Half-Yearly Financial Report

As at 31 August 2024

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HALF-YEAR DIRECTORS' REPORT

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT AUGUST 31, 2024

HALF-YEAR DIRECTORS' REPORT

1. Introduction

The Unieuro Group (hereinafter also the "Group" or the "Unieuro Group") consists of the companies Unieuro S.p.A. and Covercare S.p.A., along with its subsidiaries Covercare Center S.r.l. and Cybercare S.r.l. (hereinafter also the “Covercare Group”), consolidated as of December 4, 2023.

Unieuro S.p.A. (hereinafter also referred to as the "Company" or "Unieuro" or “UE") is a company under Italian law based in Forlì, Italy at 10 Via Piero Maroncelli, founded in the late 1930s by Vittorio Silvestrini. Unieuro is now the leading distributor of consumer electronics and domestic appliances in Italy and operates as an integrated omnichannel distributor in four main product segments: Grey (telephony and computer), White (large and small domestic appliances), Brown (consumer electronics), Other products (consoles, video games, bicycles), offering in parallel a wide range of services such as delivery and installation, extended warranty and consumer financing.

Covercare S.p.A. (hereinafter also referred to as "Covercare"), a wholly-owned subsidiary of Unieuro, is an Italian-registered company based in Legnano (MI), Corso Italia, 25. Covercare Center S.r.l., 70% owned by Covercare, and Cybercare S.r.l., 60% owned by Covercare, are Italian-registered companies based in Legnano (MI), Corso Italia 25/A (jointly the “Covercare Group”). The Covercare Group is an Italian leader in repair services for mobile phones, other portable devices and large domestic appliances. It also operates in the field of air conditioning installation services and boiler installation and maintenance, and in the installation of photovoltaic systems. Finally, it markets mobile electronic products, IT and accessories to professional customers, mainly overseas.

Monclick S.r.l. in liquidation (hereinafter also referred to as "Monclick" or “MK”), a wholly-owned subsidiary of Unieuro, is an Italian-registered company based in Milan, Via Marghera 28, and concluded its liquidation in November 2023 as part of a process to streamline the corporate structure.

The Group's mission is to accompany customers at all stages of their purchasing journey, placing them at the centre of an integrated ecosystem of product and service offerings that sees accessibility, proximity and closeness as the pillars of its strategic approach.

Unieuro’s shares have been listed on the EURONEXT STAR MILAN since April 2017. The Company features an extensive and fragmented shareholder base, and thus is structured like a public company.

On July 16, 2024, Fnac Darty SA ("Fnac Darty") and RUBY Investment S.à r.1. ("Ruby" or the “Co-investor" and, together with Fnac Darty, the “Offerors"), by means of a special notice disseminated pursuant to Article 102, paragraph 1, of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented and Article 37, paragraph 1, of the regulations approved by Consob Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented, have announced their decision to promote a voluntary public tender and exchange offer (the "'Offer") involving all of the ordinary shares of Unieuro S.p.A..

On August 23, 2024, Consob Resolution No. 23231 approved the Offer Document pursuant to Article 102, paragraph 4 of the CFA, which the Offerors published on August 24, 2024. The subscription period for the Offer, agreed with Borsa Italiana S.p.A., began on September 2, 2024 and concluded on October 25, 2024. Due to the fulfilment of the minimum threshold condition (66.67% of the share capital) at the end of the tender period concluding October 25, 2024, the period was re-opened for five trading days for the sessions from November 4 to November 8, 2024.

Taking into account (i) the no. 4.099.491 ordinary shares of Unieuro tendered in the Offer during the reopening of the tender period and (ii) the no. 14,904,062 Unieuro shares already held by the Offerors prior to the beginning of the reopening of the tender period, the Offerors, jointly considered, will come to hold a total of no. 19.003.553 ordinary shares of Unieuro, equal to 91.15% of the share capital of the issuer. Including the no. 70,004 treasury shares held by the issuer as of today’s date, the total stake held in the share capital of Unieuro by the Offerors, directly and as regards the treasury shares, indirectly, at the end of the reopening of the tender period consists of no. 19,073,557 shares, representing 91.48% of the issuer’s share capital. The requirements for the fulfilment of the obligation to purchase under Art. 108, Par. 2, of the CFA have been met and Unieuro will be delisted from Euronext Milan.

2. Methodological note

The following Directors' Report provides information on consolidated revenues, consolidated profitability, cash flow and the financial position of the Unieuro Group at August 31, 2024, compared with the interim period to August 31, 2023 in terms of the operating results and cash flow, and with the latest approved financial statements for the fiscal year ended February 29, 2024 for the balance sheet.

Unless otherwise indicated, all values are in millions of Euros. Amounts and percentages have been calculated on values in thousands of Euro, and therefore any differences found in some tables are due to rounding.

The subsidiary Monclick S.r.l. was deconsolidated in July 2024 following the completion of the liquidation process. It should be noted that the income statement, statement of financial position, and cash flow indicators for the period ended August 31, 2024 do not include the contribution of Monclick S.r.l.. Where applicable, as per IFRS 5 the comparative figures for the previous period have been restated.

Therefore, in accordance with IFRS 5, the asset and liability items of the subsidiary Monclick S.r.l. in liquidation have been reclassified to "Assets/Liabilities from discontinued operations" and the income statement items to the "Result from discontinued operations".

In application of IFRS 10, the financial statements at August 31, 2024 include the contribution of the Covercare Group. This contribution is not included in the comparative figures as the initial consolidation of the subsidiary Covercare S.p.A. and its subsidiaries Covercare Centre S.r.l. and Cybercare S.r.l. was from December 1, 2023.

We recall that the acquisition of control of the Covercare Group is considered a business combination and fell within the scope of IFRS 3. Unieuro, on undertaking the acquisition, availed of the option under IFRS 3 to make a provisional allocation of the cost of the business combinations to the fair values of the assets acquired and liabilities and contingent liabilities assumed. Where new information obtained within one year of the acquisition date, relating to facts and circumstances in existence at the acquisition date, results in adjustments to the amounts presented or to any additional provision in existence at the acquisition date, the acquisition accounting shall be revised. No significant changes are expected from those already recognised.

3. Accounting policies

This Directors' Report as of August 31, 2024 was prepared in accordance with Article 154-ter, paragraph 5 of Legislative Decree No. 58/98 - C.F.A. - as amended and supplemented - in compliance with Article 2.2.3 of the Stock Exchange Regulations - and in application of IAS 34. It does not include all the information required by IFRS for the preparation of the annual financial statements and should therefore be read in conjunction with the Unieuro Group Financial Statements as of February 29, 2024. The Directors' Report has been prepared in accordance with International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and related interpretations (SIC/IFRIC), as adopted by the European Union.

The accounting policies and consolidation principles adopted are the same as those utilised for the Group Consolidated Financial Statements at February 29, 2024, to which reference should be made.

In order to facilitate understanding of the Group's operating and financial performance, a number of Alternative Performance Indicators ("API's") have been identified. For a correct interpretation of these API's, the following should be noted: (i) these indicators are constructed exclusively from the Group's historical data and are not indicative of future performance, (ii) the API's are not required by IFRS and, although derived from the Consolidated Financial Statements, they are not audited, (iii) the API's should not be considered as substitutes for the indicators provided by the applicable accounting standards (IFRS), (iv) these API's should be read in conjunction with the Group's financial disclosure in the Consolidated Financial Statements; (v) the definitions and criteria adopted for the determination of the indicators used by the Group, insofar as they are not derived from the applicable accounting standards, may not be homogeneous with those adopted by other companies or groups and, therefore, may not be comparable with those that may be presented by such entities; and (vi) the API's used by the Group are prepared in continuity and homogeneity of definition and representation for all periods for which financial information is included in the Condensed Consolidated Half-Year Financial Statements.

The API's presented (Consolidated Adjusted EBIT, Consolidated Adjusted EBIT Margin, Consolidated Adjusted Profit/(loss) for the Period, Net Working Capital, Consolidated Adjusted Free Cash Flow and (Net Financial Debt) / Net Cash - Former IAS 17) are not identified as accounting measures under IFRS and, therefore, as stated above, should not be considered as alternative measures to those provided by the Group's Condensed Consolidated Half-Year Financial Statements for assessing their operating performance and relative financial position.

