

CECONOMY

Remuneration Report

2021
/22

REMUNERATION REPORT

In accordance with the provisions of Sec. 162 German Stock Corporation Act (Aktiengesetz – AktG), this remuneration report explains the application of the remuneration system for members of the CECONOMY AG Management Board and Supervisory Board and describes the amount and structure of remuneration individually granted and owed to current and former members of the Management Board and the Supervisory Board in the financial year 2021/22.¹ The remuneration report also complies with the recommendations and suggestions of the German Corporate Governance Code in the version dated 28 April 2022. This remuneration report will be submitted for the first time to CECONOMY AG's Annual General Meeting, which is expected to take place on 22 February 2023, for approval in accordance with Sec. 120a para. 4 AktG.

Remuneration system for the Management Board

The Supervisory Board of CECONOMY AG determined the remuneration system, the basic features of which are explained below. This determination was made for the first time at its meetings on 16 September and on 7 October 2020, and by way of other resolutions adopted on 14 October 2020 ("2020 remuneration system") without convening a meeting of the Supervisory Board. The 2020 remuneration system applies effective from the start of financial year 2020/21. The Supervisory Board submitted the system to the General Meeting of CECONOMY AG on 17 February 2021, where it was approved with an approval rate of 99.15 per cent.

At its meeting on 13 December 2021, the Supervisory Board resolved to make changes to certain aspects of the 2020 remuneration system with effect from the start of the financial year 2022/23 and to present the amended system to the General Meeting for approval (for details, see "Further development of the remuneration system with effect from the financial year 2022/23" below). The amended remuneration system ("2021 remuneration system") was presented to the Annual General Meeting of CECONOMY AG on 9 February 2022, which approved it with an approval rate of 91.98 per cent. The 2020 remuneration system is still relevant for this remuneration report for the financial year 2021/22. However, unless expressly noted otherwise, the following information refers both to the 2020 remuneration system and the 2021 remuneration system.

The Management Board contracts for Management Board members in office in the financial year 2021/22 comply with the 2020 remuneration system and – with effect from the financial year 2022/23 – the 2021 remuneration system, with the exception of the deviations explained under "Deviations from the remuneration system" below.

Immediately after the respective resolutions by the General Meeting to approve the 2020 and 2021 remuneration systems, the resolutions and the remuneration system in question were made public in accordance with Sec. 120a para. 2 AktG. They can be found on the website www.ceconomy.de/en/ under "Company – Corporate Governance".

Procedures for the implementation and review of the remuneration system

The Supervisory Board makes decisions on the remuneration system, and on its implementation and the determination of the specific Management Board remuneration, following preparatory work by the Presidential Committee of the Supervisory Board in each case.

If the Supervisory Board consults external remuneration experts on the further development of the remuneration system and to assess that the specific Management Board remuneration is appropriate and customary, it assures itself that such experts are independent before engaging them. When preparing the 2020 and 2021 remuneration systems, the Supervisory Board received factual and legal support in selective areas.

The Supervisory Board has the option of appropriately taking extraordinary developments into account, in particular when granting variable remuneration. In justified cases, entitlements to the payment of variable remuneration can be denied (penalty) or remuneration already paid can be claimed back (clawback).

The subsequent amendment of targets or the comparative parameters for variable remuneration (repricing) is precluded. However, if this is necessary in the interests of the long-term wellbeing of the company, the Supervisory Board can temporarily deviate from this remuneration system. Such deviations are permitted only on the basis of a resolution

¹ In order to provide a better overview, decimal places are not shown in this remuneration report's tables in some cases. Figures in the tables may contain rounding differences.

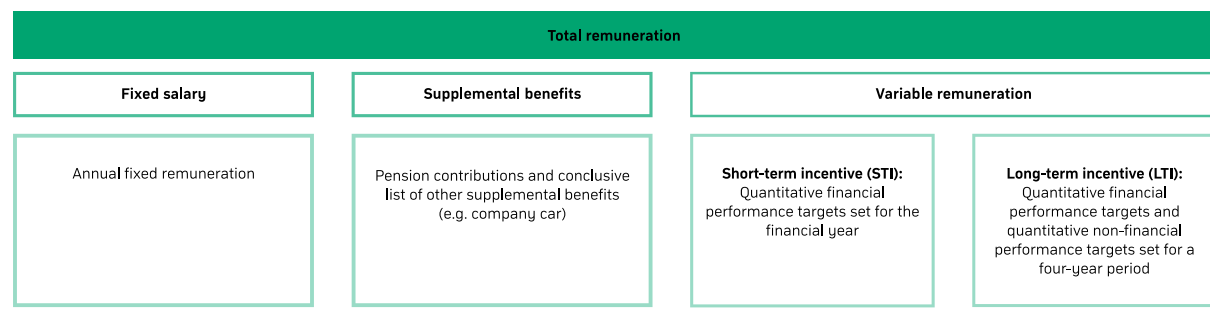
by the Supervisory Board as a whole, setting out the reasons for and duration of the deviation. Temporary deviations from all components of the remuneration system and, in particular, the variable remuneration components are possible.

Remuneration components in accordance with the remuneration system

OVERVIEW OF REMUNERATION COMPONENTS

The total remuneration of the members of the Management Board of CECONOMY AG consists of non-performance-based fixed remuneration components and performance-based variable remuneration components. The following chart provides an overview of the individual remuneration components in accordance with the 2020 remuneration system:

Components of Management Board remuneration (2020 remuneration system)

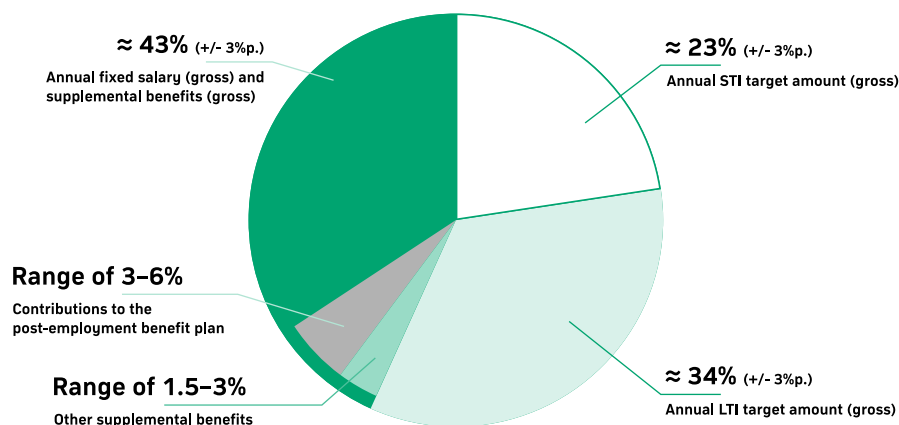


Total target remuneration is designed so that, typically, the target amounts of the variable remuneration components outweigh the fixed remuneration components (fixed salary and supplemental benefits) and that, within the variable remuneration components, the share of long-term variable remuneration components (LTI) outweighs the share of short-term variable remuneration components (STI).

