Q2/H1 2022/23

HALF-YEAR FINANCIAL REPORT

15 May 2023

SELECTED KEY FIGURES

Q2 2022/23

+6.4%

Sales momentum[1] continued in a challenging macroeconomic environment

-€23 m

Adjusted EBIT[2] up €35 million year-on-year thanks to stable gross margin and cost efficiency measures

[1] Sales adjusted for currency effects and portfolio changes, pre IAS 29
[2] Adjusted EBIT before non-recurring effects, associates, IAS 29 and portfolio changes

SELECTED KEY FIGURES

H1 2022/23

+5.5%

Sales growth[1]
thanks to recovery in
brick-and-mortar business

+€207 m

Adjusted EBIT[2]
in first half down
€9 million year-on-year

+€830 m

Free cash flow improved
in the first half of the year,
in particular through
optimization of
net working capital

53

Improvement of the
Net Promoter Score (NPS) to
an all-time high

[1] Sales adjusted for currency effects and portfolio changes, pre IAS 29
[2] Adjusted EBIT before non-recurring effects, associates, IAS 29 and portfolio changes

THE FIRST HALF YEAR IN REVIEW

»
After a successful Christmas season in the first quarter, our measures are also making a positive impact in the second quarter of the financial year.
We have made significant progress in our transformation thanks to the effective implementation of our strategy and continuous optimization of our business processes. Despite the challenging environment, we are heading confidently into the second half of the year.
«

Dr Karsten Wildberger,
Chief Executive Officer

»
Our measures to improve our profitability are having an impact.
In the second quarter, we significantly improved our operating earnings compared to the previous year. Free cash flow was particularly encouraging, driven by our progress in stock management. With the implementation of our efficiency programme, we continue to focus on boosting our profitability in a sustainable manner.
«

Dr Kai-Ulrich Deissner
Chief Financial Officer

Contents

This document is a half-year financial report in accordance with Section 115 WpHG [German Securities Trading Act].

CECONOMY is generally steered on the basis of performance indicators derived from IFRS (International Financial Reporting Standards). In addition, the following key performance indicators apply: total sales growth adjusted for currency effects and portfolio changes and EBIT adjusted for portfolio changes and earnings effects from companies accounted for using the equity method. For the forecast key figures, the previous year's figures are adjusted accordingly.

In addition, an adjusted EBIT applies in fiscal year 2022/23; the adjustment relates to non-recurring earnings effects from efficiency increases in connection with (1) the simplification and digitalization of central structures and processes, (2) the strengthening of retail brands in Germany, (3) legal risks in connection with changes in legal framework conditions and (4) accounting effects of the application of IAS 29 in the hyperinflationary country of Turkey.

In the previous fiscal year 2021/22, an adjusted EBIT also applied; the adjustment related to non-recurring effects in connection with (1) COVID-19-related store closures, (2) the introduction of a harmonized group-wide organizational structure ("Operating Model"), (3) the transaction announced on December 14, 2020 regarding the acquisition of the minority shareholding in MediaMarktSaturn as well as reorganization and simplification of the corporate structure and (4) other effects.

For more details on the management-relevant key performance indicators, please refer to pages 30 to 33 of CECONOMY's Annual Report 2021/22. The outlook for the fiscal year 2022/23 on page 63, which is also included, contains further information on the adjustment of EBIT for non-recurring effects in the current financial year.

Business figures represent the continuing operations of CECONOMY. With the signing of the agreement to fully divest the MediaMarkt Sweden business in February 2023, Sweden will no longer be part of CECONOMY's continuing operations. The MediaMarkt Sweden business represents a disposal group for CECONOMY pursuant to IFRS 5. The forecast key figures are adjusted by not including the corresponding key figures of currency- and portfolio-adjusted sales growth and adjusted EBIT in that the corresponding key figures for MediaMarkt Sweden have not been taken into account either in the current year or in the previous year. In the statement of financial position for the current period, the assets and liabilities concerned are presented separately as "Assets held for sale" and "Liabilities directly associated with assets held for sale," respectively.

Recognized tax expenses were calculated in accordance with the regulations governing interim financial reporting using the so-called integral approach. Commercial rounding is used for the figures shown in this half-year statement. This may result in some individual figures not adding up to the totals shown.

FINANCIAL FIGURES AT A GLANCE

Sales and earnings

€ million	Q2 2021/22	Q2 2022/23	Change	H1 2021/22	H1 2022/23	Change
Sales	5,019	5,302	5,6%	11,873	12,368	4,2%
thereof indexing effect IAS 29 (hyperinflation in Turkey)	–	32	–	–	18	–
Sales development adjusted for currency effects and portfolio changes	18.8%	6.4%	–	2.1%	5.5%	–
Like-for-like sales development	18.0%	6.1%	–	2.3%	5.2%	–
Gross margin	17.1%	17.0%	–0.1%p,	17.2%	17.0%	–0.3%p,
EBIT	–35	–106	<–100%	241	115	–52.3%
Adjusted EBIT	–58	–23	60.8%	216	207	–4.1%
Adjusted EBIT margin	–1.2%	–0.4%	0.7%p,	1.8%	1.7%	–0.1%p,
Net financial result	–7	–15	<–100%	–17	–40	<–100%
Tax rate	20.3%	61.5%	41.2%p,	43.4%	–8.5%	–52.0%p,
Profit or loss for the period attributable to non-controlling interests	–13	0	–	25	1	–94.9%
Net result	–21	–47	<–100%	102	80	–21.4%
Undiluted earnings per share (€)[1]	–0.06	–0.10	–0.04	0.28	0.16	–0.12

Other operating key figures

€ million	Q2 2021/22	Q2 2022/23	Change	H1 2021/22	H1 2022/23	Change
Online sales	1,267	1,138	–10.2%	3,155	2,938	–6.9%
Services & solutions sales	307	323	5.2%	651	717	10.1%
Investments	177	134	–24.5%	322	267	–17.0%

Cash flow

€ million	H1 2021/22	H1 2022/23	Change
Cash flow from operating activities	–246	610	856
Cash flow from investing activities	–19	–108	–89
Cash flow from financing activities	–568	–254	315
Change in net working capital[2]	–407	236	643
Free cash flow	–342	488	830

Statement of financial position

€ million	31/03/2022	31/03/2023	Change
Net working capital	–411	–670	–259
Net liquidity (+)/Net debt (–)	–1,824	–1,666	158

Other operating key figures (as of 31/03)

	31/03/2022	31/03/2023	Change
Number of stores	1,015	1,026	11
Total selling space (thousand m²)	2,559	2,579[3]	20
Workforce by full-time equivalents	44,758	43,313	–1,445

[1] 485,221,084 ordinary shares outstanding since 3 June 2022
[2] Change in net working capital shown from related balance sheet items, mainly adjusted for currency effects and for effects from the application of IAS 29
[3] Changed definition from fiscal year 2022/23, according to which the entrance and checkout areas are also included as sales areas

INTERIM GROUP MANAGEMENT REPORT

Outlook

The forecast issued in December 2022 was made before portfolio changes. The signing of the agreement to sell the MediaMarkt Sweden business and the subsequent classification as a disposal group pursuant to IFRS 5 in February 2023, as well as the signing of the agreement to sell the MediaMarkt Portugal business in April 2023, will change the 2021/22 basis for the forecast of CECONOMY AG for the current financial year 2022/23. The forecast of CECONOMY AG is therefore based on continuing operations.

CECONOMY continues to actively prepare for a phase of high macroeconomic and geopolitical uncertainty, which also affects the outlook. We therefore consider it prudent and appropriate to present the key performance indicators in two different future scenarios with their respective assumptions.

Both scenarios for sales and earnings respectively could materialize. From today's perspective, CECONOMY considers the first mentioned scenario below to be more likely to occur. For some time, the Group has been operating in a very challenging environment characterized by high volatility. CECONOMY will continue to manage this uncertainty. The measures the Group has taken in order to prevail under these challenging conditions are developing an expanding positive impact. CECONOMY has successfully advanced its strategic transformation and has become more resilient as an organization.

SCENARIO 1

In the first scenario, it is assumed that the current macroeconomic conditions (inflation, customer demand, availability of goods, no overall restrictions in the retail sector) will not deteriorate and that the consumer electronics market relevant to CECONOMY's country portfolio will shrink moderately at the most.

SALES

For the financial year 2022/23, CECONOMY expects a slight year-on-year increase in currency-adjusted total sales in the financial year 2022/23 compared to the previous year, to which the DACH and Eastern Europe segments in particular are expected to contribute. CECONOMY had originally assumed that the Western/Southern Europe and Eastern Europe segments in particular would contribute to the slight increase.

EARNINGS

For financial year 2022/23, CECONOMY expects a clear increase in adjusted EBIT compared with the previous year (adjusted EBIT in financial year 2021/22 now: €208 million). The DACH segment is expected to contribute to the significant increase in adjusted EBIT.

SCENARIO 2

However, if the overall economic environment develops less favourably than is currently foreseen and demand in the consumer electronics market relevant for CECONOMY's country portfolio therefore declines more severely, this would also affect CECONOMY's business performance. From today's point of view, CECONOMY considers this scenario to be less likely.

SALES

CECONOMY expects a clear year-on-year decrease in total sales adjusted for exchange rate effects for financial year 2022/23.

EARNINGS

For financial year 2022/23, CECONOMY expects a clear decline in adjusted EBIT compared with the previous year (adjusted EBIT in financial year 2021/22 now: €208 million). The DACH segment is expected to contribute a clear increase in adjusted EBIT compared to the previous year.

The outlook is adjusted for additional portfolio changes and does not take into account the earnings effects from companies accounted for using the equity method. Also not included are non-recurring effects from efficiency gains in connection with the simplification and digitization of central structures and processes, from the strengthening of sales brands in Germany, and from legal risks in connection with changes in the legal framework. Accounting effects of the application of IAS 29 in Turkey as a hyperinflationary country are likewise unaccounted for.

Events in the first half year

On 22 September 2022, CECONOMY AG announced that Florian Wieser, member of the Management Board and Chief Financial Officer (CFO) of CECONOMY AG and CFO of Media-Saturn-Holding GmbH, had decided to leave the Group to pursue new professional challenges. The Supervisory Board had approved the termination by mutual consent of Florian Wieser's contract as of 31 December 2022, and at the same time had already arranged his successor: Dr Kai-Ulrich Deissner was appointed as the new CFO of CECONOMY AG with effect from 1 February 2023. At the same time, he assumes the function of the CFO at Media-Saturn-Holding GmbH.