Certain indicators defined as "Adjusted" are presented in order to represent the Group's operating and financial performance, net of non-recurring events, non-core operations events, and events related to corporate transactions, as identified by the Group. The Adjusted indicators reported concern: Consolidated Adjusted EBIT, Consolidated Adjusted EBIT margin, Consolidated Adjusted Profit/(loss) for the Period and Consolidated Adjusted Free Cash Flow and (Net Financial Debt) / Net cash - Pursuant to IAS 17. These indicators reflect the main operating and financial aggregates adjusted for non-recurring income and expenses not closely related to the core business and operations and the effect resulting from the change in the business model for extended warranty services (as better described below in the "Consolidated Adjusted EBIT" API) and thus allow for a more homogeneous analysis of the Group's performance over the periods presented in the Directors' Report.

Key financial performance indicators[1]

(in millions of Euro)	Period ended	
	August 31, 2024	August 31, 2023[2]
Operating indicators		
Consolidated revenues	1,149.3	1,199.4
Consolidated Adjusted EBIT[3]	15.5	4.6
Consolidated Adjusted EBIT margin[4]	1.3%	0.4%
Consolidated Adjusted Profit/(loss) for the Period[5]	7.2	0.7
Consolidated Profit/(loss) for the Period	2.5	(7.1)
Cash flows		
Consolidated Adjusted Free Cash Flow[6]	(33.1)	(31.5)
Investments for the period	(18.2)	(13.2)

(in millions of Euro)	Period ended	
	August 31, 2024	February 29, 2024
Indicators from statement of financial position		
Net working capital	(311.6)	(350.6)
(Net financial debt) / Net cash - Pursuant to IAS 17[7]	6.8	44.5
(Net financial debt) / Net cash	(381.7)	(366.9)

1 Adjusted indicators are not identified as an accounting measure under IFRS and, therefore, should not be considered an alternative measure for assessing Group performance. Since the composition of these indicators is not regulated by the applicable accounting standards, the Group's applied determination criterion may not be homogeneous both with that adopted by other companies and with that which may be adopted in the future by the Group, or realised by it, and therefore not comparable.

2 The operating indicators for the year ended August 31, 2023 have been restated, in application of IFRS 5, for comparative purposes only, by reclassifying the contribution of the liquidated subsidiary Monclick S.r.l. to the "Result from discontinued operations".

3 Consolidated Adjusted EBIT is Consolidated EBIT adjusted for (i) non-recurring expenses/(income), (ii) the effects of adjusting extended warranty service revenues net of the related estimated future service costs as a result of the change in the business model for directly operated service support services, (iii) non-recurring amortisation and depreciation, and (iv) amortisation, depreciation and write-downs deriving from the Purchase Price Allocation. Consolidated Adjusted EBIT is adjusted for net charges related to the liquidation of the subsidiary Monclick S.r.l., reclassified in accordance with IFRS 5. Please refer to Section 5.2 for further details.

4 Consolidated Adjusted EBIT Margin is the ratio of Consolidated Adjusted EBIT to Consolidated Revenues.

5 Consolidated Adjusted Profit/(loss) for the Period is calculated as Consolidated Adjusted Profit/(loss) for the Period adjusted for (i) the adjustments incorporated in Consolidated Adjusted EBITDA, (ii) adjustments to non-recurring amortisation, depreciation and write-downs, (iii) adjustments of non-recurring financial expenses/(income), (iv) adjustments to amortisation, depreciation and write-downs deriving from the Purchase Price Allocation, and (v) the theoretical tax impact of these adjustments. Consolidated Adjusted Profit/(loss) for the Period is restated for net charges related to the liquidation of the subsidiary Monclick S.r.l., reclassified in accordance with IFRS 5.

6 The Consolidated Adjusted Free Cash Flow is the consolidated cash flow generated/absorbed by operating activities and investing activities, including financial expenses, pre-IFRS 16 adoption. Consolidated Adjusted Free Cash Flow is adjusted for non-recurring operating and investment cash flows, and includes adjustments for non-recurring expenses (income), their non-cash component, and the related tax effects. Please refer to Section 5.5 for further details.

7 The (Net financial debt) / Net cash - Pursuant to IAS 17 is the consolidated (Net financial debt) / Net cash without incorporating the effects related to the application of IFRS 16. Please refer to Section 5.6 for further details.

	Period ended	
	August 31, 2024	February 29, 2024
Operating indicators for the period		
Like-for-like revenue movement [8]	(4.5%)	(7.1%)
Revenues from services contribution [9]	7.0%	5.8%
Private label revenues contribution [10]	5.1%	4.1%
Direct points of sale (number)	267	271
of which Pick-Up Points [11]	267	270
Affiliated points of sale (number)	253	254
of which Pick-Up Points	214	211
Total area of direct outlets (in square metres)	approximately 392,000	approximately 397,000
Sales Density [12] (Euro per square metre)	4,903	4,975
Full-time-equivalent employees [13] (number)	4,727	4,821
Net Promoter Score [14]	54.0	53.1

8 Like-for-like revenue change: the method for comparing sales for the six months ended August 31, 2024 with the six months ended August 31, 2023, based on a homogeneous business scope, by operative retail stores of Unieuro S.p.A. that have been in operation for at least one full fiscal year as of the reporting date, net of stores affected by significant operational discontinuity (e.g., temporary closures and major refurbishments), as well as the entire online channel.

9 Indicator calculated as the ratio of Sales from Services to Consolidated Revenues for the six months ended August 31, 2024 and the fiscal year ended February 29, 2024.

10 Indicator calculated as the ratio of Private Label product sales, which include sales of private label and exclusive brand products, to Consolidated Revenues for the six months ended August 31, 2024 and the fiscal year ended February 29, 2024.

11 Physical pick-up points for customer orders from the online channel.

12 This indicator is obtained from the ratio of annual sales generated by direct points of sale to the total surface area of all direct points of sale.

13 Average annual number of full-time-equivalent employees.

14 The Net Promoter Score (NPS) measures customer experience and predicts business growth; it can range from -100 (if each customer is a Detractor) to 100 (if each customer is a Promoter).

4. Market performance[15]

The first signs of a recovery in demand for consumer electronics products emerged in the first half of the fiscal year, with a particularly significant acceleration seen in the second quarter. The gradual easing of the market contraction, supported by the stabilisation of the average price and the gradual absorption of the residual effects of the frequency switch-off, fits within an improving macroeconomic picture. This latter, in fact, although still featuring the underlying uncertainty linked mainly to the geopolitical scenario, sees Italian consumer confidence on the rise, thanks in part to the positive effect of falling inflation, accompanied by a monetary policy focused on cutting interest rates[16].

In this moderately improving environment, the Consumer Electronics market sees a 1.5% contraction, mainly impacted by the performance of the traditional channel (-1.8%), while the online channel was mostly stable (-0.4%), in line with the trends of the main European countries[17].

The specific dynamics for each commodity macrocategory are shown below:

- **Brown (-4%):** the first half of the fiscal year has seen a significant easing of the overall downturn in the segment compared to the previous fiscal year. Although the category continues to deal with the residual impacts in the year of the frequency switch-off, rising demand for medium-to-large televisions and a consequent increase in the average price is emerging.

- **Grey (-3%)**: a decline is observed across all segments, with the category still impacted by the contraction of Information Technology segment volumes, only partly offset by the rise in average price due to higher demand for premium products. Telephony, although still contracting (-1%), rose in the second quarter (+2%) and positively contributed to the trend, thanks to an increase in volumes of mid/low-end devices on the online channel (+6% in value terms over the period).

- **White (+1%)**: the improvement is driven by the performance of the small domestic appliance ("SDA" +4%) and Home Comfort (+8%) segments, which offset the decline in value terms of the major domestic appliance segment (-2%), which reported volume growth, although is impacted by a reduction in average prices as a result of a lowering of sales prices, which last year were affected by high inflation rates. The overall positive trend is supported by the online channel, with a significant contribution from the SDA segment, which reported 8% growth. The increase in online penetration in this category is driven by the consolidation of new brands in the vacuums segment. The Home Comfort segment is also showing signs of recovery, thanks in particular to August's sales, with the average price rising and volumes nearly doubling on the previous year.

