Ingolstadt
Media Markt TV-HiFi-Elektro GmbH M258	Ingolstadt
Media Markt TV-HiFi-Elektro GmbH Magdeburg	Magdeburg
Media Markt TV-HiFi-Elektro GmbH Magdeburg-Bördepark	Magdeburg
Media Markt TV-HiFi-Elektro GmbH Magdeburg-City	Magdeburg
Media Markt TV-HiFi-Elektro GmbH Main-Taunus-Zentrum	Sulzbach
Media Markt TV-HiFi-Elektro GmbH Mainz	Mainz
Media Markt TV-HiFi-Elektro GmbH Mainz-City	Mainz
Media Markt TV-HiFi-Elektro GmbH Mannheim	Mannheim
Media Markt TV-HiFi-Elektro GmbH Mannheim-City	Mannheim
Media Markt TV-HiFi-Elektro GmbH Mannheim-Sandhofen	Mannheim
Media Markt TV-HiFi-Elektro GmbH Marburg	Marburg
Media Markt TV-HiFi-Elektro GmbH Marktredwitz	Marktredwitz
Media Markt TV-HiFi-Elektro GmbH Meerane	Meerane
Media Markt TV-HiFi-Elektro GmbH Memmingen	Memmingen
Media Markt TV-HiFi-Elektro GmbH Moers	Moers
Media Markt TV-HiFi-Elektro GmbH Mönchengladbach	Mönchengladbach
Media Markt TV-HiFi-Elektro GmbH Mühldorf/Inn	Mühldorf a. Inn
MEDIA MARKT TV-HiFi-Elektro GmbH Mülheim	Mülheim an der Ruhr
Media Markt TV-HiFi-Elektro GmbH München	Munich
Media Markt TV-HiFi-Elektro GmbH München-Haidhausen	Munich
Media Markt TV-HiFi-Elektro GmbH München-Pasing	Munich
Media Markt TV-HiFi-Elektro GmbH München-Solln	Munich
Media Markt TV-HiFi-Elektro GmbH Münster	Münster
Media Markt TV-HiFi-Elektro GmbH Münster Arkaden	Münster
Media Markt TV-Hifi-Elektro GmbH Nagold	Nagold
Media Markt TV-HiFi-Elektro GmbH Neubrandenburg	Neubrandenburg
Media Markt TV-HiFi-Elektro GmbH Neuburg an der Donau	Neuburg an der Donau
Media Markt TV-HiFi-Elektro GmbH Neumünster	Neumünster
Media Markt TV-HiFi-Elektro GmbH Neunkirchen	Neunkirchen
Media Markt TV-HiFi-Elektro GmbH Neuss	Neuss
Media Markt TV-HiFi-Elektro GmbH Neustadt an der Weinstraße	Neustadt/Weinstraße
Media Markt TV-HiFi-Elektro GmbH Neu-Ulm	Neu-Ulm
Media Markt TV-HiFi-Elektro GmbH Neuwied	Neuwied
Media Markt TV-HiFi-Elektro GmbH Nienburg	Nienburg
Media Markt TV-HiFi-Elektro GmbH Nordhausen	Nordhausen
Media Markt TV-HiFi-Elektro GmbH Nordhorn	Nordhorn
Media Markt TV-HiFi-Elektro GmbH Nürnberg-City	Nuremberg
Media Markt TV-HiFi-Elektro GmbH Nürnberg-Kleinreuth	Nuremberg
MEDIA MARKT TV-HiFi-Elektro GmbH Nürnberg-Langwasser	Nuremberg
Media Markt TV-Hifi-Elektro GmbH Nürnberg-Schoppershof	Nuremberg

Operating companies and service entities

Media Markt TV-HiFi-Elektro GmbH Offenburg	Offenburg
Media Markt TV-HiFi-Elektro GmbH Oldenburg	Oldenburg
Media Markt TV-HiFi-Elektro GmbH Osnabrück-City	Osnabrück
Media Markt TV-HiFi-Elektro GmbH Oststeinbek	Oststeinbek
Media Markt TV-HiFi-Elektro GmbH Paderborn	Paderborn
Media Markt TV-HiFi-Elektro GmbH Papenburg	Papenburg
Media Markt TV-HiFi-Elektro GmbH Passau	Passau
Media Markt TV-HiFi-Elektro GmbH Passau Stadtgalerie	Passau
Media Markt TV-HiFi-Elektro GmbH Peine	Peine
Media Markt TV-HiFi-Elektro GmbH Pforzheim	Pforzheim
Media Markt TV-HiFi-Elektro GmbH Pirmasens	Pirmasens
Media Markt TV-HiFi-Elektro GmbH Plauen	Plauen
Media Markt TV-HiFi-Elektro GmbH Porta Westfalica	Porta Westfalica
Media Markt TV-HiFi-Elektro GmbH Potsdam	Potsdam
Media Markt TV-HiFi-Elektro GmbH Potsdam-City	Potsdam
Media Markt TV-HiFi-Elektro GmbH Ravensburg	Ravensburg
Media Markt TV-HiFi-Elektro GmbH Recklinghausen	Recklinghausen
Media Markt TV-HiFi-Elektro GmbH Regensburg	Regensburg
Media Markt TV-HiFi-Elektro GmbH Regensburg im Donau-Einkaufszentrum	Regensburg
Media Markt TV-HiFi-Elektro GmbH Remscheid	Remscheid
Media Markt TV-HiFi-Elektro GmbH Rendsburg	Rendsburg
Media Markt TV-HiFi-Elektro GmbH Reutlingen	Reutlingen
Media Markt TV-HiFi-Elektro GmbH Rheine	Rheine
Media Markt TV-HiFi-Elektro GmbH Rosenheim	Rosenheim
Media Markt TV-HiFi-Elektro GmbH Rostock	Sievershagen
Media Markt TV-HiFi-Elektro GmbH Rostock-Brinckmansdorf	Rostock
Media Markt TV-HiFi-Elektro GmbH Rostock-City	Rostock
Media Markt TV-HiFi-Elektro GmbH Saarbrücken	Saarbrücken
Media Markt TV-HiFi-Elektro GmbH Saarbrücken-Saarterrassen	Saarbrücken
Media Markt TV-HiFi-Elektro GmbH Saarlouis	Saarlouis
Media Markt TV-HiFi-Elektro GmbH Schiffdorf-Spaden	Schiffdorf-Spaden
Media Markt TV-HiFi-Elektro GmbH Schwabach	Schwabach
Media Markt TV-HiFi-Elektro GmbH Schwedt	Schwedt/Oder
Media Markt TV-HiFi-Elektro GmbH Schweinfurt	Schweinfurt
Media Markt TV-HiFi-Elektro GmbH Schwentinental	Schwentinental
Media Markt TV-HiFi-Elektro GmbH Schwerin	Schwerin
Media Markt TV-HiFi-Elektro GmbH Senden	Senden
Media Markt TV-HiFi-Elektro GmbH Siegen	Siegen
Media Markt TV-HiFi-Elektro GmbH Sindelfingen	Sindelfingen
Media Markt TV-HiFi-Elektro GmbH Singen	Singen Hohentwiel
Media Markt TV-HiFi-Elektro GmbH Sinsheim	Sinsheim
Media Markt TV-HiFi-Elektro GmbH Solingen	Solingen
Media Markt TV-HiFi-Elektro GmbH Speyer	Speyer
Media Markt TV-HiFi-Elektro GmbH Stade	Stade
Media Markt TV-HiFi-Elektro GmbH Stadthagen	Stadthagen
Media Markt TV-HiFi-Elektro GmbH Stralsund	Stralsund
Media Markt TV-HiFi-Elektro GmbH Straubing	Straubing
Media Markt TV-HiFi-Elektro GmbH Stuhr	Stuhr
Media Markt TV-HiFi-Elektro GmbH Stuttgart-Feuerbach	Stuttgart
Media Markt TV-HiFi-Elektro GmbH Traunreut	Traunreut
Media Markt TV-HiFi-Elektro GmbH Traunstein	Traunstein
Media Markt TV-HiFi-Elektro GmbH Trier	Trier
Media Markt TV-HiFi-Elektro GmbH Tübingen	Tübingen
Media Markt TV-HiFi-Elektro GmbH Ulm	Ulm
Media Markt TV-HiFi-Elektro GmbH Velbert	Velbert

Operating companies and service entities	
MEDIA MARKT TV-HiFi-Elektro GmbH Viernheim	Viernheim
Media Markt TV-HiFi-Elektro GmbH Waltersdorf bei Berlin	Schönefeld
Media Markt TV-HiFi-Elektro GmbH Weiden	Weiden i.d.OPf.
Media Markt TV-HiFi-Elektro GmbH Weilheim	Weilheim
Media Markt TV-HiFi-Elektro GmbH Weiterstadt	Weiterstadt
Media Markt TV-HiFi-Elektro GmbH Wetzlar	Wetzlar
Media Markt TV-HiFi-Elektro GmbH Wiesbaden	Wiesbaden
Media Markt TV-HiFi-Elektro GmbH Wiesbaden-Äppelallee	Wiesbaden
Media Markt TV-HiFi-Elektro GmbH Wolfsburg	Wolfsburg
Media Markt TV-HiFi-Elektro GmbH Wolfsburg-City	Wolfsburg
Media Markt TV-HiFi-Elektro GmbH Worms	Worms
Media Markt TV-HiFi-Elektro GmbH Wuppertal	Wuppertal
Media Markt TV-HiFi-Elektro GmbH Wuppertal-City	Wuppertal
Media Markt TV-HiFi-Elektro GmbH Würzburg	Würzburg
Media Markt TV-HiFi-Elektro GmbH Würzburg - Alfred-Nobel-Straße	Würzburg
Media Markt TV-HiFi-Elektro GmbH Zella-Mehlis	Zella-Mehlis
Media Markt TV-HiFi-Elektro GmbH Zwickau	Zwickau
MediaMarktSaturn Augsburg GmbH	Augsburg
MediaMarktSaturn Berlin-Spandau GmbH	Berlin
MediaMarktSaturn Beschaffung und Logistik GmbH	Ingolstadt
MediaMarktSaturn Bochum-Hattingen GmbH	Bochum
MediaMarktSaturn Bremen GmbH	Bremen
MediaMarktSaturn Deutschland vierte Beteiligungsgesellschaft mbH	Ingolstadt
MediaMarktSaturn Dortmund GmbH	Dortmund
MediaMarktSaturn Frankfurt-Offenbach GmbH	Frankfurt am Main
MediaMarktSaturn Freiburg-Müllheim GmbH	Freiburg im Breisgau
MediaMarktSaturn fünfte Beteiligungsgesellschaft mbH	Ingolstadt
MediaMarktSaturn Global Business Services GmbH	Ingolstadt
MediaMarktSaturn Hamburg GmbH	Hamburg
MediaMarktSaturn Karlsruhe GmbH	Karlsruhe
MediaMarktSaturn Koblenz GmbH	Koblenz
MediaMarktSaturn Köln GmbH	Cologne
MediaMarktSaturn Logistik Erfurt GmbH	Erfurt
MediaMarktSaturn Markenlizenz GmbH	Munich
MediaMarktSaturn Markenservice GmbH & Co. KG	Munich
MediaMarktSaturn Markenservice Holding GmbH	Ingolstadt
MediaMarktSaturn Markenservice Verwaltungs-GmbH	Munich
MediaMarktSaturn München GmbH	Munich
MediaMarktSaturn Plattform Services GmbH	Munich
MediaMarktSaturn Retail Group GmbH	Ingolstadt
MediaMarktSaturn sechste Beteiligungsgesellschaft mbH	Ingolstadt
MediaMarktSaturn siebte Beteiligungsgesellschaft mbH	Ingolstadt
MediaMarktSaturn Zwickau GmbH	Zwickau
Media-Saturn Deutschland Beteiligungsgesellschaft mbH	Ingolstadt
Media-Saturn Deutschland GmbH	Ingolstadt
Media-Saturn Helvetia Holding GmbH	Ingolstadt
Media-Saturn Marketing GmbH	Munich
Media-Saturn-Holding GmbH	Ingolstadt
MMS E-Commerce GmbH	Ingolstadt
MMS Intangibles GmbH & Co. KG	Ingolstadt
MMS MyDelivery GmbH	Ingolstadt
MMS Portfolio GmbH	Munich
MMS Retail International GmbH	Düsseldorf
MMS Technology GmbH	Ingolstadt
MMS Verwertungsgesellschaft mbH	Ingolstadt

Operating companies and service entities

MWFS Zwischenholding GmbH & Co. KG	Düsseldorf
MWFS Zwischenholding Management GmbH	Düsseldorf
my-xplace GmbH	Ingolstadt
Power Service GmbH	Cologne
Saturn Electro-Handelsgesellschaft mbH Ansbach	Ansbach
Saturn Electro-Handelsgesellschaft mbH Bad Homburg	Bad Homburg v.d. Höhe
Saturn Electro-Handelsgesellschaft mbH Bad Oeynhausen	Bad Oeynhausen
Saturn Electro-Handelsgesellschaft mbH Berlin I	Berlin
Saturn Electro-Handelsgesellschaft mbH Berlin-Charlottenburg	Berlin
Saturn Electro-Handelsgesellschaft mbH Berlin-Gesundbrunnen	Berlin
Saturn Electro-Handelsgesellschaft mbH Berlin-Köpenick	Berlin
Saturn Electro-Handelsgesellschaft mbH Berlin-Leipziger Platz	Berlin
Saturn Electro-Handelsgesellschaft mbH Berlin-Marzahn	Berlin
Saturn Electro-Handelsgesellschaft mbH Berlin-Schloßstraße	Berlin
Saturn Electro-Handelsgesellschaft mbH Bielefeld	Bielefeld
Saturn Electro-Handelsgesellschaft mbH Braunschweig	Braunschweig
Saturn Electro-Handelsgesellschaft mbH Chemnitz	Chemnitz
Saturn Electro-Handelsgesellschaft mbH Darmstadt	Darmstadt
Saturn Electro-Handelsgesellschaft mbH Dresden	Dresden
Saturn Electro-Handelsgesellschaft mbH Duisburg	Duisburg
Saturn Electro-Handelsgesellschaft mbH Erfurt	Erfurt
Saturn Electro-Handelsgesellschaft mbH Essen	Essen
Saturn Electro-Handelsgesellschaft mbH Euskirchen	Euskirchen
Saturn Electro-Handelsgesellschaft mbH Flensburg	Flensburg
Saturn Electro-Handelsgesellschaft mbH Freising	Freising
Saturn Electro-Handelsgesellschaft mbH Gießen	Gießen
Saturn Electro-Handelsgesellschaft mbH Gummersbach	Gummersbach
Saturn Electro-Handelsgesellschaft mbH Hamm	Hamm
Saturn Electro-Handelsgesellschaft mbH Hilden	Hilden
Saturn Electro-Handelsgesellschaft mbH Kaiserslautern	Kaiserslautern
Saturn Electro-Handelsgesellschaft mbH Kassel	Kassel
Saturn Electro-Handelsgesellschaft mbH Kempten	Kempten (Allgäu)
Saturn Electro-Handelsgesellschaft mbH Kleve	Kleve
Saturn Electro-Handelsgesellschaft mbH Krefeld	Krefeld
Saturn Electro-Handelsgesellschaft mbH Landshut	Landshut
Saturn Electro-Handelsgesellschaft mbH Leipzig	Leipzig
Saturn Electro-Handelsgesellschaft mbH Leipzig-Hauptbahnhof	Leipzig
Saturn Electro-Handelsgesellschaft mbH Leonberg	Leonberg
Saturn Electro-Handelsgesellschaft mbH Ludwigsburg	Ludwigsburg
Saturn Electro-Handelsgesellschaft mbH Ludwigshafen	Ludwigshafen/Rhein
Saturn Electro-Handelsgesellschaft mbH Lünen	Lünen
Saturn Electro-Handelsgesellschaft mbH Marl	Marl
Saturn Electro-Handelsgesellschaft mbH Mülheim	Mülheim an der Ruhr
Saturn Electro-Handelsgesellschaft mbH München-Riem	Munich
Saturn Electro-Handelsgesellschaft mbH Neckarsulm	Neckarsulm
Saturn Electro-Handelsgesellschaft mbH Neu-Isenburg	Neu-Isenburg
Saturn Electro-Handelsgesellschaft mbH Norderstedt	Norderstedt
Saturn Electro-Handelsgesellschaft mbH Oberhausen	Oberhausen
Saturn Electro-Handelsgesellschaft mbH Oldenburg	Oldenburg
Saturn Electro-Handelsgesellschaft mbH Pforzheim	Pforzheim
Saturn Electro-Handelsgesellschaft mbH Reutlingen	Reutlingen
Saturn Electro-Handelsgesellschaft mbH S030	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S032	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S050	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S059	Ingolstadt

Operating companies and service entities	
Saturn Electro-Handelsgesellschaft mbH S081	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S104	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S214	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S251	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S295	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S310	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S313	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S314	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S320	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S321	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S329	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S337	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH S356	Ingolstadt
Saturn Electro-Handelsgesellschaft mbH Saarbrücken	Saarbrücken
Saturn Electro-Handelsgesellschaft mbH Stuttgart	Stuttgart
Saturn Electro-Handelsgesellschaft mbH Weimar	Weimar
Saturn Electro-Handelsgesellschaft mbH Wiesbaden	Wiesbaden
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Leverkusen
Saturn Techno-Markt Electro-Handelsgesellschaft mbH	Mönchengladbach
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Aachen	Aachen
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Düsseldorf - Königsallee	Düsseldorf
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Köln	Cologne
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Neuss	Neuss
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Sankt Augustin	Sankt Augustin
Saturn Techno-Markt Electro-Handelsgesellschaft mbH Siegen	Siegen
Saturn-Mega Markt GmbH Halle	Halle (Saale)
Tec-Repair GmbH	Wolnzach
xplace GmbH	Göttingen

47. OVERVIEW OF MATERIAL FULLY CONSOLIDATED GROUP COMPANIES

			30/09/2023	30/09/2024
Name	Country	Registered office	Share in %	Share in %
CECONOMY AG	Germany	Düsseldorf		
MediaMarktSaturn Retail Group GmbH	Germany	Ingolstadt	100.0	100.0
Media-Saturn-Holding GmbH	Germany	Ingolstadt	100.0	100.0
Media-Saturn Deutschland GmbH	Germany	Ingolstadt	100.0	100.0
MediaMarkt Österreich GmbH	Austria	Vösendorf	100.0	100.0
MEDIA MARKT SATURN, S.A. UNIPERSONAL	Spain	El Prat de Llobregat	100.0	100.0
Mediamarket S.p.A.con Socio Unico	Italy	Verano Brianza	100.0	100.0
Media Markt Saturn Holding Nederland B.V.	Netherlands	Rotterdam	100.0	100.0
Media Saturn Holding Polska Sp.z.o.o.	Poland	Warsaw	100.0	100.0
MEDİA MARKT TURKEY TİCARET LİMİTED ŞİRKETİ	Türkiye	Istanbul	100.0	100.0

48. CORPORATE BODIES OF CECONOMY AG AND THEIR MANDATES

Members of the Supervisory Board[1]

Thomas Dannenfeldt (Chairman of the Supervisory Board)
Self-employed entrepreneur, St. Augustin
a) None
b) Nokia Oyj, Espoo, Finland

Jürgen Schulz (Deputy Chairman)
Chairman of the Works Council, Saturn Electro Handelsgesellschaft mbH, Bielefeld
Service Department Manager, Saturn Electro Handelsgesellschaft mbH, Bielefeld
a) None
b) None

Katrin Adt
Vice President Corporate Audit, Mercedes-Benz Group AG, Stuttgart
a) None
b) None

Karin Dohm
Member of the Management Board, HORNBACH Baumarkt AG, Bornheim, and HORNBACH Management AG, Annweiler
a) HORNBACH Immobilien AG, Bornheim
Heidelberger Druckmaschinen AG, Heidelberg
b) Danfoss A/S, Nordborg, Denmark, Non-Executive Director

Daniela Eckardt
Member of the Works Council, Saturn Alexanderplatz, Berlin
Service Coordinator, Saturn Alexanderplatz, Berlin
a) None
b) None

Sabine Eckhardt
Supervisory Board member, Senior Advisor and Lecturer, Munich
a) UniCredit Bank GmbH, Munich
Edel SE & Co. KGaA, Hamburg (Chairperson of the Supervisory Board)
b) None

Henrike Eickholt (since 28/03/2024)
Regional Head of Department, ver.di Retail Department NRW, Düsseldorf
a) Entsorgungsbetriebe Essen GmbH (Member of the Supervisory Board)
b) None

Dr Florian Funck (until 30/04/2024)
Member of the Management Board of Sartorius AG (Chief Financial Officer), Goettingen
a) TAKKT AG, Stuttgart
Vonovia SE, Bochum
b) Innovation City Management GmbH, Bottrop (until 15/11/2023)

Ludwig Glosser
Chairman of the Works Council, MMS Technology GmbH, Ingolstadt
Lead Problem Manager and Sourcing Manager, IT Service Management, MMS Technology GmbH, Ingolstadt
a) Raiffeisenbank im Donautal eG, Gaimersheim (since 18/05/2022)
b) None

[1] Status: 10 December 2024
a) Memberships in other supervisory boards to be formed within the meaning of section 125 para. 1 sentence 5, 1st alt. German Stock Corporation Act
b) Memberships in comparable German and international supervisory bodies of commercial enterprises within the meaning of Section 125 (1) sentence 5, 2nd alt. German Stock Corporation Act

Corinna Groß
Federal Retail Trade Group Leader, ver.di, Federal Administration Berlin
a) Adler Modemärkte GmbH, Haibach (until 15/02/2024)
REWE Deutscher Supermarket AG & Co. KGaA, Cologne (since 09/02/2024)
REWE-ZENTRALFINANZ eG, Cologne (since 09/02/2024)
b) None

Doreen Huber
Independent entrepreneur and investor
Partner EQT Ventures, Stockholm, Sweden
a) None
b) Domino's Pizza Enterprises Ltd, Australia, Non-Executive Director (until 01/11/2023)

Stefan Infanger (to 31/01/2024)
Chairman of the Works Council, Tec-Repair GmbH, Wolnzach
Service technician, Tec-Repair GmbH, Wolnzach
a) None
b) None

Jürgen Kellerhals
Self-employed entrepreneur
a) None
b) None

Peter Kimpel (since 03/06/2024)
Independent entrepreneur and senior advisor
a) None
b) None

Birgit Kretschmer (since 14/02/2024)
Chief Financial Officer, C&A Mode GmbH & Co. KG, Düsseldorf
a) Mister Spex SE, Berlin
b) None

Maria Laube
Chairwoman of the Works Council, MediaMarkt Rosenheim
Retail saleswoman, large appliances department, MediaMarkt, Rosenheim
a) None
b) None

Paul Lehmann
Trade union secretary, ver.di Upper Franconia
a) None
b) None

Julian Norberg
Division Manager and Authorized Signatory Operational Excellence, Media-Saturn Deutschland GmbH, Ingolstadt
a) None
b) None

Claudia Plath (to 14/02/2024)
Managing Director/Chief Financial Officer ECE Group GmbH & Co. KG, Hamburg
a) Deutsche EuroShop AG, Hamburg
b) MEC METRO-ECE Centermanagement GmbH & Co. KG, Düsseldorf

Erich Schuhmacher
Head of Finance/Investment Controlling/Balance Sheets/Taxes, Convergenta Invest und Beteiligungs GmbH, Salzburg, Austria
Managing Director of several shopping centres and retail companies in Germany and Austria
a) None
b) Tally Weijl Holding AG, Basel, Switzerland (member of the Board of Directors)
Prime Footwear Investors AG, Appenzell, Switzerland (member of the Board of Directors since 27/11/2023)

Jascha Sperl (since 08/05/2024)
Chairman of the General Works Council, MediaMarkt, Heilbronn, Schwäbisch Hall and Crailsheim
Chairman of the Works Council, MediaMarkt, Heilbronn
Retail salesman, MediaMarkt computer department, Heilbronn
a) None
b) None

Maren Ulbrich (to 15/01/2024)
Political Secretary in ver.di federal department B, federal specialist group for aviation and maritime business, Berlin
a) Hermes Fulfilment GmbH, Hamburg (until 16/11/2023)
b) None

Christoph Vilanek
CEO of freenet AG, Büdelsdorf
a) Ströer Management SE and Ströer SE & Co KGaA, Cologne (Chair)
EXARING AG, Munich (Chair)
VNR Verlag für die Deutsche Wirtschaft AG, Bonn
b) Shelly Group AD, Sofia (Chairman of the Board of Directors) (since 01/01/2024)

Sylvia Woelke
Chairwoman of the Works Council of the joint operation MediaMarktSaturn Retail Group GmbH, Media-Saturn Deutschland GmbH & MediaMarktSaturn Beschaffung und Logistik GmbH, Ingolstadt
Manager Corporate Risk Management & Internal Controls, MediaMarktSaturn Retail Group GmbH
a) None
b) None

Committees of the Supervisory Board and their composition

Presidential Committee
Thomas Dannenfeldt (Chairman)
Jürgen Schulz
Katrin Adt
Sylvia Woelke

Audit Committee
Karin Dohm (Chairwoman)
Sylvia Woelke (Deputy Chairwoman)
Dr Florian Funck (until 30/04/2024)
Ludwig Glosser
Corinna Groß
Peter Kimpel (since 03/06/2024)
Birgit Kretschmer (since 14/02/2024)
Claudia Plath (to 14/02/2024)

Nomination Committee
Sabine Eckhardt (Chairwoman)
Thomas Dannenfeldt
Christoph Vilanek

Strategy Committee
Thomas Dannenfeldt (Chairman)
Jürgen Schulz (Deputy Chairman)
Doreen Huber
Sylvia Woelke

Mediation Committee pursuant to section 27 para. 3 MitbestG
Thomas Dannenfeldt (Chairman)
Jürgen Schulz
Karin Dohm (since 14/02/2024)
Maria Laube (since 18/07/2024)
Stefan Infanger (to 31/01/2024)
Claudia Plath (to 14/02/2024)

Members of the Management Board[2]

Dr Karsten Wildberger (Chief Executive Officer and Labour Director)
a) Research Centre Jülich GmbH, Jülich
b) None

Dr Kai-Ulrich Deissner (Chief Financial Officer)
a) None
b) None

49. SHAREHOLDINGS OF CECONOMY AG AS OF 30 SEPTEMBER 2024 PURSUANT TO SECTION 313 HGB

The disclosures on the shareholdings of CECONOMY AG and the CECONOMY Group, which are part of these financial statements, can be found in a separate appendix to the notes.

