Prospectus dated 7 June 2022

CECONOMY

PROSPECTUS

for the admission to trading on

the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)
with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*)
with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

and on

the regulated market (*Regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*)

of

125,800,000 newly issued ordinary bearer shares with no par value
(*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*)
from the capital increase against contribution in kind
resolved by the extraordinary general meeting (*außerordentliche Hauptversammlung*) on 12 April 2022,
each such share with a notional value of approximately EUR 2.56 in the share capital and
with full dividend rights as of 1 October 2021,

and of

up to 35,000,000 ordinary bearer shares with no par value
(*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*)
not yet issued and stemming from the newly created conditional capital 2022/I (*Bedingtes Kapital 2022/I*)
resolved by the extraordinary general meeting (*außerordentliche Hauptversammlung*) on 12 April 2022,
each such share with a notional value of approximately EUR 2.56 in the share capital,

of

CECONOMY AG
Dusseldorf, Federal Republic of Germany

International Securities Identification Number (ISIN): DE0007257503
German Securities Code (*Wertpapier-Kenn-Nummer (WKN)*): 725750
Trading symbol: CEC

Listing Agent
DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
Frankfurt am Main, Federal Republic of Germany

This prospectus is a simplified prospectus in accordance with Art. 14 of the Regulation (EU) 2017/1129 of the Parliament and of the Council of 14 June 2017. The disclosure in this prospectus is therefore based on the simplified disclosure regime for secondary issuances pursuant to Art. 14 of the Regulation (EU) 2017/1129 of the Parliament and of the Council of 14 June 2017 in conjunction with Annexes 3 and 12 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

WARNING REGARDING THE VALIDITY OF THE PROSPECUTS

This prospectus is valid until the time when trading on a regulated market (*Regulierter Markt*) begins. Trading of the new shares from the capital increase against contribution in kind is expected to commence on 10 June 2022. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies relating to the information included in the prospectus which may affect the assessment of the securities and which arises or is noted between the time when the prospectus is approved and the time when trading on a regulated market begins does not apply after the time when trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (Prime Standard) and the regulated market (*Regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf*) begins on 10 June 2022, and this prospectus will not be supplemented thereafter (Art. 23 of the Regulation (EU) 2017/1129 of the Parliament and of the Council of 14 June 2017).

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SUMMARY OF THE PROSPECTUS

A. Introduction containing warnings

This prospectus ("**Prospectus**") relates to ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*) of CECONOMY AG, a stock corporation (*Aktiengesellschaft* or *AG*) under the laws of the Federal Republic of Germany ("**Germany**"), having its registered seat in Dusseldorf, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Dusseldorf, Germany ("**Commercial Register**"), under the registration number HRB 39473, with business address at Kaistraße 3, 40221 Dusseldorf, Germany, (telephone: +49 (0) 211 5408-7000; website: www.ceconomy.de) and Legal Entity Identifier ("**LEI**") 5299001X9L42HXEBCZ51 ("**Company**" and together with its subsidiaries consolidated at the respective time, "**CECONOMY**"), each such share having the International Securities Identification Number ("**ISIN**") DE0007257503 and the German Securities Code (*Wertpapier-Kenn-Nummer* – "**WKN**") 725750.

There will be no public offering. Subject of the Prospectus is the admission to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse* – "**FWB**") with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf* – " **XDUS** ") of

- 125,800,000 newly issued ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*), each such share with a notional value of approximately EUR 2.56 in the Company's share capital and with full dividend rights as of 1 October 2021 ("**Capital Increase Shares**" and together with the further existing shares of the Company, "**Existing Shares**"), from a capital increase against contribution in kind under exclusion of the subscription rights (*unter Ausschluss des Bezugsrechts*) of the existing shareholders of the Company resolved by the Company's extraordinary general meeting (*außerordentliche Hauptversammlung*) dated 12 April 2022 ("**2022 EGM**") under agenda item 2 and registered with the Commercial Register on 3 June 2022 ("**Capital Increase**"), and of
- up to 35,000,000 ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*), each such share with a notional value of approximately EUR 2.56 in the Company's share capital ("**Conditional Capital Shares**" and together with the Capital Increase Shares, "**Admission Shares**"; the Conditional Capital Shares together with the Existing Shares, "**Shares**"), which are not yet issued as of the date of the Prospectus and stemming from the Company's newly created conditional capital 2022/I (*Bedingtes Kapital 2022/I*) resolved by the 2022 EGM under agenda item 2 and registered with the Commercial Register on 3 June 2022 ("**Conditional Capital 2022/I**") for the purpose of issuing the Conditional Capital Shares to the holders of convertible bonds with a total nominal value of EUR 151,000,000.00 divided into 1,510 bearer bonds ranking *pari passu* among themselves, each with a nominal value of EUR 100,000.00, issued by the Company under exclusion of the subscription rights (*unter Ausschluss des Bezugsrechts*) of the existing shareholders of the Company as resolved by the 2022 EGM under agenda item 2 ("**Convertible Bonds**"), (together "**Admission**").

The persons asking for admission of the Admission Shares to trading on a regulated market (*Regulierter Markt*) are the Company and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, a stock corporation (*Aktiengesellschaft* or *AG*) under the laws of Germany, having its registered seat in Frankfurt am Main, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 45651, with business address at Platz der Republik, 60325 Frankfurt am Main, Germany, (telephone: +49 (0) 69 7447-01; website: www.dzbank.com) and LEI 529900HNOAA1KXQJUQ27 ("**DZ BANK**" or "**Listing Agent**").

The Prospectus has been approved in accordance with Art. 20 para. 2 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**"), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany, (telephone: +49 (0) 228 4108-0; website: www.bafin.de) on 7 June 2022.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by an investor. Investors in the Shares could lose all or part of their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

B. Key information on the issuer

Who is the issuer of the securities?

Issuer information	The Company is a stock corporation (*Aktiengesellschaft* or *AG*) governed by German law. The Company's legal name is "CECONOMY AG" and it operates under the commercial name "CECONOMY". The Company, with

LEI 5299001X9L42HXEBCZ51, has its registered seat in Dusseldorf, Germany, and is registered with the Commercial Register under the registration number HRB 39473.

Principal activities

The Company is the central management holding company of CECONOMY covering basic functions such as finance, accounting, controlling, legal and compliance. CECONOMY is a European platform for companies, concepts, and brands in the field of consumer electronics ("**CE**") operating more than 1,000 stores (including physical and online stores) in 13 countries. It brings together companies, concepts, formats, and brands from throughout the CE sector. In this context, the clear guiding objective is to cover the entire range of services as seamlessly as possible with this being achieved across all possible touch points: in the physical stores, on the web, and in the mobile domain, as well as at the customer's home. In addition, the Company, acting through its investee companies, is continually developing innovations aiming to improve and simplify the shopping experience; in partnership with other dealers and start-ups, it also pursues the goal of making the customer's life in the digital world as easy and pleasant as possible. In this way, CECONOMY aims not only to generate decisive added value for its customers but also economic opportunities for the enterprise and the Company's shareholders. The operating business comprises several group companies with the largest part being the MediaMarktSaturn Retail Group, i.e. the group division (*Teilkonzern*) of CECONOMY with the "MediaMarkt" and "Saturn" brands. In addition, the Company holds, directly or indirectly, further stakes in (i) DTB Deutsche Technikberatung GmbH, Cologne, Germany, (ii) FNAC DARTY S.A., Ivry-sur-Seine, France, (iii) the Public Joint Stock Company "M.video", Moscow, Russia, (iv) PG Public Group Ltd., Limassol, Cyprus, (v) METRO AG, Dusseldorf, Germany, and (vi) METRO PROPERTIES GmbH & Co. KG, Dusseldorf, Germany.

Major shareholders

As of the date of the Prospectus, the Company's major shareholders are:

ULTIMATE CONTROLLING SHAREHOLDER	DIRECT SHAREHOLDER	SHAREHOLDING[1]	
		Number of Existing Shares	% of share capital and voting rights
Helga Kellerhals[2] Jürgen Kellerhals[2]	Convergenta Invest GmbH	135,780,487	27.98
Franz Haniel & Cie. GmbH	Haniel Finance Deutschland GmbH	81,055,890	16.70
Meridian Stiftung	Palatin Verwaltungsgesellschaft mbH	53,913,363	11.11
freenet AG		32,633,555	6.73
Prof. Otto Beisheim Stiftung, Baar, Switzerland Prof. Otto Beisheim Stiftung, Munich, Germany	Beisheim Holding GmbH	23,515,334	4.85
Giovanni Agnelli B.V.	Exor Financial Investments SICAV-SIF	18,496,794	3.81
Free float		*139,825,661*	*28.82*
TOTAL		**485,221,084**	**100.00**

(1) Based on voting rights notifications pursuant to Sections 33 of the German Securities Trading Act (*Wertpapierhandelsgesetz* – "**WpHG**") received by the Company by and including 3 June 2022. Any instruments held by the major shareholders in accordance with Sections 38 and 39 WpHG are not considered.

(2) Jürgen Kellerhals and Helga Kellerhals own and control the parent company of Convergenta Invest GmbH, Convergenta Invest und Beteiligungs GmbH, Salzburg, Austria, together. Convergenta Invest GmbH directly holds 27.94% of the Existing Shares. The shareholding of Convergenta Invest GmbH is attributed to Jürgen Kellerhals and Helga Kellerhals. In addition, Jürgen Kellerhals and Helga Kellerhals each directly hold Existing Shares not exceeding 3% of the Existing Shares which are mutually attributed to them.

Control

None of the Company's shareholders controls the Company within the meaning of Section 29 para. 2 sentence 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* – "**WpÜG**") since none of them holds at least 30% of the voting rights in the Company from Existing Shares directly held by the shareholder or from voting rights in the Company attributed to the shareholder pursuant to Section 30 WpÜG.

Managing directors

The members of the Company's management board (*Vorstand*) are Dr Karsten Wildberger (chairman (CEO)) and Florian Wieser (chief financial officer (CFO)).

Statutory auditors

The Company's auditor is KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany ("**KPMG**"), Dusseldorf branch, Tersteegenstraße 19-23, 40474 Dusseldorf, Germany.

<u>What is the key financial information regarding the issuer?</u>

The financial information contained in the following tables has been taken from the Company's (i) unaudited condensed consolidated interim financial statements as of and for the six months ended 31 March 2022 prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), on interim financial reporting (IAS 34) ("**Unaudited Interim Financial**

Statements") and (ii) audited consolidated financial statements as of and for the financial year ended 30 September 2021 prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**") ("**Audited Financial Statements (IFRS)**"). KPMG issued an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*) on the Audited Financial Statements (IFRS). In addition, KPMG reviewed the Unaudited Interim Financial Statements in accordance with Section 115 para. 5 WpHG.

Where financial information is labelled "audited" in the following tables, it has been taken from the Audited Financial Statements (IFRS). The label "unaudited" in the following tables indicates financial information that has been taken from the Unaudited Interim Financial Statements.

Financial information presented in parentheses denotes the negative of such number presented. Unless otherwise indicated, all financial information in the tables below is shown in millions of Euro (in EUR million).

Selected information from the consolidated income statement

	Financial year ended 30 September		Six months ended 31 March	
	2020	2021	2021	2022
	(audited)		(unaudited)	
	(in EUR million, unless otherwise indicated)			
Sales	20,831	21,361	11,786	11,873
Gross profit on sales	3,779	3,656	1,912	2,042
Earnings before interest and taxes (EBIT)	(80)	326	338	241
Net financial result	(45)	(31)	(6)	(17)
Earnings before taxes (EBT)	(125)	296	332	224
Profit or loss for the period(1)	(211)	256	283	127
Earnings per share (in EUR)	(0.65)	0.65	0.71	0.28

(1) Including non-controlling interests.

Selected information from the consolidated statement of financial position

	As of 30 September		As of 31 March
	2020	2021	2022
	(audited)		(unaudited)
	(in EUR million)		
Total assets	10,455	10,667	10,203
Total equity	548	757	684

Selected information from the consolidated cash flow statement

	Financial year ended 30 September		Six months ended 31 March	
	2020	2021	2021	2022
	(audited)		(unaudited)	
	(in EUR million)			
Cash flow from				
operating activities	1,183(1)	450	(346)	(246)
investing activities	(248)	(263)	12	(19)
financing activities	(606)(1)	(77)	(244)	(568)

(1) These figures have been adjusted in the Audited Financial Statements (IFRS). This adjustment results from factoring transactions now reported gross.

What are the key risks that are specific to the issuer?

- CECONOMY's business depends on the developments in the global economy, financial markets, political conditions and on the markets in which CECONOMY operates. Adverse economic developments may, among other things, lead to lower overall sales of the offered products or services, higher costs or may require CECONOMY to change its product mix in ways that are disadvantageous to CECONOMY.
- The markets in which CECONOMY operates are highly competitive with competitive pressure from direct and indirect, existing and new competitors, which has significantly increased through the COVID-19 pandemic. Such increasing competition could impair CECONOMY's margins and overall profitability.
- CECONOMY depends on its ability to anticipate, gauge and react to changes in consumer trends, preferences and demands or changes in its customer composition. Failure to innovate and keep up with customer preferences may negatively affect CECONOMY's sales and profitability.
- Digitalization is currently triggering critical transformation processes of CECONOMY's business model. A failure to adopt and apply technological advances in a timely manner and to successfully implement digitalization efforts, including the expansion

of online-based sales channels, other customer support tools and new payment solutions, could limit CECONOMY's business opportunities.

- CECONOMY depends on a variety of IT systems. The shift to selling more of its products online via its online retail services in the form of its websites and apps could increase the risk that hackers could gain unauthorized access to CECONOMY's websites, apps, databases, online security systems or computerized logistics management systems. Failure, disruptions or insufficiency of CECONOMY's IT systems or hacker attacks could have a material adverse effect on its reputation, sales, results of operations and prospects.
- Increasing prices charged by CECONOMY's suppliers, limitations in the availability of products or the loss of key suppliers or procurement partners, on some of which CECONOMY is highly dependent, may have a material adverse effect on CECONOMY's business and profitability.
- CECONOMY may not be able to successfully recruit and retain skilled employees, in particular in the areas relevant for digitalization, technology and innovation, which could impair its ability to operate and further develop its business.
- A change in CECONOMY's credit rating could significantly affect its access to the capital markets, increase the costs of capital and increase the need to refinance its business operations and CECONOMY might not be able to generate sufficient cash to service its indebtedness. This could have a material adverse effect on the business, results of operations, financial position, cash flow and prospects of CECONOMY.
- More stringent payments terms provided by CECONOMY's suppliers or changes to, or withdrawals of, credit insurance provided to the suppliers of CECONOMY could have a material adverse effect on its business, results of operations and financial condition.
- CECONOMY's indebtedness or the enforcement of certain provisions of its financing arrangements could restrict its operational flexibility or could lead to refinancing requirements. This could have a material adverse effect on CECONOMY's financial position and prospects.
- The expected tax effects from intended structural measures may not be achieved or may not be achieved to the extent expected, which could have an adverse effect on the financial position of CECONOMY.
- The integrity of customer information stored by CECONOMY may be compromised and any loss or misappropriation of customer data may damage its reputation and brand and may give rise to civil liability, administrative orders (including injunctive relief), fines or even criminal charges.

C. Key information on the securities

The Prospectus relates to the Admission, i.e. the admission to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS of the Admission Shares, consisting of

- 125,800,000 Capital Increase Shares from the Capital Increase, and
- up to 35,000,000 Conditional Capital Shares not yet issued as of the date of the Prospectus and stemming from the newly created Conditional Capital 2022/I.

The issuance of the Admission Shares is based on a resolution of the 2022 EGM under agenda item 2 and with respect to a transaction between the Company and Convergenta Invest GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung* or *GmbH*), having its registered seat in Bad Wiessee, district of Miesbach (*Landkreis Miesbach*), Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under the registration number HRB 188629 ("**Convergenta**"). The transaction is based on certain transaction agreements between the Company and Convergenta dated 14 December 2020, which were amended and restated on 9 November 2021 ("**Transaction Agreements**"). In the Transaction Agreements, the parties agreed, subject to the resolution of the 2022 EGM under agenda item 2, among other things, on the acquisition, transfer and contribution of Convergenta's shareholding in Media-Saturn-Holding GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung* or *GmbH*), having its registered seat in Ingolstadt, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ingolstadt, Germany, under the registration number HRB 1123 ("**MSH**"), to the Company as contribution in kind in return for

- the issuance of the 125,800,000 Capital Increase Shares from the Capital Increase,
- the issuance of the Convertible Bonds, and
- a cash payment of EUR 130,000,000.00 by the Company to Convergenta.

<u>What are the main features of the securities?</u>

Type, class, par value	The Shares are ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*), with ISIN DE0007257503 and WKN 725750. Each Share represents a notional value of approximately EUR 2.56 in the Company's share capital. The up to 35,000,000 Conditional Capital Shares not yet issued as of the date of the Prospectus will also be ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*) once they are issued.

Number of securities	As of the date of the Prospectus, the Company's share capital amounts to EUR 1,240,448,004.17 and is divided into 485,221,084 Existing Shares. The Company's share capital has been fully paid up. The up to 35,000,000 Conditional Capital Shares are not yet issued as of the date of the Prospectus.
Currency	The Shares are denominated in Euro.
Rights attached	Each Share carries one vote at the Company's general meeting (*Hauptversammlung*). There are no restrictions on voting rights. All Shares confer the same voting rights. All Shares provide holders thereof with the same rights and no Share provides any additional rights or advantages. The Existing Shares carry full dividend rights as of 1 October 2021. The Conditional Capital Shares are entitled to dividends from the beginning of the financial year of the Company for which, at the time of their creation through the exercise of conversion rights from the Convertible Bonds, no resolution of the Company's general meeting (*Hauptversammlung*) on the appropriation of profits has yet been adopted, as well as for all subsequent financial years of the Company.
Seniority	The Shares are subordinated to all other securities and claims in the event of an insolvency of the Company. In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Shares in proportion to their interest in the Company's share capital.
Free transfer-ability	The Shares are freely transferable in accordance with the legal requirements for bearer shares (*Inhaberaktien*). There are no restrictions on the transferability of the Shares other than the lock-up agreement pursuant to Section 7.2 of the agreement in principle (*Grundsatzvereinbarung*) between the Company and Convergenta dated 14 December 2020, as amended and restated on 9 November 2021 ("**Agreement in Principle**"), which forms part of the Transaction Agreements.
Dividend policy	The dividend distribution of the Company is based on the annual unconsolidated financial statements of the Company in accordance with HGB. The dividend policy of the Company states inter alia that the payment of dividends must be weighed against the necessity of investments for the growth of the operating business. Depending on future economic performance and the profitability of investment projects, future dividend payments could be either higher or lower. The Company's annual general meeting (*ordentliche Hauptversammlung*) dated 9 February 2022 resolved to pay the following dividends:[1] • Distribution of a subsequent dividend in the amount of EUR 0.17 per preference share for the financial year ended 30 September 2018; with 2,677,966 preference shares entitled to a dividend, this equals EUR 455,254.22. • Distribution of a subsequent dividend in the amount of EUR 0.17 per preference share for the financial year ended 30 September 2019; with 2,677,966 preference shares entitled to a dividend, this equals EUR 455,254.22. • Distribution of a subsequent dividend in the amount of EUR 0.17 euros per preference share for the financial year ended 30 September 2020; with 2,677,966 preference shares entitled to a dividend, this equals EUR 455,254.22. • Distribution of a dividend in the amount of EUR 0.23 per preference share for the financial year ended 30 September 2021; with 2,677,966 preference shares entitled to a dividend, this equals EUR 615,932.18. • Distribution of a dividend in the amount of EUR 0.17 per ordinary share for the financial year ended 30 September 2021; with 356,743,118 ordinary shares entitled to a dividend, this equals EUR 60,646,330.06. 1 As of the date of this resolution, the capital stock of the Company was divided into 356,743,118 ordinary shares and 2,677,966 non-voting preference shares. The extraordinary general meeting (*außerordentliche Hauptversammlung*) dated 12 April 2022, approved by a special resolution of the holders of ordinary shares of the Company and by a special resolution of a separate meeting of the holders of preference shares (*gesonderte Versammlung der Vorzugsaktionäre*) of the Company of the same day, resolved to convert the non-voting preference shares of the Company into ordinary shares with voting rights by cancelling the preferential right to profits and by making corresponding amendments to the articles of association of the Company ("**Articles of Association**"). Upon registration of the corresponding amendments to the Articles of Association in the Commercial Register on 31 May 2022, the amendment became effective and the rights attaching to the shares held by the holders of preference shares were adjusted to those attaching to the ordinary shares, and the special class of preference shares previously existing was cancelled.

Where will the securities be traded?

As of the date of the Prospectus, out of a total of 485,221,084 Existing Shares, 359,421,084 Existing Shares are admitted to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market

(*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS. On 27 May 2022, an application was made for the admission of the Admission Shares, i.e. 125,800,000 Capital Increase Shares and up to 35,000,000 Conditional Capital Shares, to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS.

What are the key risks attached to the securities?

- The Company's major shareholder, Convergenta, holds a substantial interest in the Company, can exert significant influence on the Company and might also gain control over the Company. The interests pursued by Convergenta Invest GmbH may conflict with the Company's interests and/or those of its other shareholders, which could result in a material adverse effect on CECONOMY's business and financial condition.
- Future offerings of debt or equity securities may adversely affect the market price of the Shares, and future capital measures could lead to a dilution of existing shareholdings.
- The share price and trading volume of the Shares may fluctuate significantly and could decline in particular in view of negative changes to the forecasts of the Company.

D. Key information on the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Not applicable. There will be no public offering of any Shares.

Timetable of the Admission The following is the expected timetable of the Admission, which may be extended or shortened:

27 May 2022	Application for admission of the Admission Shares to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS
7 June 2022	Approval of the Prospectus by BaFin Publication of the Prospectus on the Company's website (www.ceconomy.de) under the "Investor Relations" section
9 June 2022	Admission decision to be issued by the FWB and the XDUS
10 June 2022	Commencement of trading in the Capital Increase Shares on the regulated market (*Regulierter Markt*) of the FWB (Prime Standard) and on the regulated market (*Regulierter Markt*) of the XDUS

Who is the person asking for admission to trading?

Persons The persons asking for the Admission are the Company and DZ BANK. The Company and DZ BANK are stock corporations (*Aktiengesellschaften* or *AG*) incorporated in Germany and operating under the laws of Germany.

Admission to trading On 27 May 2022, the Company applied for the Admission, i.e., the admission of the Admission Shares to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS.

Why is the Prospectus being produced?

Reasons for the Admission The Company is obliged to apply for the Admission pursuant to (i) Section 40 of the German Stock Exchange Act (*Börsengesetz*) in conjunction with Section 69 of the German Stock Exchange Admission Regulation (*Börsenzulassungs-Verordnung*) and (ii) pursuant to Section 7.1 of the Agreement in Principle which obligates the Company to have the Admission Shares admitted to trading on the regulated market (*Regulierter Markt*) of the FWB.

Most material conflicts of interest pertaining to the Admission There are no conflicting interests with respect to the Admission.

ZUSAMMENFASSUNG DES PROSPEKTS

A. Einleitung mit Warnhinweisen

Dieser Prospekt ("**Prospekt**") bezieht sich auf auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien) der CECONOMY AG, einer Aktiengesellschaft (AG) nach dem Recht der Bundesrepublik Deutschland ("**Deutschland**"), mit Sitz in Düsseldorf, Deutschland, eingetragen im Handelsregister des Amtsgerichts Düsseldorf, Deutschland ("**Handelsregister**"), unter der Registernummer HRB 39473, mit Geschäftsadresse Kaistraße 3, 40221 Düsseldorf, Deutschland, (Telefon: +49 (0) 211 5408-7000; Website: www.ceconomy.de) und Legal Entity Identifier ("**LEI**") 5299001X9L42HXEBCZ51 ("**Gesellschaft**" und, zusammen mit ihren konsolidierten Tochtergesellschaften zum jeweiligen Zeitpunkt, "**CECONOMY**"), wobei jede dieser Aktien die International Securities Identification Number ("**ISIN**") DE0007257503 und die Wertpapier-Kenn-Nummer ("**WKN**") 725750 hat.

Es wird kein öffentliches Angebot geben. Gegenstand des Prospekts ist die Zulassung zum Handel am regulierten Markt an der Frankfurter Wertpapierbörse ("**FWB**") mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der FWB und am regulierten Markt an der Börse Düsseldorf ("**XDUS**") von

- 125.800.000 neuen, auf den Inhaber lautenden Stammaktien ohne Nennbetrag (Stückaktien), jeweils mit einem anteiligen Betrag am Grundkapital der Gesellschaft von circa EUR 2,56 und mit voller Gewinnanteilberechtigung ab dem 1. Oktober 2021, ("**Kapitalerhöhungsaktien**" und zusammen mit den weiteren bestehenden Aktien der Gesellschaft, "**Bestehende Aktien**"), aus einer von der außerordentlichen Hauptversammlung der Gesellschaft am 12. April 2022 ("**aoHV 2022**") unter Tagesordnungspunkt 2 beschlossenen und am 3. Juni 2022 in das Handelsregister eingetragenen Kapitalerhöhung gegen Sacheinlage unter Ausschluss des Bezugsrechts der bestehenden Aktionäre der Gesellschaft ("**Kapitalerhöhung**"), und von
- bis zu 35.000.000 auf den Inhaber lautenden Stammaktien ohne Nennbetrag (Stückaktien), jeweils mit einem anteiligen Betrag am Grundkapital der Gesellschaft von circa EUR 2,56 ("**Bedingte Kapitalerhöhungsaktien**" und zusammen mit den Kapitalerhöhungsaktien, "**Zulassungsaktien**"; die Bedingten Kapitalerhöhungsaktien zusammen mit den Bestehenden Aktien, "**Aktien**"), die zum Datum des Prospekts noch nicht ausgegeben sind und aus dem von der aoHV 2022 unter Tagesordnungspunkt 2 beschlossenen und am 3. Juni 2021 in das Handelsregister eingetragenen neu geschaffenen bedingten Kapital 2022/I der Gesellschaft ("**Bedingtes Kapital 2022/I**") stammen, das zu dem Zweck geschaffen wurde, die Bedingten Kapitalerhöhungsaktien an die Inhaber von Wandelschuldverschreibungen mit einem Gesamtnennbetrag von EUR 151.000.000.00, eingeteilt in 1.510 untereinander gleichrangige, auf den Inhaber lautende Teilschuldverschreibungen im Nennbetrag von je EUR 100.000,00, die von der Gesellschaft unter Ausschluss des Bezugsrechts der bestehenden Aktionäre der Gesellschaft gemäß Beschluss der aoHV 2022 unter Tagesordnungspunkt 2 ausgegeben wurden ("**Wandelschuldverschreibungen**"), auszugeben (zusammen "**Zulassung**").

Die Personen, die die Zulassung der Zulassungsaktien zum Handel am regulierten Markt beantragen, sind die Gesellschaft und die DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, eine Aktiengesellschaft (AG) nach deutschem Recht mit Sitz in Frankfurt am Main, Deutschland, eingetragen im Handelsregister des Amtsgerichts Frankfurt am Main, Deutschland, unter der Registernummer HRB 45651, mit Geschäftsadresse am Platz der Republik, 60325 Frankfurt am Main, Deutschland, (Telefon: +49 (0) 69 7447-01; Website: www.dzbank.com) und LEI 529900HNOAA1KXQJUQ27 ("**DZ BANK**" oder "**Listing Agent**").

Der Prospekt wurde gemäß Art. 20 Abs. 2 der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 von der Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**"), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Deutschland, (Telefon: +49 (0) 228 4108-0; Website: www.bafin.de) am 7. Juni 2022 gebilligt.

Diese Zusammenfassung sollte als Einleitung zu dem Prospekt verstanden werden. Anleger sollten sich bei der Entscheidung, in die Aktien zu investieren, auf den Prospekt als Ganzes stützen. Anleger, die in die Aktien investieren, könnten das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in dem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben. Nur diejenigen Personen haften zivilrechtlich, die diese Zusammenfassung samt etwaigen Übersetzungen vorgelegt und übermittelt haben. Dies gilt jedoch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf die Investition in die Aktien für die Anleger eine Entscheidungshilfe darstellen würden.

B. Basisinformationen über den Emittenten

<u>**Wer ist der Emittent der Wertpapiere?**</u>

Informationen über den Emittenten	Die Gesellschaft ist eine Aktiengesellschaft (AG), die deutschem Recht unterliegt. Die Gesellschaft führt die Firma "CECONOMY AG" und operiert unter der Bezeichnung "CECONOMY". Die Gesellschaft mit der LEI 5299001X9L42HXEBCZ51 hat ihren Sitz in Düsseldorf, Deutschland, und ist im Handelsregister unter der Registernummer HRB 39473 eingetragen.

Haupttätigkeiten

Die Gesellschaft ist die zentrale Management-Holding von CECONOMY und deckt grundlegende Funktionen wie Finanzen, Rechnungswesen, Controlling, Recht und Compliance ab. CECONOMY ist eine europäische Plattform für Unternehmen, Konzepte und Marken aus dem Bereich Consumer Electronics ("**CE**") mit mehr als 1.000 Märkten (einschließlich stationärer Märkte und Online-Märkte) in 13 Ländern. CECONOMY bringt Unternehmen, Konzepte, Formate und Marken aus der gesamten CE-Branche zusammen. Klares Leitziel ist dabei die möglichst lückenlose Abdeckung des gesamten Leistungsspektrums über alle möglichen Anlaufstellen hinweg: in den stationären Märkten, im Web und im mobilen Bereich sowie beim Kunden zu Hause. Darüber hinaus entwickelt die Gesellschaft über ihre Beteiligungsgesellschaften kontinuierlich Innovationen zur Verbesserung und Vereinfachung des Einkaufserlebnisses und verfolgt in Partnerschaft mit anderen Händlern und Start-ups das Ziel, dem Kunden das Leben in der digitalen Welt so einfach und angenehm wie möglich zu machen. Auf diese Weise will CECONOMY nicht nur einen entscheidenden Mehrwert für seine Kunden, sondern auch wirtschaftliche Chancen für das Unternehmen und die Aktionäre der Gesellschaft schaffen. Das operative Geschäft umfasst mehrere Konzerngesellschaften mit dem Schwerpunkt auf der MediaMarktSaturn Retail Group, d.h. dem Teilkonzern von CECONOMY mit den Marken "MediaMarkt" und "Saturn". Darüber hinaus hält die Gesellschaft direkt oder indirekt weitere Beteiligungen an (i) der DTB Deutsche Technikberatung GmbH, Köln, Deutschland, (ii) der FNAC DARTY S.A., Ivry-sur-Seine, Frankreich, (iii) der Public Joint Stock Company "M.video", Moskau, Russland, (iv) der PG Public Group Ltd., Limassol, Zypern, (v) der METRO AG, Düsseldorf, Deutschland, und (vi) der METRO PROPERTIES GmbH & Co. KG, Düsseldorf, Deutschland.

Hauptanteilseigner

Zum Datum des Prospekts sind die wesentlichen Aktionäre der Gesellschaft:

KONTROLLIERENDER AKTIONÄR	DIREKTER AKTIONÄR	BETEILIGUNG[1]	
		Anzahl an Bestehenden Aktien	% am Grundkapital und Stimmrechten
Helga Kellerhals[2]	Convergenta Invest GmbH	135.780.487	27,98
Jürgen Kellerhals[2]			
Franz Haniel & Cie. GmbH	Haniel Finance Deutschland GmbH	81.055.890	16,70
Meridian Stiftung	Palatin Verwaltungsgesellschaft mbH	53.913.363	11,11
freenet AG		32.633.555	6,73
Prof. Otto Beisheim Stiftung, Baar, Schweiz	Beisheim Holding GmbH	23.515.334	4,85
Prof. Otto Beisheim Stiftung, München, Deutschland			
Giovanni Agnelli B.V.	Exor Financial Investments SICAV-SIF	18.496.794	3,81
Streubesitz		*139.825.661*	*28,82*
GESAMT		**485.221.084**	**100,00**

(1) Berechnet auf der Grundlage von Stimmrechtsmitteilungen gemäß § 33 des Wertpapierhandelsgesetzes ("**WpHG**"), die der Gesellschaft bis einschließlich den 3. Juni 2022 zugegangen sind. Von den wesentlichen Aktionären etwaig gehaltene Instrumente gemäß §§ 38 und 39 WpHG werden nicht berücksichtigt.

(2) Jürgen Kellerhals und Helga Kellerhals besitzen und kontrollieren die Muttergesellschaft der Convergenta Invest GmbH, die Convergenta Invest und Beteiligungs GmbH, Salzburg, Österreich, gemeinsam. Convergenta Invest GmbH hält direkt 27,94 % der Bestehenden Aktien. Der Aktienbesitz der Convergenta Invest GmbH wird Jürgen Kellerhals und Helga Kellerhals zugerechnet. Darüber hinaus halten Jürgen Kellerhals und Helga Kellerhals jeweils Bestehende Aktien, welche nicht mehr als 3 % der Bestehenden Aktien überschreiten und die ihnen wechselseitig zugerechnet werden.

Beherrschung

Keiner der Aktionäre der Gesellschaft kontrolliert die Gesellschaft gemäß § 29 Abs. 2 Satz 1 des Wertpapiererwerbs- und Übernahmegesetzes ("**WpÜG**"), da keiner von ihnen mindestens 30 % der Stimmrechte an der Gesellschaft aus dem Aktionär gehörenden Bestehenden Aktien oder dem Aktionär gemäß § 30 WpÜG zugerechneten Stimmrechten an der Gesellschaft hält.

Geschäftsführer

Die Mitglieder des Vorstands der Gesellschaft sind Dr. Karsten Wildberger (Vorsitzender (CEO)) und Florian Wieser (Finanzvorstand (CFO)).

Abschlussprüfer

Der Abschlussprüfer der Gesellschaft ist die KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Deutschland ("**KPMG**"), Niederlassung Düsseldorf, Tersteegenstraße 19-23, 40474 Düsseldorf, Deutschland.

Welches sind die wesentlichen Finanzinformationen über den Emittenten?

Die in den folgenden Tabellen enthaltenen Finanzinformationen wurden (i) dem ungeprüften verkürzten Konzernzwischenabschluss zum und für den am 31. März 2022 beendeten Sechsmonatszeitraum, der in Übereinstimmung mit den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind ("**IFRS**"), zur Zwischenberichterstattung (IAS 34) erstellt wurde

("**Ungeprüfter Konzernzwischenabschluss**"), und (ii) dem geprüften Konzernabschluss zum und für das am 30. September 2021 beendete Geschäftsjahr, der in Übereinstimmung mit IFRS und den ergänzend nach § 315e Abs. 1 des Handelsgesetzbuches ("**HGB**") anzuwendenden handelsrechtlichen Vorschriften aufgestellt wurde ("**Geprüfter Konzernabschluss (IFRS)**"), entnommen. KPMG hat für den Geprüften Konzernabschluss (IFRS) einen uneingeschränkten Bestätigungsvermerk erteilt. Zudem hat KPMG den Ungeprüften Konzernzwischenabschluss einer prüferischen Durchsicht gemäß § 115 Abs. 5 WpHG unterzogen.

Soweit in den folgenden Tabellen Finanzinformationen als "geprüft" gekennzeichnet sind, wurden sie dem Geprüften Konzernabschluss (IFRS) entnommen. Die Kennzeichnung "ungeprüft" in den folgenden Tabellen weist auf Finanzinformationen hin, die dem Ungeprüften Zwischenabschluss entnommen wurden.

Bei in Klammern angegebenen Finanzinformationen handelt es sich um den negativen Wert der angegebenen Zahl. Die in den folgenden Tabellen enthaltenen Finanzinformationen werden in Millionen Euro (in Millionen EUR) angegeben, soweit nicht anders angegeben.

Ausgewählte Daten aus der konsolidierten Gewinn- und Verlustrechnung

	Geschäftsjahr zum 30. September		Sechsmonatszeitraum zum 31. März	
	2020	2021	2021	2022
	(geprüft)		(ungeprüft)	
	(in Millionen EUR, soweit nicht anders angegeben)			
Umsatz	20.831	21.361	11.786	11.873
Bruttoergebnis vom Umsatz	3.779	3.656	1.912	2.042
Betriebliches Ergebnis (EBIT)	(80)	326	338	241
Finanzergebnis	(45)	(31)	(6)	(17)
Ergebnis vor Steuern (EBT)	(125)	296	332	224
Periodenergebnis(1)	(211)	256	283	127
Ergebnis je Aktie (in EUR)	(0,65)	0,65	0,71	0,28

(1) Einschließlich nicht beherrschender Anteile.

Ausgewählte Daten aus der Konzernbilanz

	Zum 30. September		Zum 31. März
	2020	2021	2022
	(geprüft)		(ungeprüft)
	(in Millionen EUR)		
Vermögenswerte insgesamt	10.455	10.667	10.203
Eigenkapital insgesamt	548	757	684

Ausgewählte Daten aus der konsolidierten Kapitalflussrechnung

	Geschäftsjahr zum 30. September		Sechsmonatszeitraum zum 31. März	
	2020	2021	2021	2022
	(geprüft)		(ungeprüft)	
	(in Millionen EUR)			
Netto-Cashflows				
aus der betrieblichen Tätigkeit	1.183(1)	450	(346)	(246)
aus Investitionstätigkeit	(248)	(263)	12	(19)
aus Finanzierungstätigkeit	(606)(1)	(77)	(244)	(568)

(1) Diese Zahlen wurden in den geprüften Jahresabschlüssen (IFRS) angepasst. Diese Anpassung resultiert aus nunmehr brutto ausgewiesenen Factoring-Transaktionen.

Welches sind die zentralen Risiken, die für den Emittenten spezifisch sind?

- Das Geschäft von CECONOMY ist abhängig von der Entwicklung der Weltwirtschaft, der Finanzmärkte, der politischen Rahmenbedingungen und auf den Märkten, in denen CECONOMY tätig ist. Ungünstige wirtschaftliche Entwicklungen können unter anderem zu einem geringeren Gesamtabsatz der angebotenen Produkte oder Dienstleistungen, zu höheren Kosten oder dazu führen, dass CECONOMY seinen Produktmix in einer Weise ändern muss, die nachteilig für CECONOMY ist.
- Die Märkte, in denen CECONOMY tätig ist, sind hart umkämpft mit einem Wettbewerbsdruck durch direkte und indirekte, bestehende und neue Wettbewerber, der durch die COVID-19-Pandemie deutlich zugenommen hat. Dieser zunehmende Wettbewerb könnte die Margen und die Gesamtrentabilität von CECONOMY beeinträchtigen.
- CECONOMY ist auf ihre Fähigkeit angewiesen, Änderungen der Verbrauchertrends, -vorlieben und -bedürfnisse oder Änderungen in der Kundenzusammensetzung zu antizipieren, abzuschätzen und darauf zu reagieren. Mangelnde Innovation und Anpassung an die Kundenwünsche können sich negativ auf den Umsatz und die Rentabilität von CECONOMY auswirken.
- Die Digitalisierung löst derzeit kritische Transformationsprozesse in Bezug auf das Geschäftsmodell von CECONOMY aus. Sollte es nicht gelingen, den technologischen Fortschritt rechtzeitig zu erkennen und umzusetzen und die

Digitalisierungsbemühungen, einschließlich des Ausbaus von onlinebasierten Vertriebskanälen, anderen Kundenbetreuungsinstrumenten und neuen Zahlungslösungen, erfolgreich umzusetzen, könnten die Geschäftsmöglichkeiten von CECONOMY eingeschränkt werden.

- CECONOMY ist von einer Vielzahl von IT-Systemen abhängig. Die Umstellung auf den zunehmenden Online-Verkauf von Produkten via Online-Einzelhandelsdienstleistungen in Gestalt von Websites and Apps könnte das Risiko erhöhen, dass Hacker unbefugten Zugang zu Websites, Apps, Datenbanken, Online-Sicherheitssystemen oder computergestützten Logistikmanagementsystemen von CECONOMY erhalten. Ausfall, Störungen oder die Unzulänglichkeit der IT-Systeme von CECONOMY oder Hackerangriffe könnten erhebliche negative Auswirkungen auf den Ruf, den Umsatz, das Betriebsergebnis und die Zukunftsaussichten von CECONOMY haben.
- Steigende Preise der Lieferanten von CECONOMY, Einschränkungen in der Verfügbarkeit von Produkten oder der Verlust von Schlüssellieferanten oder Beschaffungspartnern, von denen CECONOMY zum Teil in hohem Maße abhängig ist, können die Geschäftstätigkeit und die Profitabilität von CECONOMY erheblich beeinträchtigen.
- CECONOMY könnte nicht in der Lage sein, erfolgreich qualifizierte Mitarbeiter zu rekrutieren und zu halten, insbesondere in den für Digitalisierung, Technologie und Innovation relevanten Bereichen, was CECONOMYs Fähigkeit zum Betrieb und zur Weiterentwicklung ihres Geschäfts beeinträchtigen könnte.
- Eine Veränderung des Kreditratings von CECONOMY könnte den Zugang zu den Kapitalmärkten erheblich beeinträchtigen, die Kapitalkosten erhöhen und die Notwendigkeit einer Refinanzierung des Geschäftsbetriebs steigern und CECONOMY könnte nicht in der Lage sein, ausreichend liquide Mittel zu generieren, um ihre Schulden zu bedienen. Dies könnte erhebliche nachteilige Auswirkungen auf die Geschäfts-, Ertrags- und Finanzlage, den Cashflow und die Zukunftsaussichten von CECONOMY haben.
- Strengere Zahlungsbedingungen seitens der Lieferanten von CECONOMY oder Änderungen oder der Entzug von Kreditversicherungen, die den Lieferanten von CECONOMY zur Verfügung gestellt werden, könnten eine wesentliche nachteilige Auswirkung auf die Geschäftstätigkeit, das Ergebnis und die Finanzlage haben.
- Die Verschuldung von CECONOMY oder die Durchsetzung bestimmter Bestimmungen aus Finanzierungsvereinbarungen von CECONOMY könnten die operative Flexibilität einschränken oder zu Refinanzierungsbedarf führen. Dies könnte erhebliche negative Auswirkungen auf die Finanzlage und die Zukunftsaussichten von CECONOMY haben.
- Die erwarteten steuerlichen Effekte aus beabsichtigten Strukturmaßnahmen könnten nicht oder nicht in dem erwarteten Umfang eintreten, was sich negativ auf die Finanzlage von CECONOMY auswirken könnte.
- Die Integrität der von CECONOMY gespeicherten Kundendaten könnte beeinträchtigt werden und jeder Verlust oder jede missbräuchliche Verwendung von Kundendaten könnte den Ruf und die Marke von CECONOMY schädigen und zivilrechtliche Haftung, behördliche Anordnungen (einschließlich Unterlassungsansprüchen), Geldbußen oder sogar strafrechtliche Folgen nach sich ziehen.

C. Basisinformationen über die Wertpapiere

Der Prospekt bezieht sich auf die Zulassung, d.h. die Zulassung zum Handel am regulierten Markt an der FWB mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der FWB und am regulierten Markt an der XDUS der Zulassungsaktien, bestehend aus

- 125.800.000 Kapitalerhöhungsaktien aus der Kapitalerhöhung, und
- bis zu 35.000.000 Bedingte Kapitalerhöhungsaktien, die zum Datum des Prospekts noch nicht ausgegeben sind und aus dem neu geschaffenen Bedingten Kapital 2022/I stammen.

Die Ausgabe der Zulassungsaktien erfolgt aufgrund eines Beschlusses der aoHV 2022 unter Tagesordnungspunkt 2 und im Hinblick auf eine Transaktion zwischen der Gesellschaft und der Convergenta Invest GmbH, einer deutschen Gesellschaft mit beschränkter Haftung (GmbH), mit Sitz in Bad Wiessee, Landkreis Miesbach, Deutschland, eingetragen im Handelsregister des Amtsgerichts München, Deutschland, unter der Registernummer HRB 188629 ("**Convergenta**"). Der Transaktion liegen bestimmte Transaktionsverträge zwischen der Gesellschaft und der Convergenta vom 14. Dezember 2020, die am 9. November 2021 geändert und neu gefasst wurden, ("**Transaktionsvereinbarungen**") zugrunde. In den Transaktionsvereinbarungen einigten sich die Parteien vorbehaltlich des Beschlusses der aoHV 2022 unter Tagesordnungspunkt 2 unter anderem über den Erwerb, die Übertragung und die Einbringung der Beteiligung der Convergenta an der Media-Saturn-Holding GmbH, einer deutschen Gesellschaft mit beschränkter Haftung (GmbH) mit Sitz in Ingolstadt, Deutschland, eingetragen im Handelsregister des Amtsgerichts Ingolstadt, Deutschland, unter der Registernummer HRB 1123 ("**MSH**"), in die Gesellschaft als Sacheinlage gegen

- die Ausgabe der 125.800.000 Kapitalerhöhungsaktien aus der Kapitalerhöhung,
- die Ausgabe der Wandelschuldverschreibungen, und
- eine Barzahlung in Höhe von EUR 130.000.000,00 durch die Gesellschaft an die Convergenta.

<u>**Welches sind die wichtigsten Merkmale der Wertpapiere?**</u>

Art, Gattung, Nennwert	Die Aktien sind auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien) mit der ISIN DE0007257503 und der WKN 725750. Jede Aktie entspricht einem rechnerischen Anteil von etwa EUR 2,56 am Grundkapital der

	Gesellschaft. Die bis zu 35.000.000 Bedingten Kapitalerhöhungsaktien, die zum Datum des Prospekts noch nicht ausgegeben sind, werden nach ihrer Ausgabe ebenfalls auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien) sein.
Anzahl der Wertpapiere	Zum Datum des Prospekts beträgt das Grundkapital der Gesellschaft EUR 1.240.448.004,17 und ist eingeteilt in 485.221.084 Bestehende Aktien. Das Grundkapital der Gesellschaft ist voll eingezahlt. Die bis zu 35.000.000 Bedingten Kapitalerhöhungsaktien sind zum Datum des Prospekts noch nicht ausgegeben.
Währung	Die Aktien sind in EUR denominiert.
Verbundene Rechte	Jede Aktie gewährt in der Hauptversammlung der Gesellschaft eine Stimme. Es bestehen keine Stimmrechtsbeschränkungen. Alle Aktien gewähren die gleichen Stimmrechte. Sämtliche Aktien gewähren ihren Inhabern die gleichen Rechte und keine Aktie gewährt zusätzliche Rechte oder Vorteile. Die Bestehenden Aktien sind ab dem 1. Oktober 2021 voll dividendenberechtigt. Die Bedingten Kapitalerhöhungsaktien sind ab Beginn des Geschäftsjahres der Gesellschaft, für das zum Zeitpunkt ihrer Entstehung durch Ausübung von Wandlungsrechten aus den Wandelschuldverschreibungen noch kein Beschluss der Hauptversammlung der Gesellschaft über die Gewinnverwendung gefasst worden ist, sowie für alle folgenden Geschäftsjahre der Gesellschaft dividendenberechtigt.
Rang	Die Aktien sind im Fall einer Insolvenz der Gesellschaft gegenüber allen anderen Wertpapieren und Forderungen nachrangig. Im Falle der Liquidation der Gesellschaft werden etwaige Erlöse an die Inhaber der Aktien im Verhältnis zu ihrer Beteiligung am Grundkapital der Gesellschaft verteilt.
Freie Handelbarkeit	Die Aktien sind in Übereinstimmung mit den gesetzlichen Anforderungen für Inhaberaktien frei übertragbar. Es bestehen keine Beschränkungen für die Übertragbarkeit der Aktien mit Ausnahme der Lock-up-Vereinbarung gemäß Ziffer 7.2 der Grundsatzvereinbarung zwischen der Gesellschaft und Convergenta vom 14. Dezember 2020 in der geänderten und neu gefassten Fassung vom 9. November 2021 ("**Grundsatzvereinbarung**"), die Teil der Transaktionsvereinbarungen ist.
Dividendenpolitik	Die Dividendenausschüttung der Gesellschaft richtet sich nach dem nicht konsolidierten Jahresabschluss der Gesellschaft nach HGB. Die Dividendenpolitik der Gesellschaft sieht vor, dass die Zahlung von etwaigen Dividenden unter anderem gegen die Notwendigkeit von Investitionen für das Wachstum des operativen Geschäfts abgewogen werden muss. In Abhängigkeit von der zukünftigen wirtschaftlichen Entwicklung sowie der Profitabilität von Investitionsvorhaben kann die zukünftige Ausschüttung von Dividenden sowohl nach oben als auch nach unten abweichen. Die ordentliche Hauptversammlung der CECONOMY AG vom 9. Februar 2022 hat beschlossen, die folgenden Dividenden zu zahlen:[1] • Ausschüttung einer nachzuzahlenden Dividende je Vorzugsaktie in Höhe von EUR 0,17 für das zum 30. September 2018 endende Geschäftsjahr; bei 2.677.966 Stück dividendenberechtigten Vorzugsaktien entspricht dies EUR 455.254,22. • Ausschüttung einer nachzuzahlenden Dividende je Vorzugsaktie in Höhe von EUR 0,17 für das zum 30. September 2019 endende Geschäftsjahr; bei 2.677.966 Stück dividendenberechtigten Vorzugsaktien entspricht dies EUR 455.254,22. • Ausschüttung einer nachzuzahlenden Dividende je Vorzugsaktie in Höhe von EUR 0,17 für das zum 30. September 2020 endende Geschäftsjahr; bei 2.677.966 Stück dividendenberechtigten Vorzugsaktien entspricht dies EUR 455.254,22. • Ausschüttung einer Dividende je Vorzugsaktie in Höhe von EUR 0,23 für das zum 30. September 2021 endende Geschäftsjahr; bei 2.677.966 Stück dividendenberechtigten Vorzugsaktien entspricht dies EUR 615.932,18. • Ausschüttung einer Dividende je Stammaktie in Höhe von EUR 0,17 für das zum 30. September 2021 endende Geschäftsjahr; bei 356.743.118 Stück dividendenberechtigten Stammaktien entspricht dies EUR 60.646.330,06. 1 Zum Zeitpunkt dieses Beschlusses war das Grundkapital der Gesellschaft in 356.743.118 Stammaktien und 2.677.966 stimmrechtslose Vorzugsaktien eingeteilt. Die außerordentliche Hauptversammlung vom 12. April 2022 hat mit Zustimmung durch einen Sonderbeschluss der Stammaktionäre und einen Sonderbeschluss einer gesonderten Versammlung der Vorzugsaktionäre der Gesellschaft vom selben Tag beschlossen, die stimmrechtslosen Vorzugsaktien der Gesellschaft in stimmberechtigte Stammaktien umzuwandeln durch Aufhebung des Gewinnvorzugs und entsprechende Änderung der Satzung der Gesellschaft ("**Satzung**"). Mit der Eintragung der entsprechenden Änderungen der Satzung im

Handelsregister am 31. Mai 2022 wurde die Änderung wirksam und die Ausstattung der von den Vorzugsaktionären gehaltenen Aktien wurden derjenigen der Stammaktien angepasst und die Gattung der bislang bestehenden Vorzugsaktien aufgehoben.

Wo werden die Wertpapiere gehandelt?

Zum Datum des Prospekts sind von den insgesamt 485.221.084 Bestehenden Aktien 359.421.084 Bestehende Aktien zum Handel am regulierten Markt an der FWB mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der FWB sowie am regulierten Markt an der XDUS zugelassen. Am 27. Mai 2022 beantragte die Gesellschaft die Zulassung der Zulassungsaktien, d.h. von 125.800.000 Kapitalerhöhungsaktien und bis zu 35.000.000 Bedingten Kapitalerhöhungsaktien, zum Handel am regulierten Markt an der FWB mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der FWB und am regulierten Markt an der XDUS.

Was sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Der Hauptaktionär der Gesellschaft, Convergenta, hält eine wesentliche Beteiligung an der Gesellschaft, kann einen erheblichen Einfluss auf die Gesellschaft ausüben und könnte auch die Kontrolle über die Gesellschaft erlangen. Die von der Convergenta verfolgten Interessen können mit den Interessen der Gesellschaft und/oder ihrer anderen Aktionäre kollidieren, was zu einer wesentlichen Beeinträchtigung der Geschäfts- und Finanzlage von CECONOMY führen könnte.
- Künftige Emissionen von Schuld- oder Eigenkapitaltiteln können sich negativ auf den Marktpreis der Aktien auswirken und künftige Kapitalmaßnahmen könnten zu einer Verwässerung der bestehenden Beteiligungen führen.
- Der Aktienkurs und das Handelsvolumen der Aktien können erheblich schwanken und könnten insbesondere angesichts negativer Veränderungen der Prognosen der Gesellschaft sinken.

D. Basisinformationen über die Zulassung zum Handel an einem geregelten Markt

Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Nicht anwendbar. Es wird kein öffentliches Angebot von Aktien geben.

Zeitplan der Zulassung Nachstehend ist der voraussichtliche Zeitplan der Zulassung dargestellt, der verlängert oder verkürzt werden kann:

27. Mai 2022	Antrag auf Zulassung der Zulassungsaktien zum Handel am regulierten Markt an der FWB mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der FWB und am regulierten Markt an der XDUS
7. Juni 2022	Billigung des Prospekts durch die BaFin
	Veröffentlichung des Prospekts auf der Website der Gesellschaft (www.ceconomy.de) unter der Rubrik "Investor Relations"
9. Juni 2022	Zulassungsbeschluss der FWB und der XDUS
10. Juni 2022	Aufnahme des Handels der Kapitalerhöhungsaktien am regulierten Markt der FWB (Prime Standard) und am regulierten Markt der XDUS

Wer ist der die Zulassung zum Handel beantragende Person?

Personen Die die Zulassung beantragenden Personen sind die Gesellschaft und die DZ BANK. Die Gesellschaft und die DZ BANK sind Aktiengesellschaften (AG), die in Deutschland gegründet wurden und deutschem Recht unterliegen.

Zulassung zum Handel Am 27. Mai 2022 beantragte die Gesellschaft die Zulassung, d.h. die Zulassung der Zulassungsaktien zum Handel am regulierten Markt an der FWB mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der FWB sowie am regulierten Markt an der XDUS.

Weshalb wird dieser Prospekt erstellt?

Gründe für die Zulassung zum Handel Die Gesellschaft ist verpflichtet, die Zulassung (i) gemäß § 40 des Börsengesetzes in Verbindung mit § 69 der Börsenzulassungs-Verordnung und (ii) gemäß Ziffer 7.1 der Grundsatzvereinbarung, die die Gesellschaft zur Zulassung der Zulassungsaktien zum Handel am regulierten Markt an der FWB verpflichtet, zu beantragen.

Wesentlichste Interessenkonflikte in Bezug auf die Zulassung In Bezug auf die Zulassung bestehen keine Interessenkonflikte.

1 RISK FACTORS

*An investment in the shares of CECONOMY AG ("**Company**" and, together with its subsidiaries consolidated at the respective time, "**CECONOMY**") is subject to risks. Potential investors should carefully consider the following risks and uncertainties described below when deciding whether to invest in the Company's shares ("**Shares**").*

According to Article 16 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as amended, the risk factors featured in a prospectus must be limited to risks which are specific to the issuer and/or to the securities and which are material for an informed investment decision. Therefore, the following risks are only those risks that are specific to the Company and to the Shares, and based on the Company's current assessment are material for making an informed investment decision regarding the Shares.

The following risks factors are categorized into subcategories based on their respective nature. Within each such subcategory, the order of risk factors is based on the Company's current assessment with respect to the probability of occurrence and expected magnitude of the adverse impact of such risk factors, with at least the two most material risk factors (i.e., those the Company believes are most likely to have a material adverse impact) mentioned at the beginning of each subcategory.

1.1 Risks related to CECONOMY's industry and markets

1.1.1 CECONOMY's business depends on the developments in the global economy, financial markets, political conditions and on the markets in which CECONOMY operates. Adverse economic developments may, among other things, lead to lower overall sales of the offered products or services, higher costs or may require CECONOMY to change its product mix in ways that are disadvantageous to CECONOMY.

CECONOMY offers products, as well as services and solutions, including extended warranties, brokering mobile phone contracts, repair services, or delivery and installation ("**Services & Solutions**"), in the field of consumer electronics. Its operating business is predominantly conducted by the MediaMarktSaturn Retail Group, which comprises several group companies operating more than 1,000 stores (including physical and online stores) in 13 European countries and in particular in Germany, mainly under the "MediaMarkt" and "Saturn" brands. The performance of CECONOMY's business is, in particular, largely dependent on economic conditions as well as political and other factors affecting consumer climate in the countries in which CECONOMY operates, i.e. in Europe and in particular in Germany. In general, deteriorating economic or political conditions, international conflicts such as the recent war of aggression of the Russian Federation ("**Russia**") against Ukraine, crises with difficult-to-predict long-term consequences like the on-going worldwide COVID-19 pandemic and the measures adopted by the governments to combat the pandemic, negative perceptions about economic or political conditions, slow job growth, inflation, deflation or a negative or uncertain economic outlook could result in a substantial decrease in demand for CECONOMY's products and services.

Adverse economic developments may lead, among other things, to lower overall sales of the offered products or services, or require CECONOMY to change its product mix in ways that could impact its overall profitability or result in slower inventory turnover and higher markdowns on inventory. Changes in economic conditions may also lead to higher costs associated with CECONOMY's operations resulting, for example, from changes to supplier pricing and credit terms, longer payment terms for customers or the need to restructure or implement cost-saving measures. Any such deterioration of economic conditions, including reductions in disposable income and purchasing power, can also increase competition in the markets in which CECONOMY operates. In particular, economic and political factors may adversely affect consumer confidence, disposable income and consumer spending as well as other factors affecting consumer climate, including temporary or permanent changes to consumer habits such as the frequency of in-store purchases, shift to online channel and amount spent by consumers on electronic devices or services related to consumer electronics combined with a more transactional buying behavior.

CECONOMY's inability to compensate any or all of the aforementioned effects could have a material adverse effect on its business, assets, results of operations, financial position, cash flow and prospects.

1.1.2 The markets in which CECONOMY operates are highly competitive with competitive pressure from direct and indirect, existing and new competitors, which has significantly increased through the COVID-19 pandemic. Such increasing competition could impair CECONOMY's margins and overall profitability.

CECONOMY operates in highly competitive markets with a large number of market participants based on locations of stores and other facilities, prices and quality of products, quality of service, variety and availability of products and the condition of facilities. Furthermore, barriers for market entry by new competitors, or for geographic expansions (e.g., the entry of the Dutch retailer Coolblue into the German market in 2020) or for product line expansion by existing competitors, are low. In addition, CECONOMY faces intense competition from pure online and multi-channel players, both operating globally or only locally.

In light of the digital transformation, the retail industry continues to be permanently shaped by dynamic change and intense competition, primarily due to global online retailers such as Amazon and Alibaba as well as European or domestic online retailers. As a consequence of the unforeseeable lockdowns during the COVID-19 pandemic ("**Lockdowns**"), in nearly all countries in which CECONOMY operates, purchases shifted massively from the offline to the more price-sensitive online sales channel (with respect to risks in connection with potential long-term effects of the COVID-19 pandemic, see "*1.2.5 The still ongoing COVID-19 pandemic has had, and may have in the future, various material adverse impacts on CECONOMY's business.*"). The persistently fierce battle among competitors for market share in saturated markets and, during a period of market consolidation, against existing or new price-aggressive competitors may lead to an increasing pressure on margins and the loss of sales and market shares. Increasing market and price transparency resulting from the shift towards online sales and significantly shorter product life cycles with decreasing gross margins as a result of a fast development of the products' software components and the associated change in the product mix may further amplify these effects. Moreover, in the online business, which is an increasingly strong business driver for CECONOMY, a further intensification of competition, e.g., by way of new competitors (e.g., Amazon) entering CECONOMYˈs target markets, could weaken CECONOMY's competitive position and negatively influence growth. There is a risk that this process will continue to persist and even intensify, in particular if CECONOMY does not manage to timely allocate resources for the digital sector and its online expansion in order to unlock new income potential, to adapt its business model and the product mix to the requirements of the digital transformation and to successfully review its store network in order to optimize selling space to meet customers' changing requirements.

The expansion of existing or the entry of new market participants or the development of new formats and solutions may lead to further intensified competition. CECONOMY may also be affected by other significant changes in the competitive environment of the countries in which it operates, for example, consolidations of competitors. In addition, some of CECONOMY's current competitors and potential new market entrants may have greater financial, real estate, new facilities development, distribution, technical, personnel, purchasing, marketing and advertising resources, any of which could provide them with a competitive advantage. Increased price competition against larger and financially stronger competitors or aggressive pricing strategies employed by competitors, in particular pure online retailers, may also lead to a decrease in sales and profitability or additional competitive pressure to reduce prices and margins. This is especially relevant for markets in which CECONOMY is able to generate high profits, which are more likely to attract competitors, potentially harming sales and profitability.

There can be no assurance that CECONOMY will be able to compete successfully against current competitors or future new market entrants and concepts, including pure online retailers. If CECONOMY is unable to compete successfully with such competitors and concepts, CECONOMY may be unable to increase, maintain or rebuild its customer base and market shares. These risks might impair CECONOMY's margins and overall profitability.

1.1.3 CECONOMY depends on its ability to anticipate, gauge and react to changes in consumer trends, preferences and demands or changes in its customer composition. Failure to innovate and keep up with customer preferences may negatively affect CECONOMY's sales and profitability.

The international consumer electronics markets in which CECONOMY operates are subject to changing trends, preferences and demands. Preferences and demands of retail consumers in a given (potential) regional market in which CECONOMY operates may also materially differ from other regional markets. Generally, such trends, preferences and demands depend upon a range of factors outside of CECONOMY's control, including demographic, economic, cultural and other factors. There is a risk that CECONOMY will not respond adequately to changes in customer and consumer behavior and expectations due to, among others, demographic changes, changes in available income and spending budgets, fluctuating demand patterns as well as increasing competition from existing and new competitors. The fast-increasing volume of online sales demonstrates the need for new processes, such as a more centralized logistic organization and interconnection of physical stores and online activities (e.g., shipment from store, pick-up for customer). Although CECONOMY addresses consumer trends by striving to constantly expand its Services & Solutions portfolio to include additional services (e.g., rental services for consumer electronics like Grover), such measures may be insufficient to meet changing customer needs.

CECONOMY may fail to recognize relevant trends, to adequately anticipate customer and consumer behavior, developments in the assortments, sales formats and prices of the local markets as well as new sales channel mixes. Furthermore, CECONOMY may fail to translate market trends into appropriate and saleable products and services that are competitively priced. Any such failure can have a negative impact on CECONOMY's sales and pose a risk to its business objectives, including its ongoing expansion of online sales. The internet, including the dissemination of information via social media, is becoming increasingly important and is changing the role of customers and consumers. E-commerce channels enable customers to more readily compare prices, which may affect CECONOMY's sales if competitors offer comparable products at better prices. As a result, CECONOMY must adapt its offerings and the way it communicates with its customers. The same is true if CECONOMY fails to adapt its store portfolio to changes which influence customers' demand, for example, social-demographic changes or the structural condition of the stores.

Failure to innovate and keep up with customer preferences may negatively affect CECONOMY's sales and profitability. If not appropriately addressed, these and other changes in consumer trends, preferences and demands as well as changes in its customer composition could have a material adverse effect on its results of operations and prospects.

1.2 Risks related to CECONOMY's business activities

1.2.1 Digitalization is currently triggering critical transformation processes of CECONOMY's business model. A failure to adopt and apply technological advances in a timely manner and to successfully implement digitalization efforts, including the expansion of online-based sales channels, other customer support tools and new payment solutions, could limit CECONOMY's business opportunities.

As a European technology-driven retail company, CECONOMY must constantly adopt and apply technological advances to implement digitalization. CECONOMY thereby faces risks in connection with the continuous technological development and the pressure to adapt to such developments on a continuing basis. In this regard, CECONOMY's market environment is undergoing fundamental changes due to the COVID-19 pandemic and the virus variations that repeatedly emerge from it and will undergo fundamental changes in the future once the COVID-19 pandemic has been overcome. In particular, CECONOMY has to cope with the ongoing shift from traditional sales channels, such as stores with physical selling space, to online -based models. These changes may increase, among other things, the competitive pressure or have another adverse impact on CECONOMY's business model, market shares and profitability. It is therefore crucial for CECONOMY to keep track with digital developments and customers' expectations with respect to sales channels.

CECONOMY's customers increasingly expect a seamless experience when accessing CECONOMY's sales channels and want to be able to interact in a variety of ways. In order to deliver such a service, CECONOMY relies on a number of different internal and external systems and operating models across its distribution channels. CECONOMY has implemented an "omnichannel" strategy, which means that CECONOMY seeks to deliver a seamless satisfactory experience in its physical stores and in its online -based sales channels its customers. CECONOMY's ability to successfully maintain and develop its omnichannel operations depends on a number of factors, including its ability to successfully market its products online, the hiring, training and retention of qualified personnel in both online and physical operations, and the continued development of its e-commerce distribution channels at an appropriate pace to cope with intense competition. CECONOMY may incur unexpected costs or face technical issues in connection with the development of its omnichannel offering.

In particular, CECONOMY's online offerings must keep pace with the technological progress of competitors and a resulting change in shopping behaviors. CECONOMY's success depends on its ability to continuously improve the technological platforms and to develop new applications in line with the technological development and trends. For example, the introduction of new payment solutions may entail substantial costs and efforts. However, there is no guarantee that such new solutions will be accepted by customers which may result in unrecoverable expenses and may limit sales. CECONOMY especially faces the risk that customers find the environment of its digital platforms difficult to use, are less willing to use the platforms than expected, or are unwilling to share personal or business information online or via mobile applications.

Furthermore, the shift to online sales leads to changes in consumer behavior and cost structures, which CECONOMY is required to adapt its business model to. In comparison to sales via physical stores, online induced sales require additional logistics costs for each sale, have a lower Service & Solutions attachment rate (due to more transactional buying behavior), a business which is characterized by high margins, and feature a lower margin product mix (i.e., predominantly new media devices like smartphones as opposed to white goods with traditionally higher margins). For these reasons, online sales are not fully on par with sales via physical stores from a gross margin perspective. Even after the governmental measures imposed on physical stores in reaction to the COVID-19 pandemic may have ended, sales from the physical stores may only catch up gradually and customer traffic may remain significantly below historical levels, as consumers keep on buying their products online. Also, the COVID-19 pandemic has changed consumer behavior and accelerated the transition towards online product research and seamless omnichannel buying. This accelerated shift to the online business proposition in the market may put significant additional pressure on CECONOMY's income due to higher logistic costs, higher price competition and a lower Service & Solutions attachment rate in its online business.

CECONOMY may fail to adopt and apply new technological advances in a timely manner, or experience difficulties or compatibility issues in shifting and adapting its sales channels. Unexpected costs in connection with the further development of the sales platforms and adopted business models may also arise. CECONOMY may face difficulties in further coordinating its digital platforms and store network, in particular to manage the interface between in-store-merchandising, click-and-collect, delivery and/or online shop, which could both result in complications for customers.

Any such failure to adopt and apply technological advances in a timely manner and to successfully implement digitalization efforts, including the expansion of online-based sales channels, other customer support tools and new payment solutions, could limit CECONOMY's business opportunities and could have a material adverse effect on its sales.

1.2.2 CECONOMY depends on a variety of IT systems. The shift to selling more of its products online via its online retail services in the form of its websites and apps could increase the risk that hackers could gain unauthorized access to CECONOMY's websites, apps, databases, online security systems or computerized logistics management systems. Failure, disruptions or insufficiency of CECONOMY's IT systems or hacker attacks could have a material adverse effect on its reputation, sales, results of operations and prospects.

CECONOMY depends on a variety of information technology ("**IT**") systems for its business operations, including point-of-sale, distribution, inventory management, order processing, stock replenishment, customer-relationship management, financial and operational reporting, accounting and other systems. CECONOMY relies on the internet for information sharing among its stores, logistics and other facilities, as well as its regional offices and head office and uses, for example, social media channels and electronic newsletters which are distributed by email to its customers. Furthermore, CECONOMY depends on corporate IT applications, related maintenance and support IT services and software updates.

In order to maintain its omnichannel operations, CECONOMY is dependent on the smooth functioning of its IT systems, especially its internet and mobile infrastructure, which are critical to CECONOMY's online sales channel and inherently subject to various operating risks. CECONOMY's business involves the operation of websites, apps and other data systems (e.g., the websites and apps of MediaMarkt and Saturn and the app for CECONOMY's employees) through which CECONOMY collects, maintains, transmits and stores information about its customers, suppliers and other business partners, including personal information, as well as other confidential and proprietary information. A key element of CECONOMY's strategy for its online business is to generate a high volume of traffic on, and use of, its apps and websites. Furthermore, CECONOMY's reputation and ability to acquire, retain and serve its customers are dependent upon the reliable performance of CECONOMY's apps and websites and their underlying network infrastructure.

Accordingly, CECONOMY's ability to operate its business relies on the accessibility, reliability and security of its IT systems, and CECONOMY's ability to protect its IT systems from intrusion by third parties who may attempt to enter its systems through the internet or otherwise. In that respect, computer viruses, hacking, data theft, break-ins, phishing attacks, other cyber security attacks or threats and similar disruptions from unauthorized use of its computer systems (including by its own employees or contractors) pose a significant threat to CECONOMY. For example, in November 2021 CECONOMY experienced a cyberattack that temporarily affected functionalities and customer confidence, resulting in a decrease in sales. Increasing digitalization and the associated connection of internal IT systems with the outside world has increased the risk of attacks on CECONOMY's IT infrastructure. The shift to online retail services, in particular caused by the COVID-19 pandemic, increases CECONOMY's dependence on its IT systems, with a rise in hacker attacks and increased risk of attempted fraud on the basis of electronic identity theft having been observed during the COVID-19 pandemic. It cannot be guaranteed that CECONOMY's IT security processes and mechanisms will be able or suffice to prevent all types of future attacks and third parties may therefore illegally gain access to CECONOMY's IT systems.

Furthermore, IT systems and operations are vulnerable to damage or interruption by human error, data inconsistency, natural disasters, power loss, fire, acts of terrorisms, intentional acts of vandalism or sabotage and other breaches of security and similar events. Security breaches can occur as a result of non-technical issues, including employees or third-party service providers that store, process and transmit proprietary, personal and confidential information on CECONOMY's behalf intentionally or inadvertently causing similar damage to, or take similar actions with respect to, CECONOMY's IT systems to which they have authorized or unauthorized access. Furthermore, CECONOMY might fail to keep up with rapid technological change and the implementation of new systems and platforms.

CECONOMY also relies on third parties for computer hardware, software, services and support over which CECONOMY has only limited or no influence. This includes encryption and authentication technology licensed from third parties in an effort to securely transmit confidential and sensitive information. However, there is a risk that these measures may fail and CECONOMY's efforts to constantly monitor and update the security settings of its websites and IT systems to protect the security, integrity and confidentiality of the information it collects, stores or transmits could prove to be ineffective. Furthermore, CECONOMY and its service providers might not have the resources or technical sophistication to anticipate or prevent all types of attacks and techniques used to obtain unauthorized access to its systems. Therefore, CECONOMY cannot guarantee that inadvertent or unauthorized use or disclosure will not occur, or that third parties will not gain unauthorized access to this information despite its efforts.

IT system failures could have significant adverse effects on CECONOMY's business performance. Failures, instability or significant disruptions to its IT systems, such as equipment breakdowns, could prevent CECONOMY from making sales, placing orders, managing inventory, delivering products or otherwise conducting its operations efficiently, which could result in loss of customers, loss of sales and increased operating expenses. Any of the aforementioned events could also lead to interruptions or delays, cause loss of critical or confidential data, including customer data, commercial, financial and product information, or bring about the unauthorized disclosure or use such data. CECONOMY's contingency plans in place to deal with such events could turn out ineffective and failures or delays in the future could cause significant losses. Failure in CECONOMY's IT systems could result in unfavorable media coverage, damage its reputation and its relationship with suppliers or customers, and/or result in regulatory inquiries or other proceedings. Any compromise or breach of CECONOMY's security measures, or those of its third-party service providers, could violate applicable privacy, data security and other laws, and cause significant legal and financial risks (including risk of fines), adverse publicity and a loss of confidence in its security measures. CECONOMY also may need to devote significant resources to protect against security breaches or to address problems caused by IT security breaches. This could divert resources from other vital parts of CECONOMY's business, in particular the development and successful digitalization of its business.

Failure, disruptions or insufficiency of CECONOMY's IT systems or hacker attacks could have a material adverse effect on its reputation, sales, results of operations and prospects.

1.2.3 Increasing prices charged by CECONOMY's suppliers, limitations in the availability of products or the loss of key suppliers or procurement partners, on some of which CECONOMY is highly dependent, may have a material adverse effect on CECONOMY's business and profitability.

The success of CECONOMY's business heavily depends on the procurement terms, including purchase prices, of the products offered for sale and the timely availability of these products, particularly given that the markets in which CECONOMY operates are characterized by relatively high inventory turnover and relatively low profit margins. Volatile purchasing prices, therefore, directly affect CECONOMY's margins and profitability. In many cases, large purchasing volumes have a positive effect on price and ability to source products. However, product prices and availability are dependent on a number of factors, including the availability of the required raw materials which may temporarily or continually become scarce, changes in economic and monetary policy affecting inflation rates, increased energy costs, increased transportation cost or transportation disruptions resulting from increases in fuel costs or its limited availability, work slowdowns or interruptions, weather conditions, competitive demand and natural disasters or other catastrophic events. Any such factor can drive up purchase prices, lead to a certain level of volatility or affect the availability of products.

If prices at which CECONOMY purchases products from its suppliers increase or if CECONOMY is unable to continue to receive discounts or rebates for large orders, CECONOMY may be forced to initiate measures to maintain its profitability, e.g. by increasing the selling prices of its products. However, CECONOMY may be unable to increase the selling price of its products to fully or partially offset the price increases by its suppliers (some of which have considerable negotiating power), particularly if its main competitors choose not to implement such price increases. As competition in the international markets for consumer electronics becomes increasingly intense, in particular driven by the increased transparency of selling prices resulting from the shift towards online sales, and the associated increased price-sensitivity of consumers, unilateral price increases may lead to declines in sales, loss of market shares and other adverse consequences. Accordingly, CECONOMY may be significantly constrained in its pricing policy by the actions of its direct and indirect competitors. As a result, CECONOMY may be forced to maintain or reduce the selling price for products both in its physical stores and its online shops in order to maintain its market share, which may significantly reduce its profitability.

In addition, CECONOMY maintains business relations with strategically relevant business partners, such as Apple, Samsung, LG, BSH, Sony and Microsoft. However, there is a risk that CECONOMY cannot maintain such relationships, for example, as a result of a potential strategic realignment of suppliers, a change in sales concepts, or technical problems of its products and services. In addition, CECONOMY's efforts to analyze information about business partners on a continuing basis, including information regarding their financial stability, could not suffice. As a result, CECONOMY could fail to promptly take protective measures to ensure the continued supply of goods and services, but also against the financial loss of outstanding receivables. If CECONOMY loses key suppliers, fails to maintain its currently important business partnerships or develop relationships with new suppliers or is unsuccessful in obtaining products of comparable quality from alternative sources, competitively priced and available in large volumes, this could jeopardize the availability of products and thereby cause lost sales and commissions. If CECONOMY cannot maintain its strategically important business partnerships, or is otherwise unable to obtain high-quality products in sufficient quantities in a timely manner and at competitive prices or to pass on increases for the sold products to customers, this could have a material adverse effect on its business, assets, results of operations, financial position, cash flow and prospects.

1.2.4 CECONOMY may not be able to successfully recruit and retain skilled employees, in particular in the areas relevant for digitalization, technology and innovation, which could impair its ability to operate and further develop its business.

CECONOMY believes that its future performance largely depends on its ability to attract and retain highly skilled technical, managerial and marketing personnel who are familiar with CECONOMY's key customers and experienced in the digitalization of the retail industry. Qualified employees therefore form the basis for CECONOMY's success. Competition for competent specialists remains fierce, especially in the areas relevant for digitalization and CECONOMY cannot guarantee that efforts to retain and motivate management and key employees or to attract and retain other highly qualified personnel in the future will be successful. This applies in particular to areas such as innovation and technology.

Competition for skilled employees is likely to continue to intensify for CECONOMY as the need for technical experts in the retail industry – driven by the effects of the COVID-19 pandemic – is currently higher than previously, as many competitors are required to accelerate the digitalization of their online business. Therefore, there is a risk that CECONOMY may not succeed in recruiting and retaining enough suitable employees to fill key positions as necessary to implement its digitalization process.

The inability to attract and retain qualified personnel might negatively affect CECONOMY's ability to innovate and develop its business model in order to adapt it to the changed customer requirements. This could in turn have a material adverse effect on its business, results of operations and prospects.

1.2.5 The still ongoing COVID-19 pandemic has had, and may have in the future, various material adverse impacts on CECONOMY's business.

The COVID-19 pandemic and the operational changes CECONOMY made in relation thereto resulted in significant reductions in customer visits to its physical stores. This is mainly due to extensive restrictions due to governmental orders, including temporary store closures as well as access restrictions ("**COVID Restrictions**"). For example, nation-wide Lockdowns during spring 2020 and in December 2020 until June 2021 posed major challenges for almost all market participants, including CECONOMY, and resulted in the temporary closure of stores, including most of CECONOMY's stores in Germany, Austria, and the Netherlands. Future COVID Restrictions cannot be ruled out at this time especially since new variants of COVID-19 have emerged recently which appear to be more infectious than the previous ones and which may cause more severe courses of disease or may be less susceptible to existing vaccines. Such closures would significantly hamper the economic recovery of the economic sectors affected by them.

Furthermore, COVID Restrictions resulted in material shifts in customer demands and requirements. In particular, CECONOMY has noticed a significant shift towards the online sales channel, as well as continued strong demand in product categories of devices to support work from home and household appliances, combined with an increase in consumer spending in this regard. The duration and the further impact of the COVID-19 pandemic on the global economy, international trade, the resulting recessions or a global economic crisis are not fully foreseeable or measurable.

CECONOMY's forecasting ability has been significantly impaired by the lack of concrete indications as to the future development of its business, and it is impossible to predict future customer behavior even after easing of the restrictions as well as the nature and extent of future measures of the public authorities to counter the COVID-19 pandemic. The possibility that the change in consumer behavior observed during the Lockdowns and the associated shift in sales shares from physical stores to online business could become permanently, is also one uncertainty for further predictions. A significant reduction in future customer visits to CECONOMY's physical stores, combined with a more transactional buying behavior, caused by the COVID-19 pandemic could result in a loss of sales and profits and other material adverse effects. For example, in the three months ended 31 December 2021, CECONOMY generated Group sales of EUR 6.9 billion, a decrease of 8.2% compared with the prior-year period. This was mainly due to the COVID-19 pandemic, the associated COVID Restrictions, and muted consumer sentiment. In particular in Germany, the new access restrictions in response to the COVID-19 pandemic, such as the so-called 2G rule – granting access to the stores only to those people being vaccinated twice or recovered – as well as generally weak consumer confidence had a negative impact on sales development.

For this reason, CECONOMY is required to partially adapt its business concepts to meet these developments. However, CECONOMY's efforts to respond to these developments could be insufficient to cope with the challenges resulting from the COVID-19 pandemic and other factors that influence customers' demands and requirements. In addition to possible future COVID Restrictions, the consumer confidence in the countries in which CECONOMY operates may be significantly negatively affected by the COVID-19 pandemic and could further deteriorate. Consumers may fear to get infected with COVID-19 and recommendations and/or mandates from federal, state and local authorities to avoid large gatherings of people or self-quarantine might adversely affect future traffic in CECONOMY's physical stores. CECONOMY may further restrict the operations of its physical stores and distribution facilities if CECONOMY deems this necessary or if recommended or mandated by authorities and these measures could have a further material impact on CECONOMY's sales and profits. Moreover, if CECONOMY does not respond appropriately to the COVID-19 pandemic, or if customers do not perceive CECONOMY's response to be adequate for a particular region or CECONOMY as a whole, CECONOMY could suffer damage to its reputation and its brands, which could adversely affect CECONOMY's business in the future. Furthermore, the COVID-19 pandemic has caused some products and services to be in high demand, including computers and other office equipment for remote working. CECONOMY may not be able to meet this demand in all categories due to product shortages or decisions by CECONOMY's suppliers to allocate products to certain other customers and CECONOMY's suppliers may increase prices. Each such factor may adversely impact CECONOMY's revenue and profitability. The COVID-19 pandemic has had, and may continue to have, a negative impact on CECONOMY's products and services that have been more likely to be purchased in a physical store than online.

The COVID-19 pandemic has also forced CECONOMY to make a number of operational changes. This concerns logistic processes (e.g. shipment from store, pick-up for customer) as well as precautions to assure the health of customers and employees. CECONOMY's ability to continue selling its products and services is highly dependent on its ability to maintain the safety of its customers and those employees who work at CECONOMY's physical stores and distribution facilities. The ability of CECONOMY's employees to work may be significantly impacted by individuals contracting or being exposed to COVID-19. While CECONOMY is following the requirements of governmental authorities and taking preventative and protective measures to prioritize the safety of its customers and employees, these measures may not be successful, and CECONOMY may be required to temporarily close physical stores or limit customers' access to its stores from time to time, halt certain services or take other measures. In addition, disruptions to CECONOMY's suppliers' ability or willingness to provide products and services to CECONOMY due to the COVID-19 pandemic, or disruptions to its respective internal supply chain infrastructure (such as facility closures, governmental orders restricting movement, new or prolonged COVID-19 outbreaks, present and future restrictions or disruptions of transportation, such as reduced availability of air, ship, rail or truck transport, port closures and increased border controls or closures), may materially adversely affect CECONOMY's ability to meet customer demand as well as other aspects of CECONOMY's operations and its financial results.

Furthermore, since CECONOMY's online sales have increased and therefore have become critical to its results, the risks resulting from of any interruption of CECONOMY's IT system capabilities is heightened. If customer demand exceeds the capacity of CECONOMY's online operations, this could lead to server overloads or other technical difficulties. Any such interruption or capacity constraint could result in a deterioration of CECONOMY's ability to process online sales, provide customer services or perform other necessary business functions. Having shifted to remote working arrangements for many employees, CECONOMY faces a heightened risk of cybersecurity attacks or data security incidents and is more dependent on stable and secure internet and telecommunications access and capabilities of its employees working remotely. Preparing for and responding to the continuing COVID-19 pandemic could divert management's attention from its key strategic priorities, increase costs, cause CECONOMY to reduce, delay, alter or abandon initiatives that may otherwise increase its long-term value or otherwise disrupt its business operations.

To the extent the COVID-19 pandemic continues to cause fundamental shifts in the sales channels by which customers choose to interact with CECONOMY, its (gross) margin and profitability may be adversely impacted. For example, at various times during the COVID Restrictions in 2020, 2021 and the first quarter of 2022 CECONOMY had to pay rent (even if reduced) for its network of physical stores although most physical stores were closed and did not generate any sales. In the event of any further COVID Restrictions in the future, CECONOMY may face this situation again. Moreover, CECONOMY's online mix of products and services generally produces lower gross profit margins than its in-store sales, and CECONOMY offers some products and services that have been more likely to be purchased in a physical store than online.

To the extent CECONOMY is unable to maintain or increase the level of customer traffic in its physical stores or maintain or enable a more profitable mix of sales in its digital and online channels, CECONOMY's (gross) margin and profitability may be materially negatively impacted. CECONOMY also incurred additional costs due to the operational changes that were made in response to the pandemic, and these costs have adversely impacted CECONOMY's profitability. CECONOMY could experience a longer-term impact on its costs, for example, the need for enhanced health and hygiene requirements in one or more regions in attempts to prevent or counteract future COVID-19 outbreaks. In the event of decreased store traffic, certain of CECONOMY's stores may not generate sufficient revenue to meet operating expenses.

Moreover, as a result of disruptions to its supply chain, primarily due to mandatory shutdowns in locations where CECONOMY's products are manufactured, CECONOMY is experiencing, and may continue to experience, increased costs for shipping and transportation resources. At the same time, and notwithstanding any mandatory Lockdown, CECONOMY has to bear the majority of the operating costs of its physical stores. If CECONOMY is unable to manage these costs and supply chain disruptions, its profitability may be adversely impacted.

The extent to which the COVID-19 pandemic will impact CECONOMY's business, operations and financial results will depend on numerous evolving factors that CECONOMY may not be able to accurately predict or assess, including

(i) the duration of the COVID-19 pandemic,

(ii) the extent of the impact on global and regional economies and economic activity, including the duration and magnitude of its impact on unemployment rates, consumer discretionary spending and consumer confidence;

(iii) actions governments, businesses and individuals take in their ongoing response to the COVID-19 pandemic, including the timing and nature of loosening of COVID Restrictions and its resurgence; and

(iv) CECONOMY's ability to successfully navigate those impacts.

Therefore, the COVID-19 pandemic could have a material adverse effect on the business, assets, results of operations, financial position, cash flow and prospects of CECONOMY.

Looking ahead, there is considerable uncertainty as to CECONOMY's further business performance in the current financial year ending 30 September 2022 ("**2021/22 Financial Year**") in light of possible further COVID Restrictions in particular in light of the potential emergence of new and even more harmful or contagious COVID-19 variants, uncertain customer behavior and possible temporary store closures as well as the overall highly volatile regulatory situation with regard to COVID-19. CECONOMY expects a decline in consumption as a result of declining economic performance, decreasing demand for exports and general uncertainty among the population resulting from an increase in unemployment in connection with the COVID-19 pandemic. In this respect, CECONOMY expects a mild recession for the global economy as a result of the COVID-19 pandemic which may reduce consumer spending for consumer electronics products, including CECONOMY's products and services, in the near future. However, the impact of the COVID-19 pandemic may vary from country to country. Although vaccinations against COVID-19 are currently conducted worldwide, the economic effects of the COVID-19 pandemic could continue for years and the current temporary economic downturn could be the beginning of sustained stress in markets in general.

As a result, the COVID-19 pandemic, and the volatile regional and global economic conditions stemming from the pandemic, as well as reactions to future pandemics or resurgences of COVID-19, could also precipitate or aggravate the other risk factors that CECONOMY has identified in this prospectus ("**Prospectus**") which in turn could have a material adverse effect on its business, results of operations, cash flow and prospects.

1.2.6 CECONOMY could be affected by a deterioration in its relations with certain suppliers, partners or service providers or by difficulties obtaining supplies, which could have a negative impact on its customer relationships, result in lower revenue and have a material adverse effect on its business.

CECONOMY's activities depend on its relations with key partners, including suppliers and service providers. Particularly regarding its operations in the fields of IT resources, transport and delivery, CECONOMY heavily relies on certain service providers. For example, CECONOMY's country organizations use fulfilment partners to operate distribution centers that handle deliveries and/or dispatch the deliveries of goods directly to customers and/or stores. Also, a major portion of CECONOMY's operations depends on its capacity to negotiate favorable commercial terms and maintain contracts and business relations with its suppliers, especially those which represent a significant proportion of revenue, for whose products no direct substitute exists which equally meets customers' demands (e.g. Samsung, Apple, Microsoft, Sony, etc.) and in cases where suppliers are concentrated. Any deterioration in CECONOMY's relationships with its key service providers as well as its main suppliers, the imposition of stricter conditions by service providers or suppliers (especially with respect to payment terms), the non-renewal or early termination of its main supply or service agreements as well as the insolvency of larger suppliers may have a material adverse effect on CECONOMY's business, result of operations, financial position, cash flow and prospects.

CECONOMY offers a wide range of products and is supplied by a large number of suppliers. This increases the risk that some of these suppliers may fail to meet agreed deadlines, provide CECONOMY with sufficient products or comply with CECONOMY's specifications and quality requirements. Some of CECONOMY's suppliers may have limited resources, production capacities and operating histories. As a result, the ability of some of CECONOMY's suppliers to meet CECONOMY's supply requirements has been, and may in the future be, constrained at various times and its suppliers may be susceptible to production difficulties, errors in complying with product specifications, insufficient quality control, failures to meet production deadlines or increases in manufacturing costs or other factors that negatively affect the quantity or quality of their production. If CECONOMY experiences increases in demand or the need to replace an existing supplier (e.g., because one of the suppliers of CECONOMY decides to no longer work with it or demands higher prices or more stringent payment terms or becomes insolvent), there can be no assurance that additional supply or manufacturing capacity will be available when required on terms that are acceptable to CECONOMY.

There is also a risk that the production by one or more manufacturers could be suspended or delayed, temporarily or permanently, due to economic or technical problems such as the insolvency of the manufacturer or its inability to access liquidity, the failure of manufacturing facilities or disruption of the production process, all of which are beyond CECONOMY's control. Such difficulties may negatively impact CECONOMY's ability to deliver quality products to its customers on a timely basis, which may, in turn, have a negative impact on its customer relationships and result in lower revenue and therefore may have a material adverse effect on its business.

1.2.7 CECONOMY's success is significantly dependent on new technologies and products being developed and manufactured by third parties. Any failure or misconduct by the suppliers of CECONOMY could have a material adverse effect on the business, results of operations and prospects of CECONOMY.

While CECONOMY can select the products to be sold at its stores, it is unable to control the development of products by manufacturers, including the extent to which products include new technologies, features or designs that are attractive to customers. If CECONOMY's suppliers or the manufacturers that serve its suppliers are unable to develop products to meet the demands of its customers, CECONOMY's product offering will suffer, and sales volumes could decline as consumers shift their discretionary spending elsewhere. This might especially be the case for consumer electronics, when, for example, IT and photography products experience low points in their respective innovation cycles, resulting in lower revenue from those sub-segments.

Any failure by the suppliers of CECONOMY to adhere to product safety or manufacturing safety standards could result in serious product defects that may not be detected by quality control procedures and which may in turn lead to product recalls. The reputation of CECONOMY, its brands and their respective banners could be damaged by the marketing of defective products, especially in the event of serious defects, such as products containing harmful substances causing physical harm or other health problems. This applies in particular to products of CECONOMY's own brands. Such serious defects could also lead to a significant decline in its revenue. In addition, there is a risk that compliance lapses by CECONOMY's suppliers could occur, which could lead to investigation by agencies responsible for international trade compliance. Resulting penalties or enforcement actions could delay future imports or otherwise negatively impact the business of CECONOMY. In all such cases, especially if there is a prolonged impact on product quality, there could be a material adverse effect on the business, results of operations and prospects of CECONOMY.

1.2.8 Product defects or recalls may cause supply shortages, expose CECONOMY to claims, damage the public perception of its brands and harm its business.

Product defects may cause supply shortages, expose CECONOMY to claims, damage the public perception of its brands and harm its business. CECONOMY may not have adequate remedies against its suppliers for defective merchandise. CECONOMY requires its suppliers to satisfy certain standards regarding the quality, safety and specification of its products. However, if products that CECONOMY purchases from suppliers are damaged or prove to be defective, it may not be able to return products to these suppliers and obtain refunds of its purchase price or obtain other indemnification from them. Moreover, limited capacities of some of its suppliers may result in a supplier's inability to replace any defective merchandise in a timely manner. In addition, the limited capitalization or liquidity of some of the suppliers may mean that a supplier which has supplied defective merchandise will not be able to refund the purchase price to CECONOMY, pay it any penalties or reimburse CECONOMY for damages associated with any defects. Furthermore, as an own-brand company, the Company's fully owned subsidiary Imtron GmbH, Ingolstadt, Germany, is a manufacturer and therefore directly exposed to various risks arising from product safety law, specifically the risk that it might be liable for damages resulting from defective products.

If a product recall becomes necessary in circumstances where the financial consequences are not borne by one of the suppliers or covered by CECONOMY's product liability insurance, this may have an adverse effect on CECONOMY's financial performance and reputation.

1.2.9 CECONOMY generally does not have exclusive arrangements with its suppliers, which could limit its ability to ensure the continuity of supply and harm its business and prospects.

In general, CECONOMY does not maintain exclusive relationships with its suppliers. As a result, most of its suppliers are able to sell identical products to certain of CECONOMY's competitors, some of which might purchase products in significantly greater volumes. CECONOMY's competitors may enter into arrangements with suppliers that could impair its ability to procure those suppliers' products, including by requiring suppliers to enter into exclusive arrangements. The suppliers of CECONOMY could also initiate or expand sales of their products through their own stores or through the internet to the retail market and therefore compete with CECONOMY directly or sell their products through outlet centers or discount stores, thus increasing the competitive pricing pressure CECONOMY already faces. The realization of any of these risks, in isolation or in combination, could have a material adverse effect on the business and prospects of CECONOMY.

1.2.10 CECONOMY could fail to efficiently implement and operate a centralized supply chain model and may thus not be able to meet customer expectations or demands in respect of delivery times or convenience. This could result in loss of customers, shortfalls in revenues, decrease in margins, write-offs on inventories and damage to CECONOMY's brands and reputation.

CECONOMY's current supply chain is partially divided into e-commerce and retail business with a decentralized supply chain model where stores still partly have their own goods flow processes that are independently organized. Delivery times for products can vary due to a variety of factors such as the respective product ordered, the location of the warehouses operating as logistics centers from which the product is shipped if not directly shipped from the stores, how fast suppliers deliver products to CECONOMY's logistics centers, the number of items in a customer's shopping basket, the country in which a customer ordering products is located and the performance of the third-party shipping company carrying out the distribution. The efficient operation and management of CECONOMY's stores and warehouse logistics are therefore crucial to its business. CECONOMY's stores and warehouses handle inbound receipt of merchandise, storage, picking, packaging, outbound shipping and the receipt, screening, and handling of returns.

Additionally fueled by the COVID-19 pandemic and the COVID Restrictions applicable to many physical stores, CECONOMY recognized an increased necessity for a more centralized supply chain model. Currently, a new centralized model is gradually being implemented, which allows central procurement and the bundling of delivery flows to stores through central national distribution centers. The goal is to develop a centralized omnichannel fulfilment network to offer customers a very high service level in terms of delivery speed, reliability, quality and availability. To implement the new supply chain, certain functions are being tested in different regions in cooperation with suppliers and other business partners. CECONOMY intends to gradually expand the scope of such functions as well as the regions concerned, continuously raising the level of centralization. In addition, CECONOMY has implemented modifications to its processes, in order to cope with the shift to e-commerce caused by the COVID-19 pandemic. For example, CECONOMY has implemented modifications to its supply and delivery processes so that goods ordered by customers online are no longer sent to customers exclusively from central warehouses, but also directly from the local stores. These opposing developments could mutually prevent the individual effects of modernizations and could moreover not suffice or turn out to be incompatible with the remaining logistics system. Furthermore, the conversion process could fail or could not lead to the intended effects. Even after the modification of the supply and delivery process, CECONOMY may not be able to avoid overstocking or understocking of products due to shifting customer preferences. Furthermore, customers could still expect or demand faster delivery times than CECONOMY can provide in the future. If CECONOMY is unable to meet customer expectations or demands in respect of delivery times or convenience, or if its competitors are able to deliver the same or equivalent products faster or more conveniently, CECONOMY could lose current or potential customers, its brands and reputation could suffer, and it could experience shortfalls in revenues. Furthermore, if CECONOMY fails to anticipate and respond in a timely manner to shifting customer preferences and adjust its purchases and inventory accordingly, this may result in lost sales, sales at lower than anticipated margins and/or write-offs on inventories.

Any failure to successfully address such challenges in a cost-effective and timely manner could severely disrupt CECONOMY's business and may have a material adverse effect on its business, results of operations and prospects.

1.2.11 CECONOMY, as a consumer electronics retailer, depends on external producers and providers for the supply of its goods and services and could face supply-shortages or disruptions to its supply chain, which could adversely affect its reputation and business.

The delivery of products to the stores and depots of CECONOMY depends on its supply and logistics systems, including transportation services provided by third parties (e.g. sea-container capacity or local parcel delivery services). In addition, CECONOMY's logistics processes are complex and depend on sophisticated know-how and computerized systems. If CECONOMY's supply and logistics systems were to experience a sustained disruption due to, among other things, poor infrastructure conditions or disrupted infrastructure because of inclement weather, natural disasters, pandemics or acts of war or terror, vandalism or sabotage, or other reasons, or if CECONOMY does not operate and optimize its supply chain successfully and efficiently, CECONOMY could face difficulties transporting, processing or distributing products to its stores and depots, or delivering its products to its customers, or be unable to do so at reasonable costs.

Furthermore, global issues such as climate change, the Russian war of aggression against Ukraine and its global repercussions or the COVID-19 pandemic may result in restrictions of certain resources or lead to decreased availability of raw material, goods and services. Any such disruption may result in a depletion of CECONOMY's inventories and an inability to offer its customers the full product assortment. This could in turn lead to a loss of customer base and market shares. In particular, supply and logistics risks increase in remote locations due to long delivery distances, less developed infrastructure and harsh climate. Disruptions to CECONOMY's supply logistics systems could result in higher operating costs and delays, and, if alternative arrangements are not available at reasonable costs or at all, such disruptions could have a material adverse effect on CECONOMY's business.

CECONOMY's supply and logistics chain is also susceptible to various risks, including failure by its suppliers to deliver due to operational or production disruptions, financial problems, labour issues, product quality issues, lack of raw materials or other reasons. For some product categories, CECONOMY has only few, if any, alternative suppliers that are readily available. This might especially be the case for Apple, insofar as there are no alternatives to Apple products due to their proprietary operating systems (iOS and MacOS). Furthermore, disruptions in supply chains may be connected to worldwide shortages, as it is experienced with regards to certain IT categories such as notebooks and tablets due to increased customer demands on home office devices caused by the COVID-19 pandemic. If one or more suppliers were to fail to deliver the products of adequate quality in time or at all, or if CECONOMY fails to develop, maintain or strengthen its relationships with suppliers, its ability to obtain a sufficient volume and variety of products may be impaired. There can be no assurance that additional or alternative suppliers will be available when required on acceptable terms. Furthermore, it may become necessary to make changes to the supply chain and enter into other business arrangements to ensure the supply of products. This could result in additional costs and temporary supply shortages or disruptions. Additionally, any resulting prolonged negative impact on the quality of the products or services supplied to CECONOMY could materially adversely affect its reputation and business.

With regard to e-commerce, CECONOMY currently relies heavily on independent third-party logistics providers for delivery of its products to its customers' homes and other pick-up points. The utilization of their delivery services, or those of any other logistics companies CECONOMY may elect to use, is subject to risks, including increases in fuel prices, which would increase its shipping, road and transportation costs. Any increase in shipping or other logistics costs may impact CECONOMY's profitability margins if CECONOMY does not increase the prices of its products, and any such increases may negatively affect the demand for its products.

Moreover, strikes, work stoppages and inclement weather may impact the logistics providers' ability to provide delivery services that adequately meet CECONOMY's requirements. If such a delay or interruption of delivery were to occur, CECONOMY may not be able to meet consumer demand, which may result in customer complaints and ultimately fewer sales. Additionally, there can be no guarantee that CECONOMY will maintain relationships with its current independent carriers, and may at any point be required to contract with other carriers on less favorable terms or at a greater cost. If CECONOMY changes transportation providers, it could face logistical difficulties that could materially adversely affect its deliveries and could cause it to incur costs and expend resources in connection with such change.

1.2.12 CECONOMY could fail to efficiently operate and manage its supply chains, logistics, inventory levels and logistics capacity, which have a material adverse effect on its business, results of operations and prospects.

CECONOMY must maintain sufficient inventory levels in its stores and warehouses to operate its business through its online shops and stores successfully. If it does not accurately anticipate required product quantities and delivery times, its inventory levels will not be appropriate and since there are only few central stocks for goods, tolerance for misappropriation of quantities and delivery times for each store is limited. This may result in a loss of sales and a loss of customers who are unsatisfied with CECONOMY's delivery times. CECONOMY must therefore find the right balance between avoiding out of stock situations on the one hand and accumulation of excess inventory on the other hand which will result in additional costs of storing and disposing these items and may lead to depreciations. If CECONOMY is unable to operate and optimize its store and warehouse logistics successfully and efficiently, this could result in excess or insufficient logistical capacity and increased costs.

Any disruptions to, or insufficiency of, CECONOMY's supply and logistics systems, including as a result of supply disruptions, poor infrastructure conditions, adverse climate, natural disasters, pandemics, human error or acts of terrorism, vandalism or sabotage could have a material adverse effect on its business, results of operations and prospects.

1.2.13 The international nature of its business exposes CECONOMY to a variety of economic, political, legal and other related risks.

CECONOMY has operations and investments in numerous countries. Although CECONOMY's business focusses on Western Europe, Germany in particular, CECONOMY also pursues business interests in a number of other countries, including, among others, Turkey. Some of CECONOMY's operations and sales take place in countries and regions with significantly less political or social stability than is generally found in Western Europe or Germany. Doing business in these countries and regions carries certain inherent risks. These include

- diverse systems of laws and regulations;
- inconsistent, politicized or otherwise inequitable application or enforcement of laws or regulations;
- unexpected or adverse changes in laws or regulations; adverse changes in tax laws or their application;
- exchange controls or currency restrictions;
- substantial fluctuation, devaluation or inflation of local currency, including hyperinflation;
- business environments in which fraud, bribery or corruption are common, condoned or encouraged by private or official actors;
- substantial tariffs, trade barriers, export duties or quotas; expropriation, nationalization or similar government interventions;
- restrictions on the ability to repatriate cash from CECONOMY's subsidiaries;
- restrictions on investment by foreign companies;
- local content requirements;
- divergent labour regulations or cultural expectations regarding employment;
- divergent expectations regarding professional conduct, business relationships, industrialization or international; and
- business generally.

CECONOMY is also subject to certain risks as a result of its presence in places where political instability, labour unrest, or violence (including terrorist attacks or threats) is or has recently been a significant factor. In addition, some of its operations in certain countries, particularly non-EU countries, are subject to local conditions that at times fail to guarantee adequate legal protections for its operations or personal security to its personnel. With respect to risks related to CECONOMY's investment in the Public Joint Stock Company "M.video", Moscow, Russia ("**M.video**"), a Russian retailer for consumer electronics, in light of the Russian war of aggression against Ukraine, see "*1.4.11 CECONOMY faces risks due to potential sanctions with respect to M.video*".

The realization of any of these risks, alone or in combination, could have a material adverse effect on the business, assets, results of operations, financial position, cash flow and prospects of CECONOMY.

1.2.14 CECONOMY's business may become subject to increasing seasonal revenues fluctuations which may make it difficult to predict its future performance and have a material adverse effect its business, results of operations and cash flow.

To date, CECONOMY's business has – except for specific seasonal events such as "Black Friday" (each year on the first Friday after Thanksgiving) and special promotions and offers with price reductions around public holidays in different countries – experienced limited seasonality and volatility with the exception of the first quarter of its financial year (1 October until 31 December) in which demand for certain product categories is significantly higher due to Christmas, and the second quarter of its financial year (1 January until 31 March), where demand for such products is usually significantly lower. Consequently, poor sales performance in the first quarter of CECONOMY's financial year could adversely affect its full-year results and leave it with substantial excess stock that is difficult to liquidate. The decrease of the generally negative net working capital, i.e. a lower source of funding, as a result of investments in inventory could limit CECONOMY's ability to make capital expenditures during these periods as they become necessary.

Furthermore, due to the COVID-19 pandemic, a significant shift was seen towards online sales as well as persistently strong demand in the equipment supporting working from home and household appliances product categories. Due to the continued emergence of new virus variants the further development of the COVID-19 pandemic is not yet foreseeable, and may result in a sudden collapse in sales from the above mentioned categories of products and the online sales, but may also result in a further increase in sales in these categories if the COVID-19 pandemic persists. CECONOMY might therefore be unable to forecast seasonal effects accurately or synchronize its sourcing cycles to coincide properly with the impacts of COVID-19 effects in its sales volumes.

If CECONOMY's business growth slows or ceases, seasonal fluctuations could also become more important to its results of operations. This could also cause CECONOMY's inventories, working capital requirements and cash flows to vary from quarter to quarter. Furthermore, CECONOMY may become more dependent on supply sources which can cover its peak demand and a sufficient perception of its offers on seasonal events. If its suppliers fail to deliver products in sufficient volumes to meet this peak demand, CECONOMY could experience supply shortages which might harm its business (regarding the risk of supply shortages in general, see "*1.2.11 CECONOMY, as a consumer electronics retailer, depends on external producers and providers for the supply of its goods and services and could face supply-shortages or disruptions to its supply chain, which could adversely affect its reputation and business.*").

CECONOMY's inability to respond to seasonal and cyclical fluctuations in demand could have a material adverse effect on its results of operations and cash flow.

1.2.15 The variety of payment methods that CECONOMY accepts, the large volume of cash transactions as well as the product assortment exposes CECONOMY to operational risks and risks of theft, robbery, negligence and/or fraud that could have an adverse effect on the results of operations and cash flow of CECONOMY.