Approximately 43 per cent of the total target remuneration of an individual member of the Management Board should typically be accounted for by the fixed annual salary and supplemental benefits, while approximately 34 per cent is accounted for by the annual LTI target amount and approximately 23 per cent by the annual STI target amount. In individual cases, the Supervisory Board has the option of varying the percentage weighting within total target remuneration for the individual components by up to 3 percentage points. The relative share of contributions to the post-employment benefit plan should not exceed a range of 3 to 6 per cent of total target remuneration while other supplemental benefits should not exceed 1.5 to 3 per cent of total target remuneration.

The relative share of the different remuneration components within total target remuneration is visually presented as follows:

Relative share of the different remuneration components within total target remuneration



NON-PERFORMANCE-BASED FIXED REMUNERATION

The non-performance-based fixed remuneration consists of the fixed annual salary, the contributions for the post-employment benefit plan and the other supplemental benefits.

Fixed salary

The fixed salary is agreed with each Management Board member as fixed remuneration and is paid in monthly instalments. If the member of the Management Board only belongs to the Management Board for part of a financial year, the fixed salary is paid pro rata temporis.

Post-employment benefits

The members of the Management Board receive post-employment benefits in the form of a defined benefit direct contribution.

The post-employment benefit plan is financed by the member of the Management Board and the company together. The breakdown is defined as "5 + 10". If Management Board members contribute 5 per cent of their own defined assessment basis (fixed salary and STI target amounts), the company pays double that amount. If a Management Board member departs before being entitled to pension benefits, the contributions are preserved at the level reached. Matching cover for the post-employment benefit plan is provided by Hamburger Pensionsrückdeckungskasse VVaG (HPR). The contributions bear interest according to the articles of association of HPR regarding participation features with a guarantee on contributions paid in.

Contributions by the company to the post-employment benefit plan are limited based on the set breakdown and assessment basis for each individual member of the Management Board. These contributions are also capped at €100,000 per year in each case.

Members of the Management Board also have the option to convert future remuneration components from the fixed salary and variable remuneration into entitlements to post-service benefit plans from HPR by way of tax-privileged deferred compensation. A retirement pension and early retirement regulations are not agreed.

Further details on the post-employment benefit plan for the members of the Management Board are provided below under "Pension entitlements in financial year 2021/22".

Supplemental benefits

In addition to the fixed salary and contributions to the post-employment benefit plan, the company exclusively grants the members of the Management Board the following supplemental benefits:

- Contributions to accident insurance
- Allowances for health/nursing insurance
- Assumption of costs for preventive health care
- Provision of a company car at the disposal of the member of the Management Board

This conclusive list of supplemental benefits is capped at a combined amount of €50,000 per year.

PERFORMANCE-BASED VARIABLE REMUNERATION

The performance-based remuneration components are variable remuneration as a short-term incentive (STI) for the respective financial year and variable remuneration as a long-term incentive (LTI) over several financial years. The components have different bases of assessment and success parameters according to the respective performance periods. In accordance with the 2020 remuneration system, the granting of the STI and the LTI, and the corresponding incentive effects of these variable performance-based remuneration components, is dependent on financial and, for the LTI, also non-financial performance criteria.

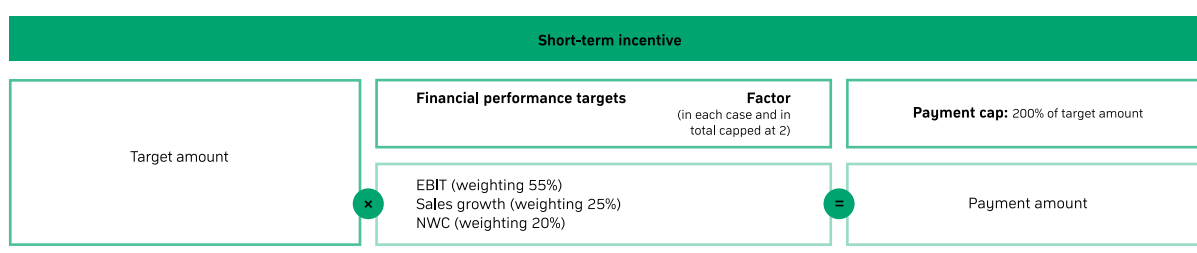
The variable remuneration granted to the members of the Management Board is predominantly granted on the basis of the company's shares: The variable remuneration components are mostly defined by the long-term variable components, which in turn are mainly dependent on financial performance criteria based on the key performance indicators of absolute total shareholder return and relative total shareholder return. These two performance indicators mean that the amount of any payment is linked to the performance of CECONOMY AG's ordinary shares.

STI (based on the 2020 remuneration system)

The short-term performance-based component is granted for one financial year and paid out after the end of that year. If a member joins or leaves the Management Board during a financial year, the STI is granted and paid pro rata temporis for that financial year. The STI for the financial year 2021/22 based on the 2020 remuneration system was calculated exclusively on the basis of financial performance criteria. These are based on the following figures according to the consolidated financial statements of the company (adjusted for the effects of portfolio changes), which are included in the calculation with the indicated weighting:

- Earnings before interest and taxes (EBIT) on the basis of absolute EBIT values with a weighting factor of 0.55
- Sales growth adjusted for exchange rates with a weighting factor of 0.25
- Net working capital (NWC) on the basis of absolute NWC values (four-quarter average) with a weighting factor of 0.20

Short-term performance-based remuneration (2020 remuneration system)



STI performance targets

The Supervisory Board defines the performance targets for all members of the Management Board uniformly on the basis of the business planning presented to it by the Management Board before the start of the financial year for which the STI is granted. Factors (achievement factors) are allocated to the degree of achievement for each indicator. At its due discretion, the Supervisory Board defines the lower threshold (entry barrier), the target for 100-per cent achievement and the value for 200-per cent achievement, at which the amount of the achievement factor is capped.

Calculation of the payment amount

After the end of the financial year, the degree of achievement is measured for each indicator based on the respective achievement factors. Intermediate values are interpolated on a straight-line basis.

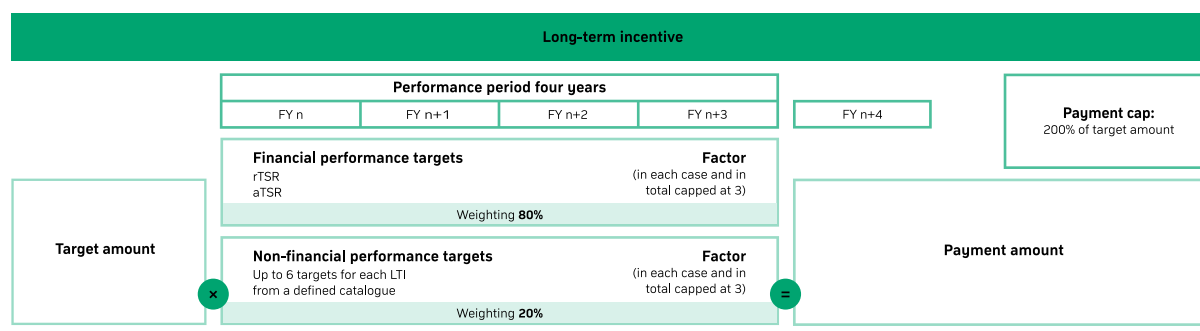
The total achievement factor is calculated from the individual established achievement factors based on their weighting. The STI payment amount is produced by multiplying the total achievement factor by the STI target amount. The payment amount is capped at double the target amount. Payment is made four months after the end of the financial year for which the STI in question was granted, but not before the approval of the consolidated financial statements for the respective financial year by the Supervisory Board. If a member leaves the Management Board during a financial year, STI 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 originally agreed due dates.