↗ The complete list of all Group companies and associated companies in accordance with Section 313 HGB can be found on the website www.ceconomy.de/en under Investor Relations - Publications.

[2] As of 10 December 2024
a) Memberships in other supervisory boards to be formed within the meaning of section 125 para. 1 sentence 5, 1st alt. German Stock Corporation Act
b) Memberships in comparable German and international supervisory bodies of commercial enterprises within the meaning of section 125 para. 1 sentence 5, 2nd alt. German Stock Corporation Act

10 December 2024

The Management Board

Dr Karsten Wildberger

Dr Kai-Ulrich Deissner

INDEPENDENT AUDITOR'S REPORT

TO CECONOMY AG, DÜSSELDORF

Report on the Audit of the Consolidated Financial Statements and of the Group Management Report

Audit Opinions

We have audited the consolidated financial statements of CECONOMY AG, Düsseldorf , and its subsidiaries (the Group), which comprise the statement of financial position as at 30 September 2024, and the reconciliation from profit or loss to total comprehensive income, income statement, statement of changes in equity and cash flow statement for the financial year from 1 October 2023 to 30 September 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of CECONOMY AG, which is combined with the Company's management report, for the financial year from 1 October 2023 to 30 September 2024. In accordance with the German legal requirements, we have not audited the content of the disclosures marked as unaudited in the sections "Overall statement by the Management Board of CECONOMY AG on CECONOMY's business performance and situation", "Features of the internal control system", "Opportunity and risk report", "Compliance management system" and "Earnings, financial and asset position" of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 30 September 2024, and of its financial performance for the financial year from 1 October 2023 to 30 September 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the disclosures referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2023 to 30 September 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Recoverability of inventories
2. Recognition of compensation from suppliers under receivables
3. Recoverability of goodwill

Our presentation of these key audit matters has been structured in each case as follows:

a) Matter and issue

b) Audit approach and findings

c) Reference to further information

Hereinafter we present the key audit matters:

1. RECOVERABILITY OF INVENTORIES

a) In the Company's consolidated financial statements a total of EUR 3,114 million (31 % of total assets) is reported under the "Inventories" consolidated balance sheet item. Inventories are initially recognized at cost in accordance with the average cost method. The carrying amount is reduced by payments from suppliers, which are classified as cost reductions. In addition, incidental acquisition costs are taken into account if they are directly attributable to the acquisition process. At the reporting date, the costs are compared against the net realizable values, which are determined by deducting the directly attributable selling costs to be incurred prior to the sale of the inventories from the sales proceeds expected to be generated. If the net realizable values are lower than the cost of the inventories, their carrying amount is written down by the amount of the difference. The net realizable values are generally determined based on an analysis of days inventory outstanding. The impairment test resulted in a write-down on inventories as of the reporting date amounting to EUR 80 million in total.

   The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the inputs for the analysis of days inventory outstanding and other factors having an influence on value, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

b) As part of our audit, we analyzed the impairment testing process and assessed identified internal controls with respect to implementation, appropriateness and effectiveness. Furthermore, we evaluated the key inputs used to calculate net realizable values based on historical data and our understanding of the business. We verified the accuracy of the calculation logic used in the impairment test. We were able to verify that the estimates and assumptions made by the executive directors in connection with the valuation of inventories were sufficiently documented and substantiated.

c) The Company's disclosures relating to the "Inventories" balance sheet item are contained in the "Accounting principles" section of the "Notes to the Group accounting principles and methods" and in note 25 of the notes to the consolidated financial statements.

2. RECOGNITION OF COMPENSATION FROM SUPPLIERS UNDER RECEIVABLES

a) In the Company's consolidated financial statements a total of EUR 1,292 million (13 % of total assets) is reported under the "Receivables due from suppliers" consolidated balance sheet item. The Company and its suppliers enter into agreements concerning the subsequent granting of discounts, bonuses, rebates and other compensation. Depending on the type and timing of the payments granted, these agreements have a significant influence on not only the aforementioned balance sheet item but also on the Company's financial performance and the valuation of its inventories. These agreements are complex and require the use of judgments and estimates on the part of the executive directors, particularly in instances where the targets defined in the agreements relate to the calendar year and thus to a period that is different to the Group's financial year. Against this background, this matter was of particular significance in the context of our audit.

b) As part of our audit, we analyzed the process used to determine the compensation and assessed identified internal controls with respect to implementation, appropriateness and effectiveness. We furthermore verified the basis of the data used for selected agreements and assessed the accounting treatment. In addition, we verified the appropriateness of the judgments and estimates used by the executive directors. We also compared the previous year's estimates against the actual figures in order to judge the reliability of past estimates. We were able to verify that the estimates and assumptions made by the executive directors in connection with recognizing the compensation under receivables were sufficiently documented and substantiated.

c) The Company's disclosures relating to the recognition of supplier payments are contained in the "Statement of financial position" section of the "Notes to the Group accounting principles and methods" and relating to the "Receivables due from suppliers" balance sheet item are contained in note 23 of the notes to the consolidated financial statements.

3. RECOVERABILITY OF GOODWILL

a) In the Company's consolidated financial statements goodwill amounting in total to EUR 524 million (5 % of total assets) is reported. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating units to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally determined on the basis of fair value less costs of disposal. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no write-downs were necessary.

   The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

b) As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. We discussed and examined supplementary adjustments to the medium-term business plan for the purposes of the impairment test with the members of the Company's staff responsible. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate used and the growth rates applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company: We verified that the necessary disclosures were made in the notes to the consolidated financial statements relating to groups of cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill.

   Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

c) The Company's disclosures on goodwill are contained in the "Statement of financial position" section of the "Notes to the Group accounting principles and methods" and in section 18 of the notes to the consolidated financial statements.

Other Information

The executive directors are responsible for the other information.

The other information comprises the disclosures marked as unaudited in the sections "Overall statement by the Management Board of CECONOMY AG on CECONOMY's business performance and situation", "Features of the internal control system", "Opportunity and risk report", "Compliance management system" and "Earnings, financial and asset position" of the group management report as unaudited parts of the group management report.

The other information comprises further

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial group report to comply with §§ 315b to 315c HGB
- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act], for which the supervisory board is also responsible
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

ASSURANCE OPINION

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file CECONOMYAG_KA+ZLB_ESEF-2024-09-30.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 October 2023 to 30 September 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

BASIS FOR THE ASSURANCE OPINION

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328

Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

GROUP AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 14 February 2024. We were engaged by the supervisory board on 10 July 2024. We have been the group auditor of the CECONOMY AG, Düsseldorf, without interruption since the financial year 2022/23.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Verena Heineke.

Düsseldorf, 10 December 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Verena Heineke	Christian David Simon
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

10 December 2024

The Management Board

Dr Karsten Wildberger

Dr Kai-Ulrich Deissner

REMUNERATION REPORT

REMUNERATION REPORT

In accordance with the provisions of Sec. 162 of the German Stock Corporation Act (Aktiengesetz – AktG), this remuneration report explains the application of the remuneration system for members of the CECONOMY AG Management Board and Supervisory Board and describes the amount and structure of remuneration individually granted and owed to current and former members of the Management Board and the Supervisory Board in financial year 2023/24.[1] The remuneration report also complies with the recommendations and suggestions of the German Corporate Governance Code in the version dated 28 April 2022. This remuneration report will be presented to the Annual General Meeting of CECONOMY AG, which is expected to take place on 26 February 2025, for approval in accordance with Sec. 120a para. 4 AktG.

The remuneration report for financial year 2022/23 was approved by a General Meeting on 14 February 2024 with a majority of 96.6 per cent in accordance with Section 120a para. 4 AktG. The Management Board and Supervisory Board see this clear vote as confirmation of the format used in the remuneration report. It is therefore generally retained for this remuneration report.

Remuneration system for the Management Board

The Supervisory Board of CECONOMY AG has established the remuneration system outlined below. This determination was carried out for the first time by means of Supervisory Board resolutions in September and October 2020 ("2020 remuneration system"). The 2020 remuneration system applied effective from the start of financial year 2020/21. The Supervisory Board presented this system to the Annual General Meeting of CECONOMY AG on 17 February 2021, which approved it with an approval rate of 99.15 per cent. At its meeting on 13 December 2021, the Supervisory Board resolved to amend certain aspects of the remuneration system 2020 with effect from the start of the 2022/23 financial year and to submit the amended system to the Annual General Meeting for approval. The updated remuneration system ("2021 remuneration system") was presented to the Annual General Meeting of CECONOMY AG on 9 February 2022, which approved it with an approval rate of 91.98 per cent. The 2021 remuneration system is relevant for this remuneration report for financial year 2023/24. Unless expressly noted otherwise, the following information therefore refers to the 2021 remuneration system. The service agreements of Management Board members in office in financial year 2023/24 comply with the 2021 remuneration system.

Immediately after the respective resolutions of the General Meeting to approve the 2020 remuneration system and the 2021 remuneration system, the resolutions and the relevant remuneration system were made publicly accessible in accordance with Section 120a para. 2 AktG. They can be found on the website www.ceconomy.de/en/ under Company – Corporate Governance.

Procedures for the implementation and review of the remuneration system

The Supervisory Board decides on the remuneration system, its implementation and the determination of the specific remuneration of the Management Board after preparation by the Presidential Committee.

If the Supervisory Board consults external remuneration experts on the further development of the remuneration system and to assess that the specific Management Board remuneration is appropriate and customary, it assures itself that such experts are independent before engaging them.

The Supervisory Board has the option of appropriately taking extraordinary developments into account, in particular when granting variable remuneration. In justified cases, entitlements to the payment of variable remuneration can be denied (penalty) or remuneration already paid can be claimed back (clawback).

The subsequent amendment of targets or the comparative parameters for variable remuneration (repricing) is precluded. However, if this is necessary in the interests of the long-term wellbeing of the company, the Supervisory Board can temporarily deviate from this remuneration system. Such deviations are permitted only on the basis of a resolution by the Supervisory Board as a whole, setting out the reasons for and duration of the deviation. Temporary deviations from all components of the remuneration system and, in particular, the variable remuneration components are possible.

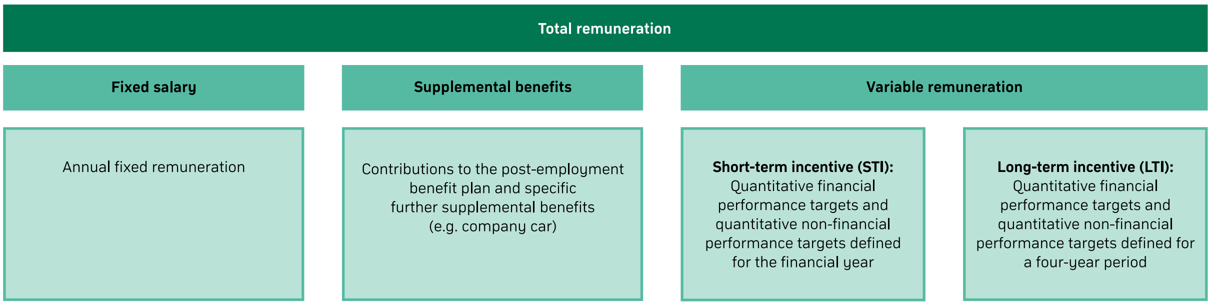
[1] In order to provide a better overview, decimal places are not shown in this remuneration report's tables in some cases. Figures in the tables may contain rounding differences.

Remuneration components in accordance with the remuneration system

OVERVIEW OF REMUNERATION COMPONENTS

The total compensation of the members of the Management Board of CECONOMY AG are made up of non-performance-related fixed and performance-related variable remuneration components. The following chart provides an overview of the individual remuneration components in accordance with the 2021 remuneration system:

Presentation of the remuneration components of Management Board remuneration

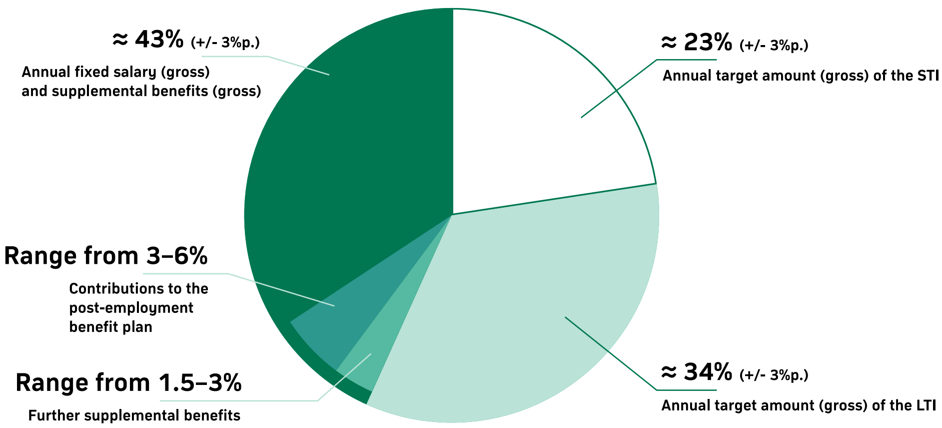


Total target remuneration is designed so that, typically, the target amounts of the variable remuneration components outweigh the fixed remuneration components (fixed salary and supplemental benefits) and that, within the variable remuneration components, the share of long-term variable remuneration components (LTI) outweighs the share of short-term variable remuneration components (STI).

As a rule, a share of around 43 per cent of the target total remuneration of the individual Management Board member should be attributable to the annual fixed salary and supplemental benefits, a share of around 34 per cent to the annual target amount of the LTI and a share of around 23 per cent to the annual target amount of the STI. The relative share of contributions to the post-employment benefit plan should not exceed the range of 3 to 6 per cent of the target total remuneration while other supplemental benefits should not exceed 1.5 to 3 per cent of the target total remuneration.

The relative share of the different remuneration components within total target remuneration is visually presented as follows:

Relative share of the various remuneration components within total target remuneration



NON-PERFORMANCE-BASED FIXED REMUNERATION

The non-performance-based fixed remuneration consists of the fixed annual salary, the contributions for the post-employment benefit plan and the other supplemental benefits.

Fixed salary

The fixed salary is agreed with each Management Board member as fixed remuneration and is paid in monthly instalments. If the Management Board member is only a member of Management Board for part of a financial year, fixed salary is paid pro rata temporis.

Post-employment benefits

The members of the Management Board receive a post-employment benefits in the form of a defined benefit direct contribution.

The post-employment benefits plan is financed jointly by the Management Board member and the company. The breakdown is defined as “5 + 10”. If the Management Board member makes a personal contribution of 5 per cent of his defined assessment basis (fixed salary and target STI amount), the company pays double the contribution. If a Management Board member departs before being entitled to pension benefits, the contributions are preserved at the level reached. Matching cover for the post-employment benefit plan is provided by Hamburger Pensionsrückdeckungskasse VVaG (HPR) . The contributions bear interest according to the articles of association of HPR regarding participation features with a guarantee on contributions paid in.

Contributions by the company to the post-employment benefit plan are limited based on the set breakdown and assessment basis for each individual member of the Management Board. In addition, these contributions are limited to €100,000 per year in each case.

Members of the Management Board also have the option to convert future remuneration components from the fixed salary and variable remuneration into entitlements to post-employment benefit plans from HPR by way of tax-privileged deferred compensation. A retirement pension and early retirement regulations are not agreed.

Further details on the post-employment benefit plan for members of the Management Board are provided below under "Pension entitlements in the 2023/24 financial year".

Supplemental benefits

In addition to the fixed salary and contributions to the post-employment benefit plan, the company exclusively grants the members of the Management Board the following supplemental benefits:

- Contributions to accident insurance

- Allowances for health/nursing insurance

- Assumption of costs for preventive health care

- Provision of a company car at the disposal of the member of the Management Board

This conclusive list of supplemental benefits is capped at a combined amount of €50,000 per year .

PERFORMANCE-BASED VARIABLE REMUNERATION

The performance-based remuneration components are variable remuneration as a short-term incentive (STI) for the respective financial year and variable remuneration as a long-term incentive (LTI) over several financial years. The components have different bases of assessment and success parameters according to the respective performance periods. The granting of the STI and the LTI, and the corresponding incentive effects of these variable performance-based remuneration components, is dependent on financial and non-financial performance criteria.

The variable remuneration granted to the members of the Management Board is predominantly share-based: within the variable remuneration components, the proportion of long-term variable components predominates, which in turn are largely based on financial performance criteria relating to the key figures absolute shareholder return and relative shareholder return. As a result of both key figures, the amount of any payout is linked to the performance of CECONOMY AG's ordinary share.

STI
The short-term performance-based component is granted for one financial year and paid out after the end of that year. If a member joins or leaves the Management Board during a financial year, the STI is granted and paid pro rata temporis for that financial year. The STI for financial year 2023/24 was calculated using financial and non-financial performance criteria. These are based on the following key performance indicators, in the case of the first three performance criteria in accordance with the company's consolidated financial statements (adjusted for the effects of portfolio changes):

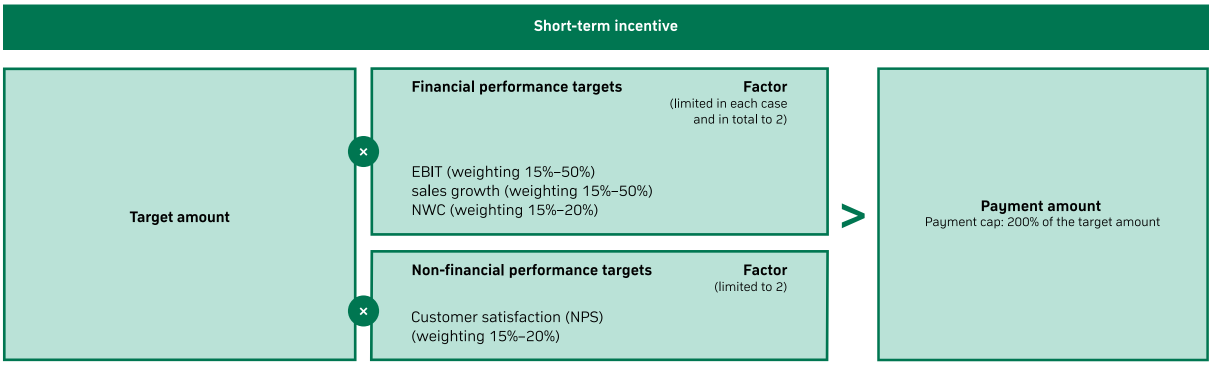
– Earnings before interest and taxes (EBIT) on the basis of absolute EBIT figures

– Sales growth adjusted for exchange rates

– Net working capital (NWC) on the basis of absolute NWC values (four-quarter average)

– Customer satisfaction (NPS)

Short-term performance-based remuneration



The above performance criteria are weighted at the Supervisory Board's due discretion. The performance criteria should lie within the ranges shown in the chart. If the Supervisory Board does not define a specific weighting, the previous year's weighting continues to apply.

STI performance targets
Supervisory Board sets the performance targets for all members of the Management Board uniformly on the basis of the business planning submitted to it by Management Board before the start of the financial year for which the STI is granted. Factors (achievement factors) are allocated to the degree of achievement for each indicator. For this purpose, the Supervisory Board determines the value for the lower threshold (entry hurdle), the target value 100-per cent target achievement and the value for a 200-per cent target achievement , at which the amount of the achievement factor is capped.

Calculation of the payment amount
After the end of the financial year, the degree of achievement is measured for each indicator based on the respective achievement factors. Intermediate values are interpolated on a straight-line basis.

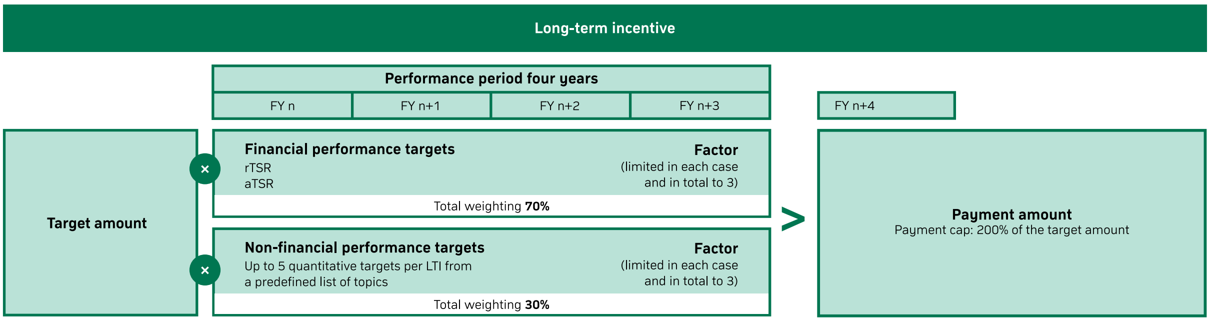
The total achievement factor is calculated from the individual established achievement factors based on their weighting. The STI payment amount is produced by multiplying the total achievement factor by the STI target amount. The payment amount is capped at double the target amount. Payment is made four months after the end of the financial year for which the STI in question was granted, but not before the consolidated financial statements for the respective financial year have been approved by the Supervisory Board. If a member leaves the Management Board during the year, any STI entitlements not yet paid out that relate to the period up to the termination of the contract are paid pro rata temporis in accordance with the originally agreed targets and at the original agreed due dates.