In its stationary stores and online shops, CECONOMY currently offers different payment methods tailored to meet local customers' payment preferences, including cash, credit and debit card, pay by invoice, financing, gift cards, PayPal, paydirekt, direct deposit, online bank transfer, direct debit, Apple Pay, Google Pay and Klarna. Purchases made using credit or debit cards account for a large proportion of sales. CECONOMY relies on third-party service providers for the processing of such payments and pays interchange and other fees for this service. These fees are typically calculated as a percentage of the purchase amount and may increase over time and cause CECONOMY's operating expenses to rise. In addition, if such service providers experience disruptions, system failures or other events which render them unable to process credit or debit card payments, CECONOMY's sales could be materially adversely affected. Disruptions affecting other financial institutions or intermediaries that process CECONOMY's customers' credit or debit card transactions (such as, for example, a customer's credit card issuing bank) could also have a negative impact on its business. Furthermore, customers may claim that purchases or payments were not properly authorized or were transmitted in error. CECONOMY also faces the risk that customers may have insufficient funds and the risk of various types of fraud. For example, under German law but also in a number of other jurisdictions, the risk of an invalid transfer instruction by a customer, and, thus, the risk of abuse, lies generally with the retailer. Therefore, CECONOMY could be liable for fraudulent credit or debit card transactions. In the case of invoicing, CECONOMY also carries a risk of non-payment of invoices by the customer, for example, due to lack of funds, despite the implementation of monitoring systems. CECONOMY also faces the risk of operational failures during the checkout process in its digital platforms. This results from the complexity of certain payment methods. Such difficulties could adversely affect CECONOMY's conversion rate, which is the proportion of site visitors that actually complete the purchasing process.

As CECONOMY offers new payment options to customers, it may be subject to additional regulations, compliance requirements and various types of fraud or cyber-attacks. CECONOMY is also subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard and rules governing electronic funds transfers, which could change or be reinterpreted making it difficult or impossible for CECONOMY to comply. If CECONOMY fails to comply with these rules or requirements of any provider of an offered payment method, among other things, CECONOMY may be subject to fines or higher transaction fees and may lose, or face restrictions placed upon, its ability to accept credit or debit and PayPal payments from customers or facilitate other types of online payments.

Due to the nature of its business, which includes in-store cash payments, CECONOMY processes a large volume of cash transactions. Therefore, CECONOMY is exposed to the risk, inter alia, of petty theft, robbery, negligence and/or embezzlement, which, if substantial in the aggregate, could have an adverse effect on its business, results of operations and cash flows. In addition, CECONOMY is subject to the risks of shoplifting (particularly since CECONOMY's product assortment includes small size products with large value such as small electronic devices), employee theft or fraud, customer fraud and third-party service provider theft or fraud.

The realization of any of these risks, alone or in combination, could have a material adverse effect on the results of operations and cash flow of CECONOMY.

1.2.16 CECONOMY is exposed to the risk of counterparty default, which may lead to higher costs, lost income and thereby have a material adverse effect on the results of operations and cash flow of.

As a retailer operating physical stores and online shops, CECONOMY is regularly owed significant amounts of money by numerous counterparties, including customers to whom CECONOMY, to a certain extent, may offer credit, in particular by offering invoice and credit card payment. CECONOMY also has receivables from suppliers, which mainly represent subsequent payments from suppliers (e.g. bonuses and advertising cost subsidies). As a rule, these are offset when CECONOMY's own liabilities fall due as part of the payments to the respective supplier.

Furthermore, CECONOMY has receivables from commission claims, mainly against certain mobile communications providers, which result from the brokerage of customer contracts. CECONOMY capitalizes these and collects them over the term of the underlying contracts. For the receivables, there is a risk that the corresponding claims cannot be realized in the event of default by the mobile communications provider or the customer.

Especially, commissions can only be cashed as long as mobile communications providers operate their service. Trade receivables and contract assets from mobile communications providers are measured individually using the individual providers' credit risks. Revolving commission receivables due from contract partners in the mobile communication area were sold as part of two factoring programs. An ongoing commitment in the amount of EUR 47 million as of 31 March 2022, the nominal volume of the default guarantees furnished in the context of CECONOMY's factoring program, was recognized as a liability and the corresponding customer receivables in the same amount not fully derecognized. As of 31 March 2022, the carrying amount of the original assets was EUR 148 million.

In Switzerland, CECONOMY offers a customer financing program via MediaMarkt, which allows Swiss customers not only to purchase products at MediaMarkt, but also to finance them directly there. The financing taken up can be repaid flexibly by the customer at any time within a period of three years. As part of the revolving sale of receivables from the Swiss customer financing program, PayRed Card Services AG, Dietikon, Switzerland, guarantees to service a limited number of customer defaults. As of 31 March 2022, a continuing involvement in the amount of the nominal volume of the default guarantees provided of EUR 15 million was recognized as a liability, and the customer receivables in the same amount were not fully derecognized. As of 31 March 2022, the carrying amount of the original asset was EUR 94 million.

In addition, CECONOMY frequently holds significant cash balances on deposit with financial institutions or has it invested on a short-term basis. These contractual arrangements, deposits and other financial instruments give rise to credit risk on amounts due from such counterparties. In particular, CECONOMY also operates in countries whose financial institutions do not achieve an investment grade rating due to their respective country ratings. However, CECONOMY also works with these institutions for country-specific reasons as well as for cost and efficiency reasons. CECONOMY is therefore exposed to payment delays and the default of counterparties, including financial institutions, suppliers, mobile communications providers and customers with bad debts, in particular if customers, from time to time, have difficulties making the required payments in full or on a timely basis.

Furthermore, a counterparty default as a result of, for example, supplier insolvency, can lead to significant delays in delivery of important products to CECONOMY or performance of services, cost overruns, or other critical failures, which could adversely affect its business. To the extent that CECONOMY sub-leases a property or parts of a property (such as dedicated selling space for shop-in-shop concepts) to third parties, it also faces the risk that the third-party tenants may become insolvent, which may lead a loss of rental income.

The realization of counterparty default risks may lead to higher costs, lost income and thereby have a material adverse effect on the results of operations and cash flow of CECONOMY.

1.2.17 CECONOMY may fail to successfully identify, enter into or integrate acquisitions, joint ventures, co-operations and business partnerships or to successfully execute divestments. This could have a material adverse effect on the business, results of operations and prospects of CECONOMY.

CECONOMY's future success partly depends on the exploration of new and innovative business areas. Customer's requirements and behaviors are constantly changing as advances are made in digitalization and, thus, are opening-up new business areas in various sectors such as Smart Home, E-Sports, Healthcare and E-Mobility. CECONOMY is therefore required to constantly identify new products and business models that offer customers added value, fit in with CECONOMY's strategy and build on the operating processes' existing strengths. This includes the expansion of the service portfolio with concepts in the stores, online and in customers' homes. One way to pursue this strategy is the acquisition of existing businesses, as it has been the case in view of CECONOMY's ability to offer after-sales services with regard to installing, networking and troubleshooting electronic appliances at its customers' homes. Further acquisitions could become a possible strategy to realize the transition to a broader online-service or to further develop the omnichannel strategy. CECONOMY therefore continuously examines new concepts, strategic partnerships and acquisition opportunities.

However, due to CECONOMY's position in potential sub-segments of the retail market for consumer electronics, there is also the risk that potential acquisitions or mergers may face special scrutiny by competition authorities on a national or European level. Furthermore, there can be no assurance that CECONOMY will be able to identify suitable targets or complete acquisitions or enter into joint ventures or investments on favorable terms or at all. It is also possible that not all material risks in connection with acquisitions or the establishment of joint ventures will be identified in the due diligence process and that such risks will be (sufficiently or at all) taken into account in the decision-making process, or the respective agreements (including warranties). In addition, future acquisitions may also give rise to financial and tax restructuring measures which, even if designed with the aim to achieve a tax-efficient structure, may expose CECONOMY to risks, for example, if the tax authorities were to challenge any of the implemented measures. Furthermore, future acquisitions, joint ventures and other investments in businesses entail risks regarding the integration of businesses, including, among other factors, employees, processes, IT, logistics and other systems, and product offerings and such acquired businesses may not, or not within the anticipated timeframe, achieve the targeted operative development. In particular, the integration of such businesses in the existing IT systems for operations, including point-of-sale, distribution, inventory management, order processing, stock replenishment, customer-relationship management, financial and operational reporting, accounting and other systems, may be a complex, time consuming and expensive process and will likely involve a number of uncertainties. In addition, CECONOMY may, for example, incur costs and expenses associated with unexpected difficulties, the diversion of management's attention from its daily operations and/or strategic business decisions, the potential loss of key employees, suppliers and customers, difficulties in competing with existing stores or business or diverting sales from existing stores or business, difficulties in complying with foreign regulatory requirements and the additional demands on management related to the increase in the size and scope of operations. Furthermore, CECONOMY may not realize anticipated synergies after the integration of future acquisitions or only slower than targeted.

In addition, future acquisitions or investments in joint ventures or other business partnerships may be capital intensive and could deplete CECONOMY's financial resources. Future acquisitions could also require CECONOMY to incur debt or issue debt or equity securities to finance such acquisitions, which, in the case of issues of new equity, may dilute the interest of CECONOMY's existing shareholders. In addition, there is no assurance that CECONOMY would have sufficient resources to pursue acquisitions if it considers that such acquisitions are necessary to, for example, be able to maintain a position in significant markets. Furthermore, in joint ventures, co-operations and partnerships, including possible franchises, CECONOMY could have only limited influence on the organization and business success of the companies concerned. Thus, the ability to fully exploit the strategic potential in markets in which CECONOMY operates or enters could be impaired if CECONOMY were unable to agree with its partners or joint shareholders on a common strategy and its implementation. The interests of partners or joint shareholders could also conflict with own interests. Minority shareholders in certain joint ventures, co-operations and partnerships may also have approval or other rights under applicable corporate laws, joint venture or shareholder agreements or other organizational documents. Furthermore, the expected benefits may not materialize, and CECONOMY may incur additional costs or other disadvantages which could have a material adverse effect on its reputation, business, financial position and results of operations. In addition, CECONOMY could be subject to fiduciary or contractual obligations to its partners which may prevent or impede its ability to unilaterally expand in the business area in which such a joint venture or associated company operates. Moreover, when a joint venture or other form of co-operation is dissolved or terminated, CECONOMY may be required to make payments to its partners.

In particular in connection with a shift towards the online business and a possible reduction of store premises, risks may result from past or future divestments, in particular regarding potential pre- or post-closing reductions of purchase prices or due to possible liabilities arising from representations and warranties or covenants, for example, regarding taxes or pensions. Moreover, CECONOMY may be required to remain party (as lessee) to a substantial number of lease agreements relating to stores of divested businesses. If and to the extent the relevant businesses no longer perform (or are no longer able to perform) their obligations under the corresponding sublease agreements, CECONOMY faces the risk of loss of rent, in particular if such premises cannot be sub-let to third parties at favorable economic terms or at all.

Failure to maintain strategically important business partnerships, or to successfully implement acquisitions and co-operations or to successfully execute divestments could have a material adverse effect on the business, results of operations and prospects of CECONOMY.

1.2.18 CECONOMY could fail to adequately protect its reputation, the MediaMarkt and Saturn brands and other brands under which CECONOMY operates, which could have a material adverse effect on its sales.

CECONOMY's success is largely dependent on its reputation, and the strength and value associated with the "MediaMarkt" and "Saturn" brands and other brands including those relating to CECONOMY's own brand products. In particular, the quality and safety of products and services, competitive pricing and inspiring shopping experience customized for CECONOMY's customers' needs are of critical importance. This reputation is subject to various risks, including unsuccessful or insufficient marketing and merchandising efforts implemented and carried out by CECONOMY or its suppliers, any inability to adequately respond to consumer tastes and preferences or deterioration of the public image or reputation as a result of unfavorable publicity concerning CECONOMY, its products or services, its stores or online shops and its personnel, or other negative publicity. CECONOMY's reputation could also be adversely impacted in the event of a significant product recall or product related litigation, especially with regard to its own-brands.

Further, CECONOMY's success in maintaining and improving its brand image depends on its ability to adapt to a rapidly changing media environment, including its increasing reliance on social media and online dissemination of advertising campaigns. Negative posts or comments about CECONOMY on social networking platforms and other websites that spread rapidly through such forums could seriously damage its reputation and brand image. In order to attract and retain customers, CECONOMY may need to substantially increase its expenditures for creating and maintaining brand loyalty. As a result, CECONOMY's sales and marketing expenses may increase significantly.

If CECONOMY fails, or is perceived to have failed, to provide the expected experiences and standards (such as general quality, safety, health and environmental standards or specific standards for sustainable products) to its customers' satisfaction, its customers' confidence and loyalty may be impaired. Any issues in this regard at CECONOMY's physical stores or online shops could have a significant negative effect on its reputation and business operations and could lead to a loss of customers. Furthermore, environmentally or socially harmful practices along CECONOMY's supply chain or at its premises may seriously damage CECONOMY's image and reputation and endanger its business.

Any deterioration of the strength and reputation of CECONOMY's brands and products or the brand products of its suppliers could have a material adverse effect on its sales.

1.2.19 CECONOMY depends on its ability to lease appropriate real estate on commercially acceptable terms and to commercially exploit its real property rights. Any failure could result in frustrated investments, cost overruns or operative restrictions, a loss in market share and have a material adverse effect on CECONOMY's business, results of operations and prospects

There has been lately a significant shift from in-store sales towards online-sales via CECONOMY's online shops. However, a large portion of sales is still generated in CECONOMY's physical stores (retail outlets). Despite the current effects of the COVID-19 pandemic, CECONOMY believes that its ability to compete depends, in part, on its ability to maintain stores and depots in attractive locations. This, in turn, is heavily dependent on identifying and leasing premises that are suitable for its needs on commercially reasonable terms. In particular, the real estate market in metropolitan areas, and especially big cities, is highly competitive, primarily due to a limited availability of suitable premises. CECONOMY, therefore, faces competition not only from other retail industry participants, but also from a variety of other industries.

If CECONOMY is unsuccessful in selecting profitable business locations or fails to identify and secure a sufficient number of premises or premises in attractive locations or fails to prolong attractive or replace unattractive lease agreements, in particular due to competition from third parties seeking similar premises, CECONOMY may not be able to maintain or increase its customer base, or may even lose customers. This can adversely affect its market shares and anticipated development of its business. Any decisions that prove wrong in hindsight may lead to an unprofitable use of selling space, as well as risks from having unused selling space for which no further useful purpose can be found, which pose a risk to the intrinsic value of CECONOMY's warehouse network. Furthermore, important resources that would be better used elsewhere, including employees, could be tied up in unprofitable locations.

Consequently, there can be no assurance that CECONOMY will successfully identify, lease and maintain suitable premises on acceptable terms, within the anticipated timing or at all. Failure to do so could result in frustrated investments, cost overruns or operative restrictions with a material adverse effect on its business, results of operations and prospects.

1.2.20 All of CECONOMY's stores are located on premises being leased on a long-term basis. Any misjudgement by CECONOMY regarding rented properties may have a negative impact on CECONOMY's profitability.

Currently, all stores operated by CECONOMY are located on leased premises. This includes land and buildings for the electronics 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 include extension or termination options for CECONOMY to ensure operational flexibility. This means that CECONOMY can decide unilaterally within the scope of the options whether to extend the lease beyond the fixed term. The lessor, on the other hand, can only terminate the contract when the fixed term and any extension have expired or when the extension options have not been exercised by CECONOMY. Taking into account the options in favor of CECONOMY, the terms usually range between 15 and 30 years. 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. The structure of CECONOMY's lease agreements bears the risk that premises may turn out to be under- or oversized if CECONOMY's needs have changed, especially due to changes in customer needs. CECONOMY could then incur frustrated investments, specifically investments in the premises. Furthermore, CECONOMY faces the risk that a lease agreement may not be further extended after the expiration of its term and the respective extension options. In these and other similar situations CECONOMY could be deprived from future business opportunities. In addition, CECONOMY could face significant costs with respect to long-term lease arrangements in case a location proves to be unprofitable. If such premises could not be sublet on acceptable terms or at all, CECONOMY would be burdened by long-term payment obligations. Furthermore, CECONOMY may face significant indemnity expenses in case of early termination of these long-term lease arrangements. These risks might have a material adverse effect on CECONOMY's profitability.

1.2.21 CECONOMY's ability to attract customers to its stores heavily depends on the success of retail destinations such as shopping malls, city centers and suburban commercial zones in which CECONOMY's stores are located, which poses a risk to CECONOMY's sales.

CECONOMY operates stores located in a variety of locations, mainly city centers, shopping malls and suburban commercial zones. CECONOMY's sales at these stores are dependent, to a significant degree, on the volume of consumer traffic in those retail destinations and the surrounding areas. Factors which may be relevant to customers for generating and/or maintaining the attractiveness of a particular urban or suburban retail location include, among others, mass transit connections, parking, distance from the consumer's home or place of business and the mix of other retail, dining and entertainment options in the vicinity. These factors might be subject to developments over which CECONOMY has no control. CECONOMY's stores can benefit from the ability of other tenants in those retail destinations to generate consumer traffic and the continuing popularity of those areas as retail destinations. On the other hand, adverse economic conditions or other factors in certain markets where CECONOMY operates might cause other retailers to close stores. As a result, certain shopping centers may have a reduced occupancy rate which tends to reduce traffic in the entire shopping center. All of these factors may impact the level of customer traffic in CECONOMY's stores and could adversely impact CECONOMY's sales.

1.2.22 CECONOMY has investments in affiliates, joint ventures and other entities which it does not fully own or over which it does not have full control, and actions taken by its partners could materially affect its business.

CECONOMY has investments in affiliates, joint ventures and other entities, and may enter into additional investments in the future. For example, the Company indirectly holds a minority interest of around 24% in FNAC DARTY S.A., Ivry-sur-Seine, France ("**FNAC DARTY**"), a French retailer for CE and home appliances, and, through the Company's fully consolidated subsidiary Media-Saturn-Holding GmbH, Ingolstadt, Germany ("**MSH**"), a stake of 15% in M.Video, and a stake of 2% in PG Public Group Ltd., Limassol, Cyprus, a joint venture vehicle for consumer electronics operations in Greece and Cyprus. With respect to risks related to CECONOMY's investment M.video in light of the Russian war of aggression against Ukraine, see "*1.4.11 CECONOMY faces risks due to potential sanctions with respect to M.video*".

CECONOMY may only exert limited control over these affiliates, joint ventures and other entities. Therefore, these investments are subject to the risk that the other parties, who may have different business or investment strategies than CECONOMY or with whom it may have a disagreement or dispute, may reduce CECONOMY's independence or otherwise materially adversely affect business, financial or management decisions, such as the decision to distribute dividends or appoint members of the management, which may be crucial to the success of the project or CECONOMY's investment in it, or otherwise implement initiatives which may be contrary to CECONOMY's interests.

Moreover, joint venture and other partners may be unable or unwilling to fulfill their obligations under the relevant joint venture agreements and shareholder agreements, or may experience financial or other difficulties that may adversely impact CECONOMY's investment in a particular joint venture. In particular, there is the risk that partners or co-investors may become bankrupt or fail to fund their required capital contributions. CECONOMY's co-investors may also have objectives that are inconsistent or that conflict with CECONOMY's business interests or goals and may be in a position to block or impede action with respect to its investments or take actions contrary to its policies, objectives or interests. Disputes between CECONOMY and its co-investors may result in litigation or arbitration that may consume significant financial and other resources and result in the loss of business opportunities and growth. Furthermore, actions by CECONOMY's co-investors, of which CECONOMY may be unaware, or which it may be unable to control, such as political affiliations, illegal or corrupt practices and other activities, may cause reputational damage to CECONOMY or result in adverse consequences for its investments, including incurring costs, damages, fines or penalties, construction delays, reputational losses or the loss of key customer relationships. In addition, CECONOMY's joint ventures may encounter delays or not materialize on the terms initially contemplated. Any of such scenarios could have a material adverse effect on the assets and prospects of CECONOMY.

1.2.23 CECONOMY's marketing campaigns may prove ineffective or infringe applicable law or result in litigation or claims. This could result in material adverse effect on the business, results of operations, financial condition and prospects of CECONOMY.

CECONOMY's sales largely depend on the success of its marketing campaigns. CECONOMY uses various marketing platforms, especially performance digital marketing. A general increase in demand for this form of advertising due to the growing importance of online advertising could, given the reliance on the duopoly essentially held by Google and Facebook, lead to increasing prices. Any price increases imposed, for example, by Google for its services, may increase CECONOMY's marketing costs unexpectedly.

From time to time, CECONOMY will need to refresh or reinvent its marketing campaigns, which will require additional expenses. In the future, CECONOMY may, for example, make significant marketing efforts in areas such as advertising, search engine optimization and social media presence. These initiatives may fail to attract new customers or to generate the anticipated purchase volumes. More generally, CECONOMY cannot guarantee that its marketing efforts will generate the required degree of brand recognition, promote growth in the number of customers, or expand the volume of sales. In markets where CECONOMY has already achieved significant penetration, acquiring additional customers could prove more difficult and costly. If a marketing campaign fails, CECONOMY could face a decrease in customer demand and a resulting decline in sales so that the investments made will turn out to be ineffective. Therefore, failed marketing campaigns could have a material adverse effect on CECONOMY's business, results of operations and financial condition.

Furthermore, although CECONOMY believes to comply with applicable laws against unfair competition and consumer protection laws, CECONOMY's advertising and promotional activities may be challenged by competitors, customers, competent authorities or other parties. Even if such claims are not successful, the negative publicity resulting from such claims could negatively affect CECONOMY's reputation and undermine its brands. If CECONOMY's advertising or promotional activities are challenged by competitors or others, or if CECONOMY is found to have violated advertising laws, or if marketing campaigns result in litigation or claims, this could have a material adverse effect on the business and prospects of CECONOMY.

1.2.24 CECONOMY's business, results of operations and prospects may be negatively affected by changes in search engine algorithms and dynamics, or search engine disintermediation.

A significant number of CECONOMY's customers access its online services by clicking on a link contained in organic search results generated by internet search engines. Therefore, CECONOMY depends in part on various internet search engines, such as Google, to direct a significant amount of traffic to CECONOMY's websites, from which it derives a substantial portion of its revenue. The ability of CECONOMY to maintain a high number of visitors to its websites is not entirely within its control. CECONOMY endeavors to increase such relevant traffic by increasing the ranking of its online services in organic searches, a process known as search engine optimization.

The algorithms and ranking criteria of such search engines are being kept confidential by the search engine operators. Consequently, CECONOMY does not have complete information on such algorithms and ranking criteria, making its efforts at search engine optimization considerably more difficult. Furthermore, search engines frequently modify their algorithms and ranking criteria to prevent their organic search results from being manipulated, which could impair CECONOMY's search engine optimization efforts. In this respect, Competitors' search engine optimization efforts may result in their websites receiving a higher search result page ranking than the websites of CECONOMY, or internet search engines could revise their methodologies in an attempt to improve their search results, which could adversely affect the placement of CECONOMY's search result page ranking. In addition, negative online customer reviews could lead search engines to down-rank the websites of CECONOMY. If CECONOMY is unable to quickly recognize and adapt its techniques to such modifications in search engine algorithms or if CECONOMY's search engine optimization efforts prove otherwise ineffective, or if competitors' search engine optimization efforts are more successful than the efforts of CECONOMY, CECONOMY may need to increase its spending on other forms of marketing or may potentially suffer a significant decrease in traffic to its online services.

In addition, search engines may consider search engine optimization efforts manipulative or deceptive and therefore see them as a violation of their terms of services. This may result in CECONOMY's online services being excluded from organic search results. The same may occur if search engines modify their terms of service to prohibit CECONOMY's search engine optimization efforts. Any exclusion of CECONOMY's online services from organic search results could significantly reduce CECONOMY's ability to attract relevant traffic to its online services.

The realization of any of these risks, alone or in combination, could materially adversely affect the business, results of operations and prospects of CECONOMY.

1.2.25 Any increase in cancellation or return rates could increase CECONOMY's costs and harm its business and results of operations.

CECONOMY has established return policies that permit its customers to return products within designated timeframes following purchase or delivery. Providing customers with the certainty that they will be refunded the purchase price for those products that they do not want to keep is an important element for converting app and website visitors into customers. The same applies to CECONOMY's physical stores since they have to compete with web-only retailers where consumers have a statutory right of withdrawal due to consumer protection laws. If CECONOMY experiences a significant increase in returns – for example, due to customer dissatisfaction with products or customer service, changes in customer behavior or the abuse of CECONOMY's liberal return policy by persons not actually willing to purchase its products – there is no guarantee that CECONOMY will be able to utilize returned goods in a cost-efficient manner, for example by reselling them in stores, CECONOMY's apps and websites, selling them at third-party outlets or returning them to CECONOMY's suppliers. CECONOMY incurs costs associated with returned goods, for example, costs associated with processing and delivery, but may not receive revenue from returns or proceeds from sales of returned goods may not cover all costs incurred. Thus, any increase in returns would increase CECONOMY's costs with no corresponding increase in revenue. A growth of CECONOMY's business is likely to increase the absolute number of returns, which may force CECONOMY to allocate additional resources to the handling of such returns and may further complicate its operations. Furthermore, any modification of CECONOMY's return policies may result in customer dissatisfaction or an increase in the number of returns, which could adversely affect CECONOMY's business. A significant increase in return rates could therefore have a material adverse effect on the results of operations of CECONOMY.

1.2.26 CECONOMY is exposed to the risk of rising labour costs which might negatively affect its profitability.

Personnel expenses represent a significant portion of CECONOMY's cost base. Future increases of statutory minimum wages and general wage levels, both in Germany and abroad, may impact its cost base both directly or indirectly (if, for example, higher wage levels impact the overall cost structure of CECONOMY's suppliers and such suppliers pass on the increased costs or a portion thereof). This could reduce CECONOMY's margins, unless CECONOMY is able to increase the efficiency and productivity of its employees in line with, or at a faster rate than, the rate of their salary increases. If CECONOMY is unable to limit such increases in personnel costs or if cost increases cannot be passed on to CECONOMY's customers, or only with a delay, this could reduce margins and profitability and have a material adverse effect on the results of operations, financial position, cash flow and prospects of CECONOMY.

1.2.27 CECONOMY may incur liabilities that are not covered by insurance and its insurance premiums may increase substantially. This could have a material adverse effect on CECONOMY's financial position and cash flow.

CECONOMY maintains various types of insurance, including general liability, property damage and business interruption coverage, product liability, cyber incident insurance, transportation insurance and terrorism insurance. Forms, conditions and/or limits may vary due to country-specific factors and further risk aspects. Given the diversity of locations and settings in which CECONOMY's employees provide services and the range of activities CECONOMY's employees engage in, CECONOMY may not always be able to accurately foresee all activities and situations in order to ensure that they are appropriately covered by the terms of its insurance policies. This is especially the case, as CECONOMY strives to offer a comprehensive range of services beyond the sale of goods, such as repair services or installation of devices. As a result, CECONOMY may not be sufficiently covered by insurance in specific instances. While CECONOMY seeks to maintain appropriate levels of insurance, certain potential risks are only insurable at very high insurance premiums or not at all and CECONOMY may experience major incidents of a nature not covered by insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages in a calendar year may have a material adverse effect on CECONOMY's insurance premiums. Finally, CECONOMY's insurance premiums may increase over time in response to any negative development in its claims history or due to material price increases in the insurance market in general. CECONOMY may not be able to maintain its current insurance coverage or do so at a reasonable cost. This could have a material adverse effect on its financial position and cash flow.

1.2.28 Any inconsistent or inadequate implementation of CECONOMY's strategy by group companies in the future could result in missed profit opportunities and potential losses.

There is a risk that CECONOMY's strategy will not be implemented consistently and adequately by all of CECONOMY's group companies. In the past, CECONOMY's group companies in Poland and Sweden did not implement CECONOMY's strategy uniformly and, in the case of the Polish group company, performed a deviating strategy, which proved to be disadvantageous for CECONOMY. If group companies will deviate from CECONOMY's strategy in the future, this might result in missed profit opportunities for CECONOMY in the respective market. Furthermore, CECONOMY's ability to withdraw from such markets might be limited in the short-term, in particular due to longer-term lease agreement, as it is the case in Sweden. In addition, the withdrawal of a market by CECONOMY could be burdened by high costs for reducing the respective work force, including severance payments and settlement compensations, if CECONOMY is unable to terminate employment relationships on short notice. As a result, CECONOMY might have to continue unprofitable parts of its business, which could ultimately result in losses. If CECONOMY will be unable to implement its strategy in all group companies consistently and adequately, this could have a material adverse effect on its business, results of operations and prospects.

1.3 Risks related to CECONOMY's financial condition

1.3.1 A change in CECONOMY's credit rating could significantly affect its access to the capital markets, increase the costs of capital and increase the need to refinance its business operations and CECONOMY might not be able to generate sufficient cash to service its indebtedness. This could have a material adverse effect on the business, results of operations, financial position, cash flow and prospects of CECONOMY.

CECONOMY is continuously evaluated by two rating agencies, namely Moody's Investors Service and Scope Ratings. On 17 March 2022, Moody's Investors Service confirmed CECONOMY's rating with Ba1 and a stable outlook. On 24 May 2022, Scope Ratings confirmed CECONOMY's BBB-/Stable issuer rating. Both Moody's Investor Service and Scope Ratings have a registered seat in the European Union and have been declared to be registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on rating agencies by the European Securities and Markets Authority (ESMA).

In general, any downgrade of the current ratings and lower credit ratings from banks and suppliers could have significant impact on this access and thereby on CECONOMY's liquidity and group financing. These effects may be mutually dependent or reinforcing and may also be influenced by declining economic and/or sector-specific negative development in retail and wholesale in general. This could likewise have negative implications for CECONOMY's net working capital and could lead to a significant deterioration of its liquidity situation. In general, deterioration of net working capital would increase the probability of an additional financing requirement. CECONOMY's efforts to optimize and monitor the key figures relevant for its ratings, in particular in order to be able to initiate countermeasures at short notice, could be insufficient to prevent a rating downgrade. Furthermore, an economic slowdown and/or a decline in the retail industry, such as caused by the COVID-19 pandemic, could prompt a further review of CECONOMY's credit ratings.

Although CECONOMY has momentarily no indication in this respect, its ratings could be downgraded in the future by Moody's Investors Service and/or Scope Ratings, in particular as the entire effects of the COVID-19 pandemic are not yet foreseeable. Any further rating downgrade could significantly affect CECONOMY's access to the capital market and increase the costs of capital, limiting CECONOMY's ability to borrow additional funds as needed or take advantage of business opportunities as they arise. This could also limit CECONOMY's flexibility in planning for, or reacting to, changes in its business and the industry. This in turn could have significant adverse effects on CECONOMY's financial condition. In addition, as a consequence of a downgrade of its credit ratings, CECONOMY may be required to pay higher interest under existing loan agreements. Such higher debt costs could also restrict CECONOMY's future access to debt or equity financing.

Furthermore, CECONOMY's cash flow from operating activities may not be sufficient to repay all of its outstanding debt, and CECONOMY may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to refinance such debt. As of 31 March 2022, net debt amounted to EUR 1,824 (31 March 2021: EUR 1,462 million). Adjusted for lease liabilities, net liquidity as of 31 March 2022 amounted to EUR 199 million (31 March 2021: EUR 561 million). Net liquidity/net debt is calculated by netting borrowings with cash and cash equivalents and short-term financial investments. The significant amount of debt mainly caused by lease liabilities may limit its flexibility to respond to future events and could have a material adverse effect on its business, financial position, operating results and prospects. Furthermore, actual and future cash requirements may be higher than currently expected. The ability to repay or refinance maturities depends on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond CECONOMY's control. Therefore, CECONOMY can neither guarantee that its business will generate sufficient cash flow from operating activities nor that the cost savings, sales growth and operating improvements currently anticipated will be realized, or that future debt and equity financing will be available on satisfactory terms or at all in an amount sufficient to enable CECONOMY to pay its debts when due, or to fund its other liquidity needs. CECONOMY may be required to use a substantial portion of its cash flows from operations to make interest payments on its debt, which in turn reduces the cash flows available to fund capital expenditures and other corporate purposes, to grow its business or to pay dividends.

In addition, the general development of interest rates has a significant impact on CECONOMY's interest expense. Interest rates are sensitive to many factors beyond CECONOMY's control, including the policies of the European Central Bank and central banks of other jurisdictions, domestic and international economic conditions and political factors. In view of the Federal Reserve System (*FED*) communicating its intention in the first quarter of 2022 to raise the key interest rate (*Leitzins*) in order to combat inflation in the United States of America ("**United States**"), a noticeable increase of the interest rate level is to be expected. This could significantly increase CECONOMY's interest expense. Furthermore, there can be no assurance that CECONOMY will be able to protect itself from adverse effects of future interest rate fluctuations. Such fluctuations in market interest rates could also lead to an increase in interest expense. Any such increase in interest expense could have a material adverse effect on CECONOMY's business, results of operations, financial position, cash flows and prospects.

Any increase in financing costs or limitation of its access to the capital markets and debt financing as well as the inability to repay outstanding debt could have a material adverse effect on the business, results of operations, financial position, cash flow and prospects of CECONOMY.

1.3.2 More stringent payments terms provided by CECONOMY's suppliers or changes to, or withdrawals of, credit insurance provided to the suppliers of CECONOMY could have a material adverse effect on its business, results of operations and financial condition.

CECONOMY's business is dependent on the sale of goods supplied to it by third parties. CECONOMY's working capital funding is typically a balance of extended trade payables under supplier financing arrangements and funding through its credit facilities. Credit levels remain dependent on the general economic environment and CECONOMY's financial position. In the event of a deterioration or perceived deterioration in CECONOMY's financial condition, regulatory changes or changes in product or supplier mix, there is a risk that these events could lead to more stringent payment terms, such as standby letters of credit, earlier or advance payment of invoices, payment upon delivery or other assurances or credit support, all of which could have a material adverse effect on CECONOMY's business, results of operations and financial condition. One or more of CECONOMY's suppliers may slow down or cease shipments or require or condition their sale or shipment of merchandise on more stringent payment terms. If these events were to occur and CECONOMY were unable to respond adequately, this could materially disrupt CECONOMY's supply of merchandise. Any such developments could increase CECONOMY's costs of sales and adversely affect its profit margins.

CECONOMY believes that third party suppliers in the relevant markets have traditionally taken out credit insurance to protect these receivables against the risk of bad debt, insolvency or protracted default of their buyers, including CECONOMY. If there is a significant decrease in the availability or increase in related costs, or the withdrawal in its entirety, of credit insurance to the suppliers, and the suppliers are unwilling or unable to take credit risk themselves or find alternative credit sources, they may choose to take actions to reduce their credit exposure towards CECONOMY, including seeking to change their credit terms. Any of these actions could have a material adverse impact on the cash position of CECONOMY and lead to an increase in its indebtedness, which could have a material adverse effect on its business, results of operations and financial position.

1.3.3 CECONOMY's indebtedness or the enforcement of certain provisions of its financing arrangements could restrict its operational flexibility or could lead to refinancing requirements. This could have a material adverse effect on CECONOMY's financial position and prospects.

CECONOMY's financing is based on several sources. CECONOMY issues financial instruments on the capital market for medium- and long-term financing. This includes several outstanding promissory notes (*Schuldscheindarlehen*) with a total nominal amount of EUR 61 million as well as unsecured and unsubordinated senior notes in the aggregated principal amount of EUR 500 million due 2026 and bearing interest on their principal amount at the rate of 1.750% per annum. For short-term financial funding, CECONOMY has a multi-currency commercial paper program with a maximum volume of EUR 500 million. As of the date of the Prospectus, commercial papers with a total nominal amount of EUR 85.5 million are outstanding. In addition, on 3 June 2022, the Company contracted a commercial paper with a nominal amount of EUR 7.5 million. The funds are expected to be available on 7 June 2022. CECONOMY's liquidity reserves are based on the ESG Credit Facilities Agreement (as defined below) with two facilities with a total volume of EUR 1.06 billion which, as of the date of the Prospectus, are not utilized.

As a consequence of its indebtedness, CECONOMY is exposed to risks resulting from its creditors' rights resulting from the terms and conditions of the financing agreements, which provide that the lenders may terminate the relevant agreement if CECONOMY fails to pay interest or principal when due (subject to a number of qualifications and exceptions) or upon any other event of default (including breach of obligations). Under certain circumstances, the occurrence of a change of control may result in any lender or holder having the right to cancel its commitment and/or demand repayment of outstanding principal and interest. In addition, some agreements include cross-default clauses providing that if indebtedness becomes prematurely due and payable under any financing instrument upon the occurrence of an event of default, the other indebtedness becomes payable as well. In this case, CECONOMY would have to repay or refinance large amounts of its outstanding indebtedness which could only be possible at economically less favorable terms or could fail, which could ultimately lead to CECONOMY's insolvency.

Furthermore, CECONOMY's financing agreements contain customary covenants which restrict its operational flexibility. In addition, certain covenants limit CECONOMY's ability to obtain additional financing, its flexibility in planning for, or reacting to, changes in the markets in which it competes, place it at a competitive disadvantage relative to its competitors with less indebtedness, renders it more vulnerable to general adverse economic and market conditions or require it to dedicate a significant portion of its cash flow to service its debt. For information on the covenants arising from the Company's ESG Credit Facilities Agreement (as defined below), see "*1.3.4 CECONOMY is exposed to risks resulting from covenants imposed by the ESG Credit Facilities Agreement.*".

If the lenders rely on such provision to accelerate repayments of any debt owed by CECONOMY or if CECONOMY's operational flexibility, its ability to obtain additional financing or its flexibility in planning for, or reacting to, changes in the markets in which it competes are restricted, this could have a material adverse effect on its financial position and prospects.

1.3.4 CECONOMY is exposed to risks resulting from covenants imposed by the ESG Credit Facilities Agreement. Any failure to comply with the requirements and covenants of the ESG Credit Facilities Agreement could have a material adverse effect on the financial position and prospects of CECONOMY

On 6 May 2021, the Company entered into an ESG-linked syndicated revolving credit facilities agreement ("**ESG Credit Facilities Agreement**") amounting to EUR 1.06 billion with a consortium of 13 commercial banks. The ESG Credit Facilities Agreement became effective on 9 August 2021 following the Company's termination of the previously existing syndicated credit facility with participation of KfW. The facilities under the ESG Credit Facilities Agreement consist of (i) a three-year tranche in the principal amount of approximately EUR 353 million and (ii) a five-year tranche in the principal amount of approximately EUR 707 million. The interest to be paid under the ESG Credit Facilities Agreement is the aggregate of a margin, which is adjusted from time to time on the basis of the long-term credit rating assigned to the Company, and the applicable EURIBOR rate. The applicable margin payable under the ESG Credit Facilities Agreement is furthermore linked to targets and thresholds in connection with certain environmental, social and governance criteria.

The ESG Credit Facilities Agreement includes a financial covenant relating to the ratio of consolidated net debt to EBITDA. Furthermore, if any single person or a group of persons acting in concert pursuant to Section 30 para. 2 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* – "**WpÜG**") acquires (direct or indirect) control of the Company pursuant to Section 29 para. 2 WpÜG, any lender under the ESG Credit Facilities Agreement may cancel its commitment and request repayment of its participations in all outstanding loans. If lenders, the sum of whose commitments is greater than two thirds of the total commitments so cancel, all remaining commitments shall be immediately cancelled and all outstanding advances shall be repaid.

Any failure to comply with the requirements and covenants of the ESG Credit Facilities Agreement could have a material adverse effect on the financial position and prospects of CECONOMY.

1.3.5 The Company is the central management holding company of CECONOMY with almost no revenue generating operations of its own and the Company therefore mainly relies on its indirect operating subsidiaries to provide the required funding to meet its financial obligations. If the Company does not receive sufficient distributions and/or other payments from its direct and indirect subsidiaries, this could have a material adverse effect on the financial position of CECONOMY.

As the central management holding company of CECONOMY, the Company has no business operations of its own, except for certain services it provides to MSH and other subsidiaries. The principal assets of the Company are (indirect) shareholdings in its operating subsidiaries. The Company's key economic activities are bundled – directly and indirectly via its wholly-owned subsidiary CECONOMY Retail GmbH, Dusseldorf, Germany – in MSH as the holding company of the MediaMarktSaturn Retail Group. As a result, the Company is dependent on dividends, interest payments and other payments from its direct and indirect subsidiaries and minority shareholdings (e.g. FNAC DARTY, M.video, METRO AG, Dusseldorf, Germany ("**METRO**"), METRO PROPERTIES GmbH & Co. KG, Dusseldorf, Germany, etc.) in order to generate the funds required to meet its financial obligations. These financial obligations may also include obligations arising from various payment guarantees for the payment and fulfillment of liabilities arising from contracts between group companies of CECONOMY and suppliers. In addition, CECONOMY has established an intra-group cash pooling that allows the group companies of CECONOMY to use the surplus liquidity of other group companies to cover their liquidity requirements. The obligations of CECONOMY's group companies under this intra-group cash pool may be secured by bank guarantees, which may in turn require default guarantees of the Company.

The ability of the Company's subsidiaries to make distributions and other payments to the Company in accordance with its shareholdings depends on the subsidiaries' earnings and is subject to contractual and statutory limitations. As a shareholder in its subsidiaries, the Company's right to receive dividends or withdraw liquidity from such subsidiaries will be subject to capital maintenance and creditor protection rules and the Company's right to claim assets upon liquidation or reorganization of such subsidiaries will be effectively subordinated to the claims of their respective creditors. Even if the Company is recognized as a creditor of its subsidiaries, its claims will still be subordinated to any security interests that are senior to the Company's claims. The same applies to any intermediary holding companies between the Company and the operating companies of CECONOMY.

If the Company does not receive sufficient distributions and/or other payments from its direct and indirect subsidiaries, it may be unable to meet its financial obligations, including under guarantees provided to third parties. This could have a material adverse effect on the financial position of CECONOMY.

1.3.6 CECONOMY is exposed to the risk of impairment of reported goodwill and additional assets. Any impairment of CECONOMY's investments could have a material negative effect on CECONOMY's assets, results of operations and financial position.

Lower operating profits than planned or operating losses, particularly in low-margin countries, due to, among other things, a highly competitive market environment, may entail impairment of reported goodwill and additional assets. This may negatively impact CECONOMY's net assets and earnings position. CECONOMY's efforts to strengthen the operating performance could be insufficient, in particular with respect to unexpected developments. For example, the outbreak of the COVID-19 pandemic and the associated temporary store closures significantly impacted the operating results in the financial year ended 30 September 2021 ("**2020/21 Financial Year**").

An economic crisis could also adversely affect growth and profitability opportunities in some countries. This could result in the requirement for CECONOMY to conduct goodwill or asset impairments. In addition, sustained or significant declines in prices of listed financial instruments and investments accounted for using the equity method could indicate impairment of the affected asset. The impairment test then to be performed may harm CECONOMY's net assets and earnings position. The investment in FNAC DARTY was tested for impairment as of 31 March 2020 in particular due to the severe downturn in stock markets at the beginning of the COVID-19 pandemic. The investment, which is accounted for using the equity method, was impaired by EUR 268 million in the second quarter of the financial year ended 30 September 2020, which had a negative impact on reported EBIT. As of 31 March 2021 there were indications of a possible impairment reversal (*Wertaufholung*). The expert reassessment of the investment in FNAC DARTY resulted in an impairment reversal of EUR 150 million. Furthermore, future potential reversals of impairment on the investment in FNAC DARTY were recognized as an opportunity at that time. As of 31 March 2022, FNAC DARTY was tested again for an impairment as the share price development indicated a possible need. However, the expert assessment of the investment in FNAC DARTY did not result in any impairment requirement. Taking into account the current book value of the investment and the share price development of FNAC DARTY, CECONOMY considers the opportunity of a further impairment reversal as quite low as of the date of the Prospectus.

In addition, CECONOMY's participation in M.video which was accounted for at a fair value of EUR 43 million as of 31 March 2022 is subject to valuation risks and foreign exchange risks being exacerbated by the massive ramifications of the Russian war of aggression against Ukraine (see also "*1.4.11 CECONOMY faces risks due to potential sanctions with respect to M.video*"). Due to the recent developments, at the end of the second quarter of 2022 it was no longer possible to assume that the price data available from the Moscow stock exchange could provide a basis for a reliable estimate of the current market value of M.video. Therefore, an expert was commissioned to provide an indication of the market value. As a result, the carrying amount of the investment, which was recognized at

EUR 138 million as of 31 December 2021, was adjusted through other comprehensive income by EUR 96 million to EUR 43 million as of 31 March 2022.

Any impairment of CECONOMY's investments could have a material negative effect on CECONOMY's assets, results of operations and financial position.

1.3.7 CECONOMY has obligations to its employees relating to retirement and other obligations, the calculations of which are based on a number of assumptions, including discount rates, life expectancies and rates of increase in compensation levels, which may differ from actual rates in the future. Changes in assumptions, under-performance of plan assets or an increase in obligations could adversely affect CECONOMY's financial position and results of operations

CECONOMY provides many of its employees with pension commitments for retirement, disability and surviving dependents' benefits. New commitments are granted in the form of defined contribution commitments, which may include fixed employer contributions as well as employer-matching components. The contributions are paid into a pension liability policy, which provides the benefits due in the event of entitlement. The granting of defined benefit pension entitlements exposes CECONOMY to various risks. These include general actuarial risks resulting from the valuation of pension commitments (for example, interest rate risks) as well as capital and investment risks related to plan assets.

A change in actuarial assumptions regarding, for example, discount rates, changes in salaries and pension levels, life expectancies or staff turnover, could lead to an increase in CECONOMY's pension liabilities and to additional provisioning. Changes in all assumptions or under-performance of plan assets could also adversely affect CECONOMY's financial position and results of operations. Differences between the discount rate and actual returns on plan assets can make it necessary to record additional re-measurements. Future declines in the value of plan assets or lower-than expected returns may require to make additional current cash payments to pension plans. Furthermore, the legal conditions governing CECONOMY's pension obligations are subject to changes in applicable legislation or case law. CECONOMY cannot provide any assurance that it will not in the future incur new or more extensive pension obligations due to changes in such legislation and case law, or that such changes will not have an impact on its previous calculations with respect to its pension obligations. Moreover, future amendments to accounting standards may affect CECONOMY's pension obligations. Should this be the case, this could have a material adverse effect on the financial position and results of operations of CECONOMY.

1.3.8 CECONOMY's results of operations may be adversely affected by currency fluctuations.

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. CECONOMY's functional and reporting currency is the Euro and distinguishes two types of currency risks. On the one hand, transactional risks consist of value fluctuations of foreign currency payments or payments of amounts which depend indirectly on a foreign currency. The devaluation of the relevant foreign currency reduces the equivalent value in the domestic currency of incoming foreign cash flows, while an appreciation increases the domestic equivalent of outgoing cash flows. Transactional risks relate to planned or contracted foreign currency payments, investments (dividends and capital changes involving an unsecured translation risk) and contracted financing transactions. On the other hand, translation risks arise from value fluctuations of consolidated net assets, for example, from the conversion of the net assets of consolidated subsidiaries which are held in foreign currency.

CECONOMY generates a significant part of its sales and costs in a number of non-euro currencies, such as Pound sterling, Hong Kong dollar, Polish zloty, Russian ruble, Swedish krona, Swiss franc, Turkish lira, US dollar and Hungarian forint. Furthermore, CECONOMY sells imported products and purchases various imported merchandise given that a substantial proportion of its products are purchased from representatives of large international producers or suppliers. In the event of a depreciation of the respective currencies of the countries in which CECONOMY operates, the cost of its imported products and equipment may increase and CECONOMY may be unable to pass all or some of product cost increases to its customers without negatively affecting its sales and profitability. Consequently, further depreciation of the currency of a country in which CECONOMY generates a significant share of its sales against foreign currencies may lead to an increase in its expenses in local currency terms and slow its sales growth, therefore negatively affecting its results of operations.

Exchange rate fluctuations also affect the translated value of balance sheet and income statement positions of CECONOMY's group companies outside the Eurozone, which are denominated in the relevant national currency, predominantly in Turkish lira which like the Russian ruble is losing value sharply due to a significant inflation, even showing hyperinflationary tendencies. These positions must be converted into Euro in connection with the preparation of the consolidated financial statements. As a result, exchange losses may arise due to this conversion (so-called translation risk).

CECONOMY's efforts to cover certain currency risks by managing short- and medium-term exchange rate fluctuations through hedging transactions by entering into swap, currency forward or option agreements covering CECONOMY's expected exposure to currency exchange rate risks could not sufficiently cover the actual risk. Risks from translation may therefore remain unhedged. This risk could in particular increase if – due to the effects of the COVID-19 pandemic – different ways to recover from the pandemic in Europe lead to the development of a Europe of two speeds with large economic gaps between single countries, resulting in large currency gaps.

The exposure to foreign currency exchange volatility and failure to adequately hedge the related risks could have a material adverse effect on the results of operations, financial position and cash flow of CECONOMY.

1.4 Risks related to regulatory, legal, and tax matters

1.4.1 The expected tax effects from intended structural measures may not be achieved or may not be achieved to the extent expected, which could have an adverse effect on the financial position of CECONOMY.

The Company intends to implement structural measures such as the conclusion of a profit and loss transfer agreement and/or alternative measures serving tax consolidation purposes, which shall create significant value by opening up and ensuring the ability to utilize tax losses from 2021/22 onwards. The majority of this newly created value shall stem from existing tax-loss carryforwards (s*teuerliche Verlustvorträge*) at the level of the Company, which total approximately EUR 1.14 billion for corporate income tax (*Körperschaftssteuer*) and EUR 1.49 billion for trade tax (*Gewerbesteuer*), respectively, as of 30 September 2021. Additional tax-related optimization potential arises from the deductibility of the Company's costs. Altogether, the value that may be created from tax-loss carryforwards (s*teuerliche Verlustvorträge*) amounts to approximately EUR 388 million (without discounting) as of 30 September 2021. Enabling and ensuring the long-term usability of existing tax-loss carryforwards (s*teuerliche Verlustvorträge*) are subject to the proviso of the existing loss carryforwards of the Company not dropping away, whether partially or as a whole, in the context of the intended structural measures or following their implementation. For example, the loss carryforwards would drop away in their entirety in the event of what is known as a "detrimental acquisition of an ownership interest" in the Company within the meaning of Section 8c para. 1 sentence 1 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*). In the view of the Company, no such acquisition of an ownership interest has taken place. In addition, the Company has not been subject to final tax audit for eleven (11) assessment periods. However, it cannot be ruled out that the amount of the utilizable tax-loss carryforwards may be reduced in the context of such a tax audit. In the view of the Company, based on the current status of proceedings, there could be additional potential for tax-loss carryforwards.

If the expected tax effects from structural measures may not be achieved or may not be achieved to the extent expected, in particular if the amount of the utilizable loss carryforwards was to be reduced in the context of a tax audit, this could have an adverse effect on the financial position of CECONOMY.

1.4.2 The integrity of customer information stored by CECONOMY may be compromised and any loss or misappropriation of customer data may damage its reputation and brand and may give rise to civil liability, administrative orders (including injunctive relief), fines or even criminal charges.

CECONOMY depends on its reputation of handling its customers' information safely, as well as providing a safe online location through which business can be transacted. Regulations such as those regarding data protection in credit card processing, the use of customer-specific information in big data solutions that are associated with an increased public debate about misuse as well as the growing complexity of IT generate risks for CECONOMY's business. Failure in CECONOMY's IT systems could cause the unauthorized disclosure or use of personal or other confidential information. In addition, CECONOMY relies on third-party services providers which may fail to abide by contractual terms, laws, regulations or industry standards on data protection. Any failure to comply with applicable laws or regulations regarding data collection and protection may give rise to civil liability, administrative orders (including injunctive relief), fines or even criminal charges and could have an adverse impact on CECONOMY's reputation.

Regulations regarding data collection and data protection may also become stricter in the future. New laws, regulations or developments in this field and changes in consumer behavior could interfere with CECONOMY's strategies to use privacy-related information for its marketing and sales efforts, including the use of a retail loyalty card or e-commerce platforms, and could consequently have an adverse effect on CECONOMY's strategy, business and results of operations. For example, the regulation (EU) 2016/679 on data privacy of 27 April 2016 ("**GDPR**") has introduced substantial burdens on companies in light of the data protection regime of the EU. This regime to a large extent replaced current national data protection laws by a directly applicable EU regulation. The GDPR applies since 25 May 2018 and imposed a substantially higher compliance burden on CECONOMY's business. In particular, the GDPR increased the maximum level of fines for corporations to the higher of up to EUR 20 million or 4% of a company's total worldwide annual sales. As a result of any substantial amendments to laws or regulations, CECONOMY faces higher compliance costs, including risk of potential fines should CECONOMY not manage to appropriately comply with legal requirements and / or judicial findings (e.g., the so-called Schrems II decision rendered by the European Court of Justice on 16 July 2020 (case C-311/18)) and interpretations of law, changes to its business practices and an increasing risk of non-compliance due to increased complexity of such laws or regulations.

Furthermore, CECONOMY is exposed to the risk that customer data which it collects for marketing purposes may be stolen or misappropriated. In this case, customers may be discouraged from providing CECONOMY with their data in the future and its marketing activities could therefore be negatively affected. Failure to protect customer data may therefore also adversely affect CECONOMY's reputation and its potential for online business activities. Moreover, if CECONOMY or any third-party service providers on which

CECONOMY may rely fail to transmit customer information in a secure manner, or if any such loss of personal customer data were otherwise to occur, CECONOMY could face liability under data protection laws. This could also result in the loss of the customers' goodwill and deter new customers.

The realization of any of these risks could have a material adverse effect on the business and prospects of CECONOMY.

1.4.3 CECONOMY could be exposed to adverse legal or regulatory actions, product liability claims, warranty claims, product recalls and lawsuits or claims that may be brought against it, which could result in significant costs, including defense costs and damage-based compensatory payments, damage to CECONOMY's brand and reputation and loss of customers.

As a retailer of third-party products, CECONOMY could become subject to adverse legal or regulatory actions, if its suppliers provide it with, and CECONOMY sells, products that do not comply with applicable laws or regulations, including laws and regulations relating to consumer rights, product safety, environmental protection, and standards relating to employment and factory conditions. For example, manufacturers, importers and distributors must observe high consumer protection and safety requirements when placing products on the German market according to the German Product Safety Act (*Produktsicherheitsgesetz*). In the event of infringements, there is a risk of liability, fines and damage to the image of the companies involved. Further, the German Electrical and Electronic Equipment Act (*Elektro- und Elektronikgerätegesetz*) contains detailed provisions on the disposal and recycling and labelling requirements for technical devices. If its suppliers do not observe these regulations, CECONOMY will be unable to sell the relevant products. If CECONOMY fails to detect any deficiencies in the products supplied to it before such products are shipped to their customers, this could give rise to an investigation by regulatory authorities, which could result in the need for remedial action such as a recall of the relevant products, requiring the repair or replacement of the products or even a prohibition of future sales. In addition, CECONOMY may become subject to product liability claims and lawsuits under law against unfair competition. This could result in significant costs, including legal costs and damage-based compensatory payments.

In the event of any failure by its suppliers to meet legally required, quality, regulatory or industry standards or standards regarding the safety of humans and properties or quality standards demanded by its customers, CECONOMY may be unsuccessful in obtaining compensation from the relevant supplier. Furthermore, due to such deficiencies, CECONOMY could incur additional costs, its brand and reputation may be damaged by negative publicity, CECONOMY or its management may face administrative fines or criminal charges and CECONOMY may lose current or potential customers. Product recalls could involve significant expenses and time of CECONOMY's management, thus diverting resources from other vital parts of its business. In addition, product recalls may have a material adverse effect on customers' confidence in the quality and safety of the affected products and CECONOMY's reputation and image, which could in turn reduce demand for its products. If CECONOMY recalls any of its products or is sanctioned by the relevant governmental authorities, or faces lawsuits or claims, this could have a material adverse effect on its financial position and prospects.

The risk of being exposed to warranty claims could be significantly increased by new legislation on national or European level aiming to protect consumer rights. For example, on 1 January 2022, the new EU digital sales law (Directives (EU) 2019/770 and Directive (EU) 2019/771) came into force in several EU members states in which CECONOMY operates. This legislation introduced new consumer rights, including an extension of warranty rights. For digital products and products with digital elements (e.g. software, smartphones, or navigation devices), CECONOMY is obligated to provide consumers with updates and inform consumers about their availability on an ongoing basis. Such obligation cannot be fulfilled by CECONOMY, but requires actions by the respective supplier which cannot be controlled by CECONOMY. As a result, CECONOMY could face a higher number of lawsuits or claims by consumers and consumer protection associations and an increased risk of liability, which could have a material adverse effect on its financial position and prospects.

1.4.4 CECONOMY is subject to antitrust laws and may be restricted in its ability to carry out acquisitions due to merger regulations in a certain jurisdiction. This could have a material adverse effect on CECONOMY's financial position and prospects.

In addition to industry-specific regulations, CECONOMY is also subject to EU antitrust law, the German Act Against Restraints of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*) and other national competition laws to be observed in countries where CECONOMY is conducting business. Under antitrust law, severe fines of up to 10% of group-wide turnover may be imposed on parties restricting competition, whether in concert with third parties or unilaterally. This may be the case, for example, if parties enter into illegal horizontal or vertical price fixing and a competition authority learns of this behavior, decides to investigate and imposes sanctions. Public enforcement may be followed by private enforcement, i.e. subsequent claims for damages. In addition, agreements restraining competition are void and unenforceable.

In the past, fines have already been imposed on group companies of CECONOMY and potential proceedings or fines in the future cannot be excluded entirely.

Even CECONOMY's already implemented risk-based compliance management system being chiefly geared towards avoiding, detecting and sanctioning corruption and violations of antitrust law cannot rule out such violations entirely. Possible violations include (i) vertical agreements with suppliers, e.g. on minimum sales prices, discounts, territorial restrictions, (ii) horizontal agreements with competitors, e.g. on (purchase or sales) prices, customer or territorial allocations and (iii) exchange of information on competitively sensitive information. Any involvement in illegal anti-competitive conduct, in particular in connection with business relationships with suppliers, such as with regard to the resale prices of merchandise, could lead to severe fines (and recurring violations may lead to much higher fines). Moreover, such violations as well as claims for damages may result in reputational risks for CECONOMY. As a result, any involvement in illegal anti-competitive conduct could have a material adverse effect on CECONOMY's business, results of operations and prospects. Furthermore, compliance with competition laws and regulations especially in case of changes to existing or introduction of new laws and regulations may require significant efforts and costs or changes in business practices that may have a material adverse effect on the business, the results of operations and financial condition of CECONOMY. Apart from the consequences that may result from any potential involvement in illegal conduct, CECONOMY may also face special scrutiny by antitrust authorities when carrying out acquisitions due to merger regulations in a certain jurisdiction. This scrutiny could result in CECONOMY being prohibited from conducting the respective acquisition or not being able to carry out the acquisition because the antitrust authorities require longer periods to complete their review than the parties involved in the transaction are inclined to accept. The resulting prevention of an acquisition or divestment may prevent CECONOMY from realizing worthwhile business opportunities while at the same time having to accept losses in the form of the frustrated transaction costs incurred to date.

These risks resulting from antitrust law could have a material adverse effect on CECONOMY's financial position and prospects.

1.4.5 The loss of important intellectual property rights could materially adversely affect CECONOMY's business, and any threat to, or impairment of, its intellectual property rights could cause CECONOMY to incur costs to adequately protect and defend those rights.

CECONOMY's intellectual property rights, including the trademarks, company names and company signs, including the logos of the group companies, in particular the "MediaMarkt" and "Saturn" brands, are important to CECONOMY's business. CECONOMY relies on a combination of trademarks, designs, copyrights and other intellectual property rights, as well as contractual arrangements, as appropriate, to establish, defend and protect its intellectual property rights. CECONOMY holds trademark registrations for certain of its products and/or services in various jurisdictions. Such intellectual property protection is often only available for a limited period of time, and certain protections may expire in a particular country but continue to be in force in other countries. While CECONOMY attempts to obtain broad trademark protection by corresponding registrations and respective litigation, where necessary, in certain instances it may not apply for (due to lack of likelihood of success or countries with less profitable markets), or may fail to obtain, adequate protection in certain countries in which CECONOMY is active or wants to ensure its freedom to operate in the future by passive trademark protection. Any failure to obtain or adequately protect CECONOMY's intellectual property, due to statutory or other restrictions or prior third party rights, among other reasons, may result in lost sales and business opportunities or, in certain cases, the complete loss of the intellectual property rights in question. There can be no assurance that CECONOMY will be able to secure all of its intellectual property rights in the future or that the intellectual property rights currently held will be upheld as valid if challenged.

In the event that third parties infringed on CECONOMY's intellectual property rights, CECONOMY would have to take appropriate legal action. This could result in lengthy litigation or administrative proceedings and significant litigation costs. Such defense may also require significant time, effort and other resources that could otherwise be devoted to CECONOMY's business operations. There is also a risk that third parties, including competitors and, in the case of unfair competition claims, consumer protection organizations or competition authorities or associations, may claim that CECONOMY's trademarks, company marks (particularly company names) or other designations, communications or activities infringe, or have infringed, on such third parties' intellectual property rights (particularly trademark or company sign rights as well as patents, especially by the sale of third party products) or applicable legal provisions on unfair competition. In the event of such a claim, CECONOMY may also be required to spend significant time and effort and incur significant litigation costs to defend itself, regardless of whether the claim has merit. Even if CECONOMY is successful in defending the claim in front of the courts, reimbursement of costs against the losing party usually does not cover all litigation costs. Furthermore, any such claims, lawsuits and proceedings could result in significant payments to compensate for damages or the necessity to enter into license agreements under economically unfavorable conditions. In addition, any such lawsuits, proceedings and other claims could lead to injunctions against CECONOMY that may cause lost sales and revenues or even significant restrictions and disruption to CECONOMY's business and operations. The realization of any of these risks could have a material adverse effect on the business, financial position and prospects of CECONOMY.

1.4.6 New legislation relating to the German Act on Corporate Due Diligence Obligations in Supply Chains (*Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten*) may impose additional restrictions and risks for CECONOMY's business.

On 11 June 2021, the German Parliament (*Deutscher Bundestag*) adopted the German Act on Corporate Due Diligence Obligations in Supply Chains (*Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten* – "**Supply Chain Act**"), which is intended to require large German companies to better fulfil their responsibilities in the supply chain with regard to internationally recognized human rights standards. The new legislation will impose additional duties of care in the supplier management for CECONOMY in Germany, being one of its largest markets, beginning as of 1 January 2023. In its coalition agreement dated 24 November 2021, the new government coalition in the German Parliament, consisting of the parliamentary fractions of the parties SPD, Bündnis 90/Die Grünen and FDP, has already announced its intention to advocate for a supply chain act at the level of the European Union. On 23 February 2022, the European Commission published its proposal for a Directive on Corporate Sustainability Due Diligence. The proposed directive would apply for certain large European and also non-European companies. Thus, it is to be expected that even more jurisdictions in which CECONOMY operates will become subject to the aforementioned obligations.

Companies within scope of the Supply Chain Act are obliged to fundamentally expand their risk assessment and management. The key feature of the enhanced risk management is a comprehensive risk analysis, which must be carried out once a year as well as on an ad hoc basis if the company expects that risks in its supply chain have significantly changed or expanded. The Supply Chain Act requires companies to implement "appropriate" remedial or preventive measures. Due to the lack of specified criteria, it remains to be seen how the authorities and the courts will determine the appropriateness of the measures.

The Supply Chain Act also stipulates the imposition of administrative fines in case of non-compliance. These fines can amount to up to EUR 800,000 or (for companies with average annual sales of more than EUR 400 million) to up to 2% of annual sales. Although an additional civil liability in the event of a violation of the Supply Chain Act has been explicitly excluded in the Supply Chain Act, it cannot be completely ruled out that liability risks based on existing statutory provisions may increase. The Supply Chain Act could have an adverse effect on CECONOMYˈs business, assets, results of operations, financial position, cash flow and prospects of CECONOMY as the resulting risks cannot be further quantified or qualified at the moment.

1.4.7 New consumer protection laws imposed stricter sanctions and could increase the number of consumer claims and adversely affect CECONOMOY's business.

From 28 May 2022, the EU member states are obligated to implement the Directive (EU) 2019/2161 as regards the better enforcement and modernisation of Union consumer protection rules ("Omnibus Directive"). For many EU member states in which CECONOMY operates, this means a tightening of the existing sanctions for infringements of consumer protection laws. In addition, in some EU member states in which CECONOMY operates, the possibility of consumers bringing individual claims for breach of unfair competition or consumer protection laws is newly introduced. In some cases, this could lead to considerable sanctions and an increase in the number of consumer claims for damages and recission of contracts, and thus have a significant negative impact on CECONOMOY's business activities.

1.4.8 CECONOMY's risk management system and its compliance controls, policies and procedures, including internal controls over financial reporting, may fail to prevent or detect corruption, fraud or other criminal as well as any other unauthorized behavior. This could disrupt CECONOMY's business, damage its reputation and result in a material adverse effect on its financial condition and cash flows

Under German corporate law, the management of a stock corporation (*Aktiengesellschaft* or *AG*) is responsible for maintaining adequate internal controls, among other things, over financial reporting. In line with this requirement, CECONOMY has a risk management and reporting program which seeks to enable it to identify and control disproportionate factual and legal risks promptly and avoid their escalation to the extent possible. CECONOMY's risk management and reporting policies and procedures may not be able to meet the increased risk monitoring demands within an appropriate timeframe, or always function properly or efficiently. CECONOMY may also not be able to identify all risks associated with a certain operation and its management may misinterpret the results of the risk management and reporting system. Furthermore, CECONOMY's internal control policies and procedures may not be sufficient to detect electronic fraud attempts via viruses, "back doors", "Trojan horses", "worms", etc. (for risks regarding CECONOMY's IT systems in general, see "*1.2.2 CECONOMY depends on a variety of IT systems. The shift to selling more of its products online via its online retail services in the form of its websites and apps could increase the risk that hackers could gain unauthorized access to CECONOMY's websites, apps, databases, online security systems or* computerized logistics management systems."). The materialization of any of the risks described above could have an adverse effect on CECONOMY's business, financial condition and results of operations.

CECONOMY has also put in place policies and processes intended to prevent direct or indirect acts of corruption, bribery, anticompetitive behavior, money laundering, terrorist financing, breaches of sanctions, fraud, deception, tax evasion and other criminal or otherwise unacceptable conduct. However, such policies may be insufficient or individual employees may not adhere to their letter or spirit. Members of the Company's supervisory board (*Aufsichtsrat*) ("**Supervisory Board**") or the Company's management board (*Vorstand*) ("**Management Board**") as well as employees, authorized representatives, agents or resellers may intentionally or unintentionally violate applicable laws and internal policies, standards and procedures. CECONOMY may not be able to timely identify such violations, evaluate them correctly or take appropriate countermeasures. Furthermore, CECONOMY's compliance and risk management systems may not be appropriate for its size, complexity and geographical diversification or may otherwise fail for various reasons.

With respect to corruption, anti-bribery and anti-corruption laws and regulations in the jurisdictions where CECONOMY's operations are located, generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purpose of obtaining or retaining business. Such violations, or allegations of such violations, could disrupt CECONOMY's business, damage its reputation and result in a material adverse effect on its financial condition and cash flows.

Sanctions regimes imposed by governments, including those imposed by the EU, the United States (including through the Office of Foreign Assets Control), or other countries, states or international bodies, could operate to restrict CECONOMY from engaging in trade or financial transactions with certain countries, businesses, organizations and individuals. The legislation, rules and regulations which establish sanctions regimes are often broad in scope and difficult to interpret, and in recent years, governments have increased and expanded certain of these regimes and applied them more frequently. With respect to risks related to CECONOMY's investment M.video in light of the Russian war of aggression against Ukraine, see "*1.4.11 CECONOMY faces risks due to potential sanctions with respect to M.video*".

Should CECONOMY be deemed to have violated any existing or future European, United States or international regulation, this could result in fines or other penalties that may have a negative impact on its reputation and financial position as well as its ability to conduct business in certain jurisdictions or access international capital markets, and therefore could have a material adverse effect on the business and financial position of CECONOMY.

In addition, in various jurisdictions CECONOMY is subject to laws and regulations related to anti-money laundering. CECONOMY's anti-money laundering policies and processes may not be implemented or followed consistently, and CECONOMY may be subject to liabilities for breaches of such laws and regulations. This could, in turn, have a material adverse effect on the business and financial position of CECONOMY.

1.4.9 CECONOMY's tax burden and the tax burden of its shareholders could increase due to changes in tax laws or their application or interpretation, or as a result of current or future tax audits. Increasing tax burdens could have an adverse effect on CECONOMY's results of operations, financial position and cash flow.

CECONOMY's tax burden and the tax burden of its shareholders are dependent on certain aspects of the tax laws across several different jurisdictions and their application and interpretation. Changes in tax laws or in their interpretation or application, including an amendment of the taxation of a dividend distribution or a capital gain, could increase CECONOMY's tax burden and the tax burden of its shareholders.

On 6 February 2017, the general meeting (*Hauptversammlung*) of the Company (operating as METRO at the time) approved the hive-down and spin-off agreement (*Ausgliederungs- und Abspaltungsvertrag*) between the Company and METRO (operating as METRO Wholesale & Food Specialist AG at the time) dated 13 December 2016 with respect to the hive-down and spin-off of the current business of METRO from the Company ("**METRO Spin-Off**"). The METRO Spin-Off was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Dusseldorf, Germany, on 12 July 2017 and thus became legally effective. There is the possibility that the METRO Spin-Off could be retroactively qualified as not being tax-neutral, which would result in a significant amount of additional taxes and furthermore loss carryforwards dropping away.

In addition, as a result of current or future tax audits or other review actions of the relevant financial authorities, additional taxes (for example, in connection with acquisitions and restructuring measures as well as the attribution of profits among CECONOMY's German permanent establishments) could be assessed. For the Company alone, the tax audits for eleven (11) tax assessment periods (*Veranlagungszeiträume*) are not yet conducted finally.

This could lead to an increase in CECONOMY's tax obligations, including interest and fines or social security payments, either as a result of the relevant tax payment being assessed directly against CECONOMY or CECONOMY's group companies or as a result of it becoming liable for the relevant tax as a secondary obligor due to the primary obligor's (such as, for example, an employee) failure to pay.

Increasing tax burdens could have an adverse effect on CECONOMY's results of operations, financial position and cash flow.

1.4.10 The Company could be exposed to claims as a result of the METRO Spin-off for which it may not obtain compensation from METRO, which could have a material adverse effect on the financial position of CECONOMY.

Pursuant to Section 133 para. 1 and para. 3 of the German Transformation Act (*Umwandlungsgesetz* – "**UmwG**"), the Company is jointly and severally liable with METRO for the fulfillment of liabilities transferred to METRO by way of the spin-off as part of the METRO Spin-Off if such liabilities fall due within five years from the announcement of the respective entry in the commercial register of the Company, which occurred on 12 July 2017, and the further requirements of Section 133 para. 3 UmwG are met. For pension obligations based on the German Company Pension Act (*Betriebsrentengesetz*), the aforementioned period of five years is extended to ten years. As part of the METRO Spin-Off, the Company and METRO have agreed mutual indemnifications with regard to the aforementioned joint liability. However, it is not possible to determine with certainty whether the Company's indemnification claims against METRO will be recoverable in the event of a claim against the Company. Should METRO be unable to meet any future indemnification obligations to the Company, this could have a material adverse effect on the financial position of CECONOMY.

1.4.11 CECONOMY faces risks due to potential sanctions with respect to M.video, including restrictions of CECONOMY's shareholders' rights in M.video, its ability to divest of the shares in M.video and further book value adjustments.

MSH holds a 15% stake in publicly listed M.video, a Russian consumer electronics retailer. The controlling entity of M.video is a company of the Safmar group ("**Safmar"**). MSH entered into a shareholders' agreement with Safmar on 19 June 2018, which was amended and restated on 21 September 2020 and further amended on 6 December 2021 as well as amended and restated on 2 June 2022 ("**Shareholders' Agreement**"). The Shareholders' Agreement regulates certain matters regarding the shareholdings of MSH and Safmar in M.video and the corporate governance arrangements, including MSH's right to nominate one member or one observer to M.video's board of directors and certain matters that require approval of MSH. In addition, Mikhail Gutseriev, a Russian citizen and initial founder of Safmar, and his son Said Gutseriev have provided personal guarantees to MSH.

On 21 June 2021, the Council of the European Union imposed sanctions on various individuals and entities, including Mr Mikhail Gutseriev, the initial founder of Safmar. According to the available information, since 2018/19 the legal and beneficial owner of Safmar (and thus M.video) is not anymore Mikhail Gutseriev, but his son Said Gutseriev. As of the date of the Prospectus, Said Gutseriev is not subject to any sanctions. CECONOMY assumes that Mikhail Gutseriev does not control the relevant companies of Safmar and/or M.video actually, commercially or otherwise, and that the existing sanctions do not apply to Safmar and/or M.video. This view was confirmed by the German Federal Bank (*Bundesbank*) on 17 May 2022. On 29 April 2022, M.video announced that Said Gutseriev intends to dispose of its stake in M.video to a group of Russian businessmen. The transaction was initially expected to be closed by end of 2022, however, is, given the amendment and restatement of the Shareholders' Agreement, likely to be put on hold and aborted by Safmar to continue the joint participation in M.video with MSH. It cannot be excluded that Said Gutseriev, Safmar, M.video and/or any of its future shareholder will be subject to sanctions in the future. These could restrict the exercise of shareholders' rights by MSH as well as the receiving and making available of funds and other economic resources.

The recent Russian war of aggression against Ukraine led to extended sanctions and counter-sanctions. As of the date of the Prospectus, to the best of CECONOMY's knowledge, the extended sanctions of the European Union do not directly concern any further persons involved with Safmar and/or M.video, which however can change at any time. However, Russia has imposed certain economic sanctions and countermeasures as response to the Western sanctions such as the requirement of government approvals for securities transactions and certain money transfers as well as the possibility for Russian entities to discharge their obligations under, inter alia, financial instruments by opening, and paying the relevant amount in Russian rubles into a special account with a Russian bank for which a limited and exhaustive list of permitted debits may apply. CECONOMY's possibilities to divest of the shares via a stock exchange and/or receive any further dividend payments may therefore be currently restricted. Against this backdrop and due to the development of the Russian ruble, further book value adjustments are possible.

The realization of any of these risks, alone or in combination, could have an adverse effect on the assets and financial position of CECONOMY.

1.5 Risks related to the Shares, the Admission and the Company's shareholder structure

1.5.1 The Company's major shareholder, Convergenta Invest GmbH, holds a substantial interest in the Company, can exert significant influence on the Company and might also gain control over the Company. The interests pursued by Convergenta Invest GmbH may conflict with the Company's interests and/or those of its other shareholders, which could result in a material adverse effect on CECONOMY's business and financial condition.

As of the date of the Prospectus, none of the Company's shareholders controls the Company within the meaning of Section 29 para. 2 sentence 1 WpÜG as none of them holds at least 30% of the voting rights in the Company. However, Convergenta Invest GmbH, Bad Wiessee, Germany ("**Convergenta**") holds a substantial stake of 27.94% in the Company's share capital and voting rights. Due to this stake in the Company, Convergenta might be, depending on the respective presence of the Company's shareholders at the Company's general meeting (*Hauptversammlung*), in a position to block resolutions of the Company's general meeting (*Hauptversammlung*) that mandatorily require a majority of 75% of the voting rights and/or share capital represented at the Company's general meeting (*Hauptversammlung*). Moreover, Convergenta might also be in a position to control the resolutions passed by the general meetings of the Company with a simple majority of the votes cast or the represented share capital. In particular, Convergenta may be able to determine the appropriation of profits and hence the Company's dividend policy, the future composition of the Supervisory Board and, indirectly, its Management Board, and may also decide on certain major capital measures, regardless of how other shareholders vote.

The interests pursued by Convergenta may deviate from the Company's interests and/or those of its other shareholders. In this context, it must be taken into account that there were numerous legal disputes between CECONOMY and Convergenta in the past, even though all outstanding legal proceedings were terminated on the basis of the agreement in principle (*Grundsatzvereinbarung*) between the Company and Convergenta dated 14 December 2020 ("**Agreement in Principle**"). Should any conflict between the Company and Convergenta arise in the future, this would create a risk that such conflict causes negative publicity for the Company and binds significant resources of the Management Board and the Supervisory Board. Despite the legal independence of the Management Board in managing the business of the Company, such shareholder opposition could even result in the Management Board finding it increasingly difficult to develop and follow a coherent business strategy, in particular by taking into account Convergenta's blocking minority in the Company's general meeting (*Hauptversammlung*) which could make certain transactions more difficult or even impossible to implement without Convergenta's support, or result in delaying, postponing or preventing certain major corporate actions, mergers, consolidations, certain acquisitions or other forms of combination, including a change of control in the Company, which could be beneficial to investors and serve the strategy of the Company.

Based on the resolution of the Company's extraordinary general meeting (*außerordentliche Hauptversammlung*) dated 12 April 2022, the Company will issue convertible bonds to Convergenta with a total nominal value of EUR 151,000,000.00 divided into 1,510 bearer bonds ranking *pari passu* among themselves, each with a nominal value of EUR 100,000.00 ("**Convertible Bonds**"). The Convertible Bonds will grant their holders conversion rights to initially a total of up to 27,859,778 new ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*) of the Company.

According to the Agreement in Principle, it is the common understanding that Convergenta's participation in Company should not exceed 29.9% of the Company's ordinary bearer shares. In addition, Convergenta agreed not to acquire any Shares or to perform any other actions that could lead to an acquisition of control pursuant to Section 29 para. 2 sentence 1 WpÜG until the expiration of six months after the registration of performance of both the Capital Increase and the Conditional Capital 2022/I with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Dusseldorf, Germany, but no longer than until 31 December 2022 ("**Standstill Agreement**"). However, it cannot be excluded that Convergenta will nevertheless acquire control in the future after expiry of the Standstill Agreement. If Convergenta fully converts the Convertible Bonds into ordinary bearer shares of the Company it will exceed the 30%-threshold in the Company's share capital and voting rights. As a result, Convergenta would acquire control over the Company within the meaning of the WpÜG and would be obligated to make a mandatory takeover offer (*Pflichtangebot*) within the meaning of the WpÜG to all shareholders of the Company.

Certain material agreements into which the Company has entered provide for termination rights in case of a change of control. Specifically, the ESG Credit Facilities Agreement stipulates that any lender may cancel its commitment and request repayment of its participation in all outstanding loans if any single person or a group of persons acting in concert pursuant to Section 30 para. 2 WpÜG acquires (direct or indirect) control of the Company pursuant to Section 29 para. 2 WpÜG. If lenders, the sum of whose commitments is greater than two thirds of the total commitments so cancel, all remaining commitments shall be immediately cancelled and all outstanding loans shall be repaid. In such case, it might be difficult for the Company to replace the financing under the ESG Credit Facilities Agreement thus terminated with equivalent financing and may therefore have to borrow more expensively or at least on more disadvantageous terms. Furthermore, the Company's future shareholder structure may have an impact on the decisions of stock exchanges whether to include the Company in stock exchange indices.

The realization of any of these risks may have a material adverse effect on CECONOMY's business and financial condition.

1.5.2 Future offerings of debt or equity securities may adversely affect the market price of the Shares, and future capital measures could lead to a dilution of existing shareholdings.

In the future, the Company may require additional capital to finance its business operations and planned growth, to strengthen the balance sheet or to fulfill regulatory requirements. The Company may seek to raise such capital through the issuance of additional shares or debt securities with conversion rights (e.g. convertible bonds), which could reduce the market price of the Shares and currently the Company cannot predict the amounts and terms of such future offerings. For this purpose, the Company's articles of association (*Satzung*) ("**Articles of Association**") provide for two authorized capitals (*Genehmigte Kapitalia*) authorizing the management board (*Vorstand*) to increase the Company's capital in the amounts of up to EUR 321,600,00.00 and up to EUR 112,560,000.00, respectively, and three conditional capitals (*Bedingte Kapitalia*) in the amounts of up to EUR 127,825,000.00, up to EUR 89,476,079.21 ("**Conditional Capital 2022/I**") and up to EUR 44,738,750.00, respectively.

If such offerings are made without granting subscription rights to the Company's shareholders, such issuances of new securities will dilute the economic interests and voting rights of the Company's shareholders. In addition, such dilutions may also occur as a result of the acquisition of companies or interests in companies in exchange for newly issued shares, the granting of options to the Company's business partners and the exercise of stock options by the Company's employees under future employee stock option plans or the issuance of shares to employees under future employee stock option plans. Even if subscription rights have been granted to the Company's shareholders, it is possible that investors in certain countries may not be able to acquire or exercise subscription rights due to local laws.

As the timing and nature of any future offering will depend on market conditions at the time of such future offering, the Company cannot predict or estimate the amount, timing or nature of any future offering. In addition, the acquisition of other companies or interests in companies in return for newly issued shares, as well as the possible exercise of stock options and the issue to the Company's employees under future stock option or employee stock matching programs, could lead to a dilution of the economic and voting interests of the Company's shareholders. Furthermore, a proposal to the Company's general meeting (*Hauptversammlung*) to take any of the abovementioned measures, with dilutive effects on the existing shareholdings, or any other announcement thereof, could adversely affect the market price of the Shares. Thus, all investors of the Company bear the risk that such future offerings could reduce the market price of the Shares and/or dilute their shareholdings.

1.5.3 The share price and trading volume of the Shares may fluctuate significantly and could decline.

The share price and trading volume of the Shares may fluctuate significantly and could decline. The Company's share price is affected primarily by the supply and demand for its Shares and could fluctuate significantly in response to numerous factors, many of which are beyond the Company's control. These factors include, among other things, fluctuations in actual or projected results of operations, changes in projected earnings or failure to meet securities analysts' earnings expectations, changes in trading volumes in the Shares, the activities of competitors and suppliers, changes in the Company's shareholder structure, changes in the market valuations of similar companies, changes in investor and analyst perception of CECONOMY's industry (including due to changes in public opinion, for example as a result of adverse media coverage), changes in the statutory framework in which the Company operates, changes in macroeconomic conditions, including fluctuations in foreign currencies and general stock market plunges, such as several times in 2020 as a reaction to new developments in relation to the COVID-19 pandemic or the recent Russian war of aggression against Ukraine and other factors. Stock prices of many companies, including retail companies, have experienced price and volume fluctuations in a manner often unrelated to the operating performance of such companies.

If the Company's share price or the trading volume in its Shares declines as a result of the realization of any or all these events, investors could lose part or all of their investment in the Shares. This also applies in the event of an insolvency of the Company since the Shares are subordinated to all other securities and claims.

1.5.4 CECONOMY'S forecasts could differ materially from its actual results of operations.

The Company regularly communicates certain expectations regarding CECONOMY's total sales growth adjusted for currency effects and portfolio changes, CECONOMY's adjusted EBIT and the Company's net income excluding dividends from subsidiaries and expenses and income from profit and loss transfer agreements (together "**Forecasts**"). For example, on 13 May 2022, the Company published its Q2/H1 2021/22 half-year financial report for the six months ended 31 March 2022. As part of this, the Company published a forecast on adjusted EBIT of CECONOMY for the 2021/22 Financial Year ("**Adjusted EBIT Forecast 2021/22**"), which is included in this Prospectus. The Forecasts, including the Adjusted EBIT Forecast 2021/22, reflect numerous assumptions made by the Management Board, some of which are beyond CECONOMY's control and some of which may be influenced by CECONOMY to a certain extent. In arriving at the Forecasts, the Management Board makes certain assumptions and estimates regarding future events and developments, such as the COVID-19 pandemic, a channel shift, an accelerating inflation in Europe and the war in Ukraine. Such assumptions are inherently subject to significant business, operational, economic and other risks, many of which are outside of CECONOMY's control. Specifically, the dynamic development of the COVID-19 pandemic cannot be foreseen and further COVID Restrictions might significantly influence CECONOMY's results of operation for the 2021/22 Financial Year.

The events and developments on which the assumptions made in the Forecasts are based may change or may not materialize at all. Should therefore one or more assumption(s) underlying the Forecasts prove to be incorrect or turn out to be inaccurate compared to actual future developments, the actual results of operations for the financial period to which the Forecasts relate could differ materially. The Company could therefore be forced to revise the Forecasts downward or suspend them. Such negative changes to the Forecasts could have a material impact on the price of the Shares. As a result, investors should not place undue reliance on the CECONOMY's 2021/22 Forecast included in this Prospectus.

1.5.5 The ability of the Company to distribute dividends depends on a variety of factors. Previous dividend distributions are no indication for future dividend distributions and the dividend policy of the Company may change in the future.

Under the German Stock Corporation Act (*Aktiengesetz*), dividends may only be distributed from the net retained profits (*Bilanzgewinn*) of the Company. Consequently, it will only be able to make dividend payments in the envisaged amount if sufficient net retained profits are available to the Company. The net retained profits are calculated based on the Company's audited unconsolidated financial statements prepared in accordance with the German Commercial Code (*Handelsgesetzbuch* – "**HGB**"). Accounting principles set forth in the HGB differ from the International Financial Reporting Standards as adopted by the European Union ("**IFRS**") in material respects. Therefore, the results set out in the Company's audited consolidated financial statements for the 2020/21 Financial Year prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 HGB and its unaudited condensed consolidated interim financial statements as of and for the six months ended 31 March 2022 prepared in accordance with IFRS on interim financial reporting (IAS 34) may not be indicative of the Company's future dividend payments.

Any determination to pay dividends in the future will be at the discretion of the Management Board and will depend on the Company's results of operations, financial condition, capital requirements, restrictions imposed by applicable laws or contractual agreements and other factors management deems relevant. Consequently, there can be no certainty that future dividends can be distributed in line with previous dividend distributions or with the dividend policy of the Company applicable at the given time, or any dividend at all.

In addition, the Company is a holding company whose operating activities are run not by itself but by operating subsidiaries such as the subsidiaries of MSH. To cover its operating costs and to generate distributable profit (*Bilanzgewinn*), the Company relies in part on the distributions or transfers of profits that it receives from its subsidiaries or from the repayments of the loans that it may grant to its subsidiaries. In turn, the distributions or transfers of profits by these subsidiaries are dependent on their respective operating results. In addition, contractual restrictions under financing agreements may limit the ability to upstream the required cash from the operating companies to the Company. In certain instances, the Company may not be able distribute funds from its subsidiaries to the Company, or not without detrimental tax effects.

Finally, future debt financing arrangements may contain, covenants which impose restrictions on the Company's ability to pay dividends.

Consequently, the Company may not be able to pay dividends in the foreseeable future or at all. This could lead to investors preferring to turn to higher-yielding investment opportunities in the meantime and thus divesting their shares in the Company. This might cause the stock market price of the Company's shares to fall.

1.5.6 Future sales by the Company's (major) shareholders could have a material impact on the price of the Shares.

Existing or future shareholders of the Company could, for a variety of reasons, dispose of or sell all or parts of their shareholdings in the Company including, among others, in order to diversify their investments. In particular, future sales by the Company's major shareholder, in particular by the Company's major shareholders holding 3% or more in the Company's share capital and voting rights (i.e. Helga Kellerhals and Jürgen Kellerhals as ultimate shareholders of Convergenta, Franz Haniel & Cie. GmbH, Meridian Stiftung, freenet AG, Prof. Otto Beisheim Stiftung (Baar, Switzerland and Munich, Germany) and Giovanni Agnelli B.V.), could depress the price of the Shares. The sale of a significant number of Shares in the public market, or the perception that such sales might occur, could depress the market price of the Shares and impair the Company's ability to raise capital through the sale of additional shares. If, for example, one or more of the Company's shareholders, in particular the major shareholders, were to sell or dispose of a significant number of the Shares, or if the market believed that such sales could take place, this could have a material adverse effect on the share price of the Shares and thus on the financial condition of the Company.

Except for the lock-up agreement with Convergenta expiring by 31 December 2022 at the latest, there are no lock-up agreements with respect to the Shares with existing or future shareholders. Thus, all shareholders, including, subject to the agreements described in the previous sentence, Convergenta, Franz Haniel & Cie. GmbH, Meridian Stiftung and Prof. Otto Beisheim Stiftung, are free to sell any of their Shares at any time.

If one or more of the Company's shareholders, including its major shareholders, effect a sale or sales of a substantial number of the Shares, or if the market believes that such sales might take place, this could have an adverse effect on the share price of the Shares.

1.5.7 Membership of the same individuals on the Supervisory Board and boards of the Company's major shareholders may result in conflicts of interest.

As of the date of the Prospectus, besides their memberships in the Supervisory Board, Jürgen Kellerhals acts as managing director of Convergenta, Dr Florian Funck is member of the management board of Franz Haniel & Cie. GmbH, Dr Fredy Raas is member of the foundation board of the Prof. Otto Beisheim Stiftung in Munich, Germany, and Baar, Switzerland, and Christoph Vilanek is chairman of the management board (CEO) of freenet AG, i.e. board members of the Company's major shareholders. Since the interests of such Company's major shareholders, its affiliated companies and the Company will not necessarily always coincide or be aligned, the aforementioned dual mandates and any other relationships of the Supervisory Board members with the respective Company's major shareholder may result in conflicts of interest for these individuals when acting in their different roles, in particular with regard to their respective fiduciary duties or duties of care. Measures implemented in order to avoid conflicts of interest may not be sufficient.

1.5.8 Shareholders in jurisdictions outside Germany may not be able to participate in future issuances of the Shares unless the Company decides to take additional steps to comply with applicable local laws and regulations of such jurisdictions.

The Company's existing shareholders are generally entitled to subscribe for new shares from a capital increase unless the shareholders' subscription rights are specifically excluded. However, shareholders of the Company outside Germany may not be able to exercise their subscription rights unless the Company decides to comply with applicable local laws and regulations. The Company cannot assure any shareholders outside Germany that steps will be taken to enable them to exercise their subscription rights, or to permit them to receive any proceeds or other amounts relating to their subscription rights.

1.5.9 The ability of the Company's shareholders to bring actions or enforce judgments against the Company or members of its Management Board or Supervisory Board may be limited.

The ability of the Company's shareholders to bring an action against the Company may be limited. The Company is a stock corporation (*Aktiengesellschaft* or *AG*) incorporated under the laws of Germany. The rights of the Company's shareholders are governed by German law and by the Articles of Association. These rights differ from the rights of shareholders in other jurisdictions. It may be difficult for a shareholder to prevail in a claim against the Company or to enforce liabilities predicated upon the laws of jurisdictions other than Germany.

A shareholder may not be able to enforce a judgment against some or all of the members of the Management Board or Supervisory Board. It may not be possible for a shareholder to effect service of process upon members of the Management Board or Supervisory Board within the shareholder's country of residence, or to enforce against members of the Management Board or Supervisory Board judgments of courts of such shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that a shareholder will be able to enforce any judgment in civil and commercial matters or any judgments against the members of the Management Board or Supervisory Board who are residents of countries other than those in which the judgment is made. In addition, German and other courts may not impose civil liability on members of the Management Board or Supervisory Board in any original action based solely on foreign securities laws brought against the Company or members of the Management Board or Supervisory Board in a court of competent jurisdiction in Germany or other countries.

The members of the Management Board or Supervisory Board are non-residents of the United States, and all or a significant portion of the assets of CECONOMY and those of the Company's directors and executive officers are located outside the United States. As a result, a shareholder may be unable to enforce judgments obtained in U.S. courts against them. Moreover, in light of recent decisions of the U. S. Federal Supreme Court, actions of the Company may not be subject to the civil liability provisions of U.S. federal securities laws.

2 GENERAL INFORMATION

2.1 Responsibility statement

The following persons assume responsibility for the content of this prospectus ("**Prospectus**") pursuant to Section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and Art. 11 para. 1 sentence 2 of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended ("**Prospectus Regulation**"), and declare that, to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import:

- CECONOMY AG, a stock corporation (*Aktiengesellschaft* or *AG*) under the laws of the Federal Republic of Germany ("**Germany**"), having its registered seat in Dusseldorf, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Dusseldorf, Germany ("**Commercial Register**"), under the registration number HRB 39473, with business address at Kaistraße 3, 40221 Dusseldorf, Germany, (telephone: +49 (0) 211 5408-7000; website: www.ceconomy.de) and Legal Entity Identifier ("**LEI**") 5299001X9L42HXEBCZ51 ("**Company**" and together with its subsidiaries consolidated at the respective time, "**CECONOMY**"); and
- DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, a stock corporation (*Aktiengesellschaft* or *AG*) under the laws of Germany, having its registered seat in Frankfurt am Main, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 45651, with business address at Platz der Republik, 60325 Frankfurt am Main, Germany, (telephone: + 49 (0)69 7447-01; website: www.dzbank.com) and LEI 529900HNOAA1KXQJUQ27 ("**DZ BANK**" or "**Listing Agent**").

Information contained on any website mentioned in the Prospectus is not incorporated by reference in the Prospectus and is not part of the Prospectus.

If any claims are asserted before a court of law based on the information contained in the Prospectus, the investor appearing as plaintiff may have to bear the costs of translating the Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

The information contained in the Prospectus will not be updated subsequent to the date hereof except for any significant new factor or material mistake or inaccuracy relating to the information contained in the Prospectus that may affect an assessment of the securities and which arises or is noted following the approval of the Prospectus but before the admission of the securities to trading. These updates must be disclosed in a prospectus supplement in accordance with Art. 23 of the Prospectus Regulation.

2.2 Purpose of the Prospectus

The Prospectus relates to the admission to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse* – "**FWB** ") with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the Dusseldorf Stock Exchange (*Börse Düsseldorf* – "**XDUS**") of

- 125,800,000 newly issued ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*), each such share with a notional value of approximately EUR 2.56 in the Company's share capital and with full dividend rights as of 1 October 2021 ("**Capital Increase Shares**" and together with the further existing shares of the Company, "**Existing Shares**"), from a capital increase against contribution in kind under exclusion of the subscription rights (*unter Ausschluss des Bezugsrechts*) of the existing shareholders of the Company resolved by the Company's extraordinary general meeting (*außerordentliche Hauptversammlung*) dated 12 April 2022 ("**2022 EGM**") under agenda item 2 and registered with the Commercial Register on 3 June 2022 ("**Capital Increase**"), and
- up to 35,000,000 ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*), each such share with a notional value of approximately EUR 2.56 in the Company's share capital ("**Conditional Capital Shares**" and, together with the Capital Increase Shares, "**Admission Shares**"; the Conditional Capital Shares together with the Existing Shares, "**Shares**"), which are not yet issued as of the date of the Prospectus and stemming from the Company's newly created Conditional Capital 2022/I (*Bedingtes Kapital 2022/I*) resolved by the Company's 2022 EGM under agenda item 2 and registered with the Commercial Register on 3 June 2022 ("**Conditional Capital 2022/I**") for the purpose of issuing the Conditional Capital Shares to the holders of convertible bonds with a total nominal value of EUR 151,000,000.00 divided into 1,510 bearer bonds ranking *pari passu* among themselves, each with a nominal value of EUR 100,000.00, issued by the Company under exclusion of the subscription rights (*unter Ausschluss des Bezugsrechts*) of the existing shareholders of the Company as resolved by the 2022 EGM under agenda item 2 ("**Convertible Bonds**"), (together "**Admission**").

The Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Shares.

2.3 Approval of the Prospectus

The Company states that

- the Prospectus has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – "**BaFin**"), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany (telephone: +49 (0) 228 4108 0; website www.bafin.de), as competent authority under the Prospectus Regulation on 7 June 2022;
- BaFin only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation;
- such approval shall not be considered as an endorsement of the Company or of the quality of the Shares that are the subject of the Prospectus;
- investors should make their own assessment as to the suitability of investing in the Shares; and
- the Prospectus has been drawn up as a simplified prospectus in accordance with Art. 14 of the Prospectus Regulation.

2.4 Simplified prospectus

Shares of the Company have been admitted to trading on a regulated market (*Regulierter Markt*) continuously for at least the last 18 months and the Admission Shares are fungible with such Existing Shares pursuant to Art. 14 para. 1 lit. a) of the Prospectus Regulation. The Prospectus has, therefore, been drawn up as a simplified prospectus in accordance with Art. 14 of the Prospectus Regulation. Consequently, the disclosure in the Prospectus is based on the simplified disclosure regime pursuant to Art. 14 of the Prospectus Regulation in conjunction with Annexes 3 and 12 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019.

2.5 Validity of the Prospectus

This Prospectus is valid until the time when trading of the Capital Increase Shares on a regulated market (*Regulierter Markt*) begins. Trading of the Capital Increase Shares is expected to commence on 10 June 2022. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies relating to the information included in the Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the time when trading on a regulated market (*Regulierter Markt*) begins does not apply after the time when trading of the Capital Increase Shares on the regulated market (*Regulierter Markt*) of the FWB (Prime Standard) or the regulated market (*Regulierter Markt*) of the XDUS begins, expected to occur on 10 June 2022, and the Prospectus will not be supplemented thereafter (Art. 23 of the Prospectus Regulation).

2.6 Forward-looking statements

The Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of the Prospectus. This applies, in particular, to statements in the Prospectus containing information on the Company's and CECONOMY's future earnings capacity, plans and expectations regarding its business growth and profitability, and general economic conditions to which it is exposed. In some cases, forward-looking statements can be identified by the use of forward-looking terminology or subjective assessments, which may include words such as "anticipate", "believe", "contemplate", "continue", "could", "expect", "intend", "plan", "potential", "predict", "project", "should", "target" and "would" or the negative of these words or other similar terms or expressions.

The forward-looking statements in the Prospectus are subject to uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Company's and CECONOMY's actual results, including its financial condition and profitability, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections of the Prospectus, particularly in the sections of the Prospectus describing CECONOMY's business and recent developments and outlook, and wherever information is contained in the Prospectus regarding the Company's intentions, beliefs, or current expectations relating to its future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which CECONOMY is subject. Accordingly, prospective investors are strongly advised to read the following sections of the Prospectus: "*SUMMARY OF THE PROSPECTUS*", "*7 BUSINESS*" and "*17 RECENT DEVELOPMENTS AND TREND INFORMATION*" and wherever information is contained in the Prospectus regarding the Company's plans, intentions, beliefs, or current expectations to the Company's and CECONOMY's future financial condition and results of operations, plans, liquidity, business prospects, growth, strategy and profitability, investments and capital expenditure requirements, future growth in demand for its products and services as well as the economic and regulatory environment which CECONOMY is subject to. The abovementioned sections include more detailed descriptions of factors that might have an impact on CECONOMY's business and the business environment CECONOMY operates in. Forward-looking statements should not be relied upon as predictions of future events.

In light of these uncertainties and assumptions, future events mentioned in the Prospectus may not occur. Actual results, performance or events may turn out to be better or worse compared to the results, performance and events described in the forward-looking statements.

Forward-looking statements included in the Prospectus speak only as of the date of the Prospectus and neither the Company nor the Listing Agent assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. The Company may not actually achieve the plans, intentions or expectations disclosed in the forward-looking statements. These forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

2.7 Presentation of financial information

The financial information included in the Prospectus has been taken or derived from the Company's (i) unaudited condensed consolidated interim financial statements as of and for the six months ended 31 March 2022 prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"), on interim financial reporting (IAS 34) ("**Unaudited Interim Financial Statements**"), (ii) audited consolidated financial statements as of and for the financial year ended 30 September 2021 ("**2020/21 Financial Year**") prepared in accordance with the IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch*) ("**HGB**") ("**Audited Financial Statements (IFRS)**"), (iii) audited unconsolidated financial statements as of and for the 2020/21 Financial Year prepared in accordance with the German generally accepted accounting principles of the HGB ("**Audited Financial Statements (HGB)**" and, together with the Unaudited Interim Financial Statements and the Audited Financial Statements (IFRS), "**Financial Statements**") and (iv) accounting records or internal reporting systems.

The Financial Statements are included in the section "*15 FINANCIAL INFORMATION*" beginning on page F-2.

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany ("**KPMG**"), Dusseldorf branch, Tersteegenstraße 19-23, 40474 Dusseldorf, Germany, audited the Audited Financial Statements (IFRS) and the Audited Financial Statements (HGB) and issued an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*) in each case. In addition, KPMG reviewed the Unaudited Interim Financial Statements in accordance with Section 115 para. 5 WpHG.

Where financial information is labelled "audited" in the tables in the Prospectus, it has been taken from the Audited Financial Statements (IFRS) or the Audited Financial Statements (HGB). The label "unaudited" in the tables in the Prospectus indicates financial information that has been taken or derived from (i) the Unaudited Interim Financial Statements, (ii) CECONOMY's accounting records or internal reporting systems or (iii) has been calculated based on financial information from the aforementioned sources.

2.8 Documents available for inspection

For the period during which the Prospectus remains valid, the following documents will be available for inspection on the Company's website (www.ceconomy.de) under the "Investor Relations" section:

- the Prospectus;
- the Company's articles of association (*Satzung*) ("**Articles of Association**");
- the Unaudited Interim Financial Statements;
- the Audited Financial Statements (IFRS); and
- the Audited Financial Statements (HGB).

The Company's future consolidated financial statements, unconsolidated financial statements and interim condensed consolidated financial statements will be available from the Company on its website (www.ceconomy.de) under the "Investor Relations" section. The Company's consolidated and unconsolidated financial statements will also be published in the German Federal Gazette (*Bundesanzeiger*).

The Company's website is www.ceconomy.de. Information on the Company's website and information accessible via this website is neither part, nor incorporated by reference into, the Prospectus.

2.9 Currency

In the Prospectus,

- "**CHF**" refers to the legal currency of Switzerland (so-called *Schweizer Franken*);
- "**DM**" refers to the legal currency of Germany until 31 December 1998 (so-called *Deutsche Mark*) which was replaced by Euro;
- "**EUR**" and "**Euro**" refer to the single European currency adopted by certain participating member states of the EU, including Germany;
- "**RUB**" refers to the legal currency of the Russian Federation ("**Russia**") (so-called *ruble* or *rouble*);
- "**SEK**" refers to the legal currency of Kingdom of Sweden (so-called *Swedish krona*);
- "**TRY**" refers to the legal currency of Turkey (so-called *Turkish lira*); and
- "**USD**" refers to the legal currency of the United States of America ("**United States**") (so-called *United States dollar*).

2.10 Negative numbers and rounding

Unless indicated otherwise, all financial information presented in the text and tables in the Prospectus is shown in millions of Euro (in EUR million). Certain financial information, including percentages, has been rounded according to established commercial standards. The same applies with regard to costs and expenses related to the Admission and dilution information. Absolute changes, percentage changes and ratios in the text and tables of the Prospectus are calculated based on unrounded numbers and then commercially rounded to a whole percentage or to one digit after the decimal point. Because of rounding, figures shown in tables in the Prospectus do not necessarily add up exactly to the respective totals or sub-totals presented, and percentages may not reflect underlying numbers or may not exactly equal 100% when aggregated. Furthermore, these rounded figures may vary marginally from unrounded figures that may be indicated elsewhere in the Prospectus. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial information set out in the Prospectus, a dash ("—") signifies that the relevant figure is not available, while a zero ("0") or nil signifies that the relevant figure is available but has been rounded to or equals zero.

2.11 Time specifications

References to "CET" in the Prospectus refer to Central European Time or Central European Summertime, as the case may be. References to time in the Prospectus refer to CET, unless stated otherwise.

2.12 Enforcement of civil liabilities

The Company is a stock corporation (*Aktiengesellschaft* or *AG*) governed by German law and all or a substantial portion of its assets are located outside the United States. In addition, the members of the Company's management board (*Vorstand*) ("**Management Board**") and the members of the Company's supervisory board (*Aufsichtsrat*) ("**Supervisory Board**") are non-residents of the United States and all or most of their assets are located outside the United States.

As a result, it may not be possible for investors to effect service of process within the United States upon the Company or such persons or to enforce against them or the Company judgments of courts of the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. The United States and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon United States federal securities laws, may not be enforceable, either in whole or in part, in Germany.

However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Company or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates, and a German court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Germany.

2.13 Alternative performance measures

In accordance with the European Securities and Markets Authority (ESMA) Guidelines on alternative performance measures of 5 October 2015 ("**ESMA Guidelines**"), the following sections set out information related to certain financial measures of CECONOMY that are not defined by IFRS and which CECONOMY regards as alternative performance measures ("**APM**") within the meaning of the ESMA Guidelines.

2.13.1 Overview

The following sections provide an overview of the APMs presented by the Company on CECONOMY and/or segment level, a definition of each of the APMs and a reconciliation of each of the APMs to the nearest IFRS item.

The Company presents these APMs and operating metrics as (i) supplemental information because they are used by its management to measure operating performance or as an auxiliary control profitability parameter, including in presentations to the management, and as a basis for strategic planning and forecasting, and (ii) they represent measures that the Company believes are widely used by certain investors, securities analysts, and other parties as supplemental measures of operating and financial performance. These APMs and operating metrics may enhance management's and investors' understanding of the financial performance by excluding items that are not classified as part of ongoing operations such as non-recurring income and expenses and non-cash expenses from purchase price allocations.

These APMs are not defined by IFRS or any other internationally accepted accounting principles, and such items should not be considered as an alternative to the historical financial results or other indicators of CECONOMY's results of operations and financial position based on IFRS measures. In particular, they should not be considered as alternatives to CECONOMY's net income/loss as an indicator of CECONOMY's performance and profitability, or as alternatives to cash flow from operating activities as an indicator of its financial strength. The APMs, as defined by the Company, may not be comparable to similarly titled measures as presented by other companies due to differences in the way the APMs are calculated. Even though the APMs are used by management to assess ongoing operating performance and indebtedness, and though these types of measures are commonly used by investors, they have important limitations as analytical tools, and investors should not consider them in isolation or as substitutes for analysis of CECONOMY's results, cash flows or assets and liabilities as reported under IFRS.