Demand trends have different impacts on market operators, helping to mitigate the contraction in the period on the various sectors. Specifically, the **Technical Superstore** channel (+2.5%) - in which the major consumer electronics chains are classified - and the **Mass Merchandiser** (+2.4%) channel **-** covering the online Pure Players - saw a substantially similar positive trend over the second quarter, driving their growth. For the former, the Consumer Electronics sector (+4%) performance has a major impact on the channel trend, while for the latter the growth can be attributed to the strong Telecom (+11%) and SDA (+8%) segment performances, mainly due to the contribution of online sales. The **Specialist** channel also saw its contraction ease over the second quarter (-2.8%), mainly due to the Telephony segment, which saw 3% growth over the July-August period. Finally, the **Electrical Specialist** channel - composed mainly of small consumer electronics stores - reported a stable performance over the six-month period, substantially due to the slight growth for the White category, led by the SDA segment (+2%), as well as a comparison with a less challenging performance for the Brown segment.

[15] Market data compiled by Group management based on GFK data available as of August 2024

[16] Sources: Global TCG Trends Report Q2 2024 - Global Strategic Insights (World Economic Outlook Update, July 2024) | NIQ-GfK Social and Consumer Sentiment - Summer 2024

[17] Reworking on GfK data updated to July 2024.

5. Group operating and financial results

5.1 Consolidated revenues

For H1 2024/25, which is less representative in view of the seasonality of the business, the Group reports consolidated revenues of Euro 1,149.3 million, decreasing 4.2% on Euro 1,199.4 million for the comparative half-year.

In a market which contracted 1.5% in the period, although seeing a major turnaround and return to growth in the months of July and August, Unieuro continues to pursue a strategy focused on the one hand on protecting margins, and on the other on safeguarding its competitive position. The Group maintained a particular focus on the product categories which favour in-store traffic, such as the Grey (telephony and IT) products and the Brown category (televisions). The latter has been supported by newly-growing demand following the contraction over preceding quarters subsequent to the extraordinary sales deriving from the television frequency switch-off. The direct initiatives to protect margins focused on the Retail channel, with the company performing in line with the market.

The Covercare Group in the first half of the fiscal year joined the consolidation scope from December 1, 2023, generating revenues of Euro 23.1 million and contributing to the development of the services category, which overall grew 9.1% on the first half of the previous fiscal year.

Like-for-like revenues – comparing sales with the corresponding period of the previous fiscal year on the basis of the same scope of activity - were down 4.5%.

5.1.1 Consolidated revenues by channel

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2024	%	August 31, 2023 [18]	%	Δ	%
Retail	822.8	71.6%	842.5	70.2%	(19.7)	(2.3%)
Online	165.2	14.4%	196.3	16.4%	(31.0)	(15.8%)
Indirect	104.0	9.0%	109.3	9.1%	(5.3)	(4.9%)
B2B	57.2	5.0%	51.3	4.3%	5.9	11.5%
Total consolidated revenues by channel	**1,149.3**	**100.0%**	**1,199.4**	**100.0%**	**(50.1)**	**(4.2%)**

The Retail channel (71.6% of total revenues) - which at August 31, 2024 comprised 267 direct sales points, including the "Unieuro by Iper" shop-in-shops and the direct sales points located at major public transport hubs such as railway stations and metro stations - decreased 2.3% for revenues of Euro 822.8 million, compared to Euro 842.5 million for the comparative half-year. The decline in channel sales has gradually eased on a quarterly basis and has benefited from the contribution of the Covercare Group.

The Online channel (14.4% of total revenues) - which includes the unieuro.it platform - generated revenues of Euro 165.2 million in H1 2024/25, contracting 15.8% on the comparative half-year (revenues of Euro 196.3 million). The performance reflects the Group's commercial strategy, with a focus on the higher margin sales channels and is impacted by the comparison with a first quarter of the previous fiscal year which returned a strong result.

The Indirect channel (9.0% of total revenues) - which includes sales made to the network of affiliated stores comprising a total of 253 sales points at August 31, 2024 - reports revenues of Euro 104.0 million, contracting 4.9% on the Euro 109.3 million in H1 2023/24 due to market trends.

[18] Consolidated revenues for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the "Result from discontinued operations".

The B2B channel (5.0% of total revenues) - which caters to professional customers (including overseas) operating in sectors other than Unieuro's, such as hotel chains and banks, in addition to those purchasing electronic products to distribute to regular customers or employees for point collections, prize contests or incentive plans (B2B2C segment) - reported revenues of Euro 57.2 million, increasing 11.5% on H1 2023/24 (Euro 51.3 million). Channel sales benefited mainly from the contribution of the Covercare Group, which joined the Unieuro Group from December 1, 2023.

5.1.2 Consolidated revenues by category

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2024	%	August 31, 2023 [19]	%	Δ	%
Grey	557.1	48.5%	575.0	47.9%	(17.9)	(3.1%)
White	349.2	30.4%	366.3	30.5%	(17.1)	(4.7%)
Brown	114.6	10.0%	121.3	10.1%	(6.6)	(5.5%)
Other products	47.6	4.1%	62.8	5.2%	(15.3)	(24.3%)
Services	80.8	7.0%	74.1	6.2%	6.7	9.1%
Total consolidated revenues by category	**1,149.3**	**100.0%**	**1,199.4**	**100.0%**	**(50.1)**	**(4.2%)**

The Group offers to customers through its distribution channels a broad range of products - in particular domestic appliances and consumer electronics, in addition to accessory services. Sales are broken down by category according to the product classifications adopted by the leading sector experts. The classification of revenues by category is therefore periodically reviewed to ensure the comparability of Group and market data.

The Grey category (48.5% of total revenues) - comprising phones, tablets, information technology, phone accessories, cameras, in addition to all wearable products - generated revenues of Euro 557.1 million in H1 2024/25, decreasing 3.1% on the first half of the previous year. The Grey category's performance was impacted by the settling of Telecom segment market demand, following on from the significant growth over preceding years and the contraction of the Information Technology segment, although in the second quarter a turnaround and a return to growth emerged.

The White category (30.4% of total revenues) - comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers and stoves, small home appliances (SDA), such as vacuum cleaners, food processors and coffee machines, in addition to the air conditioning segment - generated revenues of Euro 349.2 million, contracting 4.7% on Euro 366.3 million in H1 2023/24. The category, which declined overall in the period as a result of slowing MDA demand, in the second quarter saw growth within the small domestic appliance segment and a gradually easing decline for the MDA segment.

The Brown category (10.0% of revenues), including televisions and related accessories, audio devices, smart TV devices, car accessories and data storage systems, reports a 5.5% contraction in revenues to Euro 114.6 million, from Euro 121.3 million in the first half of the previous fiscal year. Following the sharp contraction over the preceding quarters, the televisions segment saw a turnaround in Q2 2024/25, with growth stemming from the settling of demand following the frequency's switch-off.

The Other Products category (4.1% of total revenues), which includes sales of both the entertainment segment and other products not included in the consumer electronics market, such as electric scooters or bicycles, reported revenues of Euro 47.6 million, decreasing 24.3% on the Euro 62.8 million in the comparative half-year, mainly due to the extraordinary performance of the entertainment segment in the comparative period.

[19] Consolidated revenues for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the "Result from discontinued operations".

The Services category (7.0% of total revenues) - which includes, among others, sales of extended warranties, installation services, home deliveries, repair services and consumer credit services - reported revenues in the half-year of Euro 80.8 million, up 9.1% on Euro 74.1 million in the corresponding period of the previous fiscal year, thanks to the contribution of the Covercare Group.

5.2 Consolidated operating profit

The income statement tables presented below in the Directors' Report have been reclassified according to the presentation methods considered by management to best represent the Unieuro Group's operating profitability in the half-year. For more representative cost and revenue accounts, the following were reclassified by type in the income statement: (i) non-recurring income and charges and (ii) the effects from the adjustment of revenues from extended warranty services, net of the related estimated future costs for the provision of the after-sales service, as a result of the altered business model for directly-managed after-sales services.