The Articles of Association of CECONOMY AG and the German Stock Corporation Act (AktG) require the Management Board of CECONOMY AG to consist of at least two persons. In order to meet these requirements in the transitional period between the departure of Florian Wieser on 31 December 2022, and the assumption of office by Dr Kai-Ulrich Deissner on 1 February 2023, the Supervisory Board appointed Supervisory Board member Sabine Eckhardt on 13 December 2022, for the period from 1 January 2023 to 31 January 2023. Sabine Eckhardt has been a member of the Supervisory Board of CECONOMY AG since October 2020 and has extensive experience in management positions in listed companies. Her mandate as a member of the Supervisory Board was suspended for the period of her appointment to the Management Board of CECONOMY AG.

Since 1 February 2023, the Management Board of CECONOMY AG and the management of Media-Saturn-Holding GmbH have consisted of Dr Karsten Wildberger and Dr Kai-Ulrich Deissner. CECONOMY AG had already announced the Supervisory Board's resolution to appoint Dr Kai-Ulrich Deissner as the new CFO of CECONOMY AG on 22 September 2022.

Against the backdrop of a challenging macroeconomic environment, CECONOMY AG's rating was downgraded by Moody's Investors Service from Ba2 to Ba3 on 22 November 2022 (outlook: "Rating Under Review"). On February 21, 2023, CECONOMY AG's rating was downgraded by Moody's Investors Service from Ba3 to B1 (outlook: "Stable") In addition, the international rating agency Fitch Ratings published an assessment of CECONOMY AG's creditworthiness for the first time on 13 December 2022. In this context, Fitch assigned a rating of "BB" (outlook "Stable"). The bond was also given a BB rating.

On February 14, 2023, CECONOMY announced that MediaMarktSaturn, the subsidiary of CECONOMY AG, and Nordic electronics retailer Power International AS ("Power") have concluded discussions regarding a strategic transaction and a joint future for the Swedish business. Power Retail Sweden AB, a wholly owned subsidiary of Power, intends to acquire 100 per cent of MediaMarkt Sweden. In return, CECONOMY will receive a minority stake of 20 per cent in Power Retail Sweden AB. The transaction is expected to result in a cash outflow in the mid-double-digit million euro range upon closing in CECONOMY's consolidated financial statements for the fiscal year 2022/23. In the second quarter of 2022/23 the transaction resulted in an impairment of €63 million. Overall, this is a portfolio measure that is not relevant to forecasting. The transaction is subject to approval by the relevant competition authorities.

Events after the reporting date

On April 13, 2023, the international rating agency S&P Global Ratings ("S&P") published an assessment of CECONOMY AG's creditworthiness for the first time. S&P assigned a rating of "BB-" with a stable outlook. The bond was also given a "BB-" rating. With the additional rating from S&P, CECONOMY AG ensures a comprehensive and balanced range of ratings on the company's creditworthiness.

On April 19, 2023, the rating agency Scope Ratings ("Scope") affirmed CECONOMY AG's rating of "BBB-" and changed the outlook for the rating from Stable to Negative.

CECONOMY AG terminated its cooperation with the international rating agency Moody's Investors Service in April 2023. The ratings were withdrawn on May 5, 2023. CECONOMY will henceforth be assessed by the rating agencies Fitch Ratings, S&P and Scope.

On April 20, 2023, CECONOMY AG announced that an agreement on the sale of MediaMarktSaturn's Portugal business had been concluded with the French electrical retailer Fnac Darty S.A. ("Fnac Darty"). Fnac Darty Portugal, a wholly-owned subsidiary of Fnac Darty, is acquiring 100 per cent of MediaMarkt Portugal, including the ten store locations, the online business and around 450 employees. The two parties have agreed not to disclose the financial details of the transaction. The closing of the deal is subject to the approval of the relevant competition authorities and is expected to take place in the summer of 2023. The transaction is expected to result in a cash inflow and EBIT contribution in the low to double-digit million euro range upon closing in CECONOMY's consolidated financial statements for the fiscal year 2022/23. Like the Sweden transaction, the transaction represents a portfolio measure that therefore has no impact on the forecast.

As early as December 2022, CECONOMY announced its intention to launch an efficiency programme as part of the transformation process in order to sustainably improve its competitiveness and adapt its cost structures to changing conditions. This programme is also associated with job losses in administrative functions. Expenditure on the efficiency programme is expected to be in the mid double-digit million euro range in fiscal 2022/23. In April 2023, the company's management agreed a framework reconciliation of interests and social plan with the employee representatives of the affected companies in Germany, which will make the necessary job cuts fair and socially acceptable.

Macroeconomic conditions[1]

At present, high but now declining inflation and persistent supply bottlenecks, further exacerbated by the Russian war of aggression against Ukraine, are factors that have significantly weighed on the global economic recovery in 2022 and do not bode well for economic growth in 2023 either.

Geopolitical risks continue to jeopardize the 2.1 per cent growth currently forecast for the global economy. The focus is on the Russian war of aggression against Ukraine, the situation in the Middle East, the Taiwan issue and the fragile domestic political situation in the USA.

The EU's economic growth will be burdened by the UK's exit from the community, as trade will be affected. Nevertheless, the European Economic Recovery Fund will be able to support the economic recovery in 2023 to a certain extent.

Following a recovery in gross domestic product (GDP) in 2022, the DACH region is once again in a tight economic situation. GDP growth stagnated recently due to high inflation rates, lockdown in China and the Russian war of aggression against Ukraine. In particular, the Russian war of aggression against Ukraine is having a clear impact on the European economic area. This exacerbated supply bottlenecks and drove up energy prices even further, placing an increasing burden on private consumption growth and investment.

For the calendar year 2023, slight GDP growth of 0.1 per cent is assumed in the DACH region. Germany will be able to stabilize GDP at 0.1 per cent. In Hungary, GDP is expected to contract by -1.0 per cent in 2023. Slightly positive growth rates of 0.2 per cent are expected for Austria and 0.5 per cent for Switzerland.

In Western and Southern Europe, the signs for Spain and Italy, the countries in which we generate the highest sales, pointed to economic recovery in 2022. In 2023, the fundamentally sustained positive recovery expectations will be significantly dampened by the above-mentioned global economic conditions. Against this backdrop, a positive GDP growth for 2023 of 0.3 per cent in Italy and 1.6 per cent in Spain is expected. Low GDP growth of 0.2 per cent is expected in Belgium and an increase of 1.2 per cent in the Netherlands in 2023, significantly lower than the figures for 2022.

In Eastern Europe, negative GDP development is expected in 2023 following positive growth rates in 2022. In Poland, after growing by 4.9 per cent in 2022, the economy will show a declining development of -1.3 per cent. Turkey continues to face economically uncertain times (hyperinflationary tendencies, high unemployment). Private consumption remains at a high level. Persistently high inflation is expected to curb this significantly. After positive economic growth of 5.6 per cent in 2022, negative GDP growth of -0.6 per cent is forecast for 2023.

Development in the consumer electronics retail market

After COVID restrictions were lifted in all countries, consumers have also been investing more in areas outside of electronics retail since last year. In the first half of the 2022/23 financial year, therefore, sales in the consumer electronics retail sector thus no longer showed the extraordinarily high growth rates of previous years, but remained largely stable despite the difficult economic environment. With the move away from working/schooling from home rules, saturation effects that have occurred, and the increased shift back to out-of-home leisure activities, consumer focus shifted within the product spectrum. 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 financial year 2022/23 remained significantly above pre-COVID-19 levels.

DACH

In the first half of 2022/23, sales in the German consumer electronics retail market were clearly declining. Of the high-revenue product categories, only the Telecommunications unit proved to be a stabilizing factor. Unlike in the previous financial year, over-the-counter retail in Germany basically did not prove to be a pillar of sales. Online spending was also down. Following a negative sales development in the past financial year, the Austrian market recorded slightly positive growth in the current period. Compared with the already declining trend in fiscal 2022, the Swiss consumer electronics retail sector again declined slightly. In Hungary in general, following a very dynamic previous year, market growth continued in the first half of fiscal 2022/23.

[1]The GDP growth figures stated in this section relate to the calendar years 2022 and 2023. Accordingly, the 2023 values are forecasts. In contrast, the qualitative statements in the text refer to the reporting period, unless otherwise stated. Current publications by Feri (Country Dossier - Economic Forecast; Feri Forecast Update - April 2022: Situation and Prospects for the Global Economy) and the market research institute GfK were used as sources for the information in this text.

WESTERN/SOUTHERN EUROPE

In the first half of financial year 2022/23, sales in the Spanish consumer electronics retail market were slightly up year-on-year. Portugal recorded a dynamic increase in sales in the first half of the current fiscal year. The Italian market showed stable sales development in the online sector in the first half of the financial year 2022/23. However, a negative sales trend in the stationary business also resulted in a downward trend in the overall market. Stable development was seen in the Dutch consumer electronics retail market for the first half of financial year 2022/23. Triggered by a prolonged period of COVID-19-related restrictions in 2022, brick-and-mortar retail in particular showed a noticeable increase in sales in the current fiscal year. The Belgian market's development was slightly regressive in the current financial year 2022/23.

EASTERN EUROPE

Based on a positive development in bricks-and-mortar retail, the Polish consumer electronics retail sector showed slight growth in the first half of fiscal year 2022/23. Due to inflation, Turkey grew extremely dynamically in national currency, and this growth weakened slightly in the first two months of the calendar year.

Results in detail

Earnings position

Quarter	Sales (€ million)		Change	Currency effects	Sales adjusted for currency effects and portfolio changes	Like-for-like sales (local currency)
	Q2 2021/22	Q2 2022/23	Q2 2022/23	Q2 2022/23	Q2 2022/23	Q2 2022/23
Total	**5,019**	**5,302**	**5.6%**	**−1.4%**	**6.4%**	**6.1%**
DACH	2,815	2,888	2.6%	0.0%	2.6%	2.7%
Western/Southern Europe	1,679	1,630	−3.0%	0.0%	−3.0%	−3.1%
Eastern Europe	416	678	62.8%	−22.6%	77.6%	74.0%
Others	108	107	−1.5%	−6.3%	−2.6%	–

Half-year	Sales (€ million)		Change	Currency effects	Sales adjusted for currency effects and portfolio changes	Like-for-like sales (local currency)
	H1 2021/22	H1 2022/23	H1 2022/23	H1 2022/23	H1 2022/23	H1 2022/23
Total	**11,873**	**12,368**	**4.2%**	**−1.4%**	**5.5%**	**5.2%**
DACH	6,733	6,827	1.4%	0.0%	1.4%	1.5%
Western/Southern Europe	3,896	3,865	−0.8%	0.0%	−0.8%	−1.2%
Eastern Europe	969	1,420	46.5%	−23.6%	68.3%	65.4%
Others	275	257	−6.6%	−7.0%	−33.1%	–

As a result of the agreement announced on February 14, 2023 to sell the MediaMarkt Sweden business in full and the classification of the national company as a disposal group in accordance with IFRS 5, MediaMarkt Sweden presents a change in the portfolio. The forecast key figures are adjusted by not including the corresponding key figures of currency- and portfolio-adjusted sales growth and adjusted EBIT in that the corresponding key figures for MediaMarkt Sweden have not been taken into account either in the current financial year or in the previous year.