2.13.2 Definitions of APMs

The following table presents a definition of each of the APMs:

APM	Definition	Relevance of its use
Adjusted EBIT	Earnings before interest and taxes (EBIT) means earnings before the net financial result and taxes. Adjustment is made for portfolio changes by not including the affected earnings contributions in the current period or in the previous period. Earnings effects from companies accounted for using the equity method are also adjusted for. For the financial year ended 30 September 2020 ("**2019/20 Financial Year**"), the adjustment relates to (1) the reorganization and efficiency program, (2) COVID-19 related store closures and (3) the introduction of a harmonized group-wide organizational structure ("**Operating Model**") (see section "*7.2.1 Create an efficient organization and structure*"). For the 2020/21 Financial Year, the adjustment relates to (1) COVID-19-related store closures, (2) the introduction of the Operating Model and (3) the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MSH as well as reorganization and simplification of the corporate structure. For the six months ended 31 March 2021, the adjustment relates to (1) COVID-19-related store closures, (2) the introduction of the Operating Model and (3) the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MSH as well as reorganization and simplification of the corporate structure.	Key figures for operational management and analysis of CECONOMY's performance
Adjusted EBIT margin	Adjusted EBIT margin equals Adjusted EBIT divided by total sales. Adjusted EBIT margin = Adjusted EBIT / sales	

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 liabilities and similar liabilities = net working capital	
Total sales growth adjusted for currency effects and portfolio changes	Total sales growth adjusted for currency effects shows the percentage change in sales without the influence of currency effects. Currency-adjusted sales growth is calculated for the financial year by translating the sales of the previous year at the average exchange rate of the current year. Currency-adjusted sales growth in individual quarters is calculated as the difference between the respective cumulated periods. All the required cumulated periods are translated at the rate of the most recent cumulated period. Adjustment is made for portfolio changes by not including the affected sales in the current period or in the previous period.	

2.13.3 Reconciliation

Adjusted EBIT

The following table provides a reconciliation of adjusted EBIT:

	Financial year ended 30 September		Six months ended 31 March	
	2020	2021	2021	2022
	(unaudited, unless otherwise indicated)		(unaudited)	
	(in EUR million)			
Adjusted EBIT	**236**	**237**	**199**	**212**
Reorganization and efficiency program	31	–	–	–
Store closures due to COVID-19	(8)	(26)	(25)	(2)
Introduction of the Operating Model	(72)	(26)	(8)	0
Transaction costs from minority stake acquisition	–	(13)	(8)	(3)
Companies accounted for using the equity method and portfolio changes	(267)	154	178	33
EBIT	(80)[(1)]	326[(1)]	338	241

(1) Audited.

Adjusted EBIT margin

The following table provides a reconciliation of adjusted EBIT margin:

	Financial year ended 30 September		Six months ended 31 March	
	2020	2021	2021	2022
	(unaudited, unless otherwise indicated)		(unaudited)	
	(in EUR million, unless otherwise indicated)			
Adjusted EBIT	**236**	**237**	**199**	212
Total sales	20,831[(1)]	21,361[(1)]	11,786	11,873
Adjusted EBIT margin (in %)[(2)]	**1.1**	**1.1**	**1.7**	**1.8**

(1) Audited.

(2) Defined as adjusted EBIT divided by sales.

Net working capital

The following table provides a reconciliation of the net working capital:

	As of 30 September		As of 31 March
	2020	2021	2022
	(audited, unless otherwise indicated)		(unaudited)
	(in EUR million)		
Inventories	2,949	3,111	3,618
Trade receivables and similar claims...............................	488	361	396
Receivables due from suppliers	1,302	1,142	1,163
Trade liabilities and similar liabilities	(5,996)	(5,470)	(5,588)
Net working capital	**(1,256)**	**(855)**	**(411)**

3 ADMISSION

3.1 Subject matter of the Admission

The Prospectus relates to the Admission, i.e. the admission to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS of the Admission Shares, consisting of

- 125,800,000 Capital Increase Shares from the Capital Increase, and
- up to 35,000,000 Conditional Capital Shares not yet issued as of the date of the Prospectus and stemming from the newly created Conditional Capital 2022/I.

The issuance of the Admission Shares is based on a resolution of the 2022 EGM under agenda item 2 and with respect to a transaction between the Company and Convergenta Invest GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung* or *GmbH*), having its registered seat in Bad Wiessee, district of Miesbach (*Landkreis Miesbach*), Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under the registration number HRB 188629 ("**Convergenta**") ("**Transaction**"). The Transaction is based on certain transaction agreements between the Company and Convergenta dated 14 December 2020 (as amended and restated on 9 November 2021). In these agreements, the parties agreed, subject to certain conditions, including the resolution of the 2022 EGM under agenda item 2, on the acquisition, transfer and contribution of Convergenta's shareholding in Media-Saturn-Holding GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung* or *GmbH*), having its registered seat in Ingolstadt, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ingolstadt, Germany, under the registration number HRB 1123 ("**MSH**"), to the Company as contribution in kind in return for

- the issuance of the 125,800,000 Capital Increase Shares from the Capital Increase,
- the issuance of the Convertible Bonds, and
- a cash payment of EUR 130,000,000.00 by the Company to Convergenta.

For further information on the Transaction, please refer to section "*7.5.1 Agreements with respect to the Transaction*".

None of the Company and the Listing Agent, or any of their respective affiliates, is making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

3.2 Expected timetable for the Admission

The following is the expected timetable for the Admission, which may be extended or shortened:

27 May 2022	Application for admission of the Admission Shares to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS
7 June 2022	Approval of the Prospectus by BaFin
	Publication of the Prospectus on the Company's website (www.ceconomy.de) under the "Investor Relations" section
9 June 2022	Admission decision to be issued by the FWB and the XDUS
10 June 2022	Commencement of trading in the Capital Increase Shares on the regulated market (*Regulierter Markt*) of the FWB (Prime Standard) and on the regulated market (*Regulierter Markt*) of the XDUS

3.3 Information on the Shares

3.3.1 Share capital of the Company and form of the Shares

As of the date of the Prospectus, the Company's share capital amounts to EUR 1,240,448,004.17 and is divided into 485,221,084 Existing Shares. 125,800,000 of the Existing Shares are the Capital Increase Shares. All Existing Shares are ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*).

The up to 35,000,000 Conditional Capital Shares not yet issued as of the date of the Prospectus will also be ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*) once they are issued.

Upon issuance of all 35,000,000 Conditional Capital Shares, the Company's share capital will be increased from EUR 1,240,448,004.17 by EUR 89,476,079.21 to EUR 1,329,924,083.38, divided into 520,221,084 Shares.

Each Share represents a notional value of approximately EUR 2.56 in the Company's share capital.

The Existing Shares were created and the Conditional Capital Shares will be created pursuant to the laws applicable to a German stock corporation (*Aktiengesellschaft* or *AG*), in particular the German Stock Corporation Act (*Aktiengesetz* – "**AktG**").

3.3.2 Certification of the Shares and currency of the Shares

The Existing Shares and the Conditional Capital Shares are represented by several global share certificates, which are deposited at Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream**"), for safe-keeping for and on behalf of the parties entitled to the Existing Shares and the Conditional Capital Shares represented by the global share certificates. The holders of the Existing Shares and the Conditional Capital Shares hold interests in those securities in accordance with the respective rules and procedures of Clearstream.

Pursuant to Section 4 para. 6 sentence 1 of the Articles of Association, the form of physical share certificates, dividend warrants and renewal coupons are determined by the Management Board with the Supervisory Board's approval. The Company may issue multiple share certificates evidencing several shares (global certificates) pursuant to Section 4 para. 6 sentence 2 of the Articles of Association.

Pursuant to Section 4 para. 6 sentence 3 of the Articles of Association, the right of the Company's shareholders to demand issuance of certificates for their shares in the Company and the dividend warrants and renewal coupons is excluded, except to the extent that the issuance of such certificates is required under the rules of a stock exchange on which the Company's shares are listed.

The Shares are denominated in EUR.

3.3.3 Voting rights and subscription rights

Each Share carries one vote at the Company's general meeting (*Hauptversammlung*). There are no restrictions on voting rights. All Shares provide holders thereof with the same rights and no Share provides any additional rights or advantages.

Pursuant to Section 186 AktG, all shareholders generally have the right to subscribe for new shares of the Company issued in case of a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. Yet shareholders do not have the right to demand admission to trading for subscription rights. The general meeting (*Hauptversammlung*) may resolve to exclude shareholders' subscription rights with a vote of 75% or more of the share capital represented at the vote. The exclusion of shareholders' subscription rights, in full or in part, also requires a report from the Management Board to the general meeting (*Hauptversammlung*) that justifies the exclusion and demonstrates that the Company's interest in excluding subscription rights outweighs the interests of the shareholders to be granted subscription rights. An exclusion of shareholders' subscription rights is, in particular, permissible if:

- the Company increases its share capital against cash contributions;
- the amount of the capital increase of the issued shares under exclusion of subscription rights does not exceed 10% of the outstanding share capital, both at the time when the authorization takes effect and at the time when it is exercised; and
- the price at which the new shares are issued is not materially lower than the stock exchange price of the Company's shares.

3.3.4 Dividend rights

The Existing Shares, including the Capital Increase Shares, carry full dividend rights as of 1 October 2021. The Conditional Capital Shares are entitled to dividends from the beginning of the financial year of the Company for which, at the time of their creation through the exercise of conversion rights from the Convertible Bonds, no resolution of the general meeting (*Hauptversammlung*) on the appropriation of profits has yet been adopted, as well as for all subsequent financial years of the Company.

Pursuant to Section 21 of the Articles of Association, the Company's general meeting (*Hauptversammlung*) shall resolve on the appropriation of the balance sheet profits resulting from the approved annual financial statements.

3.3.5 Liquidation rights

The Shares are subordinated to all other securities and claims in the event of an insolvency of the Company. In the event of the

Company's liquidation, any proceeds will be distributed to the holders of the Shares in proportion to their interest in the Company's share capital.

3.3.6 Admission of Existing Shares

As of the date of the Prospectus, out of a total of 485,221,084 Existing Shares, 359,421,084 Existing Shares are admitted to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS. The 2,677,966 ordinary shares, which have been created by converting non-voting preference shares into ordinary shares (see "*10.1 Current share capital and Existing Shares*"), have been admitted to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS on 31 June 2022.

3.3.7 ISIN/WKN/Trading symbol

International Securities Identification Number (ISIN):..DE0007257503

German Securities Code (*Wertpapier-Kenn-Nummer (WKN)*):.. 725750

Trading symbol: ....CEC

3.4 Transferability of the Shares

The Shares are freely transferable in accordance with the legal requirements for bearer shares (*Inhaberaktien*).

On 14 December 2020, the Company and Convergenta entered into an agreement in principle (*Grundsatzvereinbarung*) regarding the Transaction, which was amended and restated on 9 November 2021 ("**Agreement in Principle**"). Pursuant to Section 7.2 of the Agreement in Principle, Convergenta agrees not to perform any sale, disposal or other economically comparable actions or measures in relation to its entire shareholding in the Company originating from the Transaction, i.e. any Admission Shares, for a period from 9 November 2021 until the expiration of six months after the registration of performance of both the Capital Increase and the Conditional Capital 2022/I with the Commercial Register, i.e. until 3 December 2022, but no longer than until 31 December 2022 ("**Lock-Up Agreement**"). However, Convergenta may dispose up to 4% of the Shares at any time.

Except for the restrictions set forth above, there are no prohibitions on disposals or restrictions with respect to the transferability of the Shares.

3.5 Stabilization

In connection with the Admission, no stabilization measures will be undertaken by, or on behalf of, the Company.

3.6 Interests of parties participating in the Admission

The Company has an interest in the Admission in order to comply with (i) its statutory duty to admit the Admission Shares pursuant to Section 40 of the German Stock Exchange Act (*Börsengesetz*) in conjunction with Section 69 of the German Stock Exchange Admission Regulation (*Börsenzulassungs-Verordnung*) and (ii) its contractual obligation pursuant to Section 7.1 of the Agreement in Principle, which obligates the Company to have the Admission Shares admitted to trading on the regulated market (*Regulierter Markt*) of the FWB.

Due to the subscription of the Capital Increase Shares and the Convertible Bonds by Convergenta, Convergenta has an interest in the Admission to trade the Admission Shares on the regulated market (*Regulierter Markt*).

For its services as listing agent, DZ BANK receives a customary fixed commission which becomes due upon admission of the Admission Shares. Therefore, DZ BANK has a financial interest in the success of the Admission. In addition, DZ BANK or its affiliates have, and may from time to time in the future continue to have, business relationships or may perform services for the Company and/or other companies of CECONOMY in the ordinary course of business.

Other than the interests described above, there are no material interests with respect to the Admission. None of the aforementioned interests with respect to the Admission constitutes a conflict of interests or a potential conflict of interests. Consequently, there are no conflicts of interests with respect to the Admission.

3.7 Cost of the Admission

The total costs associated with the Admission of the Admission Shares are expected to be approximately EUR 1,019 thousand. Investors will not be charged expenses by the Company or the Listing Agent.

3.8 Listing Agent

DZ BANK is acting as listing agent with the following mailing address: Platz der Republik, 60325 Frankfurt am Main, Germany.

4 RESULTS AND DIVIDENDS PER SHARE; DIVIDEND POLICY

4.1 General provisions relating to profit allocation and dividend payments

The shareholders' share of the Company's profits is determined based on their respective interests in the Company's share capital. For a stock corporation (*Aktiengesellschaft* or *AG*) under German law, such as the Company, the distribution of dividends for any given financial year and the amount and payment date thereof are generally resolved by the general meeting (*Hauptversammlung*) of the subsequent financial year. The general meeting (*Hauptversammlung*) must be held within the first eight months of each financial year.

Dividends may only be distributed from the Company's distributable profit (*Bilanzgewinn*). The distributable profit is calculated based on the Company's annual financial statements prepared in accordance with the requirements of HGB. Accounting regulations under HGB differ from IFRS in material aspects.

When determining the distributable profit, net income or loss for the financial year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profit/loss carry-forwards (*Gewinn-/Verlustvorträge*) from the prior financial year and releases of or allocations to reserves. Certain reserves are required to be set up by law, and amounts mandatorily allocated to these reserves in the given financial year must be deducted when calculating the distributable profit. The Management Board must prepare annual financial statements (balance sheet, income statement and notes to the annual financial statements) and a management report for the previous financial year by the statutory deadline and present these to the auditors and the Supervisory Board immediately after preparation. At the same time, the Management Board must present to the Supervisory Board a proposal for the allocation of the Company's distributable profits (*Bilanzgewinn*) pursuant to Section 170 para. 2 AktG. Pursuant to Section 171 AktG, the Supervisory Board must review the annual financial statements, the management report and the proposal for the allocation of the distributable profit and report to the general meeting (*Hauptversammlung*) in writing on the results. The Supervisory Board must submit its report to the Management Board within one month after the documents were received. If the Supervisory Board approves the financial statements after its review, these are deemed adopted unless the Management Board and the Supervisory Board resolve to assign adoption of the financial statements to the general meeting (*Hauptversammlung*). If the Management Board and the Supervisory Board choose to allow the general meeting (*Hauptversammlung*) to adopt the annual financial statements, or if the Supervisory Board does not approve the annual financial statements, the Management Board must convene a general meeting (*Hauptversammlung*) of the Company without delay.

The resolution of the general meeting (*Hauptversammlung*) on the allocation of the distributable profits (*Bilanzgewinn*) requires a simple majority of the votes cast. Pursuant to Section 20 para. 3 of the Articles of Association, on adopting the annual financial statements, the Management Board and the Supervisory Board are authorized to transfer to the other reserves retained from earnings all or part of such net income as remains after appropriation of the required amounts to the legal reserve and after deducting any loss carried forward. The transfer of more than one half of the net income to the other reserves shall not be permissible to the extent that such reserves would after such transfer exceed fifty percent of the capital stock. Pursuant to Section 20 para. 4 of the Articles of Association, when deciding on the appropriation of balance sheet profits, the general meeting (*Hauptversammlung*) may adopt a resolution for a distribution in kind instead of or in addition to a cash distribution. Pursuant to Section 20 para. 5 of the Articles of Association, in the event of a capital increase, the participation in profits of new shares may be determined in derogation of Section 60 para. 2 sentence 3 AktG. Pursuant to Section 20 para. 6 of the Articles of Association, after the close of a financial year, subject to the Supervisory Board's consent, the Management Board may distribute an interim dividend to the shareholders pursuant to Section 59 AktG.

Dividends resolved by the general meeting (*Hauptversammlung*) are due and payable on the third business day following the day of the relevant general meeting (*Hauptversammlung*), unless a later due date is provided in the dividend resolution or the Articles of Association, in compliance with the rules of the respective clearing system. Since all of the Company's dividend entitlements will be evidenced by one or more global share certificates deposited with Clearstream, Clearstream will transfer the dividends to the shareholders' custodian banks for crediting to their accounts and German custodian banks are under an obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the general meeting (*Hauptversammlung*). To the extent dividends can be distributed by the Company in accordance with the HGB and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid. Any dividends not claimed within the past three years become time-barred. If dividend payment claims expire, the Company becomes the beneficiary of the dividends.

4.2 Dividend policy and dividend per Share

The dividend distribution of the Company is based on the annual unconsolidated financial statements of the Company in accordance with HGB. The dividend policy of the Company states inter alia that the payment of dividends must be weighed against the necessity of investments for the growth of the operating business. Depending on future economic performance and the profitability of investment projects, future dividend payments could be either higher or lower.

The Company's annual general meeting (*ordentliche Hauptversammlung*) held on 9 February 2022 ("**2022 AGM**") resolved to pay the following dividends:[1]

- Distribution of a subsequent dividend in the amount of EUR 0.17 per preference share for the financial year ended 30 September 2018 ("**2017/18 Financial Year**"); with 2,677,966 preference shares entitled to a dividend, this equals EUR 455,254.22.
- Distribution of a subsequent dividend in the amount of EUR 0.17 per preference share for the financial year ended 30 September 2019 ("**2018/19 Financial Year**"); with 2,677,966 preference shares entitled to a dividend, this equals EUR 455,254.22.
- Distribution of a subsequent dividend in the amount of EUR 0.17 euros per preference share for the 2019/20 Financial Year; with 2,677,966 preference shares entitled to a dividend, this equals EUR 455,254.22.
- Distribution of a dividend in the amount of EUR 0.23 per preference share for the 2020/21 Financial year; with 2,677,966 preference shares entitled to a dividend, this equals EUR 615,932.18.
- Distribution of a dividend in the amount of EUR 0.17 per ordinary share for the 2020/21 Financial Year; with 356,743,118 ordinary shares entitled to a dividend, this equals EUR 60,646,330.06.

1 As of the date of this resolution, the capital stock of the Company was divided into 356,743,118 ordinary shares and 2,677,966 non-voting preference shares. The EGM 2022, approved by a special resolution of the holders of ordinary shares of the Company and by a special resolution of a separate meeting of the holders of preference shares (*gesonderte Versammlung der Vorzugsaktionäre*) of the Company of the same day, resolved to convert the non-voting preference shares of the Company into ordinary shares with voting rights by cancelling the preferential right to profits and by making corresponding amendments to the Articles of Association. Upon registration of the corresponding amendments to the Articles of Association in the Commercial Register on 31 May 2022, the amendment became effective and the rights attaching to the shares held by the holders of preference shares were adjusted to those attaching to the ordinary shares, and the special class of preference shares previously existing was cancelled.

5 CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables set forth CECONOMY's capitalization and indebtedness as of 31 March 2022 based on the Company's Unaudited Interim Financial Statements and as adjusted for the effects of the Capital Increase, the issuance of the Convertible Bonds and the cash payment to Convergenta (see "7.5.1 Agreements with respect to the Transaction"). The adjustments are based on the assumption that the Capital Increase and the issuance of the Convertible Bonds had been completed on 31 March 2022 and that there were no tax effects.

5.1 Capitalization

	Actual as of 31 March 2022	As adjusted for the effects of the Capital Increase,[8] the issuance of the Convertible Bonds[9] and the cash payment to Convergenta[10]
	(unaudited) (in EUR million)	
Total current debt (including current portion of non-current debt)[1]	**6,940**	**6,940**
thereof guaranteed	–	–
thereof secured	–	–
thereof unguaranteed/unsecured	6,940	6,940
Total non-current debt (excluding current portion of non-current debt)[2]	**2,579**	**2,704**
thereof guaranteed	–	–
thereof secured	–	–
thereof unguaranteed/unsecured	2,579	2,704
Shareholder equity[3]	**684**	**429**
Share capital[4]	919	1,240
Legal reserve(s)[5]	321	536
Other reserves[6]	(556)	(1,347)
Total[7]	**10,203**	**10,073**

(1) Total current debt includes trade liabilities and similar liabilities, provisions, borrowings, other financial liabilities, other liabilities and income tax liabilities, each as presented in the Unaudited Interim Financial Statements.

(2) Total non-current debt includes provisions for pensions and similar obligations, other provisions, borrowings, other financial liabilities, other liabilities and deferred tax liabilities, each as presented in the Unaudited Interim Financial Statements.

(3) Equity reflects the sum of share capital, legal reserves and other reserves (including non-controlling interest).

(4) Share capital is referred to as share capital in the Unaudited Interim Financial Statements.

(5) Legal reserves is referred to as capital reserve in the Unaudited Interim Financial Statements.

(6) Other reserves comprises reserves retained from earnings and non-controlling interest in the Unaudited Interim Financial Statements.

(7) Total reflects the sum of total current debt, total non-current debt and equity.

(8) Assuming that (i) the Capital Increase, i.e. the increase of the Company's share capital from EUR 918,845,410.90 by EUR 321,602,593.27 to EUR 1,240,448,004.17 by issuing 125,800,000 Capital Increase Shares at the minimum issue price against contribution in kind, would have taken place as of 31 March 2022 and (ii) the amount by which the equity investment value of the contribution in kind exceeds the issue price of the Capital Increase Shares of the total amount of EUR 203 million would have been allocated to the legal reserve and (iii) the reclassification resulting from (i) and (ii) to other reserves. Tax effects resulting from intended future structural measures as described in section 1.4.1 of the Prospectus that might be implemented after the Admission are not reflected.

(9) Assuming that the Convertible Bonds with a total nominal value of EUR 151,000,000.00 would have been issued as of 31 March 2022 and resulted in an increase of non current debt (unguaranteed/unsecured) of fair value of EUR 125 million, an increase in legal reserves of the equity component fair value of EUR 12 million and a reduction of other reserves of EUR 137 million.

(10) Assuming that the cash payment of EUR 130,000,000.00 by the Company to Convertenta would have taken place as of 31 March 2022 which resulted in a reduction of other reserves of EUR 130 million.

5.2 Indebtedness

	Actual as of 31 March 2022	As adjusted for the effects of the Capital Increase,[7] the issuance of the Convertible Bonds[8] and the cash payment to Convergenta[9]
	(unaudited) (in EUR million)	
A. Cash[1]	647	517
B. Cash equivalents[2]	65	65
C. Other current financial assets[3]	105	105
D. Liquidity (A. + B. + C.)	**817**	**687**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[4]	28	28
F. Current portion of non-current financial debt[5]	537	537
G. Current financial indebtedness (E. + F.)	**565**	**565**
H. Net current financial indebtedness (G. - D.)	**(252)**	**(122)**
I. Non-current financial debt (excluding current portion and debt instruments)[6]	2,076	2,076
J. Debt instruments	–	125
K. Non-current trade and other payables	–	–
L. Non-current financial indebtedness (I. + J. + K.)	**2,076**	**2,201**
M. Total financial indebtedness (H. + L.)	**1,824**	**2,079**

(1) Cash corresponds to cash in the position cash and cash equivalents in the Unaudited Interim Financial Statements.
(2) Cash equivalents comprises credit card receivables and corresponds to cash equivalents in the position cash and cash equivalents in the Unaudited Interim Financial Statements.
(3) Other current financial assets comprises "securities" and "bank deposits with a remaining term of three months up to one year" each included in other financial assets in the Unaudited Interim Financial Statements.
(4) Current financial debt comprises liabilities to banks.
(5) Current portion of non-current financial debt comprises current portion (up to one year) of lease liabilities and promissory note loan.
(6) Non-current financial debt is referred to borrowings in the Unaudited Interim Financial Statements.
(7) Assuming that (i) the Capital Increase, i.e. the increase of the Company's share capital from EUR 918,845,410.90 by EUR 321,602,593.27 to EUR 1,240,448,004.17 by issuing 125,800,000 Capital Increase Shares at the minimum issue price against contribution in kind, would have taken place as of 31 March 2022 and (ii) the amount by which the equity investment value of the contribution in kind exceeds the issue price of the Capital Increase Shares would have been allocated to the capital reserve. Tax effects resulting from intended future structural measures as described in section 1.4.1 of the Prospectus that might be implemented after the Admission are not reflected.
(8) Assuming that the Convertible Bonds with a total nominal value of EUR 151,000,000.00 would have been issued as of 31 March 2022 and resulted in an increase of debt instruments of fair value of EUR 125 million.
(9) Assuming that the cash payment of EUR 130,000,000.00 by the Company to Convergenta would have taken place as of 31 March 2022.

As of 31 March 2022, current portion of non-financial debt and non-current financial debt in the statement of indebtedness includes liabilities related to leases of EUR 2,024 million of which EUR 504 million are current and EUR 1,520 million are non-current.

5.3 Indirect and contingent indebtedness

CECONOMY's indirect and contingent indebtedness amounted to EUR 973 million as of 31 March 2022 and comprised (i) provisions for pensions and similar obligations in the amount of EUR 404 million, (ii) other provisions in the amount of EUR 115 million, (iii) current wage and salary liabilities in the amount of EUR 207 million, (iv) contingent liabilities in the amount of EUR 22 million, (v) other financial obligations in the amount of EUR 192 million and (vi) purchase commitments related to other intangible assets and property, plant and equipment in the amount of EUR 33 million.

5.4 Statement on working capital

In the Company's opinion, the working capital of CECONOMY is sufficient to meet CECONOMY's present requirements over at least the next twelve months from the date of the Prospectus.

6 PROFIT FORECAST

6.1 Overview

This forecast of adjusted earnings before interest and taxes ("**Adjusted EBIT**") of CECONOMY AG ("**Company**") and its consolidated subsidiaries (together with the Company, "**CECONOMY**") prepared by the Company for the financial year ending 30 September 2022 ("**2021/22 Financial Year**") (together with the explanatory notes the "**Adjusted EBIT Forecast 2021/22**") is not a representation of facts and should, therefore, not be interpreted as such by prospective investors. Rather, it reflects the forward-looking expectations of the management board of the Company ("**Management Board**") with respect to the adjusted EBIT of the Company. Prospective investors should also read section "*2.6 Forward-looking statements*".

Any forward-looking statements are necessarily based on a number of assumptions and estimates about future events and actions, including management's assessment of opportunities and risks. Such assumptions and estimates are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control, and upon assumptions with respect to future business decisions that are subject to change in the future.

The Adjusted EBIT Forecast 2021/22 is based on the following assumptions made by the Management Board. These assumptions relate to factors (i) that are beyond the Company's control, or (ii) that can be influenced by the Company. Even though the Company considered these assumptions as appropriate when preparing the Adjusted EBIT Forecast 2021/22, they may in retrospective prove to be inappropriate or unfounded in the future. If one or more of these assumptions should prove to be inappropriate or unfounded, the actual result can deviate materially from the Adjusted EBIT Forecast 2021/22. Accordingly, prospective investors should treat this information with caution and should not place undue reliance on the Adjusted EBIT Forecast 2021/22.

The Adjusted EBIT Forecast 2021/22 has been compiled based on the factors and related assumptions stated below and prepared on a basis which is comparable to CECONOMY's historical financial information and consistent with the Company's accounting policies.

6.2 Definition of Adjusted EBIT

CECONOMY uses "Adjusted EBIT" as a key performance indicator to evaluate the performance of its business activities over time.

Adjusted EBIT means earnings before interest and taxes (EBIT) of CECONOMY adjusted for (i) portfolio changes by neither including the affected earnings contributions in the current period nor in the previous period, (ii) earnings effects from companies accounted for using the equity method, and (iii) non-recurring earnings effects in connection with (x) COVID-19 related permanent store closures, (y) the introduction of a harmonized group-wide organizational structure ("**Operating Model**") and (z) the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MSH and the reorganization and simplification of the shareholder structure are also not taken into account.

Adjusted EBIT is not recognized as earnings measure under IFRS and is regarded by the Company as alternative performance measure within the meaning of the European Securities and Markets Authority (ESMA) Guidelines on alternative performance measures dated 5 October 2015. Adjusted EBIT is not recognized as a GAAP measure under IFRS and should not be considered as a substitute for financial indicators as determined in compliance with, or as defined by, IFRS. CECONOMY's method of calculating Adjusted EBIT may not be consistent with the method based on which this measure, similar measures or measures with similar names are calculated by other companies. Accordingly, Adjusted EBIT as presented by CECONOMY may not be comparable to this measure, similar measures or measures with similar names as presented by other companies.

CECONOMY derives Adjusted EBIT from its Reported EBIT in CECONOMY's consolidated income statement. The following table shows the reconciliation of the Reported EBIT of CECONOMY to Adjusted EBIT of CECONOMY:

Reported EBIT ....
+/- Adjustments ....
Portfolio changes ....
Earnings effects from companies accounted for using the equity method ....
Non-recurring Effects of store closures ....
Non-recurring Effects of the introduction of the Operating Model ....
Non-recurring Transaction costs from minority stake acquisition ....
Adjusted EBIT ....

6.3 Adjusted EBIT Forecast 2021/22 of CECONOMY

For the Adjusted EBIT Forecast 2021/22 CECONOMY expects a very clear increase in Adjusted EBIT compared with the previous financial year ended 30 September 2021 ("**2020/21 Financial Year**") (EUR 237 million).

6.4 Underlying Principles

The Adjusted EBIT Forecast 2021/22 was prepared in accordance with the Accounting Practice Statement of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.* – "**IDW**") on the Preparation of Profit Forecasts and Estimates in Accordance with the Specific Requirements of the Regulation on Prospectuses (IDW AcPS AAB 2.003).

The Adjusted EBIT Forecast 2021/22 was prepared on the basis of the International Financial Reporting Standards, as adopted by the European Union ("**IFRS**"). With respect to the accounting policies applied, reference is made to the notes to the Unaudited Interim Consolidated Financial Statements as of and for six-months period ended 31 March 2022 and to the audited consolidated financial statements of the Company as of and for the 2020/21 Financial Year.

The Adjusted EBIT Forecast 2021/22 has been prepared solely for the inclusion in this Prospectus. In preparing the Adjusted EBIT Forecast 2021/22, based on CECONOMY's assessment, CECONOMY has considered the relevant factors for the operational and financial performance of CECONOMY. The expected development of these factors is based on assumptions made by the Management Board, which are set forth below.

6.5 Factors and assumptions

6.5.1 Factors beyond the Company's control and related assumptions

Factor 1: Further unforeseen events

For purposes of the Adjusted EBIT Forecast 2021/22 the Company assumes that no significant further unforeseeable events such as force majeure including fires, floods, hurricanes, storms, earthquakes and terrorist attacks, strikes, embargoes, extraordinary macroeconomic or geopolitical events or a further pandemic will occur that could lead to significant constraints in the ongoing business of CECONOMY.

For clarification purposes, for CECONOMY's assessment in reference to COVID-19 pandemic and war in Ukraine, see the following factors ("*Factor 2: COVID-19 Pandemic*" and "*Factor 3: War in Ukraine*").

Factor 2: COVID-19 pandemic

There is a high level of uncertainty regarding future macroeconomic and sector-specific parameters. These include the further development of the COVID-19 pandemic. A renewed acceleration of the COVID-19 pandemic in the further course of the 2021/22 Financial Year in combination with restrictions or other operational impairments particularly for the brick-and-mortar business of the Company cannot be ruled out.

For purposes of the Adjusted EBIT Forecast 2021/22 the Company assumes that the continued influence of the COVID-19 pandemic, both on the macroeconomic situation and on the Company's situation, will not materially deviate from the status known in May 2022 (time of preparation of the Adjusted EBIT Forecast 2021/22). In particular, the achievement of the Adjusted EBIT Forecast 2021/22 requires that the course of the COVID-19 pandemic does not entail long-lasting and widespread closures of a significant portion of the brick-and-mortar business and that supply chains remain largely intact. Negative impacts from long-lasting, widespread closures of a significant part of the brick-and-mortar business, which have occurred in e.g., Germany, Austria, the Netherlands, and Switzerland at the beginning of 2021 are, therefore, not included in the Adjusted EBIT Forecast 2021/22. The Company assumes that the brick-and-mortar footfall, which has still been significantly below the pre-COVID-19 times in the second quarter of the 2021/22 Financial Year, will further recover, thereby nurturing the brick-and-mortar sales development. Furthermore, CECONOMY assumes a recovery of the consumer sentiment in the remaining periods of the 2021/22 Financial Year.

Factor 3: War in Ukraine

The war in Ukraine does not directly affect the Adjusted EBIT Forecast 2021/22 of the Company as CECONOMY has no operational business neither in Russia nor in Ukraine. However, the consumer uncertainty caused by the war, as well as the accelerating effect on consumer price inflation that intensified with the outbreak of the war, may have an adverse effect on consumer behavior and may cause customers to postpone purchases of consumer electronics products.

The Company has incorporated the findings for the operating business from the Russian war of aggression against Ukraine into its Adjusted EBIT Forecast 2021/22. With the outbreak of the war, CECONOMY noticed a certain consumer restraint that weighed on the sales development in March 2022, especially in the second half of the month in Germany and Poland. Overall, CECONOMY slightly fell short of its internal sales forecast in the single month. However, that development eased again in April 2022. In May 2022, total sales compared to prior year showed a volatile development on a weekly basis. A clear trend is, thus, not observable yet. Hungary, which is similar to Poland also a neighboring state of Ukraine, did not show any negative sales impact. Further escalations (e.g., impacts of a potential gas/oil embargo on consumer sentiment) are not reflected in the Adjusted EBIT Forecast 2021/22.

For the sake of completeness and to avoid any misunderstanding CECONOMY points out, that CECONOMY's 15% stake in the listed Public Joint Stock Company M.video, Moscow/Russia ("**M.video"**) held by MSH, which is directly affected by the Russia-Ukraine war, is not reflected in the Adjusted EBIT Forecast 2021/22, as per definition of Adjusted EBIT (see above "*6.2 Definition of Adjusted EBIT*").

Factor 4: Supply shortages

For purposes of the Adjusted EBIT Forecast 2021/22 the Company assumed that global product availability constraints will substantially ease from the third quarter of the 2021/22 Financial Year onwards. Further deteriorations, e.g., as a result of port close-downs in China in alignment with the local zero-COVID-policy are, therefore, not considered in the Adjusted EBIT Forecast 2021/22. The availability of CECONOMY's top products is improving, yet still below the internal ambition due to macroeconomic constraints. The Russian war of aggression against Ukraine led to a moderate recovery of the situation as many suppliers decided to withdraw their business in Russia thereby setting free additional stock for the Western European market. For purposes of the Adjusted EBIT Forecast 2021/22, CECONOMY, therefore, assumes an improvement of both total and top product availability compared to the status at time of the preparation of the Adjusted EBIT Forecast 2021/22.

Factor 5: Accelerating inflation in Europe

The Company acknowledges a high level of consumer price inflation in many of its markets which is predominantly driven by increasing energy prices and subsequent spill-over effects. On the one hand, a high level of consumer price inflation may dampen the consumer sentiment and, thus, top-line growth. On the other hand, as a retailer, CECONOMY can pass on increasing purchase prices to a limited extent to CECONOMY's customers, which has a positive effect on CECONOMY's expected sales development. In the Adjusted EBIT Forecast 2021/22, the positive and negative effects of inflation are expected to level out.

At the same time, a high level of consumer price inflation may also accelerate cost inflation and thus, negatively impact Adjusted EBIT. Regarding cost inflation, especially known effects on energy prices, personnel expenses (e.g., regular salary review, increase of minimum wage), and rent expenses, shown as depreciation of Right-of-Use assets (e.g., indexation of rental contracts) are reflected in the Adjusted EBIT Forecast 2021/22. For the above-mentioned cost categories, country-individual rates were assumed in the Adjusted EBIT Forecast 2021/22. The underlying overall inflation effect on the Adjusted EBIT Forecast 2021/22 is expected to be approximately 2%. The main driver is the expected increase in personnel expenses, which is the largest operational cost item for CECONOMY beyond the purchase of goods and which also equals approximately 2%. The inflation-driven increase in energy and other occupancy costs is expected to be moderate on group level.

Regarding the effect of inflation on the purchase price of goods and the Company's ability to pass on such price increases to its customers, refer to section "Total income margin development" below.

Factor 6: Channel shift

For the Company, an increasing online sales share generally results in a negative total income margin impact. Brick-and-mortar sales usually bear higher margins e.g., due to sales and product mix effects as well as delivery costs in the online business. Moreover, brick-and-mortar sales still show higher attachment rates of services & solutions when compared to online sales. In the Adjusted EBIT Forecast 2021/22, CECONOMY expects brick-and-mortar sales to further recover in the third quarter of the 2021/22 Financial Year due to less COVID-19 restrictions in the 2021/22 Financial Year compared to the 2020/21 Financial Year and severe lockdowns in the prior year period that lower the comparison base. In the period June 2022 to September 2022, brick-and-mortar sales are expected to be below prior year due to strong catch-up effects in the prior year period after easing of most COVID-19 restrictions. For online sales, the Company assumes that the online sales share for the entire 2021/22 Financial Year will be strongly below the 2020/21 Financial Year. However, higher than expected online sales shares and associated negative impacts on gross profit are possible, e.g., in case of additional COVID-19 restrictions.

Factor 7: IT systems, information and data

The operations of CECONOMY are highly dependent on the integrity and the security of the IT systems and the management of information and private data. The loss of confidential data could result in legal disputes and reduced customer trust. This could be triggered by internal (e.g., system errors) or external factors (e.g., DDoS attacks). For the purpose of the Adjusted EBIT Forecast 2021/22, the Company assumes that there will be no further negative financial impacts from cybercrime or hacker attacks or any internal interruptions which could influence the business operations of CECONOMY in the remaining 2021/22 Financial Year. The negative impact of the cyber-attack that CECONOMY experienced in the first quarter of the 2021/22 Financial Year as well as the partial compensation which was based on an indicative assessment by an external expert opinion are fully reflected in the Adjusted EBIT Forecast 2021/22.

Factor 8: Legislative and other regulatory measures

CECONOMY is subject to a variety of regulations, including but not limited to data protection, competition and consumer protection laws, and future regulations might impose additional requirements and other obligations on CECONOMY's business. Non-compliance, in particular with data protection laws could result in liability and reputational harm to CECONOMY's business, and adverse changes in the applicable legal framework could increase CECONOMY's costs of operations.

For purposes of the Adjusted EBIT Forecast 2021/22, CECONOMY assumes a stable political, legislative, and regulatory environment and assumes no changes in the legal and regulatory framework or regulatory actions to which CECONOMY is or may become subject to.

Factor 9: Foreign exchange rate movements

Due to the international scale of CECONOMY's business, CECONOMY's results of operations are affected by foreign exchange rate movements, mainly on a translational basis. The Turkish lira ("**TRY**") currency exchange rate developments compared to inflation have the most significant impact on volatility of CECONOMY's reported results.

For the purpose of Adjusted EBIT Forecast 2021/22, CECONOMY has made use of exchange rate forecasts provided by the European Central Bank with, for example, an average rate of 15.387 TRY per 1.00 Euro. On this basis, CECONOMY expects that exchange rate effects will affect the change in Adjusted EBIT in the 2021/22 Financial Year compared to the 2020/21 Financial Year in a range of c. EUR -10 million to c. EUR -15 million without the effect of the introduction of IAS 29. This estimation is reflected in the Adjusted EBIT Forecast 2021/22. CECONOMY expects that the introduction of IAS 29 will not have a significant effect on the Adjusted EBIT Forecast 2021/22.

6.5.2 Factors that can be influenced by the Company and related assumptions

Factor 10: Total sales development

Within calculation of Adjusted EBIT CECONOMY defines "total sales adjusted for portfolio changes and exchange rate effects" as sales of CECONOMY adjusted for (i) portfolio changes and (ii) currency effects. Total sales growth adjusted for portfolio changes and exchange rate effects is calculated by translating the sales of the previous year at the average exchange rate of the current year. For forecast purposes, expected average exchange rates for the respective full financial year are used based on capital-market-driven estimates and provided by the European Central Bank at the time of the preparation or confirmation of the forecast, respectively. Adjustments for portfolio changes are made by neither including the affected sales in the current period nor in the previous period.

CECONOMY derives total sales growth adjusted for portfolio changes and exchange rate effects from sales as recorded in its consolidated income statement. The following table shows the reconciliation of sales of CECONOMY to total sales adjusted for portfolio changes and exchange rate effects of CECONOMY:

Total sales previous year
+/- Exchange rate effects
+/- Portfolio changes
Total sales adjusted for portfolio changes and exchange rate effects previous year
Total sales current year
+/- Portfolio changes
Total sales adjusted for portfolio changes current year
Total sales growth adjusted for portfolio changes and exchange rate effects (in %)

For the purpose of its Adjusted EBIT Forecast 2021/22, CECONOMY expects a slight year-on-year increase in total sales adjusted for portfolio changes and exchange rate effects for the 2021/22 Financial Year. That increase is particularly driven by COVID-19-restrictions, e.g., temporary store closures, in the prior 2020/21 Financial Year which heavily impaired brick-and-mortar sales, especially in the second and third quarter. Overall, CECONOMY, thus, expects brick-and-mortar sales to recover compared to the 2020/21 Financial Year. CECONOMY's online sales are, in turn, assumed to be very clearly below the 2020/21 Financial Year but to remain on an elevated level compared to pre-pandemic financial year ended 30 September 2019. On country-level, CECONOMY expects a mixed picture regarding the individual countries' contribution: the increase in CECONOMY's total sales adjusted for portfolio changes and exchange rate effects is expected to be particularly driven by a very strong sales growth in Turkey. Moreover, Germany and the Netherlands were especially burdened by temporary store closures in the 2020/21 Financial Year. Accordingly, for purposes of the Adjusted EBIT Forecast 2021/22, CECONOMY expects the year-on-year increase in sales in these countries to compensate for expected decreasing sales in other countries that were e.g., negatively affected by the cyber-attack in the 2020/21 Financial Year, or which experienced strong catch-up effects in the 2020/21 Financial Year.

Factor 11: Total income margin development

CECONOMY assumes a moderate uplift compared to the 2020/21 Financial Year in its total income margin within the Adjusted EBIT

Forecast 2021/22. That recovery is mainly driven by a higher services & solutions income share as well as positive contributions from goods valuation and a lower online sales share in the 2021/22 Financial Year compared to the 2020/21 Financial Year. This expected uplift in its total income margin is especially due to a weak comparison base because of long-lasting lockdowns and COVID-19 restrictions in the 2020/21 Financial Year which heavily impaired the brick-and-mortar business. For the Adjusted EBIT Forecast 2021/22 a recovery of brick-and-mortar customer frequency compared to the prior 2020/21 Financial Year is assumed which supports the Services & Solutions business. Moreover, despite continuing competitive pressure the goods margin is expected to be stabilized compared to prior year predominantly by purchase condition improvements in the context of negotiations with the Company's suppliers as well as by an optimized sales-mix with respect to departments and suppliers. The Company assumes that cost inflation for its goods sold can be passed on to its customers to a vast extent. Should this assumption prove to be incorrect, e.g., due to stronger than expected competition, the total income margin may not increase as strongly as expected, or might even decline, with direct negative implications for Adjusted EBIT 2021/22.

As the widespread closures of a significant part of the brick-and-mortar business persisted until end of May 2021, e.g., in Germany, a very strong year-on-year increase in total income is expected for the third quarter of the 2021/22 Financial Year while CECONOMY expects total income to be at prior year level for the fourth quarter of the 2021/22 Financial Year which compares against strong catch-up effects in the respective 2020/21 Financial Year period. In terms of total income margin, both quarters are expected to be moderately above prior year.

Factor 12: Personnel costs development

For the purpose of Adjusted EBIT Forecast 2021/22, CECONOMY expects higher personnel costs both in absolute terms as well as in percentage of total sales compared to the prior year period. The expected very strong year-on-year increase in the 2021/22 Financial Year is mainly due to the lack of COVID-19-related mitigation measures, e.g., during lockdowns, that supported Adjusted EBIT in the 2020/21 Financial Year. These mitigation measures comprise short-time work, especially in Germany and the Netherlands, as well as additional personnel costs savings due to a COVID-19-related FTE reduction, shift of unused vacation/overtime and other government compensation. COVID-19-related personnel costs measures equaled around EUR 167 million in total in the 2020/21 Financial Year. These savings are not expected to repeat in the current 2021/22 Financial Year. The Adjusted EBIT Forecast 2021/22 considers a high single-digit Euro million amount of personnel costs-related COVID-19 measures, mainly in Germany and the Netherlands.

Factor 13: Marketing costs development

The Company expects marketing costs to remain at the level of the 2020/21 Financial Year in absolute terms and also in percentage of sales. Supplier refunds are assumed to be slightly higher in the 2021/22 Financial Year compared to the 2020/21 Financial Year. Marketing expenses are expected to continue shifting from traditional media (e.g., TV, Newspaper) to digital channels. Especially performance marketing expenses (online marketing activities like Google search and Google shopping) are expected to remain at prior year level despite a lower online sales share to protect the current online market share.

Factor 14: Location costs development

CECONOMY constantly reviews its store portfolio and continues the rightsizing of stores across Europe as its store network remains a key element of its omnichannel approach. Furthermore, the ongoing optimization of its rental contracts builds an integral part of the Company's real estate strategy. In the 2020/21 Financial Year, the Company showed a low level of location costs as parts of the store portfolio were closed due to local COVID-19 regulations. During that period amicable solutions for temporary lease reductions with CECONOMY's landlords were negotiated. For the Adjusted EBIT Forecast 2021/22, the Company expects total location costs to remain on prior year level. The positive effect on location costs from the renegotiation of rental contracts, the rightsizing of its stores and permanent store closures results in a slightly positive effect due to a decreasing IFRS 16 depreciation in the 2021/22 Financial Year. That positive impact is expected to be compensated by an overall slight increase in ancillary property expenses which is especially driven by a very clear increase in energy expenses.

The Company does not expect any impacts from goodwill or asset impairments within the Adjusted EBIT Forecast 2021/22.

Factor 15: Transaction/IT costs development

For the Adjusted EBIT Forecast 2021/22, the Company assumes Transaction & IT costs on the level of the 2020/21 Financial Year. An expected very strong decrease in incidental bank charges and an expected slight decrease in transport costs are driven by declining online sales compared to the 2020/21 Financial Year. COVID-19 restrictions and lockdown resulted in a higher online sales share in the 2020/21 Financial Year which led to higher transactions costs. On the other hand, IT expenses are expected to increase very strongly in the 2021/22 Financial Year compared to the 2020/21 Financial Year in line with IT projects, e.g., for the digitalization of the Company’s processes and the further improvement of the customer experience.

Factor 16: Other costs development

The Company expects to keep other costs in the 2021/22 Financial Year moderately below the 2020/21 Financial Year. An expected increase in expenses such as travel, security and trainings after lifting COVID-19 restrictions is expected to be compensated by savings in other expenses such as significantly less call center activities due to less online sales.

Factor 17: Stock development

For the Adjusted EBIT Forecast 2021/22, the Company expects to keep stocks at prior year level at the end of the 2021/22 Financial Year. After long-lasting lockdowns and COVID-19 restrictions, especially in Germany and the Netherlands, stock had remained significantly high in the 2020/21 Financial Year. However, in the second half of the 2021/22 Financial Year inventories are expected to decline compared to the respective prior year period. Overall, CECONOMY assumes a slightly positive effect from stock valuation on Adjusted EBIT for the 2021/22 Financial Year compared to the 2020/21 Financial Year based on an improved ageing structure and based on the absence of COVID-19-related risk buffers which were part of the stock valuation in the 2020/21 Financial Year.

6.6 Other explanatory notes

The Adjusted EBIT Forecast 2021/22 does not cover any extraordinary events or results from non-recurring operations as well as extraordinary tax expenses within the meaning of IDW Accounting Practice Statement (IDW RH HFA 2.003).

As this Adjusted EBIT Forecast 2021/22 relates to a period that has not yet ended and is based on several assumptions regarding uncertain future events and actions (factors), it inherently involves considerable uncertainties. As a result of such uncertainties, the actual Adjusted EBIT generated by CECONOMY for the 2021/22 Financial Year may deviate from the Adjusted EBIT Forecast 2021/22, even substantially.

The profit forecast was prepared by end of May 2022 and represents the best estimate as of the date of the Prospectus.

7 BUSINESS

7.1 Overview

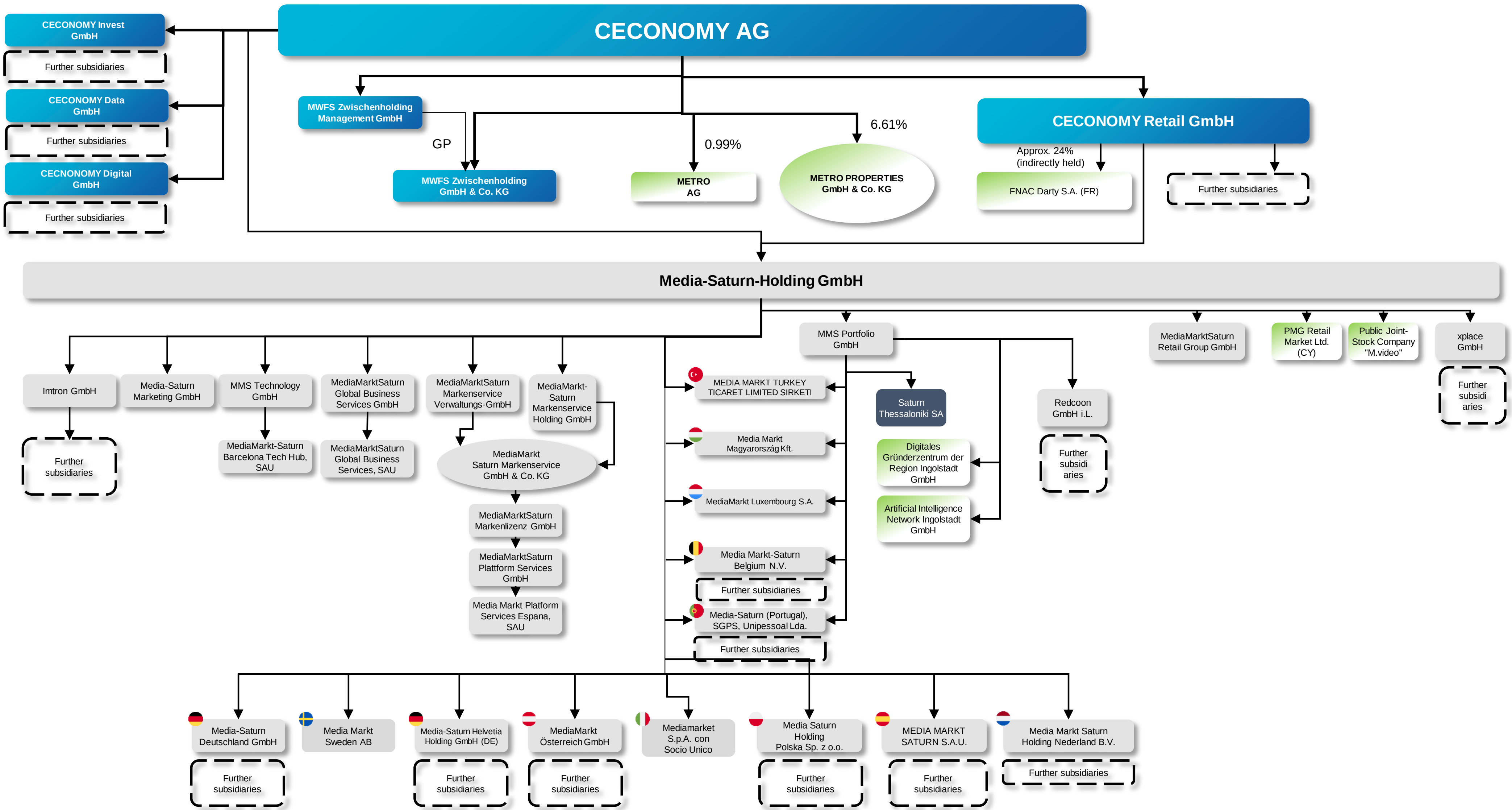
The Company is the central management holding company of CECONOMY covering basic functions such as finance, accounting, controlling, legal and compliance. CECONOMY is a European platform for companies, concepts, and brands in the field of consumer electronics ("**CE**") operating more than 1,000 stores (including physical and online stores) in 13 European countries and in particular in Germany. It brings together companies, concepts, formats, and brands from throughout the CE sector. In this context, the clear guiding objective is to cover the entire range of services as seamlessly as possible with this being achieved across all possible touch points: in the retail outlets, on the web, and in the mobile domain, as well as at the customer's home. In addition, the Company, acting through its investee companies, is continually developing innovations aiming to improve and simplify the shopping experience; in partnership with other dealers and start-ups, it also pursues the goal of making the customer's life in the digital world as easy and pleasant as possible. In this way, CECONOMY aims not only to generate decisive added value for its customers but also economic opportunities for the enterprise and the Company's shareholders.

CECONOMY believes to have a strong track record, having worked hard to realign its business model since 2019, and believes to have achieved tangible success as a result: In line with its omnichannel strategy, it has consolidated six separate webshop platforms into a single common information technology ("**IT**") platform and, in addition, introduced a marketplace model in Germany and Spain, with an amalgamation of the MediaMarkt and Saturn webshops. CECONOMY has also implemented harmonized service offerings at so-called "Smartbars" in stores, where the customers are offered a wide range of services, e.g. display protection, extended warranties and on-the-spot smartphone repair, carrying out approximately 480,000 Smartbar repairs in the 2020/21 Financial Year, and concluded 10.4 million extended warranties contracts during the same period. CECONOMY's introduction of standardized assortment and supplier frameworks for each country in which it operates enabled it to centralize most of its procurement activities at the country level. In the 2020/21 Financial Year, continued efforts to optimize CECONOMY's logistics systems resulted in a 8.5% decrease in the average number of stockkeeping units in each of its stores as compared to the 2019/20 Financial Year. The streamlining of portfolio-related issues, involving among others the music streaming service JUKE!, the live shopping portal iBOOD and its Greek MediaMarkt business, generated an average of EUR 23 million in savings in each of the 2017/18 Financial Year and the 2018/19 Financial Year. Moreover, CECONOMY started its Marketplace activities in summer 2020, which are meanwhile rolled out in Germany and Spain and are continuously growing in terms of number of sellers, number of stockkeeping units and gross merchandizing value.

CECONOMY has recorded improvements in its operative cost performance and benefitted significantly from the cost mitigation measures implemented by it in response to the COVID-19 pandemic. It has lowered its personnel expenses by reducing the number of full-time equivalents (FTE) and also through savings attributable to the implementation of its new operating model. These developments helped to achieve an operative cost saving (adjusted for COVID-19 related government support which positively influenced the prior year cost base) in absolute terms in the six months ended 31 March 2022 compared with the equivalent period of the previous financial year, thereby overcompensating the underlying cost inflation trend.

In the 2020/21 Financial Year, CECONOMY generated sales of EUR 21,361 million (compared to EUR 20,831 million in the 2019/20 Financial Year) as well as an adjusted EBIT of EUR 237 million (compared to EUR 236 million in the 2019/20 Financial Year). In the six months ended 31 March 2022, CECONOMY's sales amounted to EUR 11,873 million (compared to EUR 11,786 million in the six months ended 31 March 2021) and its adjusted EBIT amounted to EUR 212 million (compared to EUR 199 million in the six months ended 31 March 2021).

The following page shows a simplified group chart of CECONOMY.


CECONOMY AG
CECONOMY Invest GmbH
Further subsidiaries
CECONOMY Data GmbH
Further subsidiaries
CECNONOMY Digital GmbH
Further subsidiaries
MWFS Zwischenholding Management GmbH
GP
MWFS Zwischenholding GmbH & Co. KG
0.99%
METRO AG
6.61%
METRO PROPERTIES GmbH & Co. KG
CECONOMY Retail GmbH
Approx. 24% (indirectly held)
FNAC Darty S.A. (FR)
Further subsidiaries
Media-Saturn-Holding GmbH
Imtron GmbH
Further subsidiaries
Media-Saturn Marketing GmbH
MMS Technology GmbH
MediaMarkt-Saturn Barcelona Tech Hub, SAU
MediaMarktSaturn Global Business Services GmbH
MediaMarktSaturn Global Business Services, SAU
MediaMarktSaturn Markenservice Verwaltungs-GmbH
MediaMarkt-Saturn Markenservice Holding GmbH
MediaMarkt Saturn Markenservice GmbH & Co. KG
MediaMarktSaturn Markenlizenz GmbH
MediaMarktSaturn Plattform Services GmbH
Media Markt Platform Services Espana, SAU
MMS Portfolio GmbH
MEDIA MARKT TURKEY TICARET LIMITED SIRKETI
Media Markt Magyarország Kft.
MediaMarkt Luxembourg S.A.
Media Markt-Saturn Belgium N.V.
Further subsidiaries
Media-Saturn (Portugal), SGPS, Unipessoal Lda.
Further subsidiaries
Saturn Thessaloniki SA
Digitales Gründerzentrum der Region Ingolstadt GmbH
Artificial Intelligence Network Ingolstadt GmbH
Redcoon GmbH i.L.
Further subsidiaries
MediaMarktSaturn Retail Group GmbH
PMG Retail Market Ltd. (CY)
Public Joint-Stock Company "M.video"
xplace GmbH
Further subsidiaries
Media-Saturn Deutschland GmbH
Further subsidiaries
Media Markt Sweden AB
Media-Saturn Helvetia Holding GmbH (DE)
Further subsidiaries
MediaMarkt Österreich GmbH
Further subsidiaries
Mediamarket S.p.A. con Socio Unico
Media Saturn Holding Polska Sp. z o.o.
Further subsidiaries
MEDIA MARKT SATURN S.A.U.
Further subsidiaries
Media Markt Saturn Holding Nederland B.V.
Further subsidiaries

7.1.1 MSH Group

CECONOMY's operating business comprises several group companies with the largest part being the MSH Group, i.e. the group division (*Teilkonzern*) of CECONOMY with the "MediaMarkt" and "Saturn" brands ("**MSH Group**"). MSH, a fully consolidated subsidiary of the Company, is the holding company of the MSH Group responsible for MSH Group's operative management.

<u>MediaMarkt and Saturn</u>

MediaMarkt was founded in 1979 and is operated as an independent retail brand within the MSH Group. MediaMarkt has a European presence in numerous countries, including Germany, Austria, Italy, the Netherlands, Spain, Sweden, Poland and Turkey, with 879 stores and approximately 39,500 employees as of 31 March 2022. In Germany, MediaMarkt is represented by 267 stores with approximately 12,000 employees as of 31 March 2022.

Saturn is also operated as an independent retail brand within the MSH Group and was founded in 1961. Saturn has a European presence in Germany and Luxembourg with approximately 136 stores and approximately 6,000 employees as of 31 March 2022.

7.1.2 Further shareholdings

The Company also holds, directly or indirectly, stakes in the following companies:

- a stake of around 80% in DTB Deutsche Technikberatung GmbH ("**DTB**");
- a stake of around 24% in FNAC DARTY S.A., Ivry-sur-Seine, France ("**FNAC DARTY**");
- a stake of 15% in the Public Joint Stock Company "M.video", Moscow, Russia ("**M.video**");
- a stake of around 6.6% in METRO PROPERTIES GmbH & Co. KG, Dusseldorf, Germany ("**MPKG**");
- a stake of 2% in PG Public Group Ltd., Limassol, Cyprus ("**PG**"); and
- a stake of around 1% in METRO.

<u>DTB</u>

DTB offers professional technical assistance for the installation, connection and troubleshooting of electronic devices at home – either personally on site or by remote maintenance. All services of DTB are offered in all MediaMarkt and Saturn stores throughout Germany. As of 31 March 2022, DTB had 201 employees.

<u>FNAC DARTY</u>

FNAC DARTY is a French retail company for CE products and household appliances with a presence in 13 countries, including France, Spain, Portugal, Belgium, Switzerland, Luxembourg, Morocco, Qatar, Ivory Coast, Congo, Tunisia, Cameroon and Senegal. FNAC DARTY has an omnichannel network of 957 stores, including 390 franchises, as of the end of December 2021. FNAC DARTY employs approximately 25,000 employees. The ordinary shares of FNAC DARTY are listed on the Euronext Paris exchange (ISIN FR0011476928).

<u>M.video</u>

The M.video-Eldorado Group has a significant position in the Russian consumer electronics retail market. With two retail brands (M.video and Eldorado), it runs a major Russian online platform selling consumer electronics and operates a network of more than 1,000 stores across Russia from the Kaliningrad Region to the Kamchatka Territory. The ordinary shares of M.video are listed on the Moscow Exchange (ISIN RU000A0JPGA0). With respect to risks related to CECONOMY's investment in M.video in light of the Russian war of aggression against Ukraine, see "*1.4.11 CECONOMY faces risks due to potential sanctions with respect to M.video*".

<u>MPKG</u>

MPKG is a fully consolidated company of the METRO group concentrating the real estate know-how of the METRO group. MPKG operates, develops and markets an international portfolio of properties.

<u>PG</u>

PG is a joint venture founded in 2019 by MSH and Olympia Group Ltd., Limassol, Cyprus ("**Olympia**"), in order to address the Greek and Cypriot market. Both organizations contributed their operating companies – MediaMarkt Greece and the CE and entertainment retailer Public in Greece and Cyprus – to the new joint venture company. MSH's stake in PG was reduced from 25% to 2% at the end of December 2021.

<u>METRO</u>

METRO is the central strategic management holding company of the METRO group. It performs group management functions, among others in the areas of finance, controlling, legal and compliance as well as purchasing and human resources. The METRO group is an international food wholesaler and global market player. As of 30 September 2021, in its core wholesale business METRO operated globally with 681 stores in 24 countries and was active with the delivery business (Food Service Distribution, FSD) in another 10 countries. The METRO group employs around 95,000 employees (total headcount).

7.1.3 Store network by country

The following table sets forth the store network operated by CECONOMY, broken down by the segments DACH (Germany, Austria, Switzerland, Hungary), Western/Southern Europe (Belgium, Italy, Luxembourg, Netherlands, Portugal, Spain), Eastern Europe (Poland, Turkey) and others (Sweden):

	30 September 2020	30 September 2021	31 December 2021	31 March 2022
Germany	425	405	403	401
Austria	53	52	52	52
Switzerland	25	25	25	25
Hungary	32	32	32	32
DACH	**535**	**514**	**512**	**510**
Belgium	27	24	24	23
Italy	117	119	119	119
Luxembourg	2	2	2	2
Netherlands	50	49	49	49
Portugal	10	10	10	10
Spain	88	106	107	107
Western/Southern Europe	**294**	**310**	**311**	**310**
Poland	88	81	81	81
Turkey	78	85	87	86
Eastern Europe	**166**	**166**	**168**	**167**
Sweden	28	28	28	28
Others	**28**	**28**	28	**28**
CECONOMY	**1,023**	**1,018**	**1,019**	**1,015**

7.2 Strategy

CECONOMY finds itself in an increasingly challenging environment that is shaped by far-reaching market developments and customer trends. Digitalization has extended to nearly all areas of private and public life. Given the fast pace of technological development, customer needs are changing on a continuing basis.

Digitalization is increasingly pervading the day-to-day in numerous areas. The pace at which digital technology is advancing necessitates the right products, the right advice and associated services. This is the only way that consumers can fully take advantage of the potential of the digital trend.

As a long-term trend, one of the effects of digitalization is that in-store business and online and mobile retail overlap even more and customers therefore expect a satisfactory shopping experience across all channels. Innovative options such as payment without cash registers, in-store navigation and virtual reality experiences can help ensure that these expectations are met. Likewise, consumers' need for advice and direct contact partners when comparing, purchasing and operating consumer electronics is constantly increasing, because consumers want the benefits offered by products while at the same time investing as little time as possible.

The trend towards greater digitalization in the day-to-day life is also driven by the COVID-19 pandemic. Although the potential changes to society as a result of the COVID-19 pandemic are not entirely predictable, certain trends have already emerged and will influence the CE market for years. For example, more and more companies are offering flexible working hours. Setting up a workplace at home and working remotely has become customary for many employees whose working environment was and is affected by the COVID-19 pandemic. Digital equipment for schools and students has also become a big issue in the public's consciousness. Home schooling has presented challenges for many parents. The way people spend their leisure time at home has changed in the past year, along with the associated use of digital devices for entertainment and support in their day-to-day lives. In the COVID-19 pandemic, the safest ways to stay informed, interact socially and communicate while maintaining social distancing rules are digital.

CECONOMY's strategic approach is based on meeting these varying requirements. CECONOMY seeks to offer suitable products with corresponding and tailor-made advice and services, regardless of sales channel. In a technology-driven world, CECONOMY's vision is to be the first choice – for consumers as well as business partners – as a trusted retailer with tailored solutions. This is founded on an omnichannel model focused on the customer experience.

There are three key pillars to CECONOMY's strategy:

7.2.1 Create an efficient organization and structure

The transformation into a customer-centric, omnichannel-driven company is assisted by the creation of an efficient organization and structure that allows group-wide initiatives to be rolled out faster and more consistently. This is based on the new Operating Model unveiled in August 2020, which focuses on harmonized management structures and centralized processes across all countries. The new target organization is intended to simplify the standardization of processes, increase efficiency in the country organizations and simultaneously reduce costs. In addition, regional country clusters have been and will be formed, with certain countries combined in terms of organization.

The stores shall be relieved of administrative tasks so that they can direct their efforts more intensively towards customers. The relocation of these activities to the headquarters of the country organizations also supports the central management of important processes, including product range management, purchasing and logistics. The Company plans to provide employees with additional digital tools in order to further improve service quality and efficiency and to simplify many of their tasks. The use of technology and data analytics shall also ensure fast and efficient processes.

7.2.2 Build a unique value proposition

CECONOMY employs an omnichannel model in order to offer customers a unique value proposition thus increasing their satisfaction and loyalty. This proposition is primarily based on three factors:

- seamless omnichannel experience, including in the form of personalized customer experiences, both online business and in store;
- optimized supply chain, including centralized procurement and continuous improvements in logistics, which in turn means higher availability of goods and faster delivery times; and
- optimized category management, aligning CECONOMY's product range more closely with consumer needs.

7.2.3 Accelerate growth path

CECONOMY's in-store and digital platforms, combined with high customer acceptance, are also a fundamental basis for additional growth opportunities. In addition to the expansion of product range categories to innovative technologies, relationships with business customers and manufacturers will thus come further to the fore in the future. Special business-to-business (B2B) initiatives promote opportunities to sell to potentially underserved customer segments such as small and medium-sized enterprises. In addition, CECONOMY's own sales channels are being successively opened up to external providers via the marketplace model in Germany and other countries.

7.3 Material changes in CECONOMY's regulatory environment since 30 September 2021

7.3.1 Consumer protection laws

From 28 May 2022, the EU member states are obligated to implement the Directive (EU) 2019/2161 as regards the better enforcement and modernization of Union consumer protection rules ("Omnibus Directive"). For many EU member states in which CECONOMY operates, this means a tightening of the existing sanctions for infringements of consumer protection laws. In addition, in some EU member states in which CECONOMY operates, the possibility of consumers bringing individual claims for breach for unfair competition or consumer protection laws is newly introduced.

7.3.2 Digital goods, digital services and consumer sales

As of 1 January 2022, the national implementations to the new EU digital sales law (Directives (EU) 2019/770 on certain aspects concerning contracts for the supply of digital content and digital services and Directive (EU) 2019/771 on certain aspects concerning contracts for the sale of goods) came into force in several EU members states in which CECONOMY operates. This legislation introduced new consumer rights, including an extension of warranty rights. For digital products and products with digital elements (e.g. software, smartphones, or navigation devices), CECONOMY is obligated to provide consumers with updates and inform consumers about their availability on an ongoing basis. Such obligation cannot be fulfilled by CECONOMY, but requires actions by the respective supplier which cannot be controlled by CECONOMY. CECONOMY will monitor the further implementation and specific interpretation of the directive by the courts in the individual countries in order to adapt its approach in close consultation with manufacturers, if necessary.

7.4 Investments

The following material investments were made since 30 September 2021 and are in progress and/or firm commitments have already been made for them, as applicable. The investments are broken down by the segments DACH (Germany, Austria, Switzerland, Hungary), Western/Southern Europe (Belgium, Italy, Luxembourg, Netherlands, Portugal, Spain), Eastern Europe (Poland, Turkey) and Others (mainly Sweden and smaller operating companies).

Investments totaled EUR 322 million in the six months ended 31 March 2022. The major part of the investments in the six months ended 31 March 2022 is related to the conclusion of new and prolonged rental contracts as well as modernization of stores.

EUR 143 million was invested in the DACH region in the six months ended 31 March 2022. Investments were therefore EUR 24 million lower than in the same period in the previous year. The decrease relates mainly to the conclusion of new and prolonged rental contracts. Investments in Western/Southern Europe amounted to EUR 140 million in the six months ended 31 March 2022, EUR 50 million higher than the investments in the prior-year period. This increase likewise relates mainly to the conclusion of new and prolonged rental contracts. In Eastern Europe, EUR 35 million was invested in the six months ended 31 March 2022, EUR 12 million more than in the prior-year period, also mainly due to the conclusion of new and prolonged rental contracts. Investments in the Others segment amounted to EUR 4 million in the six months ended 31 March 2022, EUR 2 million more than in the prior-year period.

An investment budget of EUR 823 million for the financial year ending 30 September 2022 was approved, thereof EUR 330 million cash investments. Depending on further developments of the COVID-19 pandemic, the cash budget may not be exhausted, as modernization activities could be postponed to secure liquidity.

After the six months ended 31 March 2022 and until the date of the Prospectus, there have been no material investments which are in progress and/or for which firm commitments have already been made.

The source of funding for CECONOMY's ongoing and future investments has been, and continues to be, cash flow from operating activities and borrowings.

7.5 Material contracts

The following provides a summary of (i) each material contract, other than contracts entered into in the ordinary course of business, to which the Company or any member of CECONOMY is a party, for the two years immediately preceding publication of the Prospectus as well as (ii) any other contract (other than in the ordinary course of business) entered into by any member of CECONOMY which contains any provision under which any member of CECONOMY has any obligation or entitlement which is material to CECONOMY as at the date of the Prospectus. Apart from the contracts summarized below and as of the date of the Prospectus, there are no other material contracts to which the Company or any company of CECONOMY is a party.

7.5.1 Agreements with respect to the Transaction

The Prospectus relates to the Admission of the Admission Shares which are issued in connection with the Transaction between the Company and Convergenta. In respect of the Transaction, the Company and Convergenta concluded the following agreements on 14 December 2020: (i) the Agreement in Principle, (ii) a share purchase, contribution and transfer agreement ("**Contribution Agreement**") and (iii) a subscription agreement (*Begebungsvertrag*) ("**Subscription Agreement**").

To implement the Transaction, the annual general meeting (*ordentliche Hauptversammlung*) on 17 February 2021 ("**2021 AGM**") resolved on (i) the increase of the Company's share capital by way of a mixed capital increase against contributions in kind, excluding the statutory subscription rights of the Shareholders of the Company, (ii) the issuance of convertible bonds against mixed contributions in kind, excluding the statutory subscription rights of the Shareholders, and the creation of a new Conditional Capital 2021/I (*Bedingtes Kapital 2021/I*) as well as (iii) the associated amendments to the Articles of Association. However, on 8 July 2021, the Higher Regional Court (*Oberlandesgericht*) of Dusseldorf expressed its preliminary legal views in clearance proceedings (*Freigabeverfahren*) regarding the resolutions of the 2021 AGM under agenda item 8. In the court's view, the capital increase required a special resolution of the holders of ordinary shares as well as of the holders of preference shares in order to become effective, provided that the holders of preference shares are temporarily entitled to a voting right due to the non-payment of dividends (see also "*7.6.1 Proceedings regarding the Company*" below). As a result, the Transaction was not carried out in the 2020/21 Financial Year.

In order to continue the implementation of the Transaction in the 2021/22 Financial Year, the parties entered into an agreement on 9 November 2021 ("**Amendment Agreement**") in which the Agreement in Principle, the Contribution Agreement and the Subscription Agreement were amended and restated (the amended versions together, "**Transaction Agreements**"). The Transaction Agreements provide that Convergenta contributes the Contribution Shares (as defined below) to the Company as a contribution in kind in return for the granting of the Capital Increase Shares, the issuance of the Convertible Bonds and a cash payment in the amount of EUR 130 million. The consummation of the Transaction Agreements was subject to the resolution of the 2022 EGM under agenda item 2.

Based on the resolution passed at the 2022 AGM, the holders of preference shares were paid all dividends payable in arrears in addition to the dividend for the 2020/21 Financial Year. The voting rights of the holders of preference shares have thus lapsed and a special resolution of the holders of ordinary and of preference shares on the increase of the capital stock was no longer necessary, even according to the aforementioned legal view of the Higher Regional Court (*Oberlandesgericht*) of Dusseldorf. On 12 April 2022, the 2022 EGM cancelled the resolution passed by the 2021 AGM on agenda item 8 and passed a new resolution which can be summarized as follows:

- The Company's share capital shall be increased from EUR 918,845,410.90 by EUR 321,602,593.27 to EUR 1,240,448,004.17 by issuing the 125,800,000 Capital Increase Shares in return for a contribution in kind. The Capital Increase Shares shall be issued at the lowest issue price. The difference between the issue price of the Capital Increase Shares and any higher equity investment value of the non-cash contribution is to be allocated to the capital reserves in accordance with Section 272 para. 2 no. 4 HGB as far as possible.

  The statutory subscription rights of the Company's shareholders to the Capital Increase Shares shall be excluded. The Capital Increase Shares shall be issued for the purpose of acquiring the Contribution Shares (as defined below).

- The Company shall issue the Convertible Bonds, i.e. convertible bonds with an aggregate principal amount of EUR 151 million, divided into 1,510 bearer bonds ranking *pari passu* among themselves, each with a nominal value of EUR 100,000.00, in return for a contribution in kind. The Convertible Bonds grant their holders conversion rights to initially a total of up to 27,859,778 new no-par value ordinary bearer shares of the Company, each such share with a notional value in the share capital of approximately EUR 2.56 ("**Conversion Shares**") for the issuance of which the Conditional Capital 2022/I is to be created. The initial conversion price will be EUR 5.42 for each Conditional Capital Share.

  The statutory subscription rights of the Company's shareholders to the Convertible Bonds shall be excluded. The Convertible Bonds shall be issued for the purpose of acquiring the Contribution Shares (as defined below).

- As the substance of the contribution in kind for purposes of the Capital Increase and the issuance of the Convertible Bonds ("**Contribution in Kind**"), Convergenta shall contribute to the Company the following shares (*Geschäftsanteile*) in MSH as well as fractional rights to a share in MSH:

  – Shares with serial numbers 16 to 27, i.e., a total of twelve shares, having a total nominal value of DM 15,134,680.00 ("**C/M Shares**"), which corresponds to approximately 21.62% of the share capital of MSH, and

  – Partial rights to the share with serial number 34 and having a nominal value of DM 50.00 ("**Ce/Co Share**") in an amount totaling DM 17.00 (this joint ownership to the Ce/Co Share held by Convergenta, together with the C/M Shares, "**Contribution Shares**"), which is equivalent to a an interest of 34.00% in the Ce/Co Share.

- Convergenta shall be admitted exclusively to subscribe for the Capital Increase Shares and the Convertible Bonds.

- In addition to the issuance of the Capital Increase Shares and the Convertible Bonds, the Company shall be required to make a cash payment to Convergenta totaling EUR 130 million, payable in two tranches, as part of the consideration for the Contribution Shares. The Capital Increase and the issuance of the Convertible Bonds shall be made by way of a mixed Contribution in Kind in view of this additional payment obligation of the Company extending beyond the granting of the Capital Increase Shares and Convertible Bonds.

- The Company's share capital shall be conditionally increased by up to EUR 89,476,079.21 by issuing up to 35,000,000 Conditional Capital Shares (Conditional Capital 2022/I). The Conditional Capital 2022/I shall serve exclusively to grant shares to the holders of the Convertible Bonds to be newly issued.

The Capital Increase and the Conditional Capital 2022/I were registered with the Commercial Register on 3 June 2022.

According to the Transaction Agreements, the Company must, as consideration for the acquisition of the Contribution Shares,

- issue to Convergenta the 125,800,000 Capital Increase Shares ("**Stock Component**"),

- issue to Convergenta the Convertible Bonds with an aggregate principal amount and issue price of EUR 151 million, which have a maturity of five years, a conversion premium of approximately 30%, an interest rate of 0.05% p.a., and an initial conversion price of EUR 5.42, initially convertible into up to 27,859,778 Conversion Shares ("**Convertible Bond Component**"), and

- pay to Convergenta a cash component in the total amount of EUR 130 million, payable in two tranches ("**Cash Component**", and together with the Stock Component and the Convertible Bond Component, "**Total Consideration**").

The closing of the Transaction resulted in the roll-up of Convergenta's shareholding from the level of MSH up to the level of the Company resulting in the following structure:

- The Company holds 100% of the share capital of MSH (partly directly and partly indirectly via CECONOMY Retail GmbH, Dusseldorf, Germany ("**CECONOMY Retail**"). Convergenta exited completely from its shareholding in MSH.

- In return, Convergenta acquired a direct stake in the Company (see section "*8.1 Major shareholders*").
- The conversion of the Convertible Bonds and the issuance of the Conversion Shares from the Conditional Capital 2022/I may potentially cause a further increase of Convergenta's stake in the Company (see section "*8.1 Major shareholders*").

Agreement in Principle

The Agreement in Principle sets out the provisions agreed between the Company and Convergenta with respect to transferring the Contribution Shares from Convergenta to the Company in return for the Company's grant of the Total Consideration to Convergenta. It governs the transaction modules, i.e., the key obligations incumbent upon the Company and Convergenta in connection with the Capital Increase, the issuance of the Convertible Bonds, the Contribution in Kind, the subscription and assumption of the Capital Increase Shares and the Convertible Bonds by Convergenta, the Cash Component, as well as the Conditional Capital 2022/I. The Management Board and the Supervisory Board agreed to present the proposed resolution to the 2022 EGM under agenda item 2. Convergenta, for its part, agreed to subscribe for and take over the Capital Increase Shares and the Convertible Bonds, subject to the provisions set forth in the Agreement in Principle. Regarding the Admission Shares, Convergenta has entered into the Lock-Up Agreement (see section "*3.4 Transferability of the Shares*") and the Standstill Agreement (as defined and outlined in section "*8.2 Controlling interest*") under the Agreement in Principle.

As of the date of the Prospectus, the conditions precedent under the Agreement in Principle have already occurred and the parties' contractual right of rescission is no longer exercisable.

Contribution Agreement

The Contribution Agreement provides for Convergenta to assign to the Company all the Contribution Shares, along with all existing profit rights and profit-participation rights existing as of 30 September 2020 ("**Cut-Off Date**"), plus the entitlement to all profits not yet distributed as dividends by the Cut-Off Date, plus all subscription rights and other rights related to the Contribution Shares existing as of the Cut-Off Date, subject to the proviso that Convergenta is to contribute the Contribution Shares into the Company for purposes of their economic allocation towards the Capital Increase on the one hand and the issuance of the Convertible Bonds and payment of the Cash Component on the other (Contribution in Kind). In addition, the Contribution Agreement covers (i) the Company's obligation to issue the Capital Increase Shares and the Convertible Bonds, (ii) Convergenta's obligation to execute the subscription form for the Capital Increase Shares as well as to subscribe and take over the Convertible Bonds. In addition, the Contribution Agreement encompasses a provision on dilution protection as well as on the implementation of the Capital Increase through Contribution in Kind, and (iii) the Company's obligation to issue the Convertible Bonds and to pay the Cash Component.

The Contribution Agreement contains the following independent warranties to be issued by Convergenta pursuant to Section 311 para. 1 of the German Civil Code (*Bürgerliches Gesetzbuch*):

- Convergenta has unqualified ownership of the Contribution Shares.
- The Contribution Shares have been issued in an effective manner; that contributions have been paid in full towards the Contribution Shares and that there are no repayments towards the Contribution Shares (including undisclosed repayments).
- The Contribution Shares are free of third-party rights.
- There are no restrictions of the right to dispose over the Contribution Shares.
- The Contribution Shares represent the entire stake of Convergenta in MSH or in enterprises that are dependent on MSH.

As of the date of the Prospectus, the conditions precedent under the Contribution Agreement have already occurred and the parties' contractual right of rescission is no longer exercisable.

Subscription Agreement

The Subscription Agreement sets forth the particulars regarding the issuance, securitization, assumption, and delivery of the Convertible Bonds as well as regarding the transfer of ownership of the global note for the Convertible Bonds. It contains the following independent warranties issued by the Company pursuant to Section 311 para. 1 of the German Civil Code (*Bürgerliches Gesetzbuch*):

- The Company is authorized to issue the Convertible Bonds, to conclude the Subscription Agreement, and to assume and fulfill the obligations arising therefrom.
- The Company will procure all the acts required for the issuance of the Convertible Bonds and for the issuance and execution of the global note.
- The conclusion of the Subscription Agreement will not constitute a contravention, breach, or non-fulfillment of a contract or of an agreement, nor a breach of the Articles of Association or of other corporate-law agreements; that the Company

will issue the Convertible Bonds and observe the provisions of the Subscription Agreement; and that the issuance of Convertible Bonds stipulated in the Subscription Agreement will be duly implemented.

- The Convertible Bonds will be issued in a legally effective manner and that the Company will enter into legally binding and enforceable obligations once it has signed and handed over the global note, subject to mandatory statutory regulations that may possibly restrict the effectiveness or enforceability of a given obligation.

In addition, the Subscription Agreement governs the Company's obligation to repay the outstanding nominal value of the Convertible Bonds on the repayment date or, in the event of a premature repayment, on the corresponding repayment date.

As of the date of the Prospectus, the conditions precedent under the Subscription Agreement have already occurred and the parties' contractual right of rescission is no longer exercisable.

7.5.2 Convertible Bonds

As resolved by the 2022 EGM under agenda item 2, the Company will issue, under exclusion of the statutory subscription rights (*unter Ausschluss des Bezugsrechts*) of the Company's shareholders, the Convertible Bonds, i.e. convertible bonds with an aggregate principal amount of EUR 151 million, divided into 1,510 bearer bonds ranking *pari passu* among themselves, each with a nominal value of EUR 100,000.00. The Convertible Bonds, which are expected to be issued on 9 June 2022 ("**Bond Issue Date**"), will grant their holders conversion rights to initially a total of up to 27,859,778 Conversion Shares. For the issuance of the Conversion Shares, the 2022 EGM resolved to create the Conditional Capital 2022/I. Convergenta was exclusively admitted to subscribe to the Convertible Bonds. The Convertible Bonds shall be issued for the purpose of acquiring the Contribution Shares (see section "*7.5.1 Agreements with respect to the Transaction*").

The Convertible Bonds shall have the following material features:

- The issue price of the Convertible Bonds corresponds to their principal amount of EUR 100,000.00 ("**Principal Amount**"). The original conversion premium amounts to 30% above the reference price of EUR 4.17, which corresponds to the volume-weighted average price over the last three months of the Shares in Xetra trading (Bloomberg) as at 10 December 2020.
- The Convertible Bonds constitute unsubordinated and unsecured obligations of the Company and rank *pari passu* among themselves and with all other unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by mandatory provisions of law.
- Interest of 0.05% p.a. is payable on the Convertible Bonds. Interest is payable semi-annually in arrears.
- The Convertible Bonds have a term of five years from the Bond Issue Date, subject to early termination. The Convertible Bonds will be repaid at their Principal Amount unless the Conversion Right (as defined below) has been exercised.
- The Company grants each holder of Convertible Bonds the right to convert each Convertible Bond in full, but not in part, into Conversion Shares on any business day during the exercise period ("**Conversion Right**"). Subject to an adjustment pursuant to the terms and conditions of the Convertible Bonds ("**Terms and Conditions**"), the conversion price for each Conditional Capital Share is EUR 5.42 ("**Conversion Price**"). The conversion ratio equals the Principal Amount of a Convertible Bond divided by the Conversion Price applying on the conversion date. Any remaining fractional amounts will be settled in cash. The Conversion Right for the Convertible Bonds can be exercised by a holder of Convertible Bonds at any time from the 40th day after the Bond Issue Date until ten days prior to their final maturity date (including both days) ("**Conversion Period**"), subject to certain exclusion periods or early termination.
- The Conversion Shares to be granted upon exercise of the Conversion Right will originate from the Conditional Capital 2022/I after the conversion is performed. The Terms and Conditions may also provide for the provision of existing shares. The Conversion Shares will be entitled to dividends from the start of the fiscal year of the Company for which no resolution of the Company's general meeting (*Hauptversammlung*) on appropriation of profits has been adopted at the time they come into being due to the exercise of Conversion Rights and for all subsequent fiscal years of the Company.
- Notwithstanding Section 9 para. 1 and Section 199 para. 2 AktG, the Conversion Price will be adjusted to preserve the value of the Conversion Shares in accordance with the detailed provisions of the Terms and Conditions if the Company increases the share capital up to the end of the Conversion Period granting subscription rights to its shareholder (rights issue) or issues or guarantees further securities with subscription, options or conversion rights and the holders of Convertible Bonds are not granted any subscription right to the extent that they would be entitled after exercising the Conversion Right. The same applies in the event of other capital-related measures or other similar measures, including dividend payments by the Company, that may lead to a dilution of the value of the issued shares in the Company (apart from the Capital Increase resolved by the 2022 EGM under agenda item 2).

7.5.3 Loan agreements

<u>ESG linked revolving credit facilities agreement</u>

On 6 May 2021, the Company entered into an ESG-linked syndicated revolving credit facilities agreement ("**ESG Credit Facilities Agreement**") amounting to EUR 1.06 billion with a consortium of 13 commercial banks. The ESG Credit Facilities Agreement became effective on 9 August 2021 following the Company's termination of the previously existing syndicated credit facility with participation of KfW.

The facilities under the ESG Credit Facilities Agreement consist of (i) a three-year tranche in the principal amount of approximately EUR 353 million ("**ESG Facility A**") and (ii) a five-year tranche in the principal amount of approximately EUR 707 million ("**ESG Facility B**") in order to diversify the maturity profile of the loan.

Both facilities under the ESG Credit Facilities Agreement can be extended twice for a period of one year each. The Company can request the extension of ESG Facility A in the first and in the second year, and the extension of ESG Facility B in the second and in the third year, respectively. Each individual lender may decide in its sole discretion whether it accepts any such extension request. In April 2022 the request for the extension of ESG Facility A was sent to the individual lenders and has been accepted by all. Hence, the ESG Facility A has been extended to May 2025.

The interest to be paid under the ESG Credit Facilities Agreement is the aggregate of a margin, which is adjusted from time to time on the basis of the long-term credit rating assigned to the Company, and the applicable EURIBOR rate. The applicable margin payable under the ESG Credit Facilities Agreement is furthermore linked to targets and thresholds in connection with certain environmental, social and governance (ESG) criteria: compliance with certain CO_2 reduction requirements, minimum number of sustainable products in the assortment and minimum percentage of female share in management positions. Depending on the achievement or non-achievement of certain targets or thresholds defined for each of these three criteria, the margin is increased or decreased for a certain period.

If any single person or a group of persons acting in concert pursuant to Section 30 para. 2 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* – "**WpÜG**") acquires (direct or indirect) control of the Company pursuant to Section 29 para. 2 WpÜG, any lender may cancel its commitment and request repayment of its participations in all outstanding loans. If lenders, the sum of whose commitments is greater than two thirds of the total commitments so cancel, all remaining commitments shall be immediately cancelled and all outstanding loans shall be repaid.

The ESG Credit Facilities Agreement has not been utilized as of the date of the Prospectus.

7.5.4 Notes and promissory notes

<u>Senior notes</u>

On 24 June 2021, the Company issued notes in the aggregate principal amount of EUR 500 million divided into 5,000 notes in the principal amount of EUR 100,000 each and ranking *pari passu* with each other ("**Notes**") at a re-offer yield of 1.875% per annum. The Notes were issued in bearer form and bear interest on their principal amount at the rate of 1.750% per annum from and including 24 June 2021. Interest is payable in arrears on 24 June of each year. The first payment of interest shall be made on 24 June 2022. Unless previously redeemed in whole or in part or purchased and cancelled, the Notes shall be redeemed at their denomination on 24 June 2026.

The obligations under the Notes constitute unsubordinated and unsecured obligations of the Company which rank *pari passu* among themselves. In the insolvency or liquidation of the Company, the obligations of the Company under the Notes rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Company, save for such obligations which may be preferred by applicable law.

The terms and conditions of the Notes provide for an early redemption of the Notes, inter alia, due to a change of control event. Upon occurrence of a change of control event under the Notes, noteholders may require the Company to redeem the Notes held by them, in whole or in part, within 60 days after the Company has published a notice regarding the occurrence of a change of control event. A change of control event shall be deemed to have occurred if a change of control has occurred in connection with which a rating downgrade has also occurred. A change of control shall be deemed to have occured whenever any person or persons acting in concert or any person, or persons acting on behalf of any such person(s) at any time directly or indirectly acquire(s) (i) more than 50% of the share capital (*Eigenkapital*) of the Company or (ii) such number of shares in the capital (*Anteile am Eigenkapital*) of the Company carrying more than 50% of the voting rights exercisable at the respective general meeting (*Hauptversammlung*) of the Company.

Each noteholder shall be entitled to declare its Notes due and demand immediate redemption thereof at their denomination plus accrued interest (if any) to the date of repayment, in the following events of default:

- failure to pay principal or interest in respect of the Notes or any other amount in respect of the Notes, in each case within 10 days from the relevant due date, whether at maturity, upon redemption or otherwise;
- failure to duly perform any other obligation arising from the Notes and such failure continues unremedied for more than

60 days after the principal paying agent has received a request thereof from a noteholder to perform such obligation;

- cross-default in relation to other financial indebtedness of the Company or its material subsidiaries to the extent it equals or exceeds an amount which corresponds to 1.00% of the Company's consolidated total assets;
- the Company ceases its payments or announces in writing its inability to meet its financial obligations generally;
- the Company ceases to carry out, directly or indirectly, all or substantially all of its business;
- a court opens insolvency proceedings against the Company, such proceedings are instituted and have not been discharged or stayed within 60 days, or the Company applies for or institutes such proceedings;
- the Company enters into liquidation, unless such liquidation is to take place in connection with a merger, consolidation or any other form of combination with another company and such company assumes all obligations under the Notes arising from the terms and conditions of the Notes.

The Notes are listed on the official list and traded on the Euro MTF market of the Luxembourg Stock Exchange under ISIN XS2356316872. The Notes are rated "Ba1" by Moody's Investors Service and "BBB-" by Scope.

The net proceeds from the issuance of the Notes of approximately EUR 495,045,000.00 were used for general corporate purposes, including refinancing of existing indebtedness.

The Notes are governed by German law.

Promissory notes (Schuldscheindarlehen)

On 16 March 2017, the Company as borrower (operating as METRO AG at the time) has entered into various fixed rate and floating rate promissory note agreements (*Schuldscheindarlehensverträge*) with Landesbank Hessen-Thüringen Girozentrale, Frankfurt am Main, Germany, as lender. As of the date of the Prospectus, the following promissory notes (*Schuldscheindarlehen*) with an aggregate principal amount of EUR 61 million are outstanding:

Nominal amount	Interest	Term	Maturity date
EUR 28 million	1.462% (fixed rate)	Seven years	22 March 2024
EUR 21.5 million	6-M-EURIBOR + 0.950% (floating rate)	Seven years	22 March 2024
EUR 11.5 million	1.956% (fixed rate)	Ten years	22 March 2027

In addition, the Company arranged two promissory note agreements (*Schuldscheindarlehensverträge*) in a total nominal amount of EUR 60 million, which are expected to be signed on or about 7 June 2022.

7.5.5 Euro commercial paper program

Pursuant to a dealer agreement dated 24 April 2018 between the Company as issuer and various domestic and international banks as dealers, the Company may issue, from time to time, commercial papers (*Schuldverschreibungen*) with a maturity of not more than 364 days in an aggregate amount of up to EUR 500 million. Such notes can be denominated in Euros, certain other specified currencies, or any other currency agreed between the issuer and the respective dealer. The notes will be issued with a denomination of EUR 100,000 each or such other conventionally and legally accepted denomination for commercial paper in the relevant currency or currency unit and will be issued in series, each in an aggregate principal amount of not less than EUR 2,500,000 or the equivalent thereof.

As of the date of the Prospectus, commercial papers with a total nominal amount of EUR 85.5 million are outstanding. In addition, on 3 June 2022, the Company contracted a commercial paper with a nominal amount of EUR 7.5 million. The funds are expected to be available on 7 June 2022.

7.5.6 Further material contracts

Cooperation with mobilcom-debitel GmbH regarding the marketing and distribution of mobile communication products

Media-Saturn Deutschland GmbH, Ingolstadt, Germany ("**MSD**"), and mobilcom-debitel GmbH, Büdelsdorf, Germany ("**Debitel**"), which is a fully owned subsidiary of freenet AG, entered into a cooperation regarding the marketing and distribution of mobile communication products of Debitel, inter alia, under a distribution agreement dated 24 April/25 May 1992, which has been supplemented by various other agreements and amended several times, most recently on 17 May 2022 ("**Cooperation Agreement**"). The Cooperation Agreement in its current version will end at the latest with expiry of 31 March 2027. Under the Cooperation Agreement, MSD promotes and distributes Debitel's mobile communication products in Germany in its MediaMarkt and Saturn stores as well as through its online channels, in particular by arranging postpaid mobile phone contracts with consumers for Debitel. In return, MSD receives certain fees as well as a revenue share. The Cooperation Agreement can be terminated by either party with a notice period of six months to 30 September and 31 March of each year of the term.

In addition, commission receivables against Debitel in connection with the brokered mobile phone contracts are assigned to the factoring banks pursuant to a factoring agreement dated 25 March 2021 under the leadership of "Landesbank Hessen-Thüringen Girozentrale" within the limits of a monthly rolling volume of EUR 120 million.

Purchase of 15% stake in M.video and shareholders' agreement with Safmar

On 19 June 2018, MSH, as purchaser, entered into a share purchase agreement, as amended in September 2020 ("**SPA**"), with a company of the Safmar group ("**Safmar**") as seller regarding the acquisition of a 15% stake in publicly listed M.video. M.video is a Russian consumer electronics retailer. As consideration, MSH paid a purchase price of EUR 258 million (on the basis of exchange rates at the time) and transferred its entire Russian MediaMarkt business ("**MSR Group**") to Safmar. The transaction was closed on 31 August 2018. In the SPA, MSH agreed to indemnify Safmar against losses which arise from specific matters with respect to MSR Group.

Furthermore, MSH entered into a shareholders' agreement with Safmar on 19 June 2018, which was amended and restated on 21 September 2020 and again on 6 December 2021 as well as amended and restated on 2 June 2022 ("**Shareholders' Agreement**"). The Shareholders' Agreement regulates certain matters regarding the shareholdings of MSH and Safmar in M.video and the corporate governance arrangements in respect of M.video. It will automatically terminate in the event that neither MSH nor Safmar directly or indirectly hold shares in M.video any longer.

Under the Shareholders' Agreement**,** MSH is entitled to nominate one member or one observer to M.video's board of directors if the board of directors has ten or less members and to nominate one member and one observer if the board of directors has eleven or more members. MSH was also granted certain information rights regarding M.video. Furthermore, Safmar shall use reasonable endeavors to procure that M.video maintains its level-1 listing on the Moscow Exchange at all times, unless written consent is given by MSH. The Shareholders' Agreement defines certain reserved matters, regarding which Safmar must take all necessary action to ensure that no action is taken by M.video without MSH's consent. Such reserved matters include, inter alia, transactions exceeding certain thresholds, a material change in the shareholder structure, an issuance of new shares, and a de-listing from the Moscow Exchange. Before Safmar conducts any sale of shares in M.video to third parties resulting in a change of control, it must notify MSH accordingly and procure that the third party makes an offer to purchase MSH's stake in M.video at the same terms as provided to Safmar. If MSH does not accept such offer, Safmar can, provided that the offer price exceeds a certain level, require MSH to sell and transfer its stake in M.video to the third party. As a further right for MSH, in case Safmar initiates a public sale of shares through organized disposal processes (through secondary follow-on offers), MSH may be entitled to participate in such sale in an equal ratio. Furthermore, the Shareholders' Agreement contains a non-compete obligation of MSH and its affiliates which applies until three years from the date on which MSH no longer holds any shares in M.video. In certain circumstances, MSH can exercise a put option regarding its stake in M.video under the Shareholders' Agreement.

Please also see "*1.4.11 CECONOMY faces risks due to potential sanctions with respect to M.video*" above.

Apple Service Provider Agreement

On 14 July 2020, MSD and Apple concluded an agreement regarding the servicing and resale of certain products ("**Service Provider Agreement**"). This enables CECONOMY to expand its service and performance portfolio in Germany to include, inter alia, immediate repairs of defective iPhones with original Apple spare parts, thus preserving the manufacturer's warranty. MSD is also put in the position to offer services in the context of AppleCare, i.e. Apple's own warranty program.

Under the Service Provider Agreement, MSD is authorized by Apple to service hardware and software products that are manufactured, distributed, licensed or sold under an Apple owned or licensed brand ("**Apple Products**") and to sell (i) support related products branded AppleCare, (ii) new, used, remanufactured, or refurbished service modules and parts, which Apple sells to MSD for the sole purpose of resale to an end-user as part of a non-Covered Repair (as defined below), and (iii) accessories which are peripheral to the Apple Products (such as mice and keyboards), which Apple sells to MSD for the sole purpose of resale ("**Resale Products**"), making MSD an Apple authorized service provider ("**Service Provider**"). Covered Repair means an Apple Product repair or replacement that is covered by an obligation described in Apple's product warranty, extended service contract or certain service programs ("**Covered Repair**"). The appointment of MSD as Service Provider is non-exclusive. In particular, Apple may sell Apple Products directly to customers electronically and may open Apple retail stores and/or authorize additional Service Providers in any location, including in locations that are proximate to the stores operated under MSD.

The locations where MSD is authorized to service Apple Products is subject to Apple's written approval. The Service Provider Agreement provides for a list of the MediaMarkt and Saturn Stores operated in Germany as of the date of the Service Provider Agreement where MSD is authorized to service Apple Products. These may change from time to time subject to the provisions of the Service Provider Agreement.

Except when providing services for Covered Repairs, in which case Apple will compensate MSD, MSD will determine its own prices for Resale Products, parts and services. The Service Provider Agreement imposes certain obligations on MSD, inter alia, with respect to Apple's intellectual property and to representations, warranties or guarantees regarding certain products and material provided by Apple. MSD is also obligated to comply with certain data privacy security requirements as well as with certain standards regarding the services provided by MSD. Furthermore, the Service Provider Agreement and its exhibits outline MSD's authorization to use certain

Apple related trademarks, service marks, trade dress, logos, taglines, slogans, product names, any other word, phrase, symbol, or design.

The Service Provider Agreement or the authorization regarding a specific location may be terminated by either party to the agreement at any time without cause on 60 days' written notice.

Following the aforementioned authorization of the MediaMarkt and Saturn Stores in Germany to operate as an Apple Service Provider, the Apple Service Agreement and the corresponding services provided by Apple (e.g. AppleCare) were expanded to further countries in which CECONOMY operates. Since 2021, the MediaMarkt stores in Spain, Portugal and Austria are also authorized to operate as an Apple Service Provider in order to offer the aforementioned services.

Acquisition of assets regarding 17 retail stores in Spain from Worten Spain

On 13 January 2021, Juke Entertainment España, S.L.U., El Prat de Llobregat, Spain ("**Juke**"), a Spanish subsidiary of MSH, as purchaser, and Worten España Distribución, S.L., Madrid, Spain ("**Worten Spain**"), as seller, entered into an assets sale and purchase agreement ("**ASPA**") regarding the acquisition of selected assets of 17 retail stores ("**Stores**") operated by Worten Spain in Spain. Additional parties to the ASPA are Worten Equipamentos para o Lar, S.A., Matosinhos, Portugal ("**Worten**"), as guarantor for Worten Spain, and Media Markt Saturn, S.A.U., El Prat de Llobregat, Spain, as guarantor for Juke. Worten Spain is a subsidiary of the Portuguese consumer electronics group Sonae.

Under the ASPA, Worten Spain agreed to sell and transfer to Juke (i) various lease agreements by means of which Worten Spain is entitled to use the premises where the Stores are located, including corresponding liabilities, (ii) 270 employment relationships as of 30 September 2020, translated into 228 full time employees, mainly employed at store-level, including their corresponding tenure and payroll liabilities, and (iii) other non-current and current assets related to the operation of the Stores, each by means of individual transfer of rights. The closing of the acquisition took place on 1 March 2021. The settlement amount paid to Worten Spain on closing is approximately EUR 6.6 million and comprises (i) the purchase price of EUR 5.0 million, (ii) EUR 1.0 million of refundable value added tax and the non-refundable so-called "Tax on Production, Services and Imports" in Melilla, and (iii) compensation for landlord deposits for the Stores paid by Worten Spain in the amount of EUR 0.6 million (in each case plus or minus possible adjustments which could be made retrospectively).

In the ASPA, Worten Spain provided Juke with an indemnity for losses arising from certain risks, including (i) claims regarding the licensing status of the Stores, (ii) claims regarding excluded assets and liabilities, (iii) claims regarding tax matters and (iv) claims regarding labour, social security and employment risks. The ASPA also contains a non-compete agreement. Thereunder, Worten Spain and Worten undertook that they will not open any store for the offline retail and sale of household appliances or stationery in Spain within the territory of 30 minutes driving distance of the Stores (catchment areas) for a term of 18 months as from closing. Furthermore, Worten and Worten Spain is committed not to acquire control or a minority stake, other than as a purely financial investment, directly or indirectly (through share or asset purchase, mergers, business combinations, etc.), over/in any company active in the offline retail and sale of household appliances or stationery within the catchment areas for a term of 18 months as from closing.

Sale of MediaMarktSaturnContent Factory GmbH

With effect as of 30 September 2021, MSH sold its 100% stake in MediaMarktSaturn Content Factory GmbH to Accenture Services GmbH for a purchase price of EUR 1 million (before adjustments). In connection with the sale, MSH and Accenture Services GmbH entered into a three-year framework service agreement (with an extension option for further two years) for the provision of advertising production services with a total volume of EUR 54.5 million (over five years). On the basis of the available balance sheet values of MediaMarktSaturn Content Factory GmbH (now operating under the name Accenture Marketing Services München GmbH) as of the date of the Prospectus, the final purchase price amounts to EUR 1,388,650.00.

7.6 Governmental, legal and arbitration proceedings

In the course of its business activities, CECONOMY is regularly exposed to numerous legal risks, particularly in the areas of product liability, intellectual property and tax matters (see "*1.4 Risks related to regulatory, legal, and tax matters*"). Apart from the proceedings mentioned below, the Company is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous twelve months which may have, or have had in the recent past significant effects on the Company and/or CECONOMY's financial position or profitability.

7.6.1 Proceedings regarding the Company

On 13 February 2019, the Company's general meeting (*Hauptversammlung*) granted discharge (*Entlastung*) to the members of the Management Board for the financial year ended 30 September 2018 under agenda item 2. Several shareholders brought an action for annulment before the regional court (*Landgericht*) of Dusseldorf, Germany, against the individual approval for the actions of the former members of the Management Board Pieter Haas and Mark Frese. By way of a ruling dated 17 December 2019, the regional court (*Landgericht*) of Dusseldorf, Germany, dismissed the action for annulment. On 16 January 2020, all claimants have appealed (*Berufung* *eingelegt*) this ruling, which was dismissed by the court on 30 September 2021. A further appeal (*Revision*) was not admitted. On 12 October 2021, a complaint of non-admission (*Nichtzulassungsbeschwerde*) was filed.

On 14 December 2020, the Company concluded the Transaction Agreements with Convergenta (see "*7.5.1 Agreements with respect to the Transaction*"). The resolution originally adopted by the 2021 AGM under agenda item 8 served to implement the acquisition, transfer and contribution of the shares in MSH held by Convergenta. The resolution contained, in more detail, the adoption of a resolution on (i) the increase of the Company's share capital by way of a mixed capital increase against contributions in kind, excluding the statutory subscription rights of the Shareholders of the Company, (ii) the issuance of convertible bonds against mixed contributions in kind, excluding the statutory subscription rights of the Shareholders, and the creation of a new Conditional Capital 2021/I (*Bedingtes Kapital 2021/I*) as well as (iii) the associated amendments to the Articles of Association. Several shareholders filed actions for rescission and annulment against the resolution adopted by the 2021 AGM under agenda item 8. The filing of the lawsuits prevented the registration of the capital increase and the Conditional Capital 2021/I (*Bedingtes Kapital 2021/I*) with the Commercial Register. In response to this, CECONOMY AG initiated clearance proceedings (*Freigabeverfahren*) under Section 246a AktG before the Higher Regional Court (*Oberlandesgericht*) of Dusseldorf and applied for a declaratory judgment that the filing of the actions did not prevent the registration of the capital increases resolved under agenda item 8 in the commercial register of CECONOMY AG. On 8 July 2021, the Higher Regional Court of Dusseldorf expressed its legal view, according to which the increase of the capital stock required a special resolution of the holders of ordinary as well as of the preference shares in order to become effective, provided that the holders of preference shares are temporarily entitled to a voting right due to the non-payment of dividends. Against this background, the Company withdrew its motion for clearance before the Higher Regional Court of Dusseldorf.