Details on the STI in the 2023/24 financial year are provided below under "Variable remuneration of the Management Board in the 2023/24 financial year".

LTI

The long-term performance-based component is granted annually and paid out after a performance period of four financial years in total. If a member joins or leaves the Management Board during a financial year, the LTI is granted and paid pro rata temporis for the financial year. The calculation in accordance with the remuneration system 2021 includes financial performance targets with a weighting of 70 per cent and non-financial performance targets with a weighting of 30 per cent. The Supervisory Board also defines the LTI performance targets for all members of the Management Board uniformly. The LTI of the 2021 remuneration system is based on a "vesting logic": According to the 2021 remuneration system, the targets that are applicable over the entire four-year performance period of an LTI tranche are broken down into the four individual years of the performance period.

Long-term performance-based remuneration



<u>Financial performance targets of the LTI</u>

The financial performance criteria, which are generally weighted equally with a typical combined weight of 70 per cent, are absolute total shareholder return ("aTSR") and relative total shareholder return ("rTSR").

aTSR component: the aTSR target achievement factor is calculated as a percentage from the change in the end price of the ordinary share and the sum of the hypothetically reinvested dividends during the performance period in relation to the starting price of the ordinary share.

rTSR component: the target achievement factor of the rTSR component is calculated on the basis of the development of the shareholder return of the company's ordinary shares in the performance period relative to the benchmark indices, the MDAX and the STOXX Europe 600 Retail.

The relevant starting price of the company's ordinary share for the aTSR and rTSR components is calculated by taking the average of the XETRA closing prices over a period of 40 consecutive trading days immediately after the beginning of the financial year. One year later, the relevant end price for the respective tranche year is also calculated using the XETRA closing prices of the company's ordinary share over a period of 40 consecutive trading days immediately after the beginning of the financial year. The opening and closing values for the benchmark indices for the rTSR component are calculated accordingly.

<u>Non-financial LTI performance targets</u>

The non-financial LTI performance criteria in accordance with the 2021 remuneration system, which are generally weighted at 30 per cent in total, are based on up to five quantitative targets specifically formulated by the Supervisory Board for the following subject areas:

- Employee satisfaction
- Climate and environmental protection
- HR development and training
- Diversity
- Corporate culture and compliance

If the Supervisory Board does not define a specific weighting, the non-financial performance criteria are weighted equally to each other.

Calculation of the LTI payment amount
The thresholds for the financial and non-financial LTI performance targets are set by the Supervisory Board at its due discretion at the end of the financial year preceding the year in which the LTI will be granted. Factors (achievement factors) are allocated to the degree of achievement for each indicator. The Supervisory Board defines the lower threshold (entry barrier), the target for 100 per cent target achievement and the value for 300 per cent target achievement, at which the amount of the achievement factor is capped. The subsequent amendment of targets or the comparative parameters is precluded.

After the end of each financial year, the achievement factors are measured and recorded for the individual financial and non-financial performance targets in line with the "vesting logic" of the 2021 remuneration system. Intermediate values are interpolated on a straight-line basis. The weighted average of the achievement factors for the financial and non-financial performance targets forms the basis for the respective total achievement factor. It is limited to 3 in each case. The overall target achievement factor of the LTI for the respective year is determined from the resulting overall target achievement factors of the financial performance targets and the non-financial performance targets based on the defined weighting of the performance targets in relation to each other. This overall target achievement factor is also limited to 3. The overall target achievement factor of the LTI for the respective year is recorded. At the end of the four-year performance period, the target achievement factor for the total four-year period is then calculated as the arithmetic mean of the target achievement in each of the four years.

The target achievement factor calculated for the LTI for the four-year period as a whole is multiplied by the LTI target amount to give the payment amount. The payout amount is limited to a maximum of 200 per cent of the agreed individual target amount (payout cap).

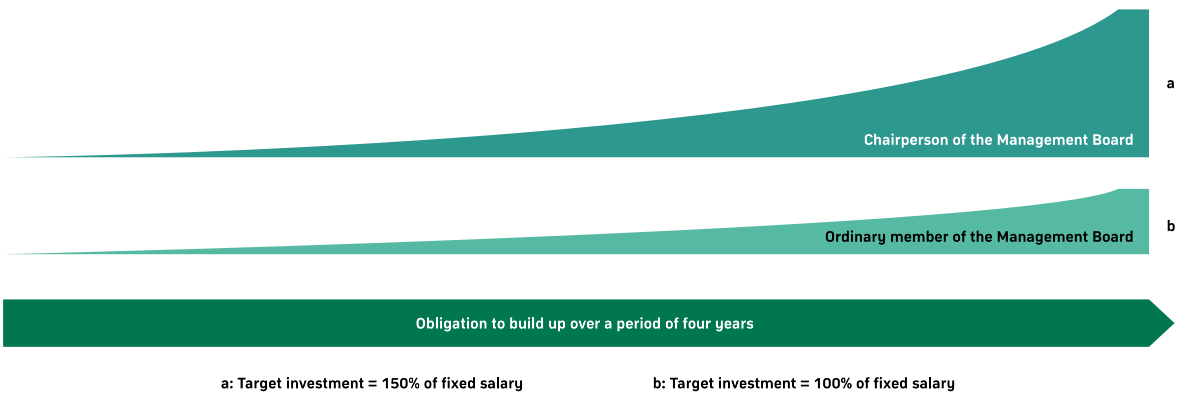
The remuneration amount calculated for the LTI is paid out after the end of the performance period of the LTI in question. A requirement for this is that the entitled member of the Management Board of the company can prove the necessary investment in ordinary shares of the company according to the company's shareholding programme. If a member leaves the Management Board during the year, any entitlements to the LTI not yet paid out that relate to the period up to the termination of the contract are paid pro rata temporis in accordance with the originally agreed targets and at the original agreed due dates.

Details on the LTI in the 2023/24 financial year are provided below under "Variable remuneration of the Management Board in the 2023/24 financial year".

Shareholding programme

As part of CECONOMY AG's shareholding programme for members of the Management Board, the members of the Management Board are obliged to acquire shares in the company in the amount of a certain target participation and to hold them for the duration of their Management Board service. The relevant target participation for the Chairman of the Management Board is 150 per cent and for the ordinary members of the Management Board 100 per cent of their respective gross fixed salary applicable at the end of the build-up phase. The total equivalent value must be spent as the purchase price for the shares acquired by each Management Board member. The set-up phase covers a period of four years from the start of the contract as a member of the Management Board.

Shareholding programme



The Management Board members are obliged to provide evidence of their current shareholding regularly and at the company's request. In order to receive payment from the LTI, the Management Board member must hold the relevant target investment in shares of the company. If the target investment is not sufficiently demonstrated, the respective Management Board member receives no payments from the LTI.

Total target remuneration

The total target remuneration of the individual member of the Management Board is the total of the fixed annual salary contractually agreed with the member of the Management Board, the supplemental benefits, the cost for the post-employment benefit plan and the annual STI and LTI target amounts. There is no provision for scheduled increases in compensation in line with length of service. This total target remuneration is appropriate to the responsibilities and performance of the respective member of the Management Board and the company's situation. It therefore fulfils the statutory requirements regarding the customary level of remuneration.

Maximum remuneration

The remuneration system stipulates maximum amounts, both as a whole and for the individual remuneration components. The maximum remuneration of the individual member of the Management Board is the total of the fixed annual salary contractually agreed with the member of the Management Board, the maximum amounts for the supplemental benefits and the post-employment benefit plan and the respective maximum variable remuneration components.

The maximum remuneration for the Chairman of the Management Board is 5,150,000 € and for ordinary members of the Management Board 2,650,000 €. The Supervisory Board notes that these amounts are the maximum amounts possible assuming the consistent and maximum utilization of the corresponding ranges.

The above maximum limits were complied with in the 2023/24 financial year. Both the remuneration granted and owed to Dr Karsten Wildberger and the remuneration granted and owed to Dr Kai-Ulrich Deissner are below the above amounts (see "Remuneration granted and owed to members of the Management Board" below).

Penalties and clawbacks of variable remuneration components

Once paid, the member of the Management Board in question can do as they please with their performance-based variable remuneration components. However, if a member of the Management Board breaches their statutory obligations within the meaning of Sec. 93 AktG during or up to the end of one year after the end of the respective performance period of an STI or LTI or if there is a reason for the revocation of the appointment of the Management Board member within the meaning of Sec. 84 para. 4 sent. 1 AktG, the entitlements to payment of the variable remuneration components (penalty) are cancelled or can be reclaimed by the company after payment (clawback). Corresponding regulations are included in the Management Board contracts of members of the Management Board active in the reporting period who are entitled to variable remuneration. Neither the malus rules nor the clawback rules were utilised in the 2023/24 financial year.

Deduction of remuneration for side-line activities

If members of the Management Board serve as supervisory board members or hold similar offices within the Group, the remuneration for these activities counts towards their Management Board remuneration.

In the event that a member of the Management Board performs a secondary activity outside the Group, it is contractually ensured that the Supervisory Board is authorised in accordance with the recommendation G. 16 of the GCGC can decide whether and to what extent the remuneration for non-Group secondary employment must be deducted from Management Board remuneration. By resolution dated 20 November 2020, the Supervisory Board determined that, until further notice, the remuneration granted for non-Group Supervisory Board mandates will not be offset.

Terms of service agreements

The term of Management Board contracts is always linked to the duration of the respective member's appointment to the Management Board. Contract terms are extended in each case for the period for which the member of the Management Board is re-appointed as a member of the Management Board. The Supervisory Board observes the limits of Section 84 AktG with regard to the term of appointment and reappointment.

First-time appointments as a member of the Management Board should typically not last for longer than three years.

Management Board contracts do not provide for a right of ordinary termination for either party. However, both the company and the Management Board member have the right to extraordinary termination for good cause in accordance with Section 626 of the German Civil Code (BGB).

Regulations for the termination of Management Board service

If a member of the Management Board leaves the company regularly at the end of his or her term of office, entitlements acquired during the term of the service agreement do not fall due for payment prematurely. The same applies if a member of the Management Board ends his contract early.

In any case of premature termination of the appointment of the Management Board member - whether by mutual agreement, by revocation of the appointment or by resignation - the service contract ends automatically after expiry of the period specified in Section 622 para. 2 BGB without the need for a separate notice of termination.

In the event of early termination, the members of the Management Board receive compensation for the contractual entitlements that would have arisen over the remaining term of their employment agreements, generally in the form of a one-time payment. This severance pay is capped at the maximum of the annual remuneration for two years, comprising the fixed salary and the STI target amount. If the remaining term of the contract is less than two years at the time of termination, the amount of severance pay is reduced pro rata temporis.

There is no entitlement to severance pay or other payments in the event of extraordinary termination of the employment contract by the company for cause (Section 626 BGB). Similarly, there is no entitlement to severance pay or other payments if the member of the Management Board resigns without cause.

In the event of contract termination, the LTI entitlements of a member of the Management Board not yet paid are forfeit in the following cases:

- Early dismissal of a member of the Management Board for cause in accordance with Section 84 para. 4 AktG

- Termination of the employment contract of the Management Board member by the company for cause in accordance with Section 626 BGB

- Resignation by the member of the Management Board without cause

In the event of the death of a Management Board member during active service, the surviving dependants receive the fixed salary for the month of death and a further six months.

If the member of the Management Board becomes permanently unable to work during the term of his contract, the company is entitled to terminate his contract with notice of six months to the end of the quarter.

The Management Board contracts make no provision for benefits for early termination due to a change of control.

Horizontal remuneration comparison

The Supervisory Board regularly assesses the appropriateness and customary nature of the specific total remuneration of the Management Board members.

This is firstly assessed in accordance with the remuneration system by a horizontal comparison with MDAX companies. Since 2018, CECONOMY AG has been listed in the SDAX and no longer in the MDAX. Due to the relatively high investments of CECONOMY AG's anchor shareholders, the company does not have the free float market capitalisation required for the MDAX and its shares do not have the necessary trading volume. Measured in terms of sales, EBIT, employees and total market capitalisation, however, CECONOMY AG is comparable with the companies in the MDAX.

In this horizontal comparison, the target total remuneration currently planned/granted for the Chief Executive Officer and the other members of the Management Board of CECONOMY AG is compared against the total target remuneration granted at MDAX companies. This comparison was last made in July 2024 and, on the reporting date of 9 July 2024, showed that the total target remuneration for the Chief Executive Officer was placed at the 60th percentile (2023: 56th percentile) and at the 58th percentile for the other Management Board member (2023: 51st percentile). The structure of Management Board remuneration is comparable to that of the peer group. Taking into account the company's size relative to the peer group, the Management Board remuneration is appropriate overall, in terms of both amount and structure.

Vertical remuneration comparison

The review of appropriateness, on the other hand, involves a vertical comparison with senior management and the workforce of CECONOMY in Germany as a whole. For this remuneration report, this comparison relates to the reporting date of 30 September 2024. The Supervisory Board also takes into account the ratio of Management Board remuneration to the remuneration of senior management and the workforce as a whole with regard to its development over time.

The Supervisory Board determined how to define senior management and the relevant workforce. By resolution dated 30 October 2018, the Supervisory Board defined the senior management of CECONOMY AG and the relevant workforce as follows:

– Senior management is formed by the Leadership Team of MediaMarktSaturn Retail Group and the Vice Presidents of CECONOMY AG.

– The other relevant workforce are all employees of MediaMarktSaturn Retail Group in Germany and of CECONOMY AG.

In December 2021, the Supervisory Board also resolved the following amendments to the presentation of the annual vertical remuneration comparison and the method for calculating the senior management remuneration relevant for the vertical remuneration comparison and the relevant workforce as a whole: The ratio of the target direct remuneration as the sum of the annual fixed remuneration and the annual bonus target amounts for the short and long-term variable remuneration of the Management Board members to the average target direct compensation of the senior management and to the average target direct compensation of the entire workforce in Germany (but excluding temporary staff) will be determined, with the remuneration relationship for the remuneration of the Chief Executive Officer and for the average remuneration of the ordinary Management Board members being presented separately.[2]

The vertical remuneration comparison is then as follows:

Ratio of target remuneration of the average for the respective Chief Executive Officer to...

Financial year	... Target remuneration of the senior management	... Target remuneration of the relevant workforce
2023/24	10	74
2022/23	10	73
2021/22	9	75
2020/21	7	76
2019/20	7	69

Ratio of target remuneration of the average for the other Management Board members to...

Financial year	... Target remuneration of the senior management	... Target remuneration of the relevant workforce
2023/24	4	33
2022/23	5	36
2021/22	4	35
2020/21	4	37
2019/20	4	37

[2] For all peer groups, absences due to maternity or paternity leave and release from work as well as social security contributions (employer contribution), contributions to the post-employment benefit plan and supplemental benefits are not taken into account.

Variable remuneration of the Management Board in the 2023/24 financial year

This section of the remuneration report contains information on variable Management Board remuneration for financial year 2023/24. The variable remuneration in the 2023/24 financial year was in line with all the stipulations of the remuneration system.

Strategic element of variable remuneration performance criteria

The aim of business strategy is for customer to regard the company as a trustworthy consultant and partner for all questions relating to consumer electronics products. CECONOMY AG's remuneration system is geared towards promoting this business strategy and the long-term development of the company. This is achieved, in particular, by linking performance-based variable remuneration to share price development and to clearly definable performance indicators aligned with the sustainable ongoing development of the company.

The short-term performance-based remuneration component (short-term incentive – STI) relating to the financial year creates incentives for continuously increasing operational success and customer satisfaction and for implementing initiatives to improve profitability. Due to its ongoing nature and the recurring reference to key figures that are important for CECONOMY AG, the component is geared towards promoting the business strategy. The STI rewards the company’s operating development on the basis of financial and non-financial performance targets for the respective financial year. The performance targets are based on EBIT, sales growth and net working capital (NWC) as key performance indicators (KPIs) that are important for CECONOMY AG and on the important non-financial performance target for measuring customer satisfaction (net promoter score - NPS).

The long-term performance-based remuneration component (long-term incentive - LTI) rewards the company's development on the basis of quantitative financial and non-financial performance targets, each defined for a four-year period. The LTI is predominantly based on the share price and thus creates incentives for a sustainable and long-term increase in enterprise value, while also taking into account the concerns of shareholders and other stakeholders in the company. The financial performance targets of the LTI are therefore particularly geared towards the long-term development of the company. The non-financial targets are also intended to promote the company’s sustainable and long-term development and to make it attractive to shareholders, who value this particularly highly. For the tranche of the LTI issued in the 2023/24 financial year, targets were defined in the areas of climate and environmental protection, diversity and employee satisfaction. In addition, linking the payment of the LTI to the obligation to hold CECONOMY AG shares ensures that the members of the Management Board have a long-term interest in increasing the value of the company.

Variable remuneration target amounts

The tables below show the amount equivalent to 100 per cent target achievement for the STI and LTI for each Management Board member in office in financial year 2023/24. They also show the minimum and maximum amounts for STI and LTI that can be individually achieved. These are the relevant amounts for financial year 2023/24.

Variable remuneration target amounts for financial year 2023/24

	Dr. Karsten Wildberger Chief Executive Officer and Labour Director			Dr. Kai-Ulrich Deissner Chief Financial Officer		
thousand €	100% target value	Minimum value	Maximum value	100% target value	Minimum value	Maximum value
One-year variable remuneration	805	0	1,610	350	0	700
Multi-year variable remuneration	1,181	0	2,362	525	0	1,050
Total	**1,986**	**0**	**3,972**	**875**	**0**	**1,750**

Targets and target achievement (STI and LTI)

Specific STI targets and target achievement for the 2023/24 financial year

The Supervisory Board resolved the one-year variable remuneration targets shown in the chart below for financial year 2023/24. The definition and weighting of the targets correspond to the relevant 2021 remuneration system. As provided for in the remuneration system, the Supervisory Board has set the targets uniformly for all members of the Management

Board. The chart below also shows the STI target achievement for financial year 2023/24 (achievement factors) both for the individual performance targets and for overall target achievement.

Performance targets and target achievement STI 2023/24

KPI	EBIT[1] in € million	Sales growth[2] in %	NPS[3] score in points	NWC[4] in € million
0% target value	217.50	±0.00	51.00	–731.49
100% target value	271.87	+2.98	55.00	–914.36
200% target value	326.24	+5.96	59.00	–1.097.23
Weighting	35%	25%	20%	20%
Target achievement	1.62x	1.79x	1.85x	1.38x
Total bonus factor	1.66x			

[1] Earnings before interest and taxes (EBIT) adjusted for the effects of portfolio changes and restructuring programmes (restructuring expenses and unplanned extraordinary income) if the Supervisory Board of CECONOMY AG has approved these programmes, and for the earnings effects from companies accounted for using the equity method. EBIT calculated in this way for financial year 2023/24 corresponds to the adjusted EBIT of €305 million reported for the Group. The basis is the reported Group EBIT of €254 million. In 2023/24, the non-recurring effects amounted to around €–52 million. These include a €23 million earnings effect from companies accounted for using the equity method and portfolio changes, €–29 million for the simplification and digitalization of central structures and processes and €–46 million for other non-recurring effects, which primarily include the accounting effects from application of IAS 29 in Türkiye as a hyperinflationary economy.
[2] Measurement of target achievement: actual 2023/24 compared to forecast 2022/23, which was the basis for budget planning for 2023/24
[3] Net promoter score (customer satisfaction)
[4] Absolute net working capital, calculated as the average of the four budget cut-off points 31/12/2023, 31/03/2024, 30/06/2024 and 30/09/2024

Objectives of the LTI tranche granted for the 2023/24 financial year

The performance targets and weightings set by the Supervisory Board for the tranche of the LTI granted to the members of the Management Board of CECONOMY AG for the 2023/24 financial year are as follows

Performance targets for the long-term incentive 2023/24

LTI performance targets

Quantitative financial performance targets
70% weighting

rTSR (relative total shareholder return compared to index performance)	**aTSR** (absolute total shareholder return)
Weighting 1/2	Weighting 1/2

Quantitative non-financial performance targets
30% weighting

Diversity Proportion of women in management positions	**Employee satisfaction** Average NPP based on satisfaction surveys of employees in the Group	**Climate and environmental protection** Reduction of carbon dioxide emissions (Scope 3)
Weighting 1/3	Weighting 1/3	Weighting 1/3

The above performance targets and weightings correspond to the remuneration system applicable for the 2023/24 financial year 2021.

For each of the LTI performance targets, the Supervisory Board has defined a lower threshold, a target value and a value for capping target achievement. The target ranges and target achievement are reported in specific detail in the remuneration report for the financial year in question after the tranche expires or is paid out, respectively. In order to provide a picture of the performance of the current LTI tranches, the fair values at the end of the financial year for all current LTI tranches of the members of the Management Board in office in the financial year are shown below as a voluntary disclosure:

LTI fair values according to IFRS at the end of the 2023/24 financial year

thousand €	Dr. Karsten Wildberger Chief Executive Officer and Labour Director (since 01/08/2021)	Dr. Kai-Ulrich Deissner Chief Financial Officer (since 01/02/2023)
2020/21 tranche	46[1]	–
2021/22 tranche	675	–
2022/23 tranche	1,854	590[1]
2023/24 tranche	1,724	766
Total	**4,299**	**1,356**

[1] Granted pro rata temporis due to Management Board service during only part of the financial year

Remuneration granted and owed to members of the Management Board

In accordance with Sec. 162 para. 1 sent. 1 AktG, the remuneration report must report on the remuneration granted and owed to each individual member of the Management Board in the last financial year. "Granted" in this sense means all remuneration components actually received in/for the reporting period, i.e. the underlying activity has already been performed and all the performance criteria are met. The time of the actual payment is not necessarily relevant in this context. "Owed" means all legally established liabilities relating to remuneration components that are due but have not yet been fulfilled.

The following remuneration components are therefore recognised as remuneration granted and owed for the 2023/24 financial year in the tables below:

– Base salary and supplemental benefits paid in financial year 2023/24

– One-year variable remuneration paid for the 2023/24 financial year (STI; actual payment in January 2025)

The degree of overall target achievement for the 2023/24 STI, as shown above under "Variable Management Board remuneration in the 2023/24 financial year", is 1.66.

The remuneration granted and owed for the 2022/23 financial year is also disclosed voluntarily below. For this, the following remuneration components were reported:

– Base salary and supplemental benefits paid in financial year 2022/23

– Special payments paid in financial year 2022/23 or to which an unconditional entitlement already existed in financial year 2022/23

– The one-year variable remuneration paid for the 2022/23 financial year (STI; actual payment in January 2024)

The contributions to the post-employment benefit plan do not constitute remuneration granted or owed within the meaning of Sec. 162 para. 1 sent. 1 AktG and are therefore not included in supplemental benefits (see "Pension entitlements in financial year 2023/24" below for the post-employment benefit plan). No tranches of the multi-year variable remuneration (LTI) for Management Board members active in the reporting period expired or were paid out in financial years 2022/23 and 2023/24, and therefore no disclosure as part of the remuneration granted and owed must be made in this respect. The respective LTI tranches are reported after they expire in the financial year in which they are paid. The tranche of the LTI issued in the 2023/24 financial year must therefore be reported on in the remuneration report for the 2027/28 financial year, as only then will all the target achievement criteria for determining the amount to be paid out be known.