CURRENCY AND PORTFOLIO ADJUSTED CONSOLIDATED SALES ABOVE PREVIOUS YEAR

In the **first half-year 2022/23**, CECONOMY generated consolidated sales of €12.4 billion, an increase of 4.2 per cent compared to the same period of the previous year. Adjusted for currency effects and portfolio changes, sales increased by 5.5 per cent compared to the previous year. On a like-for-like basis, Group sales showed an increase of 5.2 per cent.

In the **second quarter 2022/23**, Group sales increased by 5.6 per cent, totalling €5.3 billion. This includes effects from the first-time application of IAS 29 (hyperinflation in Turkey) of €32 million. Adjusted for this effect and for currency effects and portfolio changes, sales grew by 6.4 per cent. On a like-for-like basis, Group sales recorded an increase of 6.1 per cent compared to the prior-year period. The sales momentum of the previous quarter continued in the second quarter. The DACH and Eastern Europe segments contributed significantly to this development. Successful target group-specific campaigns and improved product availability contributed to the improvement in sales. Driven by solid customer demand in the over-the-counter business, the Services & Solutions segment again recorded sales growth in the second quarter. By contrast, sales in the Western/Southern Europe segment declined due to the challenging market and competitive situation, particularly in Spain, Italy and Portugal. The low basis for comparison in the prior-year quarter due to COVID 19-related restrictions in stationary retail in Germany, Austria and the Netherlands supported the current second quarter. At around 21.5 per cent, the online share of Group sales was lower than in the prior-year quarter (Q2 2021/22: 25.3 per cent).

EXPLANATION OF SALES IN THE DACH SEGMENT

The DACH segment in the **first half-year of 2022/23** recorded sales of €6.8 billion, an increase of 1.4 per cent. Adjusted for currency effects and portfolio changes, sales were up by 1.4 per cent above the comparable figure for the previous year.

In the **second quarter of 2022/23**, sales in the DACH segment increased by 2.6 per cent, totalling €2.9 billion. Almost all countries in the DACH segment contributed to this development. Austria in particular recorded a solid increase in sales, followed by Germany. Both countries benefited mainly from the recovery in the stationary business following

COVID-19-related restrictions, as well as from good product availability and successful advertising campaigns. The previous sales momentum in Hungary was impacted in the second quarter by a tense competitive environment and a declining market basket. In Switzerland, sales were on a par with the prior-year quarter amid intense competition.

EXPLANATION OF SALES IN THE WESTERN/SOUTHERN EUROPE SEGMENT

The Western/Southern Europe segment reported **first-half of 2022/23** sales of €3.9 billion, a decrease of 0.8 per cent. There were no currency or portfolio change effects.

In the **second quarter** of **2022/23,** sales in the Western/Southern Europe segment decreased by 3.0 per cent compared to the prior-year period to €1.6 billion. The Netherlands recorded significant sales growth, supported by the COVID-19-related weak prior-year base. In addition, the Netherlands benefited from strong demand in the Services & Solutions business. The sales increases in Luxembourg and Belgium resulted mainly from the stationary business with a pleasing contribution from the Services & Solutions business. By contrast, sales declined in Spain, Italy and Portugal. In Italy in particular, this development is attributable to the downturn in the overall market as a result of subdued consumer sentiment for consumer electronics and the discontinuation of government subsidies in the previous financial year.

EXPLANATION OF SALES IN THE EASTERN EUROPE SEGMENT

In the **first half of 2022/23**, sales in the Eastern Europe segment increased by 46.5 per cent to €1.4 billion. The strong depreciation of the Turkish lira continued to negatively impact the reporting period. Adjusted for currency and portfolio change effects, sales at 68.3 per cent were up significantly compared to the figure for the previous year.

In the **second quarter of 2022/23**, sales in the Eastern Europe segment increased by 62.8 per cent to around €0.7 billion. This includes effects from the application of IAS 29 (hyperinflation in Turkey) of €32 million. In local currency, the business in Turkey recorded a sustained dynamic sales performance and achieved a triple-digit sales growth rate. In Poland, sales were at the level of the previous year.

EXPLANATION OF SALES IN THE OTHERS SEGMENT

In the **first half of 2022/23**, sales in the Others segment decreased by 6.6 per cent to €0.3 billion compared with the same period the previous year. Adjusted for currency effects and portfolio changes, sales decreased by 33.1 per cent compared to the previous year.

In the **second quarter** of **2022/23**, sales in the Others segment declined by 1.5 per cent to €0.1 billion. Adjusted for currency and portfolio effects, sales decreased by 2.6 per cent and were thus below the prior-year level. Sales development in Sweden was impacted by a challenging competitive environment.

Online and Services & Solutions sales in the Group

Quarter	Sales (€ million)		Change (%)	In % of total sales
	Q2 2021/22	Q2 2022/23		
Online	1,267	1,138	−10.2	21.5
Services & Solutions	307	323	5.2	6.1

Half-year	Sales (€ million)		Change (%)	In % of total sales
	H1 2021/22	H1 2022/23		
Online	3,155	2,938	−6.9	23.8
Services & Solutions	651	717	10.1	5.8

ONLINE SHARE OF TOTAL SALES BELOW PREVIOUS YEAR IN A VOLATILE MARKET ENVIRONMENT

Online sales decreased in the **first half-year of 2022/23** by 6.9 per cent to €2.9 billion. Overall, the online share of total sales was 23.8 per cent (H1 2021/22: 26.6 per cent). In the reporting period, the pick-up rate was 38 per cent and thus above previous year's level (H1 2021/22: 36 per cent).

In the **second quarter of 2022/23**, online business recorded a decline of 10.2 per cent in a declining overall market and achieved sales of €1.1 billion. The online share of total sales was around 21.5 per cent (Q2 2021/22:

25.3 per cent). The ongoing recovery of stationary business had a negative impact on the sales performance of the online business in the second quarter. The pick-up rate increased to around 39 per cent (Q2 2021/22: 36 per cent).

RENEWED GROWTH IN SERVICES & SOLUTIONS BUSINESS

In the **first half-year of 2022/23,** sales in the Services & Solutions segment increased by 10.1 per cent to €717 million. This equates to a Services & Solutions share of total sales of 5.8 per cent (H1 2021/22: 5.5 per cent).

In the **second quarter of 2022/23**, the Services & Solutions business increased by 5.2 per cent to around €323 million. The share of the Services & Solutions business accounted for 6.1 per cent of total sales (Q2 2021/22: 6.1 per cent). The increase in sales in the Services & Solutions unit was, among other reasons, supported by higher sales in stationary business. In particular, the brokerage of extended warranties and power services contributed to the growth in sales.

Earnings development in the Group

Quarter	Reported EBIT	Reported EBIT	Change compared to prior year	Adjusted EBIT	Adjusted EBIT	Change compared to prior year
€ million	Q2 2021/22	Q2 2022/23	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2022/23
Total[1]	**−35**	**−106**	**−71**	**−58**	**−23**	**35**
DACH	−50	−19	31	−43	−3	40
Western/Southern Europe	−16	−47	−31	−17	−47	−30
Eastern Europe	7	39	32	6	33	27
Others	24	−79	−103	−5	−5	−1

[1] Including consolidation

Half-year	Reported EBIT	Reported EBIT	Change compared to prior year	Adjusted EBIT	Adjusted EBIT	Change compared to prior year
€ million	H1 2021/22	H1 2022/23	H1 2022/23	H1 2021/22	H1 2022/23	H1 2022/23
Total[1]	**241**	**115**	**−126**	**216**	**207**	**−9**
DACH	130	147	17	137	162	25
Western/Southern Europe	60	−15	−74	56	−14	−70
Eastern Europe	30	72	42	29	70	40
Others	20	−90	−110	−7	−10	−3

[1] Including consolidation

ADJUSTED GROUP EBIT IN THE SECOND QUARTER ABOVE PREVIOUS YEAR

In the **first half of 2022/23**, reported Group EBIT fell by €126 million to €115 million (H1 2021/22: €241 million). This includes non-recurring effects of around −€13 million mainly in connection with the simplification and digitization of central structures and processes, the strengthening of sales brands in Germany, legal risks in connection with changes in the legal framework and accounting effects from the application of IAS 29 in the hyperinflationary country of Turkey. In the previous year, reported Group EBIT included non-recurring effects amounting to approximately −€4 million. Earnings effects from companies accounted for using the equity method totalled around −€5 million in the reporting period (H1 2021/22: €33 million). Earnings effects from portfolio changes in connection with the disposal of the MediaMarkt Sweden business amounted to around −€75 million (H1 2021/22: −€5 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBIT declined by €9 million to €207 million (H1 2021/22: €216 million).

In the **second quarter of 2022/23**, reported Group EBIT decreased by €71 million to −€106 million (Q2 2021/22: −€35 million). This includes non-recurring effects of around −€11 million mainly in connection with the simplification and digitization of central structures and processes, the strengthening of sales brands in Germany, legal risks in connection with changes to the legal framework, and accounting effects from the application of IAS 29 in the hyperinflationary country of Turkey. In the previous year, reported Group EBIT included non-recurring effects amounting to approximately −€4 million. This includes earnings effects from companies accounted for using the equity method of around −€4 million (Q2 2021/22: €34 million) as well as earnings effects from portfolio changes in connection with the disposal of the MediaMarkt Sweden business amounted to around −€68 million (Q2 2021/22: −€4 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, and portfolio changes, Group EBIT increased by €35 million to –€23 million (Q2 2021/22: –€58 million).

The DACH and Eastern Europe segments in particular contributed to the increase in adjusted earnings. At country level, the greatest earnings improvements were seen in Germany, Turkey and Poland. The increase in adjusted Group EBIT in the **second quarter of 2022/23** reflected the good sales development and the stable gross margin. This was mainly driven by the continued recovery in the brick-and-mortar business and the associated higher income from the Services & Solutions business, also due to the previous year's weakened comparison basis as a result of the COVID-19 restrictions that were still in place. However, the expected inflationary increase in the cost of goods purchased and the rise in energy and personnel costs had a partially offsetting effect.