(in millions and as a percentage of revenues)	Period ended							
	August 31, 2024			August 31, 2023 [20]			Changes	
	Adjusted amounts	%	*Adjustments*	Adjusted amounts	%	*Adjustments*	Δ	%
Revenues	1,149.3			1,199.4			(50.1)	(4.2%)
Sales revenues	**1,149.3**			**1,199.4**			**(50.1)**	**(4.2%)**
Purchase of goods and Change in inventories	(887.4)	(77.2%)	-	(944.9)	(78.8%)	3.8	57.5	(6.1%)
Marketing costs	(12.7)	(1.1%)	-	(14.9)	(1.2%)	-	2.2	(14.5%)
Logistics costs	(35.3)	(3.1%)	0.1	(37.5)	(3.1%)	0.4	2.2	(5.8%)
Other costs	(45.5)	(4.0%)	(2.2)	(44.2)	(3.7%)	1.6	(1.3)	2.8%
Personnel costs	(102.2)	(8.9%)	2.0	(98.9)	(8.2%)	0.1	(3.3)	3.4%
Other operating income and costs	(2.6)	(0.2%)	0.2	(2.3)	(0.2%)	-	(0.3)	12.0%
Revenues from extended warranty services net of related estimated future costs to provide the assistance service - change in the business model for directly managed assistance services	6.5	0.6%	6.5	1.1	0.1%	1.1	5.4	501.9%
Consolidated Adjusted EBITDA	**70.0**	**6.1%**	**6.6**	**57.8**	**4.8%**	**7.1**	**12.2**	**21.2%**
Amortisation, depreciation and write-downs of fixed assets	(54.6)	(4.7%)	1.3	(53.2)	(4.4%)	-	(1.4)	2.5%
Consolidated Adjusted EBIT	**15.5**	**1.3%**	**7.9**	**4.6**	**0.4%**	**7.1**	**10.9**	**237.8%**

The Group reports in the less seasonally representative period of the fiscal year Adjusted EBIT of Euro 15.5 million, compared to Euro 4.6 million in the comparative period, despite the reduction in revenues, as a result of the increased Gross Profit[21] and the operating cost streamlining measures, in addition to the contribution of the Covercare Group (Euro 4.1 million).

The Gross Profit in H1 2024/25 grew Euro 12.8 million on the comparative period, with the revenue margin improving (23.4% in the six months to August 31, 2024, compared to 21.3% in the preceding period), thanks to the focused higher-margin channels and product category strategy and the contribution of the Covercare Group.

Marketing costs in H1 2024/25 totalled Euro 12.7 million, decreasing 14.5% on the comparative half-year and accounting for 1.1% of consolidated revenues (1.2% in H1 2023/24). This reduction in the item is due to close cost management and an altered mix of marketing initiatives.

Logistics costs in H1 2024/25 amounted to Euro 35.3 million, decreasing 5.8% on the preceding period, accounting for

[20] The results for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the "Result from discontinued operations".

[21] Gross profit is calculated as the sum of "Sales revenues", "Revenues from extended warranty services net of the related estimated future service costs" and "Purchase of goods and Change in inventories".

3.1% of consolidated revenues (unchanged on the comparative period). Costs reduced in the period due to the lower sales volumes and the reduced percentage of Online channel sales.

Other costs totalled Euro 45.5 million in H1 2024/25, increasing Euro 2.8% on the first half of the preceding year, accounting for 4.0% of consolidated revenues (3.7% in H1 2023/24). The increase is due to the contribution of the Covercare Group, consolidated from December 1, 2023.

Personnel costs for H1 2024/25 totalled Euro 102.2 million, increasing 3.4% on the first half of the previous fiscal year. They accounted for 8.9% of consolidated revenues in H1 2024/25 (8.2% in H1 2022/23). The increase in the item mainly relates to the inclusion in the consolidation scope of the Covercare Group companies, and the impact from the renewal of the Retail National Collective Bargaining Contract, partially offset by the measures to optimise the sales network organisational structure.

Other operating income and costs totalled Euro 2.6 million, increasing Euro 0.3 million. Their percentage of consolidated revenues was unchanged on the comparative period. The item mainly includes business-related charges such as the waste disposal fee.

Amortisation, depreciation and write-downs amounted to Euro 54.6 million (Euro 53.2 million in H1 2023/24). The increase in the item concerns mainly amortisation in view of the investments made in previous years.

A reconciliation between Consolidated Adjusted EBIT and the Consolidated Net Operating Result is reported in the Consolidated Half-Year Report.

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2024	%	August 31, 2023 [22]	%	Δ	%
Consolidated Adjusted EBIT [23]	**15.5**	**1.3%**	**4.6**	**0.4%**	**10.9**	**237.8%**
Non-recurring (expenses)/income	(0.1)	(0.0%)	(6.0)	(0.5%)	5.9	(98.3%)
Revenues for extended warranty services net of the related estimated future costs for the provision of the after-sales service - change of business model for directly-managed after-sales services [24]	(6.5)	(0.6%)	(1.1)	(0.1%)	(5.4)	501.9%
Non-recurring depreciation, amortisation and write-downs of fixed assets	(0.1)	(0.0%)	-	-	(0.1)	n.a.
Amortisation, depreciation and write-downs of the Purchase Price Allocation	(1.2)	(0.1%)	-	-	(1.2)	n.a.
Net Operating Result	**7.6**	**0.7%**	**(2.5)**	**(0.2%)**	**10.1**	**(402.9%)**

Non-recurring (expenses)/income reported net expense of Euro 0.1 million, with the net expense decreasing Euro 5.9 million compared to the period ending August 31, 2023 and are presented in detail in paragraph 5.3 below.

The adjustment linked to the change in the directly-managed after-sales services business model was Euro 6.5 million for the period ending August 31, 2024.

Amortisation, depreciation and write-downs of the Purchase Price Allocation, amounting to Euro 1.2 million, includes the amortisation of the intangible assets identified in the Purchase Price Allocation of Covercare, which took place on December 1, 2023.

[22] The results for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the "Result from discontinued operations".
[23] See the note in the "Key financial and operating indicators" section.

[24] The adjustment concerns the deferral of revenues for extended warranty services already collected, net of the related estimated future costs to provide assistance costs. From the year ended February 29, 2012 for White products sold by Unieuro, from the year ended February 28, 2015 for all extended warranty services sold by Unieuro S.r.l. (hereinafter "Former Unieuro") from the fiscal year ended February 29, 2024 for telephony and peripherals and from the year of acquisition for all extended warranty services sold by sales points acquired, Unieuro has changed its business model for the management of extended warranty services, bringing in-house the management of services sold by the former Unieuro and Unieuro which were previously assigned to third parties and extending this model to the sales points acquired (the "Change in Business Model"). As a result of the Change in the Business Model, on the sale of the extended warranty services, Unieuro suspends the revenue, in order to recognise it over the duration of the contractual commitment. As a result of this change in the Business Model, the income statement does not fully reflect the revenues and margins of the business outlined in this note. In fact, in the income statements for the fiscal years ended August 31, 2023 and August 31, 2024, only a portion of the revenues from sales since the Change in the Business Model are recognised, as Unieuro shall gradually recognise the revenues from the sale of extended warranty services (which have already been collected). The adjustment therefore represents for each period the estimated margin from the sale of extended warranty services already sold (and collected) since the Change in the Business Model as if Unieuro had always operated according to the current business model. In particular, the estimate of the margin is represented by the revenues, which had been suspended under deferred income in order to be deferred to the years in which the conditions for their recognition will be met, net of future costs for the provision of the extended warranty service, assumed by Unieuro on the basis of historical information on the nature, frequency and cost of the service. The adjustment shall gradually reduce to zero in future income statements once the new business model is fully operational.

5.3 Non-recurring expenses/(income)

Non-recurring expenses/(income) of the Consolidated Adjusted EBITDA are presented below:

(in millions of Euro)	Period ended		Changes	
	August 31, 2024	August 31, 2023 [25]	Change	%
Mergers & Acquisitions	0.1	1.4	(1.4)	(95.7%)
Costs for pre-opening, relocating and closing sales outlets and logistic hubs. [26]	0.6	0.1	0.5	509.4%
Other non-recurring expenses and income	(0.6)	4.5	(5.1)	(113.5%)
Total	**0.1**	**6.0**	**(5.9)**	**(98.3%)**

Non-recurring expenses and income in HY 2024/25 reported a net expense of Euro 0.1 million, with the net expense decreasing Euro 5.9 million on the first half of the comparative fiscal year.