Details on the STI in the financial year 2021/22 are provided below under "Variable Management Board remuneration in the financial year 2021/22".

LTI (based on the 2020 remuneration system)

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 in accordance with the 2020 remuneration system 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.

Long-term performance-based remuneration (2020 remuneration system)



Financial performance targets of the LTI

The financial performance criteria in accordance with the 2020 remuneration system, 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 in accordance with the 2020 remuneration system 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 in accordance with the 2020 remuneration system, which are weighted at 20 per cent in total, are based on up to six quantitative targets specifically formulated by the Supervisory 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 Supervisory Board does not define a specific weighting, the non-financial performance criteria are weighted equally to each other.

Calculation of the LTI payment amount

The thresholds for the financial and non-financial LTI performance targets are set by the Supervisory Board at its due discretion at the end of the financial year preceding the year in which the LTI will be granted. Factors (achievement factors) are allocated to the degree of achievement for each indicator. The Supervisory Board defines the lower threshold (entry barrier), the target for 100-per cent 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.

In accordance with the 2020 remuneration system, 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 mean of the target achievement factors for the financial and non-financial performance targets forms the respective overall target achievement factor. This is capped at 3 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.

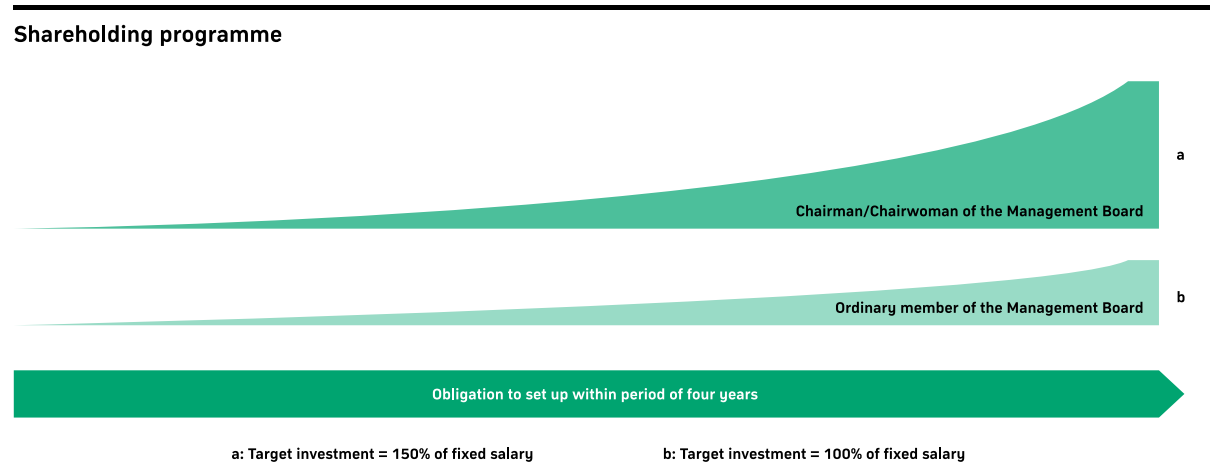
The target achievement factor calculated for the LTI as a whole is multiplied by the LTI target amount to give the payment amount. The payment amount is limited to a maximum of 200 per cent of the agreed individual target amount (payment cap).

The remuneration amount calculated for the LTI is paid out two months after the end of the performance period of the LTI in question. A requirement for this is that the entitled member of the Management Board of the company can prove the necessary investment in ordinary shares of the company according to the company's shareholding programme. If a member leaves the Management Board during 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 originally agreed due dates.

Details on the LTI in the financial year 2021/22 are provided below under "Variable Management Board remuneration in the financial year 2021/22".

Shareholding programme

Under CECONOMY AG's shareholding programme for Management Board members, the members of the Management Board are obliged to purchase shares in the company amounting to a certain target investment and to hold them for the duration of their Management Board service. For the Chairman of the Management Board and for the ordinary members of the Management Board, the target investment is 150 per cent and 100 per cent, respectively, of their gross fixed salary at the end of the set-up stage. The total equivalent value must be spent as the purchase price for the shares acquired by each Management Board member. The set-up phase covers a period of four years from the start of the contract as a member of the Management Board.



The Management Board members are obliged to provide evidence of their current shareholding regularly and at the company's request. In order to receive payment from the LTI, the Management Board member must hold the relevant target investment in shares of the company. If the target investment is not sufficiently demonstrated, the respective Management Board member receives no payments from the LTI.

Total target remuneration

The total target remuneration of the individual member of the Management Board is the total of the fixed annual salary contractually agreed with the member of the Management Board, the supplemental benefits, the cost for the post-employment benefit plan and the annual STI and LTI target amounts. There is no provision for scheduled increases in compensation in line with length of service. This total target remuneration is appropriate to the responsibilities and performance of the respective member of the Management Board and the company's situation. It therefore fulfils the statutory requirements regarding the customary level of remuneration.

Maximum remuneration

The remuneration system stipulates maximum amounts, both as a whole and for the individual remuneration components. The maximum remuneration of the individual member of the Management Board is the total of the fixed annual salary contractually agreed with the member of the Management Board, the maximum amounts for the supplemental benefits and the post-employment benefit plan and the respective maximum variable remuneration components.

The maximum remuneration amounts to €5,150,000 for the Chief Executive Officer and €2,650,000 for the ordinary members of the Management Board. The Supervisory Board notes that these amounts are merely the maximum amounts possible assuming the consistent and maximum utilization of the corresponding ranges.

The above maximum amounts are stipulated in the Management Board contracts of all members of the Management Board in office in the financial year 2021/22 and were retained in the financial year 2021/22.

Penalties and clawbacks of variable remuneration components

Once paid, the member of the Management Board in question can do as he pleases with his performance-based variable remuneration components. However, if a Management Board member violates their statutory obligations in accordance with Sec. 93 AktG during or in the period up to one year after the end of the respective performance period of an STI or an LTI, or if there is cause to revoke the appointment of the Management Board member in accordance with Sec. 84 para. 3 sent. 1 AktG, the entitlements to payment of the variable remuneration components lapse (penalty) or can be reclaimed by the company after being paid (clawback). Corresponding regulations are included in the Management Board contracts of members of the Management Board active in the reporting period. Neither the penalty nor the clawback regulations were utilized in the financial year 2021/22.