EXPLANATION OF THE RESULT IN THE DACH SEGMENT

In the **first half of 2022/23**, EBIT in the DACH segment was €147 million, up €17 million on the previous year (H1 2021/22: €130 million). This includes non-recurring effects amounting to approximately –€15 million (H1 2021/22: –€7 million). Adjusted for these effects, EBIT in the DACH segment increased by €25 million to €162 million (H1 2021/22: €137 million). The improved, market-oriented assessment of net selling prices of inventories resulted in a significant contribution to the improvement in earnings, which was also a consequence of strict range-oriented inventory management.

In the **second quarter of 2022/23**, EBIT in the DACH segment increased by €31 million to –€19 million (Q2 2021/22: –€50 million). This includes non-recurring effects of around –€17 million (Q2 2021/22: –€7 million). Adjusted for these effects, EBIT in the DACH segment increased by €40 million to –€3 million (Q2 2021/22: –€43 million). This resulted mainly from a clearly positive sales performance, an improvement in gross margins, and lower advertising and logistics costs in Germany. In Switzerland, the aggressively priced competitive environment again led to a decline in earnings due to lower margins. Austria and Hungary were below the previous year's level.

EXPLANATION OF THE RESULT IN THE WESTERN/SOUTHERN EUROPE SEGMENT

In the **first half of 2022/23** the Western/Southern Europe segment generated EBIT of €–15 million, €74 million below the previous year's level (H1 2021/22: €60 million). This includes non-recurring effects amounting to approximately €0 million (H1 2021/22: €4 million). Adjusted for these earnings effects, EBIT declined by €70 million to –€14 million (H1 2021/22: €56 million).

In the **second quarter of 2021/22**, EBIT in the Western/Southern Europe segment decreased by €31 million to –€47 million (Q2 2021/22: –€16 million). This includes non-recurring effects amounting to €0 million (Q2 2021/22: €1 million). Adjusted for these earnings effects and portfolio changes, EBIT amounted to –€47 million and was thus down by –€30 million from the previous year's level (Q2 2021/22: –€17 million). In the Netherlands, the improvement in earnings was driven by both the strong sales development and a gross margin improvement, due in particular to the increase of income from the Services & Solutions business compared to the prior-year quarter. Spain and Italy each recorded a decline in earnings. In Spain, adjusted earnings declined significantly as a result of lower sales, an impaired gross margin in view of an unfavourable product mix and higher costs for advertising campaigns. In Italy, the increase in earnings from Services & Solutions and the positive effect of lower personnel costs were impacted by a shift in the category and supplier mix. Belgium and Portugal were almost on a par with the previous year.

EXPLANATION OF THE RESULT IN THE EASTERN EUROPE SEGMENT

In the **first half of 2022/23**, EBIT in the Eastern Europe segment was €72 million, €42 million above the previous year's level (H1 2021/22: €30 million). In addition to one-time effects in connection with changes in the legal framework, non-recurring effects from the application of IAS 29 (hyperinflation Turkey) amounting to around €6 million are included (H1 2021/22: €0 million). In total, this includes non-recurring effects of around €3 million (H1 2021/22: €1 million). Adjusted EBIT in the Eastern Europe segment increased by €40 million to €70 million (H1 2021/22: €29 million).

In the **second quarter of 2022/23**, EBIT in the Eastern Europe segment increased by €32 million to €39 million (Q2 2021/22: €7 million). In addition to one-time effects in connection with changes in the legal framework, non-recurring effects from the application of IAS 29 (hyperinflation Turkey) amounting to around €9 million are included (Q2 2021/22: €0 million). In total, this includes non-recurring effects of around €6 million (Q2 2021/22: €1 million). Adjusted for these effects, EBIT in the Eastern Europe segment increased by €27 million to €33 million (Q2 2021/22: €6 million). The increase in adjusted EBIT was mainly due to the good sales performance in Turkey. Poland also recorded an increase in adjusted earnings.

EXPLANATION OF THE RESULT IN THE OTHERS SEGMENT

The Others segment covers, in particular, the activities of CECONOMY AG, the earnings effects from companies accounted for using the equity method, the operating business in Sweden and the activities of smaller companies.

In the **first half of 2022/23,** EBIT declined by €110 million to –€90 million compared to the previous year's period (H1 2021/22: €20 million). This includes earnings effects from companies accounted for using the equity method of –€5 million (H1 2021/22: €33 million) as well as earnings effects from portfolio changes in connection with the disposal of the MediaMarkt Sweden business amounted to around –€75 million (H1 2021/22: –€5 million). Adjusted for non-recurring effects, earnings effects from companies accounted for using the equity method, EBIT decreased by €3 million to –€10 million (H1 2021/22: –€7 million).

In the **second quarter of 2022/23**, EBIT in the Other segment decreased year-on-year by €103 million to –€79 million (Q2 2021/22: €24 million). This includes earnings effects from companies accounted for using the equity method of –€4 million (Q2 2021/22: €34 million) as well as earnings effects from portfolio changes in connection with the disposal of the MediaMarkt Sweden business amounted to around €-68 million (Q2 2021/22: –€4 million). Adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method, EBIT at –€5 million was at prior-year level (Q2 2021/22: –€5 million).

EBIT adjustments in the Group

							Q2 2021/22
		Non-recurring					
€ million	Reported EBIT	Effects from store closures	Effects of the introduction of the Operating Model	Transaction costs from minority stake acquisition	Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**–35**	**–2**	**–4**	**–1**	**0**	**30**	**–58**
DACH	–50	–4	–3	–1	0	0	–43
Western/Southern Europe	–16	1	–1	0	0	0	–17
Eastern Europe	7	0	1	0	0	0	6
Others	24	0	0	–1	0	30	–5

[1] Including consolidation

						Q2 2022/23
		Non-recurring				
€ million	Reported EBIT	Simplification and digitization of central structures and processes	Strengthening the sales brands in Germany	Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**–106**	**–6**	**–2**	**–4**	**–72**	**–23**
DACH	–19	–6	–2	–9	0	–3
Western/Southern Europe	–47	0	0	0	0	–47
Eastern Europe	39	0	0	6	0	33
Others	–79	0	0	–1	–72	–5

[1] Including consolidation

H1 2021/22

€ million	Reported EBIT	Non-recurring: Effects from store closures	Non-recurring: Effects of the introduction of the Operating Model	Non-recurring: Transaction costs from minority stake acquisition	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**241**	**−2**	**0**	**−3**	**0**	**29**	**216**
DACH	130	−3	−3	−1	0	0	137
Western/Southern Europe	60	1	2	0	0	0	56
Eastern Europe	30	0	1	0	0	0	29
Others	20	0	0	−2	0	29	−7

[1] Including consolidation

H1 2022/23

€ million	Reported EBIT	Non-recurring: Simplification and digitization of central structures and processes	Non-recurring: Strengthening the sales brands in Germany	Non-recurring: Other	Earnings effects from companies accounted for using the equity method and portfolio changes	Adjusted EBIT
Total[1]	**115**	**−6**	**−2**	**−6**	**−79**	**207**
DACH	147	−6	−2	−8	0	162
Western/Southern Europe	−15	0	0	0	0	−14
Eastern Europe	72	0	0	3	0	70
Others	−90	0	0	−1	−79	−10

[1] Including consolidation

Financial and asset position

CASH FLOW

€ million	H1 2021/22	H1 2022/23	Change
Cash flow from operating activities	−246	610	856
Cash flow from investing activities	−19	−108	−89
Cash flow from financing activities	−568	−254	315
Change in net working capital[1]	−407	236	643
Free cash flow	−342	488	830

[1] Change in net working capital shown from related balance sheet items, mainly adjusted for currency effects and for effects from the application of IAS 29

In the first half of the financial year 2022/23, **cash flow from operating activities** resulted in a cash inflow of €610 million compared with a cash outflow of €246 million in the previous year. At €505 million, EBITDA was below the previous year's figure (H1 2021/22: €578 million). The main driver of the significant year-on-year improvement is the change in net working capital. This was partly due to the planned reduction in inventories and partly to lower receivables from suppliers, which more than offset the decrease in trade liabilities and similar liabilities. In the first half of the previous year, on the other hand, a significant increase in inventories had a negative impact on cash flow. Furthermore, a significantly lower cash outflow from other operating cash flow of €29 million was recorded in the first half-year (H1 2021/22: €292 million). This was mainly due to other tax payments. The comparatively high cash outflow from other taxes in the previous year is mainly due to the deferral of sales tax payable granted as a result of the COVID 19 pandemic, which was paid in the first half of fiscal year 2021/22. Furthermore, cash outflows from change in provisions for pensions and other obligations and from income tax payments were lower than in the previous year.

Cash flow from investing activities in the first half-year of the financial year 2022/23 resulted in a cash outflow of €108 million. This compares with a cash outflow of 19 million in the prior-year period. The higher cash outflow from investing activities is attributable in particular to the change in current financial assets. Investments in property, plant and equipment were also higher than in the previous year. This was mainly due to expenditure on the modernization and modularization of existing stores. This was slightly offset by higher cash inflows from asset disposals and other disposals.

In the first half of the financial year 2022/23, **cash flow from financing activities** resulted in a cash outflow of €254 million, after €568 million in the same period of the previous year. The cash outflow from financing activities in both the current year and the previous year is mainly attributable to the repayment of lease liabilities. In the first half of 2022/23, the raising of financial debt as a result of the issue of commercial paper had a contrary effect, while a profit distribution in the first half of the previous year both to minority shareholders and to the shareholders of CECONOMY AG increased the cash outflow.

Free cash flow in the first half-year of the financial year 2022/23 was €488 million, an increase of €830 million above the previous year's figure of −€342 million.

NET WORKING CAPITAL ON MARCH 31, 2023 IMPROVED COMPARED WITH PREVIOUS YEAR

As of March 31, 2023, **net working capital** amounted to −€670 million, and was therefore €259 million below the previous year's figure (March 31, 2022: −€411 million). Lower inventories and receivables from suppliers more than offset the reduction in trade liabilities. The planned reduction in inventories was supported by successful marketing activities and higher customer demand. The lower supplier receivables are due to earlier invoicing as well as a demand-driven lower volume of purchases. The decrease in the item trade liabilities and similar liabilities is due to shorter payment terms, partly as a result of direct purchasing from selected manufacturers, and a lower order volume.

NET DEBT ON MARCH 31, 2023 LOWER COMPARED TO PREVIOUS YEAR

As of March 31, 2023, **net debt on the balance sheet** amounted to €-1,666 million, compared with −€1,824 million in the previous year. The €158 million decrease in net debt with slightly higher financial debt is attributable to the increase in cash and cash equivalents, partly as a result of higher sales. Adjusted for lease liabilities, net liquidity as of March 31, 2023 amounted to €160 million (March 31, 2022: €199 million).