Merger&Acquisition costs amounted to Euro 0.1 million in H1 2024/25 (Euro 1.4 million in H1 2023/24). The comparative period included the costs incurred for the consultancy and due diligence for the acquisition of the Covercare Group.

The Costs for pre-opening, relocating and closing sales outlets and logistics hubs totalled Euro 0.6 million in the period to August 31, 2024 (Euro 0.1 million in the comparative half-year). The item mainly includes the costs of rent, personnel, security and maintenance work at the direct outlets closed during the period.

Other non-recurring expenses and income totalled Euro 0.6 million in H1 2024/25 (Euro 4.5 million in the comparative half-year to August 31, 2023). The item mainly includes the income deriving from the reduction of penalties imposed by the Anti-trust Authority following the rulings of the Lazio Regional Administrative Court and the Council of State, offset by the costs arising from the acceleration of the Long Term Incentive Plans as resolved by the Board of Directors on August 12, 2024, and the consultancy costs related to the Public Tender and Exchange Offer promoted on July 16, 2024 by Fnac Darty SA and Ruby Equity Investment S.à.r.l. on Unieuro's shares.

[25] The results for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the "Result from discontinued operations".

[26] The "Costs for pre-opening, relocating and closing sales outlets and logistics hubs" include the cost for rental, security, travel and accommodation and for maintenance and marketing incurred within the scope of: i) restructuring and relocating of former Unieuro sales points, ii) opening of sales points (in the months immediately preceding and after opening), iii) sales point closures and iv) logistics hub changes.

5.4 Net result

The restated income statement from Consolidated Adjusted EBIT up to the Consolidated Adjusted Net Result is presented below.

(in millions and and as a percentage of revenues)	Period ended						Changes	
	August 31, 2024			August 31, 2023 [27]				
	Adjusted amounts	%	*Adjustments*	Adjusted amounts	%	*Adjustments*	Δ	%
Consolidated Adjusted EBIT	**15.5**	**1.3%**	**7.9**	**4.6**	**0.4%**	**7.1**	**10.9**	**237.8%**
Financial income and charges	(6.5)	(0.6%)	1.1	(5.4)	(0.4%)	-	(1.1)	21.4%
Income taxes [28]	(1.7)	(0.1%)	(0.9)	1.5	0.1%	(0.6)	(3.2)	(210.1%)
Adjusted Consolidated Net Result	**7.2**	**0.6%**	**8.0**	**0.7**	**0.1%**	**6.5**	**6.5**	**932.9%**

The Adjusted Net Result reports a profit of Euro 7.2 million for H1 2024/25, improving on the profit of Euro 6.5 million in the comparative period, thanks to the strong operating result, partially offset by net financial charges and income taxes.

Net financial charges in H1 2024/25 totalled Euro 6.5 million, increasing on the comparative period by Euro 1.1 million, mainly due to the interest charges from the utilisation of credit lines in the period.

Income taxes, net of the theoretical tax effect for non-recurring expenses/(income) and of the Change in Business Model, amounted to Euro 1.7 million in H1 2024/25 (positive Euro 1.5 million in the same period of the previous fiscal year to August 31, 2023). The income tax charge for the six months to August 31, 2024 is recognised according to Management's best estimate of the annual average weighted tax rate for the entire period, applied to the result before taxes of the individual entities. The tax income in the comparative period reflects the net loss for the first six months of the preceding fiscal year.

It should be noted that Unieuro S.p.A. exercised the option for the National Tax Consolidation regime as a "Consolidating Company" (pursuant to Article 117 of Presidential Decree No. 917 of December 22, 1986), jointly with Monclick S.r.l. and the Covercare Group respectively from the fiscal years to February 28, 2019 and to February 28, 2025. The option permitted the determination of the IRES payable due on a taxable base corresponding to the sum of taxable income and tax losses earned by individual companies participating in the Consolidation.

[27] The results for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the "Result from discontinued operations".
[28]The tax impacts of the adjustments were calculated according to the theoretical tax rate of 8.7% at August 31, 2024 and at August 31, 2023, incorporating IRES at 4.8% (obtained by reducing taxable IRES income by 80%, thanks to the option to use prior year losses) and IRAP at 3.9%.

The reconciliation between the Consolidated Adjusted Net Result and the Consolidated Net Result is presented below.

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2024	%	August 31, 2023[24]	%	Δ	%
Adjusted Consolidated Net Result	**7.2**	**0.6%**	**0.7**	**0.1%**	**6.5**	**932.9%**
Non-recurring expenses/income	(0.1)	(0.0%)	(6.0)	(0.5%)	5.9	(98.3%)
Revenues from extended warranty services net of related estimated future costs to provide the assistance service - change in the business model for directly managed assistance services	(6.5)	(0.6%)	(1.1)	(0.1%)	(5.4)	501.9%
Non-recurring depreciation, amortisation and write-downs of fixed assets	(0.1)	(0.0%)	-	-	(0.1)	173.1%
Amortisation, depreciation and write-downs from the Purchase Price Allocation	(1.2)	(0.1%)	-	-	(1.2)	n.a.
Non-recurring financial expenses/(income)	(1.1)	(0.1%)	-	-	(1.1)	n.a.
Theoretical tax impact from taxes on non-recurring expenses/(income), non-recurring financial expenses/(income), non-recurring depreciation, amortisation and write-downs of fixed assets and the change in business model	0.9	0.1%	0.6	0.1%	0.3	48.1%
Result from discontinued operations	3.3	0.3%	(1.3)	(0.1%)	4.6	(346.1%)
Adjusted consolidated profit for the period	**2.5**	**0.2%**	**(7.1)**	**(0.6%)**	**9.6**	**(135.1%)**

The Result from discontinued operations for the half-year to August 31, 2024 includes the result from the final liquidation financial statements of Monclick S.r.l..

5.5 Cash flows

5.5.1 Consolidated Adjusted Levered Free Cash Flow [29]

The Consolidated Adjusted Levered Free Cash Flow is considered by the Group to be the most appropriate indicator to measure cash generation in the year. The indicator is broken down in the table below.

(in millions of Euro)	Period ended		Changes	
	August 31, 2024	August 31, 2023	Change	%
Consolidated Gross Operating Profit (EBITDA)	63.4	49.2	14.2	29.0%
Cash flow generated/(absorbed) from operating activities [30]	(38.7)	(33.8)	(4.9)	14.4%
Taxes paid	(0.3)	-	(0.3)	n.a.
Interest paid	(7.0)	(5.2)	(1.8)	34.9%
Other changes	2.1	0.3	1.8	n.a.
Consolidated net cash flow generated/(absorbed) from operating activities [31]	**19.6**	**10.5**	**9.1**	**87.7%**
Investments [32]	(18.2)	(13.2)	(5.0)	38.1%
Investments for business combinations and business units	(5.5)	-	(5.5)	n.a.
Adjustment for non-recurring investments	5.6	-	5.6	n.a.
Non-recurring expenses/(income)	1.4	6.0	(4.6)	(76.9%)
Adjustment for non-monetary components of non-recurring (expenses)/income	(2.8)	(0.8)	(2.0)	238.8%
Theoretical tax effect of above-mentioned items [33]	0.2	(0.4)	0.6	(137.7%)
IFRS 16 Leases [34]	(33.3)	(33.5)	0.2	(0.5%)
Consolidated Adjusted Free Cash Flow	**(33.1)**	**(31.5)**	**(1.5)**	**4.9%**

Consolidated Adjusted free cash flow absorbed Euro 33.1 million in the period (an absorption of Euro 31.5 million in H1 2023/24), decreasing Euro 1.5 million as a result of the cash flow generated from operating activities, offset by the increased outflow for investments.

The movements in liquidity in the first half of 2024/25 related to business seasonality, which normally results in a significant absorption of working capital in the first half of each fiscal year.

Cash flows for investments paid in the period totalled Euro 18.2 million (Euro 13.2 million in the period ending August 31, 2023). The increase stems from the timing of investment initiatives that, in the previous fiscal year, had been concentrated in the second half of the year.