Deduction of remuneration for side-line activities

If members of the Management Board serve as supervisory board members or hold similar offices within the Group, the remuneration for these activities counts towards their Management Board remuneration.

If the member of the Management Board performs side-line activities outside the Group, there are contractual assurances that the Supervisory Board can choose, in accordance with the recommendation under G. 16 of the GCGC, whether and to what extent the remuneration for side-line activities outside the Group must be deducted from Management Board remuneration. By way of resolution dated 20 November 2020, the Supervisory Board has ruled that remuneration granted for supervisory board mandates held outside the Group will not be deducted until further notice.

Terms of service agreements

The term of Management Board contracts is always linked to the duration of the respective member's appointment to the Management Board. Contract terms are extended in each case for the period for which the member of the Management Board is re-appointed as a member of the Management Board. The Supervisory Board observes the restrictions of Sec. 84 AktG concerning the duration or appointment and re-appointment.

First-time appointments as a member of the Management Board should typically not last for longer than three years.

Management Board contracts do not provide for a right of ordinary termination for either party. However, the company and the member of the Management Board alike have a right to extraordinary termination for cause in accordance with Sec. 626 of the German Civil Code (Bürgerliches Gesetzbuch – BGB).

Regulations for the termination of Management Board service

If a member of the Management Board leaves the company regularly at the end of his or her term of office, entitlements acquired during the term of the service agreement do not fall due for payment prematurely. The same applies if a member of the Management Board ends his contract early.

In any instance of the early termination of an appointment as a member of the Management Board – in particular whether by mutual arrangement, by cancellation of appointment or resignation – the contract expires automatically after the end of the period stated in Sec. 622 para. 2 BGB without requiring separate notice of termination.

In the event of early termination, the members of the Management Board receive compensation for the contractual entitlements that would have arisen over the remaining term of their employment agreements, generally in the form of a one-time payment. This severance pay is capped at the maximum of the annual remuneration for two years, comprising the fixed salary and the STI target amount. If the remaining term of the contract is less than two years at the time of termination, the amount of severance pay is reduced pro rata temporis.

There is no entitlement to severance pay or other payments in the event of extraordinary termination by the company for cause (Sec. 626 BGB). Similarly, there is no entitlement to severance pay or other payments if the member of the Management Board resigns without cause.

In the event of contract termination, the LTI entitlements of a member of the Management Board not yet paid are forfeit in the following cases:

- Early dismissal of the member of the Management Board for cause in accordance with Sec. 84 para. 3 AktG
- Termination of the Management Board member's service agreement by the company for cause in accordance with Sec. 626 BGB
- Resignation by the member of the Management Board without cause

In the event of the death of a Management Board member during active service, the surviving dependants receive the fixed salary for the month of death and a further six months.

If the member of the Management Board becomes permanently unable to work during the term of his contract, the company is entitled to terminate his contract with notice of six months to the end of the quarter.

The Management Board contracts make no provision for benefits for early termination due to a change of control.

Further development of the remuneration system with effect from the financial year 2022/23 (2021 remuneration system)

At its meeting on 13 December 2021, the Supervisory Board resolved to further develop the 2020 remuneration system. The 2021 remuneration system creates a more flexible remuneration system and makes it possible to place greater value on the non-financial customer satisfaction objective. This is intended to better account for transformation needs and ensure that incentives are a better match for the strategy, the central element of which is a focus on customers. In December 2021, the Supervisory Board approved the following four changes to the structure of variable remuneration components with effect from the financial year 2022/23 and subject to approval of the amended remuneration system by the General Meeting. The amended 2021 remuneration system was presented to the General Meeting of CECONOMY AG on 9 February 2022, which approved it with an approval rate of 91.98 per cent.

Further development of the STI structure

- Moving the "customer satisfaction" (net promoter score – NPS) performance target from the LTI to the STI: Accordingly, in the future the STI will be determined by four performance criteria and the catalogue of topics for potential non-financial targets for the LTI reduced from six to five.
- More flexible weighting of STI performance targets: In the future, the Supervisory Board will, at its discretion, be able to vary the weighting of STI performance targets from year to year (no longer stipulated by the remuneration system). However, the performance criteria related to EBIT and sales growth should have a minimum weighting of

15 per cent and a maximum weighting of 50 per cent, with the performance criteria related to NWC and NPS each having a minimum weighting of 15 per cent and a maximum weighting of 20 per cent. If the Supervisory Board does not define a specific weighting, the previous year's weighting continues to apply.

Further development of the LTI structure

- Increasing relevance of non-financial performance targets in the LTI: The calculation of LTI components is now to consider financial LTI performance targets with a weighting of 70 per cent and non-financial LTI performance targets with a weighting of 30 per cent.
- Introduction of vesting logic in LTI: The targets that were previously applicable over the entire four-year performance period of an LTI tranche are in the future to be broken down into the four individual years of the performance period. At the end of each year, target achievement is determined and maintained for the year in question. At the end of the entire performance period, the overall target achievement is calculated as the arithmetic mean of target achievement in the individual four years and the LTI is paid out on the basis of this overall target achievement.

Horizontal remuneration comparison

The Supervisory Board regularly assesses whether the specific total remuneration of Management Board members is appropriate and customary.

This is firstly assessed in accordance with the remuneration system by a horizontal comparison with MDAX companies. Since 2018, CECONOMY AG has been listed in the SDAX and has no longer been included in the MDAX. Due to the relatively high shareholdings of its anchor shareholders, CECONOMY AG does not have the free float market capitalization necessary for the MDAX and its shares do not have necessary trading volume. However, in terms of the size criteria of sales, EBIT, headcount and overall market capitalization, CECONOMY AG is comparable to MDAX companies.

In this horizontal comparison, the total target remuneration currently planned/granted for the Chief Executive Officer and the other members of the Management Board of CECONOMY AG is compared against the total target remuneration granted at MDAX companies. This comparison was last made in August 2022 and showed that the total target remuneration for the Chief Executive Officer was placed at the .56 percentile (2020: .42 percentile) while the other members of the Management Board are placed at the .44 percentile (2020: .57 percentile). The structure of Management Board remuneration is comparable to that of the peer group. Taking into account the company's size relative to the peer group, the Management Board remuneration is appropriate overall, in terms of both amount and structure. Regarding the comparability of the above findings with the findings of the horizontal remuneration comparison last carried out in 2020, it should be noted that the ten largest MDAX companies were included in the DAX 40 in September 2021.

Vertical remuneration comparison

The appropriateness of remuneration was also assessed by way of a vertical comparison with the senior management and workforce of CECONOMY in Germany as a whole. This comparison is based on the reference date of 30 September 2022 for this remuneration report. The Supervisory Board also considers the ratio of Management Board remuneration to the remuneration of senior management and the workforce as a whole in terms of its development over time.