7.6.2 Proceedings regarding MSH Group

Actions for payment of rent and damages from the former operations in Greece

MSH holds a 2% participation in PG. Majority shareholder of PG and MSH's joint venture partner is Olympia. Under a joint venture agreement dated 2 July 2019, MSH and Olympia established PG (formerly named PMG Retail Market Ltd.), to which MSH contributed all its Greek business operations ("**Joint Venture Agreement**"). The Joint Venture Agreement was fully restated on 24 December 2021. Because of an indemnification obligation towards PG under the Joint Venture Agreement, MSH remains liable for two rent litigations based on the former business operations in Greece as set forth below.

FAM and Alpha Bank

In 2008, Media Saturn Electronics Hellas Commercial and Holding SA ("**Media Saturn Hellas**"), which was later merged into Retail World Single Member SA ("**Retail World**") now solely held by PG, concluded a lease agreement with FAM S.A., Thessaloniki, Greece ("**FAM**"), regarding the lease of a Saturn store yet to be built in Greece. Saturn Thessaloniki II Commercial S.A., Maroussi, Greece ("**Saturn Thessaloniki**"), acceded to this lease agreement as tenant. The parties agreed on a waiver of termination for the first seven years of the lease agreement's 15-year term. In 2011, Saturn Thessaloniki terminated the lease agreement due to its own economic situation. A second, ordinary, notice of termination was declared in 2017, after the seven-year waiver of termination rights had expired, with effect from March 2018.

Following the termination, FAM and Alpha Bank S.A., Athens, Greece ("**Alpha Bank**"), have brought various legal actions against Saturn Thessaloniki, Retail World and MSH, as well as former managing directors of these companies, for payment of rent, declaratory judgment (*Feststellung*) that the terminations were invalid, and damages, in particular for loan costs and interest that FAM paid to Alpha Bank. Various judgments in the first and second instance have already been issued and are in part legally binding. The courts determined a payment obligation of approximately EUR 9 million (rent, moral damages, municipal charges, legal costs) and a joint obligation of MSH for this payment obligation. These legally established claims in the amount of approximately EUR 9 million have already been paid. At end of March 2022, the Greek Supreme Court ruled that the claimants are principally entitled to compensation of refinancing costs in the total amount of approximately EUR 3.25 million. The expected interest currently amounts to further EUR 3.25 million. Corresponding provisions have been made.

In addition, as of the date of the Prospectus, an action for a declaratory judgment on the invalidity of the second ordinary termination is pending before the court of appeals. If this action is successful, an action for payment of remaining rent in the amount of EUR 9.6 million (plus interest and costs) is expected.

On 30 November 2021, all shares in Saturn Thessaloniki were transferred to a subsidiary of MSH to fulfill an obligation under the Joint Venture Agreement.

MEBO

In 2006, Retail World concluded a lease agreement with MEBO Investment and Technical Societe Anonyme, Kifisia - Attiki, Greece ("**MEBO**"), for the lease of a store yet to be built in Greece. The agreed date of occupation of the leased property was 31 December 2010. Since no occupation of the leased property was possible until July 2011, Retail World informed MEBO that it would refuse the handover of the leased property as of that date. After MEBO had promised the possibility of occupation from the end of October 2011, Retail World gave an alternative notice of termination in November 2011.

MEBO has brought legal action for payment of rent and damages against Retail World and MSH. The value of the claims still in dispute amounts to EUR 30.1 million (potentially plus costs and interest). Various judgments in first and second instance have already been issued. So far, the courts have not established any claims against Retail World or MSH. If the withdrawal by Retail World was invalid, MEBO could potentially demand payment of rent in the amount of approximately EUR 2.5 million and costs in the amount of EUR 2.4 million. In contrast, MEBO's warranty claims and claims for damages have already been rejected by a final court decision.

A further action for payment of rent and damages in the total amount of approximately EUR 25.2 million (potentially plus costs and interest) is possible, but is only expected to be decided after the final decision in the original proceedings.

CECONOMY created provisions in the amount of EUR 2.7 million for the proceedings mentioned above.

Legal proceedings regarding store closures due to the COVID-19 pandemic

Restrictions in the course of the COVID-19 pandemic led to a number of legal proceedings against legislators as set forth below.

Before Christmas 2020, one company of CECONOMY per German state filed lawsuits for interim relief in Baden-Wuerttemberg, Bavaria and Saxony on the grounds that closure orders did not allow the collection of goods through "click & collect". Since 22 February 2021, MSD and one company of CECONOMY per German state filed lawsuits in all German states (with the exception of Baden-Wuerttemberg and Thuringia) against the legal validity of the infection protection regulations (*Infektionsschutzverordnungen*) in force at the time, on the basis of which the physical MediaMarkt und Saturn stores in the respective states had been closed. The lawsuits for interim relief in Berlin, North Rhine-Westphalia and Saarland were partially upheld. Other lawsuits for interim relief were completely rejected. All interim proceedings have automatically moved to the main proceedings. CECONOMY plans to continue selected proceedings for which it considers the prospects of success to be good.

Three German companies of CECONOMY filed a constitutional complaint (*Verfassungsbeschwerde*) against the increased restrictions at the federal level (Section 28b of the German Infection Protection Act (*Infektionsschutzgesetz*) as amended on 22 April 2021). While the Federal Constitutional Court (*Bundesverfassungsgericht*) rejected CECONOMY's motions for interim relief, the outcome of the main proceedings is open.

In the period from December 2021 until January 2022, CECONOMY also sought legal protection against the access restrictions (so-called "2G", granting access to the stores only to those customers being vaccinated twice or recovered) in Saarland and in Bavaria. In Saarland, CECONOMY was successful in the interim proceedings, while the main proceedings are still pending. The Higher Administrative Court of Bavaria (*Verwaltungsgerichtshof*) declared 2G restrictions to be invalid during CECNONOMY's ongoing proceedings.

CECONOMY currently examines the assertion of claims for damages, in particular due to the December 2020 to spring 2021 lockdown, and monitors ongoing proceedings by other plaintiffs before the Federal Court of Justice (*Bundesgerichtshof*) which might be indicative for CECONOMY's potential claim.

Legal actions by landlords due to COVID-19 related rent reductions

During the two Lockdowns in 2020 and in 2021, the rent paid to the landlords of CECONOMY's physical stores were reduced by approximately 50%. In the meantime, a contractual agreement has been reached with the majority of the landlords regarding the rent reductions. Some landlords are not willing to negotiate and have filed lawsuits with regard to the outstanding payments, with currently 21 litigations (including dunning procedures) with a total of approximately EUR 3,091,000 in dispute. There are currently still approximately EUR 4.3 million from the first lockdown and EUR 16.6 million from the second Lockdown under negotiation with the landlords. Corresponding provisions have been made.

Potential sanctions against M.video shareholder

MSH holds a 15% stake in publicly listed M.video, a Russian consumer electronics retailer. The controlling entity of M.video is a company of Safmar (for further information on the Shareholders' Agreement between MSH and Safmar see "*7.5.6 Further material contracts*"). On 21 June 2021, the Council of the European Union imposed sanctions on various individuals and entities, including Mr Mikhail Gutseriev, the initial founder of Safmar. According to the available information, since 2018/19 the legal and beneficial owner of Safmar (and thus M.video) is not anymore Mikhail Gutseriev, but his son Said Gutseriev. As of the date of the Prospectus, Said Gutseriev is not subject to any sanctions. CECONOMY assumes that Mikhail Gutseriev does not control the relevant companies of Safmar and/or M.video actually, commercially or otherwise, and that the existing sanctions do not apply to Safmar and/or M.video. This view was confirmed by the German Federal Bank (*Bundesbank*) on 17 May 2022. However, it cannot be excluded that Said Gutseriev, Safmar, M.video and/or any of its future shareholder will be subject to sanctions in the future. These could restrict the exercise of shareholders' rights by MSH as well as the receiving and making available of funds and other economic resources .

The recent Russian war of aggression against Ukraine led to extended sanctions and counter-sanctions. As of the date of the Prospectus, to the best of CECONOMY's knowledge, the extended sanctions of the European Union do not directly concern any further persons involved with Safmar and/or M.video, which however can change at any time. Further, Russia has imposed certain economic sanctions and countermeasures as response to the Western sanctions such as the requirement of government approvals for securities transactions and certain money transfers as well as the possibility for Russian entities to discharge their obligations under, inter alia, financial instruments by opening, and paying the relevant amount in Russian rubles into a special account with a Russian bank for which a limited and exhaustive list of permitted debits may apply. CECONOMY constantly monitors the actual and legal situation.

On 29 April 2022, M.video announced that Said Gutseriev intends to dispose of its stake in M.video to a group of Russian businessmen. The transaction was initially expected to be closed by end of 2022, however, is, given the amendment and restatement of the Shareholders' Agreement, likely to be put on hold and aborted by Safmar to continue the joint participation in M.video with MSH.

Legal action of Verbraucherzentrale NRW e.V. regarding financing options for consumers

Verbraucherzentrale NRW e.V. has filed a claim against MMS E-Commerce GmbH ("**MMSE**") to refrain in the future from (1) advertising 0% financing if consumers are also offered a framework loan (*Rahmenkredit*) by taking up the financing offer and (2) brokering the conclusion of framework loans for consumers and/or providing evidence of the opportunity to conclude such contracts without a license from the competent authority pursuant to Section 34c of the Trade Regulation (*Gewerbeordnung*).

MMSE is defending itself against the legal action. At the same time, both MMSE and group companies of CECONOMY operating stores applied for a license pursuant to Section 34c of the Trade Regulation (*Gewerbeordnung*) so that they can continue to offer financing to consumers.

8 SHAREHOLDER INFORMATION

8.1 Major shareholders

As of the date of the Prospectus, the Company's share capital amounts to EUR 1,240,448,004.17 and is divided into 485,221,084 Existing Shares. Each Existing Share carries one vote at the Company's general meeting (*Hauptversammlung*).

The following table sets forth the Company's major shareholders which directly or indirectly hold an interest of 3% or more (calculated pursuant to Sections 33 and 34 of the German Securities Trading Act (*Wertpapierhandelsgesetz* – "**WpHG**")) in the Company's share capital and voting rights ("**Major Shareholders**") as well as their expected shareholdings assuming the issuance of all 27,859,778 Conversion Shares and their subscription by Convergenta. The information is based on voting rights notifications pursuant to Sections 33 WpHG received by the Company by and including 3 June 2022. Any instruments held by the Major Shareholders in accordance with Sections 38 and 39 WpHG are not considered.

ULTIMATE CONTROLLING SHAREHOLDER	DIRECT SHAREHOLDER	SHAREHOLDING			
		As of the date of the Prospectus		Upon issuance of all Conversion Shares[2] and subscription by Convergenta	
		Number of Existing Shares[1]	% of share capital and voting rights	Number of Shares	% of share capital and voting rights
Helga Kellerhals[3] Jürgen Kellerhals[3]	Convergenta Invest GmbH	135,780,487	27.98	163,640,265	31.89
Franz Haniel & Cie. GmbH[4]	Haniel Finance Deutschland GmbH	81,055,890	16.70	81,055,890	15.80
Meridian Stiftung[5]	Palatin Verwaltungs-gesellschaft mbH	53,913,363	11.11	53,913,363	10.51
freenet AG[6]		32,633,555	6.73	32,633,555	6.36
Prof. Otto Beisheim Stiftung, Baar, Switzerland[7] Prof. Otto Beisheim Stiftung, Munich, Germany[8]	Beisheim Holding GmbH	23,515,334	4.85	23,515,334	4.58
Giovanni Agnelli B.V.[9]	Exor Financial Investments SICAV-SIF	18,496,794]	3.81	18,496,794	3.61
Free float (Streubesitz)		*139,825,661*	*28.82*	*139,825,661*	*27.25*
TOTAL		**485,221,084**	**100.00**	**513,080,862**	**100.00**

(1) The figures are derived from the relevant voting rights notifications of the Major Shareholders as of their respective date and have been calculated on the basis of the Company's total number of voting rights (as published pursuant to Section 41 WpHG) amounting to 485,221,084 as of the date of the Prospectus.

(2) Assuming that the initial number of 27,859,778 Conversion Shares remains unchanged.

(3) Voting rights notification of Jürgen Kellerhals and Helga Kellerhals published by the Company on 3 June 2022. Jürgen Kellerhals and Helga Kellerhals own and control the parent company of Convergenta, Convergenta Invest und Beteiligungs GmbH, Salzburg, Austria, together. Convergenta directly holds 27.94% of the Existing Shares. The shareholding of Convergenta is attributed to Jürgen Kellerhals and Helga Kellerhals. In addition, Jürgen Kellerhals and Helga Kellerhals each directly hold Existing Shares not exceeding 3% of the Existing Shares which are mutually attributed to them.

(4) Voting rights notification of Franz Haniel & Cie. GmbH published by the Company on 3 June 2022. Franz Haniel & Cie. GmbH does not hold any Existing Shares directly. The shareholding of Haniel Finance Deutschland GmbH is attributed to Franz Haniel & Cie. GmbH.

(5) Voting rights notification of Meridian Stiftung published by the Company on 3 June 2022. Meridian Stiftung does not hold any Existing Shares directly. The shareholding of Palatin Verwaltungsgesellschaft mbH is attributed to Meridian Stiftung.

(6) Voting rights notification of freenet AG dated 12 July 2018]. All 32,633,555 Existing Shares are directly held by freenet AG.

(7) Voting rights notification of Prof. Otto Beisheim Stiftung, Baar, Switzerland, published by the Company on 3 June 2022. Prof. Otto Beisheim Stiftung, Baar, Switzerland, does not hold any Existing Shares directly. The shareholding of Beisheim Holding GmbH is attributed to Prof. Otto Beisheim Stiftung, Baar, Switzerland.

(8) Voting rights notification of Prof. Otto Beisheim Stiftung, Munich, Germany, published by the Company on 3 June 2022. Prof. Otto Beisheim Stiftung, Munich, Germany, does not hold any Existing Shares directly. The shareholding of Beisheim Holding GmbH is attributed to Prof. Otto Beisheim Stiftung, Munich, Germany.

(9) Voting rights notification of Giovanni Agnelli B.V. published by the Company on 18 December 2020. Giovanni Agnelli B.V. does not hold any Existing shares directly. The shareholding of Exor Financial Investments SICAV-SIF is attributed to Giovanni Agnelli B.V.

8.2 Controlling interest

As of the date of the Prospectus, none of the Company's shareholders controls the Company within the meaning of Section 29 para. 2 sentence 1 WpÜG since none of them holds at least 30% of the voting rights in the Company from Existing Shares directly held by the shareholder or from voting rights in the Company attributed to the shareholder pursuant to Section 30 WpÜG.

Assuming issuance of all 27,859,778 Conversion Shares and their subscription by Convergenta, Convergenta would hold 31.85% of the voting rights of the Company (not including the Existing Shares directly held by Jürgen Kellerhals and Helga Kellerhals as the ultimate controlling shareholders of Convergenta). As a result, Convergenta would control the Company pursuant to Section 29 para. 2 sentence 1 WpÜG under these assumptions. However, pursuant to Section 7.3 of the Agreement in Principle, Convergenta agreed not to acquire any Shares or to perform any other actions that could lead to an acquisition of control under Sections 29 et seqq. WpÜG until the expiration of six months after the registration of performance of both the Capital Increase and the Conditional Capital 2022/I with the Commercial Register, i.e. until 3 December 2022, but no longer than until 31 December 2022 ("**Standstill Agreement**"). In addition, pursuant to Section 6.3 of the Agreement in Principle, it is the joint understanding of the Company and Convergenta that an interest of Convergenta in the Company of only 29.9% of the Company's share capital is sought.

9 GENERAL INFORMATION ON THE COMPANY

9.1 Formation, incorporation, legal and commercial name, registered office

The Company was formed on 13 May 1992 as a stock corporation (*Aktiengesellschaft* or *AG*) under German law and under the company name "STEBA Beteiligungs Aktiengesellschaft" with registered seat in Frankfurt am Main, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 35046.

The Company is a stock corporation (*Aktiengesellschaft* or *AG*) incorporated in Germany and organized under German law, operating in Germany under the laws of Germany. Therefore, the Company, which has its seat in Germany, is governed by German law. Thus, the AktG as well as other laws applicable to stock corporations (in particular the German Transformation Act (*Umwandlungsgesetz*), the HGB, the WpHG and the WpÜG) apply to the Company.

The Company's legal name is "CECONOMY AG". The Company is the holding company of CECONOMY and operates under the commercial name "CECONOMY".

The Company has its registered seat in Dusseldorf, Germany, and is registered with the Commercial Register under the registration number HRB 39473.

The Company has its registered business address at Kaistraße 3, 40221 Dusseldorf, Germany (telephone: +49 (0) 211 5408-7000). The Company's LEI is 5299001X9L42HXEBCZ51.

The Company's website is www.ceconomy.de. Information on the Company's website and information accessible via this website is neither part, nor incorporated by reference into, the Prospectus.

9.2 Financial year and duration

Pursuant to Section 1 para. 3 of the Articles of Association, the Company's financial year commences on 1 October and ends on 30 September of the following calendar year.

The Company has been established for an unlimited period of time.

9.3 Corporate purpose

Pursuant to Section 2 para. 1 of the Articles of Association, the Company's corporate purpose comprises:

- trading businesses of all kinds related to the operation of retailing enterprises, mail order, wholesale trade and sales channels based on new electronic media;
- manufacturing and development of products that may be the object of commerce and of services;
- execution of real-estate transactions of all kinds including property development;
- services, in particular in connection with trading, consumer goods and logistics as well as trade-related digital business models;
- brokering of financial services for, through or by affiliates and subsidiaries; and
- asset management.

Pursuant to Section 2 para. 2 of the Articles of Association, the Company may perform all and any acts and actions, and transact any businesses, which appear or are deemed expedient to the Company's purpose or are directly or indirectly related thereto. Any such business as requires specific governmental permits, licenses or approvals may not be transacted until after such permits, licenses or approvals have been granted. The Company may establish, form, acquire, manage or purchase equity interests, whether by minority shareholding or otherwise, in, or sell or dispose of, any such enterprises in Germany and abroad active in the business areas specified in Section 2 para. 1 of the Articles of Association.

Pursuant to Section 2 para. 3 of the Articles of Association, the Company may confine its activities to one or some of the business areas specified in Section 2 para. 1 of the Articles of Association. The Company may also conduct its activities indirectly through subsidiaries, associated and joint venture companies, in whole or in part. In particular, it may leave its operations to affiliated enterprises and/or hive them down to affiliated enterprises, in whole or in part. It may also confine itself to the activities of a management holding and/or otherwise to the administration of its own assets.

9.4 Auditor

KPMG audited the Audited Financial Statements (IFRS) and the Audited Financial Statements (HGB) and issued an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*) in each case. In addition, KPMG reviewed the Unaudited Interim Financial Statements in accordance with Section 115 para. 5 WpHG.

The Company also appointed KPMG as auditor and group auditor for the financial year ending 30 September 2022.

KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

9.5 Notices

Pursuant to Section 3 of the Articles of Association, notices of the Company are published in the Federal Gazette (*Bundesanzeiger*).

Pursuant to Section 21 para. 3 of the Prospectus Regulation, the Prospectus and any supplements to the Prospectus as well as a separate copy of the summary are published on the Company's website (www.ceconomy.de) under the "Investor Relations" section.

9.6 Market maker

SUSQUEHANNA INTERNATIONAL SECURITIES LIMITED, Dublin, Ireland, Société Générale S.A., Frankfurt am Main, Germany, CITADEL SECURITIES GCS (IRELAND) LIMITED, Dublin, Ireland, Baader Bank Aktiengesellschaft, Unterschleißheim, Germany, HRTEU LIMITED, Dublin, Ireland, DRW Europe B.V., Amsterdam, Netherlands and XTX Markets SAS, Paris, France, are acting as market makers for the Shares within the meaning of Art. 3 para. 3 no. 30 of the MAR in conjunction with Art. 4 para. 1 no. 7 of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014. A market maker is a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person.

9.7 Paying and conversion agents

The paying agent pursuant to Section 48 para. 1 no. 4 WpHG is DZ BANK.

DZ BANK is acting as paying agent and conversion agent regarding the Convertible Bonds.

10 SHARE CAPITAL OF THE COMPANY

10.1 Current share capital and Existing Shares

As of the date of the Prospectus, the Company's share capital amounts to EUR 1,240,448,004.17 and is divided into 485,221,084 Existing Shares, each such Existing Share representing a notional value in the Company's share capital of approximately EUR 2.56. The Company's share capital has been fully paid up. 125,800,000 of the Existing Shares are the Capital Increase Shares. The Existing Shares were created pursuant to German law and are denominated in EUR.

Prior to their conversion into ordinary shares, the Company's share capital included 2,677,966 non-voting preference shares (*Vorzugsaktien*). Due to the temporary non-payment of dividends for the 2017/18 Financial Year, the 2018/19 Financial Year and the 2019/20 Financial Year, the voting rights of these preference shares revived temporarily. Therefore, each preference share carried one voting right. However, based on the resolution passed at the 2022 AGM under agenda item 2, the holders of preference shares were paid all dividends payable in arrears in addition to the dividend for the 2020/21 Financial Year. The voting rights of the holders of preference shares have thus lapsed. Further, the 2022 EGM resolved under agenda item 4 to convert all non-voting preference shares into ordinary bearer shares with voting rights, with a cancellation of the preferential right to profits provided for in the Articles of Association. The holders of preference shares, at a separate meeting and by special resolution dated 12 April, 2022, granted their approval to such resolution passed at the 2022 EGM under agenda item 4. The corresponding amendment of the Articles of Association has been registered with the commercial register on 31 May 2022. As a result, there are no longer any preference shares in the Company.

10.2 Authorized capitals

As of the date of the Prospectus, the Management Board is authorized pursuant to Section 4 para. 7 of the Articles of Association, subject to the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period until 12 February 2024 by issuing new ordinary shares in exchange for contributions in cash and/or in kind by up to a maximum amount of EUR 321,600,000.00 ("**Authorized Capital 2019**"). The 2022 EGM resolved to cancel the Authorized Capital 2019 and to create a new authorization for the period until 11 April 2027 with otherwise identical terms ("**Authorized Capital 2022/I**"). The cancellation of the Authorized Capital 2019 and the creation of the Authorized Capital 2022/I have not been registered with the Commercial Register as of the date of the Prospectus yet.

Furthermore, the 2022 EGM resolved under agenda item 9 to authorize the Management Board, subject to the consent of the Supervisory Board, to increase the Company's share capital on one or more occasions in the period until 11 April 2027 by issuing new ordinary shares in exchange for contributions in cash and/or in kind by up to a maximum amount of EUR 112,560,000.00 ("**Authorized Capital 2022/II**"). As of the date of the Prospectus, the Authorized Capital 2022/II is not yet registered with the Commercial Register.

As a general rule, the Company's shareholders are entitled to subscription rights in this respect. Pursuant to Section 186 para. 5 sentence 1 AktG, the new ordinary shares may also be taken over by one or more credit institution(s) designated by the Management Board or by one or more companies operating in accordance with Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or 7 of the German Banking Act (*Kreditwesengesetz*), subject to the obligation to offer them to the shareholders for subscription (so-called indirect subscription right).

However, the Management Board is authorized, in each case, with the consent of the Supervisory Board, to exclude the shareholders' subscription right in the following cases:

- for the compensation of fractional amounts;
- 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 an exclusion of subscription rights does not exceed a total of 10% of the share capital existing at the time this authorization becomes effective;
- to implement a so-called scrip dividend, in which case the shareholders are offered to contribute their claim for payment of the dividend to the Company (in whole or in part), as contribution in kind against granting of new shares from the authorized capital;
- in the event of a capital increase in exchange for cash contributions to the extent necessary to grant subscription rights to new ordinary shares to the holders of warrant or convertible bonds issued by the Company or such affiliates in which the Company holds at least 90% of the shares, directly or indirectly, in the scope to which they would be entitled upon exercise of the warrant or conversion right or fulfilment of the warrant or conversion obligation, or upon exercise of a substitution right of the Company as shareholder;
- in the case of capital increases against cash contributions, if the pro rata amount of the share capital attributable to the new ordinary shares issued subject to an exclusion of subscription rights in accordance with Section 186 para. 3 sentence 4

AktG does not exceed a total of 10% of the capital stock, either at the time this authorization becomes effective or – if this value is lower – at the time it is exercised, and if in each case the issue price of the new ordinary shares is not significantly falling short – within the meaning of Sections 203 para. 1 and 2, 186 para. 3 sentence 4 AktG – of the stock exchange price of the ordinary shares of the Company with the same features already listed. The limit of 10% of the capital stock is diminished by the portion of the share capital attributable to the Company's ordinary shares which 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 in application, direct or *mutatis mutandis*, of Section 186 para. 3 sentence 4 AktG, or (ii) are issued from conditional capital to settle warrant or convertible bonds which themselves were or are issued without subscription rights in application, *mutatis mutandis*, of Section 186 para. 3 sentence 4 AktG.

In total, ordinary shares issued against contributions in cash or in kind in accordance with this authorization subject to an exclusion of the shareholders' subscription rights in accordance with the above bullets 2 and 5 may not amount to more than 10% of the share capital existing at the time the authorization becomes effective. Ordinary shares that are newly issued subject to an exclusion of the subscription right in direct or analogous application of Section 186 para. 3 sentence 4 AktG, or which are issued for the fulfilment of warrant or convertible bonds which themselves are issued during the term of the authorization subject to an exclusion of the subscription right in analogous application of Section 186 para. 3 sentence 4 AktG, are to be counted towards this maximum limit.

The Management Board is authorized, with the consent of the Supervisory Board, to determine further details of the capital increase.

As of the date of the Prospectus, the Authorized Capital 2019, the Authorized Capital 2022/I and the Authorized Capital 2022/II have not yet been utilized.

10.3 Conditional capitals

As of the date of this Prospectus, the Company has two conditional capitals pursuant to Section 4 paras. 8 and 9 of the Articles of Association.

10.3.1 Conditional Capital 2022/I

Pursuant to Section 4 para. 9 of the Articles of Association, the Company's share capital is conditionally increased by up to EUR 89,476,079.21, divided into up to 35,000,000 Conditional Capital Shares (Conditional Capital 2022/I). The purpose of the conditional capital increase is exclusively to grant shares to the holders of Convertible Bonds that shall be issued in return for contributions in kind pursuant to the resolution of the 2022 EGM under agenda item 2 (see sections "*10.4.2 Issue of Convertible Bonds*", "*7.5.1 Agreements with respect to the Transaction*" and "*7.5.2 Convertible Bonds*"). The Conditional Capital Shares may only be issued at a conversion price meeting the requirements of the resolution of the 2022 EGM under agenda item 2.

The conditional capital increase is only to be carried out to the extent that the holders of the Convertible Bonds make use of their Conversion Rights and only to the extent that Existing Shares or other forms of performance are not used for servicing. The Conditional Capital Shares will be entitled to dividends from the start of the financial year for which no resolution of the Company's general meeting (*Hauptversammlung*) on appropriation of the net result has been adopted at the time they are created by exercising Conversion Rights.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the further details of the conditional capital increase and its consummation.

The Conditional Capital 2022/I was registered with the Commercial Register on 3 June 2022.

10.3.2 Conditional Capital 2019 and Conditional Capital 2022/II

Pursuant to Section 4 para. 8 of the Articles of Association, the Company's share capital is conditionally increased by up to EUR 127,825,000.00, divided into up to 50,000,000 ordinary shares ("**Conditional Capital 2019**"). The conditional capital increase shall only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by the Company or an affiliate of the Company in terms of Section 18 AktG, in which the Company holds at least 90 percent of the shares, directly or indirectly, based on the authorization adopted by the Company's annual general meeting (*ordentliche Hauptversammlung*) dated 13 February 2019 under agenda item 9 (see section "*10.4.1 Authorization for the issue of warrant and/or convertible bonds*"), exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as the Company exercises an option to provide ordinary shares of the Company in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment. The issue of the new ordinary shares is effected at the warrant or conversion price in each case to be determined in accordance with the authorization resolution set forth above. The new ordinary shares participate in profits from the beginning of the financial year in which they are created; to the extent legally permissible, the Management Board may, with the consent of the Supervisory Board, determine the profit participation of new ordinary shares in deviation from the foregoing and from

Section 60 para. 2 AktG, also for a financial year that has already expired. The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase.

The 2022 EGM resolved under agenda item 8 to cancel the Conditional Capital 2019 and to create a new conditional capital in the amount of up to EUR 127,825,000.00, divided into up to 50,000,000 ordinary shares ("**Conditional Capital 2022/II**"). The Conditional Capital 2022/II will only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed by the Company or an affiliate of the Company in terms of Section 18 AktG, in which the Company holds at least 90 percent of the shares, directly or indirectly, based on the authorization adopted by the 2022 EGM under agenda item 8 (see section "*10.4.1 Authorization for the issue of warrant and/or convertible bonds*"), exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as the Company exercises an option to provide ordinary shares of the Company in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment. The issue of the new ordinary shares is effected at the warrant or conversion price in each case to be determined in accordance with the authorization resolution set forth above. The new ordinary shares participate in profits from the beginning of the financial year in which they are created; to the extent legally permissible, the Management Board may, with the consent of the Supervisory Board, determine the profit participation of new ordinary shares in deviation from the foregoing and from Section 60 para. 2 AktG, also for a financial year that has already expired. As of the date of the Prospectus, the cancellation of the Conditional Capital 2019 and the creation of the Conditional Capital 2022/II have not been registered with the Commercial Register yet.

10.3.3 Conditional Capital 2022/III

The 2022 EGM resolved under agenda item 10 b) to conditionally increase the Company's share capital by up to EUR 44,738,750, divided into up to 17,500,000 ordinary shares ("**Conditional Capital 2022/III**"). The conditional capital increase shall only be executed insofar as the holders of warrant or conversion rights or those with conversion or warrant obligations arising from warrant or convertible bonds issued or guaranteed the Company or an affiliate of Company in terms of Section 18 AktG, in which the Company holds at least 90 percent of the shares, directly or indirectly, based on the authorization adopted by the 2022 EGM under agenda item 10 (see section "*10.4.1 Authorization for the issue of warrant and/or convertible bonds*"), exercise their warrant or conversion rights or, insofar as they are obligated for conversion or to exercise warrants, fulfil their obligation for conversion or for exercise of warrants, or insofar as the Company exercises an option to provide ordinary shares of the Company in lieu of paying the cash amount due, in whole or in part. The conditional capital increase shall not be executed insofar as a cash settlement is provided or treasury shares or shares of another listed company are used for the fulfilment. The issue of the new ordinary shares is effected at the warrant or conversion price in each case to be determined in accordance with the authorization resolution set forth above. The new ordinary shares participate in profits from the beginning of the financial year in which they are created; to the extent legally permissible, the Management Board may, with the consent of the Supervisory Board, determine the profit participation of new ordinary shares in deviation from the foregoing and from Section 60 para. 2 AktG, also for a financial year that has already expired.

As of the date of the Prospectus, the Conditional Capital 2022/III is not yet registered with the Commercial Register.

10.4 Issue of convertible bonds and/or warrant bonds

10.4.1 Authorization for the issue of warrant and/or convertible bonds

On 13 February 2019, the Company's annual general meeting (*ordentliche Hauptversammlung*) under agenda item 9 authorized the Management Board to issue, with the approval of the Supervisory Board, warrant and/or convertible bonds made out to the bearer, once or several times, on or before 12 February 2024, with a total nominal amount of up to EUR 1,000,000,000.00 – with or without a limitation of their term – and to grant or impose, as applicable, warrant rights or obligations to/on the holders of warrant bonds and, respectively, conversion rights or obligations to/on the holders of convertible bonds for ordinary shares of the Company made out to the bearer with a proportionate amount of the capital stock of up to a total of EUR 127,825,000.00, in accordance with the provisions of the conditions for the respective warrant or convertible bond, or to grant the Company the right to grant shares in the Company or another listed company in full or in part instead of repaying the bonds in cash ("**Authorization 2019**"). The Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain, pre-defined cases.

Subject to the registration of the Conditional Capital 2022/II with the Commercial Register (see "*10.3.2 Conditional Capital 2019 and Conditional Capital 2022/II*" above), the 2022 EGM resolved under agenda item 8 to cancel the Authorization 2019 and create a new authorization for the issue of warrant and/or convertible bonds ("**Authorization 2022/I**"). Once the Authorization 2022/I becomes effective, the Management Board will be authorized to issue, with the approval of the Supervisory Board, warrant and/or convertible bonds made out to the bearer, on one or more occasions, on or before 11 April 2027, with a total nominal amount of up to EUR 1,000,000,000.00 – with or without a limitation of their term – and to grant or impose, as applicable, warrant rights or obligations to/on the holders of warrant bonds and, respectively, conversion rights or obligations to/on the holders of convertible bonds for ordinary shares of the Company made out to the bearer with a proportionate amount of the share capital of up to a total of EUR 127,825,000.00, subject to the more detailed provisions of the terms and conditions for the respective warrant or convertible bond. The Management Board will be authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain, pre-defined cases.

Subject to the Capital Increase becoming effective, the 2022 EGM resolved on a further authorization to issue warrant and/or convertible bonds. Under agenda item 10, the 2022 EGM authorized the Management Board to issue, with the approval of the Supervisory Board, warrant and/or convertible bonds made out to the bearer, on one or more occasions, on or before 11 April 2027, with a total nominal amount of up to EUR 350,000,000.00 – with or without a limitation of their term – and to grant or impose, as applicable, warrant rights or obligations to/on the holders of warrant bonds and, respectively, conversion rights or obligations to/on the holders of convertible bonds for ordinary shares of the Company made out to the bearer with a proportionate amount of the share capital of up to a total of EUR 44,738,750.00, subject to the more detailed provisions of the terms and conditions for the respective warrant or convertible bond ("**Authorization 2022/II**"). The Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain, pre-defined cases. Apart from the volume, the Authorization 2022/II is identical in content to the Authorization 2022/I.

As of the date of the Prospectus, no warrant and/or convertible bonds have been issued on the basis of the authorizations described above.

10.4.2 Issue of Convertible Bonds

With respect to the Convertible Bonds, which are expected to be issued on 9 June 2022, reference is made to sections "*7.5.1 Agreements with respect to the Transaction*" and "*7.5.2 Convertible Bonds*".

11 REGULATORY DISCLOSURES

This section contains a summary of the information disclosed under the MAR over the last twelve months that are relevant as of the date of the Prospectus.

11.1 Ad hoc announcements

Within the last twelve months from the date of the Prospectus, the Company has published the following inside information pursuant to Art. 17 para. 1 MAR that are relevant as of the date of the Prospectus:

On 8 July 2021, the Company informed that the Higher Regional Court (*Oberlandesgericht*) of Dusseldorf had expressed its preliminary legal views in the clearance proceedings (*Freigabeverfahren*) regarding agenda item 8 of the 2021 AGM. Furthermore the Company stated that the subject of agenda item 8 had been the adoption of a resolution on (i) the increase of the Company's share capital through a mixed contribution in kind under exclusion of the statutory subscription rights of the share shareholders, (ii) the issue of convertible bonds against a mixed contribution in kind under exclusion of the statutory subscription rights of the share-holders and the creation of a new Conditional Capital 2021/I (*Bedingtes Kapital 2021/I*) and (iii) the relevant changes to the Articles of Association. It also informed that several shareholders had filed actions for rescission and annulment against the resolution made under agenda item 8. The Company added that those actions filed currently prevented the entry of the capital increases resolved in agenda item 8 into the commercial register of the Company. The resolution of the 2021 AGM under agenda item 8 served to implement the acquisition, transfer and contribution of the stake in MSH held by Convergenta to the Company. The Company concluded that it no longer saw sufficient certainty that the Transaction could be completed in the 2020/21 Financial Year. However, the Company stated that it still intended to implement the Transaction.

On 15 July 2021, the Company informed that, against the background of the preliminary legal views of the Higher Regional Court (*Oberlandesgericht*) of Dusseldorf, it considered to resubmit the Transaction to a general meeting (*Hauptversammlung*), whereby in particular further evaluation was necessary whether the Company's shareholders should potentially vote within their respective classes or the (outstanding) preference of the preference shareholders should initially be paid in full. The Company stated that against this background it would also withdraw its motion for clearance before the Higher Regional Court (*Oberlandesgericht*) of Dusseldorf. The Company said that it still intended to implement the Transaction, although it no longer expected the Transaction to be completed in the 2020/21 Financial Year.

On 5 November 2021, the Company informed that, against the background of the preliminary legal views of the Higher Regional Court (*Oberlandesgericht*) of Dusseldorf, the Company would again submit the Transaction to the general meeting (*Hauptversammlung*) for resolution. The Company stated that this was to take place in an extraordinary general meeting (*außerordentliche Hauptversammlung*), subject to the proviso that the 2022 AGM resolved a dividend distribution in the amount of approximately EUR 63 million. The Company said that this dividend distribution would (i) satisfy the dividend entitlement of holders of preference shares for the 2020/21 Financial Year as well as all claims for preference dividends to be paid in arrears and (ii) pay a dividend of EUR 0.17 per share to the ordinary shareholders. The Company added that the proposed dividend payment was in line with the Company's dividend policy, which stated inter alia that the payment of dividends must be weighed against the necessity of investments for the growth of the operating business. This had been done for the previous 2020/21 Financial Year. The Company stated that in consequence, neither the amount of the EPS in the 2020/21 Financial Year nor a commitment for future dividend payments could be derived from this. The Company added that it was evaluating the conversation of current preference shares of the Company into ordinary shares of the Company. It then informed that it aimed to complete the Transaction in the 2021/22 Financial Year if possible.

11.2 Directors' Dealings

Within the last twelve months from the date of the Prospectus, the Company has published the following notifications of transactions by persons discharging managerial responsibilities ("**Managers**") and persons closely associated with them (*Directors' Dealings*) pursuant to Art. 19 MAR:

Date of transaction	Notifying Person	Manager	Nature of the transaction	Aggregated volume	Aggregated price
				(in EUR)	
11 May 2021	Dr Bernhard Düttmann	Dr Bernhard Düttmann	Acquisition	81,437.6580	4.1763
12 May 2021	Dr Bernhard Düttmann	Dr Bernhard Düttmann	Acquisition	25,200.00	4.2000
16 December 2021	Dr Karsten Wildberger	Dr Karsten Wildberger	Acquisition	301,229.4400	3.5027
3 June 2022	Convergenta Invest GmbH	Jürgen Kellerhals	Acquisition(1)	not numberable	not numberable

(1) Acquisition of 125,800,000 new ordinary shares of Ceconomy AG by Convergenta Invest GmbH from a capital increase against contribution in kind of 21.62% of the shares in Media-Saturn-Holding GmbH.

11.3 No further relevant disclosure

Except for the disclosures described above, the Company has not made any further publications in accordance with the MAR in the last twelve months that are relevant at the date of the Prospectus.

12 GOVERNING BODIES

12.1 Management Board

The following table lists the current members of the Management Board and their respective responsibilities:

Name	Born	First appointed	Appointed until	Responsibility
Dr Karsten Wildberger	1969	1 August 2021	31 July 2024	Chief Executive Officer and Labour Director (Audit & Consulting; Communications, Public Policy; Sustainability; Corporate Office; Group Competition & Antitrust; Group Compliance; Data Protection; Group Projects & PMO; Human Resources; M&A; Strategy, Value Creation, Innovation/Digital & Business Development; Pensions; Payroll; IT Management & Services)
Florian Wieser	1982	1 May 2021	30 April 2024	Chief Financial Officer (Accounting; Corporate Controlling and Risk Management; Legal; Investor Relations; Tax; Treasury & Insurance)

The following description provides summaries of the curricula vitae of the members of the Management Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company:

Dr Karsten Wildberger was born on 5 September 1969 in Gießen, Germany. He studied physics at TU Munich, Germany, and RWTH Aachen, Germany, and holds a masters degree as well as a doctoral degree in physics. Dr Karsten Wildberger began his professional career in 1998 at The Boston Consulting Group, where he held the position of a consultant until 2003. Between 2003 and 2006 he held various positions within T-Mobile in UK and Germany, recently as Executive Vice President Channel Management. From 2006 to 2011, Dr Wildberger held various positions within Vodafone Group, including as CFO and CCO in Bucharest, Romania. Between 2011 and 2012, he was Partner and Managing Director at The Boston Consulting Group. He then joined Telstra in 2013, where he held various positions, recently as Group Executive Telstra Retail. From 2016 to 2021, Dr Wildberger was a member of the Management Board (COO) of E.ON SE. Since August 2021 he serves as Chairman of the Management Board of MSH and as Chief Executive Officer and Labour Director of the Company.

Florian Wieser was born on 13 September 1982 in Munich, Germany, and has been a member of the Management Board and Chief Financial Officer (CFO) since 1 May 2021. From 2003 until 2007, he studied business administration at WHU – Otto Beisheim School of Management, Vallendar, Germany, and majored in corporate finance, controlling and logistics (*Diplom-Kaufmann*). He also completed a dual degree program (*Maestro en Desarrollo Directivo*) at Universidad Comercial de Deusto, Bilbao, Spain and took part in an exchange program with Case Weatherhead School of Management, Cleveland, United States. After having worked for a consulting firm and other companies in Dubai, Spain, Austria and Germany, he was Group Director Financial Asset & Pension Management at METRO GROUP from 2015 until 2017. Following an appointment at MSH Group as Vice President Operations & Finance Region South (Greece, Italy, Spain, Portugal and the Netherlands) from 2017 until 2018, he served as managing director (CFO) of Media-Saturn Deutschland GmbH from 2018 until 2019. Since November 2019 Florian Wieser is Chief Financial Officer (CFO) of MediaMarktSaturn Retail Group. In August 2020, he was appointed as Managing Director of MSH. Since May 2021, he also serves as Chief Financial Officer and member of the Management Board of the Company..

The following overview lists all of the companies and enterprises in which the members of the Management Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Company and the group companies of CECONOMY:

Dr Karsten Wildberger

Current seats:

- Forschungszentrum Jülich GmbH, Jülich, Germany (member of the supervisory board)

Past seats:

- E.ON SE, Essen, Germany (member of the management board)
- E.ON Energie Deutschland GmbH, Munich, Germany (chairman of the supervisory board)
- E.ON Business Services GmbH, Hannover, Germany (chairman of the supervisory board)
- Essent N.V., Arnheim, Netherlands (chairman of the supervisory board)
- E.ON Czech Holding AG, Munich, Germany (member of the supervisory board)
- E.ON Sverige AB, Malmö, Sweden (member of the supervisory board)

- E.ON Digital Technology GmbH, Hannover, Germany (chairman of the supervisory board)
- E.ON Energie a.s., Ceské Budejovice (member of the supervisory board)
- E.ON Italia S.p.A., Milan, Italy (member of the supervisory board)

Florian Wieser

Current seats:

- none

Past seats:

- Tertia Handelsbeteiligungsgesellschaft mbH, Ingolstadt, Germany (member of the supervisory board)
- METRO Cash & Carry International Holding GmbH, Vienna, Austria (member of the supervisory board)

12.2 Supervisory Board

The Supervisory Board comprises 20 members of whom ten are elected by the Company's general meeting (*Hauptversammlung*) and ten are elected by employees as required by the German Co-determination Act (*Mitbestimmungsgesetz*).

The following table lists the current member of the Supervisory Board:

Name	Born	Date of the appointment (current term of office)	Appointed until	Position
Thomas Dannenfeldt	1966	17 February 2021	end of the Company's annual general meeting in the financial year 2023/24	Chairman
Sylvia Woelke	1978	21 March 2018	end of the employee representative elections in 2023	Deputy Chairman
Katrin Adt	1972	9 February 2022	end of the Company's annual general meeting in the financial year 2024/25	Member
Wolfgang Baur	1959	21 March 2018	end of the employee representative elections in 2023	Member
Kirsten Joachim Breuer	1978	21 March 2018	end of the employee representative elections in 2023	Member
Karin Dohm	1972	17 February 2021	end of the Company's annual general meeting in the financial year 2023/24	Member
Daniela Eckardt	1974	21 March 2018	end of the employee representative elections in 2023	Member
Sabine Eckhardt	1972	17 February 2021	end of the Company's annual general meeting in the financial year 2023/24	Member
Thomas Fernkorn	1975	8 October 2021	end of the employee representative elections in 2023	Member
Dr Florian Funck	1971	9 February 2022	end of the Company's annual general meeting in the financial year 2024/25	Member
Ludwig Glosser	1962	21 March 2018	end of the employee representative elections in 2023	Member
Doreen Huber	1982	9 February 2022	end of the Company's annual general meeting in the financial year 2024/25	Member
Jürgen Kellerhals	1964	9 February 2022	end of the Company's annual general meeting in the financial year 2024/25	Member
Stefanie Nutzenberger	1963	10/11 September 2019	end of the employee representative elections in 2023	Member
Claudia Plath	1971	17 February 2021	end of the Company's annual general meeting in the financial year 2023/24	Member
Jens Ploog	1953	21 March 2018	end of the employee representative elections in 2023	Member
Dr Lasse Pütz	1981	1 October 2021	end of the employee representative elections in 2023	Member
Dr Fredy Raas(1)	1959	9 February 2022	end of the Company's annual general meeting in the financial year 2022/23	Member

Jürgen Schulz	1961	21 March 2018	end of the employee representative elections in 2023	Member
Christoph Vilanek	1968	12 February 2020	end of the Company's annual general meeting in the financial year 2022/23	Member

(1) Dr Fredy Raas intends to resign from his office with effect from 30 June 2022.

The following description provides summaries of the curricula vitae of the current members of the Supervisory Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company:

Thomas Dannenfeldt was born on 13 September 1966 in Feuchtwangen, Germany, and joined the Supervisory Board in February 2021. He studied business mathematics at the University of Trier, Germany, and holds a degree as graduate business mathematician (*Diplom-Wirtschaftsmathematiker*). In his professional career, Thomas Dannenfeldt worked in various positions in the group of Deutsche Telekom AG. From 1992 until 1995, he worked in various positions in the sales department of DeTeMobil Deutsche Telekom MobilNet GmbH. Subsequently, from 1996 to 2006, he held various management functions in sales, customer service and marketing within T-Mobile Deutschland and T-Mobile International. From 2007 until 2009, he served as Division Director (*Bereichsvorstand*) of Market & Quality Management, T-Home, Deutsche Telekom AG. From 2010 until 2013, he worked as Managing Director Finance at Telekom Deutschland GmbH. From 2014 until 2018, he was member of the management board and CFO of Deutsche Telekom AG and member of the supervisory board of EE Ltd., T-Mobile US Inc. and BUYIN SA. Since May 2020, he has been member of the supervisory board of Nokia Oyj and of the advisory board (*Beirat*) of axxessio GmbH.

Sylvia Woelke was born on 28 September 1978 in Riedlingen, Germany, and joined the Supervisory Board in July 2017. She studied economic science at Berufsakademie Ravensburg, Germany, with a specialization in trading, and holds degrees in business administration (BA, diploma), Bachelor of Arts and as business assistant (BA). She is additionally qualified as Certified Project Management Associate and Certified Internal Auditor. From 2001 until 2005, she worked as Administration Manager at MediaMarkt Ravensburg. In 2005, she worked as Accounting Project Manager at Media Markt Saturn Systems Centre in Ingolstadt, Germany. Subsequently, from 2005 until 2006, she was Purchase Price Trainer at Media Markt Management GmbH in Ingolstadt, Germany. From 2004 until 2009, she worked as Senior Specialist Audit & Consulting and, from 2009 until 2012, as Junior Manager Audit, Consulting & IT Security for MSH. From 2013 until July 2017, she worked as manager of Corporate Risk Management & Internal Controls, also for MSH in Ingolstadt, Germany. After serving as Deputy Chairwoman from January 2017 until June 2017, she has been Chairwoman of the Works Council of MSH since 2017. In addition, she has been a Manager for Corporate Risk Management & Internal Controls at MSH since 2013.

Katrin Adt was born on 8 May 1972 in Bonn, Germany, and joined the Supervisory Board in October 2021. She studied law at the Universidade de Coimbra, Portugal, and at the Georg-August University in Göttingen, Germany, where she passed the first state examination. She then passed the second state examination, with a legal clerkship at the Higher Regional Court (*Oberlandesgericht*) Celle, Germany. From 1999 to 2006, she held various positions at DaimlerChrysler Belgium Luxembourg, before she joined Daimler AG, where she worked in various positions between 2006 and 2010. From 2010 to 2013, she served as Managing Director at Mercedes-Benz, Luxembourg. From 2013 to 2014, she was Personnel Consultant at Egon Zehnder, Stuttgart, Germany. Between 2014 and 2019, she held various positions at Daimler AG, including Vice President HR Development & HR Services and Head of smart, Stuttgart, Germany. Since 2019 she is the Vice President Mercedes-Benz Retail Cars & Vans Europe at Mercedes-Benz in Berlin, Germany.

Wolfgang Baur was born on 23 August 1959 in Köln, Germany, and joined the Supervisory Board in March 2018. He is a certified automobile-electrician. He was a service employee at Saturn Techno-Electro-Handelsgesellschaft mbH in Cologne, Germany, from 1983 until 1986 and holds the position of Department Manager Logistics there since 1986. Also since 1986, he has been Chairman of the Works Council of Saturn Techno-Electro-Handelsgesellschaft mbH in Cologne, Germany.

Kirsten Joachim Breuer was born on 6 January 1978 in Mühlhausen/Thuringia, Germany, and joined the Supervisory Board in March 2018. He studied social work at University of Applied Sciences in Fulda, Germany, and received his diploma as state-approved social pedagogue (FH) as well as state-approved social worker (FH). From 2002 until 2005, he worked as Youth Secretary/Consultant for youth education at the German Trade Union, Confederation District Hesse-Thuringia in Frankfurt/Main, Germany, where he was responsible for international youth education. From 2005 until 2009 he filled out the position as Organisation Manager and Press Spokesman of the Thuringian State Association (German Trade Union Confederation Disctrict Hesse-Thuringia, Frankfurt/Main, Germany). From 2009 until 2011 he worked as Head of Office of the Minister of Thuringian Economics, Labour and Technology, Matthias Machnig, in Erfurt, Germany. He then was Head of the Liaison Office to the Thuringian State Government at IG Metall in Erfurt, Germany, from 2011 until 2012. Since then he has been managing director and deputy authorized representative of IG Metall in Erfurt, Germany.

Karin Dohm was born on 2 June 1972 in Bochum, Germany, and joined the Supervisory Board in February 2016. She studied economics at the University of Münster, Germany, the University of Zaragoza, Spain, and at the Freie Universität Berlin, Germany, and received a degree as graduate in economics (*Diplom-Volkswirtin*). Karin Dohm was appointed as tax consultant in 2002 and as auditor in 2005. From 1997 until 2011, she worked as a partner (and, before that, in various other positions) within Financial Services at Deloitte in Germany and the UK. From 2011 until 2014, she joined DEUTSCHE BANK AKTIENGESELLSCHAFT as Chief Accounting Officer – Head of Group External Reporting. Subsequently, in 2015, she worked as CFO Global Transaction in the banking department of DEUTSCHE BANK AKTIENGESELLSCHAFT. From 2016 until 2019, she held the position as Global Head of Group Structuring, Government and Regulatory

Affairs at DEUTSCHE BANK AKTIENGESELLSCHAFT and in 2020 she became its Global Program Director. Since January 2021, she has been a member of the management board of HORNBACH Baumarkt AG and HORNBACH Management AG, and since 2022, non-executive director of Danfoss A/S, Nordborg, Denmark.

Daniela Eckardt was born on 4 January 1974 in Berlin, Germany, and joined the Supervisory Board in July 2017. She made an apprenticeship as a retail saleswoman, specializing in photo, cinema and video, from 1990 to 1993. From 1990 until 1994, she worked as a salesperson in the photo department at Kaufhof in Berlin, Germany. Then, since 1994, she has been working at the checkout and information at Saturn Alexanderplatz in Berlin, Germany. Moreover, since April 1994 she has been Deputy Chairwoman of the Works Council of Saturn Alexanderplatz in Berlin, Germany.

Sabine Eckhardt was born on 9 May 1972 in Bremen, Germany, and joined the Supervisory Board in October 2020. She holds a Master of Arts in German philology, philosophy and medieval studies received from LMU Munich, Germany. From 1998 until 2004, she worked in various marketing and distribution positions at Mattel GmbH, digital publishing AG and EM.TV AG. Subsequently, from 2004 until 2009, she became Chairwoman of the managing directors and Sales Director of MM MerchandisingMedia GmbH, a company of ProSiebenSat.1 Media SE. From 2009 until 2017, she held various executive positions within ProSiebenSat.1 Media SE, e. g. of the marketing company SevenOne Media GmbH and SevenOne AdFactory GmbH. From 2017 until 2019, she was a member of the management board of ProSiebenSat.1 Media SE, responsible for sales and marketing. Since January 2020, she has been member of the Advisory Board Digital Business at Heinrich Bauer Verlag KG. Furthermore, she has been CEO of Central Europe at Jones Lang LaSalle SE, Frankfurt, Germany, from April 2020 to April 2022. In March 2022, Sabine Eckardt became member of the supervisory board of UniCredit Bank AG, Munich, Germany.

Thomas Fernkorn was born on 5 August 1975 and joined the Supervisory Board in October 2021. He studied business administration at the University of Cologne, Germany, where he received a degree in business administration (*Diplom-Kaufmann*). From 1996 to 2000, he worked in the central purchasing department of Kaufhof Warenhaus AG in Cologne, Germany. Between 2000 and 2010, he held various positions in controlling at Kaufhof Warenhaus AG and in 2010 became Head of Corporate Controlling at Galeria Kaufhof GmbH in Cologne, Germany. From 2015 to 2019 he held the position Head of Controlling at Galeria Kaufhof GmbH. Since 2019 he has been Vice President Corporate Controlling at MSH.

Dr Florian Funck was born on 23 March 1971 in Duisburg, Germany, and joined the Supervisory Board in May 2012. He studied business administration at the University of Münster, Germany where he also received his doctorate degree (Dr. rer. pol.). During the time of his doctoral thesis, he worked as research associate at the institute for Industrial Management at the University of Münster, Germany. He then joined Franz Haniel & Cie. GmbH in Duisburg, Germany, where he worked as Director of the Central Department responsible for controlling of shareholdings, group accounting and risk management as well as in various previous positions from 1999 until 2004. Subsequently, from 2004 until 2011, he was a member of the management board of TAKKT AG in Stuttgart, Germany, where he was responsible for controlling and finance. Since September 2011, he has been member of the management board of Franz Haniel & Cie., Duisburg, Germany. His responsibilities there include general services, business administration, finance and tax.

Ludwig Glosser was born on 20 October 1962 in Eichstätt, Germany, and joined the Supervisory Board in July 2017. He is trained as IT business engineer by CDI Deutsche Private Akademie der Wirtschaft in Munich, Germany. From 1984 until 1990, he worked in sales and logistics for Glosser GmbH in Ingolstadt, Germany. In 1994 he joined Media-Saturn GFI in Ingolstadt, Germany, where he worked at Datawarehouse until 2004. After holding various other positions in software development and database administration, he became Team Head in 2002. In 2004, he became Department Head of IT Operations and Basic Technology at Media-Saturn Systems Centre and in 2007, he became Department Manager, IT ISC General, at Media-Saturn IT Services GmbH, both in Ingolstadt, Germany. From 2011 on, he was Lead Problem Manager and Sourcing Manager of the IT Service Management of Media-Saturn IT Services GmbH. In 2014, he became Chairman of the Works Council of Media-Saturn IT Services GmbH. From 2015 until 2019, he was a member of Euroforum and of the Steering Board Euroforum at Media-Saturn IT Services, Ingolstadt.

Doreen Huber was born on 4 January 1982 in Staaken, Germany, and joined the Supervisory Board in February 2022. She studied Modern German Literature, Art History and Media Studies at Humboldt University Berlin, Germany, where she graduated with a magister artium degree. From 2001 to 2002, she worked as a Key Account Manager at D-Trust GmbH in Berlin, Germany. Between 2002 and 2005, she was Head of Sales DACH at VeriSign Inc., USA. In 2006, she co-founded the Sales and Services GmbH, Berlin, Germany, where she served as Managing Director Yields. From 2009 to 2011, she was the Chief Sales Officer at eKomi Holding GmbH, Berlin, Germany. Subsequently, she became Chief Sales Officer and Chief Operation Officer at Delivery Hero SE, Berlin, Germany in 2011. Between 2013 and 2015, she was partner and investor at SPRINGSTAR GmbH in Bedburg, Germany. In 2018, she became an angel investor at Atomico (UK) Partners LLP, London, United Kingdom. In addition, she worked as CEO and founder at LEMONCAT GmbH, Berlin, Germany, from 2016 to 2020. Since 2019, she is an independent entrepreneur and investor. In January 2022, Doreen Huber became partner of EQT Ventures. She also is non-executive director at Domino's Pizza Enterprises Ltd., Hamilton, Australia.

Jürgen Kellerhals was born on 4 September 1964 in Ingolstadt, Germany, and joined the Supervisory Board in February 2022. In 1982, he started a training as an IT merchant at MediaMarkt, and from 1985 to 1989 gained practical experiences in MediaMarkt stores and MediaMarkt administration in Ingolstadt, Germany. In 1991, he became founder and managing director of the real estate development company JKV Grundstücksverwertungs GmbH in Ingolstadt, Germany, as well as of numerous other real estate development and real estate management companies in Austria, Spain and Germany. From 1995 to 2003, he was managing director of various hotel operating companies in Germany. Since 1999, he is managing director of JKV Beteiligungs-Holding GmbH, Ingolstadt, Germany. Furthermore since 2002, he is member of the administrative board of JKV European Investments SA, Luxemburg, Grand Duchy of Luxembourg. Since 2004, he is also managing director of Convergenta Invest und Beteiligungs GmbH in Salzburg, Austria. In addition, he is managing director of Convergenta Invest GmbH in Bad Wiessee, Germany, since 2021.

Stefanie Nutzenberger was born on 18 November 1963 in Kaiserslautern, Germany, and joined the Supervisory Board in September 2019. From 1981 to 1983 she was trained as a retail saleswoman at Karstadt, Kaiserslautern, Germany, where she worked as a saleswoman until 1997. From 1982 until 1995, she was a member of the Youth and Youth Representation Council, of the Works Council and various trade union committees. In 1993, she received her vocational baccalaureate diploma. Subsequently, she studied business administration with a focus on Human Resources and received her degree from the University of Applied Sciences Ludwigshafen am Rhein, Germany, in 1997 (*Diplom-Betriebswirtin (FH)*). From 1997 until 2001, she served as Trade Union Secretary in the Saar district of the HBV Trade Union. From 2001 until 2011, she worked as Head of the Regional Retail Department in the ver.di Regional District of Saar. Parallel to that, from 2003 until 2011, she was Deputy Disctrict Manager in the ver.di District of Saarland. Her responsibilities included personnel, organization, organizational development, women's and equal opportunities policy and youth, political responsibility for the media, arts and industry departments, retail and special services. Since 2011, she has been a member of the Executive Committee of ver.di, in particular Head of the Retail Department, being responsible for women's and gender equality policy and gender policy.

Claudia Plath was born on 13 December 1971 in Freital, Germany, and joined the Supervisory Board in February 2018. She studied business administration at the Technical University Berlin, Germany, and received a degree as graduate in economics (*Diplom-Kauffrau*). From 1996 until 2001, she held a position as Controller at ECE Projektmanagement G.m.b.H. & Co. KG. She continued her career at ECE Projektmanagement G.m.b.H. & Co. KG by working in Group Management Asset Controlling from 2001 until 2003. Subsequently, from 2004 until 2010 she worked as Director Asset Management & Controlling and from 2010 until 2012 as Senior Director Asset Management, both also at ECE Projektmanagement G.m.b.H. & Co. KG. Since January 2013, she has been managing director (CFO) of ECE Group GmbH & Co. KG (former Verwaltung ECE Projektmanagement G.m.b.H.), which is the general partner of ECE Group GmbH & Co. KG (former ECE Projektmanagement G.m.b.H. & Co. KG).

Jens Ploog was born on 11 March 1953 in Lübeck, Germany, and joined the Supervisory Board in March 2018. He has completed training in banking and further training as certified banking specialist (IHK) (*Bankfachwirt*) at the Business Academy in Kiel, Germany. From 1976 until 2004, he worked in various positions at Deutsche Bank Lübeck and Bankhaus Neelmeyer in Bremen, Germany (including branch manager). From 2004 until 2005, he worked as Team Leader Service and Team Leader Administration at Saturn Electro - Handelsgesellschaft mbH Lübeck, Germany. In 2005, he served as Purchase Price Trainer at Saturn Management GmbH in Ingolstadt, Germany. Subsequently, from 2006 until 2010, he held a position as Project Team Member Sales/Organisation, in particular in billing processes and intermediary and commission business, at Saturn Management GmbH, Ingolstadt, Germany. Since 2010, he has been working as Senior Consultant Organisation, Processes and Projects at Media-Saturn Deutschland GmbH in Ingolstadt, Germany. Since 2015, he has been a member and, since 2017, he has been Chairman of the Works Council of Media-Saturn Deutschland GmbH.

Dr Lasse Pütz was born on 5 November 1981 in Bergisch Gladbach, Germany, and joined the Supervisory Board in October 2021 as an employee representative. He studied law at the University of Cologne, Germany, with focus on corporate and business law and completed his second state law examination in 2010. Furthermore, he received a phD in law (Dr. jur.) from the Georg-August-University Göttingen, Germany. From 2011 to 2019 he was Head of the Business Law Department at the Institute for Codetermination and Corporate Governance of the Hans Böckler Foundation, Dusseldorf, Germany. He was also active as a self-employed lawyer from 2011 to 2019. Since 2015, he has been Lecturer at the Berlin School of Economics and Law (HWR) for Corporate Responsibility in Berlin, Germany, and also Lecturer at the Rheinische Fachhochschule (RFH) for Corporate Governance and Directors Liability in Cologne, Germany. In addition, he works as a lawyer at LLR Legerlotz Laschet und Partner Rechtsanwälte in the field of corporate law in Cologne, Germany, since 2019. He also is member of the supervisory board of Stadtwerke Düsseldorf AG, Dusseldorf, Germany and of neue bahnstadt opladen GmbH in Leverkusen, Germany.

Dr Fredy Raas was born on 17 August 1959 in Frauenfeld, Switzerland, and joined the Supervisory Board in July 2013. He studied business administration, focusing on accounting and controlling at the University of St. Gallen, Switzerland, where he also completed his dissertation (Dr. oec.). He worked as a research assistant and assistant lecturer at the Institute of Management of the University of St. Gallen, Switzerland, from 1984 until 1986. In 1986, he joined the Central Logistics Division of Siemens Group as Inhouse Consultant. Subsequently, he was CFO at Metro International Handels AG from 1991 until 1996. From 1996 until 1998, he served as CFO of METRO Cash & Carry Deutschland GmbH. In 1998, he became CFO of Praktiker AG, which was then a sales line of METRO GROUP. Since 2001, he is managing director of Beisheim Holding GmbH in Baar, Switzerland, after working in various other management positions at Beisheim Holding GmbH, Baar, Switzerland, and Beisheim Group GmbH & Co. KG, Dusseldorf, Germany. Furthermore, he has been a member of the Foundation Board of the Prof. Otto Beisheim Stiftung in Munich (President) and in Baar, Switzerland (Vice President) since 2007.

Jürgen Schulz was born on 30 May 1961 in Bielefeld, Germany, and joined the Supervisory Board in December 2015. He studied German philology, literature and sociology and holds a Master of Arts in from the University of Bielefeld, Germany. From 1988 until 1993, he worked at Gemini Medien Vertriebsgesellschaft mbH in Bielefeld, Germany. He joined Saturn Electro - Handelsgesellschaft mbH Bielefeld, Germany, in 1993, where he worked as an employee until 2011. Since 2017, he has been Chairman of the Works Council there. From 2001 until July 2017, he was also a member of the Group Works Council of METRO GROUP in Dusseldorf, Germany. Since 2011, he has been working as Department Manager of the Service Department of Saturn Electro - Handelsgesellschaft mbH Bielefeld, Germany.

Christoph Vilanek was born on 31 January 1968 in Innsbruck, Austria, and joined the Supervisory Board in May 2019. He holds a degree as graduate in business administration from the University of Innsbruck, Austria. From 1991 until 1995, he worked in various positions at Time-Life International GmbH in Munich and London. Subsequently, from 1995 until 1997 he served as Head of Electronic Publishing at Gräfe und Unzer Verlag GmbH in Munich, Germany. From 1997 until 1998, he was Marketing Director at Meister Verlag GmbH in Munich, Germany, and, from 1999 until 2000, he worked as managing director at boo.com GmbH in Munich and London. From 2000 until 2001, he worked as managing director at Ravensburger Interactive Media GmbH in Ravensburg, Germany. Subsequently, he became a Consultant at McKinsey & Company in Munich and Zagreb until 2004 (Telecommunications, IT and Media; main focus on marketing/sales, strategy, turnaround/business building, operational excellence, organization). After working as Interim Managing Director at iPUBLISH GmbH in Munich, Germany, from 2004 until 2005, he was Vice President Customer Management for debitel AG in Stuttgart, Germany, from 2005 until 2009. Since then, he has been CEO of freenet AG in Büdelsdorf, Germany.

The following overview lists all of the companies and enterprises in which the members of the Supervisory Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were partners during the last five years, with the exception of the Company and the group companies of CECONOMY:

Thomas Dannenfeldt (Chairman)

Current seats:

- Nokia Oyj, Espoo, Finland (member of the supervisory board)
- Dannenfeldt Familien GbR, Sankt Augustin, Germany (managing director)

Past seats:

- T-Mobile US inc, Bellvue, United States (member of the board of directors)
- BUYIN SA, Bruxelles, Belgium (member of the board of directors)
- T-Systems International GmbH, Frankfurt am Main, Germany (member of the supervisory board)
- Deutsche Telekom AG, Bonn, Germany (member of the management board)
- Deutsche Telekom Services Europe AG, Bonn, Germany (member of the supervisory board)
- EE ltd, Hatfield, UK (member of the board of directors)

Sylvia Woelke (Deputy Chairman)

Current seats:

- None

Past seats:

- None

Katrin Adt

Current seats:

- Anota Fahrzeug Service- und Vertriebsgesellschaft, Dusseldorf, Germany (managing director)

Past seats:

- Daimler Financial Services AG, Stuttgart, Germany (member of the supervisory board)
- Mercedes-Benz Retail Group UK Limited, Milton Keynes, United Kingdom (member of the board of directors)

Wolfgang Baur

Current seats:

- None

Past seats:

- None

Kirsten Joachim Breuer

Current seats:

- None

Past seats:

- None

Karin Dohm

Current seats:

- Danfoss A/S, Nordborg, Denmark (non-executive director)
- Deutsche EuroShop AG, Hamburg, Germany (member of the supervisory board)
- HORNBACH Immobilien AG, Landau, Germany (member of the supervisory board)
- HORNBACH Baumarkt AG, Landau, Germany (member of the management board)
- HORNBACH Management AG, Landau, Germany (member of the management board)

Past seats:

- Deutsche Bank Europe GmbH, Frankfurt am Main, Germany (member of the supervisory board)
- Deutsche Bank Luxembourg S.A., Luxembourg, Grand Duchy of Luxembourg (member of the board of directors)
- Deutsche Holdings (Luxembourg) S.à r.l., Luxembourg, Grand Duchy of Luxembourg (member of the supervisory board)

Daniela Eckardt

Current seats:

- None

Past seats:

- None

Sabine Eckhardt

Current seats:

- UniCredit Bank AG, Munich, Germany (member of the supervisory board)

Past seats:

- Jones Lang LaSalle SE, Frankfurt am Main, Germany (executive director)
- Jones Lang LaSalle AG, Zurich, Switzerland (chairman of the administrative board)
- Jones Lang LaSalle Group Holdings SNC, Paris, France (managing director)
- Jones Lang LaSalle Administration B.V., Netherlands (managing director)
- ProSiebenSat.1 Media SE, Munich, Germany (member of the management board)
- Virtual Minds AG, Freiburg im Breisgau, Germany (chairman of the supervisory board)

Thomas Fernkorn

Current seats:

- None

Past seats:

- None

Dr Florian Funck

Current seats:

- Franz Haniel & Cie. GmbH, Duisburg, Germany (managing director)
- Vonovia SE, Bochum, Germany (member of the supervisory board)
- TAKKT AG, Stuttgart, Germany (member of the supervisory board)

Past seats:

- METRO AG, Dusseldorf, Germany (member of the supervisory board)

Ludwig Glosser

Current seats:

- None

Past seats:

- None

Doreen Huber

Current seats:

- Domino's Pizza Enterprises Ltd., Hamilton, Australia (non-executive director)

Past seats:

- MeinAuto Group AG, Oberhaching, Germany (member of the supervisory board)
- LEMONCAT GmbH, Berlin, Germany (managing director)
- Yields Internet Ventures GmbH, Berlin, Germany (managing director)

Jürgen Kellerhals

Current seats:

- Convergenta Invest GmbH, Bad Wiessee, Germany (managing director)
- Convergenta Invest und Beteiligungs GmbH, Salzburg, Austria (managing director)
- JKV European Investments S.A., Luxemburg, Grand Duchy of Luxembourg (member of the administrative board)
- JKV Beteiligungs-Holding GmbH, Ingolstadt, Germany (managing director)
- JKV Grundstücksverwertungs GmbH, Ingolstadt, Germany (managing director)
- BOA Invest GmbH, Ingolstadt, Germany (managing director)
- Mamba Invest GmbH, Ingolstadt, Germany (managing director)
- JKV Phönix GmbH, Ingolstadt, Germany (managing director)
- JKV Immobilie Eriagstr. 6 GmbH, Ingolstadt, Germany (managing director)
- Terra Invest GmbH, Ingolstadt, Germany (managing director)
- JKV Vital GmbH, Ingolstadt, Germany (managing director)
- Westinvent GmbH, Ingolstadt, Germany (managing director)
- Pink-Invest GmbH, Ingolstadt, Germany (managing director)
- Regent Formello GmbH, Ingolstadt, Germany (managing director)
- Cobra-Invest GmbH, Ingolstadt, Germany (managing director)
- Comfort-Invest GmbH, Ingolstadt, Germany (managing director)
- Omni-Invest GmbH, Ingolstadt, Germany (managing director)
- Magazin Immobilien GmbH, Ingolstadt, Germany (managing director)
- Pekunia Vermögensverwaltung OHG, Regensburg, Germany (personally liable partner)
- Helga und Erich Kellerhals Kurstiftung, Ingolstadt, Germany (member of the foundation board)
- Los Quince Olmos S.L., Marabella, Spain (managing director)
- Marabella 2010 S.L., Marabella, Spain (managing director)
- Titan Investment S.L., Spain (managing director)
- JKV Immobilienverw.50 GmbH, Ingolstadt, Germany (managing director)
- JKV Immobilienverw.51 GmbH, Ingolstadt Germany (managing director)
- JKV Immobilienverw.52 GmbH, Ingolstadt, Germany (managing director)
- JKV Immobilienverw.53 GmbH, Ingolstadt, Germany (managing director)
- Karo-Invest GmbH, Ingolstadt, Germany (managing director)
- JKV HOGA GmbH, Ingolstadt, Germany (managing director)

- Alex-Invest GmbH, Ingolstadt, Germany (managing director)
- Park-Invest GmbH, Salzburg, Austria (managing director)
- Pur-Invest GmbH, Salzburg, Austria (managing director)
- Eriag-Invest GmbH, Salzburg, Austria (managing director)

Past seats:

- None

Stefanie Nutzenberger

Current seats:

- None

Past seats:

- Karstadt Warenhaus GmbH, Essen, Germany (member of the supervisory board)
- REWE-ZENTRALFINANZ eG, Cologne, Germany (member of the supervisory board)

Claudia Plath

Current seats:

- ECE Group GmbH & Co. KG, Hamburg, Germany (managing director)
- Deutsche EuroShop AG, Hamburg, Germany (member of the supervisory board)

Past seats:

- Hamburger Hochbahn Aktiengesellschaft, Hamburg, Germany (member of the supervisory board)

Jens Ploog

Current seats:

- None

Past seats:

- None

Dr. Lasse Pütz

Current seats:

- Stadtwerke Düsseldorf AG, Dusseldorf, Germany (member oft the supervisory board)
- neue bahnstadt opladen GmbH, Leverkusen, Germany (member of the supervisory board)

Past seats:

- None

Dr Fredy Raas

Current seats:

- Prof. Otto Beisheim Stiftung, Munich, Germany (chairman of the foundation board)
- Prof. Otto Beisheim Stiftung, Baar, Switzerland (vice chairman of the foundation board)
- Beisheim Holding GmbH, Baar, Switzerland (managing director)
- METRO AG, Dusseldorf, Germany (member of the supervisory board)
- HUWA Finanz- und Beteiligungs AG, Au, Switzerland (member of the board of directors)

Past seats:

- ARISCO Holding AG, Risch, Switzerland (member of the board of directors)
- Beisheim Group GmbH & Co. KG, Dusseldorf, Germany (managing director)
- Montana Capital Partners AG, Baar, Switzerland (member of the board of directors)

Jürgen Schulz

Current seats:

- None

Past seats:

- None

Christoph Vilanek

Current seats:

- freenet AG, Büdelsdorf, Germany (member of the managing board)
- eXaring AG, Munich, Germany (member of the supervisory board)
- Ströer Management SE, Dusseldorf, Germany (chairman of the supervisory board)
- Ströer SE & Co. KGaA, Cologne, Germany (chairman of the supervisory board)
- VNR Verlag für die Deutsche Wirtschaft AG, Bonn, Germany (member of the supervisory board)

Past seats:

- Sunrise Communications Group AG, Opfikon, Switzerland (member of the board of directors)
- gamigo AG, Hamburg, Germany (member of the supervisory board)
- Netzpiloten AG, Hamburg, Germany (member of the supervisory board)

12.3 Managing directors of MSH

MSH is a wholly-owned subsidiary of the Company, which is held directly and indirectly through CECONOMY Retail, and is also the holding company of the MSH Group responsible for the latter's operative management. Therefore, Dr Karsten Wildberger and Florian Wieser, the managing directors of MSH (*Geschäftsführer* – "**Managing Directors**"), are considered to be senior managers who are relevant to establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

With respect to the curriculum vitae of the Managing Directors, who are at the same time the members of the Management Board, see "*12.1 Management Board*".

With respect to the companies and enterprises in which the Managing Director currently holds seats or has held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which he was partner during the last five years, with the exception of the Company, MSH and other group companies of CECONOMY, see "*12.1 Management Board*".

12.4 Certain information regarding the members of the Management Board, the members of the Supervisory Board and the Managing Director

In the last five years, no member of the Management Board or the Supervisory Board or the Managing Director has been:

- convicted of fraudulent offenses; or
- associated with any bankruptcy, receivership, liquidation or companies put into administration, acting in its capacity as a member of any administrative, management or supervisory body; or
- the subject of any official public incriminations and/or sanctions have been pending or imposed by statutory or legal authorities, including designated professional bodies; or
- disqualified from acting as a member of the administrative, management, or supervisory body of an issuer or from acting in the management or conduct of the affairs of any issuer.

As of the date of the Prospectus, besides their membership in the Supervisory Board, Dr Florian Funck is member of the management board of Franz Haniel & Cie. GmbH, Jürgen Kellerhals is managing director of Convergenta (and also of Convergenta Invest und Beteiligungs GmbH in Salzburg, Austria, and certain other group companies), Dr Fredy Raas is member of the foundation board of the Prof. Otto Beisheim Stiftung in Baar, Switzerland, and in Munich, Germany, as well as managing director of Beisheim Holding GmbH in Baar, Switzerland, and Christoph Vilanek is chairman of the management board (CEO) of freenet AG, i.e. board members of Major Shareholders. In certain cases, the Company or CECONOMY may pursue interests that conflict with the interests of the aforementioned Major Shareholders. This applies in particular to freenet AG taking into account the Cooperation Agreement between MSD and Debitel, which is a fully owned subsidiary of freenet AG (see section "*7.5.6 Further material contracts*").

Since the interests of the aforementioned Major Shareholders, its affiliated companies and the Company will not necessarily always coincide or be aligned, the aforementioned dual mandates and any other relationships of the Supervisory Board members with the respective Major Shareholder may result in conflicts of interest for these individuals when acting in their different roles, in particular with regard to their respective fiduciary duties or duties of care.

Dr Karsten Wildberger as a member of the Management Board and Jürgen Kellerhals as a member of the Supervisory Board each directly or indirectly hold Shares. Therefore they have a financial and economic interest separately from their position in the Management Board or Supervisory Board, respectively, that may diverge from the Company's and, thus, may result in a conflict of interest.

Except as disclosed above, there are no conflicts of interest or potential conflicts of interest between the members of the Management Board or Supervisory Board or the Managing Director as regards the Company on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side. There are no family relationships between the members of the Management Board and the Supervisory Board and the Managing Director, either among themselves or in relation to the members of the other body.

The members of the Management Board and the Supervisory Board may be reached at the Company's office at Kaistraße 3, 40221 Dusseldorf, Germany (telephone: +49 (0) 211 5408-7000).

The Managing Director may be reached at MSH's office at Wankelstraße 5, 85046 Ingolstadt, Germany (telephone: +49 (841) 634-0).

13 CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or entities which are, inter alia, members of the same group as the Company or which are in control of or controlled by the Company must be disclosed unless they are already included as consolidated companies in the Audited Financial Statements (IFRS). Control exists if a shareholder owns more than half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management.

The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and the Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and the Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

The Company has not entered into any relevant related-party transaction since 1 October 2021.

14 WARNING ON TAX CONSEQUENCES

Income received from the Shares is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the Company's shareholders and the tax laws of the Company's state of incorporation, statutory seat and place of effective management (i.e., Germany) may affect the income received from the Shares.

Persons interested in purchasing one or more Shares should seek advice from their own tax counsel regarding the tax implications of purchasing, holding, disposing, donating and bequeathing Shares and the regulations in reclaiming previously withheld withholding tax (*Kapitalertragsteuer*). Due consideration to a shareholder's specific tax-related circumstances can only be given within the scope of an individual tax consultation.

15 FINANCIAL INFORMATION

The following English-language financial information (F-2 – 25, F-26 – F-120 and F-121 – F-173) is a translation of the respective German-language financial information.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED 31 MARCH 2022 PREPARED IN ACCORDANCE WITH IFRS ON INTERIM FINANCIAL REPORTING (IAS 34)

Income statement for the six months from 1 October 2021 to 31 March 2022

in EUR million	Q2 2020/21	Q2 2021/22	H1 2020/21	H1 2021/22
Sales	**4,322**	**5,019**	**11,786**	**11,873**
Cost of sales	(3,676)	(4,159)	(9,874)	(9,830)
Gross profit on sales	**646**	**859**	**1,912**	**2,042**
Other operating income	41	37	105	108
Selling expenses	(725)	(816)	(1,591)	(1,663)
General administrative expenses	(140)	(147)	(264)	(274)
Other operating expenses	(1)	(1)	(2)	(2)
Earnings share of investments accounted for using the equity method	179	34	178	33
Net impairments on operating financial assets and contract assets	(1)	(2)	0	(4)
Earnings before interest and taxes (EBIT)	**(2)**	**(35)**	**338**	**241**
Other investment result	28	1	37	13
Interest income	5	6	8	8
Interest expenses	(18)	(14)	(33)	(32)
Other financial result	(11)	0	(18)	(7)
Net financial result	**4**	**(7)**	**(6)**	**(17)**
Earnings before taxes (EBT)	**2**	**(42)**	**332**	**224**
Income taxes	64	8	(61)	(97)
Profit or loss for the period from continuing operations	**66**	**(33)**	**271**	**127**
Profit or loss for the period from discontinued operations	13	0	13	0
Profit or loss for the period	**79**	**(33)**	**283**	**127**
Profit or loss for the period attributable to non-controlling interests	(25)	(13)	27	25
from continuing operations	**(27)**	**(13)**	**24**	**25**
from discontinued operations	3	0	3	0
Profit or loss for the period attributable to shareholders of CECONOMY AG	104	(21)	257	102
from continuing operations	**94**	**(21)**	**247**	**102**
from discontinued operations	10	0	10	0
Earnings per share in EUR (basic = diluted)	**0.29**	**(0.06)**	**0.71**	**0.28**
from continuing operations	0.26	(0.06)	0.69	0.28
from discontinued operations	0.03	0.00	0.03	0.00

Reconciliation from profit or loss for the period to total comprehensive income for the six months from 1 October 2021 to 31 March 2022

in EUR million	Q2 2020/21	Q2 2021/22	H1 2020/21	H1 2021/22
Profit or loss for the period	**79**	**(33)**	**283**	**127**
Other comprehensive income				
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	**24**	**(74)**	**33**	**(129)**
Remeasurement of defined benefit pension plans	16	26	12	27
Gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income	12	(100)	25	(157)
Subsequent measurement of associates/joint ventures accounted for using the equity method	(3)	0	(3)	0
Items of other comprehensive income that may be reclassified subsequently to profit or loss	**9**	**4**	**(10)**	**2**
Currency translation differences from translating the financial statements of foreign operations	10	4	(10)	2
Subsequent measurement of associates/joint ventures accounted for using the equity method	(1)	0	(1)	0
Other comprehensive income	**33**	**(69)**	**23**	**(127)**
Total comprehensive income	**112**	**(103)**	**306**	**0**
Total comprehensive income attributable to non-controlling interests	(20)	(33)	29	(6)
Total comprehensive income attributable to shareholders of CECONOMY AG	132	(70)	276	6

Statement of financial position as of 31 March 2022

in EUR million	30 Sep 2021	31 Mar 2021	31 Mar 2022
ASSETS			
Non-current assets	**3,903**	**3,904**	**3,710**
Goodwill	524	524	524
Other intangible assets	125	109	135
Property, plant and equipment	507	522	476
Right-of-use assets	1,933	1,903	1,895
Financial assets	280	306	123
Investments accounted for using the equity method	425	441	458
Other financial assets	3	3	2
Other assets	8	6	7
Deferred tax assets	99	92	90
Current assets	**6,764**	**6,172**	**6,492**
Inventories	3,111	3,512	3,618
Trade receivables and similar claims	361	322	396
Receivables due from suppliers	1,142	1,094	1,163
Other financial assets	276	97	256
Other assets	183	185	245
Income tax assets	107	62	103
Cash and cash equivalents	1,582	901	711
	10,667	**10,077**	**10,203**

in EUR million	30 Sep 2021	31 Mar 2021	31 Mar 2022
EQUITY AND LIABILITIES			
Equity	**757**	**812**	**684**
Share capital	919	919	919
Capital reserve	321	321	321
Reserves retained from earnings	(527)	(498)	(586)
Non-controlling interests	44	71	31
Non-current liabilities	**2,686**	**2,163**	**2,578**
Provisions for pensions and similar obligations	462	479	404
Other provisions	38	34	38
Borrowings	2,109	1,568	2,076
Other financial liabilities	43	41	25
Other liabilities	5	9	4
Deferred tax liabilities	29	31	32
Current liabilities	**7,224**	**7,101**	**6,940**
Trade liabilities and similar liabilities	5,470	5,310	5,588
Provisions	108	124	77
Borrowings	756	799	565
Other financial liabilities	420	415	309
Other liabilities	359	303	280
Income tax liabilities	110	150	120
	10,667	**10,077**	**10,203**

Condensed statement of changes in equity for the six months from 1 October 2021 to 31 March 2022

in EUR million	Share capital	Capital reserve	Reserves retained from earnings	Total equity before non-controlling interests	Non-controlling interests	Total equity
30 Sep or 1 Oct 2020	**919**	**321**	**(753)**	**487**	**61**	**548**
Profit or loss for the period	0	0	257	257	27	283
Other comprehensive income	0	0	20	20	3	23
Total comprehensive income	**0**	**0**	**276**	**276**	**29**	**306**
Dividends	0	0	(8)[1]	(8)	(17)[2]	(24)
Equity transactions with change in equity interest without obtaining/relinquishing control	0	0	0	0	0	0
Other changes	0	0	(13)	(13)	(4)	(17)
31 Mar 2021	**919**	**321**	**(498)**	**742**	**71**	**812**
30 Sep or 1 Oct 2021	**919**	**321**	**(527)**	**713**	**44**	**757**
Profit or loss for the period	0	0	102	102	25	127
Other comprehensive income	0	0	(96)	(96)	(31)	(127)
Total comprehensive income	**0**	**0**	**6**	**6**	**(6)**	**0**
Dividends	0	0	(63)[1]	(63)	(6)[2]	(70)
Equity transactions with change in equity interest without obtaining/relinquishing control	0	0	(1)	(1)	0	(1)
Other changes	0	0	(1)	(1)	0	(1)
31 Mar 2022	**919**	**321**	**(586)**	**654**	**31**	**684**

1 The reported dividend includes dividends to minority shareholders in the amount of EUR –1 million (H1 2020/21: EUR –8 million), whose shares are reported in full as liabilities due to put options

2 The reported dividend includes dividends to minority shareholders in the amount of EUR 0 million (H1 2020/21: EUR –2 million), whose shares are reported in full as liabilities due to put options

Cash flow statement for the six months from 1 October 2021 to 31 March 2022

in EUR million	H1 2020/21	H1 2021/22
EBIT	338	241
Scheduled depreciation/amortization, reversals of impairment losses and impairment 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.	237	337
Change in provisions for pensions and similar obligations	(32)	(49)
Change in net working capital[1]	(852)	(407)
Income taxes paid	(20)	(75)
Reclassification of gains (–)/losses (+) from the disposal of fixed assets	1	0
Other	(18)	(292)
Cash flow from operating activities of continuing operations	**(346)**	**(246)**
Cash flow from operating activities of discontinued operations	0	0
Cash flow from operating activities	**(346)**	**(246)**
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment	(58)	(76)
Other investments	(21)	(20)
Financial investments and securities	(68)	(365)
Disposals of financial investments and securities	150	435
Disposals of companies	0	0
Disposal of long-term assets and other disposals	9	7
Cash flow from investing activities of continuing operations	**12**	**(19)**
Cash flow from investing activities of discontinued operations	0	0
Cash flow from investing activities	**12**	**(19)**
Dividends paid	(20)	(104)
thereof dividends paid to the shareholders of CECONOMY AG	*0*	*(63)*
Payment received from capital increase	0	0
Equity transactions with change in equity interest without obtaining/relinquishing control	0	(1)
Redemption of liabilities from put options of non-controlling interests	(1)	(23)
Proceeds from long-term borrowings	66	30
Redemption of lease liabilities	(269)	(253)
Redemption of other borrowings	(21)	(212)
Interest paid	(29)	(28)
Interest received	8	8
Profit and loss transfers and other financing activities	22	16
Cash flow from financing activities of continuing operations	**(244)**	**(568)**
Cash flow from financing activities of discontinued operations	0	0
Cash flow from financing activities	**(244)**	**(568)**
Total cash flows	**(577)**	**(833)**
Currency effects on cash and cash equivalents	(5)	(37)
Total change in cash and cash equivalents	**(582)**	**(870)**
Total cash and cash equivalents as of 1 October	1,484	1,582
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	0
Cash and cash equivalents as of 1 October	**1,484**	**1,582**
Total cash and cash equivalents as of 31 March	901	711
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	0
Cash and cash equivalents as of 31 March	**901**	**711**

1 Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items

Selected notes to the consolidated financial statements

Segment reporting

Continuing operations

in EUR million	DACH		Western/Southern Europe		Eastern Europe		Others		Consolidation		CECONOMY[1]	
	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22	Q2 2020/21	Q2 2021/22
External sales (net)	2,290	2,815	1,501	1,679	403	416	128	108	0	0	4,322	5,019
Internal sales (net)	7	11	1	1	0	0	2	2	(10)	(14)	0	0
Sales (net)	2,297	2,825	1,502	1,680	403	416	131	111	(10)	(14)	4,322	5,019
EBITDA	(1)	49	24	37	14	19	18[2]	27[2]	(1)	0	54	132
EBITDA adjusted	8	57	29	36	14	18	(8)	(6)	(1)	0	43	105
Scheduled depreciation/amortization and impairment losses	119	100	71	53	14	11	3	3	0	0	206	168
Reversals of impairment losses	0	0	0	0	0	0	150	0	0	0	150	0
EBIT	(120)	(50)	(46)	(16)	0	7	165[3]	243[3]	(1)	0	(2)	(35)
EBIT adjusted	(97)	(43)	(38)	(17)	0	6	(11)	(9)	(1)	0	(146)	(62)
Investments	117	76	62	82	18	16	1	2	0	0	199	177
Non-current segment assets	1,974	1,918	885	933	158	144	489	502	0	0	3,506	3,497
Investments accounted for using the equity method	*0*	*0*	*0*	*0*	*0*	*0*	*441*	*458*	*0*	*0*	*441*	*458*

1 Includes external sales in Q2 2021/22 of EUR 2,306 million (Q2 2020/21: EUR 1,807 million) for Germany, of EUR 563 million (Q2 2020/21: EUR 531 million) for Italy, of EUR 545 million (Q2 2020/21: EUR 492 million) for Spain, as well as non-current segment assets as of 31 March 2022 of EUR 2,115 million (31 March 2021: EUR 2,164 million) for Germany, and EUR 361 million (31 March 2021: EUR 295 million) for Italy.
2 In Q2 2021/22, this includes income from operating companies recognized at equity in the Others segment in the amount of EUR 34 million (Q2 2020/21: EUR 29 million).
3 In Q2 2021/22, this includes income from operating companies recognized at equity in the Others segment in the amount of EUR 34 million (Q2 2020/21: EUR 179 million, of which EUR 150 million were attributable to reversals of impairment losses).

in EUR million	DACH		Western/Southern Europe		Eastern Europe		Others		Consolidation		CECONOMY[1]	
	H1	H1	H1	H1	H1	H1	H1	H1	H1	H1	H1	H1
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
External sales (net)	6,714	6,733	3,796	3,896	971	969	305	275	0	0	11,786	11,873
Internal sales (net)	13	22	1	1	0	0	4	4	(18)	(27)	0	0
Sales (net)	6,727	6,755	3,798	3,897	971	969	309	279	(18)	(27)	11,786	11,873
EBITDA	365	330	156	166	42	53	12[2]	27[2]	(1)	1	575	578
EBITDA adjusted	373	337	162	162	42	53	(7)	(4)	(1)	1	569	549
Scheduled depreciation/amortization and impairment losses	225	201	129	107	26	23	7	7	0	0	387	337
Reversals of impairment losses	0	0	0	0	0	0	150	0	0	0	150	0
EBIT	140	130	27	60	16	30	155[3]	20[3]	(1)	1	338	241
EBIT adjusted	162	137	37	56	16	29	(14)	(11)	(1)	1	199	212
Investments	167	143	90	140	23	35	2	4	0	0	282	322
Non-current segment assets	1,974	1,918	885	933	158	144	489	502	0	0	3,506	3,497
Investments accounted for using the equity metho..	*0*	*0*	*0*	*0*	*0*	*0*	*441*	*458*	*0*	*0*	*441*	*458*

1 Includes external sales in H1 2021/22 of EUR 5,509 million (H1 2020/21: EUR 5,469 million) for Germany, of EUR 1,408 million (H1 2020/21: EUR 1,368 million) for Italy and EUR 1,242 million (H1 2020/21: EUR 1,222 million) for Spain as well as non-current segment assets as of 31 March 2022 of EUR 2,115 million (31 March 2021: EUR 2,164 million) for Germany, and EUR 361 million (31 March 2021: EUR 295 million) for Italy.

2 In H1 2021/22, this includes income from operating companies recognized at equity in the Others segment in the amount of EUR 33 million (H1 2020/21: EUR 28 million).

3 In H1 2021/22, this includes income from operating companies recognized at equity in the Others segment in the amount of EUR 33 million (H1 2020/21: EUR 178 million, of which EUR 150 million were attributable to reversals of impairment losses).

Explanatory notes to the accounting policies applied to the condensed consolidated interim financial statements

CECONOMY AG is a listed corporation based in Düsseldorf, Germany. The condensed consolidated interim financial statements for CECONOMY AG and its subsidiaries cover the period from 1 October 2021 to 31 March 2022 and were subject to an audit review in accordance with Section 115 (5) of the German Securities Trading Act (WpHG).

The condensed consolidated interim financial statements as of 31 March 2022 were prepared in accordance with International Accounting Standard (IAS) 34 ("Interim Financial Reporting"), which regulates interim financial statements in accordance with International Financial Reporting Standards (IFRS). As these are condensed consolidated interim financial statements, not all information and explanatory notes that are required according to the IFRS for consolidated financial statements at the end of a financial year are included.

The condensed consolidated interim financial statements have been prepared in euros. Unless indicated otherwise, all amounts are stated in millions of euros (EUR million), applying commercial rounding. 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.

During the year, any material sales-related and cyclical items were deferred.

All applicable standards and interpretations published by the International Accounting Standards Board (IASB) and endorsed by the European Union were applied in these condensed consolidated interim financial statements. With the exception of the changes in accounting described below, the same accounting and measurement methods were applied as in the last consolidated financial statements as of 30 September 2021. Further information on the accounting policies can be found in the notes to the consolidated financial statements as of 30 September 2021 (see Annual Report 2020/21, pages 111–131).

New accounting standards

The new and amended standards that are generally to be applied for the first time from 1 October 2021 and that CECONOMY considers material are described below.

IFRS 9/IAS 39/IFRS 7/IFRS 4/IFRS 16

The amendments made to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in connection with the IASB project (Interest Rate Benchmark Reform – Phase 2) provide expedients for the recognition of modifications to contractual cash flows and hedges necessitated by the replacement of existing interest rate benchmarks with alternative risk-free interest rate benchmarks. The amendments do not have any impact on the condensed consolidated interim financial statements of CECONOMY.

Other amendments to IFRS

The amendments to IFRS 4 extend the temporary exemption from applying IFRS 9 for insurance companies by another two years. The effective date of IFRS 17, which will replace IFRS 4, is likewise postponed to annual reporting periods beginning on or after 1 January 2023.

Impact of the Russian war of aggression against Ukraine on accounting

On 24 February 2022, Russia began a war of aggression against Ukraine. CECONOMY has no direct or indirect presence in Ukraine and as of 2018 also no longer operates in Russia.

However, CECONOMY continues to hold 15 per cent of the shares in PJSC M.video, the leading consumer electronics retailer in Russia. The shareholding is purely a financial minority stake. Due to the recent developments, at the end of the second quarter of 2022 it was no longer possible to assume that the price data available from the Moscow stock exchange could provide a basis for a reliable estimate of the current market value of PJSC M.video. Therefore, an expert was commissioned to provide an indication of the market value. The starting point for the valuation was the stock exchange price of 264.4 roubles per share fixed on 25 February 2022, i.e. the last trading day before suspension of trading on the Moscow stock exchange. For the purposes of a best-possible estimate of market value, this stock exchange price was adjusted by a markdown of 25 per cent and an exchange rate of 0.008 euros per rouble. The price markdown applied was based on the price performance of a dual-listed stock in the period from 25 February 2022 to 31 March 2022, whereby a positive correlation can be plausibly assumed with the potential performance of the PJSC "M.video" share. As a result, the carrying amount of the investment, which was recognized at EUR 138 million as of 31 December 2021, was adjusted through other comprehensive income by EUR 96 million to around EUR 43 million as of 31 March 2022. For financial investments in equity instruments not held for trading, the subsequent measurement option contained in IFRS 9 for these instruments was exercised consistently on initial recognition to the effect that changes in fair value are not recognized in the income statement but through the other comprehensive income of CECONOMY. It remains impossible to derive a market value from the stock market price after the reporting date.

Due to the decline in share prices influenced by the Russian war of aggression against Ukraine, indications were identified that suggested impairment of the shares in Fnac Darty S.A. As a result, an expert was commissioned to provide a value indication. It was found that the carrying amount of the shares in Fnac Darty S.A. were within the value range determined via scenario-based DCF method. As the carrying amount of the shares in Fnac Darty S.A. were also within the indicative value ranges used to verify the plausibility of the DCF result, the investment in Fnac Darty S.A accounted for using the equity method was assumed to be recoverable overall as of 31 March 2022.

Despite an adjusted weighted average cost of capital (WACC), the conduct of impairment tests did not provide any indication of impairment on the goodwill recognized.

There was also an assessment of the other assets. This resulted in no additional impairment.

Notes to the income statement

Sales

Sales (net) primarily result from product sales and break down as follows:

Quarter

in EUR million	DACH	Western/ Southern Europe	Eastern Europe	Others	CECONOMY
	Q2 2021/22	Q2 2021/22	Q2 2021/22	Q2 2021/22	Q2 2021/22
Product sales	2,626	1,584	401	101	4,712
Services & Solutions	188	95	16	8	307
Total sales	**2,815**	**1,679**	**416**	**108**	**5,019**

Half-year

in EUR million	DACH	Western/ Southern Europe	Eastern Europe	Others	CECONOMY
	H1 2021/22	H1 2021/22	H1 2021/22	H1 2021/22	H1 2021/22
Product sales	6,336	3,693	935	258	11,222
Services & Solutions	397	202	34	17	651
Total sales	**6,733**	**3,896**	**969**	**275**	**11,873**

Total sales came to EUR 11,873 million in the first half of 2021/22. Product sales came to EUR 11,222 million, with sales from Services & Solutions totalling EUR 651 million.

Total sales for the second quarter of 2021/22 came to EUR 5,019 million, with product sales amounting to EUR 4,712 million and with sales from Services & Solutions totalling EUR 307 million.

Government grants

Government grants in line with IAS 20 due to the COVID-19 pandemic totalled approximately EUR 1 million in the first half of 2021/22 (H1 2020/21: EUR 57 million). These constituted reimbursements of social security contributions.

Scheduled depreciation/amortization and impairment losses

The breakdown of amounts of depreciation/amortization in the income statement and into the relevant asset categories is as follows:

Q2 2020/21

in EUR million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Total
Cost of sales	0	0	0	0	0	0
thereof scheduled depreciation/amortization......	*0*	*0*	*0*	*0*	*0*	*0*
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Selling expenses	0	2	37	146	0	185
thereof scheduled depreciation/amortization......	*0*	*2*	*37*	*128*	*0*	*167*
thereof impairment losses..................................	*0*	*0*	*0*	*18*	*0*	*18*
General administrative expenses	0	4	11	5	0	21
thereof scheduled depreciation/amortization......	*0*	*4*	*4*	*4*	*0*	*12*
thereof impairment losses..................................	*0*	*0*	*8*	*1*	*0*	*9*
Other operating expenses	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Earnings share of investments accounted for using the equity method	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Total...	**0**	**6**	**48**	**152**	**0**	**206**
thereof scheduled depreciation/amortization....	***0***	***6***	***41***	***132***	***0***	***179***
thereof impairment losses	***0***	***0***	***8***	***19***	***0***	***27***

Q2 2021/22

in EUR million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Total
Cost of sales	0	0	0	0	0	0
thereof scheduled depreciation/amortization......	*0*	*0*	*0*	*0*	*0*	*0*
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Selling expenses	0	1	34	122	0	157
thereof scheduled depreciation/amortization......	*0*	*1*	*34*	*122*	*0*	*157*
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
General administrative expenses	0	4	4	3	0	11
thereof scheduled depreciation/amortization......	*0*	*4*	*4*	*3*	*0*	*11*
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Other operating expenses	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Earnings share of investments accounted for using the equity method	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Total...	**0**	**5**	**38**	**125**	**0**	**168**
thereof scheduled depreciation/amortization....	***0***	***5***	***38***	***125***	***0***	***167***
thereof impairment losses	***0***	***0***	***0***	***0***	***0***	***0***

H1 2020/21

in EUR million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Total
Cost of sales	0	0	0	1	0	1
thereof scheduled depreciation/amortization......	*0*	*0*	*0*	*1*	*0*	*1*
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Selling expenses	0	5	75	274	0	354
thereof scheduled depreciation/amortization......	*0*	*5*	*74*	*256*	*0*	*335*
thereof impairment losses..................................	*0*	*0*	*0*	*18*	*0*	*18*
General administrative expenses	0	7	15	10	0	32
thereof scheduled depreciation/amortization......	*0*	*7*	*8*	*8*	*0*	*24*
thereof impairment losses..................................	*0*	*0*	*8*	*1*	*0*	*9*
Other operating expenses	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Earnings share of investments accounted for using the equity method	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Total...	**0**	**13**	**90**	**285**	**0**	**387**
thereof scheduled depreciation/amortization....	***0***	***13***	***82***	***266***	***0***	***360***
thereof impairment losses	***0***	***0***	***8***	***19***	***0***	***27***

H1 2021/22

in EUR million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Total
Cost of sales	0	0	0	0	0	0
thereof scheduled depreciation/amortization......	*0*	*0*	*0*	*0*	*0*	*0*
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Selling expenses	0	3	69	244	0	315
thereof scheduled depreciation/amortization......	*0*	*3*	*68*	*244*	*0*	*315*
thereof impairment losses..................................	*0*	*0*	*1*	*0*	*0*	*1*
General administrative expenses	0	7	8	6	0	22
thereof scheduled depreciation/amortization......	*0*	*7*	*8*	*6*	*0*	*22*
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Other operating expenses	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Earnings share of investments accounted for using the equity method	0	0	0	0	0	0
thereof impairment losses..................................	*0*	*0*	*0*	*0*	*0*	*0*
Total...	**0**	**10**	**77**	**250**	**0**	**337**
thereof scheduled depreciation/amortization....	***0***	***10***	***76***	***250***	***0***	***336***
thereof impairment losses	***0***	***0***	***1***	***0***	***0***	***1***

Profit of loss for the period from discontinued operations

The first half of 2020/21 contains no earnings effects from discontinued operations (H1 2020/21: income of EUR 13 million in connection with the Russian MediaMarkt business sold in financial year 2017/18).

Notes to the statement of financial position

Investments accounted for using the equity method

As of 31 March 2022, investments in associates and joint ventures accounted for using the equity method of EUR 458 million were recognized (9 September 2021: EUR 425 million). The investment in the associate Fnac Darty S.A. is a material investment accounted for using the equity method, which since the end of the first quarter of 2021/22 has also been the only company included in CECONOMY's consolidated financial statements using the equity method.

In the first half of 2021/22, EUR 33 million (H1 2020/21: EUR 28 million) was recognized in EBIT as a result of the subsequent measurement of the investment in Fnac Darty S.A. accounted for using the equity method. In addition, approximately EUR -1 million (H1 2020/21: EUR -4 million) was recognized in other retained earnings as other comprehensive income or other changes. Fnac Darty S.A. publishes information on profit or loss for the period and other changes in equity in the second and fourth quarters of a calendar year, with this information being the basis for the subsequent measurement of the investment accounted for using the equity method.

Due to recent macroeconomic and political developments – particularly the Russian war of aggression against Ukraine – and the resulting decline in share prices, indications were identified that suggested impairment of the shares in Fnac Darty S.A. As a result, an expert was commissioned to provide a value indication. It was found that the carrying amount of the shares in Fnac Darty S.A. were within the value range determined via scenario-based DCF method. As the carrying amount of the shares in Fnac Darty S.A. were also within the indicative value ranges used to verify the plausibility of the DCF result, the investment in Fnac Darty S.A accounted for using the equity method was assumed to be recoverable overall as of 31 March 2022.

In addition to the investment in Fnac Darty S.A., CECONOMY holds an investment in PMG Retail Market Ltd. Olympia Group Ltd. held a 75 per cent stake in this company and Media-Saturn-Holding GmbH 25 per cent. PMG Retail Market Ltd. qualified as a joint venture and was likewise included in CECONOMY's consolidated financial statements using the equity method in accordance.

On 24 December, CECONOMY's share in the Greek joint venture PMG Retail Market Ltd. was so substantially diluted after a capital increase carried out unilaterally by the main shareholder Olympia Group Ltd. that the company lost its status as a joint venture. The shares in PMG Retail Market Ltd. are now recognized as an investment under financial assets. The equity method was no longer applied and the shares are measured at fair value.

Dividends paid

The dividend distribution of CECONOMY AG is based on the annual financial statements of CECONOMY AG in accordance with German commercial law.

In accordance with a resolution of the Annual General Meeting of CECONOMY AG on 9 February 2022, dividends of EUR 0.17 per ordinary share and EUR 0.23 per preference share were distributed from the reported net income for financial year 2020/21 of around EUR 86 million, plus an advance dividend totalling EUR 0.51 per preference share not paid for financial years 2017/18, 2018/19 and 2019/20 and payable subsequently in accordance with Section 21 (2) of the articles of association of CECONOMY AG, therefore around EUR 63 million in total. The remainder was carried forward to new account.