INVESTMENTS BELOW PRIOR-YEAR LEVEL

Investments totalled €267 million in the first half of 2022/23, €55 million below the previous year's level (H1 2021/22: €322 million). The significant decrease is mainly attributable to reduced additions of rental right-of-use assets of

€172 million, which was €70 million lower than in the prior-year period (H1 2021/22: €242 million). The main driver of this development was a lower addition of rental right-of-use assets in the Netherlands, which was due to the extension of existing rental agreements in the previous year. One-time effects from the revaluation of rental agreements in Italy in the previous year contributed as well. By contrast, the first half of 2022/23 saw an increase in investments in modernization activities as store modernizations and modularizations were driven forward, mainly in Germany. In addition, a higher number of new store openings led to a slight increase in investments on expansion.

In the second quarter of 2022/23, investments totalled €134 million, €44 million below the previous year's level (Q2 2021/22: €177 million). The decrease was mainly due to the decline in additions of right-of-use assets in the Netherlands, Hungary, Austria, and Italy.

The network of stores was expanded in the first six months of 2022/23 by two stores each in Germany, Italy and Spain, and one store each in Austria and Turkey. By contrast, two stores in Germany and one store each in Belgium, Italy, the Netherlands and Spain were closed during the reporting period. In the second quarter of 2022/23, the store network was expanded by one store each in Germany and Austria. By contrast, two stores in Germany and one store in Spain were closed in the second quarter of 2022/23. At the end of the second quarter of 2022/23, the total number of stores was therefore 1,026. The average selling space per location decreased compared with December 31, 2022 from 2,518 square metres by 0.2 percent to 2,513 square meters as of March 31, 2023.

FINANCING

CECONOMY issues financial instruments on the capital market for medium-and long-term financing. At March 31, 2023, five promissory note loans with a total volume of €121 million and remaining terms of up to four years were outstanding. A senior unsecured bond of €500 million with a term until June 24, 2026 was also outstanding at the end of the reporting period. In addition, CECONOMY AG issued a convertible bond with a term of five years and a nominal volume of €151 million on June 9, 2022, as part of the complete takeover of the shares in Media-Saturn-Holding GmbH.

For obtaining short-term financial funding, CECONOMY has a euro-denominated commercial paper programme with a maximum volume of €500 million in place. As of March 31, 2023, commercial papers in the amount of 10 million were outstanding (March 31, 2022: €26 million).

In addition, two syndicated credit facilities linked to sustainability targets are available to CECONOMY AG in an amount of €1,060 million with initial terms until May 2024 (€353 million) and May 2026 (€707 million). Both tranches provide for two options to extend the term by a further year in each case, with the first one-year extension option to May 2025 having been taken up for the €353 million tranche. As in the previous year, the syndicated credit facilities had not been utilized as of March 31, 2023.

CECONOMY is rated by the international rating agencies Fitch (BB, outlook "Stable"), Moody's (B1, outlook "Stable") and Scope (BBB-, outlook "Stable") as of March 31, 2023.

Opportunities and risks

The material opportunities and risks for CECONOMY as well as detailed information on the company's risk and opportunity management system are presented on pages 66 to 74 of CECONOMY AG's Annual Report 2022/23. Since the date of preparation of the consolidated financial statements on December 8, 2022, the following changes have occurred with regard to the material opportunities and risks and the expected development of the Group.

CHANGES IN THE RISK SITUATION

There are no significant changes in CECONOMY's risk situation as of March 31, 2023.

A high rate of consumer price inflation due to the Russian war of aggression against Ukraine and the resulting rising prices -initially driven by a massive increase in energy prices- continue to induce a subdued consumer climate (despite current recovery trends). On the other hand, a feared gas shortage did not occur in the winter half-year. Also, after the cancellation of the zero COVID strategy by China, no more negative effects are expected from the COVID 19 pandemic, so the addition was removed from the risk designation **"Deterioration of the consumer climate - economic crisis"**.

Risks from macroeconomic effects due to a sustained increase in the consumer price inflation rate have partially materialized. As a result of this ongoing strain and consumer uncertainty in the prevailing macroeconomic environment, a reticence in demand is evident across broad sectors of the industry.

Stationary visitor traffic continues to lag behind pre-pandemic levels, but recovery trends are visible. More focused purchasing behaviour on the part of customers, which is reflected among other things in a higher average sales receipt, is having the opposite effect. Rising consumer price inflation or stagnation at a high level therefore continues to pose a risk. In the medium and long terms, the geopolitical situation in Eastern Europe could lead to muted consumer confidence, further price increases and upheaval along the entire value chain. Considerably increased prices for raw materials, a loss of purchasing power for private households, and potential de-globalization tendencies could likewise lead to a sustained reduction in private consumption. The duration and further effects are not yet fully foreseeable and assessable. The consequences of Russia's war of aggression against Ukraine may destabilize and burden the economic and political situation in Europe in the longer term. The associated possible deterioration in the consumer climate in most of the countries in which CECONOMY operates represents a significant risk.

The experience from the COVID-19 pandemic but also the current geopolitical upheavals have highlighted the high dependency on intact supply chain operations. An intensification of the China-Taiwan conflict and possible trade restrictions therefore represent an additional high risk.

Compared with the opportunity and risk report from 2021/22, the risk is still considered high due to the uncertain overall economic situation and possible further long-term consequences for consumers.

Generally speaking, the changed consumer behaviour during the COVID-19 pandemic and the associated shift in sales shares from brick-and-mortar to online business may become established at a higher level. In recent quarters, online sales have declined slightly year-on-year. CECONOMY monitors these market changes on an ongoing basis and derives strategies for its own business from this. CECONOMY has already successfully responded to this and further expanded and improved its omnichannel processes.

Political development in individual countries, the threat of trade conflicts and increasing protectionism also continue to pose challenges to CECONOMY's operating business and could cause further deterioration of the consumer sentiment. This is evident in Turkey, for example, which is still affected by a tense domestic political situation, currency devaluation through politicization of monetary policy, and rising inflation.

Apart from the topics mentioned above, the following changes to the risk assessment since December 8, 2022, have been observed.

An essential part of the management of financial risks is to guarantee unrestricted capital market access for CECONOMY AG. A downgrade of the current ratings and lower credit ratings from banks and suppliers could have negative implications for 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. Despite a small EBIT effect, it could lead to a significant deterioration of the liquidity situation. As a rule, deterioration of net working capital would increase the probability of an additional requirement for finance. CECONOMY therefore continuously optimizes and monitors the key figures relevant for the rating in particular in order to be able to initiate countermeasures at short notice. In order to counter this risk, the strategy is aimed chiefly at the optimization of net working capital through an efficient allocation of investment resources and the active management of assets and liabilities. A downturn in the economy and at the same time negative developments in the retail sector, triggered by a sharp deterioration in consumer sentiment as a result of inflationary developments in the euro zone, led to a temporary deterioration in net operating assets in the past financial year. Solid business performance in the first half of the current fiscal year coupled with an improvement in net operating assets led to a release of capital and thus a significantly improved liquidity situation.

Due to the continuing tense macroeconomic situation and the associated consumer sentiment, the view of rating agencies in particular on the retail sector is currently clouded. On this basis, CECONOMY has classified the risk of "lower credit ratings by banks and other stakeholders" in its assessment as being more significant and continues to be classified as high.

Non-compliance with the high regulatory and documentary data protection requirements can be penalized with considerable fines. It also increases the risk of reputational damage, claims for damages, official measures and other sanctions. One of the core issues with regard to data protection in the CECONOMY Group is the processing of customers' and employees' personal data. CECONOMY is aware of its significant responsibility and the significance of this issue. In view of the increasing activity of authorities, the increased complexity of systems and issues, particularly in combination with growing online activities, CECONOMY now considers that the risk is significant and continues to be high.

There are no going concern risks and at present no such risks are discernible in future either.

CHANGES IN THE OPPORTUNITY SITUATION

Since the preparation of the consolidated financial statements on December 8, 2022, there has been the following change to the opportunities portfolio of CECONOMY.

On the basis of the agreement with Convergenta Invest GmbH on the acquisition of the minority shareholding in MediaMarktSaturn and reorganization of the shareholder structure, the transaction will make CECONOMY's tax-loss carry-forwards structurally usable. The accounting effects and the associated positive effect on the tax rate were presented for the first time in fiscal year 2021/22. There is further potential from the ongoing post-capitalization of deferred tax assets, as the amount of usable tax loss carryforwards significantly exceeds the level recognized in fiscal 2021/22.

Further opportunities continue to arise, for example, from the consistent implementation of the business model transformation. This particularly relates to focus issues such as category management, supply chain, online and Services & Solutions, and the international expansion of successful marketplace activities. The exploration of new and innovative business areas and services (e.g. e-mobility) is actively promoted by observing the changes in customer needs, identifying new trends and developing innovative ideas. For the implementation of a digitally driven omnichannel sales model, the establishment and expansion of the necessary processes and structures is ongoing.