The Supervisory Board determined how to define senior management and the relevant staff. By way of resolution dated 30 October 2018, the Supervisory Board defined the senior management of CECONOMY AG and the other relevant staff as follows:

- Senior management is formed by the Leadership Team of MediaMarktSaturn Retail Group and the Vice Presidents of CECONOMY AG.
- The other relevant staff are all employees of MediaMarktSaturn Retail Group in Germany and of CECONOMY AG.

In December 2021, the Supervisory Board also resolved the following amendments to the presentation of the annual vertical remuneration comparison and the method for calculating the senior management remuneration relevant for the vertical remuneration comparison and the relevant workforce as a whole: The ratio of the target direct remuneration as the sum of the annual fixed remuneration and the annual bonus target amounts for the short- and long-term variable remuneration of the Management Board members to the average target direct compensation of the senior management and to the average target direct compensation of the entire workforce in Germany (but excluding

temporary staff) will be determined, with the remuneration relationship for the remuneration of the Chief Executive Officer and for the average remuneration of the ordinary Management Board members being presented separately.²

The vertical remuneration comparison is then as follows:

Ratio of target remuneration of the average for the respective Chief Executive Officer to...

Financial year	... target remuneration for senior management	... target remuneration for relevant workforce
2021/22	9	75
2020/21	7	76
2019/20	7	69
2018/19	7	82
2017/18	9	102

Ratio of target remuneration of the average for the other Management Board members to...

Financial year	... target remuneration for senior management	... target remuneration for relevant workforce
2021/22	4	35
2020/21	4	37
2019/20	4	37
2018/19	4	52
2017/18	5	60

Variable Management Board remuneration in the financial year 2021/22

This section of the remuneration report contains information on variable Management Board remuneration for the financial year 2021/22. Variable remuneration in the financial year 2021/22 met all requirements of the relevant 2020 remuneration system.

Strategic element of variable remuneration performance criteria

The aim of the business strategy is that customers see the company as a trusted consultant and partner for all matters concerning consumer electronics products. The remuneration system of CECONOMY AG is geared towards promoting this business strategy and the long-term development of the company. This is achieved, in particular, by linking performance-based variable remuneration to share price development and to clearly definable performance indicators aligned with the sustainable ongoing development of the company.

The short-term performance-based remuneration component creates incentives for continuously increasing the company's operational success and implementing initiatives to improve its profitability. Its ongoing nature means that the component is geared towards furthering the business strategy. The STI in accordance with the 2020 remuneration system rewards the company's operating development on the basis of financial performance targets for the respective financial year. In accordance with the 2020 remuneration system, the performance targets are based on CECONOMY AG's key performance indicators (KPIs) of sales growth, EBIT and net working capital.

The long-term performance-based remuneration component rewards the company's development on the basis of quantitative financial and non-financial performance targets, each defined for a four-year period. The LTI is predominantly based on the share price and thus creates incentives for a sustainable and long-term increase in enterprise value, while also taking into account the concerns of shareholders and other stakeholders in the company. The non-financial goals in accordance with the 2020 remuneration system relevant to this remuneration report also focus on

² For all peer groups, absences due to maternity or paternity leave and release from work as well as social security contributions (employer contribution), contributions to the post-employment benefit plan and supplemental benefits are not taken into account.

the key target group of the company's strategy, namely its customers and the key (non-financial) levers such as customer and employee satisfaction, diversity and sustainability of business in order to successfully implement the strategy. Moreover, linking the payment of the LTI to an obligation to hold shares in CECONOMY AG ensures that the members of the Management Board have a long-term interest in increasing enterprise value.

Variable remuneration target amounts

The tables below show the amount equivalent to 100 per cent target achievement for the STI and LTI for each member of the Management Board in office in the financial year 2021/22 and for former Management Board members for whom individual disclosures must be made. They also show the minimum and maximum amounts for STI and LTI that can be individually achieved in the financial year 2021/22.

Variable remuneration target amounts for the financial year 2021/22

€ thousand	Dr Karsten Wildberger Chief Executive Officer and Labour Director			Florian Wieser Chief Financial Officer		
	100% target value	Minimum value	Maximum value	100% target value	Minimum value	Maximum value
One-year variable remuneration	750	0	1,500	375	0	750
Multi-year variable remuneration	1,100	0	2,200	525	0	1,050
Total	1,850	0	3,700	900	0	1,800

€ thousand	Dr Bernhard Düttmann Chief Executive Officer and Labour Director (until 31/07/2021) ¹		
	100% target value	Minimum value	Maximum value
One-year variable remuneration	850	0	1,700
Multi-year variable remuneration	1,150	0	2,300
Total	2,000	0	4,000

¹ Dr Düttmann's Management Board contract expired on 16 October 2021. He worked in a supporting function on request from 1 August 2021. The values stated refer to a full financial year. For the financial year 2021/22, variable remuneration in accordance with Dr Düttmann's Management Board contract was paid on a pro rata basis only for the term of the Management Board contract.

Targets and target achievement (STI and LTI)

Specific STI targets and target achievement for the financial year 2021/22

The Supervisory Board resolved the one-year variable remuneration targets shown in the chart below for financial year 2021/22. The targets are set and weighted in accordance with the 2020 remuneration system relevant for the financial year 2021/22. As set out in the remuneration system, the Supervisory Board has set the targets for all Management Board members uniformly. The chart below also shows the STI target achievement for the financial year 2021/22 (achievement factors) both for the individual performance targets and for overall target achievement.

Performance targets and target achievement STI 2021/22

KPI	EBIT ¹ In € million	Sales growth ² In %	NWC ³ In € million
0% target value	341.91	+0.00	-773.86
100% target value	402.25	+2.42	-910.43
200% target value	462.59	+4.84	-1,046.99
Weighting	55%	25%	20%
Target achievement	0.00x	1.48x	0.00x
Total bonus factor	0.37x		

¹ Earnings before interest and taxes (EBIT) adjusted for the effects of portfolio changes and the effects of restructuring programmes (restructuring expenses and unplanned extraordinary income) if the Supervisory Board of CECONOMY AG has approved these programmes, and for the earnings effects from companies accounted for using the equity method

² Measurement of target achievement: Actual figures for 2021/22 compared with forecast 2020/21, adjusted for IAS 29

³ Absolute net working capital (NWC) derived from five points in time: Forecast of 30 September 2021, budget of 31 December 2021, budget of 31 March 2022, budget of 30 June 2022 and budget of 30 September 2022

Targets for the LTI tranche granted for the financial year 2021/22

The performance targets and weightings set by the Supervisory Board for the LTI tranche granted to the members of the Management Board of CECONOMY AG for financial year 2021/22 are as follows:

Performance targets of the long-term incentive 2021/22

LTI performance targets			
Quantitative financial performance targets 80% weighting			
rTSR (relative development of shareholder return compared to index performance)	Weighting 50%	aTSR (absolute development of shareholder return)	Weighting 50%
Quantitative non-financial performance targets 20% weighting			
Diversity Share of women in management positions	Weighting 25%	Customer satisfaction Average NPS from all countries, weighted by number of surveys	Weighting 25%
Employee satisfaction Average NPP on the basis of Group employee satisfaction surveys	Weighting 25%	Climate and environmental protection Reduction in direct carbon dioxide emissions (Scope 1 and 2)	Weighting 25%

The performance targets and weightings above are in line with the 2020 remuneration system relevant for the financial year 2021/22.