Impact from the remeasurement of defined benefit pension plans

In connection with the recognition of actuarial gains and losses, equity was increased by EUR 27 million (H1 2020/21: EUR 12 million) recognized in CECONOMY's other comprehensive income, which arose from the remeasurement of defined benefit pension plans in the first six months of financial year 2021/22. The remeasurement primarily includes effects from the increase in the actuarial interest rate for the majority of German pension pro-visions from 0.90 per cent on 1 October 2021 to 1.80 per cent on 31 March 2022. The inflation-driven increase in the rate of pension growth, which was taken into account in the remeasurement of defined benefit pension plans with the aid of sensitivities determined as of 30 September 2021, had the opposite effect.

The country-specific actuarial interest rates and inflation rates developed as follows:

in %	31 March 2021			31 March 2021		
	Germany	Switzerland	Other countries	Germany	Switzerland	Other countries
Actuarial interest rate	0.90-1.30	0.19	2.00	1.80-2.00	0.10	2.95
Inflation rate	1.50	0.00	1.50	1.75	0.00	N/A

Carrying amounts and fair values by measurement category

Financial instruments are accounted for in accordance with IFRS 9 and allocated to the appropriate accounts.

31 March 2021

in EUR million	Carrying amount	Value in statement of financial position			Fair value
		(Amortized) cost	Fair value through profit or loss	Fair value through other comprehensive income	
Assets					
Measured at amortized cost	**2,245**	**2,245**	**0**	**0**	**2,245**
Cash and cash equivalents	901	901	0	0	901
Receivables due from suppliers	1,094	1,094	0	0	1,094
Trade receivables and similar claims[1]	142	142	0	0	142
Loans and advance credit granted	13	13	0	0	13
Miscellaneous assets	95	95	0	0	95
Measured at fair value through profit or loss	**5**	**0**	**5**	**0**	**5**
Securities	0	0	0	0	0
Derivative financial instruments	5	0	5	0	5
Measured at fair value through other comprehensive income	**292**	**0**	**0**	**292**	**292**
Equity instruments	292	0	0	292	292
Equity and liabilities					
Measured at amortized cost	**5,765**	**5,765**	**0**	**0**	**5,767**
Borrowings[2]	343	343	0	0	345
Trade liabilities and similar liabilities[3]	4,966	4,966	0	0	4,966
Miscellaneous financial liabilities	456	456	0	0	456
Measured at fair value through profit or loss	**0**	**0**	**0**	**0**	**0**
Derivative financial instruments	0	0	0	0	0

1 Not including continuing involvement of EUR 55 million or contract assets of EUR 125 million
2 Not including lease liabilities of EUR 2,024 million
3 Not including continuing involvement of EUR 55 million or contract liabilities of EUR 289 million

31 March 2022

in EUR million	Carrying amount	Value in statement of financial position			Fair value
		(Amortized) cost	Fair value through profit or loss	Fair value through other comprehensive income	
Assets					
Measured at amortized cost	**2,291**	**2,291**	**0**	**0**	**2,291**
Cash and cash equivalents	711	711	0	0	711
Receivables due from suppliers	1,163	1,163	0	0	1,163
Trade receivables and similar claims[1]	171	171	0	0	171
Loans and advance credit granted	13	13	0	0	13
Miscellaneous assets	233	233	0	0	233
Measured at fair value through profit or loss	25	**0**	**25**	**0**	25
Securities	25	0	25	0	25
Derivative financial instruments	0	0	0	0	0
Measured at fair value through other comprehensive income	**109**	0	0	**109**	**109**
Equity instruments	109	0	0	109	109
Equity and liabilities					
Measured at amortized cost	**6,230**	**6,230**	0	0	**6,195**
Borrowings[2]	617	617	0	0	582
Trade liabilities and similar liabilities[3]	5,285	5,285	0	0	5,285
Miscellaneous financial liabilities	328	328	0	0	328
Measured at fair value through profit or loss	**6**	**0**	**6**	**0**	**6**
Derivative financial instruments	6	0	6	0	6

1 Not including continuing involvement of EUR 62 million or contract assets of EUR 163 million
2 Not including lease liabilities of EUR 2,024 million
3 Not including continuing involvement of EUR62 million or contract liabilities of EUR 242 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 consists of three levels and is determined based on the market proximity of the inputs used in the measurement method. 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 prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at 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 of EUR 109 million (31 March 2021: EUR 292 million) are subsequently measured at fair value through other comprehensive income. EUR 72 million (31 March 2021: EUR 255 million) of this relates to listed companies, with EUR 43 million (31 March 2021: EUR 222 million) attributable to the 15 per cent investment in Russia's leading consumer electronics retailer PJSC "M.video" and EUR 29 million (31 March 2021: EUR 33 million) attributable to the roughly 1 per cent share in METRO AG.

Equity instruments of EUR 37 million (31 March 2021: EUR 37 million) for which there is no active market and which are not listed on the stock exchange are recognized at fair value through other comprehensive income. These equity instruments are not planned to be sold. The main component at EUR 35 million (31 March 2021: EUR 35 million) is the 6.61 per cent investment in METRO PROPERTIES GmbH & Co. KG.

The financial instruments measured at fair value as of 31 March 2021 in accordance with IFRS 9 are allocated as follows within the three-level fair value hierarchy:

31 March 2021

in EUR million	Total	Level 1	Level 2	Level 3
Assets	**297**	**255**	**5**	**37**
Measured at fair value through profit or loss	**5**	**0**	**5**	**0**
Securities	0	0	0	0
Derivative financial instruments	5	0	5	0
Measured at fair value through other comprehensive income	**292**	**255**	**0**	**37**
Equity instruments	292	255	0	37
Equity and liabilities	**0**	**0**	**0**	**0**
Measured at fair value through profit or loss	**0**	**0**	**0**	**0**
Derivative financial instruments	0	0	0	0
Total	**297**	**255**	**5**	**37**

The financial instruments measured at fair value as of 31 March 2022 in accordance with IFRS 9 are allocated as follows within the three-level fair value hierarchy:

31 March 2022

in EUR million	Total	Level 1	Level 2	Level 3
Assets	**134**	**54**	**0**	**80**
Measured at fair value through profit or loss	**25**	**25**	**0**	**0**
Securities	25	25	0	0
Derivative financial instruments	0	0	0	0
Measured at fair value through other comprehensive income	**109**	**29**	**0**	**80**
Equity instruments	109	29	0	80
Equity and liabilities	**6**	**0**	**6**	**0**
Measured at fair value through profit or loss	**6**	**0**	**6**	**0**
Derivative financial instruments	6	0	6	0
Total	**128**	**54**	**(6)**	**80**

Securities (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 currency transactions (all level 2), there is a mark-to-market measurement on the basis of quoted exchange rates and yield curves available on the market.

The equity instruments without an active market reported as assets totalling EUR 80 million as of 31 March 2022 (31 March 2021: EUR 37 million) are 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 EUR 180 million to EUR 43 million as of 31 March 2022 (31 March 2021: EUR 222 million). This change in the carrying amount was recognized through other comprehensive income ("Gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income"). Because 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, so the valuation was performed using an externally commissioned value indication. Accordingly, as of 31 March 2022 it was necessary to change the fair value hierarchy level from level 1 (31 March 2021) to level 3.

The starting point for this level 3 valuation was the stock exchange price of 264.4 roubles per share fixed on 25 February 2022, i.e. the last trading day before suspension of trading on the Moscow stock exchange. For the purposes of a best-possible estimate of market value, this stock exchange price was adjusted by a markdown of 25 per cent and an exchange rate of 0.008 euros per rouble. The price markdown applied was based on the price performance of a dual-listed stock in the period from 25 February 2022 to 31 March 2022, whereby a positive correlation can be plausibly assumed with the potential performance of the PJSC "M.video" share. As a result, the market value estimate thus derived for the 15 per cent investment in PJSC "M.video" amounts to EUR 43 million.

Varying the material measurement parameters, a 10 percentage point increase in the markdown would de-crease the carrying amount by EUR 6 million. Reducing the markdown by 10 percentage points would increase the carrying amount by EUR 6 million. Increasing the exchange rate by 10 per cent would increase the carrying amount by EUR 4 million. Reducing the exchange rate by 10 per cent would decrease the carrying amount by EUR 4 million.

The fair value of the shares in METRO PROPERTIES GmbH & Co. KG amounted to EUR 35 million, as in the previous year. The fair value measurement is determined mainly on the basis of selling prices from sales of land. The fair value of the shares is determined by the value of the real estate behind the investment, so higher or lower real estate values result in a higher or lower fair value, respectively.

During the reporting period, no transfers were made between levels 1 and 2.

In the current financial year, there were transfers to or from level 3 as described above.

Financial instruments that are recognized at amortized cost in the statement of financial position, but whose fair values are stated in the notes, are also classified within a three-level fair value hierarchy.

Due to their generally short terms, the fair values of receivables due from suppliers, trade receivables and trade payables, and cash and cash equivalents largely 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, taking account of credit spreads (level 2). The values include accrued interest as of the closing date.

The fair values of all miscellaneous financial assets and financial liabilities that are not listed on the stock ex-change correspond to the net present values of the payments associated with these items of the statement of financial position. The country-specific yield curves applicable as of the closing date (level 2) were used in the calculation.

Other notes

Segment reporting

Segmentation is in line with the Group's internal management and reporting.

CECONOMY's chief operating decision maker (CODM) in accordance with IFRS 8 (Operating Segments) 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 operates in a single business sector, 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, Netherlands, Portugal, Spain
- Eastern Europe: Poland, Turkey

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 and smaller operating companies.

The main components of segment reporting are described below:

- External sales represent the operating segments' sales with non-Group parties.
- Internal sales show sales with other operating segments.
- Segment EBIT refers to the profit before net financial result and income taxes. Intragroup rental contracts are presented as operating leases in the segments. The properties are leased at market terms. Location-related risks and impairment risks of non-current assets are generally shown in the segments only if they represent risks for the Group. The same applies to deferred assets and liabilities, which are shown at segment level only if this would also be required in the consolidated statement of financial position.
- Segment EBITDA comprises EBIT before depreciation, amortization, impairment losses and reversals of impairment losses on intangible assets, property, plant and equipment, right-of-use assets and investments accounted for using the equity method.
- In the first half of financial year 2021/22, adjusted EBIT and adjusted EBITDA are adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method and portfolio changes. The non-recurring effects include expenses in connection with the introduction of a harmonized organizational structure ("Operating Model"), permanent store closures as a result of COVID-19 and effects in connection with the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the shareholder structure announced on 14 December 2020. Expenses in connection with the introduction of a harmonized organizational structure ("Operating Model") of EUR 4 million (Q2 2020/21: EUR 8 million) were recognized in EBIT and in EBITDA in the second quarter of 2021/22, and EUR 0 million (H1 2020/21: EUR 8 million) in EBIT and EUR 0 million (H1 2020/21: EUR 7 million) in EBITDA in the first half of 2021/22. The Operating Model focuses in particular on the harmonization of structures and standardized, efficient processes and procedures for the administrative functions in the country organizations of MediaMarktSaturn. In addition, the management structures in the stores will be unified throughout Europe and the relief from administrative tasks will enable employees to focus on the customer experience to the greatest extent possible. Expenses for permanent store closures due to COVID-19 are recognized in EBIT in the amount of EUR 2 million in the second quarter of 2021/22 (Q2 2020/21: EUR 25 million) and EUR 2 million in the first half of 2021/22 (H1 2020/21: EUR 25 million). EBITDA included expenses of EUR 2 million in Q2 2021/22 (Q2 2020/21: EUR 7 million) and of EUR 2 million in the first half of 2021/22 (H1 2020/21: EUR 7 million). The COVID-19-related store closures relate to the permanent closures of MediaMarkt and Saturn stores in several European countries which have lower footfall as a result of the COVID-19 pandemic and cannot be brought back into the profit zone from the company's point of view. Expenses in connection with the transaction announced on 14 December 2020 relating to the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the shareholder structure amounting to around EUR 1 million (Q2 2020/21: EUR 2 million) were recognized in EBIT and EBITDA in the second quarter of 2021/22. For this, expenses of EUR 3 million (H1 2020/21: EUR 8 million) are included in EBIT and EBITDA in the first half of 2021/22. In the second quarter of 2021/22, non-recurring effects amount to

EUR -7 million (Q2 2020/21: EUR -34 million) in EBIT and EUR -7 million (Q2 2020/21: EUR -17 million) in EBITDA. EBIT includes income of EUR 34 million (Q2 2020/21: EUR 179 million) and EBITDA includes income of EUR -34 million (Q2 2020/21: EUR 29 million) for companies accounted for using the equity method and portfolio changes. In the first half of 2021/22, non-recurring effects amount to EUR -4 million (H1 2020/21: EUR -40 million) in EBIT and EUR -4 million (H1 2020/21: EUR -22 million) in EBITDA. For companies recognized at equity and portfolio changes, EBIT includes earnings effects of EUR 33 million (H1 2020/21: EUR 178 million) and EBITDA includes earnings effects of EUR 33 million (H1 2020/21: EUR 28 million).

The reconciliations of adjusted EBIT to EBIT and of adjusted EBITDA to EBITDA are presented below:

in EUR million	Q2 2020/21	Q2 2021/22
Adjusted EBIT	**(146)**	**(62)**
COVID-19-related permanent store closures	(25)	(2)
Introduction of the Operating Model	(8)	(4)
Transaction costs from minority stake acquisition	(2)	(1)
Companies accounted for using the equity method and portfolio changes	179	34
EBIT	**(2)**	**(35)**

in EUR million	H1 2020/21	H1 2021/22
Adjusted EBIT	**199**	**212**
COVID-19-related permanent store closures	(25)	(2)
Introduction of the Operating Model	(8)	0
Transaction costs from minority stake acquisition	(8)	(3)
Companies accounted for using the equity method and portfolio changes	178	33
EBIT	**338**	**241**

in EUR million	Q2 2020/21	Q2 2021/22
Adjusted EBITDA	**43**	**105**
COVID-19-related permanent store closures	(7)	(2)
Introduction of the Operating Model	(8)	(4)
Transaction costs from minority stake acquisition	(2)	(1)
Companies accounted for using the equity method and portfolio changes	29	34
EBITDA	**54**	**132**

in EUR million	H1 2020/21	H1 2021/22
Adjusted EBITDA	**569**	**549**
COVID-19-related permanent store closures	(7)	(2)
Introduction of the Operating Model	(7)	0
Transaction costs from minority stake acquisition	(8)	(3)
Companies accounted for using the equity method and portfolio changes	28	33
EBITDA	**575**	**578**

- Segment investments comprises additions (including additions to consolidation group) to non-current intangible assets, property, plant and equipment, right-of-use assets and investments accounted for using the equity method. Excluded here are additions as a result of reclassifying "assets held for sale" 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 to the Group's assets is shown below:

in EUR million	31 Mar 2021	31 Mar 2022
Non-current segment assets	**3,506**	**3,497**
Financial assets	306	123
Cash and cash equivalents	901	711
Deferred tax assets	92	90
Income tax assets	62	103
Other entitlements to tax refunds[1]	128	180
Lower of cost and net realizable value	3,512	3,618
Trade receivables and similar claims	322	396
Receivables due from suppliers	1,094	1,163
Prepaid expenses and deferred charges[1]	58	62
Receivables from other financial transactions[2,3]	8	105
Other[1,2,3,4]	89	154
Group assets	**10,077**	**10,203**

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 licence allocation on a cost-plus basis, which comprises 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.

Contingent liabilities

CECONOMY had contingent liabilities of EUR 22 million in the first half of 2021/22 (H1 2020/21: EUR 10 million). These mainly relate to income taxes and VAT.

Other legal matters

Information on legal disputes, investigations and other legal matters and on the associated potential risks and implications on CECONOMY is provided in note 45. "Other legal matters" and note 46. "Events after the reporting date" in the notes to the consolidated financial statements of CECONOMY AG as of 30 September 2021.

No material developments with regard to material legal disputes, investigations and other legal matters have taken place since the preparation of the consolidated financial statements.

Review report

The following review report refers to the condensed interim consolidated financial statements, comprising the statement of financial position as at 31 March 2022, the income statement, the reconciliation of profit or loss for the period to total comprehensive income, the statement of changes in equity and the cash flow statement for the period from 1 October 2021 to 31 March 2022, and notes to the condensed interim consolidated financial statements, together with the interim group management report of CECONOMY AG, Dusseldorf, for the period from 1 October 2021 to 31 March 2022. The combined management report is not included in this Prospectus. The following review report and condensed interim consolidated financial statements are both translations of the respective German-language documents.

TO CECONOMY AG, DÜSSELDORF

We have reviewed the condensed interim consolidated financial statements – comprising the income statement, the reconciliation from profit or loss for the period to total comprehensive income, the statement of financial position, the condensed statement of changes in equity, the cash flow statement and selected notes to the consolidated financial statements – together with the interim group management report of the CECONOMY AG, Düsseldorf, for the period from 1 October 2021 to 31 March 2022 that are part of the semi annual according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Düsseldorf, 6 May 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

[signature]	*[signature]*
Rupprecht	Dr Ackermann
Wirtschaftsprüfer	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 for half-yearly financial reporting, the half-yearly consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a de-scription of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Düsseldorf, 6 December 2022

The Management Board

Dr Karsten Wildberger

Florian Wieser

Income statement for the financial year from 1 October 2020 to 30 September 2021

in EUR million	Note	2019/20	2020/21
Sales	**1**	**20,831**	**21,361**
Cost of sales	2	(17,052)	(17,705)
Gross profit on sales		**3,779**	**3,656**
Other operating income	3	199	205
Selling expenses	4	(3,219)	(3,136)
General administrative expenses	5	(533)	(538)
Other operating expenses	6	(29)	(9)
Earnings share of operating companies recognized at equity	7	(267)	154
Net impairments on operating financial assets and contract assets	8	(10)	(5)
Earnings before interest and taxes EBIT		**(80)**	**326**
Other investment result	7	20	48
Interest income	9	9	14
Interest expenses	9	(60)	(67)
Other financial result	10	(14)	(26)
Net financial result		**(45)**	**(31)**
Earnings before taxes EBT		**(125)**	**296**
Income taxes	12	(93)	(53)
Profit or loss for the period from continuing operations		**(218)**	**243**
Profit or loss for the period from discontinued operations after taxes	13	6	13
Profit or loss for the period		**(211)**	**256**
Profit or loss for the period attributable to non-controlling interests	14	21	24
from continuing operations		*19*	*21*
from discontinued operations		*1*	*3*
Profit or loss for the period attributable to shareholders of CECONOMY AG		(232)	232
from continuing operations		*(237)*	*222*
from discontinued operations		*5*	*10*
Earnings per share in EUR (basic = diluted)	**15**	**(0.65)**	**0.65**
from continuing operations		*(0.66)*	*0.62*
from discontinued operations		*0.01*	*0.03*

Reconciliation from profit or loss for the period to total comprehensive income for the financial year from 1 October 2020 to 30 September 2021

in EUR million	Note	2019/20	2020/21
Profit or loss for the period	**12,13**	**(211)**	**256**
Other comprehensive income			
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	**30**	**(5)**	**34**
Remeasurement of defined benefit pension plans	31	3	22
Gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income	23	1	(2)
Subsequent measurement of associates/joint ventures accounted for using the equity method	23	(8)	13
Income tax attributable to items of other comprehensive income that will not be reclassified subsequently to profit or loss	25	(1)	0
Items of other comprehensive income that may be reclassified subsequently to profit or loss	**30**	**(10)**	**(13)**
Currency translation differences from translating the financial statements of foreign operations		(11)	(11)
Subsequent measurement of associates/joint ventures accounted for using the equity method	23	1	(2)
Other comprehensive income	**30**	**(15)**	**21**
Total comprehensive income	**30**	**(226)**	**277**
Total comprehensive income attributable to non-controlling interests	30	27	18
Total comprehensive income attributable to shareholders of CECONOMY AG	30	(253)	258

Statement of financial position as of 30 September 2021

in EUR million	Note	30 Sept 2020	30 Sept 2021
ASSETS			
Non-current assets		**3,857**	**3,903**
Goodwill	19	524	524
Other intangible assets	20	102	125
Property, plant and equipment	21	567	507
Right-of-use assets	22	2,021	1,933
Financial assets	23	280	280
Investments accounted for using the equity method	23	266	425
Other financial assets	24	2	3
Other assets	24	11	8
Deferred tax assets	25	84	99
Current assets		**6,598**	**6,764**
Inventories	26	2,949	3,111
Trade receivables and similar claims	27	488	361
Receivables due from suppliers	24	1,302	1,142
Other financial assets	24	151	276
Other assets	24	154	183
Income tax assets		69	107
Cash and cash equivalents	29	1,484	1,582
		10,455	**10,667**

in EUR million	Note	30 Sept 2020	30 Sept 2021
EQUITY AND LIABILITIES			
Equity	**30**	**548**	**757**
Share capital		919	919
Capital reserve		321	321
Reserves retained from earnings		-753	-527
Non-controlling interests		61	44
Non-current liabilities		**2,472**	**2,686**
Provisions for pensions and similar obligations	31	513	462
Other provisions	32	28	38
Borrowings	33,35	1,850	2,109
Other financial liabilities	33, 36	36	43
Other liabilities	36	11	5
Deferred tax liabilities	25	33	29
Current liabilities		**7,435**	**7,224**
Trade liabilities and similar liabilities	33, 34	5,996	5,470
Provisions	32	151	108
Borrowings	33, 35	573	756
Other financial liabilities	33, 36	378	420
Other liabilities	36	231	359
Income tax liabilities	33	106	110
		10,455	**10,667**

Statement of changes in equity[1] for the financial year from 1 October 2020 to 30 September 2021

in EUR 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	Currency translation differences from translating the financial statements of foreign operations	Remeasurement of defined benefit pension plans
1 October 2019	**919**	**321**	**0**	**23**	**(5)**	**(309)**
Profit or loss for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	(7)	(9)	2
Total comprehensive income	**0**	**0**	**0**	**(7)**	**(9)**	**2**
Capital increases	0	0	0	0	0	0
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 September or 1 October 2020	**919**	**321**	**0**	**15**	**(14)**	**(306)**
Profit or loss for the period	0	0	0	0	0	0
Other comprehensive income	0	0	0	1	(9)	22
Total comprehensive income	**0**	**0**	**0**	**1**	**(9)**	**22**
Capital increases	0	0	0	0	0	0
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 September 2021	**919**	**321**	**0**	**16**	**(23)**	**(284)**

[1] Equity is explained in the notes – note 30 Equity.

in EUR 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
1 October 2019	**39**	**0**	**(226)**	**(478)**	**762**	**22**	**784**
Profit or loss for the period	(266)	0	34	(232)	(232)	21	(211)
Other comprehensive income	(7)	(1)	0	(21)	(21)	6	(15)
Total comprehensive income	**(273)**	**(1)**	**34**	**(253)**	**(253)**	**27**	**(226)**
Capital increases	0	0	0	0	0	0	0
Distributions	0	0	(8)[3]	(8)	(8)	(6)	(14)
Equity transactions with change in equity interest without obtaining/relinquishing control	0	0	(26)	(26)	(26)	18	(8)
Other changes	12	0	0	13	13	0	13
30 September or 1 October 2020	**(222)**	**(1)**	**(226)**	**(753)**	**487**	**61**	**548**
Profit or loss for the period	159	0	73	232	232	24	256
Other comprehensive income	11	0	0	26	26	(5)	21
Total comprehensive income	**171**	**0**	**73**	**258**	**258**	**18**	**277**
Capital increases	0	0	0	0	0	0	0
Distributions	0	0	(8)	(8)	(8)	(30)	(38)
Equity transactions with change in equity interest without obtaining/relinquishing control	0	0	(1)	(1)	(1)	0	(1)
Other changes	0	2	(25)	(23)	(23)	(6)	(30)
30 September 2021	**(51)**	**2**	**(187)**	**(527)**	**713**	**44**	**757**

Cash flow statement[1] for the financial year from 1 October 2020 to 30 September 2021

in EUR million	2019/20	2020/21
EBIT	(80)	326
Scheduled depreciation/amortization, reversals of impairment losses and impairment 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.	1,071	621
Change in provisions for pensions and similar obligations	(53)	(48)
Change in net working capital[2]	314 [3]	(354)
Income taxes paid	17	(104)
Reclassification of gains (-)/losses (+) from the disposal of fixed assets	25	6
Other	(110)	1
Cash flow from operating activities from continuing operations	**1,183** [3]	**450**
Cash flow from operating activities from discontinued operations	0	0
Cash flow from operating activities	**1,183** [3]	**450**
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment	(112)	(141)
Other investments	(72)	(76)
Financial investments and securities	(245)	(218)
Disposals of financial investments and securities	160	153
Disposals of companies	0	0
Disposal of long-term assets and other disposals	20	19
Cash flow from investing activities from continuing operations	**(248)**	**(263)**
Cash flow from investing activities from discontinued operations	0	0
Cash flow from investing activities	**(248)**	**(263)**
Profit distribution	(24)	(21)
thereof dividends paid to the shareholders of CECONOMY AG	*0*	*0*
Payment received from capital increase	0	0
Equity transactions with change in equity interest without obtaining/relinquishing control	(8)	(1)
Redemption of liabilities from put options of non-controlling interests	(5)	(7)
Proceeds from long-term borrowings	1,447	781
Redemption of lease liabilities	(530)	(503)
Redemption of other borrowings	(1,432) [3]	(295)
Interest paid	(54)	(62)
Interest received	9	14
Profit and loss transfers and other financing activities	(9)	18
Cash flow from financing activities from continuing operations	**(606)** [3]	**(77)**
Cash flow from financing activities from discontinued operations	0	0
Cash flow from financing activities	**(606)** [3]	**(77)**
Total cash flows	**329**	**110**
Currency effects on cash and cash equivalents	(44)	(12)
Total change in cash and cash equivalents	**285**	**98**
Cash and cash equivalents as of 1 October	1,199	1,484
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	15	0
Cash and cash equivalents as of 1 October	**1,184**	**1,484**

in EUR million	2019/20	2020/21
Total cash and cash equivalents as of 30 September	1,484	1,582
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	0
Total cash and cash equivalents as of 30 September	**1,484**	**1,582**

1 The cash flow statement is explained in the notes – note 40 Notes to the cash flow statement
2 Change in net working capital shown from the related statement of financial position items, mainly adjusted for non-cash items.
3 Restated prior-year figure as a result of factoring transactions now reported on a gross basis.

Segment reporting[1]

Operating segments

Continuing operations

in EUR million	DACH		Western/Southern Europe		Eastern Europe		Others		Consolidation		CECONOMY[2]	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
External sales (net)	12,323	12,003	6,431	7,026	1,611	1,781	465	551	0	0	20,831	21,361
Internal sales (net)	21	28	3	3	0	0	7	8	(31)	(39)		
Sales (net)	12,345	12,031	6,434	7,028	1,611	1,781	472	560	(31)	(39)	20,831	21,361
EBITDA	699	592	300	290	30	79	(39)[3]	(13)[3]	1	(1)	991	948
EBITDA adjusted	744	607	290	313	38	78	(39)	(21)	1	(1)	1,034	976
Scheduled depreciation/amortization and impairment losses	446	434	254	253	75	56	296	33	0	0	1,071	775
Reversals of impairment losses	0	4	0	0	0	0	0	150	0	0	0	154
EBIT	253	162	46	37	(45)	23	(335)[4]	105[4]	1	(1)	(80)	326
EBIT adjusted	297	184	41	67	(37)	22	(67)	(36)	1	(1)	236	237
Investments	284	414	160	271	58	58	61	13	0	0	562	757
Non-current segment assets	2,043	1,983	957	913	174	155	319	474	0	0	3,493	3,525
Investments accounted for using the equity method	0	0	0	0	0	0	266	425	0	0	266	425

1 Segment reporting is explained in the notes – note 41 Segment reporting.
2 Includes external sales in financial year 2020/21 of EUR 9,739 million (2019/20: EUR 10,160 million) for Germany, of EUR 2,430 million (2019/20: EUR 2,060 million) for Italy, of EUR 2,232 million (2019/20: EUR 1,872 million) for Spain, as well as non-current segment assets as of 30 September 2021 of EUR 2,158 million (30 September 2020: EUR 2,040 million) for Germany, and EUR 343 million (30 September 2020: EUR 340 million) for Italy.
3 Includes income from operating companies recognized at equity in the Others segment in the amount of EUR 22 million (2019/20: EUR 1 million).
4 Includes income from operating companies recognized at equity in the Others segment in the amount of EUR 154 million (2019/20: expenses of EUR 267 million).

Notes to the Group accounting principles and methods

Accounting principles

CECONOMY AG is a listed corporation based in Düsseldorf, Germany. It is registered at the Düsseldorf District Court under register number HRB 39473. The consolidated financial statements and combined management report are submitted to the operator of the German Federal Gazette and published in the German Federal Gazette. In addition, the components subject to disclosure requirements are also published for the first time in electronic reporting format ("ESEF format") in the German Federal Gazette. The entire annual report is also available online at www.ceconomy.de/en/.

The business purpose comprises trading business of all kinds, especially 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 2021 were prepared in accordance with the International Financial Reporting Standards (IFRS). They apply all accounting standards and interpretations that have been adopted and whose application is mandatory in the European Union as of this date. Compliance with the standards and interpretations ensures that a true and fair view of CECONOMY's net assets, financial position and earnings position is presented.

This version of the consolidated financial statements complies with Sec. 315e of the German Commercial Code (HGB). This provides 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 (8 December 2021) is the same as 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, with the significant exceptions of financial instruments measured at fair value and financial assets and liabilities measured at their fair values as an underlying transaction within a fair value hedge. Furthermore, non-current assets held for sale, disposal groups and discontinued operations are recognized at fair value less costs to sell if this value is lower than the carrying amount. Liabilities from cash-settled share-based payments are likewise stated at fair value. Moreover, provisions are measured at their expected settlement amount.

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

To enhance clarity and meaningfulness, certain items in the income statement and in the statement of financial position are combined. These items are presented and explained separately in the notes.

The consolidated financial statements were prepared in euros. All amounts are shown in millions of euros (EUR million) unless stated otherwise. 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 2020/21

The following accounting standards and interpretations revised, supplemented and newly issued by the International Accounting Standards Board (IASB) were applied for the first time in these consolidated financial statements. Their application was mandatory for CECONOMY AG in financial year 2020/21 unless it is stated that they were applied early on a voluntary basis.

IFRS 3 (Business Combinations)

The amendments to IFRS 3 relate to the definition of a "business" and provide more detail on the criteria for delimiting a business from a group of assets. As a result of the clarification, a business requires not only the availability of inputs but also the acquisition of a substantive process. The two stated criteria must significantly contribute to create output. Output focus on goods and services provided to customers. The narrower definition excludes returns in the form of lower costs. In addition, a "concentration test" can be applied to differentiate between a business and a group of assets. The amendments do not have any significant impact on the consolidated financial statements of CECONOMY.

IFRS 9, IAS 39 and IFRS 7 (Interest Rate Benchmark Reform)

The amendments made to IFRS 9, IAS 39 and IFRS 7 in the context of the Interest Rate Benchmark Reform project (Phase 1) which considers reliefs to hedge accounting. It is clarified that a change as a result of IBOR reform will not result in the termination of existing hedge accounting. The amendments do not have significant impact on the consolidated financial statements of CECONOMY.

IAS 1 and IAS 8 (Definition of Material)

The amendments to IAS 1 and IAS 8 provide clarifications on the definition of "material". In line with the new definition, information is material if omitting, misstating or even obscuring it could reasonably be expected to influence primary users of financial statements. The amendments do not have any impact on the consolidated financial statements of CECONOMY.

Other amendments to IFRS

The amendments to the Conceptual Framework relate to a change of references to the Conceptual Framework in various standards and forms the application basis for developing new standards and interpretations. No technical changes were made to existing standards. Therefore, the amendments do not have any impact on the consolidated financial statements of CECONOMY.

On 31 March 2021, the IASB extended the temporary amendment regarding COVID-19-related rent concessions by one year. It exempts lessees from the obligation to assess whether a rent concession meets the definition of a lease modification in accordance with IFRS 16. This rent concession must have been granted to the lessee in connection with the COVID-19 pandemic. CECONOMY has decided not to apply this optional relief.

Accounting standards that had been published but not yet applied in financial year 2020/21

The IASB has issued or revised other accounting standards and interpretations that CECONOMY has not yet implemented in financial year 2020/21 because their application is not yet mandatory or they have not yet been endorsed by the European Commission.

Standard/ interpretation	**Title**	**Start of application as per IFRS[1]**	**Application at CECONOMY AG from[2]**	**Approved by 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
IFRS 17.............	Insurance Contracts	1 Jan 2023	1 Oct 2023	Yes
IAS 1	Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 Jan 2023	1 Oct 2023	No
Various	Amendments to IFRS 4 Insurance Contracts	1 Jan 2021	1 Oct 2021	Yes
IFRS 9/IAS 39/ IFRS 7/IFRS 4/ IFRS 16.............	Financial Instruments: Disclosures (amended by Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16))	1 Jan 2021	1 Oct 2021	Yes
IFRS 3...............	Business Combinations (amendment: Reference to the Conceptual Framework)	1 Jan 2022	1 Oct 2022	Yes
IAS 16	Property, Plant and Equipment (clarification: Proceeds before Intended Use)	1 Jan 2022	1 Oct 2022	Yes
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (amendment: Onerous Contracts – Cost of Fulfilling a Contract)	1 Jan 2022	1 Oct 2022	Yes
Various	Annual Improvements to IFRS 2018-2020	1 Jan 2022	1 Oct 2022	Yes
IAS 1	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 Jan 2023	1 Oct 2023	No
IAS 8	Definition of Accounting Estimates (Amendments to IAS 8)	1 Jan 2023	1 Oct 2023	No
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	1 Jan 2023	1 Oct 2023	No

1 Not including early application
2 Application only from 1 October due to the financial year's deviation from the calendar; on the condition of EU endorsement
3 As of 8 December 2021 (date of signature by the Management Board of CECONOMYAG)
4 First-time application indefinitely postponed by the IASB

According to current estimates, the first-time application of the standards and interpretations listed in the table above and other standards amended in the annual improvements will have no material effects on the Group's net assets, financial position and earnings position.

Consolidated group

In addition to CECONOMYAG, the consolidated financial statements include all companies directly or indirectly controlled by CECONOMYAG, provided these companies are not insignificant for the consolidated financial statements individually or together. Control exists when a majority in the 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 activity.

Non-controlling interests are mainly held in Media-Saturn-Holding GmbH (MSH).

With CECONOMY AG, 420 German (30 September 2020: 448) and 394 international (30 September 2020: 394) companies are included in the consolidated financial statements.

In financial year 2020/21, the consolidation group changed as follows:

As of 1 October 2020	**842**
Disposals	34
Newly founded companies	6
As of 30 September 2021	**814**

The financial years of the vast majority of Group companies included in the consolidated financial statements end – as far as legally permissible – on 30 September. Companies whose financial year ends on a different date are consolidated on the basis of interim financial statements.

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

The disposals relate to 30 mergers and four liquidations.

The newly founded companies relate to six companies in Spain.

One subsidiary (30 September 2020: two subsidiaries) is not fully consolidated for reasons of materiality. Instead, it is carried at cost and recognized under financial investments.

Structured entities

CECONOMY held no interests in structured entities as of the closing date or the previous year's closing date.

Investments accounted for using the equity method

Two associates/joint ventures (30 September 2020: three associates/joint ventures) are included in the consolidated financial statements using the equity method.

Non-controlling interests

There are material minority interests at the level of the subgroup holding company MSH, Ingolstadt, in particular, with a share of 21.62 per cent. There are also other small minority interests in the subgroup, which are included in the following disclosures. The following information relates to the subgroup level in year-on-year comparison.

There were minority interests of 21.62 per cent as of 30 September 2021, as in the previous year. Minority interests in equity amounted to EUR 44 million on a consolidated basis, after EUR 61 million in the previous year. Distributions of EUR 30 million were made to minority interests compared with EUR 6 million in the previous year. Sales generated at subgroup level amounted to EUR 21,361 million (2019/20: EUR 20,831 million). Non-controlling interests in profit or loss for the period from continuing operations amounted to EUR 21 million in financial year 2020/21 (2019/20: EUR 19 million).

The following disclosures on assets and liabilities include consolidations at subgroup level determined at the date of the preparation of the consolidated financial statements, but not the consolidations at Group level. Non-current assets amounted to EUR 3,141 million as of 30 September 2021 (30 September 2020: EUR 3,284 million), current assets to EUR 6,023 million (30 September 2020: EUR 6,400 million), non-current liabilities to EUR 1,699 million (30 September 2020: EUR 1,738 million) and current liabilities to EUR 7,018 million (30 September 2020: EUR 7,408 million).

Although resolutions at MSH's shareholders' meeting need more than 80 per cent of the votes cast in order to pass, the shareholders' meeting's powers are essentially limited to shareholder matters alone. These include the adoption of the annual financial statements, the appropriation of the balance sheet profit, formal approval of the management's activities, the appointment of the auditor and the appointment and dismissal of managing directors. With regard to the appropriation of the balance sheet profit, the full distribution principle laid down in MSH's articles of association must be complied with. This stipulates that the company's net profit plus any profit carry-forward and less any loss carry-forward must be distributed to shareholders in full. Deviation from this principle requires a unanimous resolution by the shareholders' meeting. The appointment and dismissal of managing directors is also restricted by the fact that CECONOMY has a unilateral right to appoint and dismiss one of the managing directors. Significant, relevant company activities, such as the approval of MediaMarktSaturn Retail Group's budget, do not fall under the scope of the shareholders' meeting's responsibility, but rather depend on the approval of MSH's advisory board, on which CECONOMY holds the majority of seats and whose resolutions require a simple majority of the votes cast. In particular, there are also statutory protections for cases of conflicts of interest.

An overview of all material Group companies can be found under note 53 Overview of material fully consolidated Group companies. In addition, a full list of all Group companies and associates in accordance with Sec. 313 HGB is available on the website www.ceconomy.de/en/ under Investor Relations – Publications.

Consolidation principles

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

If the local financial years of consolidated subsidiaries do not end on CECONOMY AG's closing date of 30 September, interim financial statements were prepared for the purposes of IFRS consolidation. Subsidiaries are fully consolidated if they are material for the presentation of a true and fair view of the net assets, financial position and earnings position.

Capital consolidation follows the purchase method in accordance with IFRS 3 (Business Combinations). In the case of business combinations, the carrying amounts of the investments are set off against the revalued pro rata equity of the subsidiaries at the date of the acquisition. Positive differences remaining after the disclosure of hidden reserves and hidden burdens are capitalized as goodwill. Goodwill is tested for impairment once a year and during the year if there are indications of impairment. If the carrying amount of an entity to which goodwill has been allocated exceeds the recoverable amount, the goodwill is written down by the difference.

In the case of company acquisitions, the hidden reserves and hidden burdens attributable to non-controlling interests are also disclosed and shown in equity under "Non-controlling interests". CECONOMY does not make use of the option to recognize goodwill attributable to non-controlling interests. In accordance with IFRS 3, negative differences from a business combination are recognized through profit or loss after allocation of hidden reserves and hidden burdens, and a repeated review in the period in which the combination took place.

Acquisitions of additional interests in companies in which control has already been obtained are booked as equity transactions. Therefore, no adjustments are made to the fair value of the assets and liabilities and no gains or losses are recognized. A difference between the costs of the additional interest and the carrying amount of the net assets as of the acquisition date is directly set off against the capital attributable to the acquirer.

Amortization, impairment losses and reversals of impairment losses on interests in consolidated subsidiaries recognized in separate financial statements of consolidated subsidiaries are reversed.

Investments in associates and joint ventures are accounted for using the equity method, with existing goodwill included in the amount capitalized for investments. 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/wholesale business and support activities (e.g. leas-ing/letting commercial properties, purchasing, logistics). Earnings from operating associates, joint ventures and joint operations are included in operating EBIT, earnings from non-operating entities in the net financial result. Any deviating accounting and measurement methods in the financial statements of companies accounted for using the equity method are retained, provided they do not run significantly counter to CECONOMY's Group-wide accounting and measurement methods.

In the case of joint operations, each party in accordance with IFRS 11 reports its share in the jointly held assets and jointly incurred liabilities in its own statement of financial position.

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

Unrealized gains from transactions with entities accounted for using the equity method are offset against the investment in the amount of the Group's share in the investee.

In the case of joint operations, each party reports its own share in the sales, income and expenses associated with the joint operation in its income statement.

A reduction in interest in subsidiaries must be presented in 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 the loss of control, the full consolidation of the subsidiary is ended as of the date on which the parent company loses the possibility of control. All previously fully consolidated assets, liabilities and equity items are derecognized at amortized Group carrying amounts. The interests disposed of are deconsolidated according to the general rules for deconsolidation. If there are remaining residual shares, they are recognized at fair value as a financial instrument according to IFRS 9 or as an investment measured according to the equity method according to IAS 28.

Currency translation

Foreign currency transactions

In the subsidiaries' separate financial statements, foreign currency transactions are measured at the exchange rate as of the date of the transaction. As of the closing date, monetary assets and liabilities in foreign currency are measured at the exchange rate as of 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 at the date of the transaction.

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

Foreign operations

In accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates), the annual financial statements of foreign subsidiaries are translated into euros in keeping with the functional currency concept. 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 organizational terms, so the functional currency is usually their respective local currency. The assets and liabilities are therefore translated at the exchange rate as of closing date. Income statement items are translated at the average exchange rate during the financial year. Differences from the translation of financial statements of foreign subsidiaries are recognized through other comprehensive income and shown separately in 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.

In the year of disposal or at the date of closure of the business of a foreign subsidiary, currency translation differences are reversed through profit or loss via the net financial result. In the case of partial disposal without loss of control opportunity of a foreign subsidiary, the corresponding portion of the cumulative currency translation differences is allocated to the non-controlling interests. If foreign associates or jointly controlled entities are partially sold without loss of significant influence or joint control, the corresponding portion of the cumulative currency translation differences is recognized through profit or loss.

In financial year 2020/21, no functional currency of a consolidated company was classified as hyperinflationary as defined by IAS 29 (Financial Reporting in Hyperinflationary Economies).

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 EUR		Closing rate per EUR	
		2019/20	2020/21	30 Sept 2020	30 Sept 2021
Pound sterling	GBP	0.87833	0.87384	0.91235	0.86053
Hong Kong dollar	HKD	8.70568	9.28025	9.07420	9.01840
Norwegian krone	NOK	10.55535	10.36198	11.10080	10.16500
Polish ztoty..	PLN	4.38844	4.53714	4.54620	4.61970
Russian rouble.....................................	RUB	77.50392	89.14979	91.77630	84.33910
Swedish krona	SEK	10.58222	10.18182	10.57130	10.16830
Swiss franc	CHF	1.07494	1.08737	1.08040	1.08300
Turkish lira...	TRY	7.29146	9.62548	9.09900	10.29810
Hungarian forint	HUF	343.96227	357.56318	365.53000	360.19000

Source: European Central Bank

Income statement

Recognition of income and expenses

CECONOMY sells a large number of standard products to customers. These customers are primarily end consumers. When determining the timing of sales recognition, a distinction is generally drawn between four cases:

- In-store product business: sales from product sales are recognized at a point in time when control is transferred. As a rule, control is transferred at the point in time when the product is handed over to the customer and payment by the customer occurs at the same time.

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

- Sale of services (over time): if the services constitute a separate performance obligation over time according to IFRS 15, sales are recognized over time as the performance obligation is satisfied. This applies in particular to the sale of extended warranties – for which CECONOMY acts as principal. Here, sales are recognized over the entire warranty period, comprising the statutory warranty period and the periods exceeding the statutory warranty period because uniform services in addition to the statutory warranty are provided over the entire term.

- Sale of services (at a point in time): if the services constitute a separate performance obligation at a point in time according to IFRS 15, sales are recognized on conclusion of the performance obligation. This particularly applies to the installation and delivery of products and brokerage commission for subsidized devices.

Obligations from the return of products are carried as a refund liability. For cases of expected returns, sales are recognized 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: sale of the device and 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 according to the cost-plus margin approach. Both performance obligations are satisfied at the time of handover to the customer. As a result, the sales are recognized at a point in time.

CECONOMY exercises the option under IFRS 15.94 to recognize the costs to obtain and fulfil a contract directly as an expense if recognition as an asset would result in an amortization period of one year or less.

In addition, CECONOMY uses the practical expedient in accordance with IFRS 15.63 for financing components that allows the effects of a financing component not to be recognized if the period between the transfer of goods or services and the payment by the customer is one year or less.

Government grants are recognized 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 recognized on an accrual basis according to the associated expenses. Performance-based grants already received for subsequent periods are deferred and released pro rata in the subsequent periods. Grants for which the entitled beneficiary is the employee are shown as a transitory item.

Operating expenses are recognized on utilization of the service or when incurred.

The **net financial result** primarily comprises the other investment result, interest and currency effects. Interest is recognized as income or expense on an accrual basis, applying the effective interest method as appropriate. Interest expense on borrowings attributable directly to the acquisition or production of a qualifying asset is not recognized in profit or loss but instead must be capitalized as part of the cost of that asset in accordance with IAS 23 (Borrowing Costs). Distributions are recognized 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 recognized through profit or loss unless they are associated with business combinations or items recognized directly in equity or through other comprehensive income.

Statement of financial position

Goodwill

Goodwill is capitalized 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 by IAS 36 (Impairment of Assets) as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

On the basis of 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. This group is usually each country's organizational unit.

The capitalized goodwill is regularly tested for impairment once a year and during the year if there are indications of impairment. If impairment is found, it is recognized 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 only impaired if the recoverable amount is smaller than the sum of the carrying amounts. Impairment is not reversed if the reasons for impairment recognized in previous periods cease to apply.

Other intangible assets

Purchased other intangible assets are carried at cost. **Internally generated intangible assets** are capitalized at development cost in accordance with IAS 38 (Intangible Assets). However, the costs of the research phase are not capitalized but recognized as an expense. Cost includes all costs directly attributable to development. This can include the following costs:

Direct costs

- Direct material costs
- Direct production costs
- Special direct production costs

Overhead (directly attributable)

- Material overhead
- Production overhead
- Amortization
- Development-related administrative costs

Borrowing costs are included in the calculation of cost 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 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 useful life are subject to straight-line amortization. Capitalized internally generated and purchased software and similar intangible assets are amortized over a term of up to ten years. Licences are generally amortized over their term. These intangible assets are tested for impairment at every closing date. Impairment is recognized if the recoverable amount is less than the amortized 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 or group of cash-generating units. The carrying amount of the cash-generating unit is compared with its recoverable amount. Impairment is reversed if the reasons for impairment recognized in previous periods cease to apply.

Other intangible assets with an indefinite useful life are not amortized but tested for impairment at least once a year. Impairment or reversals of impairment are recognized through profit or loss according to the cost principle.

Property, plant and equipment

Property, plant and equipment are measured at cost in accordance with IAS 16 (Property, Plant and Equipment). The cost of internally generated assets includes direct costs and directly attributable overhead. Borrowing costs are capitalized as part of cost only for qualifying assets. **Investment grants** received are recognized 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 recognized as deferred income. **Asset retirement obligations** are included in cost at the discounted settlement amount. Subsequent costs of property, plant and equipment are only additionally capitalized if they result in a higher future economic benefit for CECONOMY.

Property, plant and equipment are subject exclusively to straight-line depreciation using the cost model according to 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 standardized throughout the Group:

Buildings	33 to 50 years
Leasehold improvements	15 years or shorter lease term
Business and office equipment	3 to 15 years

Capitalized asset retirement costs are written down proportionately over the 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 recognized on the property, plant and equipment if the recoverable amount is less than the amortized 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 or group of cash-generating units. The carrying amount of the cash-generating unit is compared with its recoverable amount. Impairment is reversed if the reasons for impairment recognized in previous periods cease to apply.

If the reasons for impairment cease to exist, the impairment is reversed to amortized cost.

Leases

Since 1 October 2019, CECONOMY has accounted for all leases as the lessee using the standardized right-of-use approach under IFRS 16. Under this approach, a liability is recognized for each lease that is equal to the present value of the future lease payments. Lease payments comprise the sum of all fixed lease payments less incentives for the conclusion of the lease and plus all variable lease payments that depend on an index or a rate. Variable payments that constitute fixed payments in substance 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 recognized, 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 recognized 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. Over the term of the lease, the lease is subsequently measured at amortized cost using the effective interest method. The liability must be remeasured in the event of changes to calculation parameters, such as the lease term, the assessment of an extension option or purchase option or the expected lease payments.

The corresponding right-of-use asset is capitalized in the amount of the lease liability, including lease payments already made and directly attributable costs. Payments received from the lessor in connection with the lease are deducted. The measurement also takes restoration obligations from leases into account.

The right-of-use asset is measured at amortized cost in accordance with IAS 16 (Property, Plant and Equipment). According to this, 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 that a right-of-use asset is impaired, 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 to the right-of-use asset. Negative adjustments in excess of the carrying amount are recognized immediately through profit or loss.

CECONOMY has decided to recognize the leases relevant under IFRS 16 in a special data management and analysis system. This ensures that the leases are accounted for and measured in accordance with the requirements of IFRS 16 and that analysis is possible at all times.

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 of low-value assets are recognized as rental expenses.

In the 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 recognized at the proportion of the carrying amount of the asset that relates to the retained right of use. Any gain on disposal is recognized in the amount of the proportion transferred to the lessor. If there is no sale, the transaction is treated as financing, without a disposal of the asset.

Leases for which CECONOMY is the lessor are classified as operating and finance leases. For operating leases, CECONOMY, as the lessor, continues to recognize an asset and reports the lease payments as rental income. For finance leases, CECONOMY recognizes a receivable for the lease payments (net investment). 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 the right to consideration still depends on other factors such as 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. To calculate impairment on contract assets, CECONOMY applies the simplified approach according to IFRS 9 (Financial Instruments).

Other assets

This means other receivables and assets, such as other entitlements to tax refunds. Prepaid expenses and deferred charges include transitory accruals.

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 recognized according to the measurement categories described below.

On initial recognition, a financial instrument is generally measured at fair value. Transaction costs are included in all categories apart from "financial assets measured at fair value through profit or loss". They are always recognized as of the trade date. Trade receivables without a significant financing component are initially recognized at the transaction price.

Financial instruments are subsequently measured at either amortized cost or fair value, depending on their allocation to the measurement categories described below.

Financial assets are derecognized if the contractual rights to cash flows from the item are terminated or expired or the financial asset is transferred. In addition, financial assets are derecognized if substantially all the risks and rewards of ownership are neither transferred nor retained and control of the transferred financial asset is not retained. There is no full disposal if substantially all the risks and rewards of ownership are neither transferred nor retained and control of the receivables remains with CECONOMY. In this case, only a partial disposal of the receivables in recognized, taking the remaining continuing involvement into account. A financial liability is only derecognized if it is extinguished, i.e. when the obligations specified in the contract are settled, cancelled or expired.

Financial assets measured at amortized cost

All debt instruments that are held as financial assets to maturity or for which the objective is to realize contractual cash flows ("hold" business model) are measured at amortized 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 amortized cost, impairment must be recognized for expected and incurred credit losses. A distinction is drawn here between the general and the simplified approach. CECONOMY applies the **general approach** unless there is voluntary measurement according to the simplified approach (see below). The impairment is recognized in three stages. Financial instruments whose credit risk has not significantly increased since initial recognition are recognized in stage 1.

On this basis, the impairment is measured at an amount equal to twelve-month expected credit losses. In stage 2, impairment is recognized at an amount equal to the expected credit losses over the lifetime of the financial instrument if the credit risk has significantly increased. 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 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/South-ern 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 recognized. An individual rating is used to calculate the expected credit losses for trade receivables and contract assets due from providers.

At each closing date, financial assets are examined for substantial objective evidence of impairment (incurred credit losses). 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 used is used as the discount rate for the expected future cash flows. A specific bad debt allowance must always be recognized for financial assets with loss events.

Within CECONOMY, it is essentially the following financial assets that come under the "hold" business model:

- Loans.
- Trade receivables, unless they can be sold in a factoring or similar programme.
- Receivables due from suppliers: depending on the underlying circumstance, receivables due from suppliers are recognized as a reduction in cost, reimbursement or payment for services rendered. Supplier compensation is recognized on an accrual basis, provided it is contractually agreed and realization is likely. 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 on hand, bank deposits and other financial assets that can quickly be converted into cash, such as available balances in lawyer trust accounts or money in transit with an original term of up to three months. They are measured at their nominal values.
- Securities, provided the defined conditions are met.

Financial assets measured at fair value through other comprehensive income with recycling

This measurement category includes all debt instruments contained within a portfolio for which there are two parallel 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 recognized through other comprehensive income. This does not include impairment gains and losses (see explanation under "financial assets measured at amortized cost") or gains and losses from currency translation until the financial asset is derecognized or reclassified.

Within CECONOMY, the following financial assets generally come under the "hold and sell" business model:

- Trade receivables if they can be sold in a factoring or similar programme.
- 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 recognized in this measurement category. The gains and losses associated with the instrument are recognized in other comprehensive income. The amounts recognized in other comprehensive income are never (neither on derecognition nor in the event of impairment) reclassified to the income statement.

The following financial assets can in general be assigned to this category at CECONOMY:

- Investments in corporations.
- Securities, provided they meet the equity definition.

Financial assets measured at fair value through profit or loss

This measurement category, under which measurement is 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 part of a correspondingly structured factoring or similar programme.
- Derivative financial instruments, provided they are not in an effective hedge.
- Equity instruments for which there is an intention to sell or for which 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 amortized cost

All financial liabilities that are not measured at fair value through profit or loss (see below) must be measured at amortized cost. This measurement category primarily includes bond liabilities, liabilities to banks, liabilities from promissory notes, notes payable and trade liabilities.

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 recognized according to the continuing involvement approach.

The fair value option is not exercised at CECONOMY, so there is no voluntary allocation of other financial liabilities to the category of financial instruments measured at fair value through profit or loss.

Investments accounted for using the equity method

In accordance with IAS 28, an investee is considered an associate if it is neither a subsidiary nor a joint venture of the investor and the investor has the ability to exercise significant influence over the financial and operating policies of the investee. Investments in associates are accounted for using the equity method in accordance with IAS 28. The carrying amounts of investments accounted for using the equity method are annually increased or decreased by pro rata earnings, distributions or other changes in equity. In the event of indications of a lower value of an investment, an impairment test is performed and, if necessary, impairment recognized through profit or loss. If the reasons for the impairment cease to apply, the impairment is reversed to the newly identified recoverable amount, but by no more than the previous impairment.

Deferred tax and assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are determined in compliance with IAS 12 (Income Taxes) according to the concept of the balance sheet liability method. Deferred taxes result from temporary differences between the carrying amounts stated in the consolidated financial statements and the tax bases of assets and liabilities. Deferred tax assets are also recognized for tax loss and interest carry-forwards not yet used.

Deferred tax assets are recognized 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/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 resulting from CECONOMY's expectations regarding the manner of recovery of the carrying amounts of its assets and 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 recognized as acquisition-related 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 recognized on merchandise if the net realizable value is lower than the carrying amount. Net realizable value is the expected recoverable sale proceeds less the directly attributable selling expenses still to be incurred up to the time of the sale. The IFRIC clarified in its agenda decision that the provisions of IAS 2 do not allow an entity to limit directly attributable selling expenses still to be incurred to incremental costs. Against this backdrop, the procurement and selling process was subjected to an indicative, holistic analysis, which considered both qualitative and quantitative aspects. This resulted in a mid-single digit amount in millions of euros, which decreased the measurement of inventories. The analysis will be refined in financial year 2021/22, whereby no material effects are expected as things stand.

If the reasons that resulted in impairment of merchandise no longer exist, the impairment is reversed accordingly.

As CECONOMY's inventories are never qualifying assets, interest expense on borrowings attributable to inventories is not capitalized in accordance with IAS 23 (Borrowing Costs).

The sub-item **"Assets for products to be returned (right of return)"** takes account of a customer's right of return. When products with a right of return are sold, sales are recognized only in the amount of the consideration to which the company is expected to be entitled. Therefore, the proportion of products that the company expects to be returned must be estimated and not included in the calculation of the transaction price.

Income tax assets and liabilities

The recognized income tax assets and liabilities relate to domestic and foreign income taxes for 2020/21 and from previous years. They are determined in accordance with the tax provisions 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.

Non-current assets held for sale, liabilities related to assets held for sale and discontinued operations

Assets are classified as **non-current assets held for sale** pursuant to IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) if the associated carrying amount is primarily to be realized through sale and not through continued use. A sale must be planned and achievable with high probability within the next twelve months. Immediately before the initial classification as held for sale, the carrying amounts of the asset must be measured in accordance with applicable IFRS. In the event of reclassification, the asset is recognized at the lower of carrying amount and fair value less cost to sell and presented separately in the statement of financial position. Liabilities related to assets held for sale are likewise shown separately in the statement of financial position.

In accordance with IFRS 5, a **discontinued operation** is recognized as such if it is held for sale or has already been sold. An operation is a component of an entity that represents either a separate major line of business or a geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. Immediately before the initial classification as held for sale, the carrying amounts of the component must be measured in accordance with applicable IFRS. In the event of reclassification, the discontinued operation is carried at the lower of carrying amount and fair value less cost to sell. In the income statement, statement of financial position, cash flow statement and segment reporting, discontinued operations are presented separately and explained in the notes. The previous year's figures – with the exception of the statement of financial position – are adjusted accordingly. Intra-Group relationships with discontinued operations are not recognized in the statement of financial position up to the date of deconsolidation. In the income statement, trade relationships between continuing and discontinued operations are shown as expenses/income within continuing operations if the trade relationships continue after deconsolidation.

Employee benefits

Employee benefits include:

- Short-term employee benefits
- Post-employment benefits
- Obligations similar to pensions
- Termination benefits
- Share-based payments

Short-term employee benefits include, for example, wages, salaries, social security contributions, paid annual leave, and paid sick leave and are recognized 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 recognized as a pension expense as the same time as the work is performed. Missed or advance payments to the pension provider are recognized as a liability or a receivable, respectively. Liabilities with a maturity of over twelve months are discounted.

The actuarial calculation of pension provisions for post-employment benefit plans as part of a **defined benefit plan** is effected in accordance with the projected unit credit method stipulated by IAS 19 (Employee Benefits) on the basis of actuarial opinions. This benefit/years of service method uses biometric data and takes both the pensions and earned entitlements known at the closing date and the expected future increases in salaries and pensions into account. If the calculated performance obligation or the fair value of plan assets increases or decreases between the start and the end of a financial year due to experience-based adjustments (for example relating to a higher employee turnover rate) or changes in the underlying actuarial assumptions (for example in the discount rate), this results in actuarial gains and losses. These are recognized through other comprehensive income. Effects of plan changes and plan curtailments are recognized through profit or loss in service costs. The interest portion of additions to provisions included in pension expenses is recognized as interest expenses within the financial result. If there are plan assets, the size of the provision is determined by the difference between the present value of defined benefit obligations and the present value of the plan assets.

Provisions for obligations similar to pensions (such as anniversary and death benefits) comprise the present value of future payments to employees or their surviving dependants less any associated assets, measured at fair value. The size of the provisions is determined on the basis of actuarial reports pursuant to IAS 19. Actuarial gains and losses are recognized through profit or loss in the period in which they are incurred.

Termination benefits relate to severance payments to employees. They are recognized through profit or loss as a liability if payments must be made to employees on the termination of the employment relationship on the basis of a contractual or constructive obligation. Such an obligation exists when a formal plan exists for the early termination of the employment relationship and it is not possible to withdraw from this plan. If the payment is due more than twelve months after the closing date, it must be carried at its present value.

The share bonuses granted under the share-based payment system are classified as **"cash-settled share-based payments"** pursuant to IFRS 2 (Share-based Payment). Proportionate provisions measured at the fair value of the obligations entered into are recognized for these bonuses, if any. The provisions are recognized 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 granted share-based payments were hedged with corresponding hedging transactions, the hedges are measured at fair value and recognized under other financial and non-financial assets. The part of the fluctuation in the fair value of the hedges that corresponds to the fluctuation in the fair value of the share-based payments is recognized through profit or loss as personnel expenses. The part of the fluctuations in the fair value exceeding this is recognized through other comprehensive income.

(Other) provisions

(Other) provisions are recognized 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 expected to lead to an outflow of resources that can be reliably estimated. The provisions reflect all discernible risks relating to the assumed settlement amount. In the case of a single obligation, the assumption is based on the settlement amount with the highest probability of occurrence. If the calculation of the provision for a single item reveals a range of equally likely settlement amounts, the recognized provision must equal the mean of these settlement amounts. In the event of a large population of similar items, the provision is recognized at the expected value obtained by weighting all possible outcomes by their associated probabilities.

Long-term provisions with a term of more than one year are discounted to the closing date at a matched-term interest rate, which 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. Recourse claims are not offset against the provision amount, but are recognized separately as an asset, provided their realization is virtually certain.

Provisions for restructuring are recognized if the constructive obligation to restructure was formalized at the closing date by the adoption of a detailed restructuring plan and its communication to those affected. Restructuring provisions exclusively contain expenses that are essential for restructuring and not connected to the company's ongoing activities.

Provisions for warranties are recognized at the expected handling costs.

Borrowings and financial liabilities

Financial liabilities designated as an underlying transaction within a fair value hedge are measured at fair value through profit or loss. 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"** within the "Other financial liabilities (current)" balance sheet item takes account of a customer's right of return. When services with a right to a refund are offered, sales are recognized only in the amount of the consideration to which the company is expected to be entitled. Therefore, the proportion of products that the company expects to be returned must be estimated and not included in the calculation of the transaction price.

Contract liabilities

Contract liabilities are reported under the "Trade liabilities and similar liabilities" balance sheet item. A contract liability must be recognized 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 and to 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 whose existence 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 present obligations that arise from past events but for which an outflow of resources is considered unlikely or a sufficiently reliable estimate of the amount of the obligation cannot be made. In accordance with IAS 37, such obligations are not recognized 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.

Accounting for derivative financial instruments and hedge accounting

Derivative financial instruments are used solely to reduce risk. They are used in line with the stipulations of the corresponding Group guideline.

All derivative financial instruments are measured at fair value in accordance with IFRS 9 and recognized under other financial assets or other financial liabilities.

Derivative financial instruments are measured on the basis of interbank terms, if applicable including the credit margins or stock market prices relevant for CECONOMY using the mean rates on the closing date. If no stock market prices can be consulted, the fair value is calculated using recognized financial models.

In the event of an effective hedge accounting transaction (hedge accounting) according to IAS 39, changes in the fair value of derivatives designated as fair value hedges and fair value changes related to the hedged risk of the associated underlying transaction are recognized through profit or loss. For cash flow hedges, the effective portion of the change in the fair value of the derivative is recognized through other comprehensive income (OCI). It is not reclassified to the income statement through profit or loss until the underlying transaction affects profit or loss. The ineffective portion of the change in value of the hedging instrument is immediately recognized through profit or loss.

Summary of selected measurement methods

Item	Measurement method
Assets	
Goodwill	Cost (subsequent measurement: impairment test)
Other intangible assets	
Purchased other intangible assets	(Amortized) cost
Internally generated intangible assets	Development costs (direct costs and directly attributable overhead)
Property, plant and equipment	(Amortized) cost
Investments accounted for using the equity method	Equity method
Right-of-use assets	(Amortized) cost
Financial assets/other financial assets	
Financial assets measured at amortized cost	(Amortized) cost
Financial assets measured at fair value through other comprehensive income with recycling	At fair value through other comprehensive income
Financial assets measured at fair value through other comprehensive income with recycling	At fair value through other comprehensive income
Financial assets measured at fair value through profit or loss	At fair value through profit or loss
Inventories	Lower of cost and net realizable value
Trade receivables and similar claims	
Trade receivables	(Amortized) cost
Contract assets	(Amortized) cost
Receivables due from suppliers	(Amortized) cost
Other assets	(Amortized) cost
Cash and cash equivalents	Nominal value
Assets held for sale	Lower of carrying amount and fair value less cost to sell
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 amortized cost	(Amortized) cost
Lease liabilities	(Amortized) cost
Borrowings and other financial liabilities	At settlement amount or fair value
Other liabilities	Settlement amount

Item	Measurement method
Trade liabilities and similar liabilities	
Trade liabilities	(Amortized) cost
Contract liabilities	Settlement amount

Judgements, estimates and assumptions

For the preparation of these consolidated financial statements, **judgements, estimates and assumptions** had to be made that had an impact on the recognition and amount of assets, income, expenses and contingent liabilities.

Impact of covid-19 on accounting

In preparing the consolidated financial statements, estimates and assumptions were made resulting from the changed business circumstances due to the COVID-19 pandemic. Since mid-December 2020, the new and extended local lock-downs, especially in Germany and the Netherlands, have had a substantial impact on CECONOMY's business activities. Due to the continued lockdown extension, especially in Germany, as well as the generally high volatility of regulations in connection with COVID-19, there was very high uncertainty over the company's business performance in financial year 2020/21.

The estimates and assumptions have had an impact on the recognition and amount of assets and liabilities, as well as income and expenses. Estimates and underlying assumptions with significant effects were made, particularly for the following items:

- COVID-19 triggered an impairment test of depreciable and non-depreciable (intangible) assets including goodwill and investments accounted for using the equity method

- Measurement of inventories

Although the estimates and assumptions were made with great care, actual figures may differ in individual cases, particularly in view of the imponderables resulting from taking account of COVID-19.

Despite an adverse impact on the earnings position, the conduct of impairment tests did not provide any indication of impairment on the goodwill recognized.

The ad hoc and annual impairment tests resulted in total additional impairment for material and depreciable assets of EUR 38 million (30 September 2020: EUR 49 million), of which EUR 26 million (30 September 2020: EUR 21 million) related to property, plant and equipment, EUR 12 million (30 September 2020: EUR 27 million) to right-of-use assets and EUR 0 million (30 September 2020: EUR 1 million) to other intangible assets.

The ad hoc impairment test of investments resulted in an impairment reversal of around EUR 150 million (30 September 2020: impairment of EUR 268 million) on Fnac Darty S.A. and impairment of around EUR 18 million (30 September 2020: EUR 0 million) on PMG Retail Market Ltd.

In addition, temporary store closures meant that there was a worsening of the merchandise age structure. Beyond the resulting deductions, there are no indications for additional write-downs. Cumulative impairment of EUR 158 million was recognized as of 30 September 2021 (30 September 2020: EUR 151 million).

Recourse to the Group's syndicated credit facilities was not necessary despite the severe adverse impact on operating business as a result of the temporary store closures in the past financial year 2020/21. This applies both to the syndicated credit facilities of EUR 1,060 million currently in place and to the credit facilities in place until 9 August 2021 under the syndicated loan agreement with the involvement of KfW existing until that date, which likewise had not been utilized at any time during the financial year.

Judgements

Information on significant judgements that have the greatest material effect on the amounts reported in these consolidated financial statements is included in the following disclosures in the notes:

- Definition of the consolidation group by assessing control opportunities ("Consolidation group" section); this particularly affects investments whereby, due to special provisions in the articles of association, control opportunity is not necessarily associated with a simple majority of the voting rights.

- Determination of whether CECONOMY acts as principle or agent in sales transactions (note 1 Sales).

- Allocation of the transaction price on the basis of the relative standalone selling prices in the case of multicomponent transactions and the associated sales recognition (note 1 Sales).

Estimates and assumptions

Information on estimates and underlying assumptions with significant effects for these consolidated financial statements are included in the following disclosures in the notes:

- Group-wide definition of expected useful lives for depreciable assets (note 16 Scheduled depreciation/amortization and impairment losses, note 20 Other intangible assets and note 21 Property, plant and equipment).

- Ad hoc impairment test of depreciable assets (note 16 Scheduled depreciation/amortization and impairment losses, note 20 Other intangible assets and note 21 Property, plant and equipment).

- Annual test for indicators of impairment and, if necessary, impairment test of goodwill (note 19 Goodwill – including sensitivity analysis) and investments accounted for using the equity method (note 23 Financial investments 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 commissions (note 24 Receivables due from suppliers, other financial assets and other assets and note 27 Trade receivables and similar claims).

- Measurement of variable supplier compensation (note 24 Receivables due from suppliers, Other financial assets and non-financial assets and note 26 Inventories).

- Measurement of contract assets (note 27 Trade receivables and similar claims).

- Measurement of inventories (note 26 Inventories).

- Calculation of provisions for pensions and similar obligations (note 31 Provisions for pensions and similar obligations).

- Calculation of other provisions – e.g. for Operating Model, warranties, taxes and risks from legal proceedings (note 32 Other provisions (non-current)/provisions (current)).

- Estimation of expected returns and the associated sales recognition (note 1 Sales).

- Calculation of the fair value less costs to sell of "non-current assets held for sale, liabilities related to assets held for sale and discontinued operations" (note 13 Profit or loss for the period from discontinued operations).

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 recognized when better knowledge comes to light.

Capital management

The objectives of CECONOMY's capital management strategy are to secure business operations, increase the value of the company, create a solid capital base for funding future growth and guarantee capital service.

CECONOMY's capital management strategy has not changed compared with the previous year.

Equity, liabilities and net liquidity/net debt in the consolidated financial statements

Equity amounts to EUR 757 million (30 September 2020: EUR 548 million), while liabilities come to EUR 9,910 million (30 September 2020: EUR 9,907 million).

Net debt amounted to EUR 1,109 million as of 30 September 2021 (30 September 2020: EUR 854 million). The increase in net debt is primarily due to the increase in borrowings. Adjusted for the recognition of lease liabilities in the statement of financial position due to IFRS 16, net liquidity amounted to EUR 959 million (30 September 2020 adjusted: EUR 1,287 million).

in EUR million	30 Sept 2020	30 Sept 2021
Equity	**548**	**757**
Liabilities	**9,907**	**9,910**
Net liquidity (+)/Net debt (-)	**(854)**	**(1,109)**
Borrowings	2,422	2,865
Cash and cash equivalents	1,484	1,582
Short-term financial investments[1]	85	175

[1] Included in the statement of financial position under "other financial assets (current)"

LOCAL CAPITAL REQUIREMENTS

CECONOMY's capital management strategy always aims to ensure that the Group companies are capitalized in line with local requirements. In financial year 2020/21, all external capital requirements were met. For example, these include compliance with a certain level of indebtedness or a fixed equity ratio.

Notes to the income statement

1. Sales

Sales (net) primarily result from product sales and break down as follows:

in EUR million	DACH		Western/ Southern Europe		Eastern Europe		Others		CECONOMY	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Product sales	11,583	11,349	6,122	6,669	1,552	1,716	445	525	19,701	20,259
Services &Solutions	741	654	309	357	59	65	20	27	1,129	1,102
Total sales	**12,323**	**12,003**	**6,431**	**7,026**	**1,611**	**1,781**	**465**	**551**	**20,831**	**21,361**

In comparison with the previous year, Group sales increased by 2.5 per cent to EUR 21,361 million. The sales performance in the reporting period, which was achieved despite longer and more severe COVID-19 restrictions, was mainly driven by the sales growth in the online business. The successful campaigns around Black Friday and Cyber Week also had a positive impact on Group sales in the year as a whole. On the other hand, the sales performance in the brick-and-mortar business was significantly negative due to temporary closures of a large number of stores, especially in the winter months. National governments' measures to fight the spread of COVID-19 lasted many times longer than in the previous year and more extensively hindered the brick-and-mortar business, for example in Germany and the Netherlands. Of sales totalling EUR 21,361 million (2019/20: EUR 20,831 million), EUR 6,932 million related to online sales (2019/20: EUR 4,203 million).

28 new stores were opened in financial year 2020/21, of which three stores in Italy, seven stores in Turkey and 18 stores in Spain, including 17 stores formerly belonging to Worten Equipamentos do Lar S.A. that were reopened. A total of 33 stores were closed, of which 20 in Germany, seven in Poland, three in Belgium and one each in Austria, Italy and the Netherlands. The store network decreased to 1,018 stores as of the closing date.

2. Cost of material

The cost of sales includes costs of materials for purchased goods of EUR 17,285 million (2019/20: EUR 16,669 million).

3. Other operating income

in EUR million	2019/20	2020/21
Income from deconsolidation	10	0
Income from rents and subleases incl. reimbursements of subsidiary rental costs	9	7
Gains from the disposal of fixed assets and gains from reversal of impairment losses	5	9
Services rendered to suppliers	27	21
Cost refunds	54	59
Miscellaneous	94	108
	199	**205**

The year-on-year decline in services rendered to suppliers resulted mainly from lower service charges in Poland and Italy. Income from cost refunds primarily relates to services rendered for third parties.

The miscellaneous other operating income particularly includes income from government grants of EUR 43 million (2019/20: EUR 7 million), of which EUR 40 million (2019/20: EUR 4 million) relates to grants in response to the COVID-19 pandemic. The latter relate primarily to economic aid in connection with the temporary closure of stores. It also includes, among other things, income from claims for damages of EUR 7 million (2019/20: EUR 10 million) and income from the de-recognition of statute-barred liabilities of EUR 4 million (2019/20: EUR 3 million).

4. Selling expenses

in EUR million	2019/20	2020/21
Personnel expenses	1,536	1,434
Cost of materials	1,683	1,703
	3,219	**3,136**

Under selling expenses, personnel expenses declined primarily because of lower expenses for severance payments in connection with the introduction of a harmonized group-wide organizational structure ("Operating Model"). Personnel expenses also include government grants in connection with the COVID-19 pandemic of EUR 42 million (2019/20: EUR 19 million).

In addition, the cost of materials increased primarily due to higher inventory management costs and higher costs for cashless payments. Closures and rent reductions due to the COVID-19 pandemic had the opposite effect.

5. General administrative expenses

in EUR million	2019/20	2020/21
Personnel expenses	264	253
Cost of materials	269	285
	533	**538**

General administrative expenses decreased year on year in terms of personnel expenses. This is due to the introduction of a harmonized group-wide organizational structure ("Operating Model"). Personnel expenses also include government grants in response to the COVID-19 pandemic of EUR 2 million (2019/20: EUR 2 million).

The cost of materials increased, due primarily to IT costs.

6. Other operating expenses

in EUR million	2019/20	2020/21
Losses from the disposal of intangible assets	28	8
Miscellaneous	1	1
	29	**9**

The significant decrease in other operating expenses resulted from the losses from the disposal of intangible assets included in the previous year due to the realignment of the IT strategy.

7. Earnings share of operating companies recognized at equity/other investment result

The earnings share recognized in operating earnings from operating companies recognized at equity relates to the investment in Fnac Darty S.A. and the investment in the Greek joint venture PMG Retail Market Ltd. For both investments, income of EUR 154 million was recognized in profit or loss for financial year 2020/21 (2019/20: EUR -266 million).

In financial year 2020/21, as a result of the subsequent measurement of the investment in Fnac Darty S.A. accounted for using the equity method EUR 29 million (2019/20: EUR 3 million) was recognized in EBIT. Fnac Darty S.A. publishes information on profit or loss for the period only in the second and fourth quarters of a calendar year, with this information being the basis for the subsequent measurement of the investment accounted for using the equity method.

Based on a positive outlook for business development, despite the ongoing COVID-19 pandemic, the Fnac Darty S.A. share price had already developed so positively by 31 March 2021 that, as of this date, the fair value of the investment in Fnac Darty S.A., derived on the basis of the stock exchange price, was significantly above amortized cost. In line with IAS 28 in respect to evidence of impairment, and which correspondingly also applies to a test for a possible reversal of impairment, as of 31 March 2021 there was objective evidence that the reasons which resulted in impairment of EUR 268 million on the investment were no longer in place, neither partially nor entirely. As in the previous year, a scenario- and free cash flow-based DCF method was used to determine the value in use in the sense of a long-term performance value. With this method, EUR 415 million was determined as the recoverable amount of the investment in Fnac Darty S.A., resulting in a reversal of impairment of approximately EUR 150 million which was recognized in EBIT.

In an overall assessment of indications of potential impairment or reversal of impairment, it was ultimately found that, as of 30 September 2021, the recoverable amount of the investment in Fnac Darty S.A. was not materially different from the amortized cost of this investment. On the one hand, a prolonged upward trend in the Fnac Darty S.A. stock exchange price can be observed on the capital market – also from the perspective of 30 September 2021 – but this positive development was already accounted for at the end of the first half of 2020/21. On the other hand, there were also no indications as of 30 September 2021 that the economic environment and the economic performance of Fnac Darty S.A. had observably deteriorated since 31 March 2021. Consequently, the carrying amount of the shares in Fnac Darty S.A. as of 30 September 2021 was still within the indicative value range determined as of 31 March 2021 by way of the scenario- and free cash flow-based DCF method.

For the investment in the Greek joint venture PMG Retail Market Ltd., the investment accounted for using the equity method was subsequently measured at a value of EUR -8 million (2019/20: EUR -2 million). The subsequent measurement is based on unpublished financial information. In addition, due to objective evidence indicating potential impairment of the investment in PMG Retail Market Ltd., a scenario- and free cash flow-based DCF method was used in financial year 2020/21 to determine the value in use in the sense of a long-term performance value. As a result, the recoverable amount was calculated as EUR 0 million, which necessitated impairment of EUR 18 million recognized in EBIT.

The other investment result recognized under the net financial result was EUR 48 million (2019/20: EUR 20 million). The EUR 28 million improvement in the other investment result is primarily attributable to significantly higher investment income, which was realized as a result of the investment in METRO PROPERTIES GmbH & Co. KG. Here, it was particularly the sale of the Real property portfolio by a subsidiary of METRO PROPERTIES GmbH & Co. KG that mainly contributed to the realized investment income of EUR 25 million (2019/20: EUR 4 million). In addition, the other investment result also improved because the income from the investment in PJSC "M.video" was recognized at EUR 20 million, EUR 7 million higher than in the previous year (2019/20: EUR 13 million). The income from the investment in METRO AG, likewise recognized in the other investment result, remained constant at EUR 3 million (2019/20: EUR 3 million).

Additional information on the investments can be found under note 23 Financial investments and investments accounted for using the equity method.

8. Net impairments on operating financial assets and contract assets

Net impairments came to EUR 5 million in financial year 2020/21 (2019/20: EUR 10 million).

Additional information on net impairments can be found under note 28 Impairments of capitalized financial instruments and contract assets.

9. Interest income/interest expenses

Interest income and interest expenses from financial instruments are allocated to the measurement categories pursuant to IFRS 9 according to the underlying transactions. The net interest result comprises the following:

in EUR million	2019/20	2020/21
Interest income	9	14
thereof from lease liabilities	*0*	*0*
thereof post-employment benefit plans	*0*	*1*
thereof from financial instruments of the measurement categories according to IFRS 9:		
Loans and receivables incl. cash and cash equivalents	*0*	*0*
Financial instruments measured at amortized cost	*6*	*9*
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	(60)	(67)
thereof from lease liabilities	*(19)*	*(21)*
thereof post(employment benefit plans	*(4)*	*(5)*
thereof from financial instruments of the measurement categories according to IFRS 9:		
Financial instruments measured at fair value through profit or loss	0	0
Financial instruments measured at amortized cost	(14)	(10)
	(51)	**(53)**

10. Other financial result

Other financial income and expenses from financial instruments are allocated to the measurement categories pursuant to IFRS 9 according to the underlying transactions. In addition to income and expenses from the measurement of financial instruments in accordance with IFRS 9, this also takes into account measurements of foreign currency items under IAS 21.

in EUR million	2019/20	2020/21
Other financial income	37	48
thereof currency effects	*16*	*21*
thereof from currency hedges	*8*	*0*
Other financial expenses	(51)	(74)
thereof currency effects	*(29)*	*(19)*
thereof from currency hedges	*0*	*(10)*
Other financial result	**(14)**	**(26)**
thereof from financial instruments of the measurement categories/standards according to IFRS 9		
Loans and receivables incl. cash and cash equivalents	0	0
Financial instruments measured at amortized cost	(20)	(15)
Financial instruments measured at fair value through other comprehensive income	0	0
Financial instruments measured at fair value through profit or loss	7	(10)

Total comprehensive income from currency effects and measurement results of currency hedging transactions and currency hedging relationships comes to EUR -8 million (2019/20: EUR -6 million) and essentially relates to MediaMarkt Turkey.

Other financial income includes gains on remeasuring liabilities from non-Group shareholders' put options and from multi-year compensation payments to minority interests based on profit and loss transfer agreements concluded with selected store entities of EUR 26 million (2019/2020: EUR 13 million).

Besides currency effects, the increase in other financial expenses also results from expenses for credit and commitment fees for adjusted credit facilities in the past financial year 2020/21 of EUR 32 million (2019/20: EUR 13 million).

Additional information on the potential impact of currency risks can be found under note 42 Management of financial risks.

11. Net gains/losses by measurement category

The main effects on earnings from financial instruments are as follows:

2019/20

in EUR million	Dividends paid	Interest income/ interest expenses	Changes in market value	Net impairments	Currency translation	Other	Net gains/ losses
Financial assets at amortized cost	0	1	0	(10)	(2)	0	(11)
Financial assets at fair value through other comprehensive income (with recycling)	0	0	0	0	0	0	0
Financial assets at fair value through other comprehensive income (without recycling)	20	0	0	0	0	0	20
Financial assets/liabilities at fair value through profit or loss	0	0	7	0	0	0	7
Financial liabilities at amortized cost	0	(8)	0	0	(11)	(4)	(23)
Financial liabilities at fair value through profit or loss	0	0	0	0	0	0	0
	20	**(7)**	**7**	**(10)**	**(13)**	**(4)**	**(7)**

2020/21

in EUR million	Dividends paid	Interest income/ interest expenses	Changes in market value	Net impairments	Currency translation	Other	Net gains/ losses
Financial assets at amortized cost	0	5	0	(5)	6	1	8
Financial assets at fair value through other comprehensive income (with recycling)	0	0	0	0	0	0	0
Financial assets at fair value through other comprehensive income (without recycling)	48	0	0	0	0	0	48
Financial assets/liabilities at fair value through profit or loss	0	0	(10)	0	0	0	(10)
Financial liabilities at amortized cost	0	(7)	0	0	(4)	(14)	(25)
Financial liabilities at fair value through profit or loss	0	0	0	0	0	0	0
	48	**(2)**	**(10)**	**(5)**	**2**	**(13)**	**21**

Income and expenses from financial instruments are allocated to the measurement categories pursuant to IFRS 9 according to the underlying transactions.

Net results from the measurement of investments in the fair value category – through profit or loss and the dividends for investments in the fair value category – through other comprehensive income (without recycling) are included in the other investment result. Income and expenses from interest form part of the net interest result. Fair value measurements and the effects of other financial expenses and of currency translation for financial assets are recognized under other financial result. Earnings effects from the disposal of other financial liabilities are included in earnings before interest and taxes (EBIT). Earnings effects from the disposal of assets that were classified at fair value – through other comprehensive income (with recycling) are recognized under the other financial result, unless these are operating receivables. Expenses from impairments of operating financial instruments are included in EBIT.

The other net gains/losses from financial liabilities measured at amortized cost of EUR -14 million (2019/20: EUR -4 million) mainly relate to expenses for credit and commitment fees of EUR 32 million (2019/20: EUR 13 million) and, in contrast, gains on remeasuring liabilities from non-Group shareholders' put options and from multi-year compensation payments to minority interests based on profit and loss transfer agreements concluded with selected store entities of EUR 16 million (2019/20: EUR 8 million).

A detailed description of impairments can be found under note 28 Impairments of capitalized financial instruments and contract assets.

12. Income taxes

Expected income taxes and deferred taxes for the individual countries are to be recognized as income taxes.

in EUR million	2019/20	2020/21
Current taxes	**111**	**72**
thereof Germany	*82*	*18*
thereof international	*29*	*54*
thereof tax expenses/income of current period	*105*	*70*
thereof tax expenses/income of previous periods	*7*	*2*
Deferred taxes	(19)	(19)
thereof Germany	*(6)*	*(12)*
thereof international	*(13)*	*(7)*
	93	**53**

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 with an average assessment rate of 420.15 per cent. This gives a total tax rate of 30.53 per cent, in line with the previous year's rates. Foreign income tax rates applied are based on the laws and regulations in place in each country and range from between 11.3 per cent and 27.9 per cent (2019/20:9 per cent and 29.6 per cent).

in EUR million	2019/20	2020/21
Deferred taxes in the income statement	(19)	(19)
thereof from temporary differences	*(23)*	*(2)*
thereof from loss and interest carry-forwards	*4*	*(17)*

In addition to the recognized income taxes, there are contingent liabilities in connection with uncertain income tax items for cross-border transfer pricing and for technical requirements of systems. Despite extensive documentation on cross-border transfer pricing, there is a minor residual risk that the local tax authorities do not permit the allocated costs to be deducted, even if the German tax law demands a cost allocation. Due to the high technical implementation pressure and the high documentation requirements, there is also a slight residual risk in connection with uniform accounting rules of IT systems.

Income tax expenses of EUR 53 million (2019/20: EUR 93 million) are EUR 37 million lower than expected income tax expenses of EUR 90 million (2019/20: EUR -38 million), calculated by applying the Group tax rate (30.53 per cent) to earnings before taxes.

The reconciliation of expected to recognized income tax expenses is as follows:

in EUR million	2019/20	2020/21
Earnings before taxes	**(125)**	**296**
Expected income tax expenses (30.53 %)	(38)	90
Tax rate changes	0	0
Effects of differing national tax rates	5	(10)
Tax expenses and income relating to other periods	8	3
Effects of non-creditable taxes	0	3
Non-deductible business expenses for tax purposes	20	6
Effects of not recognized or impaired deferred taxes	42	37
Additions and reductions for local taxes	1	6
Tax holidays	(11)	(13)
Permanent differences	68	(69)
Other deviations	(2)	(2)
Income tax expenses according to the income statement	**93**	**53**
Group tax rate (in %)	**(74)**	**17.8**

The permanent differences mainly relate to the subsequent measurement of the investments in Fnac Darty S.A. of EUR -55 million (2019/20: EUR 70 million).

As in the previous year, current income tax expenses were reduced only immaterially due to the use of previously unrecognized tax losses in financial year 2020/21. Furthermore, reversal of impairment losses for deferred tax assets on loss carry-forwards and temporary differences resulted in deferred tax income of EUR 18 million (2019/20: EUR 10 million).

13. Profit or loss for the period from discontinued operations after taxes

Financial year 2020/21 includes income of EUR 13 million from discontinued operations in connection with the disposal of the Russian MediaMarkt business in financial year 2017/18 (2019/20: EUR 6 million). In the past financial year 2020/21, this results mainly from the reversal of other provisions.

14. Profit or loss for the period attributable to non-controlling interests

The profit or loss for the period attributable to non-controlling interests includes EUR 50 million (2019/20: EUR 54 million) in profit shares and EUR 27 million (2019/20: EUR 33 million) in loss shares. Discontinued operations accounted for profit shares of EUR 3 million (2019/20: EUR 1 million) and loss shares of EUR 0 million (2019/20: EUR 0 million). These were profit/loss shares of non-controlling shareholders of the MediaMarktSaturn Retail Group.

15. Earnings per share

Earnings per share is calculated by dividing the profit or loss for the period attributable to shareholders of CECONOMY AG by the number of shares outstanding. When calculating earnings per share, an additional dividend is subtracted from the profit or loss for the period attributable to the shareholders of CECONOMY AG. In accordance with Sec. 21 para. 2 of the articles of association of CECONOMY AG, the preference shareholders are entitled to an advance dividend to be paid subsequently of EUR 0.17 per preference share. There was no dilution effect, which may result from potential shares, in the reporting period or in the previous year.

	2019/20	2020/21
Number of no-par-value shares outstanding	359,421,084	359,421,084
Profit or loss for the period attributable to shareholders of CECONOMY AG (EUR million)	(232)	232
Earnings per share in EUR (basic = diluted)	**(0.65)**	**0.65**
from continuing operations	*(0.66)*	*0.62*
from discontinued operations	*0.01*	*0.03*

Earnings per share amounted to EUR 0.65 (2019/20: EUR -0.65), of which EUR 0.62 is attributable to continuing operations (2019/20: EUR -0.66 million) and EUR 0.03 to discontinued operations (2019/20: EUR 0.01).

Earnings per preference share amounted to EUR 0.71 (2019/20: EUR -0.48) in the past financial year 2020/21 and is higher than earnings per share by the amount of the additional dividend of EUR 0.06, which may not be paid retroactively. In the previous year, the earnings per preference share included the advance dividend of EUR 0.17 per preference share to be paid subsequently for financial year 2019/20 in accordance with the articles of association of CECONOMY AG.

16. Scheduled depreciation/amortization and impairment losses

Scheduled depreciation/amortization and impairments recognized in EBIT of EUR 775 million (2019/20: EUR 1,071 million) included impairments of EUR 57 million (2019/20: EUR 316 million). Of this, EUR 26 million (2019/20: EUR 21 million) are related to property, plant and equipment, EUR 18 million (2019/20: EUR 268 million Fnac Darty S.A.) to the stake held in the Greek joint venture PMG Retail Market Ltd., EUR 12 million (2019/20: EUR 27 million) to right-of-use assets, and EUR 0 million (2019/20: EUR 1 million) to other intangible assets. Impairments of property, plant and equipment mainly relate to the Western/ Southern Europe segment. Impairments of right-of-use assets mainly relate to the DACH segment.

The breakdown of amounts of depreciation/amortization in the income statement and into the relevant asset categories is as follows:

2019/20

in EUR million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Total
Cost of sales	0	1	0	3	0	4
thereof scheduled depreciation/amortization	*0*	*1*	*0*	*3*	*0*	*4*
thereof impairment losses	*0*	*0*	*0*	*0*	*0*	*0*
Selling expenses	0	12	180	558	0	750
thereof scheduled depreciation/amortization	*0*	*12*	*160*	*531*	*0*	*702*
thereof impairment losses	*0*	*0*	*21*	*27*	*0*	*47*
General administrative expenses	0	16	18	15	0	49
thereof scheduled depreciation/amortization	*0*	*15*	*18*	*15*	*0*	*48*
thereof impairment losses	*0*	*1*	*0*	*0*	*0*	*1*
Other operating expenses	0	0	0	0	0	0
thereof impairment losses	*0*	*0*	*0*	*0*	*0*	*0*
Earnings share of operating companies recognized at equity	0	0	0	0	268	268
thereof impairment losses	*0*	*0*	*0*	*0*	*268*	*268*
Total	**0**	**29**	**199**	**576**	**268**	**1,071**
thereof scheduled depreciation/amortization	***0***	***28***	***178***	***549***	***0***	***755***
thereof impairment losses	***0***	***1***	***21***	***27***	***268***	***316***

2020/21

in EUR million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Total
Cost of sales	0	0	0	1	0	1
thereof scheduled depreciation/amortization	*0*	*0*	*0*	*1*	*0*	*1*
thereof impairment losses	*0*	*0*	*0*	*0*	*0*	*0*
Selling expenses	0	9	177	522	0	708
thereof scheduled depreciation/amortization	*0*	*9*	*151*	*509*	*0*	*670*
thereof impairment losses	*0*	*0*	*26*	*12*	*0*	*38*

in EUR million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Total
General administrative expenses	0	16	16	16	0	48
thereof scheduled depreciation/amortization....	*0*	*16*	*16*	*16*	*0*	*48*
thereof impairment losses................................	*0*	*0*	*0*	*0*	*0*	*0*
Other operating expenses	0	0	0	0	0	0
thereof impairment losses................................	*0*	*0*	*0*	*0*	*0*	*0*
Earnings share of operating companies recognized at equity	0	0	0	0	18	18
thereof impairment losses................................	*0*	*0*	*0*	*0*	*18*	*18*
Total..	**0**	**25**	**193**	**539**	**18**	**775**
thereof scheduled depreciation/amortization.	***0***	***25***	***167***	***526***	***0***	***719***
thereof impairment losses	***0***	***0***	***26***	***12***	***18***	***57***

Of impairments totalling EUR 57 million (2019/20: EUR 316 million), the DACH segment accounted for EUR 12 million (2019/20: EUR 11 million), the Western/Southern Europe segment for EUR 21 million (2019/20: EUR 12 million), the Eastern Europe segment for EUR 5 million (2019/20: EUR 15 million) and the Others segment for EUR 19 million (2019/20: EUR 278 million).

17. Personnel expenses

Personnel expenses comprise the following:

in EUR million	2019/20	2020/21
Wages and salaries	1,610	1,484
Social security expenses, expenses for post-employment benefit plans and related employee benefits	358	340
thereof post-employment benefits...	*28*	*29*
	1,969	**1,824**

Wages and salaries listed under personnel expenses include expenses associated with the introduction of a harmonized group-wide organizational structure ("Operating Model") amounting to EUR 36 million (2019/20: EUR 66 million). Variable remuneration increased from EUR 62 million in the previous year to EUR 68 million in financial year 2020/21.

The decline in personnel expenses was mainly driven by the introduction of the harmonized group-wide organizational structure ("Operating Model").

Personnel expenses include cost-reducing government grants in connection with COVID-19 totalling EUR 44 million (2019/20: EUR 22 million).

The average number of employees in the Group during the year was as follows:

Workforce by headcount	2019/20	2020/21
Wage-/salary-earning employees	55,174	52,549
Trainees...	2,565	2,417
	57,739	**54,966**

This includes 16,110 part-time employees (2019/20: 17,852). 5,059 of the wage/salary earning employees are in management positions (2019/20: 4,522) and 47,490 are non-executive staff (2019/20: 50,651). 30,187 members of staff were employed outside Germany (2019/20: 31,333).

18. Other taxes

Other taxes (such as land tax, vehicle tax, excise and transfer tax) break down as follows:

in EUR million	2019/20	2020/21
Other taxes	10	14
thereof from selling expenses	*9*	*13*
thereof from general administrative expenses	*1*	*1*

Notes to the statement of financial position

19. Goodwill

Goodwill was EUR 524 million (30 September 2020: EUR 524 million).

As of the reporting date, goodwill was broken down among the following groups of cash-generating units:

	30 Sept 2020		30 Sept 2021	
	in EUR million	WACC %	in EUR million	WACC %
Germany	314	5.5	314	5.7
Italy	72	7.1	72	6.9
Netherlands	51	5.7	51	5.7
Spain	49	6.4	49	6.2
Other countries	38		38	
	524		**524**	

Based on the provisions of IFRS 3 in conjunction with IAS 36, goodwill is tested for impairment annually as of 30 September. However, if there are indications that goodwill may be impaired, 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. This group is usually each country's organizational unit.

The impairment test compares the total carrying amounts of the group of cash-generating units against the recoverable amount. The recoverable amount is the fair value minus selling expenses, which is calculated from the discounted future cash flow using inputs for level 3 of the fair value hierarchy.

The fair value hierarchy is described under note 39 Carrying amounts and fair values according to measurement categories.

Expected cash flows are based on a qualified planning process, taking into account past figures within the company as well as external economic data. The detailed planning period is three years. In deviation from this, in financial year 2020/21 the detailed planning period was extended by two additional financial years to a total of five financial years. This is intended to better reflect the short- to medium-term distortion as a result of the COVID-19 pandemic – primarily the sales and earnings slump in the financial years directly affected by national restrictions and the recovery in the subsequent financial years. After a period of three financial years, it is assumed that the country organizations are not yet in a steady state that is suitable for the perpetual annuity calculation. In line with the approach in the previous year, an annual growth rate of 1.00 per cent is assumed following the detailed planning period.

The weighted average cost of capital (WACC) is calculated as the capitalization rate using the capital asset pricing model. An individual peer group of comparable companies is assumed for all groups of cash-generating units operating in the same business unit. The capitalization rates are also determined under the assumption of a basic interest rate of 0.2 per cent (30 September 2020: 0.0 per cent) and a market risk premium of 7.5 per cent (30 September 2020: 7.1 per cent) and a beta factor of 1.16 (30 September 2020: 1.08). In deviation from this, the capitalization rate for Switzerland was derived using a basic interest rate of -0.1 per cent (30 September 2020: 0.0 per cent), a market risk premium of 6.0 per cent (30 September 2020: 7.1 per cent) and a beta factor of 1.13 (30 September 2020: 1.08). Country-specific risks premiums are charged both for the cost of equity and for borrowing costs. Capitalization rates after taxes, calculated individually for each group of cash-generating units, range from 4.3 per cent to 6.9 per cent (30 September 2020: 5.5 per cent to 7.1 per cent).

The budget planning of the previous year and especially the budget for financial year 2020/21 were based on the assumption that the further impact of the COVID-19 pandemic on both the overall economic situation and the Group's situation would not deviate significantly from the extent known at the time of their completion. Prolonged, widespread temporary closures of a significant portion of CECONOMY's brick-and-mortar business were not foreseeable at that time and were therefore not taken into account in the preparation of the budget.

Contrary to this assumption, however, the new and extended lockdowns have had a substantial impact on CECONOMY's business activities since mid-December 2020. Therefore, ad hoc goodwill impairment tests were also performed during financial year 2020/21. Despite an adverse impact on the earnings position, these ad hoc impairment tests carried out as of 31 March and 30 June 2021 did not provide any indication of impairment on the goodwill recognized.

In addition – as in the previous year – the annual impairment tests of goodwill in financial year 2020/21 were performed as of 30 September 2021.

For goodwill considered to be material, the mandatory annual impairment test as of 30 September 2021 made the following assumptions regarding sales, EBIT and the target EBIT margin for the purpose of valuation during the detailed planning period. The EBIT margin represents the ratio of EBIT to sales.

	Sales	**EBIT**	**EBIT margin**	**Detailed planning period (years)**
Germany	Slight growth	Solid growth	Solid growth	5
Italy	Slight decline	Slight growth	Slight growth	5
Netherlands	Slight growth	Significant growth	Significant growth	5
Spain	Slight growth	Slight growth	Slight growth	5

The mandatory annual test likewise confirmed the value of all goodwill capitalized as of 30 September 2021.

In addition to the impairment test, three sensitivity analyses were conducted for each group of cash-generating units. In the first sensitivity analysis, the growth rate was set at one percentage point lower. In the second sensitivity analysis, the capitalization rate for each group of cash-generating units was raised by ten per cent. The third sensitivity analysis applied a flat-rate ten per cent reduction to the assumed perpetual EBIT. These changes to the underlying assumptions would also not result in impairment for any of the groups of cash-generating units.

in EUR million	**Goodwill**
Cost	
As of 1 October 2019	531
Currency translation	0
Additions to consolidation group	0
Disposals	0
Reclassifications to IFRS 5	0
Transfers	0
As of 30 September 2020 or 1 October 2020	**531**
Currency translation	0
Additions to consolidation group	0
Disposals	0
Reclassifications to IFRS 5	0
Transfers	0
As of 30 September 2021	**531**
Impairment	
As of 1 October 2019	7
Currency translation	0
Additions	0
Additions to impairment	0
Disposals	0

in EUR million	Goodwill
Reclassifications to IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30 September 2020 or 1 October 2020	**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 September 2021	**7**
Carrying amount as of 1 Oct 2019	524
Carrying amount as of 30 Sept 2020	524
Carrying amount as of 30 September 2021	**524**

20. Other intangible assets

in EUR million	Intangible assets without goodwill	thereof internally generated intangible assets
Cost		
As of 1 October 2019	391	152
Currency translation	(2)	0
Additions to consolidation group	0	0
Additions	37	23
Disposals	(25)	(24)
Reclassifications to IFRS 5	0	0
Transfers	0	(1)
As of 30 September 2020 or 1 October 2020	**400**	**150**
Currency translation	0	0
Additions to consolidation group	0	0
Additions	49	22
Disposals	(11)	0
Reclassifications to IFRS 5	0	0
Transfers	1	12
As of 30 September 2021	**439**	**183**
Scheduled amortization and impairment losses		
As of 1 October 2019	276	75
Currency translation	(1)	0
Additions	28	11
Additions to impairment	1	0
Disposals	(5)	(4)
Reclassifications to IFRS 5	0	0
Reversals of impairment losses	0	0

in EUR million	Intangible assets without goodwill	thereof internally generated intangible assets
Transfers	0	0
As of 30 September or 1 October 2020	**298**	**83**
Currency translation	0	0
Additions	25	10
Additions to impairment	0	0
Disposals	(11)	0
Reclassifications to IFRS 5	0	0
Reversals of impairment losses	0	0
Transfers	1	(1)
As of 30 September 2021	**314**	**92**
Carrying amount as of 1 October 2019	115	77
Carrying amount as of 30 September 2020	102	68
Carrying amount as of 30 September 2021	**125**	**91**

Other intangible assets include exclusively intangible assets with a limited useful life. These are thus amortized and subject to an impairment test only when necessary.

Additions totalling EUR 49 million (2019/20: EUR 37 million), of which EUR 22 million (2019/20: EUR 23 million) is attributable to internally generated intangible assets, mainly relating to software under development in the amount of EUR 20 million (2019/20: EUR 22 million). The other additions of EUR 28 million (2019/20: EUR 13 million) mainly include concessions, rights, licences and brands of EUR 15 million (2019/20: EUR 11 million).

Disposals amounted to EUR 1 million (2019/20: EUR 20 million), of which EUR 0 million (2019/20: EUR 20 million) is attributable to internally generated intangible assets. In the previous year, these related to software under development. The other disposals of EUR 1 million (2019/20: EUR 0 million) mainly relate to concessions, rights, licences and brands of EUR 1 million (2019/20: EUR 0 million).

Scheduled amortizations amounted to EUR 25 million (2019/20: EUR 28 million). Of this, EUR 16 million (2019/20: EUR 15 million) was recognized in general administrative expenses, EUR 9 million (2019/20: EUR 12 million) in selling expenses and EUR 0 million (2019/20: EUR 1 million) in cost of sales.

There were impairments of EUR 0 million in financial year 2020/21 (2019/20: EUR 1 million). In the previous year, these related to software under development.

As in the previous year, there are no restrictions on ownership or title for intangible assets. Purchase obligations of EUR 2 million (30 September 2020: EUR 2 million) were concluded for intangible assets.

21. Property, plant and equipment

Property, plant and equipment of EUR 507 million (30 September 2020: EUR 567 million) was recognized as of 30 September 2021. Changes in property, plant and equipment can be seen in the following table.

in EUR million	Land and buildings	Other plant, business and office equipment	Assets under construction	Total
Cost				
As of 1 October 2019	5	2,865	13	2,884
Currency translation	0	(29)	(1)	(30)
Additions to consolidation group	0	0	0	0
Additions	0	100	8	109
Disposals	0	(129)	(1)	(129)
Reclassifications to IFRS 5	0	0	0	0
Transfers	0	9	(9)	0
As of 30 September or 1 October 2020	**5**	**2,817**	**10**	**2,833**
Currency translation	0	(5)	(1)	(5)
Additions to consolidation group	0	0	0	0
Additions	0	134	22	156
Disposals	0	(216)	(1)	(217)
Reclassifications to IFRS 5	0	0	0	0
Transfers	0	12	(9)	3
As of 30 September 2021	**5**	**2,742**	**23**	**2,770**
Scheduled depreciation and impairment losses				
As of 1 October 2019	5	2,188	0	2,193
Currency translation	0	(21)	0	(21)
Additions	0	178	0	178
Additions to impairment	0	21	0	21
Disposals	0	(104)	0	(104)
Reclassifications to IFRS 5	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	0	0	0
As of 30 September or 1 October 2020	**5**	**2,261**	**0**	**2,266**
Currency translation	0	(3)	0	(3)
Additions	0	167	0	167
Additions to impairment	0	26	0	26
Disposals	0	(196)	0	(196)
Reclassifications to IFRS 5	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	3	0	3
As of 30 September 2021	**5**	**2,258**	**0**	**2,262**
Carrying amount as of 1 October 2019	0	677	13	691
Carrying amount as of 30 September 2020	0	557	10	567
Carrying amount as of 30 September 2021	**0**	**485**	**23**	**507**

Property, plant and equipment decreased by EUR 60 million from EUR 567 million to EUR 507 million as depreciation and disposals exceeded investments.

Scheduled depreciations amounted to EUR 167 million (2019/20: EUR 178 million). Of this, EUR 151 million (2019/20: EUR 160 million) was recognized in selling expenses, EUR 16 million (2019/20: EUR 18 million) in general administrative expenses and EUR 0 million (2019/20: EUR 0 million) in cost of sales.

In the past financial year 2020/21, impairments totalling EUR 26 million (2019/20: EUR 21 million) were recognized on property, plant and equipment. Here, sustained losses of and decisions to close stores, allocated to property, plant and equipment, resulted in impairment tests at the level of the respective store as 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 calculated as the fair value minus selling expenses, which is calculated from the discounted future cash flow using inputs for 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 recognized 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. In the past financial year 2020/21 and in the previous year, this test did not result in the reversal of impairment losses on property, plant and equipment.

There were no restrictions on title in the form of liens or encumbrances for property, plant and equipment in neither financial year 2020/21 nor in the previous year.

Purchase obligations of EUR 17 million (30 September 2020: EUR 12 million) were concluded for property, plant and equipment.

22. Right-of-use assets

On conclusion of a contract, CECONOMY determines whether the contract is, or contains, a lease in accordance with IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease contract conveys the right to control the use of an identified asset if the lessee has the right to draw substantially all the economic benefits from using the asset throughout the period of use and to make decisions about the use of the identified asset during the lease term.