Remuneration granted and owed to members of the Management Board

	Dr. Karsten Wildberger Chief Executive Officer and Labour Director (since 01/08/2021)				Dr. Kai-Ulrich Deissner Chief Financial Officer (since 01/02/2023)			
	2022/23		2023/24		2022/23		2023/24	
thousand €		in % of total remuneration		in % of total remuneration		in % of total remuneration		in % of total remuneration
Total fixed non-performance-based components	**1,372**	**56**	**1,472**	**52**	**887**	**72**	**714**	**55**
Fixed salary	1,350	55	1,450	52	467	38	700	54
Supplemental benefits	22	1	22	1	20	2	14	1
Special payments	–	–	–	–	400[1]	33	-	0
Total variable remuneration components	**1,087**	**44**	**1,335**	**48**	**338**	**28**	**580**	**45**
One-year variable remuneration (STI)	1,087	44	1,335	48	338	28	580	45
Multi-year variable remuneration (LTI)	–	–	–	–	–	–	–	–
Total compensation pursuant to § 162 AktG	**2,459**	**100**	**2,807**	**100**	**1,225**	**100**	**1,294**	**100**

[1] Payment to compensate for disadvantages experienced by Dr Deissner as a result of the early termination of his previous activities

Former members of the Management Board of CECONOMY AG and of companies merged into CECONOMY AG who left the Management Board more than ten years go and their surviving dependants were granted pension payments of €3.1 million in the 2023/24 financial year (2022/23: €3.2 million). This corresponds to 100 per cent of the benefits granted to this group of persons.

Pension entitlements in the 2023/24 financial year

The members of the Management Board receive pension entitlements on the basis of a defined contribution system (defined contribution commitment pursuant to German company pension law) described above as part of the explanation of the remuneration system under “Non-performance-based fixed remuneration”. In the event of entitlement due to invalidity or death, this commitment stipulates that the company will increase the plan assets by the attribution capital. The additional capital corresponds to the sum of the contributions that would have been credited to the Management Board member for each calendar year up to a total contribution period of ten years, but not exceeding the age of 60. A provision is recognised for this component. The individual service costs and present values of pension entitlements for the 2023/24 financial year are as follows:

Pension entitlements (HGB and IFRS)

thousand €	Dr. Karsten Wildberger Chief Executive Officer and Labour Director	Dr. Kai-Ulrich Deissner Chief Financial Officer (since 01/02/2023)	Total
Expense – post-service benefit plan (as per IFRS)	108	108	**216**
Expense – post-service benefit plan (as per HGB)	96	99	**195**
Provision recognised by 30/09/2024 (in accordance with IFRS)	28	14	**42**
Provision recognised by 30/09/2024 (according to HGB)	28	15	**43**
Present value of pension obligations (as per IFRS)	738	265	**1,003**
Present value of pension obligations (as per HGB)	738	265	**1,003**

Remuneration of Supervisory Board members

The remuneration system for the members of the Supervisory Board of CECONOMY AG is regulated in Section 13 of the articles of association of CECONOMY AG and was last approved by the Annual General Meeting on 22 February 2023 with a majority of 99.88 per cent of the voting share capital represented. The corresponding resolution of the Annual General Meeting in accordance with section 113 para. 3 AktG is available on the website www.ceconomy.de/en under "Company - Corporate Governance".

In accordance with Article 13 of the Articles of Association of CECONOMY AG, the members of the Supervisory Board receive fixed annual remuneration payable at the end of each financial year. The individual amount of Supervisory Board remuneration accounts for the amount of work and the responsibility of the individual Supervisory Board members as a result of their supervisory role. The basic amount of remuneration for the individual member is €70,000. Due to their special duties, the Chairperson of the Supervisory Board receives three times the remuneration of an ordinary member of the Supervisory Board and his deputy twice the remuneration.

In principle, it is envisaged for all committees that the Committee Chairperson receives double and the other committee members one and a half times the standard remuneration. As an exception, the remuneration for the Chairperson of the Nomination Committee is one and a half times the standard remuneration and one and a quarter times the standard remuneration for the other members of the Nomination Committee. Chairmanship and membership of the Mediation Committee in accordance with Section 27 para. 3 MitbestG are not remunerated separately.

However, the higher remuneration for membership or chairmanship of a committee only applies if at least two meetings or other resolutions took place in the financial year in question. The table below illustrates the multipliers that may be applicable to the fixed annual remuneration for individual Supervisory Board members:

Remuneration factors

Chairperson of the Supervisory Board	3
Deputy. Chairperson of the Supervisory Board	2
Committee Chair	2
Committee members	1.5
Committee Chair (Nomination Committee)	1.5
Committee members (Nomination Committee)	1.25
Members of the Supervisory Board	1

If a member of the Supervisory Board holds several offices as (Deputy) Chairman of the Supervisory Board or as a member or Chair of a committee at the same time, he or she will only receive remuneration for one office in accordance with Section 13 para. 2 sentence 4 of the articles of association, and in the case of different remuneration for the highest remunerated office.

Members of the Supervisory Board who have only belonged to Supervisory Board for part of the financial year receive one twelfth of the remuneration for each month of service or part thereof. Members of the Supervisory Board who leave the company within a month and are reappointed receive only one twelfth of the annual remuneration for that month. This applies accordingly to memberships in a committee, the chairmanship or vice chairmanship of the Supervisory Board or chairmanship of a committee.

In accordance with the provisions of the articles of association, the company also reimburses the members of the Supervisory Board for expenses incurred in the exercise of their office. Any value added tax payable on the remuneration and reimbursement of expenses is also reimbursed to the members of the Supervisory Board.

In the 2023/2024 financial year, the remuneration system for the Supervisory Board was applied in all aspects in accordance with Section 13 of the company's articles of association, as amended. The following table shows the remuneration granted and owed to the current and former members of the Supervisory Board for the past financial year 2023/24, including the respective relative share in accordance with Section 162 AktG. As there is no provision for variable remuneration for the Supervisory Board, 100 per cent of the remuneration consists of the fixed remuneration set out in the Articles of Association.

Remuneration granted and owed to members of the Supervisory Board in the 2023/24 financial year

thousand €	Additional functions	Fixed remuneration[1]
Thomas Dannenfeldt	Chairman of the Supervisory Board, Chairman of the Presidential Committee of the Supervisory Board, Chairman of the Strategy Committee, Chairman of the Mediation Committee and member of the Nomination Committee	210
Jürgen Schulz	Vice Chairman of the Supervisory Board and the Strategy Committee, member of the Presidential Committee of the Supervisory Board, member of the Mediation Committee	140
Katrin Adt	Member of the Presidential Committee	105
Karin Dohm	Chairperson of the Audit Committee, member of the Mediation Committee	140
Henrike Eickholt (Member of the Supervisory Board since 28/03/2024)		41
Daniela Eckardt		70
Sabine Eckhardt	Chairwoman of the Nomination Committee	105
Dr. Florian Funck (Member of the Supervisory Board until 30/04/2024)	Member of the Audit Committee (until 30/04/2024)	61
Ludwig Glosser	Member of the Audit Committee	105
Corinna Groß	Member of the Audit Committee	105
Doreen Huber	Member of the Strategy Committee (Ms Huber has waived her remuneration for membership of the Strategy Committee)	70
Stefan Infanger (Member of the Supervisory Board until 31/01/2024)		23
Jürgen Kellerhals		70
Peter Kimpel (Member of the Supervisory Board since 03/06/2024)	Member of the Audit Committee (since 03/06/2024)	35
Birgit Kretschmer (Member of the Supervisory Board since 14/02/2024)	Member of the Audit Committee (since 14/02/2024)	70
Maria Laube		70
Paul Lehmann		70
Julian Norberg		70
Claudia Plath (Member of the Supervisory Board until 14/02/2024)	Member of the Audit Committee and member of the Mediation Committee (until 14/02/2024)	44
Erich Schuhmacher		70
Jascha Sperl (Member of the Supervisory Board since 08/05/2024)		29
Maren Ulbrich (Member of the Supervisory Board until 15/01/2024)		23
Christoph Vilanek	Member of the Nomination Committee	88
Sylvia Woelke	Member of the Presidential Committee of the Supervisory Board, member of the Audit Committee and member of the Strategy Committee	105
Total		**1,919**

[1] Fixed remuneration represents a relative share of 100 per cent of remuneration for members of the Supervisory Board.

Comparison

The following table illustrates the annual change in the company's earnings performance, the remuneration granted and owed to current and former members of the Management Board and members of the Supervisory Board and the average remuneration of employees on a full-time equivalent basis over the last five financial years.

For the development of Management Board and Supervisory Board remuneration, the remuneration granted and owed is taken into account as shown above under "Remuneration granted and owed to members of the Management Board" and "Remuneration of members of the Supervisory Board".

As in the vertical remuneration comparison carried out by Supervisory Board, the scope of employee includes all employees of the MediaMarktSaturn Retail Group in Germany and CECONOMY AG. As part of the comparison, average employee remuneration takes account of target remuneration at the end of the financial year on a full-time basis (including absences due to maternity protection or parental leave and release from work as well as social security contributions (employer contribution) and supplemental benefits).

Earnings performance is shown using the company's net profit or loss under commercial law, adjusted EBIT and Group sales.

Comparative presentation in accordance with section 162 para. 1 sentence 2 no. 2 AktG

	2019/20	in %[1]	2020/21	in %[1]	2021/22	in %[1]	2022/23	in %[1]	2023/24
Earnings performance (€ million)									
Adjusted EBIT	236	0.4	237	–12.2	208	16.8	243	25.5	305
Sales	20,831	2.5	21,361	1.9	21,768	2.2	22,242	0.9	22,442
Net profit or loss CECONOMY AG under HGB	–38	565.8	177	–71.2	51	27.5	65	213.8	204
Average annual remuneration of employees in Germany on a full-time basis (€ thousand)	**47.7**	**1.9**	**48.6**	**4.9**	**51.0**	**2.5**	**52.3**	**7.5**	**56.2**
Members of the Executive Board (€ thousand)									
Dr. Karsten Wildberger	–	–	2,754	–39.8	1,658	48.3	2,459	14.2	2,807
Dr. Kai-Ulrich Deissner	–	–	–	–	–	–	1,225	5.6	1,294
Former members of the Management Board[2]	2,919	–0.8	2,895	1.7	2,944	4.9	3,087	1.9	3,145
Members of the Supervisory Board (€ thousand)									
Thomas Dannenfeldt	–	–	150	40.0	210	0.0	210	0.0	210
Jürgen Schulz	107	–28.0	77	36.4	105	8.6	114	22.8	140
Katrin Adt	–	–	–	–	93	12.9	105	0.0	105
Henrike Eickholt (since 28/03/2024)	–	–	–	–	–	–	–	–	41
Karin Dohm	148	3.4	153	–8.5	140	0.0	140	0.0	140
Daniela Eckardt	74	4.1	77	–9.1	70	0.0	70	0.0	70
Sabine Eckhardt	–	–	77	51.9	117	–5.1	111	–5.4	105
Dr Florian Funck (until 30/04/2024)	111	3.6	115	–8.7	105	0.0	105	–41.7	61
Ludwig Glosser	111	3.6	115	–8.7	105	0.0	105	0.0	105
Corinna Groß	–	–	–	–	–	–	50	110.0	105
Doreen Huber	–	–	–	–	47	61.7	76	–7.9	70
Stefan Infanger (until 31/01/2024)	–	–	–	–	–	–	41	–43.1	23
Jürgen Kellerhals	–	–	–	–	47	48.9	70	0.0	70
Peter Kimpel (since 03/06/2024)	–	–	–	–	–	–	–	–	35
Birgit Kretschmer (since 14/02/2024)	–	–	–	–	–	–	–	–	70
Maria Laube	–	–	–	–	–	–	41	70.7	70
Paul Lehmann	–	–	–	–	–	–	41	70.7	70
Julian Norberg	–	–	–	–	–	–	41	70.7	70
Claudia Plath (to 14/02/2024)	111	3.6	115	–8.7	105	0.0	105	–58.3	44
Erich Schuhmacher	–	–	–	–	18	288.9	70	0.0	70
Jascha Sperl (since 08/05/2024)	–	–	–	–	–	–	–	–	29
Maren Ulbrich (to 15/01/2024)	–	–	–	–	–	–	41	–43.1	23
Christoph Vilanek	74	4.1	77	20.8	93	3.2	96	–8.9	88
Sylvia Woelke	135	13.3	153	–8.5	140	–4.3	134	–21.6	105

[1] Change compared to previous financial year
[2] Exclusively pension payments to former members of the Management Board of CECONOMY AG and of companies merged into CECONOMY AG who left the Management Board more than ten years ago and their surviving dependants

As per the CECONOMY AG General Meeting's resolution dated 17 February 2021, the basic amount for membership in the Supervisory Board was reduced from €80,000 to €70,000 with effect from 1 June 2021. With effect from 1 April 2023, the remuneration for chairs and members of the Nomination Committee was also reduced according to the resolution of the General Meeting on 22 February 2023. Other changes to Supervisory Board member remuneration in the individual annual comparisons – some of which are very significant – are the result not of changes to remuneration levels but of various individual factors (such as longer membership periods compared to the previous year or changes to committee activities or the vice chair of the Supervisory Board).

This remuneration report was prepared jointly by the Management Board and the Supervisory Board in compliance with all the requirements of Section 162 AktG.

16 December 2024

Thomas Dannenfeldt Chairman of the Supervisory Board	Dr Karsten Wildberger Chief Executive Officer and Labour Director

AUDITOR'S REPORT

TO CECONOMY AG, DÜSSELDORF

We have audited the remuneration report of CECONOMY AG, Düsseldorf, for the financial year from October 1, 2023 to September 30, 2024 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board

The executive directors and the supervisory board of CECONOMY AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from October 1, 2023 to September 30, 2024, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use

We issue this auditor’s report on the basis of the engagement agreed with CECONOMY AG. The audit has been performed only for purposes of the company and the auditor’s report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor’s report is only towards the company in accordance with this engagement. The auditor’s report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Düsseldorf, December 16, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Verena Heineke	Christian David Simon
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

SEPARATE NON-FINANCIAL GROUP REPORT

THE MANAGEMENT BOARD'S COMMITMENT

With more than two billion customer contacts every year, we are aware of our responsibility to implement sustainable business practices, including with regard to our customers' purchasing and usage behaviour. At the same time, we shape the working environment of our approximately 50,000 employees throughout Europe. We are using this far-reaching impact in a targeted manner to pave the way for a more sustainable future.

For us, sustainability is not just a buzzword, but an urgent requirement of the hour. It is clear that the switch to sustainable business practices is not an option, but a must, for us and for every forward-looking company. Protecting our planet will not wait, and we are taking this challenge seriously. As Europe's leading retailer of consumer electronics, we are at the forefront of the movement for sustainable innovation.

Our employees are at the heart of this mission. Not only do we take responsibility for them, but we also feel an obligation to everyone we interact with. Together, we endeavour to firmly anchor sustainability in our corporate culture. We are committed to promoting talent, diversity and fair working conditions because we know that a strong, diverse team is the key to innovation and long-term success. The passion and expertise of our team are what make sustainability a real opportunity for us.

Promoting the circular economy is a key component of our strategy. By extending the service life of products, recycling materials and minimising waste, we are actively helping to conserve resources and reduce our environmental impact. We are also actively improving our emissions by implementing energy-efficient technologies and processes and focussing on renewable energies throughout the Group when purchasing electricity. We also work closely with our industry partners to ensure that sustainability takes centre stage throughout the entire value chain.

Sustainability is also anchored in our financial and financing structure. In the past financial year, for example, we successfully placed a sustainability-linked bond, the interest on which is linked to us reducing our indirect greenhouse gases (Scope 3.11) by 14.8 per cent by financial year 2026/27, starting from the base year 2021/22.

By embedding sustainability into the core of our corporate strategy, we are consolidating our position in the market and gaining the trust of our customers, investors and employees alike. But despite all the responsibility we bear, it is our enthusiasm for the subject that spurs us on. Sustainability not only opens up innovative ways of thinking, but also new business horizons. We are convinced that sustainable management is not only an ethical imperative, but also a real growth driver for our business. We are using this opportunity to drive our business forward responsibly and with an innovative spirit.

Our progress to date in sustainability shows that we are taking our commitment seriously and have implemented concrete steps. In this report, you will find comprehensive insights into how we achieve our goals, and what measures we are taking to achieve them.

Our journey is not yet over, but we are constantly working on further developing our sustainability strategies and measures. We are staying tuned - for a sustainable future.

The Management Board of CECONOMY AG

Dr Karsten Wildberger

Dr Kai-Ulrich Deissner

SUSTAINABILITY STRATEGY AND MATERIAL ISSUES

Overview

About this report

CECONOMY AG has prepared a separate non-financial group report for the financial year in accordance with Sec. 315b and 315c of the German Commercial Code (HGB) in conjunction with 289c to 289e HGB and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 and the related delegated acts for CECONOMY in accordance with the "Act to Strengthen Non-Financial Reporting by Companies in their Management Reports and Group Management Reports" (CSR Directive Implementation Act, CSR-RUG). CECONOMY did not apply an international framework to prepare the separate non-financial group report, but followed the content-related requirements of CSR-RUG. As part of the materiality analysis, the non-financial issues that are necessary for understanding the business performance, results and position and can have a significant impact on CECONOMY's business activities were identified.

↗ Further information on the materiality analysis can be found in the section on the sustainability strategy and sustainability management.

The separate non-financial group report contains the key information on CECONOMY AG and its biggest investment, the MediaMarktSaturn Retail Group (MMSRG), with regard to the five legally required aspects of environmental issues, employee issues, social issues, respect for human rights, and combating corruption and bribery. Unless explicitly stated otherwise, MediaMarktSaturn is reported on in terms of materiality, as it is the most significant part of CECONOMY in terms of sales, number of employees and impact on the environment and society.

The content of this report is based on the sustainability strategy of CECONOMY and a materiality analysis that was carried out in financial year 2021/22 and reviewed and confirmed in the financial year 2023/24. The content of this separate non-financial group report was audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in accordance with ISAE 3000 (Revised) with limited assurance.

↗ The unqualified report on this audit can be found in the section of the same name.

Materiality analysis

In the financial year 2021/22, CECONOMY carried out a materiality analysis that is applicable to the following two financial years including financial year 2023/24. To identify the material topics, the Sustainability department preselected issues based on an analysis of the sustainability topics relevant to CECONOMY and its stakeholders. These topics were included in a long list covering 20 issues in the three action areas of environment, society and governance.

The topics were assessed on the basis of three dimensions: how they affect own operating activities – i.e. the understanding of business performance and development and the position of the corporation (outside-in perspective) – what impact CECONOMY and its business model have on non-financial aspects (inside-out perspective), and the perspective of external stakeholders.

Based on the standards in the CSR Directive on non-financial reporting, the analysis identified a total of ten material topics that were then confirmed by the Management Board of CECONOMY AG for financial year 2023/24. The sustainability strategy takes all material topics into account. In addition, this separate non-financial group report presents corresponding approaches along with concepts and measures.

Reported topics

Aspects in accordance with CSR-RUG	Allocation of material issues
Combating corruption and bribery	Compliance
Social issues	Data protection and information security
Environmental issues	Climate protection and energy
	Sustainable logistics
	Waste management/resource efficiency
	Sustainable products and services
Employee issues	Employee development and talent management
	Fair and responsible working conditions
	Diversity, inclusion and equal opportunities
Respect for human rights	Sustainable supply chain

As of financial year 2024/25, CECONOMY is affected by the Corporate Sustainability Reporting Directive (CSRD). Due to the high effort of implementing the data points to be reported in accordance with the European Sustainability Reporting Standards (ESRS), CECONOMY began the legally required double materiality analysis as the basis for CSRD reporting in the 2022/23 financial year as part of a Group-wide project. The results of the double materiality analysis will be applied from the coming 2024/25 financial year. In order to fully fulfil the requirements of the CSRD, all relevant Group functions and specialist departments are involved in the implementation that started in the 2023/24 financial year.

Risks in connection with non-financial aspects and material issues

By way of a risk process, a risk identification was also carried out with all affected departments in financial year 2023/24 under the leadership of the Sustainability department and with support from Risk Management. No material risks were identified that are linked to the corporation's own business activities and that are very likely to have or will have a serious negative impact on the non-financial aspects.

Business model

↗ The required description of the business model can be found in the combined management report in the section "The Group's business model".

EU taxonomy

Through its business operations, especially its stores, administrative units and logistics, CECONOMY has an impact on the environment and the climate. The Group takes responsibility for the emissions caused directly or indirectly by its business activities throughout the value chain and is continually developing new measures to optimise operating processes and thus minimise its environmental footprint.

NOTES ON APPROACH

One of the ways it pursues sustainable business activities is through Regulation (EU) 2020/852 (EU taxonomy regulation). Among other things, the EU taxonomy was developed in order to achieve the objectives of the European Green Deal. It defines sustainable economic activities as well as technical screening criteria for a large number of economic sectors. The EU taxonomy regulation is a classification system that defines economic activities that help achieve the following six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) the sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) the protection and restoration of biodiversity and ecosystems.

The EU taxonomy regulation, especially its delegated regulations, forms the basis for a range of current and future European Union initiatives for a more sustainable economy. This transformation is supported by improved sustainability reporting. As CECONOMY is obliged to add a consolidated non-financial statement to the combined management report in accordance with Sec. 315b para. 1 HGB, the Group must also disclose information in accordance with Article 8 para. 1 of the EU taxonomy regulation on how and to what extent CECONOMY's activities are linked to economic activities that are to be classified as environmentally sustainable economic activities in accordance with the EU taxonomy regulation. To ensure this can be measured and improve these measurements, the EU taxonomy regulation introduced key performance indicators. A total of three key performance indicators were established for non-financial companies subject to the EU taxonomy regulation: the proportion (in per cent) of taxonomy-eligible and taxonomy-aligned economic activities in terms of turnover, capital expenditure and operating expenditure.

In accordance with the EU taxonomy regulation and the supplementary delegated acts, CECONOMY reported the proportion of its taxonomy-compliant and, for financial year 2022/23, taxonomy-aligned Group-wide turnover, capital expenditure and operating expenditure in relation to the EU taxonomy environmental objectives "climate change mitigation" and "climate change adaptation" for the first time for financial year 2021/22. For financial year 2023/24, CECONOMY added four further environmental objectives to its reporting, namely (3) "the sustainable use and protection of water and marine resources", (4) "transition to a circular economy", (5) "pollution prevention and control" and (6) "the protection and restoration of biodiversity and ecosystems".

An economic activity is taxonomy-eligible if it matches the activity description laid down in the relevant delegated acts. In order to be classified as taxonomy-aligned, a taxonomy-eligible economic activity must meet the three criteria stipulated in Article 3 of the EU taxonomy regulation: Firstly, the economic activity must contribute substantially to one of the environmental objectives by meeting the respective technical screening criteria. Secondly, it must not significantly harm any of the other environmental objectives (DNSH – "do no significant harm"). In addition, the undertaking carrying out the activity must have implemented minimum safeguards that are especially aimed at protecting human rights, but also relate to bribery and corruption, taxation and fair competition.

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

To determine taxonomy eligibility, CECONOMY initially identified the relevant activities. To this end, a project team compared all of the company's activities across all business areas and companies with the activities defined in the Annexes 1 and 2 to the Climate Law Act (Delegated Regulation (EU) 2021/2139 in the currently valid version, Environmental Law Act (EU) 2023/2486) and the new Annexes 3 to 6 added for CECONOMY in the 2023/24 financial year. All these economic activities were reviewed and assessed on the basis of the turnover generated, investment expenditure and operating costs for each activity and a top-down analysis was carried out by assigning the economic activities described in the legal acts (taking into account the NACE codes) to the activities of CECONOMY. The activities identified on this basis were than allocated to the economic activities defined in the EU taxonomy. The results of this top-down analysis were reviewed and confirmed on a bottom-up basis by individual areas and subsidiaries. As the central management holding company, CECONOMY AG covers basic functions such as finance, accounting, controlling, legal and compliance. The focus of the operating business is the MMSRG with the MediaMarkt and Saturn brands. As Europe’s largest consumer electronics retailer, its main activities are the retail and distribution, sale, import and export of electronics, in particular TV and HiFi equipment, photographic items and computers of all kinds and all relevant ancillary products, the sale of furniture and furnishing of all kinds, the provision of services, in particular logistics and repair services for electronics products, and the acquisition, holding and management of interests in these companies in its own name, for its own account and not for third parties.