For each of the LTI performance targets, the Supervisory Board has defined a lower threshold, a target value and a value for capping target achievement. The target ranges and target achievement are reported in specific detail in the remuneration report for the financial year in question after the tranche expires or is paid out. To provide a picture of the performance of the current LTI tranches, the fair values at the end of the financial year for all current LTI tranches of the members of the Management Board in office in the financial year are voluntarily disclosed below:

LTI fair values at the end of financial year 2021/22

€ thousand	Dr Karsten Wildberger Chief Executive Officer and Labour Director	Florian Wieser Chief Financial Officer
2020/21 tranche ¹	46	55
2021/22 tranche	356	170
Total	402	225

¹ Dr Karsten Wildberger has been a member of the Management Board since 1 August 2021 and Mr Florian Wieser since 1 May 2021. The 2020/21 tranche was thus granted only on a pro rata basis in each case.

Remuneration granted and owed to members of the Management Board

In accordance with Sec. 162 para. 1 sentence 1 AktG, the remuneration report must report the remuneration granted and owed to each individual member of the Management Board in the past financial year. "Granted" in this sense means all remuneration components actually received in/for the reporting period. The timing of the actual payment is not necessarily relevant in this context. "Owed" means all legally established liabilities relating to remuneration components that are due but have not yet been fulfilled.

Accordingly, the following remuneration components are recorded in the tables below as remuneration granted for the financial year 2021/22:

- Base salary and supplemental benefits paid in the financial year 2021/22
- One-year variable remuneration payable for the financial year 2021/22 (STI; actual payment in January 2023)

The degree of overall target achievement for the 2021/22 STI is 0.37, as shown above under "Variable Management Board remuneration in the financial year 2021/22".

Remuneration granted for the financial year 2020/21 is also voluntarily disclosed below. For this, the following remuneration components were reported:

- Base salary and supplemental benefits paid in the financial year 2020/21
- One-year variable remuneration paid for the financial year 2020/21 (STI; actual payment in January 2022)

The contributions to the post-employment benefit plan do not constitute remuneration granted or owed within the meaning of Sec. 162 para. 1 sentence 1 AktG and are therefore not included in supplemental benefits (see "Pension entitlements in financial year 2021/22" below for the post-employment benefit plan). No tranches of the multi-year variable remuneration (LTI) for Management Board members active in the reporting period expired or were paid out in financial years 2020/21 and 2021/22, and therefore no disclosure as part of the remuneration granted and owed must be made in this respect. The respective LTI tranches are reported after they expire or are paid. As there are no other obligations for remuneration components that are due but have not yet been fulfilled, no remuneration owed is included in the table figures.

Remuneration granted and owed to members of the Management Board

€ thousand	Dr Karsten Wildberger Chief Executive Officer and Labour Director (since 01/08/2021)				Florian Wieser Chief Financial Officer (since 01/05/2021)			
	2020/21		2021/22		2020/21		2021/22	
	In % of total remuneration		In % of total remuneration		In % of total remuneration		In % of total remuneration	
Total fixed non-performance-based components	2,629	95	1,381	83	262	77	632	82
Fixed salary	225	8	1,350	81	250	74	600	78
Supplemental benefits	2,404 ¹	87	31	2	12	3	32	4
Total variable remuneration components	125	5	277	17	78	23	138	18
One-year variable remuneration (STI)	125	5	277	17	78	23	138	18
Multi-year variable remuneration (LTI)	-	0	-	0	-	0	-	0
Total remuneration pursuant to Sec. 162 AktG	2,754	100	1,658	100	340	100	770	100

¹ The supplemental benefits include a one-time compensation payment of €2.4 million for disadvantages experienced by Dr Wildberger as a result of the early termination of his previous activities.

The following table contains individual information on former members of the Management Board who have left the Management Board within the last ten years and for whom remuneration was granted and owed in financial year 2021/22, as well as remuneration granted and owed to this group of persons for financial year 2020/21.³ No tranches of the multi-year variable remuneration (LTI) expired or were paid out in financial years 2020/21 and 2021/22 for this group of persons, either.

Remuneration granted and owed to former members of the Management Board

€ thousand	Dr Bernhard Düttmann Chief Executive Officer and Labour Director (until 31/07/2021) ¹			
	2020/21		2021/22	
	In % of total remuneration		In % of total remuneration	
Total fixed non-performance-based components	1,040	72	45	76
Fixed salary	1,012	70	44	74
Supplemental benefits	28	2	1	2
Total variable remuneration components	406	28	14	24
One-year variable remuneration (STI)	406	28	14	24
Multi-year variable remuneration (LTI)	-	0	-	0
Total remuneration pursuant to Sec. 162 AktG	1,446	100	59	100

¹ Dr Düttmann's Management Board contract expired on 16 October 2021. He worked in a supporting function on request from 1 August 2021.

Pension payments of €3.1 million (2020/21: €3.0 million) were granted to former members of the Management Board of CECONOMY AG and of companies merged into CECONOMY AG who left the Management Board more than ten years ago and their surviving dependants in financial year 2021/22. This represents 100 per cent of the benefits granted to this group of persons.

Pension entitlements in financial year 2021/22

The members of the Management Board receive pension entitlements on the basis of a defined contribution system (defined contribution commitment pursuant to German company pension law) described above as part of the explanation of the remuneration system under "Non-performance-based fixed remuneration". In the event of entitlement due to invalidity or death, this commitment stipulates that the company will increase the plan assets by the attribution

³ No remuneration was granted or owed to Ms Karin Sonnenmoser, who was a member of the Management Board until 30 April 2021, for financial year 2021/22. For information on Ms Karin Sonnenmoser's remuneration for the financial year 2020/21, please see the 2020/21 remuneration report.

capital (defined contribution component under IAS 19). The attribution capital is the sum of the future contributions that would have been credited to the Management Board member for each calendar year up to a contribution period totalling ten years, but no further than the member's 60th birthday. A provision is recognized for this component. The individual service costs and present values of pension entitlements for the 2021/22 financial year are as follows:

Pension entitlements (HGB and IFRS)

€ thousand	Dr Karsten Wildberger Chief Executive Officer and Labour Director	Florian Wieser Chief Financial Officer	Total
Expense – post-service benefit plan (as per IFRS)	153	99	252
Expense – post-service benefit plan (as per HGB)	199	96	295
Provision recognized to 30/09/2022 (as per IFRS)	46	17	63
Provision recognized by 30/09/2022 (as per HGB)	46	17	63
Present value of pension obligations (as per IFRS)	364	205	569
Present value of pension obligations (as per HGB)	364	205	569

Remuneration of Supervisory Board members

The remuneration system for members of the CECONOMY AG Supervisory Board is set out in Sec. 13 of CECONOMY AG's articles of association and was last approved by the General Meeting on 17 February 2021 with a majority of 99.52 per cent of voting share capital represented. The General Meeting resolution in accordance with Sec. 113 para. 3 AktG is published on the website www.ceconomy.de/en/ under "Company – Corporate Governance".