All stores in the Group are leased. These comprise land and buildings for the electronics stores as well as additional warehouse space. These real estate leases are generally concluded for a non-cancellable basic rental period of between five and ten 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:

in EUR million	Real estate	Vehicle fleet	IT infrastructure	Business and office equipment	Total
Right-of-use assets as of 1 Oct 2020	**1,982**	**6**	**19**	**15**	**2,021**
Currency translation	(4)	0	0	0	(4)
Additions	542	2	6	0	551
Disposals	(93)	0	(6)	0	(100)
Depreciation and impairment	(523)	(3)	(9)	(4)	(539)
Reversals of impairment losses	4	0	0	0	4
Right-of-use assets as of 30 September 2021	**1,907**	**5**	**10**	**11**	**1,933**

In addition to the depreciation, impairment and reversals of impairment losses, the following lease expenses were recognized in profit or loss for the period:

in EUR million	2019/20	2020/21
Interest expenses	19	21
Expenses for short-term leases accounted for in accordance with IFRS 16.6	4	3
Expenses for leases for low-value assets accounted for in accordance with IFRS 16.6	10	11
Expenses for variable lease payments	14	14
	47	**49**

Sustained losses and decisions to close stores resulted in impairment tests at the level of the respective store as 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 benchmark rents determined by experts 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. The comparison of the carrying amounts of these cash-generating units with the recoverable amounts resulted in an impairment of EUR 12 million (2019/20: EUR 27 million) and a reversal requirement of EUR 4 million (2019/20: EUR 0 million) because the reasons for the impairment had ceased to exist.

In the past financial year 2020/21, the total cash outflow for leases amounted to EUR 543 million (2019/20: EUR 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 of sales-based rents amount to EUR 87 million (2019/20: EUR 73 million) over a planning period of three years.

Extension and termination options

Many real estate leases contain extension and termination options, which CECONOMY can in some cases exercise up to one year before the end of the non-cancellable lease term. Where possible, extension options are sought to be included in 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 maximize operational flexibility regarding duration and the closure of stores. These options can usually be exercised only 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. It is reassessed whether the exercise of extension or termination options is reasonably certain upon the occurrence of either a significant event or a significant change in circumstances.

The potential future lease payments from contractual options that could be exercised before 30 September 2031 but are not recognized in the statement of financial position amount to EUR 2,321 million (30 September 2020: EUR 2,404 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 2021, there are future payment obligations of EUR 19 million (30 September 2020: EUR 7 million) for leases that had not yet commenced and were therefore not included in the measurement of lease liabilities.

There are no lease payments from subleases that CECONOMY will receive from properties in the future and that are classified as finance leases (30 September 2020: EUR 0 million).

Lease payments from subleases that are classified as operating leases and that CECONOMY will receive in the future amount to EUR 7 million nominally (30 September 2020: EUR 8 million).

They break down as follows:

in EUR million	30 Sept 2020	30 Sept 2021
Up to 1 year	2	3
1 to 2 years	2	2
2 to 3 years	2	1
3 to 4 years	1	1
4 to 5 years	1	0
Over 5 years	0	0
	8	**7**

23. Financial investments and investments accounted for using the equity method

Financial assets

Financial assets of EUR 280 million (30 September 2020: EUR 280 million) were recognized as of 30 September 2021.

Financial assets include EUR 266 million (30 September 2020: EUR 268 million) in investments and EUR 13 million (30 September 2020: EUR 13 million) in loans.

In addition to the PJSC "M.video" investment, included in financial assets in the amount of EUR 188 million as of 30 September 2021 (30 September 2020: EUR 200 million), an approximately one per cent share in METRO AG amounting to EUR 41 million (30 September 2020: EUR 31 million) and a 6.61 per cent interest in METRO PROPERTIES GmbH & Co. KG of EUR 35 million (30 September 2020: EUR 35 million) are also recognized under financial assets.

The approximately one per cent share held directly by CECONOMY AG in METRO AG is subject to a seven-year tax vesting period, meaning that it cannot be sold without incurring negative tax consequences. The vesting period ends on 30 September 2023. On 19 September 2016, CECONOMY AG and the current METRO AG entered into an option agreement on the remaining partnership interest in METRO PROPERTIES GmbH & Co. KG. Under this agreement, CECONOMY AG grants METRO AG a call option and METRO AG grants CECONOMY AG a put option in relation to this partnership interest in CECONOMY AG. Each of the options can be exercised only in certain time-frames of six months in each case. The call option cannot be exercised until three years after the spin-off takes effect and the put option until seven years after the spin-off takes effect. The disposal, transfer and pledging of company shares is linked to approval requirements in the company agreement.

These investments are recognized at fair value through other comprehensive income in accordance with exercising the option. Information on other investments recognized at fair value through other comprehensive income is given in the following table.

in EUR million	Fair value as of 30 Sept 2020	Investment income recognized in 2019/20	Fair value as of 30 Sept 2021	Investment income recognized in 2020/21
METRO AG	31	3	41	3
PJSC "M.video"	200	13	188	20
METRO PROPERTIES GmbH & Co. KG	35	4	35	25
Others	2	0	3	0
Total	**268**	**20**	**266**	**48**

EUR -2 million (2019/20: EUR 1 million) was reported in other comprehensive income in financial year 2020/21.

Investments accounted for using the equity method

As of 30 September 2021, investments accounted for using the equity method of EUR 425 million were recognized (30 September 2020: EUR 266 million). The investment accounted for using the equity method in the associate Fnac Darty S.A., which had a carrying amount of EUR 425 million as of 30 September 2021 (30 September 2020: EUR 241 million), is material.

Fnac Darty S.A., a leading French retailer for 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 shareholding as of 30 September 2021 was 24.30 per cent (30 September 2020: 24.44 per cent).

CECONOMY reported profit for the period of EUR 180 million in financial year 2020/21 (2019/20: EUR -265 million). This particularly includes a reversal of impairment of EUR 150 million, which partially compensated for the impairment of EUR 268 million recognized in the previous year on the investment in Fnac Darty S.A.

Additional information on the impairment reversal and the impairment test of the investment in Fnac Darty S.A. can be found under note 7 Earnings share of operating companies recognized at equity/other investment result.

In addition, pro rata net income recognized through profit or loss, effects from the change in equity interest and write--owns on hidden reserves were recognized in profit or loss for the period at EUR 29 million (2019/20: EUR 3 million).

EUR 11 million (2019/20: EUR -7 million) was recognized in other comprehensive income in financial year 2020/21.

Reconciliation of financial market information for Fnac Darty S.A. to the carrying amount of the investment

in EUR million	30 Sept 2020	30 Sept 2021
Net assets 100 %[1]	1,271	1,409
CECONOMY's share in net assets	311	342
Impairment on the carrying amount of the investment	(268)	0
Reversal of impairment on the carrying amount of the investment	0	150
Adjusted goodwill from purchase price allocation	198	(67)
Carrying amount of the investment	**241**	**425**

1 Derived from the interim financial report as of 30 June 2020 and the interim financial report as of 30 June 2021

Fnac Darty S.A. issues information on profit or loss for the period only in the second and fourth quarters of a calendar year. This information forms the basis of the adjustment to the equity investment.

The following table provides information about Fnac Darty S.A.:

in EUR million	30 Sept 2020	30 Sept 2021
Size of share (in %)	24.44	24.30
Pro rata stock market value	251	369
Carrying amount	240	425

Disclosures on the income statement	2019/20[1]	2020/21[2]
Sales	2,849	3,465
Post-tax earnings from continuing operations	(77)	1
Post-tax earnings from discontinued operations	(42)	17
Other comprehensive income	(10)	27
Total comprehensive income	(128)	44
Dividends paid to the Group	0	7

Disclosures on the statement of financial position	30 June 2020[1]	30 June 2021[2]
Non-current assets	3,825	3,875
Current assets	2,333	1,899
Non-current liabilities	2,227	2,199
Current liabilities	2,698	2,166

1 Information according to the interim financial report as of 30 June 2020 for the period 1 January 2020-30 June 2020
2 Information according to the interim financial report as of 30 June 2021 for the period 1 January 2021-30 June 2021

In addition to Fnac Darty S.A., CECONOMY holds a 25 per cent stake in the Greek joint venture PMG Retail Market Ltd., which was founded in financial year 2019/20 by Media-Saturn-Holding GmbH (MSH) and Olympia Group Ltd. (Olympia). PMG Retail Market Ltd. is classified as a joint venture and is recognized in CECONOMY's consolidated financial statements using the equity method in accordance with IAS 28.

The table below shows CECONOMY's share in certain earnings figures of PMG Retail Market Ltd. and its subsidiaries:

in EUR million	2020[1]	2021[2]
Profit or loss from continuing operations	(5)	(5)
Post-tax profit or loss from discontinued operations	0	0
Other comprehensive income	0	-
Total comprehensive income	**(5)**	**(5)**

1 The information is based on unpublished financial information from PMG Retail Marked Ltd. for the short financial year from 21 November 2019 to 31 December 2020 and the likewise unpublished financial information of the subsidiaries for financial year 2020.
2 The information is based on unpublished financial information for the period from January to June 2021. The other comprehensive income of PMG Retail Market Ltd. and its subsidiaries is calculated exclusively for the purposes of the annual financial statements.

For the investment in the Greek joint venture PMG Retail Market Ltd., the investment accounted for using the equity method was first subsequently measured at EUR -8 million (2019/20: EUR -2 million). The subsequent measurement is based on unpublished financial information. In addition, due to objective evidence indicating potential impairment, a scenario- and free cash flow-based DCF method was used in financial year 2020/21 to determine the value in use in the sense of a long-term performance value. This resulted in impairment of EUR 18 million recognized in EBIT. After this impairment, the carrying amount as of 30 September 2021 was EUR 0 million (30 September 2020: EUR 26 million).

24. Receivables due from suppliers, other financial assets and other assets

in EUR million	30 September 2020			30 September 2021		
	Remaining term			Remaining term		
	Total	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year
Receivables due from suppliers	**1,302**	**1,302**	**0**	**1,142**	**1,142**	**0**
Securities	85	85	0	175	175	0
Miscellaneous financial assets	68	66	2	104	101	3
Other financial assets	**153**	**151**	**2**	**279**	**276**	**3**
Other entitlements to tax refunds	101	101	0	127	127	0
Prepaid expenses and deferred charges	61	51	10	62	54	8
Miscellaneous other assets	2	2	0	2	2	0
Other assets	**164**	**154**	**11**	**192**	**183**	**8**

Receivables due from suppliers in the amount of EUR 1,142 million (30 September 2020: EUR 1,302 million) essentially include invoiced receivables and accruals for subsequent supplier compensation (such as costs of bonuses and advertising).

The EUR 175 million (30 September 2020: EUR 85 million) recognized under short-term securities comprises money market securities of EUR 100 million (30 September 2020: EUR 0 million) and purchased commercial paper of EUR 75 million (30 September 2020: EUR 85 million).

Miscellaneous financial assets increased to EUR 104 million (30 September 2020: EUR 68 million). Refund claims against a bank from the sale of receivables in the mobile communications area are a key component of miscellaneous financial assets.

Other entitlements to tax refunds include input taxes that cannot yet be offset of EUR 87 million (30 September 2020: EUR 75 million), entitlements to VAT refunds of EUR 25 million (30 September 2020: EUR 17 million) and other entitlements to tax refunds of EUR 15 million (30 September 2020: EUR 9 million).

Prepaid expenses include accrued rent, lease and interest prepayments and other deferred assets.

25. Deferred tax assets/deferred tax liabilities

Deferred tax assets on loss carry-forwards and temporary differences before offsetting were recognized at EUR 175 million (30 September 2020: EUR 145 million), representing a rise of EUR 30 million against the figure as of 30 September 2020. Deferred tax liabilities before offsetting came to EUR 105 million (30 September 2020: EUR 94 million) and increased by EUR 11 million in comparison to 30 September 2020. Deferred tax assets and liabilities are offset within each company or tax group. After offsetting, EUR 99 million in deferred tax assets and EUR 29 million in deferred tax liabilities were recognized as of the closing date.

Deferred taxes relate to the following balance sheet items:

in EUR million	30 September 2020		30 September 2021	
	Assets	Liabilities	Assets	Liabilities
Goodwill	0	3	0	3
Other intangible assets	18	11	26	17
Property, plant and equipment	16	14	11	15
Inventories	24	1	31	1
Receivables and other assets	5	32	7	34
Provisions for pensions and similar obligations	40	9	36	5
Other provisions	12	5	8	8
Borrowings	0	0	0	2
Other financial and non-financial liabilities	26	16	19	16
Outside basis differences	0	3	0	2
Write-downs of temporary differences	(58)	0	(42)	0
Loss carry-forwards	60	0	77	0
Subtotal before offsetting	**145**	**94**	**175**	**105**
Offsetting	(61)	(61)	(76)	(76)
Carrying amount of deferred taxes	**84**	**33**	**99**	**29**

The table below shows the loss and interest carry-forwards in the Group as a whole:

in EUR million	30 Sept 2020	30 Sept 2021
Corporate tax losses	2,159	2,369
Trade tax losses	1,798	2,059
Interest carry-forwards/other carry-forwards	84	173

EUR 1,466 million (30 September 2020: EUR 1,353 million) of corporate income tax loss carry-forwards as of 30 September 2021 is attributable to German companies and EUR 903 million (30 September 2020: EUR 806 million) to foreign companies. Trade tax loss carry-forwards include EUR 125 million (30 September 2020: EUR 132 million) of loss carry-forwards relating to local taxation of companies outside Germany.

In addition to the interest carry-forward of EUR 132 million (30 September 2020: EUR 40 million), a carry-forward item within the meaning of Sec. 4f of the German Income Tax Act (EStG) arose in financial year 2017/18 in connection with the disposal of certain pension obligations. This item is reversed over 15 years and totalled EUR 40 million (30 September 2020: EUR 44 million) as of 30 September 2021.

With regard to the loss and interest carry-forwards and temporary differences in the Group as a whole (see table above), no deferred tax assets are recognized on the basis of a current five-year plan in the following amounts, as it is unlikely that the claims will be realized in the short to medium term:

in EUR million	30 Sept 2020	30 Sept 2021
Corporate tax losses	1,927	2,086
Trade tax losses	1,617	1,816
Interest carry-forwards/other carry-forwards	84	173
Temporary differences	234	168

In accordance with IAS 12 (Income Taxes), deferred tax liabilities are to be recognized for the difference between the pro rata equity of a subsidiary recognized in the consolidated statement of financial position and the carrying amount of the investment for this subsidiary on the parent company's tax balance sheet (known as outside basis differences), if realization is expected. These differences are chiefly the result of retained earnings of German and foreign subsidiaries. No deferred taxes were calculated on these retained earnings because they are reinvested indefinitely or are not subject to taxation. Dividend taxation would have to be paid on any dividends from subsidiary corporations. In addition, dividends from countries outside Germany could trigger a withholding tax. As of 30 September 2021, EUR 2 million (30 September 2020: EUR 3 million) was recognized in deferred tax liabilities from outside basis differences for planned dividend payments.

The table below shows the tax effects on components of other comprehensive income:

in EUR million	2019/20			2020/21		
	Before taxes	**Taxes**	**After taxes**	**Before taxes**	**Taxes**	**After taxes**
Currency translation differences from translating the financial statements of foreign operations	(11)	0	(11)	(11)	0	(11)
Gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income	1	0	1	(2)	0	(2)
Remeasurement of defined benefit pension plans	3	(1)	1	22	0	22
Subsequent measurement of associates/joint ventures accounted for using the equity method	(7)	0	(7)	11	0	11
	(14)	**(1)**	**(15)**	**21**	**0**	**21**

26. Inventories

Inventories rose by EUR 162 million in comparison to the previous period, from EUR 2,949 million to EUR 3,111 million.

The increase was mainly attributable to the Western/Southern Europe segment at EUR 117 million and the Eastern Europe segment at EUR 27 million.

Inventories contain impairments of EUR 158 million (30 September 2020: EUR 151 million).

CECONOMY's inventories are subject to retentions of title customary under industry standards.

Assets in connection with right of return are recognized under inventories in the amount of EUR 14 million (30 September 2020: EUR 15 million).

27. Trade receivables and similar claims

Trade receivables and similar claims decreased from EUR 488 million to EUR 361 million.

in EUR million	30 Sept 2020	30 Sept 2021
Trade receivables	212	183
Contract assets	276	179
Trade receivables and similar claims	488	361
thereof remaining term ≤12 months	*380*	*280*
thereof remaining term > 12 months	*108*	*81*

The EUR 29 million decline in CECONOMY's trade receivables against the previous period from EUR 212 million to EUR 183 million is primarily attributable to the DACH segment at EUR 24 million.

Contract assets of EUR 179 million (30 September 2020: EUR 276 million) primarily represent claims from mobile communications providers. As soon as the claim arising from a contract asset is substantiated, it is transferred to trade receivables.

The item Trade receivables and similar claims recognized under current assets includes items with a remaining term of over one year in the amount of EUR 81 million (30 September 2020: EUR 108 million), which result primarily from claims from mobile communications 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 nominal volume of the default guarantees provided of EUR 15 million (30 September 2020: EUR 15 million) was recognized as a liability, and the customer receivables in the same amount were not fully derecognized. As of 30 September 2021, the carrying amount of the original asset was EUR 89 million (30 September 2020: EUR 91 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 are presented by a low default rate leading to low utilization of the default guarantees.

There are no restrictions regarding the transferred assets.

Revolving commission receivables due from contract partners in the mobile communications area were sold as part of two further factoring programmes. Here, CECONOMY provides guarantees for partial defaults by the end customer of up to a maximum of EUR 43 million (30 September 2020: EUR 30 million). Thus, a continuing involvement was recognized as a liability and the customer receivables in the same amount were not fully derecognized. The carrying amount of the original asset as of 30 September 2021 was EUR 164 million (30 September 2020: EUR 98 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 EUR 4 million (30 September 2020: EUR 1 million). Opportunities are presented by a low default rate leading to low utilization of the default guarantees.

There are no restrictions regarding the transferred assets.

28. Impairments of capitalized financial instruments and contract assets

Capitalized financial instruments are impaired via an allowance account and reduce the carrying amount of the financial assets.

General approach

Impairment is to be calculated in accordance with the general approach for all financial instruments measured at amortized cost or at fair value through other comprehensive income with recycling and that do not fall under the simplified approach.

In financial year 2020/21, CECONOMY applied the general approach, including stages 1 and 2 for the expected credit 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 are recognized; their amounts are immaterial in terms of risk provisioning.

The following table shows the gross carrying amounts of the impairments on receivables due from suppliers:

in EUR million	**Stage 1 Credit risk unchanged since recognition**	**Stage 2 Increased credit risk**	**Stage 3 Credit-impaired**	**30 Sept 2020 Total**
Suppliers with investment grade credit ratings	704	0	0	704
Other suppliers	491	105	20	616
	1,195	**105**	**20**	**1,320**

in EUR million	**Stage 1 Credit risk unchanged since recognition**	**Stage 2 Increased credit risk**	**Stage 3 Credit-impaired**	**30 Sept 2021 Total**
Suppliers with investment grade credit ratings	499	0	0	499
Other suppliers	486	152	22	660
	986	**152**	**22**	**1,159**

The "other suppliers" category includes suppliers with a non-investment grade credit rating and suppliers for which an industry average was used as the basis of the calculation for materiality reasons or due to a lack of credit rating.

Impairments in 2020/21 for expected losses and losses already incurred for receivables due from suppliers correspond to the general approach and are presented below:

EUR million	Stage 1 Credit risk unchanged since recognition	Stage 2 Increased credit risk	Stage 3 Credit-impaired	Total
Risk provisions as of 30 September 2020	**2**	**1**	**16**	**18**
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	(1)	0	(2)	(2)
Other changes[1]	0	0	0	0
Risk provisions as of 30 September 2021	**1**	**1**	**15**	**17**

[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 2020/21 and that are not yet subject to enforcement measures amount to EUR 8 million (30 September 2020: EUR 12 million).

Simplified approach

In financial year 2020/21, the simplified approach was used for trade receivables measured at amortized cost and for contract assets, in each case excluding the part relating to a continuing involvement.

Risk provisions for this item are generally measured on the basis of impairment matrices. Receivables were pooled together 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 business activities of the operations.

The impairment is recognized for a portion of the trade receivables with the impairment matrix applied. If an individual approach is not taken, the impairment matrix is applied. The following table shows the gross carrying amounts:

in EUR million	Total carrying amount as of 30 Sept 2020	Thereof not pas due, not impaired	Thereof past due, not impaired				
			Due within the last 90 days	91 to 180 days past due	181 to 270 days past due	271 to 360 days past due	More than 36 days past due
Expected default rate (in %)	3.1	1.2	2.5	7.1	18.8	18.0	24.6
Gross carrying amount excluding impaired receivables	87	60	17	3	2	2	3
Risk provision	**3**	**1**	**0**	**0**	**0**	**0**	**1**

in EUR million	Total carrying amount as of 30 Sept 2021	Thereof not pas due, not impaired	Thereof past due, not impaired				
			Due within the last 90 days	91 to 180 days past due	181 to 270 days past due	271 to 360 days past due	More than 36 days past due
Expected default rate (in %)	1.4	0.2	1.7	4.5	7.7	19.8	13.4
Gross carrying amount excluding impaired receivables	98	73	15	3	2	1	4
Risk provision	**1**	**0**	**0**	**0**	**0**	**0**	**1**

In addition to the risk provisions shown in the table above, EUR 14 million (30 September 2020: EUR 12 million) in specific bad debt allowances was recognized on the gross carrying amount of EUR 122 million (30 September 2020: EUR 117 million).

Trade receivables that were written down in financial year 2020/21 and that are not yet subject to enforcement measures amount to EUR 18 million (30 September 2020: EUR 11 million).

Trade receivables and contract assets from mobile communications providers are measured individually using the individual providers' credit risks. As in the previous year, minor risk provisions were made on a gross carrying amount of EUR 198 million (30 September 2020: EUR 342 million). Of the gross carrying amount, 94.9 per cent (30 September 2020: 99.2 per cent) of the mobile communications providers meet investment grade criteria and thus have a good to very good credit rating.

In addition to the risk provisions shown above, as in the previous year, EUR 0 million in specific bad debt allowances was recognized on a gross carrying amount of the trade receivables and contract assets from mobile communications providers.

in EUR million	2020/21
Impairments as of 30 September 2020 as per IFRS 9	**15**
Currency translation	0
Additions	12
Reversal	(8)
Reclassifications to IFRS 5	0
Utilization	(4)
Transfers	0
Impairments as of 30 September 2021 as per IFRS 9	**16**

Additional information on credit rating and credit risks can be found under note 42 Management of financial risks and in the notes to the Group accounting principles and methods.

29. Cash and cash equivalents

in EUR million	30 Sept 2020	30 Sept 2021
Cheques and cash on hand	51	51
Bank deposits and other financial assets that can quickly be converted into cash	1,433	1,531
	1,484	**1,582**

For details, please refer to the cash flow statement and note 40 Notes to the cash flow statement.

30. Equity

Share capital has not changed in terms of its amount or breakdown into ordinary and preference shares in comparison to 30 September 2020 and comes to EUR 918,845,410.90. It is divided as follows:

No-par value bearer shares, pro rate value per share in the share capital approx. EUR 2.56		30 Sept 2020	30 Sept 2021
Ordinary shares	Number	356,743,118	356,743,118
	EUR approx.	911,999,300	911,999,300
Preference shares	Number	2,677,966	2,677,966
	EUR approx.	6,846,111	6,846,111
Total shares	**Number**	**359,421,084**	**359,421,084**
Total share capital	**EUR approx.**	**918,845,411**	**918,845,411**

Each ordinary share carries one vote. In particular, ordinary shares also entitle the holder to receive dividends. Unlike ordinary shares, preference shares do not generally grant voting rights and provide a preferential right to profits in accordance with Sec. 21 of CECONOMY AG's articles of association. These state that:

"(1) Holders of preference shares without voting rights receive an advance dividend from annual balance sheet profit to be paid subsequently of EUR 0.17 per preference share.

(2) If the distributable balance sheet profit in a financial year is not sufficient to pay the advance dividend, the arrears are payable without interest from the balance sheet profit for the following financial years in such a way that the older arrears are settled before the more recent ones and the preferred dividends payable for the financial year from this same year's profits are not paid until after all arrears have been repaid.

(3) After advance dividends have been distributed, holders of ordinary shares receive a dividend of EUR 0.17 per ordinary share. An additional dividend of EUR 0.06 per preference share, which may not be paid retroactively, is then paid to the holders of preference shares without voting rights. The additional dividend amounts to 10 per cent of dividends paid to holders of ordinary shares, taking into account para. 4, if this reaches or exceeds EUR 1.02 per ordinary share.

(4) Holders of preference shares without voting rights and holders of ordinary shares participate in a further profit distribution equally in accordance with their share in share capital."

Authorized capital

The General Meeting held on 13 February 2019 authorized the Management Board, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 12 February 2024 up to a maximum of EUR 321,600,000 by issuing new no-par value ordinary bearer shares against cash or non-cash contributions (Authorized Capital). The Management Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' subscription rights in certain, pre-defined cases. Authorized Capital has not yet been utilized.

Contingent capital

The General Meeting held on 13 February 2019 resolved to contingently increase share capital by up to EUR 127,825,000, divided into up to 50,000,000 no-par value ordinary bearer shares (contingent capital). 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 12 February 2024 in a total nominal amount of up to EUR 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 EUR 127,825,000, in accordance with the provisions of the conditions for the respective warrant or convertible bond, or to grant CECONOMY AG the right to grant 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 disapply 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 13 February 2019 authorized the company to purchase treasury shares of any share class until 12 February 2024 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 and/or convertible bonds and to purchase treasury shares can be found in the combined management report – Disclosures pursuant to Sec. 315a para. 1 and Sec. 289a para. 1 of the German Commercial Code and explanatory report by the Management Board.

Capital reserve

The capital reserve amounts to EUR 321 million (30 September 2020: EUR 321 million).

Reserves retained from earnings

Reserves retained from earnings include cumulative other comprehensive income and other reserves retained from earnings.

in EUR million	30 Sept 2020	30 Sept 2021
Gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income	15	16
Currency translation differences from translating the financial statements of foreign operations	(14)	(23)
Remeasurement of defined benefit pension plans	(306)	(284)
Subsequent measurement of associates/joint ventures accounted for using the equity method	(222)	(51)
Income tax attributable to items of other comprehensive income	(1)	2
Other reserves retained from earnings	(226)	(187)
	(753)	**(527)**

Reserves retained from earnings increased by EUR 227 million year on year from EUR -753 million to EUR -527 million as of 30 September 2021. This is primarily attributable to the positive development of the profit or loss for the period attributable to shareholders of CECONOMY AG of EUR 232 million (2019/20: EUR -232 million). In addition to the reversal of the impairment of the Fnac Darty S.A. share of EUR 150 million in the second quarter of 2020/21, after impairment of EUR 268 million in the previous year, a EUR 14 million improvement in the financial result and an EUR 40 million reduction in income tax expenses also had a positive effect on the profit or loss for the period.

The distributions of EUR 8 million (2019/20: EUR 8 million) result exclusively from distributions to minority shareholders, whose shares are reported in full as liabilities due to put options.

The changes in the financial instruments shown above and the related deferred tax effects include gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income of EUR 1 million (2019/20: EUR -7 million) and related in the past financial year 2020/21 to the subsequent measurements of the PJSC "M.video" investment of EUR -9 million and the METRO AG investment of EUR 10 million.

An overview of the tax effects on components of other comprehensive income can be found under note 25 Deferred tax assets/deferred tax liabilities.

Non-controlling interests

Non-controlling interests include third party interests in the equity of consolidated subsidiaries. In the past financial year 2020/21, they amounted to EUR 44 million (30 September 2020: EUR 61 million). The decline of EUR 18 million resulted primarily from distributions of EUR 30 million, of which EUR 26 million was attributable to Convergenta Invest GmbH. This includes distributions of EUR 2 million (2019/20: EUR 2 million) to minority shareholders, whose shares are reported in full as liabilities due to put options. Total comprehensive income of EUR 18 million (2019/20: EUR 27 million) developed particularly positively.

Material non-controlling interests are held only in Media-Saturn-Holding GmbH.

Appropriation of the balance sheet profit, dividend

The dividend distribution of CECONOMY AG is based on the annual financial statements of CECONOMY AG in accordance with German commercial law.

No dividend was distributed for financial year 2019/20 on account of CECONOMY AG's net loss under German commercial law. The balance sheet loss of EUR 91 million was carried forward to new account as a loss carry-forward.

For the appropriation of the balance sheet profit 2020/21, the Management Board of CECONOMY AG proposes to the General Meeting to distribute a dividend of EUR 0.17 per ordinary share and EUR 0.23 per preference share from the reported net income for the year of around EUR 86 million, plus an advance dividend totalling EUR 0.51 per preference share not paid for financial years 2017/18, 2018/19 and 2019/20 and payable subsequently in accordance with Sec. 21 para. 2 of the articles of association of CECONOMY AG, therefore around EUR 63 million in total, with the remainder to be carried forward to new account.

31. Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are recognized in accordance with IAS 19 (Employee Benefits).

Provisions for pensions and similar obligations include obligations that mostly relate to benefits from provisions for post-employment benefit plans. 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 quality as plan assets. In accordance with the respective benefit plans, pension benefits are based on income and length of employment. Pension benefits based on the length of employment at the company are granted on the basis of fixed amounts.

The most important defined benefit pension plans are described below:

- CECONOMY provides many of its employees in **Germany** with commitments for retirement, disability and surviving dependants' benefits. New commitments are granted in the form of defined benefit commitments within the meaning of IAS 19 (contribution-oriented commitments pursuant to German company pension law), which include payment contribution and employer-matching components. The contributions are paid into a pension liability policy, which provides the benefits due in the event of entitlement. A provision is recognized for claims not covered by the pension liability policy.

- In addition, there are also various pension plans that can no longer be taken out that generally provide for life-time pensions from retirement or from the time of a recognized 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 widows' benefits at varying levels depending on the benefit that the former employee received or would have received in the case of disability. The old commitments are partially funded by assets held in benevolent funds. Parts not funded by assets are funded by provisions. The bodies (Management Board and general meeting) of the benevolent funds are composed of both employer and employee representatives. 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.

- In Switzerland, the Federal Law on Occupational Old-Age, Survivors' and Disability Benefit Plans (BVG) legally requires the employer to insure 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 recognized as defined benefit plans. In addition to statutory minimum entitlements, CECONOMY also grants employees in Switzerland additional pension commitments.

- Further pension schemes are recognized as a total under **Other countries.**

The following table gives an overview of the percentage breakdown of the present value of defined benefit obligations for CECONOMY countries with material obligations:

in %	30 Sept 2020	30 Sept 2021
Germany	85	84
Switzerland	12	12
Other countries	3	4
	100	**100**

CECONOMY's plan assets are split in percentage terms between the following countries:

in %	30 Sept 2020	30 Sept 2021
Germany	59	59
Switzerland	41	41
Other countries	0	0
	100	**100**

The obligations stated are measured on the basis of actuarial calculations in accordance with the relevant IAS 19 principles. 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.

in %	30 Sept 2020			30 Sept 2021		
	Germany	Switzerland	Other countries	Germany	Switzerland	Other countries
Actuarial interest rate	0.70 to 1.20	0.19	1.89	0.90 to 1.00	0.10	2.01
Inflation rate.........................	1.50	0.00	0.00	1.50	0.00	0.00

The present value of defined benefit obligations for the material share of the obligation in Germany (CECONOMY AG and CECONOMY Retail GmbH) is measured using an actuarial interest rate of 0.90 per cent. This rate is determined on the basis of the yield on premium corporate bonds and the term of the underlying obligations. A standardized actuarial interest rate of 1.00 per cent is applied for the MediaMarktSaturn Retail Group companies in the eurozone (Germany, Austria and Italy). This rate 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.

As well as the actuarial interest rate, inflation represents another key actuarial parameter. The expected inflation rate and a real rate of increase were used to calculate the nominal rate of increase for salaries and wages. The rate of pension growth in Germany is based directly on inflation, to the extent that pension adjustments are to be determined with the rise in costs of living. Pension adjustments in companies outside Germany are also generally set depending on inflation.

The other immaterial parameters used when measuring pension obligations correspond to CECONOMY's long-term expectations. The influence of changes in fluctuation and mortality assumptions was analysed for the material plans. Calculations of the mortality rate for the German Group companies are based on Professor Klaus Heubeck's 2018G mortality tables.

Measurements on the basis of actuarial calculations for outside Germany are based on country-specific mortality tables. The resulting effects from fluctuation and mortality assumptions were assessed as immaterial and were not shown as separate components.

A sensitivity analysis is shown below for the material measurement parameters 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. The sensitivity analysis does not include stress tests or worst-case scenarios. 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:

in EUR million		30 September 2020			30 September 2021		
		Germany	Switzerland	Other countries	Germany	Switzerland	Other countries
Actuarial interest rate	Increase by 100 basis points	(46.20)	(9.80)	(2.50)	(40.60)	(9.70)	(2.40)
	Decrease by 100 basis points	53.50	12.90	3.00	47.00	12.70	2.90
Inflation rate	Increase by 25 basis points	11.50	1.80	0.00	10.30	1.80	0.00
	Decrease by 25 basis points	(11.20)	(1.90)	0.00	(9.90)	(1.80)	0.00

CECONOMY is exposed to various risks as a result of its commitments to defined benefit pension claims. These risks include general actuarial risks on the basis of measuring the pension obligation (such as interest rate risks) and capital and investment risks for the plan assets.

With regard to financing future pension payments from indirect commitments and stable policy reserves, CECONOMY invests plan assets mostly 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 September 2020		30 September 2021	
	in %	in EUR million	in %	in EUR million
Fixed-interest securities	16	32	16	34
Shares, funds	16	32	14	30
Real estate	44	88	48	105
Other assets	24	48	22	50
	100	**200**	**100**	**219**

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 investment grade corporate bonds, government bonds and German covered bonds. Geographical diversification minimizes the risk in the "shares and funds" category.

Property assets not used by the company itself and insured benefits are not traded on an active market.

Other assets essentially include receivables from insurance companies in Germany. These are top insurance companies.

The actual gain on plan assets came to EUR 33 million in the reporting period (2019/20: EUR -1 million).

For financial year 2021/22, employer payments to external pension providers of EUR 3 million and employee contributions of EUR 3 million to plan assets are expected, with these contributions attributable to contribution payments in Switzerland and Germany.

The changes in the present value of defined benefit obligations are as follows:

in EUR million	2019/20	2020/21
Present value of defined benefit obligations		
At beginning of period	748	695
Recognized through profit or loss	**7**	**8**
Interest expenses	4	5
Current service cost	3	3
Past service cost (incl. curtailments and amendments)	0	0
Income from settlement	0	0
Recognized through other comprehensive income under "remeasurement of defined benefit pension plans"	**(5)**	**1**
Actuarial gains/losses from change		
in demographic assumptions (-/+h)	0	(2)
in financial assumptions (-/+h)	(6)	(6)
due to experience adjustments (-/+h)	1	10
Other effects	**(55)**	**(52)**
Benefit payments (incl. tax payment)	(59)	(56)
Contributions from plan participants	4	3
Change in consolidation group/transfers	0	0
Currency effects	0	0
At end of period	**695**	**651**

Overall, changes in actuarial parameters resulted in a reduction in the present value of defined benefit obligations of EUR 6 million (2019/20: decrease of EUR 6 million). The effects mostly resulted from the increase in the actuarial interest rates used.

The weighted average duration of defined benefit obligation for the countries with material pension obligations was:

in Years	30 Sept 2020	30 Sept 2021
Germany	9	9
Switzerland	14	14
Other countries	13	13

The present value of defined benefit obligations is allocated to the individual groups of beneficiaries as follows:

in %	30 Sept 2020	30 Sept 2021
Active members	12	13
Former claimants	9	9
Pensioners	79	78

The fair value of plan assets developed as follows:

in EUR million	2019/20	2020/21
Change in plan assets		
Fair value of plan assets as of beginning of period	192	200
Recognized through profit or loss	**1**	**1**
Interest income	1	1
Recognized through other comprehensive income under "remeasurement of defined benefit pension plans"	**(1)**	**32**
Gains/losses on plan assets not including return on plan assets (+/-)	(1)	32
Other effects	**8**	**(14)**
Benefit payments (incl. tax payment)	(38)	(35)
Settlement payments	0	0
Employer contributions	42	17
Contributions from plan participants	4	3
Change in consolidation group/transfers	0	0
Currency effects	0	0
Fair value of plan assets as of end of period	**200**	**219**

in EUR million	30 Sept 2020	30 Sept 2021
Financing status		
Present value of defined benefit obligations	695	651
Fair value of plan assets	(200)	(219)
Asset adjustment (asset ceiling)	1	10
Net liability/asset	**496**	**442**
thereof recognized as provision	*(496)*	*(442)*
thereof recognized 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 draw any economic benefit from the overfunding, the balance sheet figure was reduced to EUR 0 in application of IAS 19.64 (b). The change in the effect of the asset ceiling of around EUR 9 million (2019/20: EUR 1 million) was recognized in other comprehensive income.

The pension expenses from direct and indirect commitments of the post-employment benefit plans break down as follows:

in EUR million	2019/20	2020/21
Current service cost[1]	3	3
Net interest expenses	4	4
Past service cost (incl. curtailments and amendments)	0	0
Settlements	0	0
Other pension expenses	0	0
Pension expenses	**7**	**7**

[1] Contributions from employees are set off here.

In addition to the expenses from defined benefit commitments, there were expenses for payments to external pension providers in the financial year of EUR 23 million (2019/20: EUR 22 million) and payments to statutory pension insurance providers of EUR 126 million (2019/20: EUR 144 million) for defined contribution pension commitments.

Media-Saturn Netherlands participates in a multi-employer plan classified as a defined contribution pension plan. The plan is typical for the Netherlands and is subject to strict regulation. In the event of deficient cover, Media-Saturn Netherlands is not obliged to compensate for this deficient cover with higher contributions in the future. In the event of a surplus, Media-Saturn Netherlands has no claim to this income. Over 30,000 companies in the retail industry participate in the plan, with contributions collected for a total of more than 310,000 employees from all companies. Media-Saturn Netherlands currently contributes to the plan for 5,616 employees. The contributions are calculated for five years and correspond to a fixed percentage of an employee's salary (currently 24.75 per cent), whereby employees make a portion of the contributions for salaries above EUR 14,447 and no more contributions have to be made for salaries above EUR 58,311. In financial year 2020/21, contributions to "Bedrijfspensioenfonds voor de Detailhandel" are expected to amount to around EUR 9.3 million. In September 2021, the coverage ratio was 112.1 per cent (September 2020: 104.2 per cent). On dissolution of or withdrawal from the plan, Media-Saturn Netherlands is not obliged to compensate for deficits and will not participate in any asset surplus.

Provisions for obligations similar to pensions primarily include obligations from anniversary and death benefits, continued salary payments in the event of death and partial retirement arrangements. Provisions of EUR 20 million (30 September 2020: EUR 18 million) were recognized 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.

32. Other provisions (non-current)/provisions (current)

Other provisions (non-current)/provisions (current) developed as follows in the reporting period:

in EUR million	Real estate related obligations	Obligations from trade transactions	Taxes	Miscellaneous	Total
As of 30 September or 1 October 2020	**19**	**18**	**40**	**102**	**179**
Currency translation	0	0	0	0	0
Addition	12	20	24	37	93
Reversal	(3)	(1)	(9)	(50)	(63)
Utilization	(4)	(19)	(18)	(21)	(63)
Interest portion in addition/ change in interest rate	0	0	0	0	0
Reclassifications to IFRS 5	0	0	0	0	0
Transfer	0	0	0	0	0
As of 30 September 2021	**24**	**17**	**36**	**68**	**146**
Long-term	9	0	10	19	38
Short-term	15	17	27	49	108
As of 30 September 2021	**24**	**17**	**36**	**68**	**146**

Provisions for real estate-related obligations relate to rental obligations of EUR 15 million (30 September 2020: EUR 14 million) and asset retirement obligations of EUR 9 million (30 September 2020: EUR 5 million).

Provisions for warranties of EUR 17 million (30 September 2020: EUR 18 million) are a significant component of the provisions for obligations from trade transactions.

As in the previous year, the provisions for tax risks of EUR 36 million (30 September 2020: EUR 40 million) mainly include provisions for VAT matters.

The miscellaneous provisions include provisions for severance payments of EUR 28 million (30 September 2020: EUR 47 million), which in financial year 2020/21 mainly resulted from the new organizational structure ("Operating Model") and related in particular to the DACH and Western/Southern Europe segments. There are also provisions for legal risks of EUR 9 million (30 September 2020: EUR 8 million) and for interest on tax provisions of EUR 9 million (30 September 2020: EUR 12 million). The reversals primarily include provisions in connection with the introduction of a harmonized organizational structure ("Operating Model") and provisions for legal risks, which were mainly recognized in the DACH segment.

It is assumed that the majority of the provisions (EUR 108 million of a total of EUR 146 million) will result in payouts within a year. Of the non-current portion of the provisions of EUR 38 million, EUR 10 million is attributable to provisions for tax risks, EUR 9 million to interest on tax provisions, EUR 9 million to real estate-related obligations, EUR 5 million to provisions for severance payments and EUR 4 million to provisions for guarantee and warranty risks. The real estate-related obligations relate to provisions for asset retirement obligations. For these types of provisions, the payout 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 under note 48 Executives' longterm incentive.

The interest rates for non-interest-bearing non-current provisions range between 0.00 and 0.44 per cent (30 September 2020: 0.00 and 0.68 per cent) depending on the term, country and currency.

33. Liabilities

in EUR million	30 September 2020				30 September 2021			
	Total	Remaining term			Total	Remaining term		
		Up to 1 year	1 to 5 years	Over 5 years		Up to 1 year	1 to 5 years	Over 5 years
Trade liabilities and similar liabilities	**5,996**	**5,890**	**106**	**0**	**5,470**	**5,394**	**76**	**0**
thereof bills of exchange liabilities (non-interest-bearing)	*463*	*463*	*0*	*0*	*354*	*354*	*0*	*0*
Bonds	0	0	0	0	497	2	495	0
Liabilities to banks	30	30	0	0	50	50	0	0
Promissory note loans	251	1	239	12	251	190	50	12
Lease liabilities	2,141	541	1,301	298	2,067	514	1,284	270
Borrowings	**2,422**	**573**	**1,540**	**310**	**2,865**	**756**	**1,828**	**281**
Payroll liabilities	227	227	0	0	243	243	0	0
Liabilities from other financial transactions	1	1	0	0	2	2	0	0
Miscellaneous financial liabilities	186	150	20	16	218	175	27	16
Other financial liabilities	**414**	**378**	**20**	**16**	**463**	**420**	**27**	**16**
Other tax liabilities	194	194	0	0	334	334	0	0
Deferred income	46	35	11	0	28	23	5	0
Miscellaneous non-financial liabilities	3	3	0	0	2	2	0	0
Other liabilities	**243**	**231**	**11**	**0**	**364**	**359**	**5**	**0**
Income tax liabilities	**106**	**106**	**0**	**0**	**110**	**110**	**0**	**0**
	9,181	**7,178**	**1,677**	**326**	**9,272**	**7,040**	**1,935**	**298**

34. Trade liabilities and similar liabilities

The trade liabilities and similar liabilities item decreased from EUR 5,996 million in the previous year to EUR 5,470 million.

in EUR million	30 Sept 2020	30 Sept 2021
Trade liabilities	5,587	5,152
Contract liabilities	365	261
Liabilities from continuing involvement	44	57
Trade liabilities and similar liabilities	**5,996**	**5,470**
thereof remaining term < 12 months	*5,890*	*5,394*
thereof remaining term > 12 months	*106*	*76*

The decline in trade liabilities was due mainly to the DACH segment at EUR 327 million and the Western/Southern Europe segment at EUR 110 million.

Contract liabilities totalled EUR 261 million (30 September 2020: EUR 365 million). These resulted from payments received that were not yet recognized as sales. The contract liabilities primarily include deferred sales from extended warranties of EUR 78 million (30 September 2020: EUR 143 million) and deferred sales from the sale of vouchers of EUR 123 million (30 September 2020: EUR 119 million). The sales recognized in financial year 2020/21 from performance obligations satisfied (or partially satisfied) in previous periods amounted to EUR 287 million (30 September 2020: EUR 339 million).

The "trade liabilities and similar liabilities" item recognized under current liabilities includes items with a remaining term of over one year in the amount of EUR 76 million (30 September 2020: EUR 106 million), which primarily include deferred sales from extended warranties.

The liabilities from continuing involvement were recognized in connection with three factoring programmes. The corresponding assets are reported under the "trade receivables and similar claims" item.

35. Borrowings

Borrowings comprise liabilities from bonds, liabilities to banks, promissory notes and lease liabilities. In total, borrowings increased by EUR 443 million from EUR 2,422 million in the previous year to EUR 2,865 million. The increase is mainly attributable to the issue of a corporate bond of EUR 500 million in the past financial year 2020/21.

CECONOMY AG uses issues on the capital market for medium- and long-term financing. As of 30 September 2021, CECONOMY AG had several outstanding promissory notes together totalling EUR 250 million with a remaining term of up to six years. As mentioned above, CECONOMY AG also issued a five-year senior unsecured bond of EUR 500 million. The bond was issued on 24 June 2021.

For obtaining short-term financial funding, CECONOMY AG has a multi-currency commercial paper programme with a maximum volume of EUR 500 million. There was no outstanding commercial paper as of 30 September 2021.

In addition, multi-year, syndicated credit facilities are available to CECONOMY AG in a total amount of EUR 1,060 million. These came into effect on 9 August 2021 following the company's termination of the previously existing syndicated credit facility with the involvement of KfW and had not been utilized as of 30 September 2021.

Undrawn credit facilities of CECONOMY AG

in EUR million	30 September 2020			30 September 2021		
	Total	Remaining term		Total	Remaining term	
		Up to 1 year	Over 1 year		Up to 1 year	Over 1 year
Bilateral credit facilities	9	9	0	0	0	0
Utilization	(9)	(9)	0	0	0	0
Undrawn bilateral credit facilities.........	0	0	0	0	0	0
Syndicated credit facilities.....................	2,680	0	2,680	1,060	0	1,060
Utilization	0	0	0	0	0	0
Undrawn syndicated credit facilities.....	2,680	0	2,680	1,060	0	1,060
Total credit facilities	2,689	9	2,680	1,060	0	1,060
Total utilization	(9)	(9)	0	0	0	0
Total undrawn credit facilities	**2,680**	**0**	**2,680**	**1,060**	**0**	**1,060**

The default of a creditor can be covered at all times by the existing unutilized credit facilities or the available money and capital market programmes. CECONOMY therefore bears no creditor default risk.

CECONOMY generally does not provide collateral for borrowings.

The tables below outline the maturity structure of borrowings from bonds and promissory note loans. In addition to current account liabilities, the liabilities to banks resulted mainly from the temporary utilization of local credit facilities. The stated carrying amounts and fair values include accrued interest, the remaining term of which is less than one year in each case.

Bonds

Currency	Remaining term	30 September 2020				30 September 2021			
		Nominal value	Nominal value	Carrying amount	Fair value	Nominal value	Nominal value	Carrying amount	Fair value
		Million currency	EUR million	EUR million	EUR million	Million currency	EUR million	EUR million	EUR million
EUR	Up to 1 year	0	0	0		0	0	2	
	1 to 5 years	0	0	0		500	500	495	
	Over 5 years	0	0	0		0	0	0	
	Total	**0**	**0**	**0**	**0**	**500**	**500**	**497**	**496**

Promissory note loans

Currency	Remaining term	30 September 2020				30 September 2021			
		Nominal value	Nominal value	Carrying amount	Fair value	Nominal value	Nominal value	Carrying amount	Fair value
		Million currency	EUR million	EUR million	EUR million	Million currency	EUR million	EUR million	EUR million
EUR	Up to 1 year	0	0	1		189	189	190	
	1 to 5 years	239	239	239		50	50	50	
	Over 5 years	12	12	12		12	12	12	
	Total	**250**	**250**	**251**	**248**	**250**	**250**	**251**	**253**

The table below shows the interest rate structure of the borrowings from bonds and promissory note loans:

Bonds

in EUR million	Currency	Remaining term	30 Sept 2020	30 Sept 2021
			Nominal value	Nominal value
Interest rate structure				
Fixed interest	EUR	Up to 1 year	0	0
		1 to 5 years	0	500
		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

in EUR million	Currency	Remaining term	30 Sept 2020	30 Sept 2021
			Nominal value	Nominal value
Interest rate structure				
Fixed interest	EUR	Up to 1 year	0	120
		1 to 5 years	148	28
		Over 5 years	12	12
Variable interest	EUR	Up to 1 year	0	69
		1 to 5 years	91	22
		Over 5 years	0	0

The fixed interest rates of the short- and medium-term borrowings and the interest reset dates of all fixed interest borrowings primarily 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 under note 42 Management of financial risks.

36. Other financial liabilities and non-financial liabilities

in EUR million	30 September 2020			30 September 2021		
	Total	Remaining term		Total	Remaining term	
		Up to 1 year	Over 1 year		Up to 1 year	Over 1 year
Payroll liabilities	227	227	0	243	243	0
Miscellaneous financial liabilities	142	106	36	187	144	43
Refund liabilities	45	45	0	33	33	
Other financial liabilities	**414**	**378**	**36**	**463**	**420**	**43**
Other tax liabilities	194	194	0	334	334	
Deferred income	46	35	11	28	23	5
Miscellaneous non-financial liabilities	3	3	0	2	2	
Other liabilities	**243**	**231**	**11**	**364**	**359**	**5**

Material items in miscellaneous financial liabilities are liabilities from the acquisition of assets of EUR 35 million (30 September 2020: EUR 20 million), liabilities from non-Group shareholders' put options of EUR 46 million (30 September 2020: EUR 52 million), liabilities from multi-year compensation payments to minority interests on the basis of profit and loss transfer agreements concluded with selected market companies of EUR 60 million (30 September 2020: EUR 28 million), liabilities from the distribution of profit or loss to Convergenta Invest GmbH of EUR 26 million (30 September 2020: EUR 0 million) and real estate-related liabilities of EUR 18 million (30 September 2020: EUR 17 million).

The other tax liabilities mainly comprise value added tax, payroll and church tax and land tax.

0Deferred income includes deferred rent and advertising subsidies as well as other deferred items.

37. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities subject to offsetting agreements, enforceable master netting arrangements and other agreements were as follows:

in EUR million	(a) Gross amounts of recognized financial assets/liabilities	(b) Gross amounts of recognized financial liabilities/assets that are netted in the statement of financial position	(c) = (a) – (b) Net amounts of financial assets/liabilities that are shown 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 September 2020						
Financial assets						
Receivables due from suppliers...	1,494	191	1,302	108	0	1,195
Trade receivables and similar claims[1]	231	19	212	0	0	212
Further financial assets	433	0	433	0	0	433
Cash and cash equivalents	1,484	0	1,484	0	0	1,484
	3,641	**210**	**3,431**	**108**	**0**	**3,324**
Financial liabilities						
Trade liabilities and similar liabilities[2]	5,765	134	5,631	60	0	5,571
Further financial liabilities...........	2,912	76	2,836	48	0	2,788
	8,677	**210**	**8,467**	**108**	**0**	**8,360**

1 Not including contract assets of EUR 276 million.
2 Not including contract liabilities of EUR 365 million.

in EUR million	(a) Gross amounts of recognized financial assets/liabilities	(b) Gross amounts of recognized financial liabilities/assets that are netted in the statement of financial position	(c) = (a) – (b) Net amounts of financial assets/liabilities that are shown 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 September 2021						
Financial assets						
Receivables due from suppliers...	1,425	283	1,142	71	0	1,071
Trade receivables and similar claims[1]	205	23	183	0	0	183
Further financial assets	559	0	559	0	0	559
Cash and cash equivalents	1,582	0	1,582	0	0	1,582
	3,771	**306**	**3,465**	**71**	**0**	**3,394**
Financial liabilities						
Trade liabilities and similar liabilities[2]	5,386	177	5,209	48	0	5,161
Further financial liabilities...........	3,457	129	3,328	24	0	3,305
	8,843	**306**	**8,537**	**71**	**0**	**8,466**

1 Not including contract assets of EUR 179 million.
2 Not including contract liabilities of EUR 261 million.

The financial instruments not offset would be offsettable on the basis of the underlying framework agreements, but do not meet the offsetting criteria of IAS 32 (Financial Instruments: Presentation).

CECONOMY concludes offsetting agreements, enforceable master netting arrangements and other agreements with individual suppliers. These agreements allow receivables due from suppliers resulting from subsequent compensation, product returns and similar claims to be offset against trade liabilities to the suppliers. A set-off takes place if there is a legally enforceable right of set-off and the offsetting is unconditional.

38. Undiscounted cash flows of financial liabilities

The undiscounted cash flows of borrowings, trade liabilities and derivatives carried as liabilities are as follows:

Contractual cash flows

in EUR million	Carrying amount as of 30 Sept 2020	Total amount	Up to 1 year	1 to 5 years	Over 5 years
Financial liabilities					
Liabilities to banks	30	30	30	0	0
Promissory note loans	251	258	3	242	13
Lease liabilities	2,141	2,197	557	1,336	304
Trade liabilities and similar liabilities[1]	5,631	5,631	5,600	31	
Currency derivatives carried as liabilities	0	0	0	0	0

Contractual cash flows

in EUR million	Carrying amount as of 30 Sept 2021	Total amount	Up to 1 year	1 to 5 years	Over 5 years
Financial liabilities					
Bonds	497	544	9	535	0
Liabilities to banks	50	50	50	0	0
Promissory note loans	251	254	191	51	12
Lease liabilities	2,067	2,134	533	1,321	281
Trade liabilities and similar liabilities[1]	5,209	5,209	5,165	44	
Currency derivatives carried as liabilities	2	2	2	0	0

[1] This item does not include contract liabilities of EUR 261 million (30 September 2020: EUR 365 million).

39. 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 September 2020

in EUR million	Carrying amount	Value in statement of financial position			Fair value
		(Amortized) cost	Fair value through profit or loss	Fair value through other comprehensive income	
Assets					
Measured at amortized cost	**2,641**	**2,641**	**0**	**0**	**2,641**
Cash and cash equivalents	984	984	0	0	984
Receivables due from suppliers	1,302	1,302	0	0	1,302
Trade receivables and similar claims[1]	197	197	0	0	197
Loans and advance credit granted	13	13	0	0	13
Miscellaneous assets.................................	145	145	0	0	145
Measured at fair value through profit or loss..	**508**	**0**	**508**	**0**	**508**
Cash and cash equivalents	500	0	500	0	500
Securities..	0	0	0	0	0
Trade receivables and similar claims..........	0	0	0	0	0
Derivative financial instruments	8	0	8	0	8
Measured at fair value through other comprehensive income	**268**	**0**	**0**	**268**	**268**
Equity instruments.....................................	268	0	0	268	268
Debt instruments	0	0	0	0	0
Equity and liabilities					
Measured at amortized cost	**6,282**	**6,282**	**0**	**0**	**6,279**
Borrowings[2]..	281	281	0	0	279
Trade liabilities and similar liabilities[3]........	5,587	5,587	0	0	5,587
Miscellaneous liabilities	414	414	0	0	414
Measured at fair value through profit or loss..	**0**	**0**	**0**	**0**	**0**
Derivative financial instruments	0	0	0	0	0
Miscellaneous liabilities	0	0	0	0	0

1 Not including continuing involvement of EUR 15 million and contract assets of EUR 276 million.
2 Not including lease liabilities of EUR 2,141 million.
3 Not including continuing involvement of EUR 44 million and contract liabilities of EUR 365 million.

30 September 2021

in EUR million	Carrying amount	Value in statement of financial position			Fair value
		(Amortized) cost	Fair value through profit or loss	Fair value through other comprehensive income	
Assets					
Measured at amortized cost	**3,160**	**3,160**	**0**	**0**	**3,160**
Cash and cash equivalents	1,582	1,582	0	0	1,582
Receivables due from suppliers	1,142	1,142	0	0	1,142
Trade receivables and similar claims[1]	168	168	0	0	168
Loans and advance credit granted	13	13	0	0	13
Miscellaneous assets	254	254	0	0	254
Measured at fair value through profit or loss	**25**	**0**	**25**	**0**	**25**
Cash and cash equivalents	0	0	0	0	0
Securities	25	0	25	0	25
Trade receivables and similar claims	0	0	0	0	0
Derivative financial instruments	0	0	0	0	0
Measured at fair value through other comprehensive income	**266**	**0**	**0**	**266**	**266**
Equity instruments	266	0	0	266	266
Debt instruments	0	0	0	0	0
Equity and liabilities					
Measured at amortized cost	**6,411**	**6,411**	**0**	**0**	**6,412**
Borrowings[2]	798	798	0	0	799
Trade liabilities and similar liabilities[3]	5,152	5,152	0	0	5,152
Miscellaneous liabilities	461	461	0	0	461
Measured at fair value through profit or loss	**2**	**0**	**2**	**0**	**2**
Derivative financial instruments	2	0	2	0	2
Miscellaneous liabilities	0	0	0	0	0

1 Not including continuing involvement of EUR 15 million or contract assets of EUR 179 million.
2 Not including lease liabilities of EUR 2,067 million.
3 Not including continuing involvement of EUR 57 million or contract liabilities of EUR 261 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 consists of three levels and is determined based on the market proximity of the inputs used in the measurement method. 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 prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at 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 of EUR 266 million (30 September 2020: EUR 268 million) are subsequently measured at fair value through other comprehensive income. EUR 229 million (30 September 2020: EUR 231 million) of this relates to listed companies, with EUR 188 million (30 September 2020: EUR 200 million) attributable to the 15 per cent investment in Russia's leading consumer electronics retailer PJSC "M.video" and EUR 41 million (30 September 2020: EUR 31 million) attributable to the roughly 1 per cent share in METRO AG.

Equity instruments of EUR 37 million (30 September 2020: EUR 37 million) which are not listed on the stock exchange and for which there is no active market are recognized at fair value through other comprehensive income. These equity instruments are not planned to be sold. The main component at EUR 35 million (30 September 2020: EUR 35 million) is the 6.61 per cent investment 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:

30 September 2020

in EUR million	Total	Level 1	Level 2	Level 3
Assets	**776**	**731**	**8**	**37**
Measured at fair value through profit or loss	**508**	**500**	**8**	**0**
Cash and cash equivalents	500	500	0	0
Securities	0	0	0	0
Derivative financial instruments	8	0	8	0
Measured at fair value through other comprehensive income	**268**	**231**	**0**	**37**
Equity instruments	268	231	0	37
Equity and liabilities	**0**	**0**	**0**	**0**
Measured at fair value through profit or loss	**0**	**0**	**0**	**0**
Derivative financial instruments	0	0	0	0
Total	**776**	**731**	**8**	**37**

30 September 2021

in EUR million	Total	Level 1	Level 2	Level 3
Assets	**291**	**254**	**0**	**37**
Measured at fair value through profit or loss	**25**	**25**	**0**	**0**
Cash and cash equivalents	0	0	0	0
Securities	25	25	0	0
Derivative financial instruments	0	0	0	0
Measured at fair value through other comprehensive income	**266**	**229**	**0**	**37**
Equity instruments	266	229	0	37
Equity and liabilities	**2**	**0**	**2**	**0**
Measured at fair value through profit or loss	**2**	**0**	**2**	**0**
Derivative financial instruments	2	0	2	0
Total	**289**	**254**	**(2)**	**37**

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 currency transactions (all level 2), there is a mark-to-market measurement on the basis of quoted exchange rates and yield curves available on the market.

The non-listed equity instruments without an active market reported as assets totalling EUR 37 million (30 September 2020: EUR 37 million) as of 30 September 2021 are allocated to fair value level 3.

The fair value of the shares in METRO PROPERTIES GmbH & Co. KG amounted to EUR 35 million, as in the previous year. The fair value measurement is determined mainly on the basis of selling prices from sales of land. The fair value of the shares is determined by the value of the real estate behind the investment, so higher or lower real estate values result in a higher or lower fair value, respectively.

During the past reporting period and in the previous year, no transfers were made between levels 1 and 2. There were no transfers to or from level 3 in financial year 2020/21 or in the previous year.

Financial instruments that are recognized at amortized cost in the statement of financial position, but whose fair values are stated in the notes, are also classified within a three-level fair value hierarchy.

Due to their generally short terms, the fair values of receivables due from suppliers, trade receivables and similar claims, trade liabilities and similar liabilities and cash and cash equivalents largely 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, taking account of credit spreads (level 2). The values include accrued interest as of the closing date.

The fair values of all miscellaneous financial assets and financial liabilities that are not listed on the stock exchange correspond to the net present values of the payments associated with these items of the statement of financial position. The country-specific yield curves applicable as of the closing date (level 2) were used in the calculation.

Other notes

40. Notes to the cash flow statement

The statement of cash flows in accordance with IAS 7 (Statement of Cash Flows) shows how the Group's cash and cash equivalents have changed as a result of cash inflows and outflows over the course of the financial year.

Cash and cash equivalents comprise cheques, cash on hand, money in transit, bank deposits and other financial assets that can quickly be converted into cash with a term of up to three months.

The statement of cash flows distinguishes between changes in cash resulting from operating activities, investing activities and financing activities. Cash flows from discontinued operations are reported separately.

The information below relates to continuing operations.

Cash flows from operating activities amounted to EUR 450 million (2019/20: EUR 1,183 million). The EUR 734 million lower cash flow from operating activities is primarily due to the negative development of net working capital. There was also a cash outflow in income taxes in the past financial year 2020/21 after a cash inflow in the previous year. While tax prepayments were largely reduced and taxes for previous years reimbursed in the previous year due to the COVID-19 pandemic, prepayments were re-determined for financial year 2020/21. Accordingly, higher prepayments and back payments for previous years were made. The development of other operating activities had the opposite effect.

Of the scheduled depreciation, amortization, reversals of impairment losses and impairment on intangible assets, property, plant and equipment, right-of-use assets, and impairment and reversals of impairment losses on investments accounted for using the equity method totalling EUR 621 million (2019/20: EUR 1,071 million), property, plant and equipment accounted for EUR 193 million (2019/20: EUR 199 million), other intangible assets for EUR 25 million (2019/20: EUR 29 million), right-of-use assets for EUR 535 million (2019/20: EUR 576 million), impairment on investments accounted for using the equity method for EUR 18 million (2019/20: EUR 268 million), and reversals of impairment losses on investments accounted for using the equity method for EUR 150 million (2019/20: EUR 0 million).

The change in net working capital amounted to EUR -354 million (2019/20: EUR 314 million). Particularly notable as drivers of this negative development are the significant decrease in trade liabilities and simultaneous increase in inventories. The decrease in liabilities is mainly on account of the previous year's high base, which is due to the increased purchase volume as a result of the positive sales growth in the fourth quarter of the previous year. The comparatively high inventories are mainly due to the temporary store closures in the current year and the further deliberate increase in order to ensure the availability of goods.

Other operating activities generated a total cash inflow of EUR 1 million (2019/20: cash outflow of EUR 110 million). This development, which has a positive effect on operating cash flow, is mainly attributable to tax deferrals for VAT due in the financial year, made possible by the package of measures in connection with COVID-19. In addition, the previous year included severance payments, which predominantly related to the reorganization and efficiency program and management changes.

Investing activities generated a cash outflow of EUR 263 million (2019/20: EUR 248 million). The increased cash outflow from investing activities is mainly due to higher investments in property, plant and equipment, which in comparison with the previous year reflect the resumption of selective expansion and modernization measures. Lower cash outflow from net investment in financial investments and securities, which amounted to EUR 218 million (2019/20: EUR 245 million) in financial year 2020/21, had the opposite effect. Cash inflow from net divestments of financial investments and securities likewise declined in financial year 2020/21 to EUR 153 million (2019/20: EUR 160 million).

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 essentially relate to changes in liabilities from the acquisition of property, plant and equipment and effects of currency translation.

The cash outflow from financing activities amounted to EUR 77 million in financial year 2020/21 (2019/20: EUR 606 million). The EUR 530 million decrease in cash outflow compared with the previous year is mainly due to the issuance of a five-year bond with a nominal volume of EUR 500 million. In addition, commercial paper with a volume of EUR 265 million was issued in the third quarter of 2020/21. However, the commercial paper issued as part of CECONOMY's short-term financing strategy was already repaid in the fourth quarter of 2020/21. The associated cash outflow was further increased by the redemption of lease liabilities of EUR 503 million (2019/20: EUR 530 million). Interest payments of EUR 62 million (2019/20: EUR 54 million), of which EUR 21 million (2019/20: EUR 19 million) related to lease liabilities in the past financial year 2020/21, likewise increased the cash outflow from financing activities. In addition to interest payments received of EUR 14 million (2019/20: EUR 9 million), the cash flow from profit and loss transfers and other financing activities ultimately had a positive effect on cash flow from financing activities of EUR 18 million (2019/20: EUR -9 million). Cash outflows from credit and commitment fees of EUR 23 million (2019/20: EUR 27 million) were more than compensated for by cash inflows from profit and loss transfers from investments of EUR 48 million (2019/20: EUR 20 million).

The previous year's cash outflow from financing activities of EUR 606 million is mainly attributable to the redemption of lease liabilities at EUR 530 million. The commercial paper issued during the year and especially the credit facilities utilized against the backdrop of the COVID-19 pandemic in order to secure CECONOMY's liquidity position were again largely repaid by the end of financial year 2019/20, so overall this had no material effect on cash flow from financing activities in 2019/20.

Cash flows in connection with factoring programmes are recognized both in cash flow from operating activities and in cash flow from financing activities. In the case of programmes in which the customer pays CECONOMY directly, cash flows between the customer and CECONOMY are recognized in cash flow from operating activities and cash flows between CECONOMY and the factor are recognized in cash flow from financing activities. However, if the customer pays the factor directly, cash flows between the factor and CECONOMY are recognized in cash flow from operating activities. Customers' payments to the factor are classified as non-cash transactions of CECONOMY. In financial year 2020/21, these non-cash transactions in connection with factoring programmes amounted to EUR 97 million (2019/20: EUR 0 million).

Cash and cash equivalents were subject to restrictions on title in the amount of EUR 4 million (2019/20: EUR 3 million). The following table shows the reconciliation of changes from liabilities from financing activities:

in EUR million	1 Oct 2020	Cash flows	Non-cash changes				30 Sept 2021
		Cash change	Due to exchange rate movements	Acquisition or disposal of companies	Fair values	Miscellaneous	
Bonds	0	495	0	0	0	2	497
Liabilities to banks	30	20	(1)	0	0	0	50
Promissory note loans	251	0	0	0	0	0	251
Lease liabilities	2,141	(503)	(3)	0	0	432	2,067
Other liabilities in connection with financing activities[1]	73	(7)	0	0	0	42	108
Liabilities from financing activities.	**2,495**	**5**	**(3)**	**0**	**0**	**477**	**2,973**

1 Contains other balance sheet items affecting the cash flow from financing activities. Key components include liabilities from put options and compensation payment obligations to non-controlling interests (component of "Other financial liabilities") plus asset and liability derivatives for currency hedging (component of "Other financial assets" and component of "Other financial liabilities").

The non-cash changes reported under "Miscellaneous" primarily relate to net additions to lease liabilities, whose counterpart is in the "right-of-use assets" balance sheet item. In addition, the other liabilities in connection with financing activities include effects that arose on the annual revaluation of multi-year obligations to non-controlling interests. These obligations result from profit and loss transfer agreements and are owed to selected market shareholders. In addition, profit and loss transfers are recognized here that had not yet affected cash by 30 September 2021 and therefore resulted in a corresponding increase in liabilities to non-Group shareholders.

The cash flows from discontinued operations are calculated as follows:

in EUR million	2019/20	2020/21
EBIT	3	13
Other	(3)	(13)
Cash flow from operating activities of discontinued operations	0	0
Cash flow from investing activities of discontinued operations	0	0
Cash flow from financing activities of discontinued operations	0	0

In both financial years, the amounts recognized in EBIT from discontinued operations relate to the Russian MediaMarkt business sold in financial year 2017/18. The corresponding correction of cash flow from operating activities of discontinued operations is shown under "Other".

41. Segment reporting

Segmentation is in line with the Group's internal management and reporting.

CECONOMY's chief operating decision maker (CODM) in accordance with IFRS 8 (Operating Segments) 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 operates in a single business sector, 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, Greece (until 29 November 2019), Italy, Luxembourg, Netherlands, Portugal, Spain
- Eastern Europe: Poland, Turkey

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 and smaller operating companies.

Further information on the segments can be found in the combined management report.

The main components of segment reporting are described below:

- External sales represent the operating segments' sales with non-Group parties.
- Internal sales show sales with other operating segments.
- Segment EBIT refers to the profit before net financial result and income taxes. Intragroup rental contracts are presented as operating leases in the segments. The properties are leased at market terms. Location-related risks and impairment risks of non-current assets are generally shown in the segments only if they represent risks for the Group. The same applies to deferred assets and liabilities, which are shown at segment level only if this would also be required in the consolidated statement of financial position.
- Segment EBITDA comprises EBIT before depreciation, amortization, impairment losses and reversals of impairment losses on intangible assets, property, plant and equipment, right-of-use assets and investments accounted for using the equity method.
- In financial year 2020/21, adjusted EBIT and adjusted EBITDA are adjusted for non-recurring effects and earnings effects from companies recognized at equity and portfolio changes. Non-recurring effects include COVID-19-related permanent store closures, effects in connection with the introduction of a harmonized group-wide organizational structure ("Operating Model") and expenses in connection with the transaction announced on 14 December 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn and reorganization of the shareholder structure. Expenses for permanent

store closures due to COVID-19 are recognized in EBIT in the amount of EUR 26 million (2019/20: EUR 8 million) and in EBITDA in the amount of EUR 14 million (2019/20: EUR 6 million). The COVID-19-related store closures relate to the permanent closures of MediaMarkt and Saturn stores in several European countries which have lower footfall as a result of the COVID-19 pandemic and cannot be brought back into the profit zone from the company's point of view. Expenses in connection with the introduction of a harmonized group-wide organizational structure ("Operating Model") amount to EUR 26 million (2019/20: EUR 72 million) in EBIT and 23 million (2019/20: EUR 63 million) in EBITDA. The Operating Model focuses in particular on the harmonization of structures and standardized, efficient processes and procedures for the administrative functions in the country organizations of MediaMarktSaturn. In addition, the management structures in the stores will be unified throughout Europe and the relief from administrative tasks will enable employees to focus on the customer experience to a greater extent. Expenses in connection with the transaction announced on 14 December 2020 relating to the acquisition of the minority shareholding in MediaMarktSaturn and reorganization and simplification of the shareholder structure were recognized in EBIT and in EBITDA at EUR 13 million in financial year 2020/21. In financial year 2020/21, the expenses for non-recurring effects total EUR 64 million (2019/20: EUR 49 million) in EBIT and EUR 50 million (2019/20: EUR 44 million) in EBITDA. EBIT includes income of EUR 154 million (2019/20: expenses of EUR 267 million) and EBITDA includes income of EUR 22 million (2019/20: EUR 1 million) for companies accounted for using the equity method and portfolio changes.

The reconciliation of adjusted EBIT to EBIT and the reconciliation of adjusted EBITDA to EBITDA for financial year 2020/21 are presented below:

in EUR million	2019/20	2020/21
Adjusted EBIT	**236**	**237**
Reorganization and efficiency program	31	-
Store closures due to COVID-19	(8)	(26)
Introduction of the Operating Model	(72)	(26)
Transaction costs from minority stake acquisition	-	(13)
Companies accounted for using the equity method and portfolio changes	(267)	154
EBIT	**(80)**	**326**

in EUR million	2019/20	2020/21
Adjusted EBITDA	**1,034**	**976**
Reorganization and efficiency program	24	-
Store closures due to COVID-19	(6)	(14)
Introduction of the Operating Model	(63)	(23)
Transaction costs from minority stake acquisition	-	(13)
Companies accounted for using the equity method and portfolio changes	1	22
EBITDA	**991**	**948**

Further information on adjusted EBIT and adjusted EBITDA can be found under "Management system".

- Segment investments comprises additions (including additions to consolidation group) to non-current intangible assets, property, plant and equipment, right-of-use assets and investments accounted for using the equity method. Excluded here are additions as a result of reclassifying assets held for sale 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 to the Group's assets is shown below:

in EUR million	30 Sept 2020	30 Sept 2021
Non-current segment assets	**3,493**	**3,525**
Financial assets	280	280
Cash and cash equivalents	1,484	1,582
Deferred tax assets	84	99
Income tax assets	69	107
Other entitlements to tax refunds[1]	101	127
Inventories	2,949	3,111
Trade receivables and similar claims	488	361
Receivables due from suppliers	1,302	1,142
Prepaid expenses and deferred charges[1]	51	54
Receivables from other financial transactions[2,3]	93	175
Other[1,2,3,4]	60	103
Group assets	**10,455**	**10,667**

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 licence allocation on a cost-plus basis, which comprises 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.

42. Management of financial risks

The CECONOMY AG Treasury department manages CECONOMY's financial risks. Specifically, these include:

- Price risks
- Liquidity risks
- Credit risks
- Cash flow risks

Further details on the risk management system are included in the combined management report under economic report – earnings, financial and asset position – financial and asset position – financial management and in the opportunity and risk report.

Price risks

CECONOMY's price risks arise 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 calculated by sensitivity analyses relates to holdings as of the closing date and expresses the effect for a year.
- Variable interest, primary financial instruments whose interest payments are not designated as a hedged item in cash flow hedges against changes in interest rates affect the net interest result in profit or loss in sensitivity analyses. Sensitivity to a change of ten basis points is calculated.

- Fixed interest primary financial instruments are not included in sensitivity analyses.

- Financial instruments designated as a hedge in a cash flow hedge against variable interest flows only affect 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 qualified hedging relationship in accordance with IAS 39 affect other financial result through measurement at fair value through profit or loss and the net interest result through the interest flows that arise.

The residual interest rate risk as of the closing date essentially results from variable interest receivables from and liabilities to banks, and from other short-term liquid financial assets (reported under "Cash and cash equivalents") at a net total amount taking hedges into account of EUR 1,410 million (30 September 2020: EUR 1,304 million).

Given this net total, a rise in interest rates of ten basis points would increase income in the net interest result by EUR 1 million (2019/20: EUR 1 million) per year. A reduction in interest rates of ten basis points would have an opposite effect of EUR -1 million (2019/20: EUR -1 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. The foreign currency items that arise as a result must be hedged in accordance with the Group's "Foreign Currency Transactions" policy. 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 as a result of the exceptions is also presented using sensitivity analyses in accordance with IFRS 7. The following assumptions are applied in analysing the depreciation or appreciation of the Euro against foreign currencies:

The total impact presented by sensitivity analyses, in terms of its amount and earnings effects, relates to the foreign currencies held within the consolidated subsidiaries of CECONOMY and expresses the effect in the event 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 of the measurement of non-equity foreign currency positions translated using the closing rate in accordance with IAS 21 are recognized in the income statement in the sensitivity analyses. In the event of a net equity investment in a foreign operation, the effects of measurement using the closing rate are recognized in equity through other comprehensive income (OCI).

Forward currency contracts/options and interest rate and currency swaps that are not part of a qualified hedging relationship in accordance with IAS 39 affect the income statement through measurement at fair value. 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 to continue applying the hedge accounting regulations of 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.

CECONOMY's residual currency risk, which essentially relates to an inability to hedge certain currencies for legal reasons or owing to insufficient market depth, was as follows as of the closing date:

in EUR million	Currency pair	Effect if EUR depreciates/appreciates by 10 %			
		Volume	30 Sept 2020	Volume	30 Sept 2021
Profit or loss for the period		+/-		+/-	
	CHF/EUR	+4	0	+3	0
	HUF/EUR	+28	+3	+36	+4
	NOK/EUR	-8	-1	0	0
	PLN/EUR	+146	+15	+160	+16
	SEK/EUR	+28	+3	+29	+3
	USD/EUR	-6	-1	+5	0

Interest rate and currency risks are significantly reduced and limited by the principles set out in CECONOMY's internal Treasury policies. These stipulate for the Group as a whole that any hedging operation must remain within predefined limits and must not increase risk exposure under any circumstances. CECONOMY realizes and accepts that this greatly limits its ability to leverage current or expected interest rate or exchange rate movements to optimize its earnings.

In addition, only standard derivative financial instruments for which the correct financial and accounting presentation and measurement are guaranteed in Treasury's systems can be used for hedging purposes.

The following derivative financial instruments were used to reduce risk at the closing date:

in EUR million	30 September 2020			30 September 2021		
		Fair values			Fair values	
	Nominal volume[1]	Financial assets	Financial liabilities	Nominal volume[1]	Financial assets	Financial liabilities
Currency transactions						
Forward currency contracts/options						
within fair value hedges	0	0	0	0	0	0
within cash flow hedges	0	0	0	0	0	0
not in a hedge	352	8	0	425	0	2
	352	**8**	**0**	**425**	**0**	**2**

1 Positive sign = forward purchase of foreign currency; negative sign = forward sale of foreign currency

The nominal volume of forward currency contracts/options is determined by the net position of the foreign currency amounts bought and sold in the individual transactions, translated using the corresponding exchange rate as of the closing date. All fair values represent the theoretical value of these instruments on the reversal of transactions as of the closing date. Assuming that the transactions will be held to maturity, these are unrealized gains and losses that will be fully offset against the gains and losses of the hedged items by the time they mature if the hedges are fully effective.

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 recognized at fair value. The fluctuations in the fair value of both transactions are recognized in the income statement, where they offset each other if the hedge is fully effective.

- In a cash flow hedge, the hedges are also recognized at fair value. If the hedge is fully effective, the changes in value are recognized in equity until the hedged cash flows or expected transactions are recognized in profit or loss, at which time they are recognized in the income statement.

- Hedging transactions that are not part of a hedge in accordance with IAS 39 are recognized at fair value. Changes in their value are recognized in the income statement. Even if no formal hedge was established, these are hedging transactions in a close relationship with the hedged item whose impact on profit or loss is offset by that of the hedged item (natural hedge).

The currency derivatives used mainly relate to the Swedish krona and the Polish zloty.

The maturity dates of the derivative financial instruments are as follows:

in EUR million	30 September 2020			30 September 2021		
	Maturity dates			Maturity dates		
	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 cash flow hedges	0	0	0	0	0	0
not in a hedge	8	0	0	(2)	0	0
	8	**0**	**0**	**(2)**	**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, as a result of temporary capital market disruptions, creditor default, insufficient credit facilities or failure of anticipated incoming payments to arise. Treasury always ensures sufficient funds to cover the financial requirements for operating and investing activities as cost-efficiently as possible. The information necessary is provided by rolling three-month Group financial planning by the individual Group companies issued after the end of the financial year, and undergoes deviation analysis. This financial planning is supplemented by short-term liquidity planning and updated on a rolling basis.

Financing instruments include money market and capital market products (term and demand deposits, promissory note loans, commercial papers) and multi-year syndicated credit facilities.

Multi-year syndicated credit facilities of EUR 1,060 million are available for the further reduction of liquidity risk. These came into effect on 9 August 2021 following the company's termination of the previously existing syndicated credit facility with the involvement of KfW. These extensive, multi-year credit facilities had not been utilized as of 30 September 2021 or in the past financial year 2020/21 as a whole. The standard covenants specified in the loan agreement, including financial ratios, were complied with at all times and are expected to be complied with in the future. CECONOMY AG also strengthened its liquidity base further by issuing a five-year senior unsecured bond of EUR 500 million on 24 June 2021.

CECONOMY therefore has sufficient liquidity reserves, ensuring 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 29 "Cash and cash equivalents" and note 36 "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 CECONOMY AG's Treasury department is used to advise and assist Group companies in all relevant financial matters. This extends from planning 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 firstly ensures the optimized use of CECONOMY's financial resources and secondly that all Group companies benefit from CECONOMY's financial standing in terms of their financing conditions.

Credit risks

Credit risks arise from a full or partial default by a counterparty, for instance as a result of insolvency, or in the context of financial investments and asset-side derivative financial instruments. CECONOMY's maximum default exposure as of the closing date is reflected by the carrying amounts of its financial assets and totals EUR 3,451 million (30 September 2020: EUR 3,417 million).

There was no material collateral for financial assets as of the closing date.

The cash holdings included in "Cash and cash equivalents" of EUR 51 million (30 September 2020: EUR 51 million) are not subject to any significant risk of default.

In the context of the management of financial investments of EUR 1,480 million (30 September 2020: EUR 1,377 million) and asset side derivative financial instruments of EUR 0 million (30 September 2020: EUR 8 million), minimum credit requirements and individual maximum exposures have been defined for all business partners of CECONOMY. Cheques and money in transit are not included in the calculation of credit risks. The basis for this is a system of limits set out in Treasury policies, which are essentially based on ratings provided by international rating agencies, the development of the credit default swap or internal credit checks. Every counterparty of CECONOMY is assigned an individual limit, compliance with which is monitored on an ongoing basis.

As of 30 September 2021, around 98 per cent (30 September 2020: around 98 per cent) of the investment volume was placed with investment grade counterparties, in other words, those with good or very good credit ratings. The counterparties that do not yet have an internationally recognized rating are renowned financial institutions whose credit can be considered impeccable on the basis on analyses. CECONOMY also operates in countries whose financial institutions do not have an investment grade on account of their country's rating. 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. These institutions account for around 2 per cent of the total volume (30 September 2020: around 1 per cent).

CECONOMY's exposure to credit risks from financial investments is therefore very low.

CECONOMY considers the probability of default when recognising an asset for the first time, and determines whether the credit risk has increased steadily in each reporting period. In order to assess whether the credit risk has increased significantly, the company compares the asset's risk of default as of the closing date to its risk of default as of the date of first-time recognition. All available, appropriate and forward-looking information is taken into account, including the following indicators in particular:

- 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 and provider receivables, these are taken into account in the corresponding operating segment by means of a forecast for the subsequent year of the annual change in company insolvencies.

The above analysis 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 derecognized if there is no reasonable expectation of repayments, for example if an obligor does not agree a repayment plan with the company. The company still undertakes enforcement measures when loans or receivables are de-recognized to attempt to collect the amount due. If amounts are claimed in return, these are recognized through profit or loss.

No significant changes were made to estimation techniques or assumptions in the reporting period.

Cash flow risks

A change in future interest rates can cause cash flows from variable interest asset and liability items to fluctuate. Stress tests are used to determine the impact interest rate changes could have on cash flows and how they can be limited by hedges in line with internal Treasury policies.

43. Contingent liabilities

CECONOMY's contingent liabilities amounted to EUR 22 million as of 30 September 2021 (30 September 2020: EUR 10 million). These mainly relate to income taxes and VAT.

44. Other financial liabilities

The nominal value of other financial liabilities is EUR 167 million as of 30 September 2021 (30 September 2020: EUR 184 million) and essentially includes purchase obligations for service agreements.

The demerger of the former METRO GROUP has resulted in a legal contingent liability under extended liability lasting five and ten years in accordance with Sec.133 para. 1 and 3 of the Umwandlungsgesetz (UmwG – German Transformation Act). As the transferring entity, the legal entities involved in the demerger are jointly and severally liable for CECONOMY AG's liabilities and pension obligations established before the demerger became effective, until 2022 and 2027 respectively. CECONOMY AG rates the risk of these contingent liabilities being utilised as unlikely.

Please see note 20 "Other intangible assets", note 21 "Property, plant and equipment" and note 22 "Right-of-use assets" for details of purchase obligations for other intangible assets, property, plant and equipment and lease obligations.

45. Other legal matters

Legal disputes in relation to Media-Saturn-Holding GmbH

Through its wholly owned subsidiary CECONOMY Retail GmbH (CE Retail), CECONOMY AG indirectly holds 78.38 per cent of the shares in Media-Saturn-Holding GmbH (MSH).

By way of an action for annulment and a positive action for a declaratory judgement against the dismissive resolutions of the shareholders' meeting of MSH in December 2015 brought by the minority shareholder before the Ingolstadt Regional Court (Landgericht) on 28 January 2016, the minority shareholder of MSH sought the dismissal and suspension of the Managing Director of MSH appointed at the time by CE Retail (still operating as METRO Kaufhaus und Fachmarkt Holding GmbH at that time). The Ingolstadt Regional Court dismissed the minority shareholder's action by way of judgement dated 7 March 2017. The Munich Higher Regional Court (Oberlandesgericht) rejected the minority shareholder's appeal on 29 November 2017 and refused further leave to appeal. The minority shareholder appealed to the Federal Court (Bundesgerichtshof) against the refusal of further leave to appeal on 22 December 2017. In response to a joint motion by the parties involved, the Federal Court ordered the suspension of the proceedings on 26 February 2018. The proceedings were terminated by mutual agreement in financial year 2020/21.

By way of a further legal challenge brought before the Ingolstadt Regional Court on 10 February 2016, also against the dismissive resolutions of the shareholders' meeting of MSH in December 2015, the minority shareholder of MSH sought damages against the management of MSH at the time that the minority shareholder felt were owed over supposed breaches of duty. The Ingolstadt Regional Court dismissed the action by way of judgement dated 18 November 2016. The Munich Higher Regional Court rejected the minority shareholder's appeal on 18 July 2017 and refused further leave to appeal. The minority shareholder appealed to the Federal Court against the refusal of further leave to appeal on 24 August 2017. In response to a joint motion by the parties involved, the Federal Court ordered the suspension of the proceedings on 26 February 2018. The proceedings were terminated by mutual agreement in financial year 2020/21.

Legal disputes in relation to the General Meeting of CECONOMY AG

In connection with the split of the former METRO GROUP, several shareholders, including the minority shareholder of MSH, filed avoidance, annulment and/or declaratory actions due to the resolutions adopted by the Annual General Meeting of CECONOMY AG – which was operating as METRO AG at the time – on 6 February 2017 under items 3 and 4 of the agenda regarding granting discharge of the members of the Management Board and the Supervisory Board for financial year 2015/16, the resolutions adopted under items 9 and 10 of the agenda regarding the amendment of Article 1 of the articles of association (Company name) as well as other amendments to the articles of association, and because of the resolution adopted under item 11 of the agenda regarding the approval of the hive-down and spin-off agreement. Furthermore, several shareholders filed general declaratory actions against CECONOMY AG and requested to have the hive-down and spin-off agreement declared null and void, or at least provisionally invalid. All the actions were pending before the Düsseldorf Regional Court. The Düsseldorf Regional Court dismissed all these actions in its rulings of 24 January 2018. Appeals were filed in all proceedings. By way of rulings of 4 April 2019, the Higher Regional Court of Düsseldorf rejected all appeals. In the appeal ruling in the action for annulment of the resolutions by the General Meeting, an appeal to the Federal Court was allowed and filed. The Federal Court rejected the appeal by way of judgement dated 23 February 2021 resulting in the proceedings being concluded with legal effect. In the proceedings for the declaration of avoidance or to have the hive-down and spin-off agreement declared provisionally invalid, the Düsseldorf Higher Regional Court refused further leave to appeal. The claimants have filed an appeal with the Federal Court against one of these proceedings for declaratory judgement. The judgement in the other proceedings for declaratory judgement is final. By way of judgement dated 24 November 2020, the Federal Court rejected the non-admission complaint. The proceedings are now concluded with legal effect.

On 13 February 2019, the General Meeting granted formal approval for the actions of the members of the Management Board for financial year 2017/18 under item 2 of the agenda. Several shareholders brought an action for annulment before the Düsseldorf Regional Court against the individual approval for the actions of the former members of the Management Board Pieter Haas and Mark Frese. By way of a ruling of 17 December 2019, the Higher Regional Court of Düsseldorf dismissed the action for annulment. All claimants have appealed against the ruling. The Düsseldorf Higher Regional Court rejected the appeal on 30 September 2021 and refused further leave to appeal. The claimants appealed to the Federal Court against the refusal of further leave to appeal on 12 October 2021. CECONOMY AG is of the opinion that the appeal against the refusal of further leave to appeal has little chance of success.

On 14 December 2020, CECONOMY AG concluded an agreement with the minority shareholder of MSH, Convergenta Invest GmbH ("Convergenta"), in which the parties, subject to the corresponding resolutions of CECONOMY AG's Annual General Meeting, agreed on matters which included the acquisition, transfer and contribution of the stake in MSH held by Convergenta to CECONOMY AG. In this context, on 17 February 2021, in agenda item 8 the CECONOMY AG Annual General Meeting resolved on (i) the increase of the CECONOMY AG share capital though a mixed contribution in kind under exclusion of the statutory subscription rights of the shareholders, (ii) the issue of convertible bonds against a mixed contribution in kind under exclusion of the statutory subscription rights of the shareholders and the creation of a new Contingent Capital 2021/1 and (iii) the relevant changes to the Articles of Association. Several shareholders have filed actions for rescission and annulment ("2021 action for annulment") against the resolution made under agenda item 8. The actions filed prevent the entry of the capital increases resolved in agenda item 8 into the commercial register of CECONOMYAG. CECONOMY AG had thus initiated clearance proceedings for the release for entry in the register (Freigabeverfahren) under the German Stock Corporation Act to the Düsseldorf Higher Regional Court. In response to a joint motion by the parties involved, the Düsseldorf Regional Court ordered the suspension of the 2021 action for annulment on 27 May 2021. In light of the legal view of the Düsseldorf Higher Regional Court expressed at the oral hearing in the clearance proceedings, CECONOMY AG withdrew its motion for clearance on 16 July 2021.

46. Events after the closing date

The following events, which are relevant for the assessment of the earnings, financial and asset position of CECONOMY AG and of CECONOMY, occurred between the closing date (30 September 2021) and the date of the preparation of the consolidated financial statements (8 December 2021).

On 5 November 2021, CECONOMY AG announced in an ad hoc disclosure that, against the background of the preliminary legal views of the Düsseldorf Higher Regional Court, the company will again submit the transaction with Convergenta Invest GmbH to the General Meeting. This is to take place in an extraordinary General Meeting, on the condition that the 2022 Annual General Meeting resolves a dividend distribution of around EUR 63 million. CECONOMY AG aims to complete the transaction in the current financial year 2021/22, if possible.

On 8 November 2021, parts of the company's IT systems were attacked by unknown third parties. The functionality of the operating business was secured with immediate defence and recovery measures. Business, both in the stores and in the online shops, largely continued uninterrupted besides restrictions in individual services.

Since mid-November, more severe COVID-19 restrictions and restraints on retail have again been imposed by the authorities in individual countries in which CECONOMY operates. In Austria, for example, an extensive national lockdown began on 22 November 2021 and is set to continue into December 2021. In addition, milder steps are being taken in other countries such as Germany and the Netherlands, including limits on opening hours, regional capacity limits and mandatory models allowing only vaccinated, recovered or tested people access to retail.

47. Notes on related parties

Related parties with significant influence

As the parent company of CECONOMY, CECONOMY AG is not controlled by any company. However, the Haniel Group has significant influence on CECONOMY AG, which is disclosed as an associate in Haniel's consolidated financial statements.

CECONOMY received services from the Haniel Group in the amount of EUR 0 million (2019/20: EUR 0 million) in financial year 2020/21. Existing liabilities from services received in the previous year also amount to EUR 0 million in financial year 2020/21 (2019/20: EUR 0 million).

Business relations with related parties are contractually agreed at arm's-length conditions.

Key management personnel

In accordance with IAS 24, management in key positions 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 management in key positions. The reportable remuneration of management in key positions within the Group according to IAS 24 comprises that paid to active Management Board and Supervisory Board members.

Remuneration for members of the Management Board and the Supervisory Board active during financial year 2020/21 in accordance with IAS 24 totalled EUR 9.8 million in financial year 2020/21 (2019/20: EUR 8.0 million). EUR 7.1 million (2019/20: EUR 4.7 million) of this relates to short-term benefits (not including share-based payment), EUR 0.1 million (2019/20: EUR 0.1 million) to post-service benefits, EUR 2.4 million (2019/20: EUR 3.1 million) to termination benefits and EUR 0.2 million (2019/20: EUR 0.1 million) to share-based payment.

The basic features of the remuneration system and the amount of remuneration for the members of the Management Board and the Supervisory Board are presented in note 49 "Management Board and Supervisory Board".

Other transactions with related parties in the form of associates

As in the previous year, there were no material transactions with Fnac Darty S.A. in financial year 2020/21. There were no transactions with related parties other than those referred to above in financial year 2020/21 (2019/20: EUR 0 million).

48. Executives‘ long-term incentive

Peak performance plan (PPP)

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 that financial year. The calculation considers financial performance targets with a weighting of 80 per cent and non-financial performance targets with a weighting of 20 per cent. The Supervisory Board also defines the LTI performance targets for all members of the Management Board uniformly.

Financial performance targets of the LTI

The financial performance criteria, which are equally weighted with a combined weight of 80 per cent, are the absolute total shareholder return (aTSR) and the 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 on 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 for which the LTI is granted. Four years later, the relevant end price 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 LTI performance criteria, which are weighted at 20 per cent in total, are based on up to six quantitative targets specifically formulated by the Management Board for the following subject areas:

- Employee satisfaction
- Customer satisfaction
- Climate and environmental protection
- HR development and training

- Diversity
- Corporate culture and compliance

If the Management 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 Management 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 Management Board defines the lower threshold (entry barrier), the target for 100-per cent achievement and the value for 300-per cent 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 the respective performance period, the achievement factors are measured for the individual financial and non-financial performance targets. 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. This is capped at 3.00x in each case.

The resulting overall target achievement factors of the financial performance targets and the non-financial performance targets are used to calculate the overall target achievement factor of the LTI according to the defined weighting of the performance targets in relation to each other. The total achievement factor is capped at 3.00x.

The target achievement factor calculated for the LTI as a whole is multiplied by the LTI target amount to give the payment amount. The payment amount is limited to a maximum of 250 per cent of the agreed individual target amount (payment cap).

The remuneration amount calculated for the LTI is paid out two months after the end of the performance period of the LTI in question. If a member leaves the Management Board during a financial year, LTI entitlements not yet paid relating to the period before the end of the contract are paid *pro rata temporis* according to the originally agreed targets and at the time when they would originally be owed.

Pre-existing trenches of older plans in the financial year

The total payment amount from the LTI tranche ended in financial year 2020/21 amounted to EUR 0.31 million for ten CECONOMY AG beneficiaries.

The provisions associated with the programmes amounted to EUR 0.21 million as of 30 September 2021. They are allocated to the ongoing programmes as follows:

in EUR million	Provision as of 30 Sept 2020	Provision as of 30 Sept 2021
PPP 2019	0.15	0.01
PPP 2020	0.08	0.14
PPP 2021	0.00	0.06
	0.23	**0.21**

49. Management board and supervisory board

Remuneration of members of the Management Board in financial year 2020/21

In accordance with the remuneration system introduced in financial year 2020/21, the remuneration of active members of the Management Board 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-employment benefit plan and other supplemental benefits. 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. Exclusively fixed remuneration was agreed only with the Management Board member Dr Bernhard Düttmann active in financial year 2020/21 for the duration of his temporary appointment until 16 October 2020. The Supervisory Board entered into a new contract with Dr Bernhard Düttmann for his further appointment from 17 October 2020 that also made provision for variable remuneration components as remuneration.

The deviations from the recommendations of the German Corporate Governance Code and from the remuneration system in financial year 2020/21 are explained in detail in the declaration of conformity and in the remuneration report. The declaration of conformity has been made permanently available on the company's website www.ceconomy.de/en/ under Company – Corporate Governance.

The STI 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 is calculated exclusively on the basis of financial performance criteria, which are formulated using the three key performance indicators of EBIT, sales growth and net working capital (NWC) according to the company's consolidated financial statements.

The LTI 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 that financial year. The calculation considers financial performance targets with a weighting of 80 per cent and non-financial performance targets with a weighting of 20 per cent.

Remuneration for members of the Management Board active in financial year 2020/21 amounts to EUR 5.8 million (2019/20: EUR 3.3 million). EUR 4.3 million (2019/20: EUR 2.7 million) of this relates to fixed salary (including supplemental benefits), EUR 0.7 million (2019/20: EUR 0 million) to short-term performance-based remuneration and EUR 0.8 million (2019/20: EUR 0.6 million) to performance-based remuneration with long-term incentive effect. The figures shown for the previous year relate to members of the Management Board in office in financial year 2019/20.

For the tranche of the LTI granted in financial year 2020/21, the target amounts are EUR 0.18 million for Dr Karsten Wildberger, EUR 0.22 million for Mr Florian Wieser and EUR 1.15 million for Dr Düttmann. The fair value of the granted tranche of the LTI is EUR 0.10 for Dr Wildberger, EUR 0.12 for Mr Wieser and EUR 0.58 for Dr Düttmann.

The expense of the LTI amounts to EUR 20,000 for Dr Wildberger, EUR 24,000 for Mr Wieser and EUR 122,000 for Dr Düttmann. Provisions of the same amounts were recognized for this.

At the grant date, the value of the tranche of the LTI granted in financial year 2020/21 was calculated by external assessors according to a recognized actuarial method.

Apart from the tranche of the LTI issued in the reporting period, Dr Wildberger, Mr Wieser and Dr Düttmann have no grants from earlier tranches.

There are post-service benefit plans for members of the Management Board in the form of a commitment of a defined contribution component, which is funded jointly by the Management Board and the company. If Management Board members contribute five per cent of their own defined assessment basis, the company adds double that amount.

The other supplemental benefits relate to non-cash benefits.

Total remuneration of former members of the Management Board

Benefits of EUR 3.0 million (2019/20: EUR 3.0 million) were paid for former members of the Management Board of CECONOMY AG and of companies merged into CECONOMY AG and their surviving dependants in financial year 2020/21. Ms Karin Sonnenmoser received termination benefits totalling EUR 2.6 million. The present value of obligations for ongoing pensions and entitlements to pensions in accordance with IFRS is EUR 50 million (30 September 2020: EUR 50.8 million). The corresponding present value of the obligation volume for ongoing pensions and entitlements to pensions in accordance with HGB is EUR 45 million (30 September 2020: EUR 44.8 million).

The disclosures pursuant to Sec. 314 para. 1 no. 6 a sent 5 to 8 HGB can be found in the remuneration report in the combined management report.

Remuneration of Supervisory Board members

The total remuneration of all members of the Supervisory Board for financial year 2020/21 amounts to EUR 2.1 million

(2019/20: EUR 2.0 million).

***A** Further information on the remuneration of Supervisory Board members can be found in the remuneration report in the combined management report.*

50. Group auditor's fees

The total fee shown below was charged for services provided by the auditor KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG).

in EUR million	2019/20	2020/21
Audit of financial statements	6	6
Other assurance services	0	1
Tax consultation services	0	0
Other services	1	0
Group auditor's fees	**7**	**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.

KPMG's fee for audits of financial statements relates to the audit of the consolidated financial statements of CECONOMY AG including the related work on IFRS Reporting Packages from consolidated subsidiaries, the annual financial statements of CECONOMY AG and various subsidiaries, including statutory extensions of scope, and the audit of the consolidated financial statements of a subsidiary including the related work on IFRS Reporting Packages from consolidated subsidiaries. Reviews of interim financial statements and ISAE 3402 audit services were also performed.

Other assurance services include, for example, voluntary assurance services in connection with the issuance of comfort letters, sales-based rental agreements and compliance certificates and the audit of the separate non-financial group report. Other services mainly relate to fees for project-related advisory services.

51. Declaration of conformity regarding the recommendations or the German Corporate Governance Code

CECONOMY AG makes the declaration of conformity pursuant to Sec.161 para. 1 AktG with the recommendations of the Commission of the German Corporate Governance Code submitted jointly by the Management Board and Supervisory Board in November 2021 and previous declarations of conformity and supplements permanently available on the website www.ceconomy.de/en/ under Company – Corporate Governance.

52. Exemptions according to Sec. 264 Para. 3 and Sec. 264 b HGB

The following domestic subsidiaries in the legal form of a corporation or partnership have exercised the simplification options according to Sec. 264 para. 3 and Sec. 264 b HGB and therefore refrain from disclosing their 2020/21 annual financial statement documentation and mostly from preparing the (HGB) notes and management report.

Operating companies and service entities

CECONOMY Data GmbH	Düsseldorf
CECONOMY Digital GmbH	Düsseldorf
CECONOMY Dreizehnte Gesellschaft für Vermögensverwaltung mbH	Ingolstadt
MMS Retail International GmbH	Düsseldorf
CECONOMY Invest GmbH	Düsseldorf
CECONOMY Pensionssicherungs GmbH	Düsseldorf
CECONOMY Retail GmbH	Düsseldorf
CECONOMY Retail International GmbH	Düsseldorf
MWFS Zwischenholding GmbH & Co. KG	Düsseldorf
MWFS Zwischenholding Management GmbH	Düsseldorf

53. Overview of material fully consolidated group companies

Name	Country	Registered office	Share in %	
			30 Sept 2020	30 Sept 2021
CECONOMY AG	Germany	Düsseldorf		
Media-Saturn-Holding GmbH	Germany	Ingolstadt	78.38	78.38
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	Turkey	Istanbul	100.0	100.0

54. Corporate bodies of Ceconomy AG and their mandates

Members of the Supervisory Board as of 8 December 2021

		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt. 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt 2 AktG
Jürgen Fitschen Chairman of the Supervisory Board until 17 February 2021	Senior Advisor, Deutsche Bank AG, Frankfurt am Main	Vonovia SE, Bochum Syntellix AG, Hanover	Kommanditgesellschaft CURA Vermögensverwaltung GmbH & Co. KG, Hamburg
Thomas Dannenfeldt Chairman of the Supervisory Board since 17 February 2021	Self-employed entrepreneur, St. Augustin	None	Nokia Oyj, Espoo, Finland
Sylvia Woelke Vice Chairwoman	Chairwoman of the Works Council, Media-Saturn-Holding GmbH, Ingolstadt Manager Corporate Risk Management & Internal Controls, Media-Saturn-Holding GmbH, Ingolstadt	None	None
Katrin Adt since 1 October 2021	Vice President Mercedes-Benz Retail Cars & Vans Europe, Mercedes-Benz AG, Stuttgart	None	None
Wolfgang Baur	Logistics Department Manager, Saturn Techno-Electro-Handelsgesellschaft mbH, Cologne Chairman of the Works Council, Saturn Techno-Electro-Handelsgesellschaft mbH, Cologne	None	None
Kirsten Joachim Breuer	Deputy Managing Director, IG Metall Geschäftsstelle Erfurt, Erfurt	None	None

		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt. 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt 2 AktG
Karin Dohm	Member of the Management Board, HORNBACH Baumarkt AG, Bornheim, and HORNBACH Management AG, Annweiler since 1 January 2021	Deutsche EuroShop AG, Hamburg HORNBACH Immobilien AG, Born heim – Deputy Chairwoman since 17 September 2021 and member since 1 April 2021	None
Dr Bernhard Düttmann suspended until 16 October 2020, finally terminated with effect from 17 October 2020	Self-employed management consultant, Meerbusch	Alstria Office Reit AG, Hamburg until 12 May 2021	Media-Saturn-Holding GmbH, Ingolstadt – Member of the Advisory Board and Chairman of the Advisory Board
Daniela Eckardt	Member of the checkout team, Saturn Electro-Handelsgesellschaft mbH Berlin Alexanderplatz, Berlin Deputy Chairwoman of the Works Council, Saturn Electro-Handelsgesellschaft mbH Berlin Alexanderplatz, Berlin	None	None
Sabine Eckhardt since 27 October 2020	Chief Executive Officer Central Europe of Jones Lang LaSalle SE, Frankfurt am Main Member of the Advisory Board Digital Business, Heinrich Bauer Verlag KG, Hamburg	None	Media4Planet GmbH, Hamburg – Chairwoman of the Advisory Board
Thomas Fernkorn since 8 October 2021	Vice President Corporate Controlling, Media-Saturn-Holding GmbH, Ingolstadt	None	None
Dr Florian Funck	Member of the Management Board of Franz Haniel & Cie. GmbH, Duisburg	TAKKT AG, Stuttgart. Vonovia SE, Bochum	None
Ludwig Glosser	Lead Problem Manager and Sourcing Manager, MMS Technology GmbH, Ingolstadt Chairman of the Works Council, MMS Technology GmbH, Ingolstadt	None	None
Julia Goldin	Executive Vice President & Chief Marketing Officer, Lego Group, London, UK	None	None
Jo Harlow until 30 September 2021	Self-employed entrepreneur, Esher, UK Director at Chapter Zero Limited, Ramsgate, UK since 1 September 2021	None	Intercontinental Hotels Group plc, Denham, UK Halma plc, Amersham, UK J Sainsbury's plc, London, UK
Rainer Kuschewski until 30 September 2021	Self-employed entrepreneur, Ofterdingen	None	None

		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt. 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt 2 AktG
Stefanie Nutzenberger	Member of the Executive Committee of the Trade Union ver.di, Berlin	None	None
Claudia Plath	Member of the Management Board and Chief Financial Officer ECE Group GmbH & Co. KG, Hamburg	Deutsche EuroShop AG, Hamburg	MEC METRO-ECE Centermanagement GmbH & Co. KG, Düsseldorf
Jens Ploog	Senior Consultant Organisation, Processes and Projects, Media-Saturn Deutschland GmbH, Ingolstadt Chairman of the Works Council, Media-Saturn Deutschland GmbH, Ingolstadt	None	None
Birgit Popp until 20 July 2021	Department Manager HR People Development & Learning Germany, Media-Saturn-Holding GmbH, Ingolstadt	None	None
Dr Lasse Pütz since 1 October 2021	Lawyer at LLR Legerlotz Laschet und Partner Rechtsanwälte Partnerschaft mbB, Cologne	Stadtwerke Düsseldorf AG, Düsseldorf	neue bahnstadt opladen GmbH, Leverkusen
Dr Fredy Raas	Member of the Foundation Board of the Prof. Otto Beisheim Foundations in Munich and Baar, Switzerland Managing Director of Beisheim Holding GmbH, Baar, Switzerland	METRO AG, Düsseldorf	Arisco Holding AG, Baar, Switzerland until 21 June 2021 HUWA Finanz und Beteiligungs AG, Au, Switzerland
Jürgen Schulz	Service Department Manager, Saturn Electro Handelsgesellschaft mbH, Bielefeld Chairman of the Works Council, Saturn Electro Handelsgesellschaft mbH, Bielefeld	None	None
Regine Stachelhaus	Self-employed entrepreneur, Herrenberg	Covestro AG, Leverkusen Covestro Deutschland AG, Leverkusen SPIE Deutschland und Zentraleuropa GmbH, Ratingen LEONI AG, Nuremberg	SPIE SA, Cergy-Pontoise, France
Christoph Vilanek	CEO of freenet AG, Büdelsdorf	Ströer Management SE and Ströer SE & Co. KGaA, Cologne EXARING AG, Munich VNR Verlag für die Deutsche Wirtschaft AG, Bonn	Sunrise Communications AG, Zurich, Switzerland until 11 November 2020

Committees of the Supervisory Board and their composition

Presidential Committee

Jürgen Fitschen	Chairman	until 17 February 2021
Thomas Dannenfeldt	Chairman	since 17 February 2021
Sylvia Woelke		
Regine Stachelhaus		
Jens Ploog		
Audit Committee		
Karin Dohm	Chairwoman	
Sylvia Woelke	Vice Chairwoman	
Dr Bernhard Düttmann		suspended until 16 October 2020, finally terminated with effect from 17 October 2020
Claudia Plath		
Dr Florian Funck		
Ludwig Glosser		
Rainer Kuschewski		until 30 September 2021
Jürgen Schulz		since 1 October 2021

Nomination Committee

Jürgen Fitschen	Chairman	until 17 February 2021
Thomas Dannenfeldt	Chairman	since 17 February 2021
Dr Bernhard Düttmann		suspended until 16 October 2020, finally terminated with effect from 17 October 2020
Claudia Plath		
Regine Stachelhaus	Mediation Committee pursuant to Sec.27 para. 3 of the German Co-determination Act MitbestG	
Jürgen Fitschen	Chairman	until 17 February 2021
Thomas Dannenfeldt	Chairman	since 17 February 2021
Sylvia Woelke		
Dr Bernhard Düttmann		suspended until 16 October 2020, finally terminated with effect from 17 October 2020
Ludwig Glosser		
Claudia Plath		

Members of the Management Board as of 8 December 2021

	Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt. 1 AktG	**Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt 2 AktG**
Dr Bernhard Düttmann Chief Executive Officer and Labour Director until 31 July 2021	Alstria Office Reit AG, Hamburg until 12 May 2021	Media-Saturn-Holding GmbH, Ingolstadt – Member of the Advisory Board and Chairman of the Advisory Board
Dr Karsten Wildberger Chief Executive Officer and Labour Director since 1 August 2021	Forschungszentrum Jülich GmbH, Jülich	None
Karin Sonnenmoser Chief Financial Officer until 30 April 2021	None	Media-Saturn-Holding GmbH, Ingolstadt – Member of the Advisory Board until 14 May 2021 Swiss Steel Holding AG, Lucerne, Switzerland
Florian Wieser Chief Financial Officer since 1 May 2021	None	None

55. Shareholdings of Ceconomy AG as of 30 September 2021 in accordance with Sec. 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 full list of all Group companies and associates in accordance with Sec. 313 HGB is available on the website www.ceconomy.de/en/ under Investor Relations – Publications.