[29] See the note in the "Key financial and operating indicators" section.
[30] "Cash flow generated/(absorbed) from operating activities" refers to cash generated/(absorbed) by the change in working capital and other non-current balance sheet items such as Other Assets/Other Liabilities and Risk Provisions.
[31] "Consolidated net cash flow generated/(absorbed) from operating activities" refers to the liquidity generated by operating activities in the broad sense, net of interest and taxes and the non-cash effects of balance sheet changes considered in the "Cash flow generated/(absorbed) from operating activities" account.
[32] For better representation, this item includes the portion paid in the period of net investments.
[33] The theoretical tax rate is 8.7% at both August 31, 2024 and August 31, 2023, and incorporates IRES at 4.8% (obtained by reducing taxable IRES income by 80%, thanks to the option to use previous losses) and an IRAP rate of 3.9%.
[34] The item includes the cash flows relating to both leases paid and leases expiring during the period.

The cash flow for investments in business combinations and business units includes the repayment of the instalment of the bank loan signed in December 2023 and related interest expenses for the acquisition of the Covercare Group, and is adjusted under "Adjustment for cash flows for non-recurring investments".

Adjustments relating to Non-recurring expenses/income were positive for Euro 1.4 million in H1 2024/24. For further details, reference should be made to paragraph 5.3. The non-cash portion of non-recurring charges and income was Euro 2.8 million.

Cash flows related to IFRS 16 leasing in the half-year to August 31, 2024 totalled Euro 33.3 million, compared to Euro 33.5 million in the comparative period, due to the contribution of Covercare, offset by the reduction in the lease charges of the parent company.

The main movements in the Group's net financial debt in the period to August 31, 2024 and in the period to August 31, 2023 are presented below:

(in millions of Euro)	Period ended		Changes	
	August 31, 2024	August 31, 2023	Change	%
Consolidated Gross Operating Profit (EBITDA)	63.4	49.2	14.2	29.0%
Cash flow generated/(absorbed) from operating activities	(38.7)	(33.8)	(4.9)	14.4%
Taxes paid	(0.3)	-	(0.3)	n.a.
Interest paid	(7.0)	(5.2)	(1.8)	34.9%
Other changes	2.1	0.3	1.8	n.a.
Net cash flow generated/(absorbed) by operating activities	**19.6**	**10.5**	**9.1**	**87.7%**
Investments	(18.2)	(13.2)	(5.0)	38.1%
Stock option plan exercise	1.7	-	1.7	n.a.
Distribution of dividends	(9.4)	(9.8)	0.5	(5.0%)
IFRS 16 Leases	(33.3)	(33.5)	0.2	(0.5%)
Other changes	1.9	0.2	1.7	831.0%
Change in net financial debt - Pursuant to IAS 17	**(37.7)**	**(45.8)**	**8.1**	**(17.7%)**
Change in net financial debt - Pursuant to IAS 17 of discontinued operations	**(0.6)**	**-**	**(0.6)**	n.a.

"Other changes" of Euro 1.9 million includes the change compared to February 29, 2024 in the fair value of the Power Purchase Agreement hedging derivative measured at fair value to OCI.

5.6 Statement of financial position

The Group's Net Working Capital and Net Invested Capital at August 31, 2024 and February 29, 2024 is reported below:

(in millions of Euro)	Period ended	
	August 31, 2024	**February 29, 2024**
Trade Receivables	65.8	52.8
Inventories	437.1	435.8
Trade Payables	(510.0)	(552.8)
Net Operating Working Capital	**(7.1)**	**(64.2)**
Other working capital items	(304.5)	(286.4)
Net Working Capital	**(311.6)**	**(350.6)**
Right-of-use assets	360.2	384.5
Non-current Assets and (Liabilities)	429.0	432.3
Net invested capital - Continuing Operations	**477.6**	**466.2**
Net invested capital - Discontinued Operations	-	**(3.2)**
Net Invested Capital	**477.6**	**463.1**
(Net financial debt) / Net cash - Pursuant to IAS 17	**6.8**	**44.5**
IFRS 16 Leases	(388.5)	(411.4)
(Net financial debt) / Net cash	**(381.7)**	**(366.9)**
(Net financial debt) / Net cash of discontinued operations	-	**0.6**
Shareholders' Equity	(95.9)	(96.9)
Total shareholders' equity and financial liabilities	**(477.6)**	**(463.1)**

The Group Net Working Capital at August 31, 2024 was negative for Euro 311.6 million (negative for Euro 350.6 million at February 29, 2024). This movement reflects normal business seasonality, which in the initial part of the year sees an absorption of capital.

The Group's Net Invested Capital from continuing operations amounted to Euro 477.6 million at August 31, 2024, increasing Euro 11.4 million on February 29, 2024. The movement is mainly due to: (i) the increase in Group Net Working Capital for Euro 39.0 million and (ii) the decrease in right-of-use assets for Euro 24.4 million. Investments paid in the period totalled Euro 18.2 million (Euro 13.2 million in H1 2023/24) and mainly concerned the information technology projects which continued from previous years, in addition to the energy efficiency and restructuring measures at selected stores.

Shareholders' equity amounted to Euro 95.9 million at August 31, 2024 (Euro 96.9 million at February 29, 2024), with the decrease mainly due to the distribution of the dividend resolved by the Shareholders' Meeting in June 2024, amounting to Euro 9.4 million, offset by the result for the period and the exercise of the Stock Option Plan.

Below is a breakdown of the composition of net financial debt [35] at August 31, 2024 and February 29, 2024, in accordance with ESMA guideline 32-382-1138 dated 4/3/2021:

(in millions of Euro)	Period ended		Changes	
	August 31, 2024	February 29, 2024	Change	%
(A) Available liquidity	61.0	105.6	(44.6)	(42.3%)
(B) Cash and cash equivalents	-	-	-	-
(C) Other current financial assets	0.3	0.3	-	-
(D) Liquidity (A)+(B)+(C)	**61.3**	**105.9**	**(44.6)**	**(42.3%)**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(14.3)	(14.3)	-	-
(F) Current portion of non-current financial debt	(88.9)	(91.4)	2.5	(2.7%)
(G) Current financial indebtedness (E)+(F)	**(103.2)**	**(105.7)**	**2.5**	**(2.4%)**
(H) Net current financial indebtedness (G)-(D)	**(41.9)**	**0.2**	**(42.1)**	**n.a.**
(I) Non-current financial debt (excluding the current portion and debt instruments)	(339.8)	(367.1)	27.3	(7.4%)
(J) Debt instruments	-	-	-	-
(K) Trade payables and other payables	-	-	-	-
(L) Non-current financial indebtedness (I)+(J)+(K)	**(339.8)**	**(367.1)**	**27.3**	**(7.4%)**
(M) Total financial indebtedness (H)+(L)	**(381.7)**	**(366.9)**	**(14.8)**	**4.0%**
Total financial debt of discontinued operations	**-**	**0.6**	**(0.6)**	**(100.0%)**

In relation to the acquisition of the Covercare Group, the parent company signed a medium-term loan agreement with BNL in December 2023 with a maturity date of November 30, 2025. The loan agreement stipulates the repayment of principal in quarterly instalments from February 2024. The balance of the loan at August 31, 2024 was a nominal Euro 30.0 million.

Item (E) Current financial debt includes the payable for the remaining portion of the consideration due for the acquisition of 100% of the share capital of Covercare S.p.A., to be settled by October 2024.

The earnout related payable of Euro 10.0 million is included in (I) Non-current financial debt.

A breakdown of the net financial debt pursuant to IAS 17 at August 31, 2024 and February 29, 2024 is presented below:

(in millions of Euro)	Period ended		Changes	
	August 31, 2024	February 29, 2024	Change	%
(Net financial debt) / Net cash	**(381.7)**	**(366.9)**	**(14.8)**	**4.0%**
Other current financial payables - IFRS 16	(68.7)	(70.4)	1.7	(2.4%)
Other non-current financial payables - IFRS 16	(319.8)	(341.0)	21.2	(6.2%)
(Net financial debt) / Net cash - Pursuant to IAS 17	**6.8**	**44.5**	**(37.7)**	**(84.7%)**

Cash flow movements in the period, typical of business seasonality, were impacted by the factors outlined at paragraph 5.5.