In accordance with Article 13 of the articles of association of CECONOMY AG, the members of the Supervisory Board receive fixed annual remuneration payable at the end of each financial year.

The individual amount of Supervisory Board remuneration accounts for the amount of work and the responsibility of the individual Supervisory Board members as a result of their supervisory role. Remuneration for the individual member is €70,000.

In accordance with the provisions of the Articles of Association, the company also reimburses the members of the Supervisory Board for expenses incurred due to the performance of their duties. The members of the Supervisory Board are also reimbursed for any VAT incurred on the remuneration and reimbursement of expenses.

Due to their special roles, the Chairman of the Supervisory Board receives three times, the Vice Chairman and the Committee Chairmen twice and the members of the Supervisory Board's committees one-and-a-half times the remuneration of an ordinary Supervisory Board member, but not the Chairman and the members of the Mediation Committee pursuant to Sec. 27 para. 3 of the German Co-determination Act. The higher remuneration for membership or chairmanship of a committee only applies if at least two meetings or other resolutions took place in the financial year in question. The table below illustrates the multipliers that may be applicable to the fixed annual remuneration for individual Supervisory Board members:

Remuneration multipliers

Chairman of the Supervisory Board	■■■
Vice Chairman of the Supervisory Board	■■
Committee Chairs ¹	■■
Committee members ¹	■½
Supervisory Board members	■

¹ At least two meetings/resolutions of the committee in the financial year in question

If a member of the Supervisory Board holds multiple offices at once as (vice) Chair of the Supervisory Board/member or Chair or a committee, in accordance with Sec. 13 para. 2 sentence 4 of the articles of association, he or she receives remuneration for one office only, namely the office with the highest remuneration if the offices are differently remunerated.

Supervisory Board members who belonged to the Supervisory Board for only part of the financial year receive one-twelfth of the remuneration for each month commenced. Supervisory Board members who depart and are appointed within a month receive only one-twelfth of the annual remuneration for this month. This applies accordingly to memberships in a committee, the chairmanship or vice chairmanship of the Supervisory Board or chairmanship of a committee.

In financial year 2021/22, the remuneration system for the Supervisory Board was applied in all aspects as set out in Sec. 13 of the company's articles of association. The following table shows the remuneration granted and owed to current and former Supervisory Board members for financial year 2021/22, including the relative share under Sec. 162 AktG. Since there is no variable remuneration for the Supervisory Board, remuneration comprises exclusively the fixed remuneration in accordance with the articles of association.

Remuneration granted and owed to members of the Supervisory Board in financial year 2021/22

€ thousand	Additional functions	Fixed remuneration ¹
Thomas Dannenfeldt	Chairman of the Supervisory Board, Chairman of the Presidential Committee, Chairman of the Nomination Committee (until 09/02/2022, member since then)	210
Sylvia Woelke	Vice Chairwoman of the Supervisory Board, Vice Chairwoman of the Audit Committee, member of the Presidential Committee and member of the Mediation Committee	140
Katrin Adt	Member of the Presidential Committee (since 09/02/2022)	93
Wolfgang Baur		70
Kirsten Joachim Breuer		70
Karin Dohm	Chairwoman of the Audit Committee	140
Daniela Eckardt		70
Sabine Eckhardt	Chairwoman of the Nomination Committee (since 09/02/2022)	117
Thomas Fernkorn (Supervisory Board member since 08/10/2022)		70
Dr Florian Funck	Member of the Audit Committee	105
Ludwig Glosser	Member of the Audit Committee and member of the Mediation Committee	105
Julia Goldin (Supervisory Board member until 09/02/2022)		29
Doreen Huber (Supervisory Board member since 09/02/2022)		47
Jürgen Kellerhals (Supervisory Board member since 09/02/2022)		47
Stefanie Nutzenberger		70
Claudia Plath	Member of the Audit Committee, member of the Nomination Committee (until 09/02/2022) and member of the Mediation Committee	105
Jens Ploog	Member of the Presidential Committee	105
Dr Lasse Pütz		70
Erich Schuhmacher (Supervisory Board member since 01/07/2022)		18
Dr Fredy Raas (Supervisory Board member until 30/06/2022)		53
Jürgen Schulz	Member of the Audit Committee	105
Regine Stachelhaus (Supervisory Board member until 09/02/2022)	Member of the Presidential Committee and member of the Nomination Committee	44
Christoph Vilanek	Member of the Nomination Committee (since 09/02/2022)	93

¹ Fixed remuneration represents a relative share of 100 per cent of remuneration for members of the Supervisory Board.

Comparison

The following table illustrates the annual change in the company's earnings, remuneration granted and owed to current and former Management Board and Supervisory Board members and average remuneration of full-time equivalents over the last five financial years.

For the development of Management Board and Supervisory Board remuneration, remuneration granted and owed is taken into account as shown above under "Remuneration granted and owed to members of the Management Board" and "Remuneration of Supervisory Board members".

As in the vertical remuneration comparison conducted by the Supervisory Board, the group of employees included covers all employees of the MediaMarktSaturn Retail Group in Germany and CECONOMY AG. As part of the comparison, average employee remuneration takes account of target remuneration at the end of the financial year on a full-time basis (including employer contribution to social security and supplemental benefits).

Earnings performance is shown using the company's net income under commercial law, adjusted EBIT and Group sales.