Sustainability is an essential element of our strategic thinking and, given current societal and regulatory developments (e.g. the implementation of the German Act on Corporate Due Diligence in Supply Chains), its global importance will continue to grow. A holistic sustainability strategy has been developed and consistently implemented in order to meet the expectations of customers, employees, investors, politicians and society. CECONOMY believes that this field provides a wide variety of options for new business areas. These include the creation of a more sustainable product mix in the areas of circular economy business models, high-quality customer advice and education on sustainable consumption, and measures to reduce the CO_2 emissions of the company's own operations. CECONOMY believes that it has a responsibility to society to make a relevant contribution to sustainability.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Income statement

€ million	Q2 2021/22	Q2 2022/23	H1 2021/22	H1 2022/23
Sales	**5,019**	**5,302**	**11,873**	**12,368**
Cost of sales	−4,159	−4,402	−9,830	−10,272
Gross profit on sales	**859**	**900**	**2,042**	**2,097**
Other operating income	37	65	108	111
Selling expenses	−816	−848	−1,663	−1,725
General administrative expenses	−147	−151	−274	−294
Other operating expenses	−1	−64	−2	−64
Earnings share of operating companies recognized at equity	34	−4	33	−5
Net impairments on operating financial assets and contract assets	−2	−3	−4	−5
Earnings before interest and taxes (EBIT)	**−35**	**−106**	**241**	**115**
Other investment result	1	0	13	0
Interest income	6	22	8	31
Interest expenses	−14	−34	−32	−65
Other financial result	0	−3	−7	−6
Net financial result	**−7**	**−15**	**−17**	**−40**
Earnings before taxes (EBT)	**−42**	**−122**	**224**	**75**
Income taxes	8	75	−97	6
Profit or loss for the period	**−33**	**−47**	**127**	**81**
Profit or loss for the period attributable to non-controlling interests	−13	0	25	1
Profit or loss for the period attributable to shareholders of CECONOMY AG	−21	−47	102	80
Undiluted earnings per share €[1]	**−0.06**	**−0.10**	**0.28**	**0.16**
Diluted earnings per share in €[1]	**−0.06**	**−0.10**	**0.28**	**0.16**

[1] 485,221,084 ordinary shares outstanding since 3 June 2022

Reconciliation from profit or loss for the period to total comprehensive income

€ million	Q2 2021/22	Q2 2022/23	H1 2021/22	H1 2022/23
Profit or loss for the period	**−33**	**−47**	**127**	**81**
Other comprehensive income				
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	**−74**	**7**	**−129**	**18**
Remeasurement of defined benefit pension plans	26	−6	27	−3
Gains/losses on remeasuring financial instruments measured at fair value through other comprehensive income	−100	12	−157	20
Subsequent measurement of associates/joint ventures accounted for using the equity method	0	1	0	1
Items of other comprehensive income that may be reclassified subsequently to profit or loss	**4**	**8**	**2**	**11**
Currency translation differences from translating the financial statements of foreign operations	4	8	2	11
Other comprehensive income	**−69**	**15**	**−127**	**30**
Total comprehensive income	**−103**	**−31**	**0**	**111**
Total comprehensive income attributable to non-controlling interests	−33	0	−6	1
Total comprehensive income attributable to shareholders of CECONOMY AG	−70	−32	6	110

Statement of financial position

Assets

€ million	30/09/2022	31/03/2022	31/03/2023
Non-current assets	**3,865**	**3,710**	**3,906**
Goodwill	524	524	524
Other intangible assets	152	135	161
Property, plant and equipment	541	476	526
Right-of-use assets	1,835	1,895	1,721
Financial assets	115	123	137
Investments accounted for using the equity method	388	458	385
Other financial assets	2	2	2
Other assets	5	7	4
Deferred tax assets	302	90	446
Current assets	**6,134**	**6,492**	**6,011**
Inventories	3,176	3,618	3,061
Trade receivables and similar claims	440	396	418
Receivables due from suppliers	1,296	1,163	993
Other financial assets	142	256	125
Other assets	163	245	219
Income tax assets	147	103	129
Cash and cash equivalents	769	711	1,004
Assets held for sale	–	–	61
	9,998	**10,203**	**9,917**

Equity and liabilities

€ million	30/09/2022	31/03/2022	31/03/2023
Equity	**592**	**684**	**700**
Share capital	1,240	919	1,240
Capital reserve	389	321	389
Reserves retained from earnings	−1,039	−586	−932
Non-controlling interests	2	31	3
Non-current liabilities	**2,642**	**2,578**	**2,597**
Provisions for pensions and similar obligations	332	404	331
Other provisions	43	38	45
Borrowings	2,184	2,076	2,098
Other financial liabilities	14	25	14
Other liabilities	3	4	4
Deferred tax liabilities	65	32	104
Current liabilities	**6,765**	**6,940**	**6,620**
Trade liabilities and similar liabilities	5,340	5,588	5,142
Provisions	95	77	70
Borrowings	589	565	572
Other financial liabilities	360	309	306
Other liabilities	309	280	335
Income tax liabilities	72	120	94
Liabilities related to assets held for sale	–	–	99
	9,998	**10,203**	**9,917**

Condensed statement of changes in equity

€ million	Share capital	Capital reserve	Reserves retained from earnings	Total equity before non-controlling interests	Non-controlling interests	Total equity
30/09 or 01/10/2021	**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**
Dividend	0	0	−63	−63	−6	−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
31/03/2022	**919**	**321**	**−586**	**654**	**31**	**684**
30/09 or 01/10/2022	**1,240**	**389**	**−1,039**	**590**	**2**	**592**
Profit or loss for the period	0	0	80	80	1	81
Other comprehensive income	0	0	30	30	0	30
Total comprehensive income	**0**	**0**	**110**	**110**	**1**	**111**
Dividend	0	0	−2	−2	0	−2
Equity transactions with change in equity interest without obtaining/relinquishing control	0	0	−1	−1	0	−1
Other changes	0	0	0	0	0	0
31/03/2023	**1,240**	**389**	**−932**	**697**	**3**	**700**

Cash flow statement

€ million	H1 2021/22	H1 2022/23
EBIT	241	115
Scheduled depreciation/amortization, impairment losses and reversals of impairment losses on intangible assets, property, plant and equipment, right-of-use assets and impairment losses and reversals of impairment losses on investments accounted for using the equity method and assets held for sale	337	390
Change in provisions for pensions and similar obligations	–49	–15
Change in net working capital[1]	–407	236
Income taxes paid	–75	–58
Reclassification of gains (–)/losses (+) from the disposal of fixed assets	0	–1
Other	–292	–29
Gain or loss on the net monetary position	0	–27
Cash flow from operating activities from continuing operations	**–246**	**610**
Cash flow from operating activities from discontinued operations	0	0
Cash flow from operating activities	**–246**	**610**
Investments in property, plant and equipment	–76	–98
Other investments	–20	–24
Disposal of long-term assets and other disposals	7	14
Change in current financial assets	70[2]	0
Cash flow from investing activities from continuing operations	**–19**	**–108**
Cash flow from investing activities from discontinued operations	0	0
Cash flow from investing activities	**–19**	**–108**
Dividends paid	–104	–2
thereof dividends paid to the shareholders of CECONOMY AG	–63	0
Equity transactions with change in equity interest without obtaining/relinquishing control	-1	0
Redemption of liabilities from put options of non-controlling interests	-23	–1
Proceeds from long-term borrowings	26	198
Redemption of lease liabilities	–253	–244
Repayment of financial debt (excluding leasing)	–191	–218
Change in other current financial liabilities	–17[3]	50
Interest paid	–28	–53
Interest received	8	21
Profit and loss transfers and other financing activities	16	–5
Cash flow from financing activities from continuing operations	**–568**	**–254**
Cash flow from financing activities from discontinued operations	0	0
Cash flow from financing activities	**–568**	**–254**
IAS 29 effects on cash flows from operating, investing and financing activities	0	11
Total cash flows	**–833**	**260**
Currency and inflation effects on cash and cash equivalents	–37	–40
Total change in cash and cash equivalents	**–870**	**220**
Total cash and cash equivalents as of October 1	1,582	791
Less effect from indexation of cash and cash equivalents	0	22
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	0
Total cash and cash equivalents as of October 1 according to balance sheet	**1,582**	**769**
Total cash and cash equivalents as of March 31	711	1,011
Less cash and cash equivalents recognized in assets in accordance with IFRS 5	0	6
Cash and cash equivalents as of March 31 according to balance sheet	**711**	**1,004**

[1] Change in net working capital shown from related balance sheet items, mainly adjusted for currency effects and for effects from the application of IAS 29
[2] Reported in the previous year under "Financial investments and securities" at -€365 million and under "Disposals of financial investments and securities" at €435 million
[3] Reported in the previous year under "Redemption of other borrowings" at -€21 million and under "Proceeds from long-term borrowings" at €4 million

SELECTED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment reporting

	DACH		Western/ Southern Europe		Eastern Europe		Others		Consolidation		CECONOMY[1]	
€ million	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23
External sales (net)	2,815	2,888	1,679	1,630	416	678	108	107	0	0	5,019	5,302
Internal sales (net)	11	10	1	1	0	0	2	6	−14	−17	0	0
Sales (net)	2,825	2,898	1,680	1,630	416	678	111	113	−14	−17	5,019	5,302
EBITDA	49	71	37	7	19	55	27[2]	−13[2]	0	0	132	119
Scheduled depreciation/amortization and impairment losses	100	96	53	54	11	16	3	66[3]	0	0	168	231
Reversals of impairment losses	0	6	0	0	0	0	0	0	0	0	0	6
EBIT	−50	−19	−16	−47	7	39	24[2]	−79[2]	0	0	−35	−106
EBIT adjusted	−43	−3	−17	−47	6	33	−5[4]	−5[4]	0	0	−58	−23
Investments	76	61	82	47	16	24	2	2	0	0	177	134
Non-current segment assets	1,918	1,790	933	951	144	180	502	400	0	0	3,497	3,322
Investments accounted for using the equity method	(0)	(0)	(0)	(0)	(0)	(0)	(458)	(385)	(0)	(0)	(458)	(385)

[1] Includes external sales in Q2 2022/23 of €2,364 million (Q2 2021/22: €2,306 million) for Germany, of €502 million (Q2 2021/22: €563 million) for Italy, of €527 million (Q2 2021/22: €545 million) for Spain, as well as non-current segment assets as of March 31, 2023, of €1,927 million (March 31, 2022: €2,115 million) for Germany, and €381 million (March 31, 2022: €361 million) for Italy.
[2] In Q2 2022/23, this includes expenses from operating companies recognized at equity in the Others segment in the amount of -€4 million (Q2 2021/22: €34 million income).
[3] Includes impairments for the disposal group of Media Markt Sweden group for the amount of €63 million
[4] Excluding EBIT adjusted for the portfolio change for Sweden

	DACH		Western/ Southern Europe		Eastern Europe		Others		Consolidation		CECONOMY[1]	
€ million	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23
External sales (net)	6,733	6,827	3,896	3,865	969	1,420	275	257	0	0	11,873	12,368
Internal sales (net)	22	20	1	2	0	0	4	11	−27	−33	0	0
Sales (net)	6,755	6,847	3,897	3,867	969	1,420	279	267	−27	−33	11,873	12,368
EBITDA	330	333	166	92	53	101	27[2]	−21[2]	1	0	578	505
Scheduled depreciation/amortization and impairment losses	201	192	107	106	23	29	7	69[3]	0	0	337	396
Reversals of impairment losses	0	6	0	0	0	0	0	0	0	0	0	6
EBIT	130	147	60	−15	30	72	20[2]	−90[2]	1	0	241	115
EBIT adjusted	137	162	56	−14	29	70	−7[4]	−10[4]	1	0	216	207
Investments	143	131	140	90	35	38	4	8	0	0	322	267
Non-current segment assets	1,918	1,790	933	951	144	180	502	400	0	0	3,497	3,322
Investments accounted for using the equity method	(0)	(0)	(0)	(0)	(0)	(0)	(458)	(385)	(0)	(0)	(458)	(385)

[1] Includes external sales in H1 2022/23 of €5,550 million (H1 2021/22: €5,509 million) for Germany, of €1,286 million (H1 2021/22: €1,408 million) for Italy and €1,253 million (H1 2021/22: €1,242 million) for Spain, as well as non-current segment assets as of March 31, 2023, of €1,927 million (March 31, 2022: €2,115 million) for Germany, and €381 million (March 31, 2022: €361 million) for Italy.
[2] In H1 2022/23, this includes expenses from operating companies recognized at equity in the Others segment in the amount of €-5 million (H1 2021/22: €33 million income).
[3] Includes impairments for the disposal group of Media Markt Sweden group for the amount of €63 million
[4] Excluding EBIT adjusted for the portfolio change for Sweden.