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6. IFRS 16 Impacts

The impact of IFRS 16 on the Group's main economic and financial indicators for H1 2024/25 is presented below25F[36]:

		August 31, 2024 (Former IAS 17)	IFRS 16 Impacts	August 31, 2024 (IFRS 16)
ADJ EBITDA	• reduction in operating costs (rents paid on stores, offices, warehouses, and motor vehicles), net of income from store sub-leases	32.1	37.9	70.0
ADJ EBIT	• increase in depreciation on right-of-use assets	12.2	3.3	15.5
PROFIT BEFORE TAXES ADJ	• increase in financial expenses for interest related to right-of-use liabilities	10.6	(1.7)	8.9
NET FINANCIAL DEBT	• recognition of right-of-use liabilities (other current and non-current financial payables), net of non-current financial receivables relating to sub-lease contracts.	6.8	(388.5)	(381.7)

[36]The amounts reported in the "H1 2024/25 (IFRS 16)" column derive from the indicators at section "5. Group operating and financial results". The amounts reported in the "IFRS 16 impact" column are based on the accounting records and calculation statements summarising the effects of the application of IFRS 16 (leasing). The amounts reported in the "H1 2024/25 (IAS 17)" column are pre-adoption IFRS 16 and are calculated as the difference between the "H1 2024/25 IFRS 16" column and the "IFRS 16 impacts" column. All values are in millions of Euro.

7. Corporate governance and ownership structure

Unieuro S.p.A. has adopted the Self-Governance Code of Italian Listed Companies (the "Code"), adapting it according to its own characteristics.

In order to meet the transparency requirements of industry regulations, the "Corporate Governance and Ownership Structure Report" required by Article 123-*bis* of the CFA has been drawn up, containing a general description of the governance system adopted by Unieuro S.p.A., as well as information on the ownership structure, the organisational model adopted pursuant to Legislative Decree No. 231 of 2001, and the degree of compliance with the Self-Governance Code, including the main governance practices applied and the Internal Control and Risk Management System in relation to the financial disclosure process.

This document is available on the Company's website at (http://www.unieurospa.it/).

8. Information on related party transactions and non-recurring, atypical or unusual transactions.

The following tables summarise the Group's creditor and debtor balances with related parties at August 31, 2024 and February 29, 2024:

(in Euro thousands)	August 31, 2024				
Creditor and debtor balances with related parties	**Trade receivables**	**Trade payables**	**Other current liabilities**	**Other non-current liabilities**	**Total**
Statutory Auditors	-	-	(38)	-	(38)
Board of Directors and committees	-	-	(864)	-	(864)
Senior Executives	-	-	(365)	-	(365)
Total	**-**	**-**	**(1,267)**	**-**	**(1,267)**

(in Euro thousands)	February 29, 2024				
Creditor and debtor balances with related parties	**Trade receivables**	**Trade payables**	**Other current liabilities**	**Other non-current liabilities**	**Total**
Statutory Auditors	-	-	(65)	-	**(65)**
Board of Directors and committees	-	-	(553)	-	**(553)**
Senior Executives	-	-	(449)	(44)	**(493)**
Total	**-**	**-**	**(1,067)**	**(44)**	**(1,111)**

The following table summarises the Group's income and costs with related parties in H1 2024/25 and H1 2023/24:

(in Euro thousands)	August 31, 2024						
Income statement transactions with related parties	**Revenues**	**Other income**	**Purchase of materials and services**	**Personnel costs**	**Amortisation, depreciation & write-downs**	**Financial income**	**Total**
Statutory Auditors	-	-	(53)	-	-	-	**(53)**
Board of Directors and committees	-	-	(1,129)	-	-	-	**(1,129)**
Senior Executives	-	-	-	(1,093)	-	-	**(1,093)**
Total	**-**	**-**	**(1,182)**	**(1,093)**	**-**	**-**	**(2,275)**

(in Euro thousands)	August 31, 2023						
Income statement transactions with related parties	**Revenues**	**Other income**	**Purchase of materials and services**	**Personnel costs**	**Amortisation, depreciation & write-downs**	**Financial income**	**Total**
Statutory Auditors	-	-	(68)	-	-	-	**(68)**
Board of Directors and committees	-	-	(733)	-	-	-	**(733)**
Senior Executives	-	-	-	(878)	-	-	**(878)**
Total	**-**	**-**	**(801)**	**(878)**	**-**	**-**	**(1,679)**

With reference to the periods under consideration, creditor/debtor and income and costs with related parties mainly refer to relations with Directors and Senior Executives, summarised in the table below:

Senior Executives	
Period ending August 31, 2024	**Period ending August 31, 2023**
General Manager - Bruna Olivieri	*General Manager - Bruna Olivieri*
Chief Financial Officer - Marco Deotto	*Chief Financial Officer - Marco Deotto*

The Gross remuneration of senior executives is inclusive of all compensation components (benefits, bonuses and gross pay).

Giancarlo Nicosanti Monterastelli concluded his employment as a Senior Executive on June 1, 2023. He will continue to serve as Chief Executive Officer, as per the mandate granted by the Board of Directors in 2022. From June 1, 2023, the remuneration as Chief Executive Officer was included in the "Purchase of materials and external services" item, in the column relating to the "Board of Directors and Committees".

The following table summarises the Group's cash flows with related parties in H1 2024/25 and H1 2023/24:

(in Euro thousands)	*Net cash flow generated/(absorbed) from operating activities*	
Type	**Period from March 1, 2024 to August 31, 2024**	**Period from March 1, 2023 to August 31, 2023**
Statutory Auditors	(80)	(99)
Board of Directors	813	(547)
Senior Executives [37]	(1,222)	(780)
Total	**(489)**	**(1,426)**

[37] The account includes cash flows referring to remuneration paid to executives and the theoretical value for the period of the Long-term incentive plan.

9. Stock option plans

Long Term Incentive Plan

On February 6, 2017, Unieuro's Extraordinary Shareholders' Meeting approved the adoption of a stock option plan (the "Plan" or "Long Term Incentive Plan" or "LTIP") reserved for Unieuro's Executive Directors, associates, and employees (executives and non-executives). The Plan provides for the granting of ordinary shares resulting from a capital increase with the exclusion of option rights, pursuant to Article 2441, paragraphs 5 and 8, of the Civil Code, which was approved by the Unieuro Shareholders' Meeting on the same date.

The Plan specifies the following objectives: (i) to focus recipients on factors of strategic interest to Unieuro, (ii) to foster the loyalty of the plan recipients and incentivise their retention at Unieuro, (iii) to increase Unieuro's competitiveness by identifying medium-term goals and supporting value creation for both Unieuro and its shareholders, and (iv) to ensure that the overall remuneration of the plan recipients remains competitive in the market.

The implementation and definition of the specific features of the Plan were delegated by the Shareholders' Meeting to the specific definition by the Board of Directors of Unieuro. On June 29, 2017, the Board of Directors approved the regulations of the plan ("Regulations") in which it determined the terms and conditions of the plan's implementation.

The Recipients subscribed to the Plan in October 2017. The parties expressly agreed that the effects of the granting of rights shall have retroactive effect to June 29, 2017, the date of approval of the regulations by the Board of Directors.

The Regulations also provide for the terms and conditions described below:

- Condition: the Plan and related options will be conditional on the completion of Unieuro's listing by July 31, 2017 ("IPO");

- Recipients: the Plan is addressed to Executive Directors, associates and employees (Executive and Non-Executive) of Unieuro ("Recipients") who have been identified by the Board of Directors from among those who have an ongoing employment relationship with Unieuro and/or other Group companies. The identification of the Recipients was made on the basis of a discretionary judgment of the Board of Directors, which given the aims of the Plan, the strategies of Unieuro and of the Group and the objectives, takes into account, among other matters, the strategic importance of the role and the impact of the role on the pursuit of the objective;

- Purpose: the purpose of the Plan is to grant the Recipients free and non-transferable option rights by deed between living persons for the purchase or subscription for consideration of ordinary shares of Unieuro for a maximum number of 860,215 options, each of which will entitle them to subscribe one newly issued ordinary share ("Options"). Where the objective is exceeded with a performance of 120% of the target, the number of Options will be raised to 1,032,258. A capital increase was therefore approved for a maximum nominal amount of Euro 206,452, plus share premium, for a total value (share capital plus share premium) equal to the price at which Unieuro's shares will be placed on the Italian Stock Exchange (MTA), by issuing a maximum of 1,032,258 ordinary shares;

- Granting: the Options will be granted in one or more tranches, and the number of Options in each tranche will be determined by the Board of Directors after consultation with the Remuneration Committee;

- Exercise of rights: subscription of shares can only be made after July 31, 2020 and by the final deadline of July 31, 2025;

- Vesting: the extent and existence of each Recipient's right to exercise options will be verified at July 31, 2020 provided that: (i) the employment relationship with the Recipient continues until that date and (ii) the targets, in terms of distributable profits, set out in the business plan are met based on the following criteria:

    - in the event of failure to achieve at least 85% of the expected results, no options will be eligible for exercise;

o if 85% of the expected results are achieved, only half the options will be eligible for exercise;

o if between 85% and 100% of the expected results are achieved, the number of options eligible for exercise will increase on a straight line between 50% and 100%;

o if between 100% and 120% of the expected results are achieved, the number of options eligible for exercise will increase on a straight line between 100% and 120% - the maximum limit.