8 December 2021

The Management Board

Dr Karsten Wildberger Florian Wieser

Independent auditor's report

The following auditor's report, prepared in accordance with Section 322 HGB ("Handelsgesetzbuch": "German Commercial Code"), refers to the complete consolidated financial statements, comprising the statement of financial position as at 30 September 2021, the income statement, the reconciliation of profit or loss for the period to total comprehensive income, the statement of changes in equity and the cash flow statement for the financial year from 1 October 2020 to 30 September 2021, and notes to the consolidated financial statements, together with the combined management report of CECONOMY AG, Dusseldorf for the financial year from 1 October 2020 to 30 September 2021. The combined management report is not included in this Prospectus. The following auditor's report and consolidated financial statements are both translations of the respective German-language documents.

TO CECONOMY AG, DÜSSELDORF

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of CECONOMY AG, Düsseldorf, and its subsidiaries (the Group or CECONOMY), which comprise the statement of financial position as at 30 September 2021, the income statement, the reconciliation from profit or loss for the period to total comprehensive income, the statement of changes in equity and the cash flow statement for the financial year from 1 October 2020 to 30 September 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of CECONOMY for the financial year from 1 October 2020 to 30 September 2021. In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's 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 Section 315e (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 2021, and of its financial performance for the financial year from 1 October 2020 to 30 September 2021, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) 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 combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 Combined 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)(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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 October 2020 to 30 September 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

COVERABILITY OF INVENTORIES

For the accounting policies applied, we refer to the disclosures in the notes in the section "Notes to the Group accounting principles and methods" concerning inventories. In addition, we refer to note 26 ('Inventories').

The financial statement risk

The statement of financial position as at 30 September 2021 reports inventories in the amount of EUR 3,111 million, which includes EUR 158 million in write-downs.

Inventories initially measured at cost (taking into account incidental acquisition costs and reductions in the cost of acquisition due to subsequent compensation) must be reduced in value if their expected net realisable values no longer cover cost due to damage, obsolescence or reduced marketability.

The determination of net realisable values as an upper limit is subject to judgement. Net realisable value requires in part forward-looking estimates with regard to the amounts that are expected to be realised when selling the inventories. The Covid-19 pandemic, which has been ongoing worldwide since January 2020, could have a bearing on the application of empirical values for forward-looking estimates of net realisable values.

There is the risk for the consolidated financial statements that inventories are overstated due to unidentified writedown requirements.

Our audit approach

Based on our understanding of the process used to test the recoverability of inventories, we assessed the setup, design and functionality of the identified internal controls, especially in terms of the calculation of expected net realisable values.

We verified the computational accuracy of the calculations to determine net realisable value and write-downs for inventory items selected according to risk and size. We assessed the appropriateness of the expected net realisable values and write-down rates applied using CECONOMY's empirical values and CECONOMY's business-specific knowledge associated with the Covid-19 pandemic.

Our observations

The assumptions underlying the net realisable values and the judgements exercised by the Management Board are appropriate and reasonable.

RECOGNITION OF COMPENSATION FROM SUPPLIERS

For the accounting policies applied, we refer to the disclosures in the notes in the section "Notes to the group accounting principles and methods" on financial instruments. In addition, we refer to note 24 "Receivables due from suppliers, other financial and other assets".

The financial statement risk

The Group's statement of financial position as at 30 September 2021 reported receivables from suppliers of EUR 1,142 million.

CECONOMY Group companies conclude agreements with suppliers on purchasing terms and conditions. These include agreements on subsequent discounts, rebates and other compensation granted by suppliers to CECONOMY. Presentation of these agreements in the statement of financial position and statement of profit or loss requires some judgments and assumptions, such as on achieving calendar year targets due to the reporting date deviating from the calendar year, which have a direct influence on the recognition of receivables from suppliers under the aforementioned agreements.

There is the risk for the consolidated financial statements that compensation from suppliers is recognised without underlying agreements or that compensation from suppliers is not recognised in the correct amount and therefore the receivables due from suppliers are not stated in an appropriate amount.

Our audit approach

We examined the process for recognising and documenting supplier agreements and the establishment and design of the identified internal controls and assessed the effectiveness of the relevant internal controls in terms of the amount and accuracy of supplier compensation.

We verified the underlying supplier agreements for a selection of receivables from suppliers based on size and risk, and assessed the recognition of supplier compensation in the statement of financial position and the statement of profit or loss by evaluating the contractual arrangements. To that end, we scrutinised factors such as the underlying assumptions and data used to recognise the receivables from suppliers for realised but not yet invoiced compensation taking into account past experience.

Our observations

The recognition of the realised compensation from suppliers is consistent with the underlying supplier terms and conditions/agreements with the suppliers.

RECOVERABILITY OF LEASEHOLD IMPROVEMENTS AND RIGHT-OF-USE ASSETS

For the accounting policies applied, we refer to the disclosures in the notes on property, plant and equipment and leases in the section "Notes to the Group accounting principles and methods". In addition, we refer to note 21 "Property, plant and equipment" and note 22 "Right-of-use assets".

The financial statement risk

The consolidated financial statements of CECONOMY as at 30 September 2021 include other equipment, operating and office equipment of EUR 485 million, which also includes leasehold improvements for operating stores and right-of-use assets of EUR 1,933 million.

In order to test whether an impairment exists, the assets are aggregated into a group of cash-generating units (CGU). At CECONOMY, this applies to the individual business location/store. In case of indications of impairment of right-of-use assets and leasehold improvements, the Company determines the recoverable amount as at the reporting date and compares this with the respective carrying amount. If the carrying amount of the cash-generating unit exceeds the recoverable amount, an impairment loss is recognised on the right-of-use assets and leasehold improvements. The basis for determining the recoverable amount is typically the present value of future cash flows of the respective cash-generating unit, which is determined using the simplified discounted cash flow method. Future cash flows are determined on the basis of multi-year plans for the individual stores.

Impairment testing is complex and is highly dependent on the Company's estimates of future cash flows and therefore subject to considerable uncertainty and judgement, especially in view of the multi-year planning horizon typically used. The level of estimation uncertainty with regard to the underlying future cash flows continues to be high due to the Covid-19 pandemic, which has been ongoing worldwide since January 2020. In the financial year, the Company recognised impairment losses of EUR 26 million on other equipment, operating and office equipment, which also includes leasehold improvements, and EUR 12 million on right-of-use assets.

There is a risk that impairment losses were not recorded in a sufficient amount and that leasehold improvements and right-of-use assets are therefore impaired.

Our audit approach

First, we referred to explanations of controlling and assessed documentation to obtain an understanding of the Company's process for impairment testing of leasehold improvements and right-of-use assets. We analysed the indications of impairment identified by the Company and, on the basis of information obtained within the scope of our audit, assessed whether there are any indications of further impairment not identified by the Company.

With the involvement of our own valuation experts, we assessed the appropriateness of CECONOMY's calculation model and compared the expected future cash flows in the valuation model with the detailed planning. This planning was derived from the budget adopted by the Management Board and approved by the Supervisory Board.

We assessed the plausibility of the planning assumptions based on sector-specific market expectations. We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and by analysing deviations. As in the prior year, there was special attention required for the analysis of the potential further effects of the Covid-19 pandemic. Furthermore, we evaluated the consistency of planning using information obtained in the course of the audit. In addition, we assessed the valuation models for the accounting policies applied as well as computational and formal accuracy.

Our observations

The approach used for impairment testing of leasehold improvements and right-of-use assets is appropriate and in line with the accounting policies. The assumptions and data used by the Company are appropriate.

Other Information

The Management Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the corporate governance statement referred to in the combined management report,
- the separate non-financial report, which is referred to in the combined management report, and
- information extraneous to the combined management report and marked as unaudited. The other information also includes the remaining parts of the annual report.

The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or 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 Management Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Management Board is responsible for the preparation of 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 Section 315e (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 Management Board is 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 or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. Furthermore, the Management Board is responsible 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 Management Board is responsible for the preparation of the combined 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 Management Board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined 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 opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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) 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 combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the consolidated financial statements and of the combined 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 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 combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.

- Conclude on the appropriateness of the Management Board's 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 combined management report or, if such disclosures are inadequate, to modify our respective 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 Section 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined 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 Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board 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 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 the Supervisory Board 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, the related safeguards.

From the matters communicated with the Supervisory Board, 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 Assurance in accordance with Section 317 (3a) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „CECONOMY_AG_KA+ZLB_ESEF-2021-09-30.zip"
(SHA256-Hashvalue: d8d942eb03f09d6d4044020d45d29788d31fe2ca25010d214e33217e4be79347)
and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file provided and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 October 2020 to 30 September 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above.

We conducted our assurance work of the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file provided in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance in accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 410 (10/2021)). Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Management Board of the Parent Company is responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

In addition, the Parent Company's Management Board is responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 assessment of 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 provided containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.

- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.

- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL), in accordance with Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815 as applicable on the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on 17 February 2021. We were engaged by the Supervisory Board on 19 April 2021. We have been the group auditor of CECONOMY AG without interruption since financial year 2005.

We declare that the 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).

Other matter – Use of the Auditor's Report

Our auditor's report should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and the combined management report converted into XHTML format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace these. In particular, the ESEF assurance report and our assurance conclusion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Martin C. Bornhofen.

Düsseldorf, 8 December 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

[signature] Bornhofen Wirtschaftsprüfer	*[signature]* Schröder Wirtschaftsprüfer

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.

8 December 2021

The Management Board

Dr Karsten Wildberger Florian Wieser

AUDITED UNCONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE 2020/21 FINANCIAL YEAR PREPARED IN ACCORDANCE WITH THE GERMAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OF THE HGB

Statement of financial position as of 30 September 2021

in EUR million	Note	30 Sept 2020	30 Sept 2021
ASSETS			
Fixed assets	**3**		
Intangible assets	4	0	0
Property, plant and equipment	5	2	1
Financial assets	6	933	933
		935	**934**
Current assets			
Receivables and other assets	7	1,210	750
Securities	8	0	100
Cash on hand and bank deposits	9	132	563
		1,342	**1,413**
Prepaid expenses	10	2	10
		2,279	**2,357**

in EUR million	Note	30 Sept 2020	30 Sept 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	**11**	**919**	**919**
Ordinary shares		912	912
Preference shares		7	7
Contingent capital		*128*	*128*
Capital reserve	12	321	321
Balance sheet profit (previous year: balance sheet loss)	28	(91)	86
		1,149	**1,326**
Provisions	**13**	**124**	**130**
Liabilities	**14**	**1,004**	**892**
Deferred income	**15**	**2**	**9**
		2,279	**2,357**

Income statement for the financial year from 1 October 2020 to 30 September 2021

in EUR million	Note	2019/20	2020/21
Revenue	21	5	7
Investment result	22	5	227
Net financial result	23	(12)	(13)
Other operating income	24	3	2
Personnel expenses	25	(19)	(20)
Depreciation, amortization and impairment losses on intangible and tangible assets	3	(1)	(1)
Other operating expenses	26	(18)	(25)
Income taxes	27	0	0
Earnings after tax		**(37)**	**177**
Other taxes		(1)	0
Net income for the year (previous year: net loss for the year)		**(38)**	**177**
Loss carry-forward from the previous year	28	(53)	(91)
Balance sheet profit (previous year: balance sheet loss)	**28**	**(91)**	**86**

Notes

COMBINED MANAGEMENT REPORT

The management report for CECONOMY AG and the Group management report have been combined in accordance with Sec. 315 para. 5 of the German Commercial Code (HGB) in conjunction with Sec. 298 para. 2 HGB and issued in CECONOMY's 2020/21 annual report.

The annual financial statements and the management report for CECONOMY AG combined with the Group management report for financial year 2020/21 are submitted to the operator of the German Federal Gazette and issued in the German Federal Gazette.

The annual financial statements for CECONOMY AG and the management report for CECONOMY for financial year 2020/21 are also available online at www.ceconomy.de/en/.

1. Basis of preparation of the annual financial statements

CECONOMY AG, the parent company of CECONOMY Group, has its registered office at Kaistrasse 3 in 40221 Düsseldorf, Germany. It is listed at the Düsseldorf District Court under register number HRB 39473.

The annual financial statements of CECONOMY AG have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) and the German Stock Corporation Act (Aktiengesetz – AktG).

The annual financial statements were prepared in Euro. All amounts are shown in millions of euros (EUR million) unless stated otherwise. Amounts below EUR 0.5 million are rounded down and reported as EUR 0 million.

The statement of financial position and the income statement combine various items to improve clarity of presentation. The order of the combined income statement items as determined in Sec. 275 HGB has been partially amended to emphasize the company's function as a holding company. These items are presented separately in the notes.

2. Accounting, valuation and reporting principles

Intangible assets are recognized at cost and property, plant and equipment are carried at cost, in each case less cumulative depreciation or amortization and impairment losses. Depreciation/amortization is on a straight-line basis.

The underlying expected useful lives primarily amount to periods of between three and five years. Assets are written down to the lower of cost or fair value if impairment is expected to be permanent. Lower carrying amounts are maintained unless a higher carrying amount up to amortized cost is warranted. Fixed assets with acquisition costs of less than EUR 1,000 (low-value assets) are divided into two groups. Assets costing up to EUR 250 are written down in full in the year of acquisition. Assets costing between EUR 250 and EUR 1,000 are reported in a collective item and written down using the straight-line method in the year of acquisition and in the subsequent four years. The option to capitalize internally generated intangible assets was not exercised.

Shares in affiliated companies and investments are recognized at cost or at the lower of cost and fair value where impairment is expected to be permanent. Lower carrying amounts are maintained unless a higher carrying amount up to the original acquisition cost is warranted.

Receivables and other assets are carried at their nominal amount. Non-interest-bearing receivables with a term of more than one year are discounted to their net present value. Risks inherent to the receivables are taken into account by way of specific bad debt allowances. If the relevant requirements are met, earnings of direct and indirect investments are recognized during the same period. Otherwise, income from investments is recognized in the year of distribution.

Securities are recognized at the lower of cost or fair value.

Cash-in-hand and bank balances are carried at nominal amount. Amounts in foreign currency are translated into Euro using the closing rate.

Prepaid expenses and deferred income are recognized over the terms of the underlying items and released pro rata.

Direct pension obligations are calculated on the basis of actuarial calculations using the projected unit credit method. Mortality rate calculations are based on the G 2018 mortality tables (30 September 2020: G 2018 mortality tables) from Prof Klaus Heubeck. Expected future salary and pension increases are taken into account. For these, we assume annual salary adjustments of 2 per cent (2019/20: 2 per cent) and annual pension adjustments of 1.5 per cent (2019/20: 1.5 per cent). In accordance with Sec. 253 para. 2

HGB, the actuarial interest rate was set at 1.97 per cent for financial year 2020/21 (2019/20: 2.42 per cent), equal to the average market interest rate for the past ten years. This interest rate assumes a remaining term of 15 years.

CECONOMY AG recognizes a corresponding provision for shortfalls in the pension fund. In doing so, it applied the same methods and parameters as for the calculation of direct pension obligations.

The difference between the carrying amount of provisions for partial retirement obligations based on the average market interest rate for the past ten years and the carrying amount based on the average market interest rate for the past seven years (1.38 per cent (2019/20: 1.71 per cent)) is EUR 7 million (30 September 2020: EUR 9 million). This amount must be taken into consideration when calculating the amount subject to restriction on distribution. Allocations to pension obligations are, where these are attributable to the interest component, to be reported in the net financial result and otherwise under personnel expenses.

The other provisions are established to cover all identified risks and uncertain liabilities as of the time of the preparation of the financial statements, based on reasonable estimates of the future settlement amounts of such commitments. Future price and cost increases are taken into account if there are sufficient objective indications that they will occur. Provisions maturing in more than one year are discounted to present value using the average market interest rate for the past seven years, based on their remaining maturities.

Deferred taxes are calculated for temporary differences between the accounting and tax carrying amounts of assets, liabilities, pre-paid expenses and deferred income. In addition to the temporary accounting differences, tax loss and interest carry-forwards and any tax credits are included in the calculation. Deferred tax liabilities are recognized only if they exceed deferred tax assets. The option under Sec. 274 para. 1 sentence 2 HGB to recognize deferred tax assets was not exercised.

Liabilities are carried at their settlement amount.

Any currency, interest rate and price risks incurred as part of operating activities are hedged through the use of derivative financial instruments. These primarily include forward exchange contracts, currency options and interest rate and currency swaps. Derivative financial instruments that are part of an economically necessary and documented hedging relationship with other or primary financial instruments are measured jointly in accordance with Sec. 254 HGB (net hedge presentation method). In particular, this may affect intragroup and external financing as well as derivatives that are passed on to affiliated companies. Within hedges, unrealized losses are offset up to the amount of unrealized gains. Excess losses are anticipated (provisions recognized); excess gains are not recognized. Hedge accounting requires individual risk compensation, matching interest maturity and currency, the same maturity date and the intention to hold to maturity beyond the measurement date.

Notes to the statement of financial position

3. Fixed assets

in EUR million	30 Sept 2020	30 Sept 2021
Intangible assets		
Purchased right-of-use assets and licences	0	0
	0	**0**
Property, plant and equipment		
Other plant, business and office equipment	2	1
	2	**1**
Financial assets		
Shares in affiliated companies	920	920
Investments	13	13
	933	**933**
Total	**935**	**934**

The table below shows changes to fixed assets:

in EUR million	Intangible assets	Property, plant and equipment	Total
	Purchased right-of-use assets and licences	Other plant, business and office equipment	
Cost			
As of 1 October 2020	1	2	3
Additions	0	0	0
Transfers	0	0	0
Disposals	0	0	0
As of 30 September 2021	1	2	3
Depreciation/amortization and impairment loss			
As of 1 October 2020	1	0	1
Depreciation/amortization/impairment loss for the financial year	0	1	1
Transfers	0	0	0
Disposals	0	0	0
As of 30 September 2021	1	1	2
Carrying amount as of 1 October 2020	0	2	2
Carrying amount as of 30 September 2021	**0**	**1**	**1**

in EUR million	Financial assets		Total
	Shares in affiliated companies	Investments	
Cost			
As of 1 October 2020	920	13	933
Additions	250	0	250
Transfers	0	0	0
Disposals	250	0	250
As of 30 September 2021	920	13	933
Depreciation/amortization and impairment loss			
As of 1 October 2020	0	0	0
Depreciation/amortization/impairment loss for the financial year	0	0	0
Transfers	0	0	0
Disposals	0	0	0
As of 30 September 2021	0	0	0
Carrying amount as of 1 October 2020	920	13	933
Carrying amount as of 30 September 2021	**920**	**13**	**933**

4. Intangible assets

Intangible assets primarily include purchased software and licences. All depreciation and amortization for financial year 2020/21 was scheduled.

5. Property, plant and equipment

Property, plant and equipment primarily comprise business and office equipment. All depreciation and amortization for financial year 2020/21 was scheduled.

6. Financial assets

Shares in affiliated companies as of 30 September 2021 came to EUR 920 million (30 September 2020: EUR 920 million) and primarily comprise 100 per cent of the shares in CECONOMY Retail GmbH with a carrying amount of EUR 901 million (30 September 2020: EUR 651 million). CECONOMY Retail GmbH itself holds the majority of shares in Media-Saturn-Holding GmbH. The change in shares results from the contribution of shares in CECONOMY Retail International GmbH with a carrying amount of EUR 250 million (30 September 2020: EUR 250 million) to CECONOMY Retail GmbH. CECONOMY Retail International GmbH in turn holds a 24.296 per cent stake in Fnac Darty S.A., Ivry-sur-Seine, France. The shares were contributed at carrying amount. Shares in affiliated companies also include 100 per cent in MWFS Zwischenholding GmbH & Co. KG at a carrying amount of EUR 10 million (30 September 2020: EUR 10 million).

The investments comprise 6.61 per cent of shares in METRO PROPERTIES GmbH & Co. KG in the amount of EUR 13 million (30 September 2020: EUR 13 million) and the approximately one per cent share in METRO AG held directly by CECONOMY AG with a carrying amount of EUR 1. The approximately one per cent share in METRO AG held directly by CECONOMY AG is restricted from sale for tax purposes until 1 October 2023.

More information on the investment in METRO PROPERTIES GmbH & Co. KG can be found under note 20 Risks and benefits of off-balance sheet transactions.

7. Receivables and other assets

in EUR million	30 Sept 2020	30 Sept 2021
Receivables from affiliated companies	1,177	721
thereof trade receivables	*0*	*1*
Other assets	33	29
thereof with a remaining term of more than one year	*0*	*0*
	1,210	**750**

Receivables from affiliated companies primarily comprise EUR 302 million (30 September 2020: EUR 313 million) in receivables from Group companies on account of CECONOMY AG's financing function as the holding company, EUR 301 million of which relates to CECONOMY Retail GmbH and EUR 1 million to CECONOMY Invest GmbH. Furthermore, the receivables from affiliated companies include a residual claim of EUR 206 million from a distribution from the capital reserve of CECONOMY Retail GmbH through profit or loss from financial year 2019/20 of EUR 653 million, EUR 447 million of which was offset in this financial year against the loss absorption liability to CECONOMY Retail GmbH from financial year 2019/20. Furthermore, the receivables from CECONOMY Retail GmbH include a further receivable from a distribution from the capital reserve through profit or loss from financial year 2020/21 of EUR 25 million. Moreover, receivables from affiliated companies comprise EUR 175 million (30 September 2020: EUR 0 million) in receivables on the basis of existing profit transfer agreements, EUR 88 million of which relates to CECONOMY Retail International GmbH (30 September 2020: loss absorption liabilities of EUR 206 million), EUR 86 million to CECONOMY Retail GmbH (30 September 2020: loss absorption liabilities of EUR 447 million) and EUR 1 million to CECONOMY Data GmbH (30 September 2020: loss absorption liabilities of EUR 0 million). Another EUR 13 million in receivables from affiliated companies result from passing on of costs from third parties to subsidiaries (30 September 2020: EUR 7 million).

Other assets primarily comprise EUR 27 million in claims to tax refunds (30 September 2020: EUR 32 million). Receivables from withheld tax on capital gains account for EUR 26 million of this. EUR 25 million of this (30 September 2020: EUR 27 million) relates to the assumption of the receivable for capital gains tax of CECONOMY Retail GmbH resulting from the distribution of profits by Media-Saturn-Holding GmbH for financial year 2019/20 and EUR 1 million (30 September 2020: EUR 1 million) to METRO AG's dividend distribution for financial years 2018/19 and 2019/20. Other assets also include EUR 1 million in value-added tax refund claims (30 September 2020: EUR 1 million).

8. Securities

The securities include other securities of EUR 100 million (30 September 2020: EUR 0 million), comprising held-to-maturity (short-term) commercial papers measured at acquisition cost of EUR 75 million and EUR 25 million in bond funds held for short-term cash management and measured at the lower of cost and fair value.

9. Cash on hand and bank deposits

The item totalled EUR 563 million as of the closing date (30 September 2020: EUR 132 million) and comprises short-term deposits and financial investments at banks. Custodian fees of EUR 1 million (30 September 2020: EUR 0 million) were incurred in financial year 2020/21.

10. Prepaid expenses

Prepaid expenses charges amounted to EUR 10 million as of the closing date (30 September 2020: EUR 2 million) and primarily include EUR 5 million in commission in connection with the conclusion of the new syndicated loan agreement with a total credit facility of EUR 1,060 million. Furthermore, prepaid expenses of EUR 5 million were recognized for the bond issued on 24 June 2021 with a nominal value of EUR 500 million, EUR 3 million of which relates to a discount and EUR 2 million to commission paid in advance. The prepaid expenses will be reversed through profit and loss over the respective term of the contract.

11. Share capital (equity)

Share capital has not changed in terms of its amount or breakdown into ordinary and preference shares in comparison to 30 September 2020 and comes to EUR 918,845,410.90. It is divided as follows:

No-par value b shares, pro rata value per sham In the sham capital approx. EUR 2.56		30 Sept 2020	30 Sept 2021
Ordinary shares	Number	356,743,118	356,743,118
	EUR approx.	911,999,300	911,999,300
Preference shares	Number	2,677,966	2,677,966
	EUR approx.	6,846,111	6,846,111
Total shares	Number	359,421,084	359,421,084
Total share capital	**EUR approx.**	**918,845,411**	**918,845,411**

Each ordinary share carries one vote. In particular, ordinary shares also entitle the holder to receive dividends. Unlike ordinary shares, preference shares do not generally grant voting rights and provide a preferential right to profits in accordance with Sec. 21 of CECONOMY AG's articles of association. These state that:

"(1) Holders of preference shares without voting rights receive an advance dividend from annual balance sheet profit to be paid subsequently of EUR 0.17 per preference share.

(2) If the distributable balance sheet profit in a financial year is not sufficient to pay the advance dividend, the arrears are payable without interest from the balance sheet profit for the following financial years in such a way that the older arrears are settled before the more recent ones and the preferred dividends payable for the financial year from this same year's profits are not paid until after all arrears have been repaid.

(3) After advance dividends have been distributed, holders of ordinary shares receive a dividend of EUR 0.17 per ordinary share. An additional dividend of EUR 0.06 per preference share, which may not be paid retroactively, is then paid to the holders of preference shares without voting rights. The additional dividend amounts to 10 per cent of dividends paid to holders of ordinary shares, taking into account para. 4, if this reaches or exceeds EUR 1.02 per ordinary share.

(4) Holders of preference shares without voting rights and holders of ordinary shares participate in a further profit distribution equally in accordance with their share in share capital."

Authorized capital

The General Meeting held on 13 February 2019 authorized the Management Board, with the approval of the Supervisory Board, to increase the company's share capital on one or more occasions until 12 February 2024 up to a maximum of EUR 321,600,000 by issuing new no-par value ordinary bearer shares against cash or non-cash contributions (Authorized Capital). The Management Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' subscription rights in certain, pre-defined cases. Authorized Capital has not yet been utilized.

Contingent capital

The General Meeting held on 13 February 2019 resolved to contingently increase share capital by up to EUR 127,825,000, divided into up to 50,000,000 no-par value ordinary bearer shares (contingent capital). 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 12 February 2024 in a total nominal amount of up to EUR 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 EUR 127,825,000, in accordance with the provisions of the conditions for the respective warrant or convertible bond, or to grant CECONOMY AG the right to grant 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 disapply 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 13 February 2019 authorized the company to purchase treasury shares of any share class until 12 February 2024 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 and/or convertible bonds and to purchase treasury shares can be found in the combined management report – Disclosures pursuant to Sec. 315a para. 1 and Sec. 289a para. 1 of the German Commercial Code.

12. Capital reserve

The capital reserve as of 30 September 2021 amounted to EUR 321 million and was unchanged year on year. Capital reserves under Sec. 272 para. 2 no. 1-3 HGB account for EUR 270 million of this and a capital reserve under Sec. 272 para. 2 no. 4 HGB for EUR 51 million.

13. Provisions

in EUR million	30 Sept 2020	30 Sept 2021
Provisions for post-employment benefit plans and similar obligations	116	114
Tax provisions	1	1
Other provisions	7	15
	124	**130**

Provisions for post-employment benefit plans and similar obligations have been recognized for direct pension commitments in the amount of EUR 79 million (30 September 2020: EUR 81 million) and for shortfalls in underfunded pension funds in the amount of EUR 35 million (30 September 2020: EUR 35 million). Please refer to Section 2 of the notes for information on the general measurement parameters.

Assets from pension insurance of EUR 34 million (30 September 2020: EUR 33 million) were set off within the "provisions for post-employment benefit plans and similar obligations" item. 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.

Other provisions are recognized for the following items:

in EUR million	30 Sept 2020	30 Sept 2021
Outstanding invoices	4	7
Guarantee risks	0	4
Obligations to employees	3	3
Litigation risks and legal disputes	0	0
Miscellaneous	0	1
	7	**15**

Other provisions include a provision of EUR 4 million (30 September 2020: EUR 0 million) for the utilization of a guarantee issued for potential 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 EUR 3 million (30 September 2020: EUR 3 million), EUR 1 million of which (30 September 2020: EUR 1 million) relates to bonus provisions, EUR 1 million (30 September 2020: EUR 1 million) to severance payment provisions and EUR 1 million (30 September 2020: EUR 1 million) to obligations for share-based payments. The miscellaneous provisions of EUR 1 million (30 September 2020: EUR 0 million) comprise contributions to Pensions-Sicherungs-Verein Versicherungsverein aG, Cologne, not yet invoiced for financial year 2020/21.

14. Liabilities

in EUR milllion	30 Sept 2020	Remaining term			30 Sept 2021	Remaining term		
	Total	Up to 1 year	1 to 5 years	Over 5 years	Total	Up to 1 year	1 to 5 years	Over 5 years
Bonds	0	0	0	0	500	0	500	0
Liabilities to banks	251	1	238	12	251	191	50	10
Trade liabilities	1	1	0	0	1	1	0	0
Liabilities to affiliated companies	751	751	0	0	133	133	0	0
thereof trade payables	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Other liabilities	1	1	0	0	7	7	0	0
thereof taxes	*1*	*1*	*0*	*0*	*5*	*5*	*0*	*0*
thereof social security	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
	1,004	**754**	**238**	**12**	**892**	**332**	**550**	**10**

CECONOMY AG possesses liquidity reserves that, as well as the held liquidity, comprise syndicated credit facilities of EUR 1,060 million, which were adjusted in financial year 2020/21. The new syndicated loan agreement replaces the credit facilities of EUR 2,680 million adjusted in financial year 2019/20 on account of the pandemic. The new syndicated credit facility has two tranches, with tranche A comprising EUR 707 million (term to 06/05/2026) and tranche B EUR 353 million (term to 06/05/2024). Each tranche has two options to extend the term by a further year. The credit facilities had not been utilized as of 30 September 2021.

The liabilities from bonds of EUR 500 million comprise a five-year senior unsecured bond of EUR 500 million that, alongside the syndicated credit facilities, is a further foundation for the financing structure of CECONOMY.

The liabilities to banks of EUR 251 million (30 September 2020: 250 million) include promissory note loans of EUR 248 million, with remaining terms from less than one to six years, and interest liabilities for these promissory note loans of EUR 1 million, plus interest liabilities of EUR 2 million for the new bond of EUR 500 million issued in financial year 2020/21.

Trade payables include cost and investment accounts.

Liabilities to affiliated companies of EUR 133 million (30 September 2020: EUR 751 million) include EUR 108 million (30 September 2020: EUR 96 million) from short-term financial investments by Group companies with CECONOMY AG plus EUR 25 million (30 September 2020: EUR 0 million) in liabilities to CECONOMY Retail GmbH from the transfer of a capital gains tax receivable, and EUR 1 million (30 September 2020: EUR 2 million) in loss absorption liabilities to CECONOMY Digital GmbH on the basis of the existing profit and loss transfer agreement. The decline in loss absorption liabilities as against the previous year primarily results from the settlement in financial year 2020/21 of profit and loss transfer liabilities of EUR 447 million to CECONOMY Retail GmbH and of EUR 206 million to CECONOMY Retail International GmbH for financial year 2019/20. These liabilities were settled by way of offsetting against existing distribution receivables from the capital reserve of CECONOMY Retail GmbH of EUR 653 million and EUR 203 million from the capital reserve of CECONOMY Retail International GmbH.

The other liabilities of EUR 7 million (30 September 2020: EUR 2 million) comprise VAT liabilities of EUR 4 million (30 September 2020: EUR 0 million), EUR 3 million of which relates to VAT for financial years 2013 to 2016. There is a claim to reimbursement by METRO AG in the same amount. Furthermore, other liabilities comprise EUR 2 million (30 September 2020: EUR 1 million) in promissory note loan liabilities, primarily to insurance companies and EUR 1 million (30 September 2020: EUR 1 million) in liabilities from payroll and church taxes.

15. Deferred income

This item includes deferred income of EUR 9 million in total. EUR 4 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 EUR 5 million relates to the passing on of expenses for the new syndicated loan and in the bond issued to Media-Saturn-Holding GmbH. The reversal through profit and loss takes place over the term of the syndicated loan agreement or the bond.

16. Contingent liabilities

in EUR million	30 Sept 2020	30 Sept 2021
Obligations from guarantees	3,421	1,259
thereof for liabilities to affiliated companies	*3,420*	*1,258*
	3,421	**1,259**

The contingent liabilities as of 30 September 2021 primarily comprise EUR 1,120 million (30 September 2020: EUR 620 million) for the assumption of guarantees by CECONOMY AG to hedge operating liabilities of Media-Saturn companies. 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 EUR 39 million (30 September 2020: EUR 21 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 September 2020: CHF 105 million) respectively EUR 97 million (30 September 2020: EUR 97 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.

In addition, there is a contingent liability of EUR 1 million (30 September 2020: EUR 1 million) in the form of a contract performance guarantee by CECONOMY AG for the collateral to be provided pursuant to the property purchase agreement dated 7 April 2017 between CECONOMY Unterstützungskasse e. V. and Projektentwicklungsgesellschaft Kaispeicher Düsseldorf mbH & Co. KG for the contractual performance of the property purchase agreement. Utilization is classified as unlikely as the underlying obligation can be fulfilled by CECONOMY Unterstützungskasse e.V.

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 EUR 1 million (30 September 2020: EUR 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 five- or 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 since before the spin-off entered into force. On the basis of publicly available information, particularly METRO AG's rating, the risk of utilization from this contingent liability is classified as unlikely.

The year-on-year decline in contingent liabilities of EUR 2,162 million primarily includes EUR 2,680 million for a guarantee, which no longer exists, to banks for all liabilities of Media-Saturn-Holding GmbH under the syndicated loan agreement that was concluded in financial year 2019/20 and replaced in this financial year by the new syndicated loan agreement. This is primarily offset by an increase in contingent liabilities of EUR 500 million from the assumption of guarantees to hedge operating liabilities of Media-Saturn companies.

CECONOMY AG enters into contingent liabilities only after weighing up all the risks and only in connection with its own operating activities. Provisions are recognized 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.

17. Other financial liabilities

in EUR million	30 Sept 2020	Remaining term			30 Sept 2021	Remaining term		
	Total	Up to 1 year	1 to 5 years	Over 5 years	Total	Up to 1 year	1 to 5 years	Over 5 years
Obligations from loans granted	28	16	12	0	68	16	52	0
Loan commitments	49	49	0	0	958	958	0	0
thereof to affiliated companies	*49*	*49*	*0*	*0*	*958*	*958*	*0*	*0*
Obligations from rental agreements and leases	11	1	6	4	10	1	5	4
	88	**66**	**18**	**4**	**1,036**	**975**	**57**	**4**

The financial obligations from loans granted of EUR 68 million (30 September 2020: EUR 28 million) relate to interest to be paid over the coming years of EUR 48 million, EUR 44 million of which relates to the new bond of EUR 500 million issued in financial year 2020/21 and EUR 4 million to granted promissory note loans of EUR 250 million. Further obligations of EUR 20 million relate to outstanding commitment fees for the long-term syndicated credit facility with a nominal volume of EUR 1,060 million (30 September 2020: EUR 2,680 million), comprising EUR 18 million in claims to reimbursement by a subsidiary.

The nominal value of the loan commitments to Group companies amounts to EUR 1,265 million (30 September 2020: EUR 368 million), of which EUR 307 million (30 September 2020: EUR 319 million) was utilized as of the closing date. The year-on-year increase in the nominal values of the loan commitments to Group companies primarily includes EUR 846 million for a loan commitment to Media-Saturn-Holding GmbH granted in financial year 2020/21 and EUR 50 million for an increase in a loan commitment to another subsidiary.

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. The rental agreement has a term of ten years.

18. Derivative financial instruments

To hedge currency risks relating to Group companies' receivables and liabilities in foreign currency, CECONOMY AG concludes currency contracts and forward currency contracts with banks (micro-hedges), which CECONOMY AG passes on to the Group company concerned by concluding an internal, offsetting contract. The conclusion of internal forward currency contracts, the value of which develops in the opposite direction to the contract concluded with the bank with regard to currency risk, guarantees risk compensation thanks to the identical nominal amounts and currencies and the matching maturities. Prospective and retrospective effectiveness is thus ensured. The nominal volume of the forward currency contracts not yet settled amounts to EUR 560 million (30 September 2020: EUR 458 million).

19. Other legal matters

Legal disputes in relation to Media-Saturn-Holding GmbH

Through its wholly owned subsidiary CECONOMY Retail GmbH (CE Retail), CECONOMY AG indirectly holds 78.38 per cent of the shares in Media-Saturn-Holding GmbH (MSH).

By way of an action for annulment and a positive action for a declaratory judgement against the dismissive resolutions of the shareholders' meeting of MSH in December 2015 brought by the minority shareholder before the Ingolstadt Regional Court (Landgericht) on 28 January 2016, the minority shareholder of MSH sought the dismissal and suspension of the Managing Director of MSH appointed at the time by CE Retail (still operating as METRO Kaufhaus und Fachmarkt Holding GmbH at that time). The Ingolstadt Regional Court dismissed the minority shareholder's action by way of judgement dated 7 March 2017. The Munich Higher Regional Court (Oberlandesgericht) rejected the minority shareholder's appeal on 29 November 2017 and refused further leave to appeal. The minority shareholder appealed to the Federal Court (Bundesgerichtshof) against the refusal of further leave to appeal on 22 December 2017. In response to a joint motion by the parties involved, the Federal Court ordered the suspension of the proceedings on 26 February 2018. The proceedings were terminated by mutual agreement in financial year 2020/21.

By way of a further legal challenge brought before the Ingolstadt Regional Court on 10 February 2016, also against the dismissive resolutions of the shareholders' meeting of MSH in December 2015, the minority shareholder of MSH sought damages against the management of MSH at the time that the minority shareholder felt were owed over supposed breaches of duty. The Ingolstadt Regional Court dismissed the action by way of judgement dated 18 November 2016. The Munich Higher Regional Court rejected the minority shareholder's appeal on 18 July 2017 and refused further leave to appeal. The minority shareholder appealed to the Federal Court against the refusal of further leave to appeal on 24 August 2017. In response to a joint motion by the parties involved, the Federal Court ordered the suspension of the proceedings on 26 February 2018. The proceedings were terminated by mutual agreement in financial year 2020/21.

Legal disputes in relation to the General Meeting of CECONOMY AG

In connection with the split of the former METRO GROUP, several shareholders, including the minority shareholder of MSH, filed avoidance, annulment and/or declaratory actions due to the resolutions adopted by the Annual General Meeting of CECONOMY AG – which was operating as METRO AG at the time – on 6 February 2017 under items 3 and 4 of the agenda regarding granting discharge of the members of the Management Board and the Supervisory Board for financial year 2015/16, the resolutions adopted under items 9 and 10 of the agenda regarding the amendment of Article 1 of the articles of association (Company name) as well as other amendments to the articles of association, and because of the resolution adopted under item 11 of the agenda regarding the approval of the hive-down and spin-off agreement. Furthermore, several shareholders filed general declaratory actions against CECONOMY AG and requested to have the hive-down and spin-off agreement declared null and void, or at least provisionally invalid. All the actions were pending before the Düsseldorf Regional Court. The Düsseldorf Regional Court dismissed all these actions in its rulings of 24 January 2018. Appeals were filed in all proceedings. By way of rulings of 4 April 2019, the Higher Regional Court of Düsseldorf rejected all appeals. In the appeal ruling in the action for annulment of the resolutions by the General Meeting, an appeal to the Federal Court was allowed and filed. The Federal Court rejected the appeal by way of judgement dated 23 February 2021 resulting in the proceedings being concluded with legal effect. In the proceedings for the declaration of avoidance or to have the hive-down and spin-off agreement declared provisionally invalid, the Düsseldorf Higher Regional Court refused further leave to appeal. The claimants have filed an appeal with the Federal Court against one of these proceedings for declaratory judgement. The judgement in the other proceedings for declaratory judgement is final. By way of judgement dated 24 November 2020, the Federal Court rejected the non-admission complaint. The proceedings are now concluded with legal effect.

On 13 February 2019, the General Meeting granted formal approval for the actions of the members of the Management Board for financial year 2017/18 under item 2 of the agenda. Several shareholders brought an action for annulment before the Düsseldorf Regional Court against the individual approval for the actions of the former members of the Management Board Pieter Haas and Mark Frese. By way of a ruling of 17 December 2019, the Higher Regional Court of Düsseldorf dismissed the action for annulment. All claimants have appealed against the ruling. The Düsseldorf Higher Regional Court rejected the appeal on 30 September 2021 and refused further leave to appeal. The claimants appealed to the Federal Court against the refusal of further leave to appeal on 12 October 2021. CECONOMY AG is of the opinion that the appeal against the refusal of further leave to appeal has little chance of success.

On 14 December 2020, CECONOMY AG concluded an agreement with the minority shareholder of MSH, Convergenta Invest GmbH ("Convergenta"), in which the parties, subject to the corresponding resolutions of CECONOMY AG's Annual General Meeting, agreed on matters which included the acquisition, transfer and contribution of the stake in MSH held by Convergenta to CECONOMY AG. In this context, on 17 February 2021, in agenda item 8 the CECONOMY AG Annual General Meeting resolved on (i) the increase of the CECONOMY AG share capital though a mixed contribution in kind under exclusion of the statutory subscription rights of the shareholders, (ii) the issue of convertible bonds against a mixed contribution in kind under exclusion of the statutory subscription rights of the shareholders and the creation of a new Contingent Capital 2021/I and (iii) the relevant changes to the Articles of Association. Several shareholders have filed actions for rescission and annulment ("2021 action for annulment") against the resolution made under agenda item 8. The actions filed prevent the entry of the capital increases resolved in agenda item 8 into the commercial register of CECONOMYAG. CECONOMY AG had thus initiated clearance proceedings for the release for entry in the register (Freigabeverfahren) under the German Stock Corporation Act to the Düsseldorf Higher Regional Court. In response to a joint motion by the parties involved, the Düsseldorf Regional Court ordered the suspension of the 2021 action for annulment on 27 May 2021. In light of the legal view of the Düsseldorf Higher Regional Court expressed at the oral hearing in the clearance proceedings, CECONOMY AG withdrew its motion for clearance on 16 July 2021.

20. Risks and benefits of off-balance sheet transactions

There are profit and loss transfer agreements between CECONOMY AG and certain subsidiaries. Benefits from these agreements result in particular from the receipt of the net profits of the respective tax group subsidiaries.

The risks lie in the fact that losses must also be absorbed under the profit and loss transfer agreements and voluntary loss absorption obligations.

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

On 19 September 2016, CECONOMY AG and the current METRO AG concluded an option agreement for the remaining limited partnership share in METRO PROPERTIES GmbH & Co. KG. In this agreement, CECONOMY AG grants the current METRO AG a call option and the current 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 CECONOMYAG. Each option can only be exercised in certain periods of six months. The call option can be exercised for the first time three years after the spinoff took effect, and the put option can be exercised for the first time seven years after the spin-off took effect.

Notes to the income statement

21. Revenue

Revenue includes EUR 4 million in income from guarantee fees (2019/20: EUR 2 million), which is primarily attributable to Media-Saturn-Holding GmbH, and EUR 3 million (2019/20: EUR 3 million) in service charges of CECONOMY AG to affiliated companies.

22. Investment result

in EUR million	2019/20	2020/21
Income from investments	660	53
thereof from affiliated companies	*653*	*25*
Income from profit transfer agreements	0	175
Expenses from loss absorption	(655)	(1)
	5	**227**

CECONOMY AG recognized an investment result of EUR 227 million in financial year 2020/21 (2019/20: EUR 5 million).

The income from investments relates to income from the distribution from CECONOMY Retail GmbH's capital reserve of EUR 25 million (2019/20: EUR 653 million), profit shares from the limited partnership investment in METRO PROPERTIES GmbH & Co. KG of EUR 25 million (2019/20: EUR 4 million) and dividend payments from the investment in METRO AG of EUR 3 million (2019/20: EUR 3 million).

The income from profit transfer agreements primarily includes EUR 88 million for CECONOMY Retail International GmbH (2019/20: cost of loss absorption of EUR 206 million), EUR 86 million for CECONOMY Retail GmbH (2019/20: cost of loss absorption of EUR 447 million) and EUR 1 million for CECONOMY Data GmbH (2019/20: cost of loss absorption of EUR 0 million).

The expenses from loss absorption of EUR 1 million (2019/20: EUR 2 million) relate to CECONOMY Digital GmbH.

23. Net financial result

in EUR million	2019/20	2020/21
Other interest and similar income	13	18
thereof from affiliated companies	*12*	*19*
Other financial income	0	0
thereof from affiliated companies	*0*	*0*
Interest and similar expenses	(25)	(31)
thereof from interest accrued	*(8)*	*(7)*
Other financial expenses	0	0
thereof to affiliated companies	*0*	*0*
	(12)	**(13)**

CECONOMY AG's net financial result primarily comprises interest expenses in connection with the syndicated loan agreements entered into in 2019/20 and 2020/21, the bond issued in financial year 2020/21, from the interest accrued on provisions for pensions and similar obligations and the promissory note loans. Furthermore, the net financial result consists of interest income from loans to subsidiaries and commitment fees and interest expenses passed on to Media-Saturn-Holding GmbH in connection with the syndicated loan agreements entered into in financial years 2019/20 and 2020/21, and the bond issued in financial year 2020/21. The interest income includes negative interest on bank balances of EUR 1 million.

24. Other operating income

in EUR million	2019/20	2020/21
Income from the reversal of provisions	1	1
Income from foreign currency gains	0	0
Other income	2	1
	3	**2**

The income from the reversal of provisions primarily relates to the reversal of provisions for VAT, financial statement costs and litigation risks.

Other income mainly comprises cost transfers to Media-Saturn-Holding GmbH for costs incurred by third parties of EUR 1 million.

25. Personnel expenses

in EUR million	2019/20	2020/21
Wages and salaries	15	16
Social security expenses, expenses for post-employment benefit plans and related employee benefits	4	4
thereof post-employment benefits	*2*	*2*
	19	**20**

Personnel expenses total EUR 20 million in the past financial year 2020/21, EUR 16 million of which attributable to wage and salary expenses.

26. Other operating expenses

in EUR million	2019/20	2020/21
Services	1	1
Consulting expenses	6	12
General administrative expenses	9	7
Real estate rents	1	1
Other expenses	1	4
	18	**25**

In the past financial year 2020/21, CECONOMY AG's other operating expenses primarily include consulting expenses of EUR 12 million (2019/20: EUR 6 million) and other expenses in connection with the holding function.

The increase in consulting expenses of EUR 6 million primarily results from consulting services in financial year 2020/21 in connection with the planned acquisition of the 21.62 per cent minority shareholding in Media-Saturn-Holding GmbH held by Convergenta Invest GmbH.

27. Income taxes

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 recognized tax comprises the net tax expenses and income of the entire CECONOMY AG tax group. In the reporting period, the CECONOMY AG tax group generated no taxable income but rather a current tax loss.

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 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, these were not recognized as of 30 September 2021.

Deferred taxes are calculated on the basis of the overall tax rate of 30.53 per cent expected on the date of realization. This comprises corporate income tax of 15 per cent plus the solidarity surcharge of 5.5 per cent and trade tax of 14.7 per cent with an average assessment rate of 420 per cent.

Deferred tax liabilities are recognized only if they exceed deferred tax assets. Exercising the option under Sec. 274 para. 1 sent. 2 HGB, the excess deferred tax assets as of 30 September 2021 were not recognized.

28. Appropriation of the balance sheet profit, dividend

For the appropriation of the balance sheet profit 2020/21, the Management Board of CECONOMY AG proposes to the General Meeting to distribute a dividend of EUR 0.17 per ordinary share and EUR 0.23 per preference share from the reported net income for the year of around EUR 86 million, plus an advance dividend totalling EUR 0.51 per preference share not paid for financial years 2017/18, 2018/19 and 2019/20 and payable subsequently in accordance with Sec. 21 para. 2 of the articles of association of CECONOMYAG, therefore around EUR 63 million in total, with the remainder to be carried forward to new account.

29. Events after the closing date

The following events, which are relevant for the assessment of the earnings, financial and asset position of CECONOMY AG and of CECONOMY, occurred between the closing date (30 September 2021) and the date of the preparation of the consolidated financial statements (8 December 2021).

On 5 November 2021, CECONOMY AG announced in an ad hoc disclosure that, against the background of the preliminary legal views of the Düsseldorf Higher Regional Court, the company will again submit the transaction with Conver-genta Invest GmbH to the General Meeting. This is to take place in an extraordinary General Meeting, on the condition that the 2022 Annual General Meeting resolves a dividend distribution of around EUR 63 million. CECONOMY AG aims to complete the transaction in the current financial year 2021/22, if possible.

On 8 November 2021, parts of the company's IT systems were attacked by unknown third parties. The functionality of the operating business was secured with immediate defence and recovery measures. Business, both in the stores and in the online shops, largely continued uninterrupted besides restrictions in individual services.

Since mid-November, more severe COVID-19 restrictions and restraints on retail have again been imposed by the authorities in individual countries in which CECONOMY operates. In Austria, for example, an extensive national lockdown began on 22 November 2021 and is set to continue into December 2021. In addition, milder steps are being taken in other countries such as Germany and the Netherlands, including limits on opening hours, regional capacity limits and mandatory models allowing only vaccinated, recovered or tested people access to retail.

Other disclosures

30. Employees

Average headcount at CECONOMY AG in financial year 2020/21 was 72 (2019/20: 74, twelve-month average). This includes 9 senior (2019/20: 10) and 63 non-senior employees (2019/20: 64).

31. Group affiliation

CECONOMY AG prepares the consolidated financial statements of CECONOMY AG as the ultimate parent company. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU. They are submitted to the operator of the German Federal Gazette and then published in the German Federal Gazette.

32. Auditor's fees

The disclosures on the auditor's fees are included in the consolidated financial statements of CECONOMY AG. They are not disclosed here on the basis of the exempting group clause of Sec. 285 no. 17 HGB.

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.

KPMG's fee for audits of financial statements relates to the audit of the consolidated financial statements of CECONOMY AG including related work on IFRS Reporting Packages of the consolidated subsidiaries and the annual financial statements of CECONOMY AG and various subsidiaries, including statutory extensions of scope and the audit of consolidated financial statements of a subsidiary including related work on IFRS Reporting Packages of the consolidated subsidiaries. Audit reviews of interim financial statements and ISAE 3402 audit services were also performed.

Examples of other assurance services include voluntary assurance services in relation to the issuing of comfort letters, sales-based rental agreements, compliance certificates and the audit of the separate non-financial group report. Other services primarily relate to fees for project-related consultation services.

33. Related party transactions

Related parties are legal or natural persons that can exert influence over CECONOMY AG or are subject to the control or significant influence of CECONOMY AG.

Related party transactions are concluded with subsidiaries in particular. They primarily comprise service, rental and financing transactions as well as intragroup company transactions, which are generally concluded at arm's length conditions.

Further information is available in note 16 Other financial liabilities.

34. Disclosures pursuant to Sec. 160, para. 1, no. 8 of the German Stock Corporation Act (AktG)

From the start of financial year 2020/21 to the preparation date of the financial statements, CECONOMY AG received the following notifications about the existence of investments in CECONOMY AG, which must be disclosed pursuant to Sec. 160, para. 1, no. 8 of the German Stock Corporation Act (AktG). In the event of multiple notifications within a financial year that a single notifier's investment had reached, exceeded or fallen below the relevant thresholds, only the most recent notification is listed. Notifications from previous financial years are – if necessary – disclosed in the notes to the relevant annual financial statements. In addition, notifications from previous financial years are also disclosed below if the investments were of a reportable size as of the closing date or preparation date of the financial statements and no more recent, more substantial or less substantial notifications have been received. The shares in voting rights stated below may have been subject to changes for which CECONOMY AG did not require notifications since the stated dates. If a shareholder has notified CECONOMY AG of a change in its investment with no threshold effect, (voluntary notification), this voluntary notification is likewise presented for the information of the other shareholders.

The content of the voting rights notifications received by CECONOMY AG and issued in accordance with Sec. 40 para. 1 of the German Securities Trading Act (WpHG) and Sec. 26 para. 1 WpHG (old version), including notifications in accordance with Sec. 38, 39 WpHG and Sec. 25, 25 a WpHG (old version), for the last ten financial years are also made available at the company's website at www.ceconomy.de/en/ under Investor Relations Legal Announcements.

The issued content of the notification from 10 December 2010 is as follows:

"Otto Beisheim Holding GmbH, Baar (Switzerland), notified us, METRO AG, Germany (Schlüterstrasse 1, 40235 Düsseldorf), ISIN: DE0007257503, WKN: 725750, of the following on 10 December 2010:

'Voting rights notification pursuant to Sec. 21 para. 1 WpHG

Notifier:

1. Otto Beisheim Betriebs GmbH [...] Munich (Germany)

2. Otto Beisheim Group GmbH & Co. KG [...] Düsseldorf (Germany)

3. Otto Beisheim Verwaltungs GmbH [...] Düsseldorf (Germany)

4. Prof. Dr. Dr. h.c. Otto Beisheim [...] Baar (Switzerland)

5. Otto Beisheim Holding GmbH [...] Baar (Switzerland)

6. OB Beteiligungsgesellschaft mbH

   [...] Munich (Germany)

7. Prof. Otto Beisheim Stiftung [...] Baar (Switzerland)

Issuer:

METRO AG

Schlüterstrasse 1, 40235 Düsseldorf

We, Otto Beisheim Holding GmbH, hereby notify you of the following pursuant to Sec. 21 para. 1 WpHG in the name and on behalf of the companies listed below and of Prof. Dr. Dr. h.c. Otto Beisheim:

1. Otto Beisheim Holding GmbH

Otto Beisheim Holding GmbH's share in the voting rights of METRO AG fell below the threshold of 10 % on 10 December

2010 and amounted to 9.97 % (32,313,723 voting rights) on this date.

4.81 % of the voting rights (15,585,515 voting rights) are attributable to Otto Beisheim Holding GmbH in accordance with Sec. 22 para. 2 sent. 1 WpHG.

Today, Otto Beisheim Holding GmbH is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- OB Beteiligungsgesellschaft mbH.

2. Otto Beisheim Betriebs GmbH

Otto Beisheim Betriebs GmbH's share in the voting rights of METRO AG fell below the threshold of 10 % on 10 December 2010 and amounted to 9.97 % (32,313,723 voting rights) on this date.

9.97 % of the voting rights (32,313,723 voting rights) are attributable to Otto Beisheim Betriebs GmbH in accordance with Sec. 22 para. 2 sent. 1 WpHG, with 4.81 % (15,585,515 voting rights) also being attributed in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG.

Otto Beisheim Betriebs GmbH is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- Otto Beisheim Holding GmbH,

- OB Beteiligungsgesellschaft mbH.

Otto Beisheim Betriebs GmbH is attributed voting rights from the following controlled entity, whose share in the voting rights of METRO AG amounts to 3 % or more:

- OB Beteiligungsgesellschaft mbH.

3. Otto Beisheim Group GmbH & Co. KG

Otto Beisheim Group GmbH & Co. KG's share in the voting rights of METRO AG fell below the threshold of 10 % on 10 December 2010 and amounted to 9.97 % (32,313,723 voting rights) on this date.

9.97 % of the voting rights (32,313,723 voting rights) are attributable to Otto Beisheim Group GmbH & Co. KG in accordance with Sec. 22 para. 2 sent. 1 WpHG, with 4.81 % (15,585,515 voting rights) also being attributed in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG.

Otto Beisheim Group GmbH & Co. KG is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- Otto Beisheim Holding GmbH,
- OB Beteiligungsgesellschaft mbH.

Otto Beisheim Group GmbH & Co. KG is attributed voting rights from the following controlled entities, whose share in the voting rights of METRO AG each amount to 3 % or more:

- Otto Beisheim Betriebs GmbH,
- OB Beteiligungsgesellschaft mbH.

4. Otto Beisheim Verwaltungs GmbH

Otto Beisheim Verwaltungs GmbH's share in the voting rights of METRO AG fell below the threshold of 10 % on 10 December 2010 and amounted to 9.97 % (32,313,723 voting rights) on this date.

9.97 % of the voting rights (32,313,723 voting rights) are attributable to Otto Verwaltungs Betriebs GmbH in accordance with Sec. 22 para. 2 sent. 1 WpHG, with 4.81 % (15,585,515 voting rights) also being attributed in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG.

Today, Otto Beisheim Verwaltungs GmbH is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- Otto Beisheim Holding GmbH
- OB Beteiligungsgesellschaft mbH.

Otto Beisheim Verwaltungs GmbH is attributed voting rights from the following controlled entities, whose share in the voting rights of METRO AG each amount to 3 % or more:

- Otto Beisheim Group GmbH & Co. KG,
- Otto Beisheim Betriebs GmbH,
- OB Beteiligungsgesellschaft mbH.

5. Prof. Dr. Dr. h.c. Otto Beisheim

Prof. Dr. Dr. h.c. Otto Beisheim's share in the voting rights of METRO AG fell below the threshold of 10 % on 10 December 2010 and amounted to 9.97 % (32,313,723 voting rights) on this date.

9.97 % of the voting rights (32,313,723 voting rights) are attributable to Prof. Dr. Dr. h.c. Otto Beisheim in accordance with Sec. 22 para. 2 sent. 1 WpHG, with 4.81 % (15,585,515 voting rights) also being attributed in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG.

Prof. Dr. Dr. h.c. Otto Beisheim is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- Otto Beisheim Holding GmbH,
- OB Beteiligungsgesellschaft mbH.

Prof. Dr. Dr. h.c. Otto Beisheim is attributed voting rights from the following controlled entities, whose share in the voting rights of METRO AG each amount to 3 % or more:

- Otto Beisheim Verwaltungs GmbH,
- Otto Beisheim Group GmbH & Co. KG,
- Otto Beisheim Betriebs GmbH,
- OB Beteiligungsgesellschaft mbH.

6. OB Beteiligungsgesellschaft mbH

OB Beteiligungsgesellschaft mbH's share in the voting rights of METRO AG exceeded the threshold of 5 % on 10 December 2010 and amounted to 9.97 % (32,313,723 voting rights) on this date.

5.16 % of the voting rights (16,728,208 voting rights) are attributable to OB Beteiligungsgesellschaft mbH in accordance with Sec. 22 para. 2 sent. 1 WpHG.

OB Beteiligungsgesellschaft mbH is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- Otto Beisheim Holding GmbH.

7. Prof. Otto Beisheim Stiftung

Prof. Otto Beisheim Stiftung's share in the voting rights of METRO AG fell below the threshold of 10 % on 10 December 2010 and amounted to 9.97 % (32,313,723 voting rights) on this date.

5.16 % of the voting rights (16,728,208 voting rights) are attributable to Prof. Otto Beisheim Stiftung in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG and a further 4.81 % (15,585,515 voting rights) in accordance with Sec. 22 para. 2 sent. 1 WpHG.

Prof. Otto Beisheim Stiftung is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- OB Beteiligungsgesellschaft mbH.

Prof. Otto Beisheim Stiftung is attributed voting rights from the following controlled entity, whose share in the voting rights of METRO AG amounts to 3 % or more:

- Otto Beisheim Holding GmbH."

The issued content of the notification from 9 August 2013 is as follows:

"Prof. Otto Beisheim Stiftung, Munich, Germany, notified us of the following on 9 August 2013:

'Voting rights notification pursuant to Sec. 21 para. 1 WpHG

Notifier:

Prof. Otto Beisheim Stiftung [...] Munich, Germany

Issuer:

METRO AG

[...] Düsseldorf

We, Prof. Otto Beisheim Stiftung, hereby notify you pursuant to Sec. 21 para. 1 WpHG that Prof. Otto Beisheim Stiftung's share in the voting rights of METRO AG exceeded the thresholds of 3 % and 5 % on 8 August 2013 and amounted to 9.10 % (29,493,970 voting rights) on this date.

9.10 % of the voting rights (29,493,970 voting rights) are attributable to Prof. Otto Beisheim Stiftung in accordance with Sec. 22 para. 2 sent. 1 WpHG, with 2.28 % (7,392,638 voting rights) also being attributed in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG.

Prof. Otto Beisheim Stiftung is attributed voting rights from the following shareholder, whose share in the voting rights of METRO AG amounts to 3 % or more:

- Otto Beisheim Holding GmbH, Baar (Switzerland)"

The issued content of the notification from 12 May 2015 is as follows:

"Franz Haniel & Cie. GmbH, Duisburg, Germany, notified us of the following on 12 May 2015 in accordance with Sec. 21 f. WpHG – with regard to its group company Haniel Finance Deutschland GmbH also in conjunction with Sec. 24 WpHG:

1. The share of Franz Haniel & Cie. GmbH, Duisburg, Germany, in the voting rights of METRO AG, Düsseldorf, Germany, fell below the thresholds of 30 % and 25 % on 11 May 2015 and amounted to 24.996 % of the voting rights (81,015,280 voting rights) on this date. These voting rights are attributable to Franz Haniel & Cie. GmbH in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG.

   Franz Haniel & Cie. GmbH is attributed voting rights from the following controlled entities, whose share in the voting rights of METRO AG each amount to 3 % or more:

   - Haniel Finance Deutschland GmbH;
   - METRO Vermögensverwaltung GmbH;
   - METRO Vermögensverwaltung GmbH & Co. KG;
   - 1. HSB Verwaltung GmbH;
   - 1. HSB Beteiligungsverwaltung GmbH & Co. KG.

2. The share of its group company Haniel Finance Deutschland GmbH, Duisburg, Germany, in the voting rights of METRO AG, Düsseldorf, Germany, fell below the thresholds of 30 % and 25 % on 11 May 2015 and amounted to 24.996 % of the voting rights (81,015,280 voting rights) on this date. It holds 11.82 % of the voting rights (38,324,765 voting rights) directly. The other 13.17 % of the voting rights (42,690,515 voting rights) are attributed to Haniel Finance Deutschland GmbH in accordance with Sec. 22 para. 1 sent. 1 no. 1 WpHG.

   Haniel Finance Deutschland GmbH is attributed voting rights from the following controlled entities, whose share in the voting rights of METRO AG each amount to 3 % or more:

   - METRO Vermögensverwaltung GmbH;

- METRO Vermögensverwaltung GmbH & Co. KG;
- 1. HSB Verwaltung GmbH;
- 1. HSB Beteiligungsverwaltung GmbH & Co. KG."

The issued content of the notification from 12 July 2018 is as follows:

"freenet AG, Büdelsdorf, Germany, notified us in accordance with Sec. 33 para. 1 WpHG on 12 July 2018 that its share in the voting rights of CECONOMY AG, Düsseldorf, Germany, exceeded the thresholds of 3 % and 5 % of the voting rights on 12 July 2018 and amounted to 9.15 % of the voting rights (32,633,555 voting rights) on this date. These voting rights are held directly by freenet AG."

The issued content of the voluntary notification from 18 July 2018 is as follows:

"Prof. Otto Beisheim Stiftung, Baar, Switzerland, notified us by way of voluntary notification on 18 July 2018 that its share in the voting rights of CECONOMY AG, Düsseldorf, Germany, decreased to 6.62 % of the voting rights (23,615,334 voting rights) on 12 July 2018 due to a change in the total number of voting rights. 6.62 % of the voting rights (23,615,334 voting rights) are attributable to Prof. Otto Beisheim Stiftung in accordance with Sec. 34 WpHG.

Prof. Otto Beisheim Stiftung is attributed voting rights from the following shareholder, whose share in the voting rights of CECONOMY AG amounts to 3 % or more:

- Beisheim Holding GmbH."

The issued content of the notification from 18 December 2020 is as follows:

"Giovanni Agnelli B.V., Amsterdam, Netherlands, notified us in accordance with Sec. 33 para. 1 WpHG on 18 December 2020 that its share in the voting rights of CECONOMY AG, Düsseldorf, Germany, exceeded the threshold of 5 % of the voting rights on 15 December 2020 and amounted to 5.15 % of the voting rights (18,496,794 voting rights) on this date.

Giovanni Agnelli B.V. is attributed voting rights from the following shareholder, whose share in the voting rights of CECONOMY AG amounts to 3 % or more:

- EXOR FINANCIAL INVESTMENTS SICAV-SIF."

The issued content of the notification from 22 April 2021 is as follows:

"UBS Group AG, Zurich, Switzerland, notified us in accordance with Sec. 33 para. 1 WpHG on 22 April 2021 that its share in the voting rights of CECONOMY AG, Düsseldorf, Germany, fell below the threshold of 3 % of the voting rights on 19 April 2021 and amounted to 2.99 % of the voting rights (10,755,821 voting rights) on this date. These voting rights are attributable to UBS Group AG in accordance with Sec. 34 WpHG."

The issued content of the voluntary notification from 5 October 2021 is as follows:

"Prof. Otto Beisheim Stiftung, Munich, Germany, notified us by way of voluntary notification on 5 October 2021 that its share in the voting rights of CECONOMY AG, Düsseldorf, Germany, decreased to 6.54 % of the voting rights (23,515,334 voting rights) on 30 September 2021.6.54 % of the voting rights (23,515,334 voting rights) are attributable to Prof. Otto Beisheim Stiftung in accordance with Sec. 34 WpHG.

Prof. Otto Beisheim Stiftung is attributed voting rights from the following shareholder, whose share in the voting rights of CECONOMY AG amounts to 3 % or more:

- Beisheim Holding GmbH."

The issued content of the notification from 25 November 2021 is as follows:

"Meridian Stiftung, Essen, Germany, notified us in accordance with Sec. 33 para. 1 WpHG on 25 November 2021 that its share in the voting rights of CECONOMY AG, Düsseldorf, Germany, exceeded the threshold of 15 % of the voting rights on 24 November 2021 and amounted to 15.000055756328 % of the voting rights (53,913,363 voting rights) on this date. 15.000055756328 % of the voting rights (53,913,363 voting rights) are attributable to Meridian Stiftung in accordance with Sec. 34 WpHG.

Meridian Stiftung is attributed voting rights from the following shareholder, whose share in the voting rights of CECONOMY AG amounts to 3 % or more:

- Palatin Verwaltungsgesellschaft mbH."

35. Management Board and Supervisory Board

Remuneration of members of the Management Board in financial year 2020/21

In accordance with the remuneration system introduced in financial year 2020/21, the remuneration of active members of the Management Board 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-employment benefit plan and other supplemental benefits. 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. Exclusively fixed remuneration was agreed only with the Management Board member Dr Bernhard Düttmann active in financial year 2020/21 for the duration of his temporary appointment until 16 October 2020. The Supervisory Board entered into a new contract with Dr Bernhard Düttmann for his further appointment from 17 October 2020 that also made provision for variable remuneration components as remuneration.

The deviations from the recommendations of the German Corporate Governance Code and from the remuneration system in financial year 2020/21 are explained in detail in the declaration of conformity and in the remuneration report. The declaration of conformity has been made permanently available on the company's website www.ceconomy.de/en/ under Company – Corporate Governance.

The STI 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 is calculated exclusively on the basis of financial performance criteria, which are formulated using the three key performance indicators of EBIT, sales growth and net working capital (NWC) according to the company's consolidated financial statements.

The LTI 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 that financial year. The calculation considers financial performance targets with a weighting of 80 per cent and non-financial performance targets with a weighting of 20 per cent.

Remuneration for members of the Management Board active in financial year 2020/21 amounts to EUR 5.8 million (2019/20: EUR 3.3 million). EUR 4.3 million (2019/20: EUR 2.7 million) of this relates to fixed salary (including supplemental benefits), EUR 0.7 million (2019/20: EUR 0 million) to short-term performance-based remuneration and EUR 0.8 million (2019/20: EUR 0.6 million) to performance-based remuneration with long-term incentive effect. The figures shown for the previous year relate to members of the Management Board in office in financial year 2019/20.

For the tranche of the LTI granted in financial year 2020/21, the target amounts are EUR 0.18 million for Dr Karsten Wild-berger, EUR 0.22 million for Mr Florian Wieser and EUR 1.15 million for Dr Düttmann. The fair value of the granted tranche of the LTI is EUR 0.10 for Dr Wildberger, EUR 0.12 for Mr Wieser and EUR 0.58 for Dr Düttmann.

The expense of the LTI amounts to EUR 20,000 for Dr Wildberger, EUR 24,000 for Mr Wieser and EUR 122,000 for Dr Düttmann. Provisions of the same amounts were recognized for this.

At the grant date, the value of the tranche of the LTI granted in financial year 2020/21 was calculated by external assessors according to a recognized actuarial method.

Apart from the tranche of the LTI issued in the reporting period, Dr Wildberger, Mr Wieser and Dr Düttmann have no grants from earlier tranches.

There are post-service benefit plans for members of the Management Board in the form of a commitment of a defined contribution component, which is funded jointly by the Management Board and the company. If Management Board members contribute five per cent of their own defined assessment basis, the company adds double that amount.

The other supplemental benefits relate to non-cash benefits.

Total remuneration of former members of the Management Board

Benefits of EUR 3.0 million (2019/20: EUR 3.0 million) were paid for former members of the Management Board of CECONOMY AG and of companies merged into CECONOMY AG and their surviving dependants in financial year 2020/21. Ms Karin Sonnenmoser received termination benefits totalling EUR 2.6 million. The present value of obligations for ongoing pensions and entitlements to pensions in accordance with IFRS is EUR 50 million (30 September 2020: EUR 50.8 million). The corresponding present value of the obligation volume for ongoing pensions and entitlements to pensions in accordance with HGB is EUR 45 million (30 September 2020: EUR 44.8 million).

The disclosures pursuant to Sec. 314 para. 1 no. 6 a sent 5 to 8 HGB can be found in the remuneration report in the combined management report.

Remuneration of Supervisory Board members

The total remuneration of all members of the Supervisory Board for financial year 2020/21 amounts to EUR 2.1 million (2019/20: EUR 2.0 million).

Further information on the remuneration of Supervisory Board members can be found in the remuneration report in the combined management report.

36. Declaration of conformity regarding the recommendations of the German Corporate Governance Code

CECONOMY AG makes the declaration of conformity pursuant to Sec.161 para. 1 AktG with the recommendations of the Commission of the German Corporate Governance Code submitted jointly by the Management Board and Supervisory Board in November 2021 and previous declarations of conformity and supplements permanently available on the website www.ceconomy.de/en/ under Company – Corporate Governance.

37. Corporate bodies of CECONOMY AG and their mandates

Members of the Supervisory Board'

Members of the Supervisory Board as of 1 December 2020		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt. 2 AktG
Jürgen Fitschen Chairman of the Supervisory Board	Senior Advisor, Deutsche Bank AG	Vonovia SE, Bochum Syntellix AG, Hanover	Kommanditgesellschaft CURA Vermögensverwaltung GmbH & Co. KG, Hamburg
Thomas Dannenfeld Chairman of the Supervisory Board (since 17 February 2021)	Self-employed entrepreneur, St. Augustin	None	Nokia Oyj, Espoo, Finland
Sylvia Woelke Vice Chariwoman	Chairwoman of the Works Council, Media-Saturn-Holding GmbH, Ingolstadt, Manager Corporate Risk Management & Internal Controls, Media-Saturn-Holding GmbH, Ingolstadt	None	None
Katrin Adt (since 1 October 2021)	Vice President Mercedes-Benz Retail Cars & Vans Europe, Mercedes-Benz AG, Stuttgart	None	None
Wolfgang Baur	Logistics Department Manager, Saturn Techno-Electro-Handelsgesellschaft mbH, Cologne; Chairman of the Works Council, Saturn Techno-Electro-Handelsgesellschaft mbH, Cologne	None	None

Members of the Supervisory Board as of 1 December 2020		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt. 2 AktG
Kirsten Joachim Breuer	Deputy Managing Director, IG Metall Geschäftsstelle Erfurt, Erfurt	None	None
Karin Dohm (since 1 January 2021)	Member of the Management Board, HORNBACH Baumarkt AG, Bornheim, and HORNBACH Management AG, Annweiler	Deutsche EuroShop AG, Hamburg HORNBACH Immobilien AG, Bornheim, Deputy Chairwoman (since 17 September 2021) and member (since 1 April 2021)	None
Dr Bernhard Düttmann (suspended until 16 October 2020, finally terminated with effect from 17 October 2020)	Self-employed management consultant, Meerbusch	Alstria Office Reit AG, Hamburg (until 12 May 2021)	Media-Saturn-Holding GmbH, Ingolstadt – Member of the Advisory Board and Chairman of the Advisory Board
Daniela Eckardt	Member of the checkout team, Saturn Electro-Handelsgesellschaft mbH Berlin Alexanderplatz, Berlin Deputy Chairwoman of the Works Council, Saturn Electro-Handelsgesellschaft mbH Berlin Alexanderplatz, Berlin	None	None
Sabine Eckard (since 27 October 2020)	Chief Executive Officer Central Europe of Jones Lang LaSalle SE, Frankfurt am Main Member of the Advisory Board Digital Business, Heinrich Bauer Verlag KG, Hamburg	None	Media4Planet GmbH, Hamburg – Chairwoman of the Advisory Board
Thomas Fernkorn (since 8 October 2021)	Vice President Corporate Controlling, Media-Saturn-Holding GmbH, Ingolstadt	None	None
Dr Florian Funck	Member of the Management Board of Franz Haniel & Cie. GmbH, Duisburg	TAKKT AG, Stuttgart. Vonovia SE, Bochum	None
Ludwig Glosser	Lead Problem Manager and Sourcing Manager, MMS Technology GmbH, Ingolstadt Chairman of the Works Council, MMS Technology GmbH, Ingolstadt	None	None
Julia Goldin	Executive Vice President & Chief Marketing Officer, Lego Group	None	None

Members of the Supervisory Board as of 1 December 2020		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt. 2 AktG
Jo Harlow (since 1 September 2021)	Self-employed entrepreneur Director at Chapter Zero Limited, Ramsgate, UK	None	Intercontinental Hotels Group plc, Denham, UK Halma plc, Amersham, UK J Sainsbury's plc, London, UK
Rainer Kuschewski (until 30 September 2021)	Self-employed entrepreneur	None	None
Stefanie Nutzenberger	Member of the Executive Committee of the Trade Union ver.di	None	None
Claudia Plath	Member of the Management Board and Chief Financial Officer ECE Group GmbH & Co. KG, Hamburg	Deutsche EuroShop AG, Hamburg	MEC METRO-ECE Centermanagement GmbH & Co. KG, Dusseldorf
Jens Ploog	Senior Consultant Organisation, Processes and Projects, Media-Saturn Deutschland GmbH Chairman of the Works Council, Media-Saturn Deutschland GmbH	None	None
Birgit Popp (until 20 July 2021)	Department Manager HR People Development & Learning Germany, Media-Saturn-Holding GmbH, Ingolstadt	None	None
Dr Lasse Pütz (since 1 October 2021**)**	Lawyer at LLR Legerlotz Laschet und Partner Rechtsanwälte Partnerschaft mbB, Cologne	Stadtwerke Düsseldorf AG, Düsseldorf	neue bahnstadt opladen GmbH, Leverkusen
Dr Fredy Raas	Member of the Foundation Board of the Prof. Otto Beisheim Foundations in Munich and Baar (Switzerland) Managing Director of Beisheim Holding GmbH, Baar, Switzerland	METRO AG, Düsseldorf	Arisco Holding AG, Baar, Switzerland (until 21 June 2021) HUWA Finanz und Beteiligungs AG, Au, Switzerland
Jürgen Schulz	Service Department Manager, Saturn Electro Handelsgesellschaft mbH, Bielefeld Chairman of the Works Council, Saturn Electro Handelsgesellschaft mbH, Bielefeld	None	None

Members of the Supervisory Board as of 1 December 2020		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt. 2 AktG
Regine Stachelhaus	Self-employed entrepreneur, Herrenberg	Covestro AG, Leverkusen Covestro Deutschland AG, Leverkusen SPIE Deutschland und Zentraleuropa GmbH, Ratingen LEONI AG, Nuremberg	SPIE SA, Cergy-Pontoise, France
Christoph Vilanek	CEO of freenet AG, Büdelsdorf	Ströer Management SE and Ströer SE & Co. KGaA, Cologne EXARING AG, Munich VNR Verlag für die Deutsche Wirtschaft AG, Bonn	Sunrise Communications AG, Zurich, Switzerland (until 11 November 2020)

Committees of the Supervisory Board and their composition

Presidential Committee

Jürgen Fitschen	Chairman	until 17 February 2021
Thomas Dannenfeldt	Chairman	since 17 February 2021
Sylvia Woelke		
Regine Stachelhaus		
Jens Ploog		

Audit Committee

Karin Dohm	Chairwoman	
Sylvia Woelke	Vice Chairwoman	
Dr Bernhard Düttmann		suspended until 16 October 2020, finally terminated with effect from 17 October 2020
Claudia Plath		
Dr Florian Funck		
Ludwig Glosser		
Rainer Kuschewski		Until 30 September 2021
Jürgen Schulz		Since 1 October 2021

Nomination Commitee

Jürgen Fitschen	Chairman	since 17 February 2021
Thomas Dannenfeldt	Chairman	since 17 February 2021
Dr Bernhard Düttmann		suspended until 16 October 2020, finally terminated with effect from 17 October 2020
Claudia Plath		
Regine Stachelhaus		

Mediation Committee pursuant to Sec. 27 para. 3 of the German Co-determination Act (MitbestG)

Jürgen Fitschen	Chairman	until 17 February 2021
Thomas Dannenfeldt	Chairman	since 17 February 2021
Sylvia Woelke		

Dr Bernhard Düttmann	suspended until 16 October 2020, finally terminated with effect from 17 October 2020
Ludwig Glosser	
Claudia Plath	

Members of the Management Board as of 8 December 2021

		Memberships in other supervisory boards mandated by the law according to Sec. 125 para. 1 sent. 5, alt 1 AktG	Memberships in comparable German and international controlling bodies of business enterprises according to Sec. 125 para. 1 sent. 5, alt. 2 AktG
Dr Bernhard Düttmann	Chief Executive Officer and Labour Director (until 31 July 2021)	Alstria Office Reit AG, Hamburg (until 12 May 2021)	Media-Saturn-Holding GmbH, Ingolstadt – Member of the Advisory Board and Chairman of the Advisory Board
Dr Karsten Wildberger	Chief Executive Officer and Labour Director (since 1 August 2021)	Forschungszentrum Jülich GmbH, Jülich	None
Karin Sonnenmoser	Chief Financial Officer (until 30 April 2021)	None	Media-Saturn-Holding GmbH, Ingolstadt – Member of the Advisory Board (until 14 May 2021) Swiss Steel Holding AG, Lucerne, Switzerland
Florian Wieser	Chief Financial Officer (since 1 May 2021)	None	None

38. Shareholdings of CECONOMY AG as of 30 September 2021 in accordance with Sec. 285 HGB

Consolidated subsidiaries

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Accelerate Commerce GmbH	Munich	Germany	EUR	100.00	115,540.54	(335,133.74)
CECONOMY Data GmbH	Düsseldorf	Germany	EUR	100.00	1,380,000.00	0.00
CECONOMY Digital GmbH	Düsseldorf	Germany	EUR	100.00	6,027,000.00	0.00
CECONOMY Dreizehnte Gesellschaft für Vermögensverwaltung mbH	Ingolstadt	Germany	EUR	100.00	(101,734,991.96)	0.00
CECONOMY Invest GmbH	Düsseldorf	Germany	EUR	100.00	1,030,000.00	0.00
CECONOMY Pensionssicherungs GmbH	Düsseldorf	Germany	EUR	100.00	25,000.00	0.00
CECONOMY Retail GmbH	Düsseldorf	Germany	EUR	100.00	1,913,142,196.22	0.00
CECONOMY Retail International GmbH	Düsseldorf	Germany	EUR	100.00	249,734,135.83	0.00
Electronic Online Services Invest GmbH	Munich	Germany	EUR	100.00	831,648.44	(18,459.62)
Electronic Repair Logistics B.V.	Goes	Netherlands	EUR	51.00	6,454,037.43	5,710,067.44
Hansa Foto-Handelsgesellschaft mit beschränkter Haftung	Cologne	Germany	EUR	100.00	30,677.51	0.00 [2]
Imtron Asia Hong Kong Limited	Hong Kong	Hong Kong	HKD	100.00	8,569,644.00	1,964,464.00
Imtron GmbH	Ingolstadt	Germany	EUR	100.00	7,489,426.24	10,629,140.00
Media Markt 14 – Produtos Electronicos LdA	Alfragide (Carnaxide)	Portugal	EUR	100.00	102,319.77	699.41
MEDIA MARKT 3 DE MAYO SANTA CRUZ DE TENERIFE S.A.	Tenerife	Spain	EUR	99.90	1,409,881.34	1,289,881.34
MEDIA MARKT A CORUKIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	A Corufla	Spain	EUR	99.90	277,262.39	157,262.39
MEDIA MARKT ALACANT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alicante	Spain	EUR	99.90	715,102.23	595,102.23
MEDIA MARKT ALBACETE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Albacete	Spain	EUR	100.00	(1,229,250.53)	(203,621.54)

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
MEDIA MARKT ALCALA DE GUADAIRA VIDEO-TV-HIFI-ELEKTRO-COMPUTER- FOTO S.A.	Alcalä de Guadaira	Spain	EUR	99.90	465,474.91	345,474.91
MEDIA MARKT ALCALA DE HENARES VIDEO-TV-HIFI-ELEKTRO-COMPUTER- FOTO, S.A.	Alcalä de Henares	Spain	EUR	99.90	232,249.60	112,249.60
MEDIA MARKT ALCORCON VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alcorcön	Spain	EUR	99.90	913,005.11	793,005.11
Media Markt Alexandrium B.V.	Rotterdam	Netherlands	EUR	95.24	8,348.89	(91,651.11)
MEDIA MARKT ALFAFAR VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Alfafar	Spain	EUR	99.90	628,453.90	508,453.90
MEDIA MARKT ALFRAGIDE – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	100.00	1,628,310.22	418,959.19
Media Markt Alkmaar B.V.	Alkmaar	Netherlands	EUR	97.62	74,749.55	(25,250.45)
Media Markt Almere B.V.	Almere	Netherlands	EUR	100.00	35,868.98	132,011.23
MEDIA MARKT ALMERIA, S.A.U.	Almeria	Spain	EUR	100.00	202,618.06	82,618.06
Media Markt Alphen aan den Rijn B.V.	Alphen aan den Rijn	Netherlands	EUR	100.00	(728,703.15)	(381,653.73)
Media Markt Amersfoort B.V.	Amersfoort	Netherlands	EUR	95.24	(1,149,090.82)	55,460.84
Media Markt Amsterdam Centrum B.V.	Amsterdam	Netherlands	EUR	100.00	(16,299,338.99)	(2,404,227.55)
Media Markt Amsterdam Noord B.V.	Amsterdam	Netherlands	EUR	100.00	(8,831,901.56)	(280,584.59)
Media Markt Amsterdam West B.V.	Amsterdam	Netherlands	EUR	100.00	(6,475,039.92)	(452,924.93)
Media Markt Apeldoorn B.V.	Apeldoorn	Netherlands	EUR	100.00	105,096.10	5,096.10
Media Markt Arena B.V.	Amsterdam	Netherlands	EUR	97.62	590,396.32	490,396.32
Media Markt Arnhem B.V.	Arnheim	Netherlands	EUR	100.00	(1,905,065.36)	(1,119,719.59)
Media Markt Assen B.V.	Assen	Netherlands	EUR	100.00	(2,726,656.12)	(380,180.62)
MEDIA MARKT AVEIRO – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	100.00	(8,872,865.89)	202,977.40
MEDIA MARKT BADAJOZ S.A.	Badajoz	Spain	EUR	99.90	(133,002.06)	(253,002.06)
MEDIA MARKT BARAKALDO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	San Vicente de Barakaldo	Spain	EUR	99.90	639,925.15	519,925.15
MEDIA MARKT BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Barcelona	Spain	EUR	100.00	568,295.92	448,295.92
MEDIA MARKT Basilix NV	Sint-Agatha-Berchem	Belgium	EUR	100.00	(8,877,469.42)	(1,121,119.40)
MEDIA MARKT BENFICA – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	100.00	(26,238,051.86)	(491,449.45)
Media Markt Bergen op Zoom B.V.	Bergen op Zoom	Netherlands	EUR	100.00	(5,289,436.08)	(721,623.66)
MEDIA MARKT BILBAO – ZUBIARTE, S.A.	Bilbao	Spain	EUR	100.00	(1,112,757.71)	(624,902.37)
MEDIA MARKT Bilbondo Video-TV-Hifi-Elektro-Com puter-Foto, SA	Bizkaia	Spain	EUR	100.00	(54,478.92)	(174,479.21)
Media Markt Boräs TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(139,504,839.91)	(15,008,423.63)
MEDIA MARKT BRAGA – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	100.00	(6,268,782.69)	584,686.11
MEDIA MARKT Braine-l'Alleud SA	Braine-l'Alleud	Belgium	EUR	90.00	110,000.00	227,623.06
Media Markt Breda B.V.	Breda	Netherlands	EUR	97.62	1,591,862.53	1,491,862.53
Media Markt Brugge NV	Bruges	Belgium	EUR	100.00	(5,522,923.33)	(176,473.25)
Media Markt Brussel Docks NV	Brussels	Belgium	EUR	100.00	(22,583,085.78)	(1,232,004.43)
MEDIA MARKT Bruxelles Rue Neuve MEDIA MARKT Brussel Nieuwstraat SA	Brussels	Belgium	EUR	90.00	10,453.95	(99,546.05)
Media Markt Business Solutions S.L.	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
MEDIA MARKT CARTAGENA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Cartagena	Spain	EUR	99.90	(2,538,012.34)	168,747.02
MEDIA MARKT CASTELLÖ DE LA Plana VIDEO-TV-HIFI-ELEKTRO-COMPUTER- FOTO, S.A.	Castellön de la Plana	Spain	EUR	100.00	374,562.52	254,562.52
Media Markt CCCVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	EUR	100.00	99,235.52	(227.62) [12]
Media Markt CCCXIX TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	EUR	100.00	98,841.29	(227.04) [12]
Media Markt CCLXXV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	EUR	100.00	98,109.60	(225.71) [12]
Media Markt CCXCVI TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	EUR	100.00	99,533.36	(228.11) [12]
MEDIA MARKT CCXLIII TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	EUR	100.00	75,404.46	(374.42) [12]
MEDIA MARKT Century Center NV	Antwerp	Belgium	EUR	90.00	(14,674,387.86)	(1,481,070.66)

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
MEDIA MARKT COLLADO VILLALBA, S.A.	Collado Villalba	Spain	EUR	100.00	(279,290.56)	(399,290.56)
MEDIA MARKT CORDOBA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Cördoba	Spain	EUR	99.90	52,001.64	(67,998.36)
MEDIA MARKT CORDOVILLA-PAMPLONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Pamplona	Spain	EUR	99.90	694,299.83	574,299.83
Media Markt Cruquius B.V	Cruquius	Netherlands	EUR	95.24	696,205.54	596,205.54
Media Markt Den Bosch B.V.	Den Bosch	Netherlands	EUR	100.00	(2,749,272.64)	737,189.58
Media Markt Den Haag B.V.	The Hague	Netherlands	EUR	100.00	36,747.80	(63,252.20)
MEDIA MARKT Deurne NV	Antwerp	Belgium	EUR	100.00	(17,695,689.57)	(473,167.02)
Media Markt Deventer B.V.	Deventer	Netherlands	EUR	100.00	(6,024,434.61)	(1,109,226.48)
MEDIA MARKT DIAGONAL MAR-BARCELONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Barcelona	Spain	EUR	99.90	23,035.98	(96,964.02)
Media Markt Distributor, SAU	Barcelona	Spain	EUR	100.00	99,921.35	0.00
Media Markt Doetinchem B.V.	Doetinchem	Netherlands	EUR	100.00	(1,868,252.13)	(254,887.91)
MEDIA MARKT DONOSTI VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Donosti	Spain	EUR	99.90	548,414.47	428,414.47
Media Markt Dordrecht B.V.	Dordrecht	Netherlands	EUR	100.00	(4,547,484.71)	(316,534.07)
Media Markt Drachten B.V.	Drachten	Netherlands	EUR	100.00	(1,396,441.82)	(145,646.62)
Media Markt Duiven B.V.	Duiven	Netherlands	EUR	95.24	(13,486,265.08)	(488,646.13)
Media Markt E298, S.A.0	El Prat de Llobregat	Spain	EUR	100.00	(423,823.11)	120,983.55
Media Markt E301, S.A.0	El Prat de Llobregat	Spain	EUR	100.00	93,770.92	(69.68)
Media Markt E303, S.A.0	Barcelona	Spain	EUR	100.00	97,546.65	(2,287.67)
Media Markt E304, S.A.0	Barcelona	Spain	EUR	100.00	67,774.21	(28,867.46)
MEDIA MARKT E305, SAU	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
MEDIA MARKT E306, SAU	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
MEDIA MARKT E307, SAU	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
Media Markt Ede B.V.	Ede	Netherlands	EUR	100.00	77,857.13	(22,142.87)
Media Markt Eindhoven Centrum B.V.	Eindhoven	Netherlands	EUR	100.00	(970,431.94)	(805,252.83)
Media Markt Eindhoven Ekkersrijt B.V.	Son en Breugel	Netherlands	EUR	97.62	1,192,896.38	1,092,896.38
MEDIA MARKT EL PRAT VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	El Prat de Llobregat	Spain	EUR	100.00	(138,612.09)	(258,612.09)
MEDIA MARKT ELCHE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Elche	Spain	EUR	100.00	198,078.27	78,078.27
MEDIA MARKT EMERGING FORMATS, S.L., Unipersonal	El Prat de Llobregat	Spain	EUR	100.00	332,689.55	0.00
Media Markt Emmen B.V.	Emmen	Netherlands	EUR	100.00	(5,691,876.45)	(284,527.19)
Media Markt Enschede B.V.	Enschede	Netherlands	EUR	100.00	(6,287,235.32)	(546,681.59)
Media Markt Eskilstuna TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(44,731,112.51)	(3,391,941.62)
Media Markt Esplugues, S.A.	El Prat de Llobregat	Spain	EUR	99.90	(681,769.72)	(711,527.42)
MEDIA MARKT FERROL, SA	Ferrol	Spain	EUR	100.00	275,483.14	155,482.70
MEDIA MARKT FINESTRAT S.A.U.	Finestrat	Spain	EUR	99.90	576,080.58	456,080.58
MEDIA MARKT GAZA – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	100.00	(10,585,604.27)	208,275.33
MEDIA MARKT GANDIA S.A.	Gandia	Spain	EUR	100.00	201,341.78	81,342.23
MEDIA MARKT GAVA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Gava	Spain	EUR	100.00	(101,586.92)	(221,586.92)
Media Markt Gävle TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(117,316,051.16)	(7,449,835.55)
MEDIA MARKT GETAFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Getafe	Spain	EUR	99.90	417,785.01	297,785.01
MEDIA MARKT GIRONA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Girona	Spain	EUR	99.90	1,006,417.71	886,417.71
Media Markt GmbH TV-HiFi-Elektro	Munich	Germany	EUR	100.00	153,387.56	0.00 [2]
MEDIA MARKT Gosselies/Charleroi SA	Gosselies	Belgium	EUR	90.00	110,000.00	197,297.41
Media Markt Göteborg-Bäckebol TV-H ifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(176,877,472.71)	(15,018,187.40)
Media Markt Göteborg-Högsbo TV-HiFi-Elektro AB	Stockholm	Sweden	SEK	100.00	(229,954,138.92)	(10,619,951.59)
Media Markt Göteborg-Torpavallen TV-H ifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(95,326,526.85)	(5,991,175.59)
MEDIA MARKT GRANADA – NEVADA, S.A.	Armilla	Spain	EUR	99.90	462,784.39	342,784.39

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
MEDIA MARKT GRANADA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Pulianas (Granada)	Spain	EUR	100.00	426,613.96	306,613.96
Media Markt Groningen Centrum B.V.	Groningen	Netherlands	EUR	100.00	(3,381,405.04)	(57,179.44)
Media Markt Groningen Sontplein B.V.	Groningen	Netherlands	EUR	100.00	482,555.86	382,555.86
Media Markt Heerhugowaard B.V.	Heerhugowaard	Netherlands	EUR	95.24	(1,940,245.17)	(228,056.83)
Media Markt Heerlen B.V.	Heerlen	Netherlands	EUR	100.00	(314,486.54)	(174,735.62)
Media Markt Helsingborg TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(121,892,714.69)	(13,289,580.17)
Media Markt Hengelo B.V.	Hengelo Ov	Netherlands	EUR	95.24	726,441.89	626,441.89
MEDIA MARKT Herstal SA	Liege	Belgium	EUR	90.00	(33,200.13)	(143,200.13)
Media Markt Hoofddorp B.V.	Hoofddorp	Netherlands	EUR	100.00	(8,995,439.60)	(337,623.05)
Media Markt Hoorn B.V.	Hoorn	Netherlands	EUR	95.24	358,903.74	258,903.74
MEDIA MARKT HUELVA VrDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA	Huelva	Spain	EUR	99.90	347,468.37	227,468.37
MEDIA MARKT ISLAZUL MADRID S.A.	Madrid	Spain	EUR	100.00	(9,703,217.62)	(246,175.10)
MEDIA MARKT Jemappes/Mons SA	Jemappes	Belgium	EUR	90.00	110,000.00	460,967.02
MEDIA MARKT JEREZ DE LA FRONTERA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Jerez de la Frontera	Spain	EUR	99.90	(488,597.68)	(207,168.88)
Media Markt Jönköping TV-Hifi- Elektro AB	Stockholm	Sweden	SEK	100.00	(154,179,546.65)	(10,980,377.24)
Media Markt Kalmar TV-Hifi-Elektro AB	Kalmar	Sweden	SEK	100.00	(141,761,296.73)	(9,194,586.15)
Media Markt Kortrijk NV	Kortrijk	Belgium	EUR	100.00	(4,050,039.18)	(488,712.04)
Media Markt Kristianstad TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(81,677,347.27)	(5,624,423.36)
MEDIA MARKT L" HOSPITALET VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	L'Hospitalet de Llobregat	Spain	EUR	99.90	(553,363.48)	(673,363.48)
MEDIA MARKT LAS ARENAS S.A.	Las Palmas de Gran Canaria	Spain	EUR	99.90	639,275.39	519,274.90
MEDIA MARKT LAS PALMAS DE GRAN CANARIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Las Palmas de Gran Canaria	Spain	EUR	99.90	1,244,826.11	1,124,825.61
Media Markt Leeuwarden B.V.	Leeuwarden	Netherlands	EUR	95.24	(30,450.90)	(130,450.90)
MEDIA MARKT LEGANES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA	Leganes	Spain	EUR	99.90	(118,299.13)	(238,299.13)
Media Markt Leidschendam B.V.	Leidschendam	Netherlands	EUR	100.00	(747,113.68)	(612,165.48)
MEDIA MARKT LEIRIA – PRODUTOS INFORMATICOS E ELECTRONICOS, LDA	Lisbon	Portugal	EUR	100.00	(6,216,701.26)	(37,730.64)
MEDIA MARKT LEON VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Leön	Spain	EUR	99.90	267,852.17	147,852.17
Media Markt Liege Mediacite SA	Liege	Belgium	EUR	100.00	(13,704,880.43)	(1,310,526.73)
MEDIA MARKT Liege Place Saint-Lam bed SA	Liege	Belgium	EUR	100.00	(9,538,129.99)	(809,725.91)
Media Markt Linköping TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(106,417,437.82)	(5,267,377.59)
MEDIA MARKT LLEIDA, SA	Lleida	Spain	EUR	100.00	827,508.69	707,508.69
MEDIA MARKT LOGRONO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Logrorio	Spain	EUR	99.90	331,669.16	211,669.16
MEDIA MARKT LORCA S.A.	Lorca, Murcia	Spain	EUR	100.00	(1,166,361.09)	(129,135.50)
MEDIA MARKT LOS BARRIOS VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Barrios, Cädiz	Spain	EUR	100.00	236,407.30	116,407.30
MEDIA MARKT LUGO VIDEO-TV-HIFI-ELEKTRO-CO MPUTER-FOTO,SA	Lugo	Spain	EUR	100.00	270,549.20	150,549.67
Media Markt Luleä TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(112,559,935.59)	(11,650,431.23)
Media Markt Lund TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(132,938,157.43)	(7,748,084.65)
Media Markt Maastricht B.V.	Maastricht	Netherlands	EUR	98.82	371,092.25	271,092.25
MEDIA MARKT Machelen NV	Machelen	Belgium	EUR	100.00	(7,195,252.92)	(340,546.51)
MEDIA MARKT MADRID – PLAZA DEL CARMEN S.A.U.	El Prat de Llobregat	Spain	EUR	100.00	(1,006,836.41)	(586,800.39)
MEDIA MARKT MADRID – VALLECAS S.A.	Madrid	Spain	EUR	99.90	(181,003.84)	(293,600.08)
MEDIA MARKT MADRID BENLLIURE SA	Madrid	Spain	EUR	100.00	(148,126.17)	(268,126.17)
MEDIA MARKT MADRID CASTELLANA SA	Madrid	Spain	EUR	99.90	(540,528.98)	(660,528.98)
MEDIA MARKT MADRID PLENILUNIO VI DEO-TV-H IFI-ELEKTRO-COMPUTER-FOTO S.A.	Madrid	Spain	EUR	100.00	(221,519.61)	(217,441.37)
MEDIA MARKT MADRID-VILLAVERDE VIDEO-TV-HIFI-ELEKTRO-COMPUTER- FOTO, S.A.	Madrid-Villaverde	Spain	EUR	99.90	(282,371.58)	(402,371.58)

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
MEDIA MARKT Majadahonda Video-TV-HiFi-Elektro-Computer-Foto, S.A.	Majadahonda	Spain	EUR	100.00	571,938.25	451,938.25
MEDIA MARKT MALAGA – PLAZA MAYOR S.A.	Malaga	Spain	EUR	99.90	317,107.66	197,107.66
MEDIA MARKT MALAGA-CENTRO VIDEO-TV-H I FI-ELEKTRO-CO M PUTER-FOTO, SA	Malaga	Spain	EUR	99.90	(261,350.24)	(381,350.24)
Media Markt Malmö-Bernstorp TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(144,548,800.85)	(2,169,238.98)
Media Markt Malmö-Svägertorp TV-H ifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(135,629,889.05)	(12,415,011.60)
MEDIA MARKT MASSALFASSAR S.A.	Valencia	Spain	EUR	99.90	(2,417,015.84)	(82,212.78)
MEDIA MARKT MATARO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Mataro	Spain	EUR	100.00	840,430.87	720,430.87
MEDIA MARKT MATOSINHOS PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Carnaxide	Portugal	EUR	100.00	(3,686,042.94)	(320,128.61)
Media Markt Mayorista, S.A.U.	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
Media Markt Middelburg B.V.	Middelburg	Netherlands	EUR	95.24	46,325.53	(53,674.47)
MEDIA MARKT MURCIA NUEVA CONDOMINA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Murcia	Spain	EUR	99.90	326,789.40	206,789.40
MEDIA MARKT MURCIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Murcia	Spain	EUR	99.90	(2,256,994.01)	(110,850.23)
MEDIA MARKT NASCENTE – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	90.00	(8,044,371.40)	(182,143.40)
Media Markt Nieuwegein B.V.	Nieuwegein	Netherlands	EUR	100.00	(6,059,919.68)	(578,107.89)
Media Markt Norrköping TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(99,774,730.56)	(5,987,081.71)
Media Markt Online LdA	Alfragide (Carnaxide)	Portugal	EUR	100.00	102,756.94	(63,280.60)
MEDIA MARKT ONLINE SAU	El Prat de Llobregat	Spain	EUR	100.00	(920,202.27)	(489,225.12)
MEDIA MARKT Oostakker NV	Oostakker	Belgium	EUR	90.00	110,000.00	504,223.76
MEDIA MARKT Oostende NV	Oostende	Belgium	EUR	100.00	(1,144,312.76)	0.00
Media Markt Örebro TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(136,989,697.32)	(6,894,937.41)
MEDIA MARKT ORIHUELA SA	Orihuela	Spain	EUR	99.90	831,539.40	711,539.40
MEDIA MARKT PALMA DE MALLORCA FAN SAU	Palma de Mallorca	Spain	EUR	100.00	752,036.57	632,036.57
MEDIA MARKT PALMA DE MALLORCA S.A.	Palma de Mallorca	Spain	EUR	100.00	874,476.12	754,476.12
MEDIA MARKT PLAA DE CATALUNYA, S.A.U.	El Prat de Llobregat	Spain	EUR	100.00	(507,952.25)	(627,952.25)
MEDIA MARKT PLATFORM SERVICES ESPAKIA, SAU	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
MEDIA MARKT PLAZA – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	100.00	(11,456,533.62)	(139,782.62)
Media Markt Polska Bis sp. z o.o. Warszawa VII spötka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,350,831.05 [7]
Media Markt Polska Bis sp. z o.o. Wroctaw V spötka Komandytowa	Warsaw	Poland	PLN	100.00	(91,378.41)	1,132,532.54 [7]
Media Markt Polska Bis Spötka z ograniczong odpowiedzialnoäcig	Warsaw	Poland	PLN	100.00	217,966.78	167,966.78 [7]
Media Markt Polska Bis Spötka z ograniczong odpowiedzialnoäcig Bydgoszcz II spötka Komandytowa	Warsaw	Poland	PLN	100.00	(18,948,548.10)	(5,104,103.55) [7]
Media Markt Polska Bis Spötka z ograniczong odpowiedzialnoäcig Gdarisk IV Spötka Komandytowa	Warsaw	Poland	PLN	89.10	(749,944.70)	(1,194,389.14) [7]
Media Markt Polska Bis Spötka z ograniczong odpowiedzialnoäcig Gdynia II Spötka Komandytowa	Warsaw	Poland	PLN	100.00	(106,983.74)	(551,428.18) [7]
Media Markt Polska Bis Spötka z ograniczong odpowiedzialnoäcig Katowice Ill Spötka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.42	435,376.05 [7]
Media Markt Polska Bis spółka z ograniczong odpowiedzialnogcig Kraków Ill spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.45	1,985,049.57 [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig Kraków IV Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(2,487,012.64)	(350,261.89) [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig ködi Ill Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(19,545,419.23)	(3,375,635.63) [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig ködi IV Spółka Komandytowa	Warsaw	Poland	PLN	100.00	429,566.65	(14,877.79) [7]
Media Markt Polska Bis spółka z ograniczong odpowiedzialnoki4 Lubin Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(25,545,312.19)	(1,294,640.76) [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnoki4 Lublin II Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(2,599,251.53)	(592,678.86) [7]