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 October 1, 2022, to March 31, 2023, 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 March 31, 2023, 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 (€ 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 September 30, 2022. Further information on the accounting policies can be found in the notes to the consolidated financial statements as of September 30, 2022 (see Annual Report 2021/22, pages 95–113).

NEW ACCOUNTING STANDARDS

The new and amended standards that are generally to be applied for the first time from October 1, 2022, and that CECONOMY considers material are described below.

IFRS 3

The amendment to IFRS 3 includes an adjusted reference to the IFRS framework, which became necessary as a result of the revision of the framework in 2018. Furthermore, an amendment has been made to the effect that, in the case of obligations that fall within the scope of IAS 37 or IFRIC 21, the acquirer must apply these provisions instead of the provisions of the Framework. In addition, IFRS 3 contains a prohibition on recognizing contingent assets of the acquirer. The amendments do not have any impact on the condensed consolidated interim financial statements of CECONOMY.

IAS 16

The amendment to IAS 16 clarifies that revenue generated before the intended use of an item of property, plant and equipment is not to be deducted from the cost of an item of property, plant and equipment. Instead, these must be recognized directly in profit or loss. The amendments do not have any impact on the condensed consolidated interim financial statements of CECONOMY.

IAS 37

The amendment to IAS 37 clarifies the definition of the settlement costs of an onerous contract. Accordingly, fulfilment costs include both the incremental costs incurred in fulfilling the contract and other costs directly attributable to the performance of the contract. The amendments do not have a significant impact on the condensed consolidated interim financial statements of CECONOMY.

Various

A total of four standards were amended as part of the annual improvements to IFRS (2018-2020). The amendments relate to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments," IFRS 16 "Leases," and IAS 41 "Agriculture". The amendments do not have any impact on the condensed consolidated interim financial statements of CECONOMY.

ESTIMATES AND ASSUMPTIONS

In the context of a more appropriate calculation of expected net selling prices in accordance with IAS 2, which better reflects the general conditions, there was a positive effect in the low double-digit million euro range.

Notes to the income statement

SALES

Sales (net) primarily result from product sales and break down as follows:

Quarter	DACH	Western/ Southern Europe	Eastern Europe	Others	CECONOMY
€ million	Q2 2022/23	Q2 2022/23	Q2 2022/23	Q2 2022/23	Q2 2022/23
Product sales	2,700	1,531	651	97	4,979
Services & Solutions	188	99	27	10	323
Total sales	**2,888**	**1,630**	**678**	**107**	**5,302**

Half-year	DACH	Western/ Southern Europe	Eastern Europe	Others	CECONOMY
€ million	H1 2022/23	H1 2022/23	H1 2022/23	H1 2022/23	H1 2022/23
Product sales	6,408	3,642	1,366	235	11,652
Services & Solutions	419	223	54	21	717
Total sales	**6,827**	**3,865**	**1,420**	**257**	**12,368**

Total sales in the first half of 2022/23 are €12,368 million. Product sales came to €11,652 million, with sales from Services & Solutions totalling €717 million.

Total sales in the second quarter of 2022/23 are €5,302 million. Sales of goods account for €4,979 million and sales from Services & Solutions for €323 million.

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 2021/22

€ 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 operating companies recognized at equity	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)**

Q2 2022/23

€ million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Assets held for sale	Total
Cost of sales	0	0	1	0	0	0	1
thereof scheduled depreciation/amortization	(0)	(0)	(0)	(0)	(0)	(0)	(0)
thereof impairment losses	(0)	(0)	(1)	(0)	(0)	(0)	(1)
Selling expenses	0	1	32	121	0	0	154
thereof scheduled depreciation/amortization	(0)	(1)	(31)	(121)	(0)	(0)	(153)
thereof impairment losses	(0)	(0)	(1)	(0)	(0)	(0)	(1)
General administrative expenses	0	5	5	3	0	0	13
thereof scheduled depreciation/amortization	(0)	(5)	(5)	(3)	(0)	(0)	(13)
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other operating expenses	0	0	0	0	0	63	63
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(63)	(63)
Earnings share of operating companies recognized at equity	0	0	0	0	0	0	0
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total	0	6	37	125	0	63	231
thereof scheduled depreciation/amortization	(0)	(6)	(36)	(124)	(0)	(0)	(166)
thereof impairment losses	(0)	(0)	(1)	(0)	(0)	(63)	(65)

H1 2021/22

€ 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 operating companies recognized at equity	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)**

H1 2022/23

€ million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investments accounted for using the equity method	Assets held for sale	Total
Cost of sales	0	0	1	0	0	0	1
thereof scheduled depreciation/amortization	(0)	(0)	(0)	(0)	(0)	(0)	(0)
thereof impairment losses	(0)	(0)	(1)	(0)	(0)	(0)	(1)
Selling expenses	0	2	63	242	0	0	306
thereof scheduled depreciation/amortization	(0)	(2)	(62)	(241)	(0)	(0)	(305)
thereof impairment losses	(0)	(0)	(1)	(0)	(0)	(0)	(1)
General administrative expenses	0	11	9	6	0	0	26
thereof scheduled depreciation/amortization	(0)	(11)	(9)	(6)	(0)	(0)	(26)
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Other operating expenses	0	0	0	0	0	63	63
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(63)	(63)
Earnings share of operating companies recognized at equity	0	0	0	0	0	0	0
thereof impairment losses	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total	0	12	73	248	0	63	396
thereof scheduled depreciation/amortization	(0)	(12)	(71)	(247)	(0)	(0)	(331)
thereof impairment losses	(0)	(0)	(2)	(0)	(0)	(63)	(65)

Notes to the statement of financial position

Investments accounted for using the equity method

As of March 31, 2023, investments in associates and joint ventures accounted for using the equity method of €385 million were recognized (September 30, 2022: €388 million). The investment in the associate Fnac Darty S.A. is a material investment accounted for using the equity method, which on the balance sheet date March 31, 2023, has also been the only company included in CECONOMY's consolidated financial statements using the equity method.

In the first half of 2022/23, €5 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 (H1 2021/22: income in the amount of €33 million). In addition, approximately €2 million (H1 2021/22: –€1 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.

As of March 31, 2023, derived indications have been identified through the stock market price of Fnac Darty S.A., which indicated a possible impairment of the shares. As a result, a value indication was determined using a scenario-based DCF method. As a result, it was found that the carrying amount of the shares in Fnac Darty S.A. was within this indicative value range. As there were no other substantial indications to suggest that the recoverable amount was lower than the carrying amount, the shares in Fnac Darty S.A. were accounted for using the equity method under the assumption of recoverability at the reporting date of March 31, 2023.

Assets held for sale/liabilities related to assets held for sale

MEDIAMARKT SWEDEN DISPOSAL GROUP

On February 14, 2023, CECONOMY AG announced that CECONOMY and the Northern European electronics retailer Power International AS ("Power") have entered into an agreement regarding a strategic transaction and a joint future of the Swedish business. Accordingly, Power Retail Sweden AB, a wholly owned subsidiary of Power, intends to acquire 100 per cent of MediaMarkt Sweden. In return, CECONOMY will receive a minority stake of 20 per cent in Power Sweden. All warranties and obligations to customers and suppliers are assumed by Power and continue to apply as before.

As of March 31, 2023, the MediaMarkt Sweden business represents a disposal group for CECONOMY within the meaning of IFRS 5. The assets and liabilities concerned are measured at the lower of carrying amount and fair value as part of the reclassification. If a write-down is required, only the non-current assets are written down initially. If the need for impairment exceeds the carrying amounts of the non-current assets, the approach chosen by CECONOMY is to include the current assets in the impairment and also write them down in proportion to their carrying amounts. The assets and liabilities concerned are reported separately as "Assets held for sale" and "Liabilities associated with assets held for sale," respectively.

The reclassification in accordance with IFRS 5 resulted in an impairment loss of €63 million in the Others segment. From the date of reclassification on February 28, 2023, until the date of deconsolidation, scheduled depreciation of the non-current assets concerned will be interrupted.

The closing of the transaction is subject to regulatory approval and is expected in Q4 2022/23. The transaction is expected to result in a cash outflow in the mid-double-digit million euro range. The income resulting from the derecognition of currency effects at the time of deconsolidation is reported in the financial result. Overall, this is a portfolio measure that is not relevant to forecasting.

€ million	Status before impairment	Impairment	31/03/2023
Non-current assets	**26**	**−25**	**0**
Property, plant and equipment	6	−6	0
Right-of-use assets	20	−20	0
Current assets	**99**	**−38**	**61**
Inventories	67	−29	39
Trade receivables and similar claims	8	−3	5
Receivables due from suppliers	14	−6	8
Other assets	4	-	4
Cash and cash equivalents	6	-	6
Assets	**125**	**−63**	**61**
Non-current liabilities	**16**	**-**	**16**
Borrowings	15	-	15
Current liabilities	**83**	**-**	**83**
Trade liabilities and similar liabilities	62	-	62
Provisions	1	-	1
Borrowings	8	-	8
Other financial liabilities	8	-	8
Other liabilities	5	-	5
Liabilities	**99**	**-**	**99**

DIVIDENDS PAID

The dividend distribution of CECONOMY AG is based on the annual financial statements of CECONOMY AG in accordance with German commercial law.

No dividend payment was carried out in financial year 2021/22.

IMPACT FROM THE REMEASUREMENT OF DEFINED BENEFIT PENSION PLANS

In the context of the recognition of actuarial gains and losses, a total of €3 million from the remeasurement of defined benefit pension plans was recognized reducing equity in other comprehensive income of CECONOMY in the first six months of the financial year 2022/23 (H1 2021/22: €27 million increase in equity). The remeasurement mainly comprises effects from the inflation-related increase in the pension trend rate for German pension commitments from 2.00 percent on October 1, 2022 to 2.20 percent on March 31, 2023. This was offset by the increase in the discount rate for the relatively small portion of pension provisions in the euro zone, for which the discount rate for the previous annual financial statements had already been determined before the reporting date.