The first stage of the EU taxonomy regulation focuses on the sectors that emit the most CO_2, and so the retail sector is not explicitly discussed. In connection with the environmental objective (1) "climate change mitigation", which, unlike the environmental objective (2) "climate change adaptation", is about combating the causes of climate change instead of the effects of climate change and compensating for them through targeted countermeasures, the following were identified as taxonomy-eligible in sectors 6. Transport and 7. Construction and real estate in financial year 2021/22:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (at CECONOMY: cars leased to transport people: employees' company cars)

- 6.6 Freight transport services by road (at CECONOMY: trucks leased to transport goods between logistics centres, between logistics centres and stores and to the customer)

- 7.3 Installation, maintenance and repair of energy efficiency equipment (at CECONOMY: energy efficiency renovation and maintenance work in existing buildings; installation and replacement of energy efficiency light sources (LED lamps))

- 7.7. Acquisition and ownership of buildings (at CECONOMY: acquisition of properties and exercising ownership of these properties/leased buildings and recognition as right-of-use-assets by stores, logistics centres and administrative units)

For the reporting of the two environmental objectives "climate change mitigation" and "climate change adaptation" in financial year 2023/24, CECONOMY reviewed the assessment of the economic activities carried out in the previous year and found no change in the taxonomy-eligible economic activities previously identified for the Group.

No relevant economic activities could be identified from the environmental objectives (3) sustainable use and protection of water and marine resources, (5) pollution prevention and control or (6) protection and restoration of biodiversity and ecosystems.

In connection with the environmental objective (4) transition to a circular economy, the following economic activities were identified as taxonomy-eligible in sectors 1. Manufacturing industry/production of goods and 5. Services in financial year 2023/24:

- 1.2 Manufacture of electrical and electronic equipment (at CECONOMY: commissioned manufacture of own-brand products (PEAQ, KOENIC, ok., ISY) by Imtron GmbH)

- 5.1 Repair, refurbishment and remanufacturing (at CECONOMY: performance of repairs outside the statutory warranty period on behalf of the customer; acceptance and transfer of defective customer devices outside the statutory warranty period to external repair service providers, immediate repairs (e.g. display replacement, battery replacement of small IT devices in the stores))

- 5.2 Sale of spare parts (at CECONOMY: sale of spare parts to customers to restore the functionality of a defective product)

- 5.4 Sale of second-hand goods (at CECONOMY: sale of refurbished third-party products to customers; resale of customer returns that were repaired or refurbished prior to resale; income from commissions on the sale of refurbished goods via affiliated white label shops)

- 5.6 Marketplace for the trade of second-hand goods for reuse (at CECONOMY: Marketplace business in five countries as an intermediary for retail with remanufactured products in order to bring together buyers looking for such a product with sellers or suppliers of these products.

DETERMINING TAXONOMY KEY PERFORMANCE INDICATORS

Taxonomy key performance indicators and reporting on taxonomy-eligible economic activities are determined in accordance with Annex 1 of Delegated Regulation (EU) 2021/2178 dated 6 July 2021. The financial figures relevant for CECONOMY are taken from the IFRS consolidated financial statements for financial year 2023/24. Capital expenditure (CapEx) for financial year 2023/24, in accordance with the content requirements for this key figure on the basis of the EU taxonomy regulation, is presented below, as is the approach to operating expenditure.

TURNOVER

Definition according to the EU taxonomy regulation: Turnover is the part of net turnover generated by products or services, including intangible goods, associated with taxonomy-aligned economic activities (numerator), divided by net turnover (denominator) within the meaning of Article 2 point 5 of the Directive 2013/34/EU. Turnover covers the revenue recognised pursuant to International Accounting Standard (IAS) 1, para. 82(a) as adopted by Commission Regulation (EC) No. 1126/2008 (1) in accordance with IFRS 15, IFRS 16, as recognised in the notes to the annual financial statements, amounting to €650 million.

CAPITAL EXPENDITURE

Definition according to the EU taxonomy regulation: Capital expenditure covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any remeasurements, including those resulting from revaluations and impairments for the relevant financial year and excluding fair value changes, as well as additions to tangible and intangible assets resulting from business combinations. Costs accounted for on the basis of IAS 16, IAS 38, and IFRS 16 must also be included.

Capital expenditure comprises total investment in assets or processes in connection with taxonomy-eligible and taxonomy-aligned activities (numerator) divided by capital expenditure accounted for on the above basis as recognised in the notes to the annual financial statements, amounting to €139 million.

The additions of the financial year as reported in the “Additions” line of the asset reconciliation for other intangible assets and property, plant and equipment in this annual report and additions of the financial year to right-of-use assets constitute the capital expenditure and thus the denominator of the key performance indicator. The recognition and measurement rules as presented in the notes to the consolidated financial statements apply accordingly. The numerator equals the part of the capital expenditure included in the denominator that meets any of the following criteria:

- Assets or processes are associated with taxonomy-aligned economic activities.
- The capital expenditure is part of a CapEx plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned. There was no such capital expenditure in financial year 2023/24.
- It relates to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the Group to reduce greenhouse gas and carbon emissions from its economic activities (especially investments in buildings and mobility).

OPERATING EXPENDITURE

Definition according to the EU taxonomy regulation: Operating expenditure includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. In financial year 2023/24, CECONOMY has operating expenditure as defined by the EU taxonomy amounting to €220 million.

The operating expenditure is not material for CECONOMY's business model, as it is geared towards the sale and not the manufacture of products. Therefore, no material taxonomy-relevant operating expenditure was identified for financial year 2023/24.

The taxonomy-eligible key performance indicators were based on the existing financial reporting systems and thus on the basis of capital and operating expenditure, as defined and reported in the consolidated financial statements. Processes to report key performance indicators and the relevant accounts were analysed in detail by the project team to assign these to the economic activities identified.

KEY PERFORMANCE INDICATORS AND QUALITATIVE INFORMATION

Essentially, the small proportion of taxonomy-eligible turnover and capital expenditure can be justified by the fact that CECONOMY's business operations align with the economic activities listed in the EU taxonomy regulation only to a limited extent. The largest share of taxonomy-eligible capital expenditure is in the construction and real estate sector, including economic activity 7.7. Acquisition and ownership of buildings, under which capital expenditure from right-of-use assets is included. As in the previous year, the already low capital expenditure relating to economic activity 8.1. Data processing, hosting and related activities is immaterial, so this expenditure is no longer reported in financial year 2023/24.

The table below shows the taxonomy-eligible and taxonomy-aligned key performance indicators for CECONOMY's economic activities in financial year 2023/24, each in absolute figures and as a percentage of the Group's capital expenditure:

EU taxonomy key performance indicators – capital expenditure

€ million	Taxonomy-eligible economic activity (Annex 1 - Climate change mitigation and Annex 4- The transition to a circular economy)	2021/22 Absolute	2021/22 Share of total (%)	2022/23 Absolute	2022/23 Share of total (%)	2023/24 Absolute	2023/24 Share of total (%)
Manufacturing industry/ production of goods	1.2 Manufacture of electrical and electronic equipment	–	–	–	–	0.4	0.1
Services	5.1 Repair, refurbishment and remanufacturing	–	–	–	–	3.2	0.4
	5.2 Sale of spare parts	–	–	–	–	0.0	0.0
	5.4 Sale of second-hand goods	–	–	–	–	0.1	0.0
	5.6 Marketplace for the trade of second-hand goods for reuse	–	–	–	–	0.0	0.0
Transport	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	14.9	2.0	18.3	2.8	12.6	1.7
	6.6 Freight transport services by road	0.4	0.1	0.5	0.1	0.1	0.0
Construction and real estate	7.3 Installation, maintenance and repair of energy efficiency equipment	1.1	0.1	1.2	0.2	2.4	0.3
	7.7 Acquisition and ownership of buildings	121.2	15.9	66.7	10.1	102.3	13.5
Total capital expenditure Taxonomy-eligible activities		**137.6**	**18.2**	**86.7**	**13.1**	**121.1**	**16.0**
Total capital expenditure taxonomy-aligned activities		**–**	**–**	**0.0**	**0.0**	**0.0**	**0.0**
Total capital expenditure non-taxonomy-eligible activities		**623.1**	**81.8**	**573.2**	**86.9**	**636.9**	**84.0**
Total capital expenditure		**760.7**	**100.0**	**659.9**	**100.0**	**758.0**	**100.0**

EU taxonomy key figures - turnover

€ million	Taxonomy-eligible economic activity (Annex 4 - The transition to a circular economy)	2023/24 Absolute	2023/24 Share of total (%)
Manufacturing industry/ production of goods	1.2 Manufacture of electrical and electronic equipment	567.8	2.5
Services	5.1 Repair, refurbishment and remanufacturing	38.1	0.2
	5.2 Sale of spare parts	5.5	0.0
	5.4 Sale of second-hand goods	37.3	0.2
	5.6 Marketplace for the trade of second-hand goods for reuse	1.4	0.0
Total turnover taxonomy-eligible activities		**650.0**	**2.9**
Total turnover taxonomy-aligned activities		**0.0**	**0.0**
Total turnover non-taxonomy-eligible activities		**21,792.0**	**97.1**
Total turnover		**22,442.0**	**100.0**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Since financial year 2022/23, CECONOMY has expanded its reporting to recognize capital expenditure connected to taxonomy-aligned economic activities in addition to capital expenditure connected to taxonomy-eligible economic activities in connection with the environmental objective (1) climate change mitigation. For a taxonomy-eligible economic activity to be recognised as taxonomy-aligned, its compliance with various criteria outlined above must be verified.

As the capital expenditure relevant for CECONOMY relates to the purchase of output from taxonomy-aligned economic activities and is therefore allocated to Annex I Section 1.1.2.2 (c) of the delegated act on disclosure obligations, the Group does not have all the information necessary to perform an independent assessment of alignment. With regard to taxonomy alignment, CECONOMY is therefore reliant on information from suppliers.

Due to the low proportion of capital expenditure relating to new registrations of purely electric vehicles within the meaning of the EU taxonomy in relation to total capital expenditure and the lack of necessary information, no further assessment of alignment was carried out with regard to transport. For construction and real estate, CECONOMY asked suppliers for evidence of compliance with the criteria listed in Article 3 of the EU taxonomy regulation. Based on the information available and the feedback received, CECONOMY was unable to demonstrate that the capital expenditure conformed to the taxonomy. Overall, CECONOMY does not report any taxonomy-compliant capital expenditure for the 2023/24 financial year. Similarly, no taxonomy-aligned turnover or operating expenditure are reported.

Within the context of the new objectives, a simplified reporting obligation applied for the first reporting period in accordance with Article 8 of the EU taxonomy regulation and Article 10 of the supplementary delegated act dated 6 July 2021. CECONOMY makes use of these reporting concessions for the first reporting period, which include initially only reporting on taxonomy-eligible economic activities in connection with the environmental objectives (4) the transition to a circular economy, (5) pollution prevention and control and (6) the protection and restoration of biodiversity and ecosystems, although CECONOMY-specific economic activities relate only to the fourth objective.

Proportion of turnover from products or services associated with taxonomy-aligned economic activities - disclosure covering financial year 2023/24

				Substantial contribution criteria						DNSH criteria (does not significantly harm)										
Economic activities (1)	Code(s) (2)	Absolute turnover (€ million) (3)	Proportion of turnover (%) (4)	Climate change mitigation (%) (5)	Climate change adaptation (%) (6)	Water and marine resources (%) (7)	Circular economy (%) (8)	Pollution (%) (9)	Biodiversity and ecosystems (%) (10)	Climate change mitigation (Y/N) (11)	Climate change adaptation (Y/N) (12)	Water and marine resources (Y/N) (13)	Circular economy (Y/N) (14)	Pollution (Y/N) (15)	Biodiversity and ecosystems (Y/N) (16)	Minimum safeguards (Y/N) (17)	Taxonomy-aligned proportion of turnover, FY 2023/24 (%) (18)	Taxonomy-aligned proportion of turnover, FY 2022/23 (%) (19)	Category (enabling activity) (E) (20)	Category (transitional activity) (T) (21)
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1.)		0.0																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Manufacture of electrical and electronic equipment	CE 1.2	(567.8)	(2.5)																	
Repair, refurbishment and remanufacturing	CE 5.1	(38.1)	(0.2)																	
Sale of spare parts	CE 5.2	(5.5)	(0.0)																	
Sale of second-hand goods	CE 5.4	(37.3)	(0.2)																	
Marketplace for the trade of second-hand goods for reuse	CE 5.6	(1.4)	(0.0)																	
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		650.0																		
Total (A.1. + A.2.)		**650.0**	**2.9**																	
B. Taxonomy-non-eligible activities																				
Turnover of taxonomy-non-eligible activities (B.)		21,792.0	97.1																	
Total (A. + B.)		**22,242.0**	**100.0**																	

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities - disclosure covering financial year 2023/24

				Substantial contribution criteria						DNSH criteria (does not significantly harm)										
Economic activities (1)	Code(s) (2)	Absolute CapEx (€ million) (3)	Proportion of CapEx (%) (4)	Climate change mitigation (%) (5)	Climate change adaptation (%) (6)	Water and marine resources (%) (7)	Circular economy (%) (8)	Pollution (%) (9)	Biodiversity and ecosystems (%) (10)	Climate change mitigation (Y/N) (11)	Climate change adaptation (Y/N) (12)	Water and marine resources (Y/N) (13)	Circular economy (Y/N) (14)	Pollution (Y/N) (15)	Biodiversity and ecosystems (Y/N) (16)	Minimum safeguards (Y/N) (17)	Taxonomy-aligned proportion of CapEx, FY 2023/24 (%) (18)	Taxonomy-aligned proportion of CapEx, FY 2022/23 (%) (19)	Category (enabling activity) (E) (20)	Category (transitional activity) (T) (21)
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		0.0																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Manufacture of electrical and electronic equipment	CE 1.2	(0.4)	(0.1)																	
Repair, refurbishment and remanufacturing	CE 5.1	(3.2)	(0.4)																	
Sale of spare parts	CE 5.2	(0.0)	(0.0)																	
Sale of second-hand goods	CE 5.4	(0.1)	(0.0)																	
Marketplace for the trade of second-hand goods for reuse	CE 5.6	(0.0)	(0.0)																	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	(12.6)	(1.7)																	
Freight transport services by road	CCM 6.6	(0.1)	(0.0)																	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	(2.4)	(0.3)																	
Acquisition and ownership of buildings	CCM 7.7	(102.3)	(13.5)																	
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		121.1	16.0																	
Total (A.1. + A.2.)		**121.1**	**16.0**																	
B. Taxonomy-non-eligible activities																				
CapEx of taxonomy-non-eligible activities (B.)		636.9	84.0																	
Total (A. + B.)		**758.0**	**100.0**																	

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities - disclosure covering financial year 2023/24

				Substantial contribution criteria						DNSH criteria (does not significantly harm)										
Economic activities (1)	Code(s) (2)	Absolute OpEx (€ million) (3)	Proportion of OpEx (%) (4)	Climate change mitigation (%) (5)	Climate change adaptation (%) (6)	Water and marine resources (%) (7)	Circular economy (%) (8)	Pollution (%) (9)	Biodiversity and ecosystems (%) (10)	Climate change mitigation (Y/N) (11)	Climate change adaptation (Y/N) (12)	Water and marine resources (Y/N) (13)	Circular economy (Y/N) (14)	Pollution (Y/N) (15)	Biodiversity and ecosystems (Y/N) (16)	Minimum safeguards (Y/N) (17)	Taxonomy-aligned proportion of OpEx, FY 2023/24 (%) (18)	Taxonomy-aligned proportion of OpEx, FY 2022/23 (%) (19)	Category (enabling activity) (E) (20)	Category (transitional activity) (T) (21)
A. Taxonomy-eligible activities																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1.)		0.0																		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2.)		0.0																		
Total (A.1. + A.2.)		**0.0**																		
B. Taxonomy-non-eligible activities																				
OpEx of taxonomy-non-eligible activities (B.)		220.1	100.0																	
Total (A. + B.)		**220.1**	**100.0**																	

Template 1 Nuclear and fossil gas related activities

Line	Description	Answer
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Corporate governance

The Management Board of CECONOMY AG is responsible for and has a legal obligation to implement effective governance in the form of a governance, risk and compliance (GRC) system. This also includes risk and opportunity management, the internal control system, compliance and Internal Audit.

Sustainability strategy

With its “experience electronics” target picture, CECONOMY as the European market leader sets new standards for customer experience, the conscious discovery of technology and the support for customers in their day-to-day life. The "impact experience" makes sustainability one of four cornerstones of the company's strategic advancement.

↗ The corporate strategy can be found in the Strategy section of the Group management report.

The company is pursuing a comprehensive sustainability strategy with clear objectives: the increasing demands on companies to reduce greenhouse gas emissions, conserve resources and comply with legal requirements, while at the same time viewing sustainability as an integral part of corporate growth, are leading CECONOMY to higher minimum standards in terms of business activities and ESG (environmental, social and governance) transparency. To fulfil these requirements, CECONOMY is continuously working on the implementation of its sustainability strategy. The intention of this is also to ensure that business activities are in line with the expectations of all stakeholders.

CECONOMY pursues ambitious strategic ESG goals, which can be found in the "Sustainability management" (Strategy) section of the annual report:

Goal 1: "We offer a climate-neutral shopping experience"
CECONOMY has set itself ambitious, science-based climate targets as part of the Science Based Targets initiative (SBTi) in order to reduce its emissions (Scope 1–3 reduction). By reducing the emissions of purchased own-brand products, by reducing the emissions of all products sold during the use phase by end customers and by ensuring CO2-neutral delivery to customers, customers have the opportunity to make a contribution to climate protection with their purchase.

Goal 2: "We offer the most sustainable range of consumer electronics products and are pioneers of the circular economy in Europe"
CECONOMY aims to make its range of products and services more attractive to customers through energy-efficient, sustainably produced and packaged products as well as offers that extend the product life cycle. The aim is to extend the life cycle of a product by offering repair options and to continuously expand the range of products for second- and third-party use.

Goal 3: "We take social responsibility for our employees, suppliers and communities"
CECONOMY respects human rights and creates an environment of trust, respect and sustainable progress and is involved in the communities in which CECONOMY operates beyond its core business activities. Diversity is also a central component of our corporate culture.

To achieve these ambitious goals, CECONOMY focusses on the following action areas:

Climate and resources: CECONOMY takes responsibility for emissions caused directly or indirectly by its business activities throughout the value chain. CECONOMY is constantly developing new measures to optimise operating processes and thereby reduce direct emissions for its own business operations. In the upstream value chain, CECONOMY also focusses on reducing emissions from own brands in Scope 3 in the manufacture of products through the commitment of its suppliers. In the downstream value chain, the focus is on delivering products to the end customer with lower CO_2 emissions and on increasing the energy efficiency of products by influencing the purchasing process with regard to better energy efficiency classes in order to reduce emissions during the end customer's utilisation phase. In doing so, CECONOMY is guided by the goals formulated by the Paris Agreement for limiting global climate change. To make an effective contribution, CECONOMY has set itself ambitious, science-based targets, which were submitted to the Science Based Targets initiative (SBTi) in the reporting period.

Sustainable products and circular economy: At customer level, CECONOMY aims to support customers in leading a sustainable lifestyle and enable them to consume in a responsible way that conserves resources - from purchase and the longest possible usage to the proper disposal and recycling of their products. For this reason, CECONOMY regularly reviews the minimum standards for sustainable products and is continuously increasing the number of these product in its portfolio, while the range of recycled products is also growing. The services established by CECONOMY such as repairs and product trade-ins and new, sustainable business models relating to financing, including options to return products, are also making an effective contribution to the circular economy.

Social: For CECONOMY, employee development under the heading of "employee experience" is one of four central pillars of the corporate strategy. For this reason, particular emphasis is placed on appreciating the work of all employees and on their targeted development, motivation and empowerment. The focus here is on employee involvement and talent development, as well as promoting diversity, for example in the form of optimised recruitment processes and appropriate support in various talent programmes. At the same time, CECONOMY is committed to upholding labour laws and human rights, both in its own business area and throughout the supply chain. For example, CECONOMY is working continuously to develop its own risk management approach to uphold human rights and cooperates closely with suppliers to tackle potential human rights risks in the supply chain. To this end, CECONOMY has implemented a concept for sustainable supply chain management and continues to refine this on an ongoing basis.

SUSTAINABILITY MANAGEMENT

Sustainability management is the responsibility of the Chair of the Management Board of CECONOMY AG. The Vice President Sustainability reports directly to the Chair of the Management Board and is responsible for CECONOMY's sustainability issues. His department is responsible for devising the strategy, updating the key performance indicators and tracking all targets and progress. They are supported by the local sustainability managers in the various country organisations and subsidiaries as well as the respective points of contact from all relevant departments. The sustainability managers of the countries act as local contacts and have the task of conveying the understanding of sustainability to their countries and deriving appropriate country-specific activities on this basis. In effective sustainability management, the Management Board ensures a high level of transparency both internally and externally, defines the company's overall strategy, strengthens the conditions for the respective sustainability initiatives and monitors their development. In regular meetings, the Management Board and the Supervisory Board assess and update the targets, values and strategy of CECONOMY AG together with the Vice President of Sustainability. In sustainability reporting, the Management Board also makes the final decision on material topics and on which key performance indicators will be reported.

The Sustainability department at CECONOMY AG promotes discussion with internal and external stakeholders and further develops sustainability communication. Together with the Sustainability department, the sustainability managers from the countries, the subsidiaries and the specialist departments form the sustainability organisation.

Sustainable Consumption Pledge

The "Sustainable Consumption Pledge" initiative is a continuation of the Green Consumption Pledge that was launched by the European Commission in 2021 as part of the European Climate Pact. CECONOMY is one of the first European retailers to have participated voluntarily in the EU pilot project right from the start. This EU-wide initiative calls on companies to get involved in climate protection and build a greener Europe. By signing, companies promise to help accelerate the green transition. The commitment calls on signatories to uphold at least three of five core principles. The key issues for CECONOMY are carbon emissions, transparency, industry best practices and the sale of sustainable products.

By signing the Sustainable Consumption Pledge, CECONOMY has committed to the following targets:

Pledge 1 - CECONOMY commits to calculate its carbon footprint and reduce its carbon footprint with the following pledges:

- CECONOMY pledges to reduce its CO_2 emissions for Scope 1 and 2 by 4.2 per cent per year until 2030, in accordance with a 1.5°C scenario, compared with base year 2019, measured using the SBTi methodology. This target was achieved in comparison to the baseyear, including the reporting period.

- CECONOMY pledges to reduce its CO_2 emissions for the relevant Scope 3 of its own brand products by 3.0 per cent per year until 2030, in accordance with a scenario well below 2°C compared with base year 2022, measured using the SBTi methodology. This target was achieved in comparison to the base year, including the reporting period.

- CECONOMY pledges to reduce its CO_2 emissions for the relevant Scope 3 of its transport and distribution activities by 2030 by 3.0 per cent per year until 2030, compared with base year 2022, measured using the SBTi methodology. This target was achieved in comparison to the baseyear, including the reporting period.

– CECONOMY pledges to induce 80 per cent of its retail suppliers to set their own climate targets in accordance with the SBTi framework by 2027.

– The data used to calculate and report on the targets set are verified by the company's auditor.

Pledge 2 - CECONOMY commits to calculate and improve the environmental performance of the company with the following pledge: CECONOMY pledges to increase the number of sustainable products (BetterWay products) in its range to 6,000 by the end of 2025, compared with 1,200 products in the base year 2021. The data used to calculate and report on the targets set are verified by the company's auditor. This target was achieved ahead of schedule in the reporting period.

Pledge 3 - CECONOMY pledges to publish the targets and progress made on all the above annually in its sustainability report, in its annual non-financial report and on its website.