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt Polska Bis spółka z ograniczong odpowiedzialnogcig Poznari III spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	877,284.99 [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig Poznari IV Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(10,124,572.75)	(3,011,790.93) [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig Szczecin III Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(1,151,662.78)	(1,596,107.24) [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnoki4 Tychy Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	137,183.43 [7]
Media Markt Polska Bis spółka z ograniczong odpowiedzialnogcig Warszawa IX spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,442,173.94 [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig Warszawa VI Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	5,142,721.89 [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig Warszawa VIII Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,385,635.50 [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig Warszawa X Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,014,026.94 [7]
Media Markt Polska Bis Spółka z ograniczong odpowiedzialnogcig Wroctaw IV Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(12,214,772.25)	(1,967,209.32) [7]
Media Markt Polska Sp. z o.o.	Warsaw	Poland	PLN	100.00	208,895.73	158,895.73 [7]
Media Markt Polska Sp. z o.o. 19 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0.00 [7]
Media Markt Polska Sp. z o.o. 22 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0.00 [7]
Media Markt Polska Sp. z o.o. 25 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0.00 [7]
Media Markt Polska Sp. z o.o. 26 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0.00 [7,13]
Media Markt Polska Sp. z o.o. 27 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0.00 [7]
Media Markt Polska Sp. z o.o. Biatystok Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.43	1,881,248.74 [7]
Media Markt Polska Sp. z o.o. Bydgoszcz Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	117,283.31 [7]
Media Markt Polska Sp. z o.o. Chorzöw Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(2,267,440.39)	(2,711,884.83) [7]
Media Markt Polska Sp. z o.o. Elblgg Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(6,705,575.46)	(2,279,671.88) [7]
Media Markt Polska Sp. z o.o. Gdarisk II Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	56,229.33 [7]
Media Markt Polska Sp. z o.o. Gdynia I Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(7,430,089.65)	(1,346,802.69) [7]
Media Markt Polska Sp. z o.o. Gliwice Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(12,887,068.43)	(1,396,210.31) [7]
Media Markt Polska Sp. z o.o. Gtogöw Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(39,542,960.14)	(3,367,263.01) [7]
Media Markt Polska Sp. z o.o. Gorzöw Wielkopolski Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	863,792.68 [7]
Media Markt Polska Sp. z o.o. Kalisz Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	831,283.17 [7]
Media Markt Polska Sp. z o.o. Konin Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,195,851.57 [7]
Media Markt Polska Sp. z o.o. Koszalin Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,257,270.10 [7]
Media Markt Polska Sp. z o.o. Kraków II Spółka Komandytowa	Warsaw	Poland	PLN	100.00	417,366.13	(27,078.31) [7]
Media Markt Polska Sp. z o.o. Legnica Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(11,066,158.49)	(1,055,698.83) [7]
Media Markt Polska Sp. z o.o. Nowy Sgcz Spółka Komandytowa	Warsaw	Poland	PLN	100.00	269,688.04	(302.07) [7]
Media Markt Polska Sp. z o.o. Piotrköw Trybunalski Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(16,062,103.08)	(816,301.48) [7]
Media Markt Polska Sp. z o.o. Ptock Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(4,809,554.05)	(2,232,370.59) [7]
Media Markt Polska Sp. z o.o. Poznari II Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	503,713.74 [7]

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt Polska Sp. z o.o. Przemygl Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(24,327,807.23)	(71,672.45) [7]
Media Markt Polska Sp. z o.o. Radom Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(354,778.88)	(775,831.24) [7]
Media Markt Polska Sp. z o.o. Rybnik Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(2,190,278.42)	(2,338,987.43) [7]
Media Markt Polska Sp. z o.o. Stupsk Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(2,337,829.59)	(686,153.08) [7]
Media Markt Polska Sp. z o.o. Tarnöw Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.43	967,909.84 [7]
Media Markt Polska Sp. z o.o. Toruri Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,127,636.45 [7]
Media Markt Polska Sp. z o.o. Watbrzych Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(15,901,320.57)	(1,826,842.70) [7]
Media Markt Polska Sp. z o.o. ZamogC Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(16,506,723.62)	(1,873,908.71) [7]
Media Markt Polska Sp. z o.o. Zielona Göra Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	733,896.17 [7]
Media Markt Polska Sp. z.o.o. Bielsko-Biata Spölka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,015,410.71 [7]
Media Markt Polska Sp. z.o.o. Czeladi Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,300,562.29 [7]
Media Markt Polska Sp. z.o.o. Czgstochowa Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,991,640.63 [7]
Media Markt Polska Sp. z.o.o. Gdarisk I Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(2,599,168.74)	(2,999,168.74) [7]
Media Markt Polska Sp. z.o.o. Katowice I Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(4,137,386.16)	(4,581,830.60) [7]
Media Markt Polska Sp. z.o.o. Kielce Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	843,554.85 [7]
Media Markt Polska Sp. z.o.o. Kraków I Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	665,535.60 [7]
Media Markt Polska Sp. z.o.o. ködi I Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(270,268.97)	(443,584.12) [7]
Media Markt Polska Sp. z.o.o. ködi II Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(117,176.03)	(561,620.47) [7]
Media Markt Polska Sp. z.o.o. Lublin Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	462,476.13 [7]
Media Markt Polska Sp. z.o.o. Olsztyn Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,083,475.43 [7]
Media Markt Polska Sp. z.o.o. Opole Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	356,206.81 [7]
Media Markt Polska Sp. z.o.o. Poznari I Spółka Komandytowa	Warsaw	Poland	PLN	90.00	126,760.56	(273,239.44) [7]
Media Markt Polska Sp. z.o.o. Rzeszöw Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	2,457,837.11 [7]
Media Markt Polska Sp. z.o.o. Szczecin Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	2,074,080.82 [7]
Media Markt Polska Sp. z.o.o. Warszawa 1 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,081,016.60 [7]
Media Markt Polska Sp. z.o.o. Warszawa II Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,949,061.26 [7]
Media Markt Polska Sp. z.o.o. Warszawa Ill Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	1,210,793.40 [7]
Media Markt Polska Sp. z.o.o. Warszawa IV Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	556,763.68 [7]
Media Markt Polska Sp. z.o.o. Wroctaw I Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(1,419,716.58)	(1,864,161.02) [7]
Media Markt Polska Sp. z.o.o. Wroctaw II Spółka Komandytowa	Warsaw	Poland	PLN	100.00	444,444.44	967,937.31 [7]
Media Markt Polska Sp. z.o.o. Zabrze Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(1,630,913.25)	(1,495,801.79) [7]
Media Markt Polska spółka z ograniczong odpowiedzialnoäcig Proximity Spółka Komandytowa	Warsaw	Poland	PLN	100.00	(649,636.99)	(1,012,314.53) [7]

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt Polska Spółka z ograniczong odpowiedzialnoäcig Warszawa V spółka Komandytowa	Warsaw	Poland	PLN	100.00	(2,214,568.44)	(2,614,568.44) [7]
MEDIA MARKT PROTECT SOLUTIONS, S.A.U.	El Prat de Llobregat	Spain	EUR	100.00	770,467.78	650,467.78
MEDIA MARKT PUERTO REAL VIDEO-TV-HIFI-ELECTRO-COMPUTER-FOTO, S.A.	Cädiz	Spain	EUR	99.90	175,106.07	55,106.07
MEDIA MARKT QUART DE POBLET, S.A.	Quart de Poblet	Spain	EUR	99.90	28,785.47	(91,214.53)
Media Markt Rijswijk B.V.	Rijswijk	Netherlands	EUR	100.00	(275,253.74)	(233,204.81)
MEDIA MARKT RIVAS-VACIAMADRID VI DEO-TV-H IFI-ELEKTRO-COMPUTER-FOTO S.A.	Madrid	Spain	EUR	99.90	134,281.89	14,281.89
Media Markt Roermond B.V.	Roermond	Netherlands	EUR	100.00	(724,151.24)	(537,835.25)
MEDIA MARKT Roeselare NV	Roeselare	Belgium	EUR	90.00	110,000.00	352,496.28
Media Markt Rotterdam Beijerlandselaan B.V.	Rotterdam	Netherlands	EUR	100.00	(4,829,796.61)	(345,228.27)
MEDIA MARKT SALAMANCA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Sta. Marta de Torures	Spain	EUR	99.90	255,564.43	135,564.43
MEDIA MARKT San Juan de Aznalfarache VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Seville	Spain	EUR	100.00	(105,777.62)	(225,777.62)
MEDIA MARKT SAN SEBASTIAN DE LOS REYES VIDEO-TV-HIFI-ELEKTRO- COMPUTER-FOTO, S.A.	San Sebastiän de los Reyes	Spain	EUR	99.90	1,453,533.36	1,333,533.36
MEDIA MARKT SANT CUGAT DEL VALLES VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Sant Cugat del Vallös	Spain	EUR	99.90	209,739.95	89,739.95
MEDIA MARKT Santander Video-TV-Hifi-Elektro-Com puter-Foto, SA	Santander	Spain	EUR	99.90	537,433.56	417,433.56
MEDIA MARKT SANTIAGO DE COMPOSTELA S.A.	Santiago de ompostela	Spain	EUR	99.90	(62,166.87)	57,739.90
MEDIA MARKT SATURN ADMINISTRACION ESPAKIA, S.A.U.	El Prat de Llobregat	Spain	EUR	100.00	2,501,187.84	2,381,187.83
MEDIA MARKT SATURN BARCELONA TECH HUB, SAU	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
MEDIA MARKT SATURN GLOBAL BUSINESS SERVICES, S.A.U.	El Prat de Llobregat	Spain	EUR	100.00	0.00	0.00
Media Markt Saturn Holding Magyarorszäg Kft.	Budapest	Hungary	HUF	100.00	9,837,948,000.00	2,680,736,000.00
Media Markt Saturn Holding Nederland B.V.	Rotterdam	Netherlands	EUR	100.00	136,180,611.53	9,266,263.63
MEDIA MARKT SATURN, S.A. UNIPERSONAL	El Prat de Llobregat	Spain	EUR	100.00	112,895,599.45	62,367,427.00
MEDIA MARKT Schoten NV	Schoten	Belgium	EUR	90.00	110,000.00	362,696.70
Media Markt Schweiz AG	Dietikon	Switzerland	CHF	100.00	12,522,788.40	(9,439,778.67)
Media Markt Service Pro, SAU	Pinto	Spain	EUR	100.00	(870,663.09)	533,763.72
Media Markt Setübal – Produtos I nformäticos e Electrönicos, LDA.	Lisbon	Portugal	EUR	100.00	(9,536,792.27)	206,389.33
MEDIA MARKT SEVILLA-SANTA JUSTA VIDEO-TV-HIFIi-ELEKTRO-COMPUTER-FOTO, S.A.	Seville	Spain	EUR	100.00	(273,800.39)	(393,800.39)
MEDIA MARKTSIERO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Lugones-Siero	Spain	EUR	100.00	921,671.58	801,671.58
MEDIA MARKT Sint-Lambrechts- Woluwe NV	Sint-Lambrechts-Woluwe	Belgium	EUR	90.00	(210,715.21)	(320,715.21)
MEDIA MARKT Sint-Pieters-Leeuw NV	Sint-Pieters-Leeuw	Belgium	EUR	90.00	(1,359,206.64)	(254,322.20)
MEDIA MARKT SINTRA – PRODUTOS INFORMATICOS E ELECTRÖNICOS, LDA	Lisbon	Portugal	EUR	100.00	(12,538,897.63)	595,259.57
Media Markt Skövde TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(126,338,748.76)	(8,956,243.77)
Media Markt Södertälje TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(58,095,466.68)	(871,122.97)
Media Markt Stockholm Nacka TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(205,469,190.71)	(12,179,448.93)
Media Markt Stockholm-Barkarby TV-H ifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(199,993,551.63)	(16,130,265.28)
Media Markt Stockholm-Gallerian TV-H ifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(242,163,149.91)	(36,699,353.16)
Media Markt Stockholm-Heron City TV-HiFi-Elektro AB	Stockholm	Sweden	SEK	100.00	(354,528,301.53)	(23,274,367.42)
Media Markt Stockholm-Länna TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(114,745,842.17)	(8,581,726.10)
Media Markt Stockholm-Täby TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(26,992,061.02)	(14,188,082.73)
Media Markt Sundsvall TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(240,628,040.14)	(10,825,988.62)
MEDIA MARKT TARRAGONA VIDEO-TV-H IFI-ELEKTRO-COMPUTER-FOTO S.A.	Tarragona	Spain	EUR	100.00	676,910.86	556,910.86
MEDIA MARKT TELDE VIDEO-TV- HIFI-ELEKTRO-COMPUTER- FOTO, SA	Telde, Las Palmas	Spain	EUR	99.90	1,358,019.47	1,238,019.47

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
MEDIA MARKT TENERIFE VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA	Tenerife	Spain	EUR	99.90	1,760,157.38	1,640,157.38
MEDIA MARKT TERRASSA SA	Terrassa	Spain	EUR	99.90	607,683.19	487,683.19
Media Markt The Corner B.V.	Rotterdam	Netherlands	EUR	100.00	45,789.85	(54,210.15)
Media Markt Tilburg B.V.	Tilburg	Netherlands	EUR	100.00	279,796.28	179,796.28
MEDIA MARKT TOLEDO S.A.	Toledo	Spain	EUR	100.00	301,990.38	181,990.24
MEDIA MARKT TURKEY TICARET LIMITED SIRKETI	Istanbul	Turkey	TRY	100.00	175,107,450.00	226,977.87
Media Markt Turnhout NV	Turnhout	Belgium	EUR	90.00	(3,258,490.79)	(386,376.70)
MEDIA MARKT TV-HiFi-Elektro GmbH	Bad Dürrheim	Germany	EUR	90.00	102,258.38	0.00 [2]
MEDIA Markt TV-HiFi-Elektro GmbH	Hallstadt-Bamberg	Germany	EUR	100.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH	Herzog enrath	Germany	EUR	100.00	527,500.22	401,151.52
Media Markt TV-HiFi-Elektro GmbH	Schwentinental	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH	Lüneburg	Germany	EUR	90.00	835,203.65	707,721.10
MEDIA Markt TV-HiFi-Elektro GmbH	Belm-Osnabrück	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH	Peißen	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH	Porta Westfalica/Minden	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Aalen	Aalen	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Albstadt	Albstadt	Germany	EUR	100.00	614,236.93	506,023.99
Media Markt TV-HiFi-Elektro GmbH Alzey	Alzey	Germany	EUR	90.00	302,412.80	184,074.52
Media Markt TV-HiFi-Elektro GmbH Amberg	Am berg	Germany	EUR	90.00	867,580.91	700,120.58
MEDIA MARKT TV-HiFi-Elektro GmbH Ansbach	Ansbach	Germany	EUR	90.05	373,519.48	252,165.92
MEDIA Markt TV-HiFi-Elektro GmbH Aschaffenburg	Aschaffenburg	Germany	EUR	90.05	102,258.38	0.00 [2]
MEDIA Markt TV-HiFi-Elektro GmbH Augsburg	Augsburg	Germany	EUR	90.00	636,250.49	518,698.55
Media Markt TV-HiFi-Elektro GmbH Augsburg-Göggingen	Augsburg	Germany	EUR	100.00	473,932.43	357,941.63
MEDIA MARKT TV-HiFi-Elektro GmbH Bad Kreuznach	Bad Kreuznach	Germany	EUR	90.00	624,061.82	494,091.48
Media Markt TV-HiFi-Elektro GmbH Baden-Baden	Baden-Baden	Germany	EUR	90.00	766,622.30	650,549.83
MEDIA Markt TV-HiFi-Elektro GmbH Bayreuth	Bayreuth	Germany	EUR	100.00	102,258.38	0.00 [2]
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Biesdorf	Berlin-Biesdorf	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Berlin-Charlotten burg	Berlin-Charlottenburg	Germany	EUR	100.00	100,000.00	0.00 [2]
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Gropiusstadt	Berlin (Gropiusstadt)	Germany	EUR	90.05	102,258.38	0.00 [2]
MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Hohenschönhausen	Berlin-Hohenschönhausen	Germany	EUR	100.00	192,715.31	55,316.48
Media Markt TV-HiFi-Elektro GmbH Berlin-Mitte	Berlin	Germany	EUR	90.00	100,000.00	0.00 [2]
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Neukölln	Berlin-Neukölln	Germany	EUR	90.00	303,405.69	169,837.91
Media Markt TV-HiFi-Elektro GmbH Berlin-Prenzlauer Berg	Berlin	Germany	EUR	100.00	606,245.54	476,612.31
Media Markt TV-HiFi-Elektro GmbH Berlin-Schöneweide	Berlin (Schöneweide)	Germany	EUR	90.00	496,756.56	369,982.61
MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Spandau	Berlin-Spandau	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Berlin-Steglitz	Berlin	Germany	EUR	90.00	100,000.00	0.00 [2]
MEDIA Markt TV-HiFi-Elektro GmbH Berlin-Tegel	Berlin (Tegel)	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Berlin-Tempelhof	Berlin	Germany	EUR	90.00	16,114.26	(103,175.15)
MEDIA MARKT TV-HiFi-Elektro GmbH Berlin-Wedding	Berlin-Wedding	Germany	EUR	90.00	254,285.35	116,942.03
Media Markt TV-HiFi-Elektro GmbH Bielefeld	Bielefeld	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Bischofsheim	Bischofsheim	Germany	EUR	90.00	1,145,064.07	999,650.00
Media Markt TV-HiFi-Elektro GmbH Bochum	Bochum	Germany	EUR	90.00	505,867.97	375,489.79
Media Markt TV-HiFi-Elektro GmbH Bochum-Ruhrpark	Bochum (Ruhrpark)	Germany	EUR	90.00	253,612.57	123,692.16
Media Markt TV-HiFi-Elektro GmbH Bonn	Bonn	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Brandenburg an der Havel	Brandenburg an der Havel	Germany	EUR	90.00	590,050.70	472,327.69
Media Markt TV-HiFi-Elektro GmbH Braunschweig	Braunschweig	Germany	EUR	90.05	361,108.21	228,686.52
Media Markt TV-HiFi-Elektro GmbH Bremen	Bremen	Germany	EUR	90.05	932,052.94	772,328.32

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt TV-HiFi-Elektro GmbH Bremen-Waterfront	Bremen	Germany	EUR	90.00	897,750.60	751,320.10
Media Markt TV-HiFi-Elektro GmbH Bruchsal	Bruchsal	Germany	EUR	100.00	368,454.32	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Buchholz in der Nordheide	Buchholz	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Buxtehude	Buxtehude	Germany	EUR	90.00	435,587.46	342,270.93
MEDIA MARKTTV-HiFi-Elektro GmbH Castrop-Rauxel	Castrop-Rauxel	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Chemnitz	Chemnitz	Germany	EUR	90.00	413,000.76	294,247.93
Media Markt TV-HiFi-Elektro GmbH Chemnitz-Röhrsdorf	Chemnitz	Germany	EUR	90.00	921,668.85	796,490.63
Media Markt TV-HiFi-Elektro GmbH Coburg	Coburg	Germany	EUR	100.00	(1,161,402.19)	(17,405.15)
Media Markt TV-HiFi-Elektro GmbH Cottbus/Groß Gaglow	Cottbus	Germany	EUR	90.05	1,102,258.02	937,575.48
Media Markt TV-HiFi-Elektro GmbH Dessau	Dessau-Roßlau	Germany	EUR	90.00	509,577.15	395,420.55
MEDIA MARKTTV-HiFi-Elektro GmbH Dietzenbach	Dietzenbach	Germany	EUR	90.00	325,691.66	208,460.88
Media Markt TV-HiFi-Elektro GmbH Donauwörth	Donauwörth	Germany	EUR	90.00	291,876.18	181,528.34
Media Markt TV-HiFi-Elektro GmbH Dorsten	Dorsten	Germany	EUR	90.00	391,722.23	277,930.38
Media Markt TV-HiFi-Elektro GmbH Dortmund-Hörde	Dortmund	Germany	EUR	90.00	(928,694.15)	(635,437.44)
Media Markt TV-HiFi-Elektro GmbH Dortmund-Oespel	Dortmund	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Dresden Centrum	Dresden	Germany	EUR	90.00	(762,745.03)	383,958.47
MEDIA MARKT TV-HiFi-Elektro GmbH Dresden-Mickten	Dresden	Germany	EUR	95.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Duisburg	Duisburg	Germany	EUR	90.00	(28,219.17)	219,693.43
Media Markt TV-HiFi-Elektro GmbH Düsseldorf	Düsseldorf	Germany	EUR	100.00	1,694,823.25	1,492,564.87
Media Markt TV-HiFi-Elektro GmbH Egelsbach	Egelsbach	Germany	EUR	90.00	379,181.31	261,671.99
Media Markt TV-HiFi-Elektro GmbH Eiche	Ahrensfelde-Eiche	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Eisenach	Eisenach	Germany	EUR	90.00	616,065.91	506,447.08
Media Markt TV-HiFi-Elektro GmbH Eislingen	Eislingen	Germany	EUR	100.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Elmshorn	Elmshorn	Germany	EUR	100.00	611,364.81	494,909.86
Media Markt TV-HiFi-Elektro GmbH Emden	Emden	Germany	EUR	100.00	(987,893.08)	180,650.72
Media Markt TV-HiFi-Elektro GmbH Erding	Erding	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Erfurt Thüringen-Park	Erfurt	Germany	EUR	100.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Erfurt-Daberstedt	Erfurt	Germany	EUR	90.00	1,028,111.75	899,966.65
Media Markt TV-HiFi-Elektro GmbH Erlangen	Erlangen	Germany	EUR	90.00	803,782.10	672,973.67
Media Markt TV-HiFi-Elektro GmbH Eschweiler	Eschweiler	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Essen	Essen	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Esslingen	Esslingen/Weil	Germany	EUR	100.00	(352,169.89)	80,336.32
Media Markt TV-HiFi-Elektro GmbH Fellbach	Fellbach	Germany	EUR	100.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Flensburg	Flensburg	Germany	EUR	90.05	795,753.13	552,891.02
Media Markt TV-HiFi-Elektro GmbH Frankfurt	Frankfurt a.M.	Germany	EUR	90.00	209,189.00	63,667.63
MEDIA MARKT TV-HiFi-Elektro GmbH Frankfurt-Borsigallee	Frankfurt	Germany	EUR	100.00	630,226.13	505,643.79
MEDIA MARKTTV-HiFi-Elektro GmbH Freiburg	Freiburg	Germany	EUR	90.05	102,258.38	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Friedrichshafen	Friedrichshafen	Germany	EUR	100.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Fulda	Fulda	Germany	EUR	100.00	830,697.36	705,441.00
Media Markt TV-HiFi-Elektro GmbH Gifhorn	Gifhorn	Germany	EUR	90.00	519,385.80	410,306.74
Media Markt TV-Hifi-Elektro GmbH Goslar	Goslar	Germany	EUR	90.00	454,299.81	338,810.15
Media Markt TV-HiFi-Elektro GmbH Göttingen	Göttingen	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Greifswald	Greifswald	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Gründau-Lieblos	Gründau-Lieblos	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Günthersdorf	Leuna	Germany	EUR	90.00	979,739.45	739,479.83
Media Markt TV-HiFi-Elektro GmbH Gütersloh	Gütersloh	Germany	EUR	90.00	1,617,562.43	1,417,562.43
Media Markt TV-HiFi-Elektro GmbH Halberstadt	Halberstadt	Germany	EUR	90.00	861,562.78	749,482.71
Media Markt TV-HiFi-Elektro GmbH Halstenbek	Halstenbek	Germany	EUR	90.00	102,258.38	0.00 [2]

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt TV-HiFi-Elektro GmbH Hamburg-Wandsbek	Hamburg	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Hamburg-Altona	Hamburg	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Hamburg-Billstedt	Hamburg-Billstedt	Germany	EUR	100.00	(1,097,945.24)	(195,912.09)
MEDIA MARKTTV-HiFi-Elektro GmbH Hamburg-Harburg	Hamburg-Harburg	Germany	EUR	90.00	895,950.55	753,601.87
Media Markt TV-HiFi-Elektro GmbH Hamburg-Hummelsbüttel	Hamburg-Hummelsbüttel	Germany	EUR	100.00	94,190.46	(31,437.92)
Media Markt TV-HiFi-Elektro GmbH Hamburg-Nedderfeld	Hamburg-Nedderfeld	Germany	EUR	90.00	353,270.40	215,225.82
Media Markt TV-HiFi-Elektro GmbH Hameln	Hameln	Germany	EUR	90.05	491,024.06	374,560.47
Media Markt TV-HiFi-Elektro GmbH Hannover-Vahrenheide	Hanover-Vahrenheide	Germany	EUR	90.00	100,000.00	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Hannover-Wülfel	Hanover-Wülfel	Germany	EUR	90.00	639,457.47	513,053.22
Media Markt TV-HiFi-Elektro GmbH Heide	Heide	Germany	EUR	90.00	706,414.10	590,466.01
MEDIA Markt TV-HiFi-Elektro GmbH Heidelberg	Heidelberg	Germany	EUR	90.00	171,919.92	43,622.80
MEDIA MARKTTV-HiFi-Elektro GmbH Heidelberg-Rohrbach	Heidelberg (Rohrbach)	Germany	EUR	90.00	439,510.66	308,507.04
Media Markt TV-HiFi-Elektro GmbH Heilbronn	Heilbronn	Germany	EUR	93.00	4,900,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Henstedt-Ulzburg	Henstedt-Ulzburg	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Heppenheim	Heppenheim	Germany	EUR	90.00	701,681.31	575,106.68
Media Markt TV-HiFi-Elektro GmbH Hildesheim	Hildesheim	Germany	EUR	90.05	632,496.24	512,578.01
Media Markt TV-HiFi-Elektro GmbH Hof	Hof	Germany	EUR	90.05	301,386.44	180,382.28
Media Markt TV-HiFi-Elektro GmbH Homburg/Saar	Homburg	Germany	EUR	90.00	637,674.55	509,146.31
Media Markt TV-HiFi-Elektro GmbH Hückelhoven	Hückelhoven	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Idar-Oberstein	Idar-Oberstein	Germany	EUR	90.00	727,008.59	606,629.59
Media Markt TV-HiFi-Elektro GmbH Itzehoe	Itzehoe	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Jena	Jena	Germany	EUR	90.05	702,527.76	579,999.54
Media Markt TV-HiFi-Elektro GmbH Kaiserslautern	Kaiserslautern	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Karlsfeld	Karlsfeld	Germany	EUR	90.00	(176,174.04)	(181,255.47)
Media Markt TV-HiFi-Elektro GmbH Karlsruhe	Karlsruhe	Germany	EUR	90.05	444,369.19	318,837.16
Media Markt TV-HiFi-Elektro GmbH Karlsruhe-Ettlinger Tor	Karlsruhe	Germany	EUR	100.00	(1,133,043.04)	(153,736.31)
Media Markt TV-HiFi-Elektro GmbH Kassel	Kassel	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Kempten	Kempten	Germany	EUR	90.00	1,121,776.46	994,529.68
Media Markt TV-HiFi-Elektro GmbH Kiel	Kiel	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Kirchheim	Kirchheim	Germany	EUR	100.00	(1,119,966.06)	(1,238,043.52)
Media Markt TV-HiFi-Elektro GmbH Koblenz	Koblenz	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Köln Hohe Straße	Cologne	Germany	EUR	90.05	215,854.09	67,298.84
Media Markt TV-HiFi-Elektro GmbH Köln-Chorweiler	Cologne	Germany	EUR	100.00	(2,147,683.81)	(359,446.44)
Media Markt TV-HiFi-Elektro GmbH Köln-Kalk	Cologne	Germany	EUR	90.00	1,356,199.88	1,208,851.48
Media Markt TV-HiFi-Elektro GmbH Köln-Marsdorf	Cologne-Marsdorf	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Konstanz	Konstanz	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Krefeld	Krefeld	Germany	EUR	90.05	869,386.49	716,962.87
Media Markt TV-HiFi-Elektro GmbH Kulmbach	Kulmbach	Germany	EUR	100.00	(102,660.92)	31,563.71
MEDIA MARKT TV-HiFi-Elektro GmbH Lahr	Lahr	Germany	EUR	90.00	463,560.25	343,390.69
Media Markt TV-HiFi-Elektro GmbH Landau/Pfalz	Landau	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Landsberg/Lech	Landsberg am Lech	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Landshut	Landshut	Germany	EUR	90.00	620,176.95	471,045.59
Media Markt TV-HiFi-Elektro GmbH Leipzig Höfe am Brühl	Leipzig	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Leipzig-Paunsdorf	Leipzig	Germany	EUR	90.00	102,258.38	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Limburg	Limburg	Germany	EUR	90.00	398,863.72	281,830.53
Media Markt TV-HiFi-Elektro GmbH Lingen	Lingen	Germany	EUR	100.00	(1,897,108.44)	(1,245,011.35)
Media Markt TV-HiFi-Elektro GmbH Lübeck	Lübeck	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Ludwigsburg	Ludwigsburg	Germany	EUR	90.00	(1,177,881.11)	796,538.87

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt TV-HiFi-Elektro GmbH Ludwigshafen	Ludwigshafen/Rh.	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH M258	Ingolstadt	Germany	EUR	100.00	(571,565.11)	5,219.96
MEDIA MARKTTV-HiFi-Elektro GmbH Magdeburg	Magdeburg	Germany	EUR	90.05	102,258.38	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Magdeburg-Bördepark	Magdeburg	Germany	EUR	90.00	872,733.98	733,043.55
Media Markt TV-HiFi-Elektro GmbH Main-Taunus-Zentrum	Sulzbach	Germany	EUR	95.00	200,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Mainz	Mainz	Germany	EUR	100.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Mannheim	Mannheim	Germany	EUR	90.00	461,413.57	326,954.33
Media Markt TV-HiFi-Elektro GmbH Mannheim-Sandhofen	Mannheim-Sandhofen	Germany	EUR	90.00	971,802.31	845,011.85
MEDIA MARKTTV-HiFi-Elektro GmbH Marburg	Marburg	Germany	EUR	90.00	730,125.98	587,066.52
MEDIA MARKT TV-HiFi-Elektro GmbH Marktredwitz	Marktredwitz	Germany	EUR	100.00	541,011.03	428,888.69
Media Markt TV-HiFi-Elektro GmbH Meerane	Meerane	Germany	EUR	90.00	934,743.53	813,366.14
Media Markt TV-HiFi-Elektro GmbH Memmingen	Memmingen	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Mönchengladbach	Mönchengladbach	Germany	EUR	90.00	688,552.65	551,016.76
Media Markt TV-HiFi-Elektro GmbH Mühldorf/Inn	Mühldorf	Germany	EUR	90.00	373,787.24	253,634.13
Media Markt TV-HiFi-Elektro GmbH Mülheim	Mülheim/Ruhr-Dümpten	Germany	EUR	100.00	530,381.97	390,837.59
Media Markt TV-HiFi-Elektro GmbH München-Haidhausen	Munich	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH München-Pasing	Munich	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH München-Solln	Munich-Solln	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Münster	Münster	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-Hifi-Elektro GmbH Nagold	Nagold	Germany	EUR	90.00	686,996.44	577,283.49
Media Markt TV-HiFi-Elektro GmbH Neubrandenburg	Neubrandenburg	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Neuburg an der Donau	Neuburg an der Donau	Germany	EUR	90.00	10,424.48	112,696.00
Media Markt TV-HiFi-Elektro GmbH Neumünster	Neumünster	Germany	EUR	90.05	425,310.36	302,821.47
Media Markt TV-HiFi-Elektro GmbH Neunkirchen	Neunkirchen	Germany	EUR	90.00	792,231.90	679,056.39
Media Markt TV-HiFi-Elektro GmbH Neuss	Neuss	Germany	EUR	100.00	443,205.39	319,056.48
Media Markt TV-HiFi-Elektro GmbH Neustadt an der Weinstraße	Neustadt/Weinstrasse	Germany	EUR	90.00	669,366.88	548,226.23
Media Markt TV-HiFi-Elektro GmbH Neu-Ulm	Neu-Ulm	Germany	EUR	90.00	574,697.99	450,649.47
Media Markt TV-HiFi-Elektro GmbH Neuwied	Neuwied	Germany	EUR	90.05	273,580.16	166,301.50
MEDIA MARKTTV-HiFi-Elektro GmbH Nienburg	Nienburg	Germany	EUR	100.00	(1,393,444.83)	(176,703.03)
Media Markt TV-HiFi-Elektro GmbH Nordhausen	Nordhausen	Germany	EUR	100.00	100,000.00	144,687.43 [2]
Media Markt TV-HiFi-Elektro GmbH Nordhorn	Nordhorn	Germany	EUR	90.00	907,813.00	780,348.92
MEDIA Markt TV-HiFi-Elektro GmbH Nürnberg-Kleinreuth	Nuremberg	Germany	EUR	90.00	102,258.38	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Nürnberg-Langwasser	Nuremberg	Germany	EUR	90.00	245,294.41	109,101.70
Media Markt TV-Hifi-Elektro GmbH Nürnberg-Schoppershof	Nuremberg	Germany	EUR	90.00	411,806.62	281,533.91
Media Markt TV-HiFi-Elektro GmbH Offenburg	Offenburg	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Oldenburg	Oldenburg	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Oststeinbek	Oststeinbek	Germany	EUR	100.00	114,020.43	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Paderborn	Paderborn	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Papenburg	Papenburg	Germany	EUR	90.00	589,499.43	472,049.62
Media Markt TV-HiFi-Elektro GmbH Passau	Passau	Germany	EUR	90.05	932,198.16	813,268.21
Media Markt TV-HiFi-Elektro GmbH Peine	Peine	Germany	EUR	90.00	300,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Pforzheim	Pforzheim	Germany	EUR	90.00	723,291.33	589,271.02
Media Markt TV-HiFi-Elektro GmbH Pirmasens	Pirmasens	Germany	EUR	90.00	1,027,724.10	899,120.64
Media Markt TV-HiFi-Elektro GmbH Plauen	Plauen	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Potsdam	Potsdam	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Ravensburg	Ravensburg	Germany	EUR	90.05	387,356.40	267,669.83
Media Markt TV-HiFi-Elektro GmbH Recklinghausen	Recklinghausen	Germany	EUR	90.00	348,748.84	175,757.40

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt TV-HiFi-Elektro GmbH Regensburg	Regensburg	Germany	EUR	90.00	504,136.50	270,357.99
Media Markt TV-HiFi-Elektro GmbH Rendsburg	Rendsburg	Germany	EUR	90.00	377,774.13	266,615.79
Media Markt TV-HiFi-Elektro GmbH Reutlingen	Reutlingen	Germany	EUR	90.05	102,258.38	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Rheine	Rheine	Germany	EUR	90.00	658,344.03	515,083.91
MEDIA MARKTTV-HiFi-Elektro GmbH Rosenheim	Rosenheim	Germany	EUR	90.00	154,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Rostock	Sievershagen b. Rostock	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Rostock-Brinckmansdorf	Rostock	Germany	EUR	90.00	100,000.00	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Saarbrücken	Saarbrücken	Germany	EUR	90.05	(422,820.90)	(151,611.58)
Media Markt TV-HiFi-Elektro GmbH Saarbrücken-Saarterrassen	Saarbrücken (Saarterrassen)	Germany	EUR	90.00	326,779.99	381,380.85
Media Markt TV-HiFi-Elektro GmbH Saarlouis	Saarlouis	Germany	EUR	90.00	519,542.45	393,829.74
Media Markt TV-HiFi-Elektro GmbH Schiffdorf-Spaden	Schiffdorf-Spaden	Germany	EUR	90.00	889,947.15	602,777.62
Media Markt TV-HiFi-Elektro GmbH Schwabach	Schwabach	Germany	EUR	90.00	481,641.78	368,364.80
Media Markt TV-HiFi-Elektro GmbH Schwedt	Schwedt	Germany	EUR	100.00	(120,882.34)	32,301.07 [2]
Media Markt TV-HiFi-Elektro GmbH Schweinfurt	Schweinfurt	Germany	EUR	100.00	(3,490,428.46)	(407,778.98)
Media Markt TV-HiFi-Elektro GmbH Schwerin	Schwerin	Germany	EUR	100.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Siegen	Siegen	Germany	EUR	90.00	292,416.75	172,225.64
Media Markt TV-HiFi-Elektro GmbH Sindelfingen	Sindelfingen	Germany	EUR	90.00	102,258.38	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Singen	Singen	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Sinsheim	Sinsheim	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Speyer	Speyer	Germany	EUR	90.00	832,714.20	702,388.21
Media Markt TV-HiFi-Elektro GmbH Stade	Stade	Germany	EUR	100.00	537,685.89	420,182.10
Media Markt TV-HiFi-Elektro GmbH Stralsund	Stralsund	Germany	EUR	90.05	570,478.08	450,291.42
Media Markt TV-HiFi-Elektro GmbH Straubing	Straubing	Germany	EUR	90.00	(690,778.02)	1,276,222.56
Media Markt TV-HiFi-Elektro GmbH Stuhr	Stuhr	Germany	EUR	90.00	519,958.36	480,653.08
Media Markt TV-HiFi-Elektro GmbH Stuttgart-Feuerbach	Stuttgart-Feuerbach	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Stuttgart-Vaihingen	Stuttgart-Vaihingen	Germany	EUR	90.00	(815,712.38)	(805,127.22)
Media Markt TV-HiFi-Elektro GmbH Traunreut	Traunreut	Germany	EUR	90.00	(138,016.27)	(146,374.87)
Media Markt TV-HiFi-Elektro GmbH Traunstein	Traunstein	Germany	EUR	90.00	971,149.97	829,730.61
MEDIA MARKT TV-HiFi-Elektro GmbH Trier	Trier	Germany	EUR	90.00	1,422,785.13	1,293,509.23
MEDIA MARKT TV-HiFi-Elektro GmbH Ulm	Ulm	Germany	EUR	90.00	100,000.00	0.00 [2]
MEDIA MARKTTV-HiFi-Elektro GmbH Velbert	Velbert	Germany	EUR	90.00	141,291.46	23,016.39
Media Markt TV-HiFi-Elektro GmbH Viernheim	Viernheim	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Waltersdorf bei Berlin	Schönefeld/OT Waltersdorf	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Weiden	Weiden	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Weilheim	Weilheim	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Weiterstadt	Weiterstadt	Germany	EUR	90.00	100,000.00	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Wetzlar	Wetzlar	Germany	EUR	90.00	16,194.78	(100,551.80)
Media Markt TV-HiFi-Elektro GmbH Wiesbaden	Wiesbaden	Germany	EUR	100.00	134,074.67	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Wiesbaden-Äppelallee	Wiesbaden	Germany	EUR	90.00	963,120.60	816,390.89
Media Markt TV-HiFi-Elektro GmbH Wolfsburg	Wolfsburg	Germany	EUR	90.05	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Worms	Worms	Germany	EUR	90.00	102,258.38	0.00 [2]
Media Markt TV-HiFi-Elektro GmbH Wuppertal	Wuppertal	Germany	EUR	90.00	794,257.42	653,932.81
Media Markt TV-HiFi-Elektro GmbH Würzburg	Würzburg	Germany	EUR	90.05	1,142,148.28	857,223.51
Media Markt TV-HiFi-Elektro GmbH Würzburg – Alfred-Nobel-Straße	Würzburg	Germany	EUR	90.00	212,631.51	96,889.36
MEDIA MARKT TV-HiFi-Elektro GmbH Zella-Mehlis	Zella-Mehlis	Germany	EUR	100.00	719,385.88	605,120.56
Media Markt TV-HiFi-Elektro GmbH Zwickau	Zwickau	Germany	EUR	90.05	751,983.33	624,877.00
MEDIA Markt TV-HiFi-Elektro Licht GmbH Ingolstadt	Ingolstadt	Germany	EUR	100.00	255,645.94	0.00 [2]
Media Markt Umeä TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(119,819,545.17)	(10,139,763.64)

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Media Markt Uppsala TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(137,396,055.12)	(8,381,914.18)
Media Markt Utrecht Hoog Catharijne B.V.	Utrecht	Netherlands	EUR	95.24	(1,051,498.97)	(1,020,255.04)
Media Markt Utrecht The Wall B.V.	Utrecht	Netherlands	EUR	100.00	(273,314.42)	(373,314.42)
MEDIA MARKT VALENCIA COLON SA	Valencia	Spain	EUR	99.90	(36,873.49)	(156,873.49)
MEDIA MARKT VALENCIA-CAMPANAR VI DEO-TV-H IFI-ELEKTRO-COMPUTER-FOTO, S.A.	Valbncia	Spain	EUR	99.90	285,953.61	165,953.61
MEDIA MARKT VALLADOLID VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA	Valladolid	Spain	EUR	99.90	2,279.21	(35,656.27)
Media Markt Västeräs TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(175,293,435.33)	(8,746,002.06)
Media Markt Växjö TV-Hifi-Elektro AB	Stockholm	Sweden	SEK	100.00	(159,378,692.57)	(8,239,282.41)
Media Markt Venlo B.V.	Venlo	Netherlands	EUR	100.00	(6,714,708.77)	(236,198.14)
MEDIA MARKT VIGO VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO S.A.	Vigo	Spain	EUR	100.00	189,867.32	69,867.32
MEDIA MARKT VITORIA-GASTEIZ VI DEO-TV-H IFI-ELEKTRO-COMPUTER-FOTO, S.A.	Vitoria	Spain	EUR	100.00	(28,821.23)	(148,821.23)
Media Markt Wholesale B.V.	Rotterdam	Netherlands	EUR	100.00	100,000.00	0.00
Media Markt Wilrijk NV	Wilrijk	Belgium	EUR	90.00	96,956.25	(13,043.75)
MEDIA MARKT XCV TV-HiFi-Elektro GmbH Ingolstadt	Ingolstadt	Germany	EUR	100.00	99,275.53	(413.48) [12]
Media Markt Zaandam B.V.	Zaandam	Netherlands	EUR	100.00	(9,893,561.08)	(1,054,464.67)
MEDIA MARKT ZARAGOZA PUERTO VENEZIA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, SA	Saragossa	Spain	EUR	99.90	142,757.15	22,757.15
MEDIA MARKT ZARAGOZA VIDEO-TV-HIFI-ELEKTRO-COMPUTER-FOTO, S.A.	Saragossa	Spain	EUR	99.90	(6,772,269.49)	(104,396.56)
Media Markt Zoetermeer B.V.	Zoetermeer	Netherlands	EUR	100.00	346,971.39	246,971.39
Media Markt zwei TV-HiFi-Elektro GmbH Dresden-Prohlis	Dresden-Prohlis	Germany	EUR	90.00	102,258.38	0.00 [2]
MEDIA MARKT Zwijnaarde NV	Ghent	Belgium	EUR	90.00	(8,335,249.96)	(506,106.06)
Media Markt Zwolle B.V.	Zwolle	Netherlands	EUR	100.00	326,288.38	226,288.38
MEDIA MARKTPARETS DEL VALLES SA	Parets del Valles	Spain	EUR	100.00	710,373.39	590,373.39
MEDIA MARKT-SATURN BELGIUM NV	Asse-Zellik	Belgium	EUR	100.00	10,530,000.00	0.00
Media Saturn – Servicos de Apoio Adminstrativo, Lda.	Lisbon	Portugal	EUR	100.00	(2,844,362.25)	49,917.58
Media Saturn Holding Polska Sp.z.o.o.	Warsaw	Poland	PLN	100.00	(109,315,691.40)	(166,976,591.38) [7]
Media Saturn Logistyka Spółka z ograniczong odpowiedzialnogcig	Warsaw	Poland	PLN	100.00	3,021,329.97	3,962,118.33 [7]
Media Saturn Online Spółka z ograniczong odpowiedzialnogcig	Warsaw	Poland	PLN	100.00	2,239,615.92	2,532,735.97 [7]
Mediamarket S.p.A.con Socio Unico	Verano Brianza	Italy	EUR	100.00	39,813,957.00	7,981,488.00
MediaMarkt Amstetten CCA GmbH	Amstetten	Austria	EUR	90.00	314,854.94	191,935.89
MediaMarkt Bürs GmbH	Bürs	Austria	EUR	100.00	(555,167.06)	(49,263.22)
MediaMarkt Central Warehouse	Hasselt	Belgium	EUR	90.00	110,000.00	18,177.83
MediaMarkt Dornbirn GmbH	Dornbirn	Austria	EUR	100.00	846,545.51	573,205.64
MediaMarkt Feldkirch GmbH	Feldkirch	Austria	EUR	100.00	312,608.91	194,852.98
MediaMarkt Gerasdorf G3 GmbH	Gerasdorf	Austria	EUR	90.00	1,011,076.75	884,275.23
MediaMarkt Graz Lazarettgürtel GmbH	Graz	Austria	EUR	100.00	(833,747.19)	(714,392.04)
MediaMarkt Graz Liebenau GmbH	Graz	Austria	EUR	90.00	977,542.03	855,737.77
MediaMarkt Graz Shopping Nord GmbH	Graz	Austria	EUR	90.00	616,267.06	341,104.88
MediaMarkt Graz Shoppingcity Seiersberg GmbH	Seiersberg	Austria	EUR	90.00	1,797,520.83	1,370,463.93
MediaMarkt Haid Center GmbH	Haid	Austria	EUR	90.00	1,190,640.39	1,041,129.74
MediaMarkt Imst FMZ GmbH	Imst	Austria	EUR	90.00	586,809.90	452,827.91
MediaMarkt Innsbruck Kaufhaus Tyrol GmbH	Innsbruck	Austria	EUR	90.00	(449,618.95)	180,397.35
MediaMarkt Innsbruck Ost GmbH	Innsbruck	Austria	EUR	90.00	2,155,824.30	1,743,245.59
MediaMarkt Klagenfurt City Arkaden GmbH	Klagenfurt	Austria	EUR	90.00	257,538.89	108,380.07
MediaMarkt Klagenfurt Ost GmbH	Klagenfurt	Austria	EUR	90.00	1,376,391.86	1,034,522.16
MediaMarkt Krems GmbH	Krems an der Donau	Austria	EUR	90.00	676,644.98	410,457.68
MediaMarkt Leoben City Shopping GmbH	Leoben	Austria	EUR	90.00	297,132.40	176,537.87
MediaMarkt Liezen ELI GmbH	Liezen	Austria	EUR	90.00	(831,008.54)	(217,106.65)

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
MediaMarkt Linz Industriezeile GmbH	Linz	Austria	EUR	90.00	737,789.22	603,325.07
MediaMarkt Linz Passage GmbH	Linz	Austria	EUR	90.00	642,157.44	251,791.31
MediaMarkt Luxembourg S.A.	Luxembourg	Luxembourg	EUR	100.00	5,520,089.86	219,605.09
MediaMarkt Medienhaus GmbH	Vösendorf	Austria	EUR	100.00	77,272.99	(1,840.05)
MediaMarkt Oberwart EO GmbH	Oberwart	Austria	EUR	90.00	863,009.17	727,175.85
MediaMarkt Online GmbH	Vösendorf	Austria	EUR	100.00	194,513.09	61,832.39
MediaMarkt Österreich GmbH	Vösendorf	Austria	EUR	100.00	9,956,246.01	8,686,458.60
MediaMarkt Parndorf GmbH	Parndorf	Austria	EUR	90.00	(160,141.00)	(262,141.00)
MediaMarkt Pasching Plus City GmbH	Pasching	Austria	EUR	90.00	1,121,354.38	689,517.38
MediaMarkt Powerservice GmbH	Vösendorf	Austria	EUR	100.00	100,876.47	442.79
MediaMarkt Ried GmbH	Ried im Innkreis	Austria	EUR	90.00	122,241.36	66,255.81
MediaMarkt Salzburg Europastraße GmbH	Salzburg	Austria	EUR	90.00	2,481,808.05	2,173,393.49
MediaMarkt Salzburg Shopping Arena Alpenstraße GmbH	Salzburg	Austria	EUR	90.00	757,804.37	272,033.41
MediaMarkt SCS Multiplex GmbH	Wiener Neudorf	Austria	EUR	90.00	1,670,160.98	858,322.54
MediaMarkt Spittal GmbH	Spittal an der Drau	Austria	EUR	90.00	281,405.26	160,911.00
MediaMarkt St. Lorenzen GmbH	St. Lorenzen im Mürztal	Austria	EUR	90.00	653,686.20	524,415.94
MediaMarkt St. Pölten GmbH	St. Pölten	Austria	EUR	90.00	1,417,654.61	1,149,973.85
MediaMarkt Steyr GmbH	Steyr	Austria	EUR	90.00	420,780.34	287,724.84
MEDIA-Markt TV-HiFi-Elektro GmbH Aachen	Aachen	Germany	EUR	100.00	277,051.76	0.00 [2]
MediaMarkt Villach GmbH	Villach	Austria	EUR	90.00	1,167,267.11	802,995.93
MediaMarkt Vöcklabruck GmbH	Vöcklabruck	Austria	EUR	90.00	656,837.72	535,914.62
MediaMarkt Vösendorf SCS-Nordring GmbH	Vösendorf	Austria	EUR	90.00	3,409,991.25	2,559,282.41
MediaMarkt Wels GmbH	Wels	Austria	EUR	90.00	777,155.27	655,656.95
MediaMarkt Wholesale GmbH	Vösendorf	Austria	EUR	100.00	98,632.99	(1,412.87)
MediaMarkt Wien Auhof Center GmbH	Vienna	Austria	EUR	90.00	(896,169.80)	13,379.33
MediaMarkt Wien Columbus GmbH	Vienna	Austria	EUR	90.00	1,105,217.04	952,396.36
MediaMarkt Wien Donauzentrum GmbH	Vienna	Austria	EUR	90.00	394,945.24	201,620.59
MediaMarkt Wien Floridsdorf GmbH	Vienna	Austria	EUR	100.00	1,090,487.06	643,405.62
MediaMarkt Wien Hietzing GmbH	Vienna	Austria	EUR	90.00	625,721.40	326,233.30
MediaMarkt Wien Lugner City GmbH	Vienna	Austria	EUR	90.00	717,344.33	570,098.56
MediaMarkt Wien Mariahilfer Straße GmbH	Vienna	Austria	EUR	90.00	1,322,241.19	805,333.04
MediaMarkt Wien Millennium City GmbH	Vienna	Austria	EUR	90.00	537,157.50	181,114.76
MediaMarkt Wien Mitte The Mall GmbH	Vienna	Austria	EUR	90.00	1,539,835.63	1,388,541.86
MediaMarkt Wien Riverside GmbH	Vienna	Austria	EUR	90.00	(2,043,920.95)	94,864.20
MediaMarkt Wien Simmering GmbH	Vienna	Austria	EUR	90.00	1,146,099.50	602,681.35
MediaMarkt Wien Stadlau GmbH	Vienna	Austria	EUR	90.00	1,668,197.32	1,543,600.64
MediaMarkt Wörgl GmbH	Wörgl	Austria	EUR	90.00	887,484.50	752,206.22
MediaMarkt Wr. Neustadt GmbH	Wiener Neustadt	Austria	EUR	90.00	2,139,642.42	1,808,207.57
MediaMarkt Zell am See PEZZ GmbH	Zell am See	Austria	EUR	90.00	400,053.41	276,868.59
MediaMarktSaturn Beschaffung und Logistik GmbH	Ingolstadt	Germany	EUR	100.00	100,096.83	0.00 [2]
MediaMarktSaturn Content Factory GmbH	Munich	Germany	EUR	100.00	25,044.18	44.18
MediaMarktSaturn Deutschland vierte Beteiligungsgesellschaft mbH	Ingolstadt	Germany	EUR	100.00	1,046,920.50	11.43
MediaMarktSaturn fünfte Beteiligungsgesellschaft mbH	Ingolstadt	Germany	EUR	100.00	735,053.47	193.50
MediaMarktSaturn Global Business Services GmbH	Ingolstadt	Germany	EUR	100.00	51,200.00	0.00 [1]
MediaMarktSaturn Logistik Erfurt GmbH	Erfurt	Germany	EUR	100.00	1,162,987.28	0.00 [2]
MediaMarktSaturn Markenlizenz GmbH	Munich	Germany	EUR	100.00	25,000.00	0.00 [5]
MediaMarktSaturn Markenservice GmbH & Co. KG	Munich	Germany	EUR	100.00	25,000.00	48,471,121.88
MediaMarktSaturn Markenservice Holding GmbH	Ingolstadt	Germany	EUR	100.00	25,000.00	0.00 [1]
MediaMarktSaturn Markenservice Verwaltungs-GmbH	Munich	Germany	EUR	100.00	(25,244.10)	(26,210.45)
MediaMarktSaturn N3XT GmbH	Ingolstadt	Germany	EUR	100.00	214,632.06	54,816.67
MediaMarktSaturn Plattform Services GmbH	Grünwald	Germany	EUR	100.00	25,000.00	0.00 [6]

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
MediaMarktSaturn Retail Cooperation GmbH	Ingolstadt	Germany	EUR	100.00	100,000.00	0.00 [1]
MediaMarktSaturn sechste Beteiligungsgesellschaft mbH	Ingolstadt	Germany	EUR	100.00	2,461,898.83	(81,753.11)
MediaMarktSaturn siebte Beteiligungsgesellschaft mbH	Ingolstadt	Germany	EUR	99.99	(5,877,382.09)	5,326,143.44
MEDIA-SATURN (PORTUGAL), SGPS, UNIPESSOAL LDA	Lisbon	Portugal	EUR	100.00	(95,561,357.81)	906,187.52
Media-Saturn Beteiligungen Polska GmbH	Ingolstadt	Germany	EUR	100.00	1,005,576.76	(45,996.62)
Media-Saturn Deutschland Beteiligungsgesellschaft mbH	Ingolstadt	Germany	EUR	100.00	100,000.00	0.00 [2]
Media-Saturn Deutschland GmbH	Ingolstadt	Germany	EUR	100.00	125,677,956.99	0.00 [1]
Media-Saturn e-handel Sverige AB	Järfälla	Sweden	SEK	100.00	2,251,703.89	(2,447.36) [19]
Media-Saturn Helvetia Holding GmbH	Ingolstadt	Germany	EUR	100.00	2,942,661.77	0.00 [1]
Media-Saturn Holding Norway AS	Oslo	Norway	NOK	100.00	95,331,862.78	933,727.03
Media-Saturn Holding Sweden AB	Stockholm	Sweden	SEK	100.00	336,899,659.00	(3,025,253.84)
Media-Saturn Marketing GmbH	Munich	Germany	EUR	100.00	100,000.00	1,784.26 [1]
Media-Saturn Nordic Shared Services AB	Järfälla	Sweden	SEK	100.00	(20,051,058.16)	(530,321.01) [19]
Media-Saturn-Holding GmbH	Ingolstadt	Germany	EUR	78.38	738,327,555.40	268,895,016.81
MMS E-Commerce GmbH	Ingolstadt	Germany	EUR	100.00	301,000.00	0.00 [2]
MMS ERA Holdco B.V.	Rotterdam	Netherlands	EUR	100.00	0.00	0.00
MMS Online Belgium	Zellik	Belgium	EUR	100.00	100,000.00	0.00
MMS Online Nederland B.V.	Rotterdam	Netherlands	EUR	100.00	73,913.64	70.24
MMS Portfolio GmbH	Munich	Germany	EUR	100.00	9,383,542.45	0.00 [1,14]
MMS Property GmbH	Ingolstadt	Germany	EUR	100.00	9,827,505.00	0.00 [1,16]
MMS Retail International GmbH	Düsseldorf	Germany	EUR	100.00	25,000.00	0.00
MMS Technology GmbH	Ingolstadt	Germany	EUR	100.00	4,316,871.87	0.00 [1,15]
MS New CO Spółka z ograniczong odpowiedzialnoäcig	Warsaw	Poland	PLN	100.00	(1,720,205.37)	(1,715,486.06) [7]
MWFS Zwischenholding Management GmbH	Düsseldorf	Germany	EUR	100.00	26,290.96	0.00
MWFS Zwischenholding Management Gm bH & Co. KG	Düsseldorf	Germany	EUR	100.00	92,267,310.17	(13,935.98)
my-xplace GmbH	Ingolstadt	Germany	EUR	100.00	(7,847,863.24)	(192,401.41)
000 MEDIA-SATURN TRANSACTION SERVICES RUS i.L.	Moscow	Russia	RUB	100.00	(92,843,000,000.00)	(98,555,000,000.00) [11,13]
000 xplace	Moscow	Russia	RUB	100.00	11,807,000.00	(33,192,000.00) [11]
Option 5 B.V.	Goes	Netherlands	EUR	100.00	462,254.47	134,749.04
Pay Red Card Services AG	Dietikon	Switzerland	CHF	100.00	459,829.51	149,022.89
Power Service GmbH	Cologne	Germany	EUR	100.00	(68,389,639.90)	0.00 [2]
PowerService Nederland B.V.	Rotterdam	Netherlands	EUR	100.00	(44,436.60)	(144,436.60)
red blue Marketing GmbH	Munich	Germany	EUR	100.00	102,258.38	(22,461.29) [1]
red blue services GmbH	Munich	Germany	EUR	100.00	24,340.96	0.00 [17]
Redcoon Benelux B. V.	Tilburg	Netherlands	EUR	100.00	235,358.73	1,668.85 [7]
Redcoon GmbH i. L	Aschaffenburg	Germany	EUR	100.00	15,023,532.80	13,033,274.30 [7,13]
REDCOON ITALIA S.R.L.	Turin	Italy	EUR	100.00	281,691.00	15,606.00 [7]
REDCOON POLSKA Sp. z.o.o.	Warsaw	Poland	PLN	100.00	269,070,000.00	(35,207,000.00) [10,7]
redcoon.pl Spółka z ograniczong odpowiedzialnoäcig	Warsaw	Poland	PLN	100.00	(22,105,411.61)	(10,140,500.79)
Retail Media Group GmbH	Düsseldorf	Germany	EUR	100.00	(5,549,071.45)	(171,816.14)
RTS Elektronik Systeme GmbH	Wolnzach	Germany	EUR	100.00	19,682,936.95	0.00 [3]
RTS Service Solutions GmbH & Co. KG	Wolnzach	Germany	EUR	100.00	(34,206.17)	(269,157.55)
RTS Service Solutions Verwaltungs GmbH	Wolnzach	Germany	EUR	100.00	37,711.34	0.00 [4]
Saturn Electro-Handelsgesellschaft mbH	Karlsruhe	Germany	EUR	100.00	(1,748,412.52)	(212,546.34)
Saturn Electro-Handelsgesellschaft mbH Ansbach	Ansbach	Germany	EUR	90.00	318,499.71	203,540.56
Saturn Electro-Handelsgesellschaft mbH Augsburg	Augsburg	Germany	EUR	100.00	317,118.68	190,121.45
Saturn Electro-Handelsgesellschaft mbH Bad Homburg	Bad Homburg v.d. Höhe	Germany	EUR	90.00	406,653.19	296,958.20
Saturn Electro-Handelsgesellschaft mbH Bad Oeynhausen	Bad Oeynhausen	Germany	EUR	100.00	116,370.42	32,266.36 [2]
Saturn Electro-Handelsgesellschaft mbH Baunatal	Baunatal	Germany	EUR	100.00	32,435.14	0.00 [2]
Saturn Electro-Handelsgesellschaft mbH Berlin I	Berlin (Alexanderplatz)	Germany	EUR	95.00	1,134,637.84	973,104.96

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Saturn Electro-Handelsgesellschaft mbH Berlin-Charlottenburg	Berlin	Germany	EUR	100.00	(4,166,957.35)	236,380.88
Saturn Electro-Handelsgesellschaft mbH Berlin-Friedrichshain	Berlin	Germany	EUR	100.00	(1,116,669.41)	(709,766.49)
Saturn Electro-Handelsgesellschaft mbH Berlin-Gesundbrunnen	Berlin	Germany	EUR	90.00	385,550.27	248,254.50
Saturn Electro-Handelsgesellschaft mbH Berlin-Köpenick	Berlin	Germany	EUR	90.00	277,316.87	160,690.13
Saturn Electro-Handelsgesellschaft mbH Berlin-Leipziger Platz	Berlin	Germany	EUR	100.00	(854,851.65)	(514,780.45)
Saturn Electro-Handelsgesellschaft mbH Berlin-Märkische Zeile	Berlin	Germany	EUR	100.00	(419,427.46)	(55,806.80)
Saturn Electro-Handelsgesellschaft mbH Berlin-Marzahn	Berlin	Germany	EUR	90.00	983,445.79	849,475.94
Saturn Electro-Handelsgesellschaft mbH Berlin-Schloßstraße	Berlin	Germany	EUR	90.05	658,164.49	574,895.07
Saturn Electro-Handelsgesellschaft mbH Berlin-Spandau	Berlin	Germany	EUR	90.00	(1,794,401.68)	455,324.86
Saturn Electro-Handelsgesellschaft mbH Bielefeld	Bielefeld	Germany	EUR	100.00	(1,158,701.68)	(245,673.86)
Saturn Electro-Handelsgesellschaft mbH Bocholt	Bocholt	Germany	EUR	90.00	154,621.13	154,329.78
Saturn Electro-Handelsgesellschaft mbH Bochum	Bochum	Germany	EUR	90.00	(902,377.58)	(1,067,572.78)
Saturn Electro-Handelsgesellschaft mbH Braunschweig	Braunschweig	Germany	EUR	90.00	498,168.59	374,156.15
Saturn Electro-Handelsgesellschaft mbH Bremen	Bremen	Germany	EUR	90.05	54,231.03	(107,468.64)
Saturn Electro-Handelsgesellschaft mbH Bremen-Habenhausen	Bremen	Germany	EUR	90.00	(621,508.25)	(310,907.14)
Saturn Electro-Handelsgesellschaft mbH Bremerhaven	Bremerhaven	Germany	EUR	100.00	(3,197,127.94)	(1,507,095.05)
Saturn Electro-Handelsgesellschaft mbH Celle	Celle	Germany	EUR	100.00	(406,486.75)	(168,846.06)
Saturn Electro-Handelsgesellschaft mbH Chemnitz	Chemnitz	Germany	EUR	90.00	715,376.13	605,234.65
Saturn Electro-Handelsgesellschaft mbH Darmstadt	Darmstadt	Germany	EUR	90.00	265,950.23	128,792.63
Saturn Electro-Handelsgesellschaft mbH Dessau	Dessau	Germany	EUR	100.00	(2,237,348.88)	(85,153.20)
Saturn Electro-Handelsgesellschaft mbH Dortmund	Dortmund	Germany	EUR	100.00	(281,969.64)	313,294.91
Saturn Electro-Handelsgesellschaft mbH Dortmund-Eving	Dortmund-Eving	Germany	EUR	100.00	(2,246.94)	155,196.72
Saturn Electro-Handelsgesellschaft mbH Dresden	Dresden	Germany	EUR	90.00	377,206.87	251,315.05
Saturn Electro-Handelsgesellschaft mbH Duisburg	Duisburg	Germany	EUR	100.00	158,394.07	0.00 [2]
Saturn Electro-Handelsgesellschaft mbH Erfurt	Erfurt	Germany	EUR	100.00	(96,984.21)	(213,884.82)
Saturn Electro-Handelsgesellschaft mbH Erlangen	Erlangen	Germany	EUR	90.00	427,201.64	306,195.57
Saturn Electro-Handelsgesellschaft mbH Essen	Essen	Germany	EUR	100.00	(1,384,634.82)	(270,667.45)
Saturn Electro-Handelsgesellschaft mbH Esslingen	Esslingen	Germany	EUR	90.00	104,313.65	(8,627.91)
Saturn Electro-Handelsgesellschaft mbH Euskirchen	Euskirchen	Germany	EUR	90.00	183,262.50	65,612.35
Saturn Electro-Handelsgesellschaft mbH Flensburg	Flensburg	Germany	EUR	100.00	(275,434.57)	0,00 [2]
Saturn Electro-Handelsgesellschaft mbH Frankfurt/Main	Frankfurt	Germany	EUR	100.00	2,862,820.08	1,748,572.09
Saturn Electro-Handelsgesellschaft mbH Freiburg	Freiburg	Germany	EUR	90.00	833,563.63	680,806.91
Saturn Electro-Handelsgesellschaft mbH Freising	Freising	Germany	EUR	100.00	185,927.79	67,720.37
Saturn Electro-Handelsgesellschaft mbH Fürth	Fürth	Germany	EUR	100.00	(10,501,659.76)	(2,206,296.80)
Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen	Gelsenkirchen	Germany	EUR	100.00	139,725.17	0,00 [2]
Saturn Electro-Handelsgesellschaft mbH Gelsenkirchen-Buer	Gelsenkirchen-Buer	Germany	EUR	90.00	(811,482.52)	(469,174.99)
Saturn Electro-Handelsgesellschaft mbH Gießen	Gießen	Germany	EUR	100.00	(2,527,699.71)	(524,511.44)
Saturn Electro-Handelsgesellschaft mbH Göttingen	Göttingen	Germany	EUR	100.00	(700,089.76)	(175,070.00)
Saturn Electro-Handelsgesellschaft mbH Gummersbach	Gummersbach	Germany	EUR	90.00	523,270.93	408,573.19
Saturn Electro-Handelsgesellschaft mbH Hagen	Hagen	Germany	EUR	100.00	291,380.07	124,939.03
Saturn Electro-Handelsgesellschaft mbH Hamburg-Altstadt	Hamburg	Germany	EUR	90.00	3,644,459.98	3,292,420.52
Saturn Electro-Handelsgesellschaft mbH Hamm	Hamm	Germany	EUR	100.00	(22,341.12)	0,00 [2]
Saturn Electro-Handelsgesellschaft mbH Hanau	Hanau	Germany	EUR	90.00	702,923.14	582,138.69

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Saturn Electro-Handelsgesellschaft mbH Hannover	Hanover	Germany	EUR	95.01	1,300,671.07	1,049,893.73
Saturn Electro-Handelsgesellschaft mbH Heidelberg	Heidelberg	Germany	EUR	90.00	(82,281.58)	(58,507.55)
Saturn Electro-Handelsgesellschaft mbH Herford	Herford	Germany	EUR	100.00	(788,571.39)	125,064.31
Saturn Electro-Handelsgesellschaft mbH Hilden	Hilden	Germany	EUR	100.00	(7,212,653.20)	(1,821,611.15)
Saturn Electro-Handelsgesellschaft mbH Hildesheim	Hildesheim	Germany	EUR	100.00	(2,446,710.89)	(333,093.85)
Saturn Electro-Handelsgesellschaft mbH Ingolstadt	Ingolstadt	Germany	EUR	90.00	788,312.53	662,395.48
Saturn Electro-Handelsgesellschaft mbH Isernhagen	Isernhagen	Germany	EUR	90.00	606,592.47	482,794.78
Saturn Electro-Handelsgesellschaft mbH Jena	Jena	Germany	EUR	90.00	171,862.92	145,561.85
Saturn Electro-Handelsgesellschaft mbH Kaiserslautern	Kaiserslautern	Germany	EUR	90.00	710,249.82	589,132.12
Saturn Electro-Handelsgesellschaft mbH Kassel	Kassel	Germany	EUR	90.00	212,753.91	92,858.44
Saturn Electro-Handelsgesellschaft mbH Kempten	Kempten	Germany	EUR	90.00	553,440.92	447,541.49
Saturn Electro-Handelsgesellschaft mbH Kerpen	Kerpen	Germany	EUR	100.00	279,207.83	166,043.72
Saturn Electro-Handelsgesellschaft mbH Kiel	Kiel	Germany	EUR	100.00	(785,696.38)	(25,131.97)
Saturn Electro-Handelsgesellschaft mbH Kleve	Kleve	Germany	EUR	100.00	(56,645.30)	54,737.16 [2]
Saturn Electro-Handelsgesellschaft mbH Koblenz	Koblenz	Germany	EUR	90.00	(342,103.18)	(489,025.46)
Saturn Electro-Handelsgesellschaft mbH Krefeld	Krefeld	Germany	EUR	100.00	(1,658,088.21)	(751,375.82)
Saturn Electro-Handelsgesellschaft mbH Landshut	Landshut	Germany	EUR	90.00	(793,783.37)	(390,754.98)
Saturn Electro-Handelsgesellschaft mbH Leipzig	Leipzig	Germany	EUR	100.00	120,722.12	0,00 [2]
Saturn Electro-Handelsgesellschaft mbH Leipzig-Hauptbahnhof	Leipzig	Germany	EUR	100.00	55,699.45	0,00 [2]
Saturn Electro-Handelsgesellschaft mbH Leonberg	Leonberg	Germany	EUR	90.00	(91,921.15)	7,259.50
Saturn Electro-Handelsgesellschaft mbH Lübeck	Lübeck	Germany	EUR	100.00	212,765.30	81,419.52
Saturn Electro-Handelsgesellschaft mbH Lüdenscheid	Lüdenscheid	Germany	EUR	100.00	(20,907.12)	0,002
Saturn Electro-Handelsgesellschaft mbH Ludwigsburg	Ludwigsburg	Germany	EUR	100.00	121,723.42	72,311.15 [2]
Saturn Electro-Handelsgesellschaft mbH Ludwigshafen	Ludwigshafen	Germany	EUR	100.00	76,294.62	(57,671.84)
Saturn Electro-Handelsgesellschaft mbH Lünen	Lünen	Germany	EUR	100.00	(171,105.30)	0,00 [2]
Saturn Electro-Handelsgesellschaft mbH Magdeburg	Magdeburg	Germany	EUR	100.00	(71,266.53)	(115,481.92)
Saturn Electro-Handelsgesellschaft mbH Mainz	Mainz	Germany	EUR	90.00	128,481.55	(62,193.06)
Saturn Electro-Handelsgesellschaft mbH Mannheim	Mannheim	Germany	EUR	100.00	(23,827.77)	(177,967.64)
Saturn Electro-Handelsgesellschaft mbH Marl	Marl	Germany	EUR	100.00	338,839.61	178,640.93
Saturn Electro-Handelsgesellschaft mbH Moers	Moers	Germany	EUR	90.00	351,617.79	229,802.88
Saturn Electro-Handelsgesellschaft mbH Mülheim	Mülheim an der Ruhr	Germany	EUR	90.00	(1,025,578.93)	(557,164.60)
Saturn Electro-Handelsgesellschaft mbH München	Munich	Germany	EUR	96.03	(377,136.04)	(1,700,503.06)
Saturn Electro-Handelsgesellschaft mbH München-Riem	Munich	Germany	EUR	100.00	557,264.56	429,518.30
Saturn Electro-Handelsgesellschaft mbH Münster	Münster	Germany	EUR	95.00	285,219.33	45,767.46
Saturn Electro-Handelsgesellschaft mbH Neckarsulm	Neckarsulm	Germany	EUR	90.00	375,405.86	261,501.16
Saturn Electro-Handelsgesellschaft mbH Neu-Isenburg	Neu-Isenburg	Germany	EUR	100.00	(527,892.80)	(302,625.92)
Saturn Electro-Handelsgesellschaft mbH Norderstedt	Norderstedt	Germany	EUR	100.00	59,206.07	0,00 [2]
Saturn Electro-Handelsgesellschaft mbH Nürnberg	Nuremberg	Germany	EUR	90.01	240,982.40	63,810.76
Saturn Electro-Handelsgesellschaft mbH Oberhausen	Oberhausen	Germany	EUR	100.00	424,546.23	292,181.46
Saturn Electro-Handelsgesellschaft mbH Oldenburg	Oldenburg	Germany	EUR	90.00	(489,628.43)	127,876.57
Saturn Electro-Handelsgesellschaft mbH Osnabrück	Osnabrück	Germany	EUR	90.00	552,672.78	354,377.13
Saturn Electro-Handelsgesellschaft mbH Paderborn	Paderborn	Germany	EUR	100.00	(995,798.14)	(180,546.06)
Saturn Electro-Handelsgesellschaft mbH Passau	Passau	Germany	EUR	100.00	(1,572,374.33)	(1,142,765.08)
Saturn Electro-Handelsgesellschaft mbH Pforzheim	Pforzheim	Germany	EUR	90.00	681,188.51	558,625.27
Saturn Electro-Handelsgesellschaft mbH Potsdam	Potsdam	Germany	EUR	100.00	67,295.50	26,359.27
Saturn Electro-Handelsgesellschaft mbH Regensburg	Regensburg	Germany	EUR	90.00	816,994.18	685,627.28
Saturn Electro-Handelsgesellschaft mbH Remscheid	Remscheid	Germany	EUR	90.05	(158,993.18)	187,679.96
Saturn Electro-Handelsgesellschaft mbH Reutlingen	Reutlingen	Germany	EUR	100.00	61,687.69	322,427.10
Saturn Electro-Handelsgesellschaft mbH Rostock	Rostock	Germany	EUR	100.00	288,485.34	166,769.24
Saturn Electro-Handelsgesellschaft mbH 5050	Ingolstadt	Germany	EUR	100.00	(4,266,132.86)	(8,862.01)
Saturn Electro-Handelsgesellschaft mbH 5065	Ingolstadt	Germany	EUR	100.00	(961,030.70)	78,236.17

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
Saturn Electro-Handelsgesellschaft mbH 5314	Ingolstadt	Germany	EUR	100.00	(1,386,864.74)	164,308.53
Saturn Electro-Handelsgesellschaft mbH Saarbrücken	Saarbrücken	Germany	EUR	90.00	(322,867.31)	(443,832.73)
Saturn Electro-Handelsgesellschaft mbH Senden	Senden	Germany	EUR	90.00	785,143.47	669,408.80
Saturn Electro-Handelsgesellschaft mbH Solingen	Solingen	Germany	EUR	100.00	(584,267.21)	(323,210.15)
Saturn Electro-Handelsgesellschaft mbH Stuttgart	Stuttgart	Germany	EUR	100.00	443,751.61	292,005.25
Saturn Electro-Handelsgesellschaft mbH Stuttgart-City	Stuttgart	Germany	EUR	100.00	(2,821,029.75)	(463,565.99)
Saturn Electro-Handelsgesellschaft mbH Troisdorf	Troisdorf	Germany	EUR	100.00	(2,091,131.35)	(683,380.35)
Saturn Electro-Handelsgesellschaft mbH Tübingen	Tübingen	Germany	EUR	90.00	11,117.31	(68,521.31)
Saturn Electro-Handelsgesellschaft mbH Weimar	Weimar	Germany	EUR	90.00	647,142.82	533,348.95
Saturn Electro-Handelsgesellschaft mbH Weiterstadt	Weiterstadt	Germany	EUR	100.00	(1,321,158.73)	(544,806.01)
Saturn Electro-Handelsgesellschaft mbH Wiesbaden	Wiesbaden	Germany	EUR	100.00	(3,783,217.71)	(932,962.31)
Saturn Electro-Handelsgesellschaft mbH Wolfsburg	Wolfsburg	Germany	EUR	100.00	(716,848.57)	(344,061.00)
Saturn Electro-Handelsgesellschaft mbH Zwickau	Zwickau	Germany	EUR	100.00	455,530.34	595,202.81
Saturn Mega Markt GmbH Wuppertal	Wuppertal	Germany	EUR	100.00	461,988.71	167,065.05
Saturn Planet Sp. z o.o. 11 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0,00 [2]
Saturn Planet Sp. z o.o. 16 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0,00 [7]
Saturn Planet Sp. z o.o. 19 Spółka Komandytowa	Warsaw	Poland	PLN	100.00	0.00	0,00 [7]
Saturn Techno-Electro-Handelsgesellschaft mbH	Cologne	Germany	EUR	100.00	2,415,463.00	0,00 [2]
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Hürth	Germany	EUR	90.00	269,942.35	195,624.67
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Neuss	Germany	EUR	90.09	279,631.32	129,296.69
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Leverkusen	Germany	EUR	100.00	448,541.86	283,599.10
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Aachen	Germany	EUR	90.00	499,117.14	336,303.30
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Mönchengladbach	Germany	EUR	100.00	(5,028,530.00)	747,347.42
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Siegen	Germany	EUR	100.00	628,162.30	180,590.77
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	St. Augustin	Germany	EUR	95.05	(150,405.01)	(30,513.02)
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Düren	Germany	EUR	100.00	127,411.31	22,765.36
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Bergisch Gladbach	Germany	EUR	100.00	(4,822,092.04)	(3,109,163.52)
Saturn Techno-Markt Electra-Handelsgesellschaft mbH	Cologne	Germany	EUR	100.00	(2,887,746.27)	130,047.67
Saturn Techno-Markt Electra-Handelsgesellschaft mbH Düsseldorf- Flingern	Düsseldorf	Germany	EUR	100.00	(1,558,230.59)	30,113.55
Saturn Techno-Markt Electra-Handelsgesellschaft mbH Düsseldorf- Königsallee	Düsseldorf	Germany	EUR	100.00	(5,386,785.22)	(24,065.19)
Saturn-Mega Markt GmbH Halle	Halle	Germany	EUR	90.05	(300,185.95)	(186,354.92)
Saturn-Mega Markt GmbH Trier	Trier	Germany	EUR	100.00	(815,902.22)	(96,806.18)
Tec-Repair GmbH	Wolnzach	Germany	EUR	100.00	(11,296,977.68)	0.00 [4]
XPLACE DIJITAL COZÜM TICARET LIMITED SIRKETI	Istanbul	Turkey	TRY	100.00	3,654,144.78	(971,965.13) [11]
xplace GmbH	Göttingen	Germany	EUR	86.38	(1,633,438.30)	(976,946.89) [11]
XPlace Spain SLU	Barcelona	Spain	EUR	100.00	83,758.67	(46,343.95) [11]
XPLACE UK LIMITED	London	United Kingdom	GBP	100.00	229,066.00	31,131.00 [9]

Investments (shareholding of at least 20 %)

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
DTB Deutsche Technikberatung GmbH	Cologne	Germany	EUR	80.00	(6,477,493.99)	(1,818,093.33) [18,23]
Fnac Darty S.A.	Ivry-sur-Seine	France	EUR	24.30	1,368,500,000.00	(6,000,000.00) [18]
PMG Retail Market Ltd.	Limassol	Greece	EUR	25.00	97,791,204.00	7,587,877.00 [21]

Investments (shareholding of less than 20 %)

Company name	Registered office	Country	Currency	% share of capital	Equity	Profit or loss of last financial year
7digital Group Plc	London	United Kingdom	GBP	2.08	n.a. [22]	n.a. [22]
Artificial Intelligence Network Ingolstadt GmbH	Ingolstadt	Germany	EUR	8.33	n.a. [22]	n.a. [22]
Digitales Gründerzentrum der Region Ingolstadt GmbH	Ingolstadt	Germany	EUR	6.00	n.a. [22]	n.a. [22]
IFH Förderer GmbH	Cologne	Germany	EUR	14.29	365,267.41	(2,890.00) [9]
METRO AG	Düsseldorf	Germany	EUR	0.99	5,678,000,000.00	(815,000,000.00)
METRO PROPERTIES GmbH & Co. KG	Düsseldorf	Germany	EUR	6.61	154,975,788.00	379,525,614.92
Public Joint-Stock Company "M.video"	Moscow	Russia	RUB	15.00	33,639,000,000.00	10,685,000,000.00 [18]
Quistorp GmbH & Co. Objekt Saturn Techno-Center KG	Düsseldorf	Germany	EUR	0.10	n.a. [20,22]	n.a. [20,22]

1 There are profit and loss transfer agreements with Media-Saturn-Holding GmbH, Ingolstadt.

2 There are profit and loss transfer agreements with Media-Saturn Deutschland GmbH, Ingolstadt.

3 There are profit and loss transfer agreements with Power Service GmbH, Cologne.

4 There are profit and loss transfer agreements with RTS Elektronik Systeme GmbH, Wolnzach.

5 There are profit and loss transfer agreements with MediaMarktSaturn Markenservice GmbH & Co. KG, Grünwald, district of Munich.

6 There are profit and loss transfer agreements with MediaMarktSaturn Markenlizenz GmbH, Grünwald, district of Munich.

7 Financial year 1 October 2018 – 30 September 2019

8 Financial year 1 January 2017 – 31 December 2017

9 Financial year 1 January 2018 – 31 December 2018

10 Financial year 1 April 2018 – 31 March 2019

11 Financial year 1 January 2019 – 31 December 2019

12 "Shelf company

13 Company is in liquidation

14 Formerly "Media-Saturn Internationale Beteiligungen GmbH", renaming entered in commercial register on 14 October 2021

15 Formerly "Media-Saturn IT Services GmbH", renaming entered in commercial register on 11 October 2021

16 Formerly "MS E-Business Concepts & Service GmbH", renaming entered in commercial register on 18 October 2021

17 There are profit and loss transfer agreements with red blue Marketing GmbH, Munich.

18 Financial year 1 January 2020 – 31 December 2020

19 Registered office relocated from Stockholm to Järfälla in financial year 2021

20 Limited partners share of DEM 19,900.00

21 Financial year 21 November 2019 – 31 December 2020

22 No figures are available.

23 Not fully consolidated due to subordinate importance for the earnings, financial and asset position

8 December 2021

The Management Board

Dr Karsten Wildberger Florian Wieser

Independent Auditor's Report

The following auditor's report, prepared in accordance with Section 322 HGB ("Handelsgesetzbuch": "German Commercial Code"), refers to the complete financial statements, comprising the statement of financial position as at 30 September 2021 and the in-come statements for the financial year from 1 October 2020 to 30 September 2021, and notes to the financial statements, together with the combined management report of CECONOMY AG, Dusseldorf for the financial year from 1 October 2020 to 30 September 2021. The combined management report is not included in this Prospectus. The following auditor's report and financial statements are both translations of the respective German-language documents.

To Ceconomy AG, Düsseldorf

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Opinions

We have audited the annual financial statements of CECONOMY AG, Düsseldorf, which comprise the statement of financial position as at 30 September 2021 and the income statements for the financial year from 1 October 2020 to 30 September 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the combined management report of CECONOMY AG and the Group for the financial year from 1 October 2020 to 30 September 2021. In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 30 September 2021, and of its financial performance for the financial year from 1 October 2020 to 30 September 2021, in compliance with German legally required accounting principles, and

- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company 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)(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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 October 2020 to 30 September 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of shares in affiliated companies

For the recognition and measurement policies applied, please refer to the disclosure no. 2 in the notes "Accounting, measurement and presentation principles" as well as disclosure no. 6 in the notes "Financial assets".

The financial statement risk

In the annual financial statements of CECONOMY AG as at 30 September 2021, shares in affiliated companies in the amount of EUR 920 million are recognised under financial assets. The shares in affiliated companies account in total for 39 % of total assets and thus have a material effect on the Company's assets and liabilities.

In the case of shares in affiliated companies, these concern an intermediate holding company which, in turn, holds through further intermediate holding companies shares in operating group companies or listed investments. The performance of these indirect shares and investments thus essentially determines the value of CECONOMY AG's shares in affiliated companies.

Shares in affiliated companies are recognised at cost or, if they are expected to be permanently impaired, at their lower fair value. The Company is supported by an external expert using the discounted cash flow method to determine the fair value of an indirect intermediate holding company with shares in operating group companies. For an indirect intermediate holding company with listed investments, the reference value is the stock exchange price as at the closing date. If the fair value is lower than the carrying amount, qualitative and quantitative criteria are used to assess whether or not the impairment is expected to be permanent.

Impairment testing of the shares in affiliated companies, which is significantly determined by the expected development of the shares and investments held by the intermediate holding companies, depends considerably on the Company's estimates and assessments. This applies particularly to estimates of future cash flows and long-term growth rates, and the determination of discount rates. The estimation uncertainty remains high due to the ongoing Covid-19 pandemic.

CECONOMY AG did not recognise impairment losses on shares in affiliated companies in the reporting year. There is a risk for the financial statements that shares in affiliated companies are impaired.

Out audit approach

We tested the shares in affiliated companies presented in the annual financial statements of CECONOMY AG for impairment based on selective sampling with a view to risk and size criteria. The sample included shares in affiliated companies, through which CECONOMY AG indirectly holds listed and unlisted shares through further intermediate holding companies.

In the case of an indirect intermediate holding company with unlisted shares, we involved our own valuation experts to first assess the competence, professional skills and impartiality of the external experts engaged by CECONOMY AG to value the shares in affiliated companies held by the intermediate holding company and obtained an understanding of their work. We also assessed the appropriateness of the valuation model used.

In addition, we discussed the corporate planning and assumed long-term growth rates used for the company valuation with those responsible for planning and reconciled this with CECONOMY AG's budget as prepared by the Management Board and approved by the Supervisory Board with respect to future revenue and earnings performance. Further, we verified the accuracy of the previous forecasts. Particular attention was required for the analysis of the potential future impact of the Covid-19 pandemic also in this financial year. We also assessed the appropriateness of the discount rates used.

To assess the methodically and mathematically correct implementation of the valuation method, with the involvement of our own valuation specialists we verified the Company's valuation calculated by an external expert using our own calculations and analysed deviations.

For a second indirect intermediate holding company that holds an investment in a listed company, we analysed the development of the share price in the reporting year and in the preparation period and reconciled the fair value derived from the share price as of the reporting date with the investment carrying amount.

Our observations

The approach used for impairment testing of shares in affiliated companies is appropriate and in line with the accounting policies. The Company's assumptions, estimates and data used are appropriate.

Other Information

The Management Board and the Supervisory Board, respectively, are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the corporate governance statement, which is referred to in the combined management report,
- the separate non-financial report, which is referred to in the combined management report, and

- information extraneous to the management reports and marked as unaudited.

The other information does not include the annual financial statements, the management report information audited for content and our auditor's report thereon.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the management report information audited for content or 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 Management Board and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The Management Board is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the Management Board is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Management Board is responsible for the preparation of a combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined 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 combined management report.

The Supervisory Board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual 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 opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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) 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 annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined 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 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 annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.

- Conclude on the appropriateness of the Management Board's 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 Company'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 annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective 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 Company to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.

- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.

- Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board 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 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 the Supervisory Board 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, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual 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 Assurance in accordance with Section 317 (3a) HGB on the Electronic Reproduction of the Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file
„CECONOMY_AG_JA+ZLB_ESEF-2021-09-30.zip"
(SHA256-Hash-value: ef6be811f1b35f2e1afa52142d27ec4926e013938f6f8497dd6cf05986fe6363)
and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the annual financial statements and the combined management report contained in the above-mentioned electronic file provided and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned electronic file provided beyond this reasonable assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 October 2020 to 30 September 2021 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above.

We conducted our assurance work of the reproduction of the annual financial statements and the combined management report contained in the above-mentioned electronic file provided in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance in accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 410 (10/2021)). Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic reproduction of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's Management Board is responsible for the internal controls it considers necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 assessment of 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 provided containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.

- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the Annual General Meeting held on 17 February 2021. We were engaged by the Supervisory Board on 19 April 2021. We have been the auditor of CECONOMY AG without interruption since financial year 2005.

We declare that the 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).

Other Matter – Use of the Assurance Report

Our assurance report should always be read in conjunction with the audited annual financial statements and the audited combined management report as well as the audited ESEF documents. The annual financial statements and combined management report converted into XHTML format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not replace these. In particular, the ESEF assurance report and our assurance conclusion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Martin C. Bornhofen.

Düsseldorf, 8 December 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

[signature]	*[signature]*
Bornhofen	Schröder
Wirtschaftsprüfer	Wirtschaftsprüfer

RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the combined management report includes a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

8 December 2021

The Management Board

Dr Karsten Wildberger　　　　Florian Wieser

16 GLOSSARY

2017/18 Financial Year	Financial year ended 30 September 2018.
2018/19 Financial Year	Financial year ended 30 September 2019.
2019/20 Financial Year	Financial year ended 30 September 2020.
2020/21 Financial Year	Financial year ended 30 September 2021.
2021/22 Financial Year	Financial year ended 30 September 2022.
2021/22 Forecast	CECONOMY's forecast for the 2021/22 Financial Year.
2021 AGM	Annual general meeting (*ordentliche Hauptversammlung*) on the Company dated 17 February 2021.
2022 AGM	Annual general meeting (*ordentliche Hauptversammlung*) of the Company dated 9 February 2022.
2022 EGM	Extraordinary general meeting (*außerordentliche Hauptversammlung*) of the Company dated 12 April 2022.
Admission	The admission to trading on the regulated market (*Regulierter Markt*) of the FWB with simultaneous admission to the sub-segment of the regulated market (*Regulierter Markt*) with additional post-admission obligations (Prime Standard) of the FWB and on the regulated market (*Regulierter Markt*) of the XDUS of the Admission Shares.
Admission Shares	Together, the Capital Increase Shares and the Conditional Capital Shares.
Agreement in Principle	The agreement in principle (*Grundsatzvereinbarung*) between the Company and Convergenta dated 14 December 2020, as amended and restated on 9 November 2021.
Alpha Bank	Alpha Bank S.A., Athens, Greece.
Amendment Agreement	An agreement dated 9 November 2021 to amend and restate the Transaction Agreements.
APM	Alternative performance measures.
Apple	Apple Distribution International Ltd., Cork, Ireland.
Apple Products	Hardware and software products that are manufactured, distributed, licensed or sold under an Apple owned or licensed brand.
Audited Financial Statements (IFRS)	Audited consolidated financial statements of the Company as of and for the financial year ended 30 September 2021 prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315e para. 1 HGB.
Audited Financial Statements (HGB)	Audited unconsolidated financial statements of the Company as of and for the 2020/21 Financial Year prepared in accordance with the HGB.
AktG	German Stock Corporation Act (*Aktiengesetz*).
Articles of Association	The Company's articles of association (*Satzung*).
BaFin	German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
Bond Issue Date	Date of the issue of the Convertible Bonds, which is expected to be 9 June 2022.
CE	Consumer electronics.
Capital Increase	Capital increase against contribution in kind under exclusion of the subscription rights (*unter Ausschluss des Bezugsrechts*) of the existing shareholders of the Company resolved by the 2022 EGM under agenda item 2 and registered with the Commercial Register on 3 June 2022.
Capital Increase Shares	125,800,000 newly issued ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*) from the Capital Increase, each such share with a notional value of approximately EUR 2.56 in the Company's share capital and with full dividend rights as of 1 October 2021.

Cash Component	A cash component in the total amount of EUR 130 million, payable two tranches by the Company to Convergenta as consideration for the acquisition of the Contribution Shares under the Transaction Agreements.
Ce/Co Share	The share in MSH with serial number 34 and having a nominal value of DM 50.00.
CECONOMY	The Company together with its subsidiaries consolidated at the respective time.
CECONOMY Retail	CECONOMY Retail GmbH, Dusseldorf, Germany.
CHF	Legal currency of Switzerland (so called *Schweizer Franken*).
Clearstream	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
C/M Shares	The shares in MSH with serial numbers 16 to 27, i.e., a total of twelve shares, having an total nominal value of DM 15,134,680.00.
Commercial Register	The commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Dusseldorf, Germany.
Company	CECONOMY AG, a stock corporation (*Aktiengesellschaft* or *AG*) under the laws of Germany, having its registered seat in Dusseldorf, Germany, registered with the Commercial Register under the registration number HRB 39473, with business address at Kaistraße 3, 40221 Dusseldorf, Germany, (telephone: +49 (0) 211 5408-7000; website: www.ceconomy.de) and LEI 5299001X9L42HXEBCZ51.
Conditional Capital 2022/I	The Company's newly created conditional capital 2022/I (*Bedingtes Kapital 2022/I*) resolved by the 2022 EGM under agenda item 2 and registered with the Commercial Register on 3 June 2022.
Conditional Capital Shares	Up to 35,000,000 ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien)*) which are not yet issued as of the date of the Prospectus and stemming from the Conditional Capital 2022/I, each such share with a notional value of approximately EUR 2.56 in the Company's share capital.
Contribution Agreement	A purchase, contribution and transfer agreement between the Company and Convergenta dated 14 December 2020, as amended and restated on 9 November 2021.
Contribution in Kind	The contribution in kind for purposes of the Capital Increase and the issuance of the Convertible Bonds.
Contribution Shares	The joint ownership to the Ce/Co Share held by Convergenta together with the C/M Shares.
Convergenta	Convergenta Invest GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung* or *GmbH*), having its registered seat in Bad Wiessee, district of Miesbach (*Landkreis Miesbach*), Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich, Germany, under the registration number HRB 188629.
Conversion Period	From the 40th day after the Bond Issue Date until ten (10) days prior to their final maturity date (including both days).
Conversion Price	EUR 5.42 for each Conditional Capital Share, subject to an adjustment pursuant to the Terms and Conditions.
Conversion Right	The right to convert each Convertible Bond in full, but not in part, into Conditional Capital Shares on any business day during the exercise period.
Conversion Shares	Up to 27,859,778 Shares which shall be initially granted to the holders of the Convertible Bonds.
Convertible Bond Component	The issue of Convertible Bonds by the Company to Convergenta as consideration for the acquisition of the Contribution Shares under the Transaction Agreements.
Convertible Bonds	Convertible bonds with a total nominal value of EUR 151,000,000.00 divided into 1,510 bearer bonds ranking *pari passu* among themselves, each with a nominal value of EUR 100,000.00, issued by the Company under exclusion of the subscription rights (*unter*

	Ausschluss des Bezugsrechts) of the existing shareholders of the Company as resolved by the 2022 EGM under agenda item 2.
Cooperation Agreement	The cooperation agreement regarding the marketing and distribution of mobile communication products of Debitel dating back to a distribution agreement signed 24 April/25 May 1992, to which MSD and Debitel are parties and which has been supplemented by various other agreements and amended several times, most recently on 16 October 2017, with its current term ending at the latest with expiry of 30 September 2022.
Covered Repair	An Apple Product repair or replacement that is covered by an obligation described in Apple's product warranty, extended service contract or certain service programs.
COVID Restrictions	Extensive restrictions due to governmental orders, including temporary store closures as well as access restrictions due to the COVID-19 pandemic.
Cut-Off Date	30 September 2020.
Debitel	mobilcom-debitel GmbH, Büdelsdorf, Germany.
DM	Legal currency of Germany until 31 December 1998 (so-called *Deutsche Mark*) which was replaced by Euro.
DTB	DTB Deutsche Technikberatung GmbH, Cologne, Germany.
DZ BANK	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, a stock corporation (*Aktiengesellschaft* or *AG*) under the laws of Germany, having its registered seat in Frankfurt am Main, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main, Germany, under the registration number HRB 45651, with business address at Platz der Republik, 60325 Frankfurt am Main, Germany, (telephone: + 49 (0)69 7447-01; website: www.dzbank.com) and LEI 529900HNOAA1KXQJUQ27.
ESG Credit Facilities Agreement	A EUR 1.06 billion ESG-linked syndicated revolving credit facilities agreement dated 6 May 2021 with an international syndicate of commercial banks as lenders and the Company as borrower.
ESG Facility A	Three-year tranche of the ESG Credit Facilities Agreement with a volume of approximately EUR 353 million.
ESG Facility B	Five-year tranche of the ESG Credit Facilities Agreement with a volume of ap-proximately EUR 707 million,
EUR or **Euro**	Single European currency adopted by certain participating member states of the EU, including Germany.
Existing Shares	Together, the Capital Increase Shares and the further existing shares of the Company.
FAM	FAM S.A., Thessaloniki, Greece.
Financial Statements	Together, the Unaudited Interim Financial Statements, the Audited Financial Statements (IFRS) and the Audited Financial Statements (HGB).
FNAC DARTY	FNAC DARTY S.A., Ivry-sur-Seine, France.
FWB	Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).
Germany	Federal Republic of Germany.
GDPR	Regulation (EU) 2016/679 on data privacy of 27 April 2016.
GmbH	German limited liability company (*Gesellschaft mit beschränkter Haftung*).
HGB	German Commercial Code (*Handelsgesetzbuch*).
IAS	International Accounting Standard.
IDW	Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*)
IFRS	International Financial Reporting Standards as adopted by the EU.
ISIN	International Securities Identification Number.

IT	Information technology.
Joint Venture Agreement	Joint venture agreement between MSH and Olympia dated 2 July 2019 and fully restated on 24 December 2021, under which PG was established, to which MSH contributed all its Greek business operations.
KPMG	KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, Germany.
LEI	Legal Entity Identifier.
Listing Agent	DZ BANK.
Lockdowns	Lockdowns during the COVID-19 pandemic.
Lock-Up Agreement	Agreement of Convergenta not to perform any sale, disposal or other economically comparable actions or measures in relation to its entire shareholding in the Company originating from the Transaction, i.e. any Admission Shares, for a period from 9 November 2021 until the expiration of six months after the registration of performance of both the Capital Increase and the Conditional Capital 2022/I with the Commercial Register , i.e. until 3 December 2022, but no longer than until 31 December 2022.
Major Shareholders	Major shareholders which directly or indirectly hold an interest of 3% or more (calculated pursuant to Sections 33 and 34 WpHG) in the Company's share capital and voting rights.
Management Board	The management board (*Vorstand*) of the Company.
Managers	Persons discharging managerial responsibilities.
Managing Directors	The managing directors (*Geschäftsführer*) of MSH.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC, as amended.
MEBO	MEBO Investment and Technical Societe Anonyme, Kifisia - Attiki, Greece.
Media Saturn Hellas	Media Saturn Electronics Hellas Commercial and Holding SA.
METRO	METRO AG, Dusseldorf, Germany.
METRO Spin-Off	The hive-down and spin-off of the current business of METRO from the Company based on the hive-down and spin-off agreement (*Ausgliederungs- und Abspaltungsvertrag*) between the Company (operating as METRO at the time) and METRO (operating as METRO Wholesale & Food Specialist AG at the time) dated 13 December 2016 as approved by the general meeting (*Hauptversammlung*) of the Company on 6 February 2017.
MMSE	MMS E-Commerce GmbH.
MPKG	METRO PROPERTIES GmbH & Co. KG, Dusseldorf, Germany.
MSD	Media-Saturn Deutschland GmbH, Ingolstadt, Germany.
MSH	Media-Saturn-Holding GmbH, a German limited liability company (*Gesellschaft mit beschränkter Haftung* or *GmbH*), having its registered seat in Ingolstadt, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Ingolstadt, Germany, under the registration number HRB 1123.
MSH Group	The group division (*Teilkonzern*) of CECONOMY with the "MediaMarkt" and "Saturn" brands held by MSH.
MSR Group	The Russian MediaMarkt business.
M.video	Public Joint Stock Company "M.video", Moscow, Russia.
Notes	5,000 notes in the principal amount of EUR 100,000 each issued on 24 June 2021.
Olympia	Olympia Group Ltd., Limassol, Cyprus.
Operating Model	Harmonized group-wide organizational structure.

PG	PG Public Group Ltd. (formerly named PMG Retail Market Ltd.), Limassol, Cyprus.
Principal Amount	Nominal value of the Convertible Bonds amounting to EUR 100,000.00.
Prospectus	This prospectus as approved by BaFin.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.
Resale Products	Accessories which are peripheral to the Apple Products (such as mice and keyboards), which Apple sells to MSD for the sole purpose of resale.
Retail World	Retail World Single Member SA.
RUB	Legal currency of the Russian Federation (so-called *ruble* or *rouble*).
Russia	Russian Federation.
Safmar	Safmar Group.
Saturn Thessaloniki	Saturn Thessaloniki II Commercial S.A., Maroussi, Greece.
SEK	Legal currency of Kingdom of Sweden (so-called *Swedish krona*).
Service Provider	Apple authorized service provider.
Service Provider Agreement	An agreement between MSD and Apple dated 14 July 2020 regarding the servicing and resale of certain products.
Services & Solutions	Services and solutions offered by CECONOMY, including extended warranties, brokering mobile phone contracts, repair services, or delivery and installation.
Shares	Together, the Conditional Capital Shares and the Existing Shares.
Shareholders' Agreement	A shareholders' agreement between MSH and Safmar dated 19 June 2018, which was amended and restated in September 2020 and further amended on 6 December 2021 as well as amended and restated on 2 June 2022.
SPA	A share purchase agreement dated 19 June 2018, as amended in September 2020, between MSH and a company of Safmar relating to the acquisition of a 15% stake in publicly listed M.video.
Standstill Agreement	The standstill agreement Convergenta concluded with the Company as part of the Agreement in Principle.
Stock Component	The issue of 125,800,000 Capital Increase Shares by the Company to Convergenta as consideration for the acquisition of the Contribution Shares under the Transaction Agreements.
Subscription Agreement	The subscription agreement (*Begebungsvertrag*) between the Company and Convergenta dated 14 December 2020.
Supervisory Board	The supervisory board (*Aufsichtsrat*) of the Company.
Supply Chain Act	The German Act on Corporate Due Diligence Obligations in Supply Chains (*Gesetz über die unternehmerischen Sorgfaltspflichten in Lieferketten*).
Terms and Conditions	The terms and conditions of the Convertible Bonds.
Total Consideration	Together, the Cash Component, the Stock Component and the Convertible Bond Component.
Transaction	The Transaction between the Company and Convergenta as agreed in the Transaction Agreements.
Transaction Agreements	Together, the Agreement in Principle, the Contribution Agreement and the Subscription Agreement, as amended and restated in the Amendment Agreement dated 9 November 2021.
TRY	Legal currency of Turkey (so-called *Turkish lira*).

UmwG	German Transformation Act (*Umwandlungsgesetz*).
Unaudited Interim Financial State-ments	Unaudited condensed consolidated interim financial statements as of and for the six-month period ended 31 March 2022 prepared in accordance with IFRS on interim financial reporting (IAS 34).
United States	United States of America.
USD	Legal currency of the United States (so-called *United States dollar*).
WKN	German Securities Code (*Wertpapier-Kenn-Nummer*).
WpHG	German Securities Trading Act (*Wertpapierhandelsgesetz*).
WpÜG	German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmege-setz*).
XDUS	Dusseldorf Stock Exchange (*Börse Düsseldorf*).

17 RECENT DEVELOPMENTS AND TREND INFORMATION

17.1 Recent developments

On 12 April 2022, the 2022 EGM resolved under agenda item 4 to convert all non-voting preference shares of the Company into ordinary bearer shares with voting rights, with a cancellation of the preferential right to profits provided for in the Articles of Association. For more information on this conversion and the cancellation of the preferential right to profits, see section "*10.1 Current share capital and Existing Shares*". In addition, the 2022 EGM also resolved on the consummation of the Transaction under agenda item 2. For more details on the Transaction and the corresponding resolution of the 2022 EGM, see section "*7.5.1 Agreements with respect to the Transaction*".

On 19 April 2022, the Company extended ESG Facility A of the ESG Credit Facilities Agreement with an initial term of three years by one year to 6 May 2025 in accordance with a contractually agreed extension option. All syndicate banks consented to the extension. For further information, see section "*7.5.3 Loan agreements*".

Furthermore, the Company arranged two promissory note agreements (*Schuldscheindarlehensverträge*) in a total nominal amount of EUR 60 million, which are expected to be signed on or about 7 June 2022.

Other than described above, there has been no significant change to the financial position, financial performance, cash flows or trading position of CECONOMY between 31 March 2022 and the date of the Prospectus.

17.2 Trend information

CECONOMY's prospects are expected to be affected by macroeconomic developments. The macroeconomic recovery is continuing in the first half of the 2021/22 Financial Year, which was based in particular on an expansionary fiscal policy, the aids provided by the European recovery fund and the ongoing vaccination, but was being impeded by the Omicron variant. The recovery was also supported by the lifting of most COVID-19 restrictions, a generally positive labour market situation and high surplus savings. Since most COVID-19 restrictions have been lifted in nearly every country in which CECONOMY operates, consumers are also spending more in areas outside of consumer electronics again. In the first half of the 2021/22 Financial Year, therefore, sales in the consumer electronics retail market no longer saw the extraordinarily high growth rates of the previous year, but developed largely stable. Due to the partial renunciation of home-working/schooling rules, saturation effects and the increasing return to leisure activities outside home, consumers' focus shifted away from small appliances, IT and brown goods, which were in high demand in the previous year, towards large appliances and telecommunications. In general, the market is seeing a decline in online sales in favour of in-store shopping. However, the proportion of online-induced purchases in the first half of the 2021/22 Financial Year is significantly higher than pre-COVID-19 figures.

In addition, the Russian war of aggression against Ukraine is resulting in great uncertainty on the markets with rising raw material prices, followed by a significant increase in inflation. Several central banks have therefore already been compelled to raise interest rates. The drop in spending power as a result of high inflation is markedly weakening the above-mentioned recovery. In China, the low effectiveness of the country's own vaccines and the strict zero-COVID strategy have led to large-scale lockdowns. This can have a negative impact on economic development including supply shortages and disruptions in world trade. Depending on the further development of the conflict between Russia and the West and the associate sanctions, various scenarios are possible from a significant downturn in economic growth to a recession in the EU.