Comparison in accordance with Sec. 162 para. 1 sentence 2 no. 2 AktG

	2017/18		2018/19		2019/20		2020/21		2021/22	
		In % ¹		In % ¹		In % ¹		In % ¹		
Earnings performance (€ million)										
Adjusted EBIT	419	-3.8	403	-41.4	236	0.4	237	-16.9		197
Sales	21,418	0.2	21,455	-2.9	20,831	2.5	21,361	1.9		21,768
Net income CECONOMY AG under HGB	-59	10.2	-53	-71.7	-91	194.5	86	-14.0		74
Average annual remuneration of full-time equivalents in Germany (€ thousand)										
	46.5	1.3	47.1	1.3	47.7	1.9	48.6	4.9		51.0
Members of the Management Board (€ thousand)										
Dr Karsten Wildberger (since 01/08/2021)	-	-	-	-	-	-	2,754	-39.8		1,658
Florian Wieser (since 01/05/2021)	-	-	-	-	-	-	340	126.5		770
Former members of the Management Board (€ thousand)										
Dr Bernhard Düttmann (until 31/07/2021)	-	-	-	-	2,030	-28.8	1,446	-95.9		59
Other former members of the Management Board ²	2,716	1.9	2,767	8.1	2,990	1.0	3,019	1.8		3,072
Members of the Supervisory Board (€ thousand)										
Thomas Dannenfeldt	-	-	-	-	-	-	150	40.0		210
Sylvia Woelke	113	6.2	120	12.5	135	13.3	153	-8.5		140
Katrin Adt	-	-	-	-	-	-	-	-		93
Wolfgang Baur	47	70.2	80	-7.5	74	4.1	77	-9.1		70
Kirsten Joachim Breuer	47	70.2	80	-7.5	74	4.1	77	-9.1		70
Karin Dohm	143	11.9	160	-7.5	148	3.4	153	-8.5		140
Daniela Eckardt	80	0.0	80	-7.5	74	4.1	77	-9.1		70
Sabine Eckhardt	-	-	-	-	-	-	77	51.9		117
Thomas Fernkorn (from 08/10/2021)	-	-	-	-	-	-	-	-		70
Dr Florian Funck	120	0.0	120	-7.5	111	3.6	115	-8.7		105
Ludwig Glosser	93	29.0	120	-7.5	111	3.6	115	-8.7		105
Julia Goldin (until 09/02/2022)	80	0.0	80	-7.5	74	4.1	77	-62.3		29
Doreen Huber (from 09/02/2022)	-	-	-	-	-	-	-	-		47
Jürgen Kellerhals (from 09/02/2022)	-	-	-	-	-	-	-	-		47
Stefanie Nutzenberger	-	-	7	957.1	74	4.1	77	-9.1		70
Claudia Plath	53	88.7	100	11.0	111	3.6	115	-8.7		105
Jens Ploog	60	100.0	120	-7.5	111	3.6	115	-8.7		105
Dr Lasse Pütz	-	-	-	-	-	-	-	-		70
Erich Schuhmacher (from 01/07/2022)	-	-	-	-	-	-	-	-		18
Dr Fredy Raas (until 30/06/2022)	80	0.0	80	-7.5	74	4.1	77	-31.2		53

Comparison in accordance with Sec. 162 para. 1 sentence 2 no. 2 AktG

	2017/18	2018/19		2019/20		2020/21		2021/22	
		In % ¹		In % ¹		In % ¹		In % ¹	
Jürgen Schulz	140	14.3	160	-33.1	107	-28.0	77	36.4	105
Regine Stachelhaus (until 09/02/2022)	120	0.0	120	-7.5	111	3.6	115	-61.7	44
Christoph Vilanek	-	-	33	124.2	74	4.1	77	20.8	93

¹ Change compared to previous financial year

² Management Board members who left office more than ten years ago.

As per the CECONOMY AG General Meeting's resolution dated 17 February 2021, the basic amount for joining the Supervisory Board was reduced from €80,000 to €70,000 with effect from 1 June 2021. Other changes to Supervisory Board member remuneration in the individual annual comparisons – some of which are very significant – are the result not of changes to remuneration levels but of various individual factors (such as longer membership periods compared to the previous year or changes to committee activities or the vice chair of the Supervisory Board).

Deviations from the remuneration system

The section below provides information on deviations from the Management Board remuneration system in the reporting period, including an explanation of why the deviations were necessary and disclosure of the specific aspects of the remuneration system that were deviated from.

Deviation due to the Management Board contract of Dr Bernhard Düttmann

Dr Bernhard Düttmann was initially appointed as a member of the Management Board and Chief Executive Officer temporarily until 16 October 2020 as a stand-in for a missing member of the Management Board in accordance with Sec. 105 para. 2 AktG. Effective 17 October 2020, the Supervisory Board again appointed Dr Düttmann as a member of the Management Board and Chief Executive Officer. The employment contract signed with Dr Düttmann with a term from 17 October 2020 until 16 October 2021 deviates from the remuneration system in that it does not contain any regulations on participation in CECONOMY AG's post-employment benefit plan. This deviation was already included in the previous Management Board contract with Dr Düttmann and was disclosed to the General Meeting for its resolution on 17 February 2021 on the 2020 remuneration system. In addition, the Management Board contract concluded with Dr Düttmann with effect from 17 October 2020 established that, if Dr Düttmann's position as a member of the company's Management Board were to be terminated prematurely, his Management Board contract would automatically end after a period of six months or on 16 October 2021 at the latest. Dr Düttmann handed the roles of Chief Executive Officer and Labour Director to Dr Wildberger as of 1 August 2021 and was available in a supporting function on request until his contract expired on 16 October 2021. This is a deviation from the remuneration system, according to which the term of Management Board contracts is always to be linked to the duration of the respective member's appointment to the Management Board. However, the Supervisory Board believes that these deviations are necessary in the interests of the long-term wellbeing of the company, as appointing Dr Düttmann provided (and continued to provide) an experienced, qualified Chief Executive Officer for the interim period.

Deviation due to the Management Board contract of Dr Karsten Wildberger

As reported in the previous year, Dr Karsten Wildberger's Management Board contract includes the provision of tax consulting services on ongoing tax matters in connection with Dr Wildberger's previous activities, which was utilized in the reporting period at a level of around €2.7 thousand. There has therefore been a deviation from the conclusive list of supplemental benefits according to the remuneration system. This benefit is part of the remuneration package agreed with Dr Wildberger. When concluding the Management Board contract with Dr Wildberger, the Supervisory Board determined that the deviation from the remuneration system as a result of the remuneration package agreed with Dr Wildberger was necessary in the long-term interests of the company in order to appoint Dr Wildberger, an exceptionally suitable candidate, to the position of Chief Executive Officer at short notice.

Termination benefits

In September 2022, the Supervisory Board passed a resolution on the mutual termination of Mr Florian Wieser's Management Board contract as of 31 December 2022. In this context, a termination agreement was signed with Mr Florian Wieser that complies in full with the remuneration system approved by the General Meeting (see section below "Remuneration system for the Management Board / Regulations for the termination of Management Board service"). The termination agreement includes a one-time severance payment of €450,000 for contractual entitlements that would have arisen over the remaining term. The severance payment is payable on 31 December 2022. Short-term performance-based remuneration (STI) for the financial year 2021/22 and for the first three months of financial year 2022/23 is paid pursuant to the contractual regulations on the basis of the agreed targets and on the due dates set out in the contract. Mr Florian Wieser's entitlements from the long-term performance-based remuneration (LTI) until 31 December 2022 are also calculated according to the original targets agreed and at the respective due dates.

REMUNERATION REPORT

This remuneration report was prepared jointly by the Management Board and Supervisory Board in compliance with all provisions of Sec. 162 AktG.

6/13 December 2022



Thomas Dannenfeldt
Chairman of the Supervisory Board



Dr Karsten Wildberger
Chief Executive Officer and Labour Director

INDEPENDENT AUDITOR'S REPORT

TO CECONOMY AG, DÜSSELDORF

REPORT ON THE AUDIT OF THE REMUNERATION REPORT

We have audited the attached remuneration report of CECONOMY AG, Düsseldorf, for the financial year from 1 October 2021 to 30 September 2022, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of CECONOMY AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the examination, the remuneration report for the financial year from 1 October 2021 to 30 September 2022, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other Matter – Formal Examination of the Remuneration Report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforesaid services to CECONOMY AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public

Auditors and Public Audit Firms] as amended on 1 January 2017. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Essen, 13 December 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

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