CECONOMY successfully placed a sustainability-linked bond totalling €500 million with a term until 2029 in financial year 2023/24. The interest on the bond is linked to CECONOMY reducing indirect greenhouse gases (Scope 3.11) by 14.8 per cent by financial year 2026/27, starting from base year 2021/22. This also emphasises the company's commitment to its climate targets. The Group targets were validated by the SBTi ("Science Based Targets initiative") in May 2024.

Compliance

CECONOMY's long-term success is built on the foundation of far-sighted governance and Group-wide standards that extend as far as the supply chain. Specifically, this foundation is reflected in transparent, legally compliant, dependable and secure processes that are implemented and put into practice by acting responsibly and with integrity.

The challenge is to take the different social and legal conditions of the country organisations into account and integrate the sometimes different corporate cultures and processes of the individual companies.

Building on this foundation, the CECONOMY Code of Conduct is a central authority and source of guidance that defines the common, company-wide values. The Code of Conduct not only highlights compliance with the law, but also CECONOMY's commitment to transparency, integrity, fairness and respect for others. Violations of these fundamental values and rules as well as violations of the law can trigger existential risks for the company and result in reputational damage – which is why they will not be tolerated under any circumstances. Any abuse of a person's own position to their own advantage, to the advantage of third parties or to the disadvantage of CECONOMY will be prosecuted and sanctioned.

The Code of Conduct not only defines the company-wide foundation of values for CECONOMY, but also sets the compliance standards for all employees. It is supported by Group-wide antitrust, data protection and anti-corruption guidelines. Together with their employment contracts, every new employee receives a copy of the current Code of Conduct, which they are required to read thoroughly and confirm in writing that they have done so.

In addition, there are further specific guidelines and directives for the country organisations and subsidiaries that focus on their respective risks, local conditions and business practices. This ensures a consistent set of rules.

Responsibility for upholding compliance requirements lies with the Management Board of CECONOMY AG and the management bodies of the individual Group companies. In financial year 2023/24, a new Assurance department was established under the responsibility of a Chief Assurance Officer (CAO). As the new Executive Vice President, the CAO heads the Compliance, Privacy and Audit & Consulting departments. As Chief Compliance Officer (CCO), the Vice President of Compliance & Privacy is responsible for compliance matters at CECONOMY AG and MMSRG. However, technical reporting can be transferred directly to the Management Board at any time. In coordination with CECONOMY AG, the Compliance Management department of MMSRG centrally manages compliance issues and is aided in this at the various country organisations by the local compliance officers (LCO). Together with Compliance Management and the Compliance Committee, which coordinates discussions of the issues at CECONOMY, the LCOs form the compliance organisation.

The compliance management system (CMS) is refined and developed on an ongoing basis in order to establish a long-term, company-wide culture of compliance with the help of various communication and training activities. The Management Board of CECONOMY AG and the management bodies of individual Group companies support this compliance culture with regular tone-from-the-top messaging and by implementing a zero-tolerance approach to compliance violations.

Violations can be reported – anonymously – through the whistleblowing system.

↗ Further information on the whistleblowing system can be found at www.ceconomy.de/en/company/compliance/speakup/

In conjunction with the training process that is in place, all new employees are required to take mandatory training (online and classroom training) that teaches basic information on anti-corruption, conflicts of interest, data protection, antitrust law, money laundering and the company's guidelines and policies.

Aside from the objectives and measures described here, the CMS will create a series of controls and assessments to guarantee compliance with standards and to identify risks early on. These include reviews and assessments by the Internal Control System and Corporate Risk Management that will track, analyse and manage corporate risks at Group level. Separate risk assessments for the compliance, anti-money laundering and supply chain areas will be incorporated into Group-wide Corporate Risk Management.

The prevention measures derived from the compliance risk assessments ultimately contribute to the improvement of internal procedures, processes and training.

In addition, Internal Audit is another governance body that reviews the effectiveness of risk management.

This risk-based approach is also applied in business partner screening, for example in the Marketplace, in relation to the checking of sanction lists.

Data protection and information security

As an international consumer electronics retail company, CECONOMY is pressing ahead with digitalisation and uses intelligent networking of different data and information for its own business model. Responsible handling of data from customers, employees, business partners and investors is therefore very important in the context of its business activities and processes. Advances in digitalisation facilitate data processing – which can have effects on the rights and freedoms of individuals. If violations occur with regard to data protection, this may result in sanctions and reputational damage. CECONOMY is aware of the misuse of data and the risks it entails; adequate measures are being taken.

DATA PROTECTION

Data protection means protecting individuals from infringements of their personal rights and privacy that arise from the misuse or unauthorised use of data. Millions of customers entrust their data to the company in conjunction with its e-commerce activities. Furthermore, the protection of employee, business partners and CECONOMY shareholder data is a top priority.

The importance of a functioning data protection management system and close collaboration with other departments and regulatory authorities is particularly evident at times of crisis, such as in the event of cyberattacks.

The goal is to comply with data protection principles and the relevant laws such as the General Data Protection Regulation (GDPR) on an ongoing basis. The national and local data protection laws of the respective country organisations (such as the German Telecommunications and Telemedia Data Protection Act) and data protection regulations resulting from other sources are also included.

Responsibility for compliance with legal requirements for data protection lies with the Management Board of CECONOMY AG and the management bodies of the individual Group companies. In addition to his role as Chief Compliance Officer, the Vice President of Compliance & Privacy also manages the data protection concerns CECONOMY AG and MediaMarktSaturn Retail Group GmbH. In addition to the data protection organisation and coordination of the data protection departments of the MMSRG subsidiaries, his area of responsibility also includes the general data protection strategy as well as regulating the basic structure and advising the MMSRG subsidiaries on the implementation of internal and external requirements. Data protection officers have also been appointed in every relevant CECONOMY Group company. CECONOMY introduced a variety of strategic and organisational measures in connection with the implementation of the GDPR. The focus here is on the complete and correct fulfilment of the requirements set by the regulation - taking into account a balance between business requirements and compliance challenges. Appropriate measures on accountability, data protection management, documentation, duties to provide information and the rights of data subjects are implemented on an ongoing basis.

In order to fulfil its statutory obligations, CECONOMY has an international privacy team that monitors and guarantees compliance with these data protection standards throughout the entire Group and that assists other departments at any time with consulting services or training. In addition to the local data protection officers and separate Legal departments in the countries, the external data protection officer responsible for the German companies is supported by the local privacy team, which is the central point of contact for all national companies of MMSRG and regularly communicates with the countries' data protection officers. To ensure compliance with internal and legal requirements, it supports the collection, processing and deletion of personal data on customers, partners and employees. In addition, the external German data protection officer, the privacy team and the local data protection officers, in cooperation with other specialist departments (in particular IT Security), advise on the necessary technical and organisational measures to ensure the lawful processing of personal data within the Group.

CECONOMY's general Group data protection guideline is regularly evaluated and reflects the principles of data protection for all CECONOMY companies. The Group has thereby committed itself to a uniform level of data protection. Internal audits and regular dialogue with the competent data protection regulators play a key role in ensuring compliance with data protection regulations.

In addition, there are policies and procedural instructions, both for multiple divisions and specific divisions, at MMSRG on the structuring and standardisation of data processing. Data protection officers in the country organisations handle any additional national considerations and individual decisions concerning the data subjects of stores or country organisations. Data protection incidents or potential for improvement can be reported via contact points such as central e-mail addresses for all stakeholders. Each report is promptly reviewed and answered. The focus is also on raising employee awareness of the requirements of data protection at all levels of the Group. Mandatory annual staff data protection training is carried out to raise awareness within the company.

A data protection management system (DMS) was introduced to further systematically establish data protection at all MMSRG business units. This is evolving and being optimised on an ongoing basis.

INFORMATION SECURITY

Alongside data protection, the Information Security department is of central importance at CECONOMY in safeguarding the confidence of our customers, business partners and other stakeholders. The possible threats in retail include the failure of IT-based business processes, IT security incidents and cyberattacks.

At MMSRG, the role of Chief Information Security Officer (CISO) bears full responsibility for Information Security for the Group and all its shareholdings. MMSRG's security organisation also covers CECONOMY AG's security concerns. The CISO reports to the Chief Technology Officer (CTO) of MediaMarktSaturn Retail Group GmbH. Additional IT Security departments have been established at the country organisations and subsidiaries and attached to MediaMarktSaturn Technology GmbH's Cyber Security organisation. These departments implement the cyber security strategy in their companies and also adhere to special considerations or regulations specific to their country.

This way, CECONOMY is aiming to ensure its principles of confidentiality, availability and integrity, to protect personality rights and to reduce threats and the financial damage they cause.

Information Security allows a holistic analysis of the company's risk and security situation and, in strategic coordination with the Data Protection department, it creates the technical requirements to implement data protection in operations as well.

At CECONOMY, the CISO clearly regulates responsibilities and functions for ensuring information security. This officer puts information security policies into place and is responsible for monitoring these. The policies apply to all relevant systems, applications and parties in relation to information and data processing and to all employees of CECONOMY.

The implementation of CECONOMY's advanced IT security strategy has prepared CECONOMY for the future, allowing it to respond to current requirements at an early stage. CECONOMY has taken extensive precautions in response to the increasing professionalism of hackers and thus the growing frequency of attacks. Additional security measures are taken to prevent e-mail phishing attempts in particular. There is also continuing investment to raise awareness of information security risks, such as CEO fraud or phishing, among all employees, including top management. Both classroom training and online training are mandatory for employees, with regular phishing simulations. Around 41,000 employees received cybersecurity awareness training and were trained in phishing simulations in financial year 2023/24.

The information security management system (ISMS) was operationalised by the introduction of a dedicated Cybersecurity Risk & ISMS team. In addition to the further development of the information security guidelines, an ISMS steering committee was established with the involvement of senior management. The committee was formed to oversee the development, implementation and continuous improvement of CECONOMY's ISMS and to provide challenges and guidance as required. It meets at least twice a year.

Operationally and as part of the technical and organisational security measures, the integrated Security Information Event Management with the associated Security Operation Centre (SOC) was further strengthened in terms of personnel and technically optimised in order to meet the increasing threat of attacks on systems. In the Security Monitoring department, the hybrid 24/7 SOC model enables a rapid response to alarms. The combination of internal expertise and external support enables early risk identification as well as effective incident handling. In addition, a dedicated incident response retainer enables an appropriate response to major threats, attacks and crises. Regular training of incident processes increases the organisation's readiness for even better response capability.

The further development of the systematic identification of software errors and security vulnerabilities particularly improves the continuous security-related hardening of the services available online. The establishment of holistic vulnerability management system allows CECONOMY to respond significantly faster to identified technical risks.

Environment

With its business activities as a retail company in the field of consumer electronics, CECONOMY has an impact on the climate and the availability of resources. The more than 1,000 stores and administrative locations and the vehicle fleet consume energy and other resources. Emissions that affect the climate are also produced in upstream and downstream parts of the value chain, for example in product manufacturing and delivery as well as product use by the end customer. In order to ensure sustainable growth and development, CECONOMY manages the issue of climate protection through its sustainability strategy, which includes topics such as intelligent energy and resource management to reduce its own emissions and adjustments to the product range to control emissions during the utilisation phase.

The topics and the progress made on them are regularly reported to the Management Board and Supervisory Board of CECONOMY AG at Supervisory Board meetings. In this way, the Group aims to systematically develop solutions for the environment, the climate and the scarcity of resources.

Climate protection and energy

CECONOMY’s business activities mean that it has an influence on the environment and the climate. In addition to the products sold, this applies in particular to the operation of stores and the transport of goods.

New measures are being developed all the time to optimise operating processes and thus reduce the ecological footprint. All climate protection measures that CECONOMY has already implemented and is planning for the future are components of a comprehensive climate strategy. In doing so, CECONOMY is guided by the goals formulated by the Paris Agreement for limiting global climate change. In order to achieve these goals, it is especially important to achieve comprehensive transparency regarding all emissions, as this is the only way that meaningful reduction measures can be initiated and implemented. To track the progress made, CECONOMY calculates its carbon footprint annually in accordance with the requirements of the Greenhouse Gas Protocol (GHG).

CLIMATE GOALS

CECONOMY wants to make an effective contribution to preventing the worst effects of climate change. CECONOMY therefore voluntarily committed to participating in the European Commission's Sustainable Consumption Pledge in financial year 2021/22 and to complying with SBTi science-based climate goals in financial year 2023/24. Ambitious climate targets were defined as part of the SBTi, with which CECONOMY intends to reduce its GHG emissions.

CECONOMY aims to reduce its carbon footprint as part of the SBTi targets through the following voluntary commitments:

- CECONOMY undertakes to reduce its CO_2 emissions for Scope 1 and 2 by 58.8 per cent by the 2032/33 financial year compared to the base year 2018/19.

- CECONOMY pledges to reduce its CO_2 emissions for the relevant Scope 3.1 category (purchased goods and services of its own brand products) by 32.5 per cent by financial year 2032/33 compared with base year 2021/22.

- CECONOMY pledges to reduce its CO_2 emissions for the relevant Scope 3.11 category (utilisation phase of products sold) of its own brand and third-party brand products by 32.5 per cent by financial year 2032/33 compared with base year 2021/22.

- CECONOMY pledges to reduce its carbon emissions for the relevant Scope 3.4 category of its transport and distribution activities by 32.5 per cent by financial year 2032/33 compared with base year 2021/22.

- CECONOMY pledges to require 74 per cent of its retail suppliers to set their own science-based climate targets by financial year 2027/28 based on the emissions for Scope 3.1 (purchased goods and services).

CECONOMY has also set itself a far-reaching target to achieve net zero emissions. In addition to continuously reducing CO_2 emissions, the company strives to offset those emissions that cannot be further reduced by supporting climate protection projects. The aim is to achieve total net zero emissions by financial year 2039/40.

Scope 1 and 2 energy and carbon footprint

Total energy consumption in thousands of MWh[1]

	Base year 2018/19	2022/23	2023/24
Total energy consumption[2]	**661.7**	**494.4**	**470.5**
Scope 1 energy consumption[2]	**116.1**	**84.8**	**75.2**
Natural gas	54.3	43.3	39.8
Heating oil	2.7	1.8	1.2
Diesel[3]	53.8	29.7	25.1
Petrol	5.3	10.0	9.2
LPG	–	0.1	0.0
Fugitive gases in tonnes[4]	–	–	1.9
Scope 2 energy consumption	**545.6**	**409.6**	**395.3**
Electricity[5]	524.3	393.5	382.7
District heating	19.1	14.9	11.8
District cooling	2.2	1.1	0.9
Energy consumption per m² of retail space in kWh[6]	**215.8**	**184.6**	**184.5**
Electricity consumption per m² of retail space in kWh[6]	**187.8**	**159.7**	**161.4**

[1] Direct and contemporary transmitted indirect energy consumption by stores, administrative buildings, warehouses and the vehicle fleet
[2] Not including fugitive gases
[3] Stationary and mobile consumption
[4] First-time recognition of fugitive gases
[5] Including electricity used by electric or hybrid vehicles in the fleet
[6] Not including energy consumed by the vehicle fleet and fugitive gases

Carbon footprint (greenhouse gas emissions in thousands of tonnes of CO_{2eq} (CO_2equivalents))[1]

	Base year 2018/19	2022/23	2023/24
Total greenhouse gas emissions (market-based)	**100.2**	**42.9**	**51.1**
Greenhouse gas emissions not including vehicle fleet (market-based)	**85.5**	**32.4**	**42.1**
Scope 1: Direct greenhouse gas emissions (market based)	**26.5**	**19.8**	**21.2**
Natural gas	11.1	8.8	8.1
Heating oil	0.7	0.5	0.3
Diesel (stationary consumption)	–	0.1	0.1
Vehicle fleet	14.7	10.4	9.0
Fugitive gases[2]	–	–	3.7
Scope 2: Indirect greenhouse gas emissions (market-based)	**73.7**	**23.1**	**29.9**
Electricity[3]	66.5	20.4	27.6
District heating	6.5	2.5	2.1
District cooling	0.6	0.2	0.2
Scope 2: Indirect greenhouse gas emissions (location-based)	**247.8**	**142.0**	**130.5**
Scope 1 + 2 greenhouse gas emissions per m² of retail space in kg CO_{2eq}/m², not including vehicle fleet (market-based)	**30.6**	**13.1**	**17.8**

[1] Emissions calculated based on audited energy values.
[2] First-time calculation of fugitive gas emissions in financial year 2023/24
[3] Including emissions resulting from electricity consumption of the vehicle fleet

Climate protection is also an important issue for CECONOMY outside of its own value chain. Through the acquisition of high-quality CO_2 certificates as part of the Beyond Value Chain Mitigation (BVCM) approach, CECONOMY is making a voluntary contribution to climate protection of 51 thousand tonnes for the first time above its own decarbonisation. This corresponds to the volume of greenhouse gas emissions that CECONOMY is currently unable to avoid in Scope 1 and 2.

To ensure the integrity and effectiveness of the CO_2 certificates, CECONOMY has defined strict minimum requirements and selection criteria for the acquisition process. All projects that are considered for investment are subjected to an in-depth review to ensure that they fulfil the defined minimum standards. Following this initial assessment, the projects that met the minimum requirements were analysed in more detail on the basis of specific suitability criteria. This process ensured that the selected projects not only met quality standards, but also made a significant contribution to decarbonisation. These projects cover a broad spectrum of action areas, differ both in their methodological approaches and their geographical scope and reflect the commitment of CECONOMY to take responsibility for climate protection beyond its own business activities.

Scope 1 and 2 energy management and emission savings
A large share of the operational energy requirements is attributable to the electricity consumption of the stores. In order to reduce energy consumption at its locations, the Group relies on an efficient energy management system and the continuous modernisation of its stores. This is achieved in its role as tenant of the respective spaces and administrative buildings.

Responsibility for managing energy resources lies with the respective country organisations and their Head of Construction and Store Concepts, who report to the COO of the country. CECONOMY's building-related energy consumption is bundled within the Real Estate & Store Concepts department. Savings potential is also analysed and energy and resource management is further developed here. The department also advises and supports the country organisations and subsidiaries in the implementation of construction and renovation work and in the optimisation of energy consumption.

The extensive data basis required for efficient energy and resource management is obtained from energy meters and sensors for temperature and air quality. The electricity consumption of the locations is continuously measured and analysed in order to be able to react immediately and efficiently to rising consumption due to irregularities. The total energy savings achieved for emissions in Scope 1 and 2 of 4.8 per cent in total compared to the previous year 2022/23 is the result of the energy-saving target set, which is based on various measures such as the comprehensive switch to more energy-efficient lighting, building automation and the optimisation of heating, ventilation and air conditioning technology. It was also possible to increase the proportion of newly registered e-cars in the fleet to 41 per cent. The "STUNEC" (Stop Unnecessary Energy Consumption) programme was introduced at the beginning of calendar year 2022 and has been continuously pursued and developed ever since. Various measures have also been implemented according to the individual situation at the store, such as deactivating outside advertising in the evenings and at night and reducing the lighting in the selling spaces. In addition, the status of the central warehouse was upgraded to DGNB Gold, with a photovoltaic area of 36,000 square metres installed on the roof. Total energy consumption fell by 11.3 per cent in Scope 1 and by 3.5 per cent in Scope 2. The total emissions from Scope 1 and Scope 2 (market based) were 51 thousand tonnes of CO_2 equivalent. For the first time, fugitive gases contained in air conditioning systems and heat pumps were reported for the calculation of CO_2 emissions.

In financial year 2023/24, the total energy consumption of the stores and administrative buildings (not including the vehicle fleet) was 436.5 thousand megawatt hours. That is 184.5 kilowatt hours per square metre, with energy consumption per square metre remaining constant compared to reporting period 2022/23.

Scope 3 carbon footprint

Indirect greenhouse gas emissions from upstream and downstream activities (Scope 3) in thousand tonnes of CO_{2eq} (CO_2 equivalents)

	Base year 2021/22	2022/23	2023/24
Scope 3 Total	**26,375.9**	**20,702.9**	**20,343.0**
Scope 3.1 - Purchased goods & services	8,195.8	6,516.6	7,824.5
Scope 3.1 – Non-tradables	(318.3)	(186.0)	(302.3)
Scope 3.1 - Procurement of own-brand products[1]	(509.6)	(516.9)	(631.6)
Scope 3.1 – Procurement of third-party brand products	(7,368.0)	(5,813.7)	(6,890.7)
Scope 3.2 – Capital goods	178.7	117.0	147.0
Scope 3.3 – Fuel- and energy-related emissions	43.8	16.4	35.6
Scope 3.4 - Upstream transportation and distribution[2]	518.0	216.4	196.6
Scope 3.5 – Waste	15.0	5.5	10.1
Scope 3.6 – Business travel	3.0	5.9	5.1
Scope 3.7 – Employee commuting	46.0	56.1	54.1
Scope 3.8 - Upstream leased assets[3]	104.3	6.1	8.6
Scope 3.11 - Use of sold products[4]	16,616.5	13,015.0	11,543.4
Scope 3.11 – Use of own-brand products	(1,217.5)	(1,041.2)	(939.4)
Scope 3.11 – Use of third-party brand products	(15,399.0)	(11,973.9)	(10,604.0)
Scope 3.12 – End-of-life treatment of sold products	649.2	742.9	503.7
Scope 3.12 – End-of-life treatment of sold own-brand products	(23.8)	(42.2)	(42.0)
Scope 3.12 – End-of-life treatment of sold third-party brand products	(625.5)	(700.7)	(461.7)
Scope 3.15 – Investments[5]	5.5	5.4	14.4

[1] Due to the first-time recognition of all licensed products in financial year 2023/24 for own-brand products, base year 2021/22 and financial year 2022/23 were recalculated on the basis of the improved data basis.
[2] First-time calculation of distribution centre emissions based on primary data for financial year 2023/24.
[3] Scope 3.8 is calculated based on expenditure.
[4] Due to the change in the calculation methodology and the first-time use of real energy consumption of products sold in financial year 2023/24, base year 2021/22 and financial year 2022/23 were recalculated.
[5] First-time full integration of all CECONOMY AG investments in the emissions calculation for financial year 2023/24.

Scope 3 emission savings

Following the first-time reporting of selected Scope 3 emissions in financial year 2018/19, CECONOMY has steadily improved the underlying data quality, so the Group stands for full transparency and has disclosed all relevant Scope 3 categories since financial year 2022/23. In financial year 2023/24, the carbon footprint was expanded to include primary data from service providers and suppliers as well as product-specific information. The change in the data pool has an impact on two main Scope 3 categories in particular. In Scope 3.1 (procurement of own-brand products), all licensed products are taken into account for the first time, and in Scope 3.11 (use of sold products), emissions have been calculated on the basis of actual energy consumption since financial year 2023/24. As these two changes to the data pool have a major impact on the calculation of emissions and the achievement of targets, the previous year's emissions from the base year 2021/22 and financial year 2022/23 were recalculated using the new data pool and corrected for better comparability. Over the next few years, the share of primary consumption and volume data is to be gradually increased to steadily improve the calculation methodology.

Emissions for Scope 3 have fallen by 1.7 per cent compared to financial year 2022/23. In the Scope 3.1 category (procurement of own-brand products), there was an increase of 22.2 per cent; in Scope 3.11 (use of sold products) and in Scope 3.4 (transportation and distribution), emissions fell by 11.3 per cent and 9.1 per cent respectively. The net CO_2 intensity from the transport of goods and purchased goods for internal operations as well as own brands (Scope 3.1 non-tradables, Scope 3.1 procurement of own-brand products and Scope 3.4 transportation and distribution) in the financial year amounts to 50.4 tCO_{2eq}/€ million in sales.

Specific emission trends of the sold products in the production and use phase

Reducing emissions from products sold is a key aspect of the sustainability strategy. In the past financial year, CECONOMY increased the focus on scope 3.11 (use phase of soldproducts), which is responsible for a significant share of around 57 per cent of total emissions. In this context, an ambitious target was defined for reducing emissions in this specific area, to be achieved through targeted and effective measures. To support this target, CECONOMY is focussing on three main strategies:

- Improvement and continuous optimisation of data: the switch to primary data for the energy consumption of sold products enables more precise recording and analysis, which forms a solid basis for the development of targeted measures.