The country-specific actuarial interest rates and pension trend assumptions developed as follows:

	31/03/2022			31/03/2023		
%	Germany	Switzerland	Other countries	Germany	Switzerland	Other countries
Actuarial interest rate	2.60-3.90	1.85	3.37	3.90-4.00	1.85	4.75
Pension trend	2.00	0.00	N/A	2.20	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.

31/03/2022

€ million	Carrying amount	Value in statement of financial position: (Amortized) acquisition costs	Value in statement of financial position: Fair value through profit or loss	Value in statement of financial position: Fair value through other comprehensive income	Fair value
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 financial 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 €62 million or contract assets of €163 million
[2] Not including lease liabilities of €2,024 million
[3] Not including continuing involvement of €62 million or contract liabilities of €242 million

31/03/2023

€ million	Carrying amount	Value in statement of financial position: (Amortized) acquisition costs	Value in statement of financial position: Fair value through profit or loss	Value in statement of financial position: Fair value through other comprehensive income	Fair value
Assets					
Measured at amortized cost	**2,291**	**2,291**	**0**	**0**	**2,291**
Cash and cash equivalents	1,004	1,004	0	0	1,004
Receivables due from suppliers	993	993	0	0	993
Trade receivables and similar claims[1]	155	155	0	0	155
Loans and advance credit granted	16	16	0	0	16
Miscellaneous financial assets	122	122	0	0	122
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	**121**	**0**	**0**	**121**	**121**
Equity instruments	121	0	0	121	121
Equity and liabilities					
Measured at amortized cost	**6,030**	**6,030**	**0**	**0**	**5,854**
Borrowings[2]	844	844	0	0	668
Trade liabilities and similar liabilities[3]	4,866	4,866	0	0	4,866
Miscellaneous financial liabilities	320	320	0	0	320
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 €70 million and contract assets of €193 million
[2] Not including lease liabilities of €1,826 million
[3] Not including continuing involvement of €70 million and contract liabilities of €207 million

The classes were 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 different 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.

Input parameters of the level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Input parameters of the level 2: Other inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Input parameters of the level 3: Input parameters not observable for the asset or liability

Equity instruments of €121 million (March 31, 2022: €109 million) are subsequently measured at fair value through other comprehensive income. €84 million (March 31, 2022: €72 million) of this relates to listed companies, with €55 million (March 31, 2022: €43 million) attributable to the 15 per cent investment in Russia’s leading consumer electronics retailer PJSC “M.video” and €29 million (March 31, 2022: €29 million) attributable to the roughly 1 per cent share in METRO AG.

Equity instruments of €37 million (March 31, 2022: €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 €35 million (March 31, 2022: €35 million) is the 6.61 per cent investment in METRO PROPERTIES GmbH & Co. KG.

The financial instruments measured at fair value as of March 31, 2022, in accordance with IFRS 9 are allocated as follows within the three-level fair value hierarchy:

				31/03/2022
€ 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**

The financial instruments measured at fair value as of March 31, 2022, in accordance with IFRS 9 are allocated as follows within the three-level fair value hierarchy:

				31/03/2023
€ million	Total	Level 1	Level 2	Level 3
Assets	**126**	**29**	**5**	**92**
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	**121**	**29**	**0**	**92**
Equity instruments	121	29	0	92
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	**126**	**29**	**5**	**92**

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 €92 million as of March 31, 2023 (March 31, 2022: €80 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" rose by €12 million to €55 million as of March 31, 2023 (March 31, 2022: €43 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 March 31, 2022 it was necessary to change the fair value hierarchy level from level 1 (March 31, 2021) to level 3.

The starting point for this Level 3 value derivation is the stock market price of 190.1 rubles per share determined on the Moscow Stock Exchange on March 31, 2023. This stock market price was adjusted with a discount of 10 per cent for the purpose of a best possible estimate of the market value. This Russian ruble-denominated amount was converted based on the spot rate determined by the Central Bank of Russia as of March 31, 2023. As a result, the market value estimate thus derived for the 15 per cent investment in PJSC "M.video" amounts to €55 million.

Varying the material measurement parameters, a 10 per cent increase in the markdown would decrease the carrying amount by €6 million. Reducing the markdown by 10 per cent would increase the carrying amount by €6 million. Increasing the exchange rate by 10 per cent would decrease the carrying amount by €5 million. Reducing the exchange rate by 10 per cent would increase the carrying amount by €6 million.

The fair value of the shares in METRO PROPERTIES GmbH & Co. KG amounted to €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 in 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 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

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, amortisation, impairment losses and reversals of impairment losses on intangible assets, property, plant and equipment, right-of-use assets and impairment losses and reversals of impairment losses on investments accounted for using the equity method and assets held for sale.

– In the first half 2022/23, adjusted EBIT is adjusted for non-recurring effects and earnings effects from companies accounted for using the equity method and portfolio changes. Non-recurring effects in the first half of 2022/23 include earnings effects mainly in connection with the simplification and digitization of central structures and processes, the strengthening of sales brands in Germany, legal risks in connection with changes in the legal framework, and accounting effects from the application of IAS 29 in the hyperinflationary country of Turkey. In the comparable reporting period of the previous year, adjusted EBIT was also applied, whereby the adjustment related to non-recurring effects in connection with COVID 19-related store closures, the introduction of a uniform group-wide organizational structure ("Operating Model"), the transaction concerning the acquisition of the MediaMarktSaturn minority shareholding announced on December 14, 2020, and the reorganization and simplification of the corporate structure.

  In the second quarter 2022/23 and the first half of the year 2022/23 , expenses in connection with the simplification and digitization of central structures and processes amount to €6 million in EBIT (Q2 2021/22: €0 million). Expenses of €2 million for strengthening the sales brands in Germany are included in EBIT in the second quarter 2022/23 and in the first half of 2022/23 (Q2 2021/22: €0 million). Other includes effects on earnings of –€4 million in the second quarter respectively –€6 million in the first half of the year 2022/23, mainly relating to legal risks in connection with changes in the legal framework of around –€13 million in the second quarter 2022/23 and -€12 million in the first half of the year 2022/23. This was offset by income of €9 million in the second quarter 2022/23 and €6 million in the first half of the year 2022/23 in connection with the application of IAS 29 in the hyperinflationary country of Turkey. In the second quarter 2022/23, non-recurring effects in the EBIT amount to –€11 million (Q2 2021/22: –€7 million). This includes earnings effects from companies accounted for using the equity method of –€4 million (Q2 2021/22: €34 million) as well as earnings effects from portfolio changes in connection with the disposal of the MediaMarkt Sweden business of around -€68 million (Q2 2021/22: –€4 million). In the first half 2022/23, non-recurring effects amount to –€13 million (H1 2021/22: –€4 million). Earnings effects from companies accounted for using the equity method amounted to around –€5 million in the first half of 2022/23 (H1 2021/22: €33 million). Earnings effects from portfolio changes in connection with the disposal of the MediaMarkt Sweden business amounted to around –€75 million (H1 2021/22: –€5 million).

The reconciliation of adjusted EBIT to EBIT is presented below:

€ million	Q2 2021/22	Q2 2022/23
Adjusted EBIT	**–58**	**–23**
Effects of store closures	–2	–
Introduction of the Operating Model	–4	–
Simplification and digitization of central structures and processes	–	–6
Strengthening the sales brands in Germany	–	–2
Other[1]	–1	–4
Companies accounted for using the equity method and portfolio changes	30	–72
EBIT	**–35**	**–106**

[1] Includes transaction costs from acquisition of minority interest in the amount of €1 million in the previous year

€ million	H1 2021/22	H1 2022/23
Adjusted EBIT	**216**	**207**
Effects of store closures	–2	–
Introduction of the Operating Model	0	–
Simplification and digitization of central structures and processes	–	–6
Strengthening the sales brands in Germany	–	–2
Other[1]	–3	–6
Companies accounted for using the equity method and portfolio changes	29	–79
EBIT	**241**	**115**

[1] Includes transaction costs from acquisition of minority interest in the amount of €1 million in the previous year

- 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:

€ million	31/03/2022	31/03/2023
Non-current segment assets	**3,497**	**3,322**
Financial assets	123	137
Cash and cash equivalents	711	1,004
Deferred tax assets	90	446
Income tax assets	103	129
Other entitlements to tax refunds[1]	180	147
Inventories	3,618	3,061
Trade receivables and similar claims	396	418
Receivables due from suppliers	1,163	993
Prepaid expenses and deferred charges[1]	62	65
Receivables from other financial transactions[2, 3]	105	5
Assets held for sale	–	61
Other[1, 2, 3, 4]	154	127
Group assets	**10,203**	**9,917**

[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 license 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 €18 million in the first half of 2022/23 (H1 2021/22: €22 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 44. "Other legal matters" and note 45. "Events after the reporting date" in the notes to the consolidated financial statements of CECONOMY AG as of September 30, 2022.

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.

EVENTS AFTER THE REPORTING DATE

↗ Information on events after the second quarter can be found on page 10.

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 description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Düsseldorf, 09 May 2023

The Management Board

Dr Karsten Wildberger

Dr Kai-Ulrich Deissner

CERTIFICATE FOLLOWING THE AUDITOR'S REVIEW

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 October 1, 2022, to March 31, 2023, that are part of the half-yearly statement according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with IFRS 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 conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). 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 IFRS 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 IFRS 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, 10 May 2023

PricewaterhouseCoopers GmbH
Wirtschaftsprüfer [German Public Auditor]

Verena Heineke	Christian David Simon
Wirtschaftsprüfer[German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

FINANCIAL CALENDAR

Quarterly statement Q3/9M 2022/23	Thursday	10 August 2023	07:00 AM
Annual report Q4/FY 2022/23	Monday	18 December 2023	07:00 AM

All time specifications according to German time

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GENERAL INFORMATION

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Published: 15 May 2023

Disclaimer

This half-year financial report contains forward-looking statements that are based on certain assumptions and expectations at the time of its publication, that are based on certain assumptions and expectations at the time of its publication. These statements are therefore subject to risks and uncertainties, which means that actual results may differ substantially from the future-oriented statements made here. Many of these risks and uncertainties relate to factors that are beyond CECONOMY AG's ability to control or estimate precisely. This includes future market conditions and economic developments, the behaviour of other market participants, the achievement of expected cost savings and productivity improvements, as well as legal and political decisions. CECONOMY AG does not undertake any obligation to publicly correct or update these forward-looking statements to reflect events or circumstances that have occurred after the publication date of this half-year statement and associated material.

Please note in case of doubt the German version shall prevail.