- Increasing the proportion of energy-efficient products: CECONOMY is specifically expanding its range to include products with improved energy efficiency. This measure enables customers to choose products that consume less energy during operation and thus contribute to a significant reduction in emissions during their expected useful life.

- Supplier engagement: intensive cooperation with suppliers aims to drive forward the development of products that consume less energy in operation and to optimise manufacturing processes.

As part of CECONOMY's endeavours to increase the energy efficiency of the products it sells, a significant improvement can already be seen in its own brands. The average energy consumption per own-brand product has fallen by 8.6 per cent compared to the previous year. This positive trend is also reflected in the increased proportion of products sold with better energy efficiency classes. One example of this is washing machines, where the proportion of appliances with the best energy efficiency class "A" has risen by around 25 percentage points.

In addition, CECONOMY has established a continuous evaluation and review of product properties and material flows for its own-brand products in order to make them more sustainable. New sustainability activities were implemented accordingly in financial year 2023/24. In addition to continuous packaging optimisation and the recording of emissions from the production and life cycle of own-brand products, a supplier engagement project was also initiated. To this end, the current sustainability practices of IMTRON suppliers were recorded by means of a survey in order to develop targeted measures to reduce emissions. Based on these results, coordinated and product-related initiatives to reduce emissions are now being developed and implemented together with suppliers in line with their level of readiness and previous sustainability activities. At the same time, the specific footprint for selected products was calculated in close cooperation with suppliers. This concerned products that are particularly emission-intensive due to their high sales figures and considerable emissions in the production and utilisation phase.

Sustainable logistics

Transport and storage are essential for selling goods to customers in stores and online – processes that generate CO_2 emissions. Overall responsibility for the logistics of MMSRG and its subsidiaries lies with the Vice President for Supply Chain Management. The country organisations are responsible for their own planning, logistics and transport flows. The shipping volumes and inventories of MMSRG result from the supply chain operations of regional country organisations and the subsidiary Imtron, which supplies the Group's own brands. Since financial year 2021/22, logistics have been undergoing a transformation away from the separation of e-commerce and retail business in favour of an integrated, centralised omnichannel network. This network allows central procurement and the bundling of delivery flows to stores through central distribution centres in each country. In this context, goods flows are increasingly planned and managed centrally. CECONOMY can thus systematically reduce transport flows, manage and decrease inventories transparently across all sales channels and warehouse locations, and simultaneously bring down CO_2 emissions. The transformation has already been successfully implemented in the Netherlands and Germany.

MediaMarktSaturn central distribution centre for Germany was built with modern and resource-saving construction methods, which meets the high requirements for sustainable operations. It was granted gold certification according to the standards of the German Sustainable Building Council (DGNB) in 2023. The photovoltaic system, which was installed by the lessor in 2022 and is 7.5 per cent leased by MediaMarktSaturn, generated 379 thousand kilowatt hours in financial year 2023/24, of which 304 thousand kilowatt hours were consumed in the distribution centre itself and the rest was profitably fed into the power grid.

At present, more and more suppliers are being brought in to supply stores centrally through the warehouse. In addition to the central distribution centre, regional hubs in Germany, Spain and Turkey also commenced operation in recent financial years, which bundle the two-man handling stock (products with large dimensions) for nearby stores and can be used to offer customers additional services such as assembly, installation, disposal of old appliances and repairs as effectively as possible. In addition, route optimisation made it possible to offer customers delivery windows with a high degree of accuracy and to reduce CO_2 emissions.

Sustainable logistics also aims to systematically reduce the environmental impact of transport and warehouse operations. Therefore, CECONOMY has set itself the target of cultivating options for climate-neutral delivery to customers in more than 80 cities in all countries by financial year 2025/26. We achieved this goal ahead of schedule in 2024 with more than 100 cities. In "zero last mile delivery", CECONOMY can so far offer customers green deliveries in Spain, Switzerland, the Netherlands, Austria and Germany. In Spain and Switzerland, for example, stores are now increasingly turning to electric vehicles to deliver to customers. In Germany, the cooperation with Uber was the first step towards expanding climate-neutral delivery. The company also works with logistics providers that have demonstrated their commitment to avoiding CO_2 emissions and that focus on electrifying their vehicle fleets. The amended "ship-from-store" logistics concept, whereby customers receive deliveries from the closest store as well as pick-up, also offers potential to reduce CO_2 emissions.

The logistics sustainability programme is gradually being expanded. As well as the greater transparency of CO_2 consumption, the focus is increasingly on returns logistics, reusing products and the use of sustainable packaging materials. Especially in the area of packaging materials, CECONOMY focuses on environmentally friendly concepts and is working on using sustainable raw materials and reducing packaging. For example, wet glue labelling machines are already in use in MediaMarktSaturn's distribution centres in Germany. Using paper in combination with natural glue means that the environmentally friendly packing tape can be directly disposed of in the paper waste bin together with the box. As well as making it easier for customers to separate their rubbish, this helps reduce the amount of plastic waste. In addition, some products are dispatched in their original packaging without additional outer packaging.

Logistics in various countries are also using optimised packing and sustainable packaging materials with the aim of further minimising the CO_2 footprint. Examples of this include the use of automated pack-to-good packing machines in Spain and the Netherlands, which tailor the packaging to the product to be packed during the packing process itself, removing the need for outer packaging and filling material.

Waste management and resource efficiency

WASTE MANAGEMENT

In connection with CECONOMY's business processes, products and services, waste is also generated in stores, headquarters and by customers. CECONOMY is aware of the impact that this waste generation has on the environment and is constantly striving to reduce it. The proper handling of waste is a top priority for CECONOMY. It therefore has waste separation concepts, annual training for store employees on waste separation and controls on the proper handling of waste. The Group also only works with certified disposal specialists. To assist customers in recycling valuable resources, both old electrical devices and packaging waste are taken back free of charge and properly recycled.

In Germany, for example, electronic marketplaces and fulfilment service providers have had to fulfil extended due diligence obligations since 1 July 2023 with regard to compliance with the Electrical and Electronic Equipment Act (ElektroG) by their retailers and clients. A review of the relevant manufacturer registrations in the Used Electronic Appliances Register must be carried out in advance. If the required evidence cannot be provided, the players concerned must be excluded from further use of the platform. This extended control measure was established in good time in the German country organisation of the MMSRG. In line with legal requirements in the countries, there are also disposal stations in stores where customers can return batteries and light bulbs in addition to old electrical devices.

The respective country organisations are responsible for the management of old electrical devices and packaging waste. There are also organisational instructions for each country on the proper collection, separation and disposal of waste. Disposal partners are selected, and waste volumes monitored, at the level of the country organisations as well.

Old electrical devices that have reached the end of the utilisation phase for customers are CECONOMY's most significant waste category. Customers can return their old devices either to the stores or to the delivery company when they receive a new delivery at their home.

Returned old electrical devices are collected and sorted in regulation containers in MMSRG stores or central warehouses. In the 2023/24 financial year, CECONOMY took back around 75,400 tonnes of old electrical devices across Europe and around 38,700 tonnes of old electrical devices t in Germany and forwarded it exclusively to certified waste management companies for treatment and recycling.

Returned old electrical devices[1,2]

in tonnes	2023/24
Heat exchangers	19,661
Screens, monitors	3,140
Lamps	16
Large appliances	41,139
Small appliances	1,535
Small IT or telecoms devices	272
Batteries	262
Other old electrical devices (no clear allocation possible)	9,382
Total old electrical devices	**75,407**

[1] The reported volumes are recorded by the disposal service providers. In stores in which it is not possible to determine the specific quantities of returned old electrical devices due to local conditions, assumptions have been made.

[2] Electrical devices with integrated circuits in which substances other than water are used for the purpose of cooling/heating or dehumidification. Screens, monitors and devices with screens with a surface of more than 100 cm^2, glow-discharge lamps and other lamps that can be used in private households, appliances that have at least one external dimension of more than 50 cm and appliances that have no external dimensions of more than 50 cm.

PACKAGING

The packaging waste generated is separated into the different types shown below. Employees receive regular training on this and sorting instructions must be obeyed in warehouses. In financial year 2023/24, CECONOMY placed around 28,300 tonnes[1] of packaging waste into recycling.

As part of the continuous optimisation of own-brand packaging, a comprehensive guide to more sustainable product packaging has been developed. This was drawn up by IMTRON and has since served as the basis for communication with suppliers. The guide represents a binding requirement with the aim of significantly reducing packaging materials, avoiding their use, promoting reuse and integrating more recycled materials. It also demands, among other things, the use of water-based adhesive tape and the use of paper inlays. Another example of packaging optimisation is the gradual conversion of large appliance export packaging from polystyrene to FSC-certified paper. The packaging of the PEAQ brand televisions was changed from elaborately printed colour boxes to plain "brown box" packaging, which, among other things, significantly reduced the consumption of ink.

Packaging waste

in tonnes	2023/24
Paper, card, cardboard packaging	16,405
Mixed packaging (for recycling)	4,872
Wood packaging	3,998
Plastic packaging	2,997
Glass packaging	5
Mixed metal packaging	6
Total packaging waste	**28,283**

[1] The reported volumes are recorded by the disposal service providers. In stores in which it is not possible to determine the specific quantities of packaging waste due to local conditions, assumptions have been made.

[1] This includes both packaging waste returned by customers and transport packaging generated in stores and warehouses. In stores in which it is not possible to determine the specific quantities of packaging waste due to local conditions, assumptions have been made.

RESOURCE EFFICIENCY – TRADE-IN SERVICE

End users hold on to a huge number of unused but still functioning electrical devices or throw them away even though they still work.

The trade-in service allows customers to have their used devices valued at MediaMarkt or Saturn and to trade them in for a gift card to the value of the old device. The electrical devices are then professionally refurbished and put back into the circular economy or correctly recycled.

↗ Further information and the management approach for the Services & Solutions segment can be found under "Sustainable services".

Starting as a pilot project in 2019, the trade-in programme has been steadily refined in recent years. Since financial year 2022/23, the trade-in process has been available both online and in stores in all country organisations.

The range of products that CECONOMY takes back via the trade-in service now includes smartphones and mobiles, tablets, smartwatches, PCs and laptops, cameras and lenses, and games consoles. Other products are being reviewed all the time and – if possible – added to the service.

In financial year 2023/24, the focus was on placing a stronger emphasis on the trade-in service both online and offline and sustainably increasing the number of traded-in products. In addition, marketing campaigns with the industry were rolled out across the board to give customers an additional incentive to sell their used appliances, and training sessions were organised for employees to integrate the purchase service into the point-of-sale (POS) consultation. In total, CECONOMY purchased more than 424,000 devices (2022/23: over 218,000 devices) across all countries via the trade-in services in the reporting period and either reprocessed them or sent them to a certified recycling process. For the 2025/26 financial year, CECONOMY has set itself the goal of purchasing around 600,000 devices.

Products

The starting point for all of CECONOMY's strategic considerations is an attractive customer experience that is consistent across all channels. It aims to offer customers real experiences, from trying products out in situ to optimal set-up, from delivery to repairs. This also includes supporting customers in responsible consumer behaviour. More and more people want to shop responsibly – CECONOMY helps them do so.

Sustainable products

SUSTAINABLE PRODUCTS

CECONOMY and MediaMarktSaturn see themselves as role models for the entire industry. The Group is therefore committed to helping customers live a sustainable lifestyle. For example, MediaMarktSaturn has continually increased the number of sustainable products in its range.

Since financial year 2021/22, sustainable products have all been labelled with the BetterWay logo across the Group at MediaMarkt and Saturn, both online and in stores.

Responsibility for "sustainable products" in terms of their definition lies with the Vice President for Sustainability. However, implementation is the responsibility of the various departments in each country. For example, the Category Management department is responsible for selecting the product range, and the Marketing department is responsible for the integration of sustainable products both online and in stores.

Especially when it comes to electronics, end users do not always find it easy to recognise sustainable products. CECONOMY places great value on informing MediaMarkt and Saturn customers about the sustainability of products as much as possible during the purchase process so that they can easily compare these products and make well-founded purchasing decisions.

As a consumer electronics retailer, CECONOMY is aware of its responsibility to inform customers about the sustainability of a product along the entire value chain and at the same time to ensure compliance with social and ethical aspects during production, such as the safeguarding of human and labour rights.

↗ Further information on sustainability in supplier management can be found in the Social section.

When it joined the European Union's Green Consumption Pledge in April 2021, CECONOMY set itself the target of doubling the number of sustainable products in MediaMarktSaturn's range – starting from approximately 1,000 sustainable products in stores and online shops in calendar year 2020 – by the end of calendar year 2023.

This doubling was already achieved in financial year 2021/22, and the number of sustainable products continued to be successively increased.

Based on this early fulfilment of the target in the Green Consumption Pledge, CECONOMY raised the target once again. When the company signed the European Commission's Sustainable Consumption Pledge – the successor to the Green Consumption Pledge – in March 2023, it pledged to increase the number of sustainable products to 6,000 by 2025. This target was achieved ahead of schedule in the reporting period.

At the end of financial year 2023/24, CECONOMY's range included approximately 6,450 BetterWay products.

Sustainable products in the range

	2022/23	2023/24
Number of sustainable products	4,933	6,450

To be labelled in this way, products must either have been confirmed as sustainable by an independent certification body, meet product group-specific BetterWay criteria or have a valid certificate that confirms the product's recycled content.

In the reporting period, products in the MediaMarktSaturn range were labelled with the BetterWay logo if they had obtained DIN ISO 14024 certification from Blue Angel, TCO Certified or EPEAT. Energy Star compliance is included in the certifications from EPEAT and TCO Certified.

Product groups for which no external certification is available are subject to BetterWay sustainability criteria defined in cooperation with TÜV Rheinland Consulting GmbH. The BetterWay criteria were devised individually for each relevant product group. The main focus was initially on household appliances, since no independent sustainability certifications were available for them. The smartphone product category was also analysed closely. Where they are available for the respective product group, the BetterWay criteria are based on the European energy label and include additional sustainable technical product features of the respective product group. For the smartphone product group, for example, the planned EU legislation has been anticipated and the Repair Index has already been included as an assessment criterion.

Since August 2024, recycling certificates have been accepted under the BetterWay scheme for product groups for which no type 1 eco-labels are available and which have low or no energy consumption. The product groups include telecoms accessories, smart home products, wearables, headphones, portable audio products, computer accessories and console accessories. The following recycling certificates are accepted: Global Recycled Standard, Recycled Claim Standard, Recycled Content Standard, Environmental Claim Validation for Recycled Content and Recycled Content Certification.

In financial year 2023/24, new marketing materials were introduced at the POS to make it easier for customers to find BetterWay products and to emphasise the sustainability features of these products. Additional training courses were also organised for sales staff in order to strengthen their advisory expertise on the subject of sustainability and provide more comprehensive information to customers.

In the case of its own-brand products, CECONOMY strives for continuous development towards environmental friendliness by continuously evaluating and reviewing product properties and material flows.

REFURBISHED PRODUCTS: WE CLOSE THE LOOP

With its ever expanding range of refurbished products, CECONOMY offers sustainability-conscious customers an additional opportunity to conserve resources in their technology purchases. Price-conscious customers are also increasingly turning to refurbished devices, because they both work perfectly and are usually visually indistinguishable from new products. To ensure these quality attributes for its customers, CECONOMY only offers refurbished products that fulfil defined quality criteria in terms of appearance, function and safety.

In financial year 2023/24, the range of refurbished appliances was significantly expanded and the presentation of refurbished appliances in the online shops was optimised. In addition to the main product groups of smartphones and notebooks, CECONOMY customers can also purchase refurbished tablets, large household appliances, small kitchen appliances, hoovers, IT accessories and solar systems. Thanks to the optimised presentation in the online shops, it is now also possible for customers to choose between the "Excellent", "Very good" and "Good" gradings of refurbished products.

In the reporting period, over 68,000 (2022/23: approx. 18,000) products that had been refurbished by third parties were sold. CECONOMY has set itself the target of selling around 220,000 appliances refurbished by third parties in financial year 2025/26.

Products sold that have been refurbished by third parties

	2022/23	2023/24
Number of products sold that have been remanufactured by third parties	17,644	68,095

At CECONOMY, customer returns from our own sales activities (online and offline) are also fed back into the circle. In financial year 2023/24, CECONOMY put over 120,000 returned products - worth just under €30 million - back on sale after a functional check and, if necessary, refurbishment by the service and repair hubs.

Sale of renewable energy

To help customers to live a sustainable lifestyle, CECONOMY offers them the opportunity to buy green energy.

In the 2023/24 financial year, customers in Germany, Spain, Belgium and the Netherlands were able to conclude corresponding energy contracts with external service providers both in the stores and online.

In total, CECONOMY brokered around 158,000 (2022/23 around 96,000) electricity contracts with renewable energies in the 2023/24 financial year.

Sustainable services

The Vice President of Services & Solutions, who reports to the Chief Commercial Officer of MediaMarktSaturn Retail Group GmbH, is responsible for the Services segment. CECONOMY supports innovative product solutions and service concepts that facilitate sustainable consumption and wants to constantly develop these. The Group is guided by the vision of a circular economy: some of the services offered already help extend product lifetime through maintenance, repairs and additional services such as screen protectors and properly recycle products at the end of their lifecycle.

REPAIRS

Customers can extend the lifecycle of their defective products. Defective appliances or those in need of maintenance can be handed in to MediaMarkt and Saturn stores to be repaired or maintained.

Almost all MediaMarktSaturn stores of the country organisations have both a SmartBar on the sales floor and an after sales service desk in the entrance area. At the SmartBars, trained employees are on hand to repair mobile telephones, tablets and laptops. They offer a wide range of innovative services - from display protection and extended warranties to on-the-spot smartphone repair. This means that customers can take their repaired devices away with them straight away. The after sales service desk processes repairs with industry workshops or its own central workshops on behalf of customers. Using these services lengthens the products' lifecycle, thus making an important contribution to conserving resources.

To continue building on the circular economy approach, SmartBars will be stores' central point of contact for new and existing services in the future. They offer services such as display protection, Ready2Use, calibration, software services, printing services, service acceptance either remotely or at the customer's home, as well as immediate repairs.

Similarly to the previous year, around 3.0 million appliances were repaired via CECONOMY and MediaMarktSaturn in financial year 2023/24. CECONOMY has set itself a target of performing around 3.5 million repairs in financial year 2025/26.

PRODUCT RENTAL

In cooperation with an external service provider, CECONOMY offers customers the opportunity to rent appliances. The Group is thus helping to ensure more sustainable technology consumption: once returned, products are refurbished and reused. This service is currently available in Germany, Austria and Spain. CECONOMY is also working on a collaboration in the Netherlands. A total of almost 20,500 product rental agreements were concluded in the 2023/24 financial year (2022/23: 20,000).

Social

CECONOMY's goal is to make electronics and digitalisation come alive for European customers. Staying true to its principle of "experience electronics", which aims to ensure an attractive customer experience that is consistent across all channels, requires around 50,000 employees[2]. It is therefore very important to CECONOMY to ensure good, fair and responsible working conditions for its entire workforce. A positive and sustainable employee experience is one of the four strategic pillars – and therefore essential to the Group's ongoing business success. Specifically, the Group understands this to mean, for example, standing up for diversity and the development and promotion of employees.

Overall staff responsibility lies with the CEO of CECONOMY AG, who has the role of Labour Director. The Group's Chief Human Resources Officer (CHRO) comprehensively manages operations on his behalf. He and the teams allocated to this area maintain continuous close dialogue with the subsidiaries. The Human Resources department of MediaMarktSaturn Retail Group GmbH coordinates all strategic HR issues and supports and advises the HR departments of the country organistions and subsidiaries. The CHRO, who is also a member of the MMSRG Executive Committee, is responsible for the Group's various HR functions. Major project successes and recommendations are presented in the MMSRG Executive Committee, where they are then discussed. There are also regular digital meetings that bring together the HR departments and managers of the country organisations and subsidiaries of MMSRG and CECONOMY AG. The HR Sounding Board is an important functional body that consists of managing directors from the operating business of all country organisations and representatives of the HR department. Its goal is to integrate HR issues even more effectively into the corporate strategy and to advance HR projects.

Employee development and talent management

CECONOMY has set itself the goal of promoting continuous lifelong learning among its employees in order to meet the current and future challenges in retail, generate further growth and support the transformation in line with the corporate strategy. In line with this, CECONOMY invests in employee training to help them further develop their skills and ensure the company's actions are even more focused on customers. Systematic employee development also positions CECONOMY as an attractive employer, ensuring that it can hold its own in an environment of increasing competition for talented and new employees.

In this context, CECONOMY has also developed introduced modern management and corporate principles, which aim to strengthen cooperation and break down silos. These new corporate and management principles were communicated via various channels and implemented in every country. They are the basis for all employee development and talent programmes and initiatives, for example through successive integration in feedback meetings for employees.

One focal area of personnel development in financial year 2023/24 was the development and piloting of the new strategic "Training 2.0" programme. This programme was set up, successfully tested and very positively received in the Spanish country organisation. In this training programme, employees are introduced to the concrete implementation of the corporate principles in their day-to-day work. Trainers were trained for this in all stores, who then pass on their knowledge to all employees following content-specific and didactic training (train-the-trainer approach). The roll-out of the programme is scheduled to be completed in around twelve months.

In addition to the central content initiatives, CECONOMY also supports employees with tailored training programmes for young talent, specialists and executives. There are also extensive offerings for employee development in the country organisations and subsidiaries. Executives are of paramount importance throughout the company. They are responsible for looking after their employees and actively supporting their professional development.

To enable them to do this effectively, executives must complete anti-bias training, for example. The objective of the training is for them to critically examine their own prejudices in order to make more objective decisions in future. Assessments are also increasingly used in the selection and development of executives, which in turn review and

[2] Unless stated otherwise, the key figures for employees do not include trainees or students.

reinforce the implementation of corporate and management principles throughout the Group by promoting and affirming the culturally desired behaviours in candidates.

Based on this company-specific management behaviour, current executives are promoted and new executives are encouraged in this direction at an early stage. The annual feedback process has therefore been comprehensively revised and rolled out internationally over the past twelve months. E-learning sessions, short videos and workshops were designed as part of this roll-out to support the executives and employees, and run first at the Ingolstadt campus, then throughout Germany and in some country organisations. With a few exceptions, the standardised feedback form has now been implemented throughout the company. The response rate for documentation in the MMSRG, for example, is 96 per cent.

An international pool of talents and a specific regional group of executives from German sales were selected, whose participants were prepared for their next management role in a nine-month learning journey. This learning journey included many management and cultural topics as well as indirect training such as coaching and mentoring. Following the great success of the first two cohorts and a series of internal appointments and promotions made possible as a result, the third cohort is currently in preparation.

Another key element of talent development and cultural change is the net promoter people survey (NPP) of all employees carried out across the Group twice a year. The results are evaluated to boost the commitment and appeal of CECONOMY and MediaMarktSaturn as employers ("employer value proposition"). Results are discussed in detail in structured focus groups to establish effective measures, which the Group then measures itself against in the next survey. In financial year 2023/24, for instance, a specific question was included on the implementation of follow-up measures derived from the NPP survey. Three quarters, or 75 per cent, of all participating employees said that they were aware of specific measures resulting from the last survey in their environments.

Based on the findings of recent surveys, a series of development programmes and initiatives were launched internationally.

For example, improvement initiatives in the area of communication were implemented in all countries to reflect the results. Particularly noteworthy here are measures that promote direct and personal dialogue, such as regular CEO calls for all employees, small group updates with the Board in Germany and Austria, cross-departmental town halls and local events in every Spanish store or regular updates for executives at the Group headquarters in Ingolstadt.

The optimisation of employee development based on the survey results also resulted in many initiatives worldwide. In Poland, for example, the "Passion4Growth" programme for talented people in Operations was launched and supplemented by specific "Cafeteria of Training" workshops in the stores. In the Netherlands, the Development Centre was further strengthened as a central training unit and a comprehensive curriculum of further training courses was structured for both the stores and the administrative functions. In Spain, connection and coaching training was also introduced for department managers.

The existing digital learning programmes are being intensively expanded and used in all countries. Thus, every employee and executive can access training on sales, technical and management issues on the company-wide e-learning platform. Another major innovation in financial year 2023/24 was the integration of training courses on the GoodHabitz platform. This state-of-the-art platform carries out an initial scan of your own interests and training needs. More than 50 per cent of all employees have already completed this and had individual digital courses suggested to them.

In recent years, the international MediaMarktSaturn organisations have won several awards for the varied development opportunities. The Dutch stores were awarded for their digital solutions in the field of training and e-learning, while MediaMarktSaturn's HR work was recognised in podcasts, at conferences and in various interviews, including with CHRO Iris Prüfer.

The average duration of employee training in financial year 2023/24 was 2.6 days (2022/23: 3.2 days[3]). This largely stable development following the comprehensive training programme on Services & Solutions in financial year 2022/23 underlines the importance of such training for the Group.

[3] Not including the Swedish and Portuguese country organisations due to the M&A transactions during the year

Fair and responsible working conditions

It is very important to CECONOMY to offer its entire workforce good and fair working conditions and thereby achieve high employee satisfaction. CECONOMY always hires employees on the basis of applicable agreements and laws Responsible conduct when it comes to human rights in accordance with the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work goes without saying at CECONOMY. Ultimately, responsibility for this lies with the managing directors, both for the overall organisation and for the individual stores.

In day-to-day business, this responsibility takes the form of a number of measures:

The company's management has adopted a Code of Conduct on various topics, such as anti-discrimination and the correct handling of personal data. The amendments to the Nachweisgesetz (German Act on the Notification of Conditions Governing the Employment Relationship) that came into effect in Germany in 2022 were implemented quickly and in good time. This ensures that employees can be notified of the material conditions of a contract. In particularly sensitive areas, such as recruitment, a dual-control principle is applied to protect employees and applicants from any potential arbitrary actions by individual employees. If employees experience or find out about any violations of these standards, they can contact their superior or an anonymous reporting system at any time. This then initiates a structured clarification process.

The Chief Compliance Officer is the central point of contact for all of these issues. Together with his team, he constantly develops these standards and ensures that they are met with the help of the measures described.

↗ Further information can be found in the Corporate governance section.

As a member of the retail association, CECONOMY works on various committees to help design and develop working conditions for the sector, in particular regarding collective bargaining agreements.

WORKERS' RIGHTS

It goes without saying that CECONOMY upholds workers' rights and complies with all regulations, including laws, collective bargaining agreements and works agreements. This covers appropriate remuneration and working hours and taking measures to combat forced and child labour and human trafficking.

As expressly outlined in the Code of Conduct, all employees have the right to freedom of association. Regular Works Council elections were held in Germany in spring 2022. On top of this, elections of new delegates for the Euro Forum (European Works Council) and the employee representative for the Supervisory Board of CECONOMY AG were held in spring 2023. Over the past twelve months, the various committees have worked intensively on the company-wide feedback process, for example.

EMPLOYER/EMPLOYEE RELATIONSHIP

CECONOMY collaborates closely with the elected employee representatives and places considerable value on open dialogue. Co-determination rights are observed.

The principles of fair working conditions and social partnership should be applied to all activities. Management is encouraged to create an open, trust-based working environment in which people share their ideas and problems. Employees and employee representatives are regularly informed about business and asked for feedback.

There is good communication between the CECONOMY Management Board and the management bodies of the Group companies and the various employee representatives, as part of which various forms of dialogue are frequently discussed and planned.

In mid-September 2024, the "social dialogue" took place once again in Ingolstadt in the form of a cross-company dialogue between the Works Council chair of the German Group and the CECONOMY Management Board and selected representatives. The agenda included the following topics: corporate strategy, business update, personalised services, an update on HR issues with a focus on NPP and information on the "4Gewinnt" employee programme. The dialogue aimed to give the employee representatives an overview of the corporate strategy and the current initiatives and to discuss them together.

Regular meetings of the Euro Forum were also held on 18 January and 20 June 2024. Overarching topics for all companies were discussed here, including the status of concepts for uniform workwear, the progress of the roll-out of the international feedback process and an update on the HR strategy with a particular focus on the new strategic "Training 2.0" training programme.

At the MediaMarkt and Saturn works council conferences, which are held four times a year, current issues are presented and discussed by the employer.

WORK-LIFE BALANCE

Enabling employees to balance their career and family lives is an important issue for CECONOMY. Where possible, employees are offered flexible working time models and, in the administrative units, options for mobile working. Not every job allows for flexible work to the same extent. The goal is for all employees, whether they work in a store or in administration, to be able to combine their private lives and their career as best possible. A number of measures facilitate work-life balance.

As the company is a member of “Mobile Familie e.V.”, advice and child care is free of charge for employees in Ingolstadt. Across Germany, free support is also available for employees for the care and support (support and mediation services) of relatives who require assistance by nursing experts. Financial assistance is available for holiday care by the Ingolstadt Bündnis für Familie alliance and there is a cooperation partner on hand for consultations to discuss family situations, find solutions and provide support when looking for a suitable caregiver.

Since 2010, the Group has operated a strategic and long-term HR policy that takes account of family considerations and life stages by way of the “berufundfamilie” audit. The certification was reconfirmed last year.

The part-time ratio at CECONOMY is 33.0 per cent. In Germany, 29.8 per cent of employees work part-time; internationally, the figure is 35.3 per cent.

In addition, a mobile working concept applies to the administrative locations in Germany, Switzerland, Poland, the Netherlands, Hungary and Austria, in which the ratio of working hours inside and outside the company workplace is determined individually for each country organisation.

CECONOMY has also positioned itself as an attractive employer internationally thanks to its many measures to promote a work-life balance, which is reflected in the continued positive situation in terms of new appointments in the country organisations.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Ensuring a safe, healthy workplace is vital in an increasingly fast-paced and demanding world of work. CECONOMY is thus constantly working on achieving high standards for occupational health and safety as part of this, the company applies the EU Directive, which is implemented in all national legislatures, for example under German law by the Arbeitsschutzgesetz (Occupational Health and Safety Act), as well as other minimum standards based on internal regulations.

Health and safety experts visit CECONOMY’s administrative and operating locations and stores at regular intervals (approximately twice a year) in order to identify work-related hazards at an early stage and minimise or prevent risks. These visits are carried out by occupational safety experts/safety engineers employed at the country organisations or by external partner firms. Together with management, detailed risk assessments are prepared and updated.

Relevant incidents such as workplace accidents or fires are reported by the store and Group companies in question and followed up on by the departments responsible. CECONOMY employees receive regular training on occupational health and safety and fire safety, either online or in person in the store. The training sessions are held during working hours and are adapted according to the employee’s function, for example for warehouse staff. The content is regularly evaluated and amended.

In addition, store-related training sessions are also held by managing directors or employees with additional qualifications.

The sickness-related absence rate at CECONOMY is almost unchanged in financial year 2023/24, at 4.2 per cent[4] (2022/23: 4.0 per cent).

Diversity, inclusion and equal opportunities

In order to offer customers the best possible shopping experience, CECONOMY employs a diverse workforce who can contribute different perspectives and solutions: the more diverse the employees, the more extensive the skills and knowledge within the company. Staff from 123 different countries (2022/23: 133 countries) were employed by CECONOMY at the end of financial year 2023/24. Promoting this diversity is an important factor for the company's success. The CECONOMY Code of Conduct, for example, creates the necessary conditions for all employees to be given the same opportunities, irrespective of their gender, ethnic background, sexual identity, any disabilities or their religion or ideology. By creating additional resources and establishing an international DEI team, CECONOMY has also taken the next vital step to further strengthen diversity, equal opportunities and inclusion. The team is based in the HR Transformation department and is therefore very closely involved in central change processes. In recent months, the international network of diversity contacts has been coordinated from here, diversity targets have been defined at various levels, and supporting activities have been systematically developed, particularly in the three focus dimensions of gender, age, and physical and mental performance.

Starting with a training course on "Executive Decision Making" for the entire international management team in 2022/23, awareness of preconceptions and prejudices and the resulting thought and decision-making processes in the corporate context was rolled out further to all employees. This was achieved through further training courses as well as discussions and sessions amongst the respective executives.

An official anti-discrimination policy was also rolled out in all countries in financial year 2022/23. In Germany, this was accompanied by mandatory e-learning on the topic and a comprehensive communication campaign aimed at employees under the motto "together for a strong community". CECONOMY CEO Dr Karsten Wildberger communicated this to all employees on 21 March 2024 and reaffirmed his support for diversity.

↗ The CECONOMY Code of Conduct is available on the website www.ceconomy.de/en/ under Company – Compliance.

There are many facets to diversity from a corporate perspective. One of these is gender diversity and, in particular, the female share in management positions. CECONOMY has set the goal of increasing this share across the Group in the long term After agreeing specific targets together with the management of the country organisations, progress was measured in financial year 2023/24 and measures agreed to further increase the share. At the same time, structural changes were made, for example to the succession planning process at level 1 and level 2 and the nomination process for the International Leadership Programme.

The "Women in Retail" initiative launched in 2019 also continues to coordinate a wide variety of measures such as "Female Leadership Lunches" and best practice sessions. At the same time, the internal Women in Retail network was further expanded nationally and internationally. In addition, young talent programmes and initiatives to promote female employees were launched. A number of measures were implemented in the country organisations based on local requirements and focuses. This was discussed publicly on LinkedIn and in other social media, thus promoting the importance of women in management positions in the long term.

For example, the Polish organisation has launched a mentoring programme to promote talented women, as well as the "Women in Tech" initiative, which is specifically designed to encourage women to pursue careers in the technical fields of consumer electronics. In Spain, women recruitment procedures have been adapted to appeal more to women, and an equality training programme has also been launched for executives and teams. Specific initiatives also exist in Belgium, the Netherlands and Turkey.

In Türkiye, for example, a mentoring programme was successfully piloted with the aim of making female talent more visible and establishing networks. Additional projects will be initiated on this basis in the next financial year.

At the first two management levels (including senior executives, level 1 and level 2) at CECONOMY, the female share at the end of this financial year came to 14.9 per cent (2022/23: 13.9 per cent), 18.4 per cent of whom are at the first management level (level 1, 2022/23: 15.3 per cent) and 14.6 per cent at the second management level (level 2, 2022/23: 13.8 per cent). To effectively manage the proportion of women, targets have been discussed and agreed for

[4] This figure includes paid absences due to illness. Absences due to occupational accidents and accidents while commuting are not included.

the key decision-makers in recruitment and succession planning at these two important management levels. The highest management level is represented by the top 150 managers: executives, members of the (country) boards, (Executive) Vice Presidents, heads of the largest companies and individuals with high potential from the international talent programme.

Across all management levels, the share of female employees in management positions at CECONOMY is 22.7 per cent (2022/23: 22.0 per cent). The female share in CECONOMY's overall workforce is 39.3 per cent (2022/23: 39.4 per cent).

Female share at CECONOMY

	2022/23	2023/24
Female share in the total workforce (in %)	39.4	39.3
Female share in management positions (in %)	22.0	22.7

↗ Further information on employee issues can be found in the "Employees" section of the combined management report.

Sustainable supply chain

Sustainability in supplier management is a key component of CECONOMY's sustainability strategy. CECONOMY undertakes to respect fundamental and universal human rights and to assist in their protection and compliance. The company wishes to make a positive contribution to respect for human rights and wellbeing. The foundation and framework for corporate culture and the company's activities are formed by globally accepted standards and agreements. Furthermore, CECONOMY is committed to the principles of the UN Global Compact and wishes to contribute to the achievement of the Sustainable Development Goals through its own actions. Since 2018, CECONOMY has been a signatory of the Diversity Charter, thereby declaring its willingness to advocate diversity and equity as an employer.

As a member of the Responsible Business Alliance (RBA), CECONOMY looks to industry-wide requirements and standards and is committed to the responsible business standards of the RBA Supplier Code of Conduct.

CECONOMY's operating activities comprise supplier relationships concerning both own brands and third-party products and services, which are procured directly and indirectly. As a consumer electronics retailer, CECONOMY sells brand products from internationally renowned manufacturers and products from its own-brand company Imtron.

Through continuous ongoing development, CECONOMY aims to incorporate the additional requirements of the German Supply Chain Due Diligence Act (LkSG) and makes the changes necessary to existing processes CECONOMY's goal is to implement all components of sustainable supplier management on the basis of a human rights due diligence process.

Overall responsibility for sustainability in the supply chain lies with the Management Board of CECONOMY AG. In addition, the role of Human Rights Officer was established in financial year 2021/22 in accordance with the requirements of LkSG. The Human Rights Officer is responsible for monitoring risk management in accordance with LkSG. The implementation of risk management is the responsibility of the Sustainability department. The Vice President Sustainability reports directly to the Management Board and manages the sustainability concerns of CECONOMY AG and MMSRG. With regard to the implementation of the LkSG requirements, the Sustainability Department reports on activities relating to general sustainable supplier management and their implementation status to the Management Board and the Supervisory Board of CECONOMY AG at quarterly meetings.

As in the previous year, CECONOMY carried out a comprehensive software-based risk analysis of the supply chain and a risk analysis of its own business area across all country organisations with regard to human rights and environmental aspects as part of its risk management in financial year 2023/24. As part of this, priority risks in the company and along the supply chain were identified, especially with regard to direct suppliers. The company-specific, software-based screening of suppliers classified only 1.4 per cent of all suppliers as high-risk (211 suppliers, of which 48 goods suppliers and 163 cost suppliers, out of a total of 15,460 suppliers). Here, CECONOMY works closely with suppliers to proactively and appropriately counteract existing risks, including obtaining contractual assurances from the suppliers. If necessary, corrective measures are also taken. CECONOMY aims to continually reduce the number of high-risk suppliers In financial year 2025/26, only a maximum of 0.5 per cent of all suppliers are to be classified as high-risk.

The risk analysis of the company's own business area with regard to human rights aspects in HR and occupational health and safety found no risks or violations pursuant to LkSG. No environmental risks pursuant to LkSG were identified.

For the further implementation of LkSG requirements and integration of human rights aspects into procurement processes, CECONOMY has initiated changes to internal processes, including the planned roll-out of the LkSG internal policy in the coming financial year. In the supplier screening process, measures were developed to improve the risk score for high-risk suppliers. E-learning on human rights is available to all Group employees and has been made mandatory for the employee groups affected by LkSG requirements. In addition, CECONOMY is focussing on the implementation of the EU CSDDD (Corporate Sustainability Due Diligence Directive) and is actively involved in the industry initiative of the German Retail Association (HDE).

In addition to the Human Rights Declaration, the CECONOMY Code of Conduct sets out values and obligations that apply to the company as a whole and encompass many areas. For example, CECONOMY is committed to anti-discrimination and the protection of labour and social standards.

↗ The Human Rights Declaration can be found online at www.ceconomy.de/en/ and www.mediamarktsaturn.com. Further information on the Code of Conduct can be found in the section on compliance.

The whistleblowing system described above is a further instrument for identifying human rights risks and violations. Any suspected human rights violations at CECONOMY or in the supply chain can be reported anonymously using this complaints procedure, by employees and third parties alike.

Responsible purchasing practices and corresponding guidelines perform a vital function in preventing negative repercussions of CECONOMY's business activities on people and the environment.

↗ Further information on the whistleblowing system can be found in the section on compliance and at www.ceconomy.de/en/company/compliance/speakup/

OWN BRANDS: SUPPLIER MANAGEMENT AT IMTRON

In addition to trade with brand-name products from world-renowned manufacturers, CECONOMY also sells own-brand products. Imtron GmbH is responsible for supplying the country organisations centrally with high-quality ok., KOENIC, PEAQ and ISY brand products and is in charge of its own supplier management here.

Within Imtron, the Sustainability, Contracts & Compliance department conducts central monitoring of compliance with criteria and requirements. For example, it investigates whether a business partner has undergone a valid amfori BSCI audit. All active Imtron suppliers (business relationships within the past two years) are required to sign a Supplier Code of Conduct based on the amfori Business Social Compliance Initiative (BSCI) as an annex to their contract. 100 per cent of Imtron suppliers again signed this Code of Conduct, undertaking to uphold its provisions, as of the end of financial year 2023/24. In addition, this department checks all Imtron's orders to ensure that a valid and successful audit has been carried out. This binding approval requirement means that Imtron's purchasing decisions are based not only on sustainability requirements, including the amfori BSCI, but are also a fundamental approval requirement in the ordering process. This encourages a minimum standard for business partners and secures a commitment from every manufacturer.

Imtron's supplier management system comprises several components of the procurement process and is based on Imtron's own procurement policy, which defines procurement processes and also ensures transparency and compliance with processes. Accordingly, a Supplier Code of Conduct is a mandatory component of all contracts in connection with products. In addition to these contractual obligations for each supplier, the operation of the amfori BSCI social standard system is a key element within the Imtron procurement process and mandatory for each individual order.

Membership of the amfori BSCI obliges Imtron to have regular audits carried out at its suppliers. According to the Imtron policy, a successful or passed amfori BSCI audit exists if the supplier is rated at least "D"[5].

Successful BSCI audits[1]

	2021/22	2022/23	2023/24
Number of suppliers audited (absolute)	158 of 160	164 of 166	184 of 187
Share of suppliers audited (in %)	98.8	98.8	98.4

[1] Successful social audits based on own imports (audits of all producers in defined risk countries in which Imtron manufactures imported goods show the successful implementation of BSCI or an equivalent social standard system through an independent third-party certificate)

[5] The audit result "D" is defined as passed if the supplier concerned initiates improvement measures within a specified time frame.

Out of the suppliers in what are considered risk countries, 98.4 per cent have undergone successful audits. Imtron defines risk countries as those countries that amfori BSCI has also classified as risk countries.

98.4 per cent relate to successful audits in countries classified as risk countries by amfori BSCI. As part of the commitment to responsible procurement, all suppliers from high-risk countries must undergo a BSCI audit, the SA8000 standard and the Responsible Business Alliance (RBA) or an equivalent procedure before Imtron enters into a business relationship with them. Suppliers from low-risk BSCI countries are exempt from this requirement. In addition, the BSCI status of long-standing suppliers is actively monitored to ensure consistent compliance with the standards. If it is established that a long-standing supplier does not comply with the BSCI standards, it is initially granted a grace period of usually three months to fulfill the BSCI standards. If compliance is not achieved within this time frame, business relationships with this supplier will be terminated.

Compliance with supplier requirements is monitored by internal data management that is constantly updated with audit data from the amfori BSCI database. Moreover, these data on production facilities and the current social audits are maintained in the Imtron procurement IT system.

Outlook

Sustainability is our key to the future and at the same time a competitive advantage. With our large customer base, we provide targeted positive impulses for environmentally conscious purchasing and usage behaviour in the world of technology. We are actively shaping a sustainable consumer future and making it easy for our customers to act sustainably from purchase to disposal. We see great potential in the circular economy and are endeavouring to remain a leader in this area. Our assortment includes environmentally friendly, recycled and energy-saving products, and we focus on durability and repairability.

Our BetterWay range includes environmentally friendly, recycled and energy-efficient products that are designed to be durable and repairable. With our trade-in service, comprehensive repair services and subscriptions, we extend the expected usage life of electronic products and help our customers make sustainable decisions.

We are increasingly focussing our stores on sustainability concepts - from urban mobility hubs to green pop-up stores, and the positive feedback from our customers encourages us to continue on this innovative path.

Sustainability also runs through our business processes: since the last financial year, we have been sourcing 100 per cent of our direct electricity from sustainable energy sources across the Group. We work together with our suppliers to minimise risks and integrate sustainability into our procurement processes in order to ensure the environmental compatibility of our products from production to use. We are increasingly focussing on e-mobility for deliveries and have been offering emission-free delivery options in almost 100 cities since the last financial year.

We also continue to focus on reducing the CO_2 footprint of our own brands during production and use and on continuously improving our packaging in order to conserve resources.

From the coming financial year, we will be affected by the Corporate Sustainability Reporting Directive ("CSRD"), which means that our reporting on sustainability issues in the annual report will change accordingly. We welcome this transparency because it makes our sustainability efforts even more visible and strengthens confidence in our actions.

As Europe's leading retailer of consumer electronics, we are determined to be a pioneer in sustainability and to lead the industry sector into a more environmentally conscious future.

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING[1]

TO CECONOMY AG, DÜSSELDORF

We have performed a limited assurance engagement on the separate non-financial group report of CECONOMY AG, Düsseldorf, (hereinafter the "Company") for the period from 1 October 2023 to 30 September 2024 (hereinafter the "Separate Non-financial Group Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Separate Non-financial Group Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18. June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "EU taxonomy " of the Separate Non-financial Group Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a Separate Non-financial Group Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU taxonomy" of the Separate Non-financial Group Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Audit Firm's Independence and Quality Management

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality management for audit firms (IDW Qualitätsmanagementstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis - IDW QMS

[1] PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the separate non-financial group report and issued an independent practitioner`s report in German language, which is authoritative. The following text is a translation of the independent practitioner`s report.

1 (09.2022)), which requires the audit firm to design, implement and operate a system of quality management that complies with the applicable legal requirements and professional standards.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Separate Non-financial Group Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's Separate Non-financial Group Report, other than the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report, is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "EU taxonomy" of the Separate Non-financial Group Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Separate Non-financial Group Report about the preparation process, about the internal control system relating to this process and about disclosures in the Separate Non-financial Group Report
- Identification of likely risks of material misstatement in the Separate Non-financial Group Report
- Analytical procedures on selected disclosures in the Separate Non-financial Group Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and combined management report
- Evaluation of the presentation of the Separate Non-financial Group Report
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Separate Non-financial Group Report
- Inquiries on the relevance of climate-risks
- Evaluation of CO2 compensation certificates exclusively with regard to their existence, but not with regard to their impact

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Separate Non-financial Group Report of the Company for the period from 1 October 2023 to 30 September 2024 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to

289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section "EU taxonomy" of the Separate Non-financial Group Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Separate Non-financial Group Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Munich, 10 December 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Verena Heineke	Felix Wandel
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INFORMATION AND FINANCIAL CALENDAR

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Disclaimer
This report contains forward-looking statements that are based on certain assumptions and expectations of the management at the time of publication. These statements are therefore subject to risks and uncertainties. Many of these risks and uncertainties are determined by factors that are beyond the control of CECONOMY AG and cannot be reliably estimated at present. Risks and uncertainties are described in particular in the opportunity and risk report, but are not necessarily limited to these. Force majeure events, such as a pandemic, natural disasters or military conflicts, can also have an impact on business activities and results that cannot be predicted in advance. The actual results, performance and success of CECONOMY AG may therefore differ significantly from the results stated in the forward-looking statements. CECONOMY AG accepts no special obligation to publicly correct or update these forward-looking statements to reflect events or circumstances that have occurred after the publication date of this report.

Gender Clause
For improved readability, the masculine form is used in this report for personal designations that refer to more than one gender. However, this does not imply any discrimination against other genders, but is to be understood as gender-neutral in the sense of linguistic simplification.

Language
The annual report is published in German and English. In the event of deviations, the German version of the annual report is authoritative.

Rounding differences
For computational reasons, rounding differences to mathematically exact values (monetary units, percentages, etc.) may occur in tables, graphics and references.

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Financial calendar 2024/25

11 February 2025	Quarterly statement Q1 2024/25
26 February 2025	General Meeting
15 May 2025	Half-year financial report Q2/H1 2024/25
12 August 2025	Quarterly statement Q3/9M 2024/25
28 October 2025	Trading statement Q4/FY 2024/25
17 December 2025	Annual report FY 2024/25

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