- Exercise Price: the exercise price of the Options will be equal to the placement price on IPO of Euro 11 per share;

- Cash Bonus: A recipient who exercises in whole or in part their subscription rights shall be entitled to receive an extraordinary cash bonus in an amount equal to the dividends they would have received from the date of approval of this Plan until the end of the vesting period (August 31, 2020) with the exercise of the corporate rights attaching to the Shares obtained in the year in question with the exercise of the Subscription Rights;

- Duration: the Plan covers a five-year time horizon, from July 31, 2020 to July 31, 2025.

On February 29, 2020, the vesting period of the rights under the Plan concluded; the Board of Directors on June 18, 2020 verified that the quantitative and therefore objectively assessable targets were met to the extent of 101.11%; and in accordance with the provisions of the Plan Regulations, resolved to grant a total of 849,455 options. From July 31, 2020 until July 31, 2025, each beneficiary will be entitled to exercise their subscription rights in whole or in part and also in several tranches; at the end of each fiscal year in which the beneficiary has exercised all or part of their subscription rights, as provided for in the Plan, the beneficiary shall be entitled to receive an extraordinary cash bonus already recognised to the financial statements, in an amount equal to the dividends they would have received from the date of approval of the Plan until the end of the vesting period with the exercise of the corporate rights due to the shares obtained in the year in question with the exercise of the subscription rights.

On August 12, 2024, 150,887 rights were exercised due to the partial execution of the Plan. The share capital increased through the issue of 150,887 ordinary shares, with no par value and with the same characteristics as the outstanding ordinary shares, by Euro 30 thousand. The paid-in capital increase was approved by the Extraordinary Shareholders' Meeting of the parent company on February 6, 2017 to service the stock option plan.

As a result of the capital increase undertaken, the parent company received Euro 1,660 thousand, of which Euro 1,630 thousand share premium.

The number of options outstanding at August 31, 2024 is as follows:

	Number of options August 31, 2024
No. of options outstanding assigned	849,455
No. of options granted in the period	
No. of options not granted	
No. of options exercised	840,758
No. of options expired	

<u>2020-2025 Performance share plan</u>

On October 27, 2020, the Board of Directors of Unieuro S.p.A., subject to the favourable opinion of the Appointments and Remuneration Committee, approved the Disclosure Document on the 2020-2025 Performance Share Plan (the "Performance Shares" or "PS") prepared pursuant to Article 114-*bis* of the CFA, which was submitted in December 2020 for the approval of the Shareholders' Meeting.

Description of Plan's recipients

The implementation and definition of the specific features of the Plan were delegated by the Shareholders' Meeting to the specific definition by the Board of Directors of Unieuro.

The Granting of rights to each of the Beneficiaries with respect to the three-year period FY2021-FY2023 (1st Cycle) and the three-year periods FY2022-FY2024 and FY2023-FY2025 (2nd Cycle and 3rd Cycle) will be determined on each occasion by the Board of Directors.

On January 13, 2021, July 14, 2021, and March 23, 2022, the Board of Directors granted the rights and approved the regulations of the 1st, 2nd, and 3rd Cycles, respectively, in which it determined the terms and conditions for implementing the Plan. The subscription of the Plan by the Recipients of Cycle 1 took place in January 2021, in July 2021 with reference to Cycle 2, and in April 2022 with reference to Cycle 3.

The Plan is intended for Executive Directors and/or Senior Executives and/or employees of the Company or Group companies, understood as personnel who have an employment relationship with the Company and/or the Group and fall into one of the following categories: (i) personnel having the rank of executive at the Company and/or Group companies; (ii) personnel having the rank of manager (or higher) at the Company and/or Group companies.

Essential elements related to the characteristics of the financial instruments on which it is based

The Plan provides for the free granting, to each of the beneficiaries, of rights to receive Unieuro ordinary shares (the "Shares") depending, *inter alia*, on the achievement of certain performance targets and specific vesting conditions, which reflect the most important variables related to value creation for the Group.

Free granting of these Shares will be made in the years 2023 (1st cycle), 2024 (2nd cycle) and 2025 (3rd cycle).

As reflected in the Board of Directors' resolution, the actual granting of Shares for each of the three cycles will be based on the performance targets and, in general, the meeting of the vesting conditions.

It is also provided that the aforementioned rights shall entitle each beneficiary to the receipt of a cash bonus linked to any cash dividends distributed and paid by the Company up to the grant date. This award will be payable in conjunction with, and subject to, the delivery of shares related to each cycle of the Plan provided that the specific vesting conditions are met.

Plan rationale

The Plan shall be one of the instruments used by the Company and the Group to supplement the remuneration of key personnel with variable components based on achieving performance targets and in accordance with best market practices.

The Board of Directors considers a share-based incentive plan, with five-year duration and specific performance targets, as the most effective incentive instrument and one which responds to the interests of the Company and of the Group. Therefore, the Plan has the following objectives: (i) to focus recipients on factors of strategic interest of the Company and direct key resources toward strategies aimed at pursuing medium- to long-term results; (ii) to retain and incentivise recipients within the Company by developing retention policies aimed at key resources; (iii) aligning the interests of beneficiaries with those of shareholders, with a view to developing confidence in the Company's value creation; and (iv) ensuring that the overall remuneration of Plan recipients remains competitive while developing attraction policies toward talented managerial and professional figures.

In the financial statements, the assumptions underlying the calculation were (i) the exercise term equal to the duration between the grant date and the vesting date, (ii) the share price at the time of valuation, (iii) the amount of expected dividends. Finally, consistent, with the provisions of IFRS 2, (iv) the probability of Recipients' exit and (v) the probability of achieving performance targets equal to 100%.

The Prospectus stipulates the option for the Board of Directors to grant the Beneficiaries the right to receive the Shares *pro rata temporis* and *pro rata performance* in advance of the timeframes set out in the Plan upon the occurrence of particular events during the Vesting period, such as the launch of a Public Tender and Exchange Offer involving the issuer's Shares.

On August 12, 2024, the Board of Directors, in light of the Public Tender and Exchange Offer launched by the Offerors on July 16, 2024, exercised this option under the Plan and resolved to accelerate the Incentive Plans that are still in effect through the early allocation of the shares and the cash bonus calculated in accordance with the criteria set out in the respective Plan regulations, utilising the treasury shares held in the Parent Company's portfolio.

	Number of rights August 31, 2024
Outstanding at beginning of period	**354,200**
Assigned during the period	(110,094)
Granted during the period	-
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**-**
Not allocated at beginning of period	
Exercisable at end of period	
Not allocated at end of period	**244,106**

2023-2028 Performance share plan

On June 21, 2022, the Shareholders' Meeting of Unieuro S.p.A., approved the Disclosure Document on the 2023-2028 Performance Shares Plan (the "Performance Shares" or "PS") prepared pursuant to Article 114-bis of the CFA.

Description of Plan's recipients

The implementation and definition of the specific features of the Plan were delegated by the Shareholders' Meeting to the specific definition by the Board of Directors of Unieuro.

The Plan is intended for Executive Directors and/or Senior Executives and/or employees of the Company and/or Group companies who hold roles with a greater impact on the achievement of medium-long term business results or with strategic importance for the purposes of achieving Unieuro's long-term objectives, as well as additional roles identified in relation to the performances achieved, skills possessed or with a view to retention/attraction and fall into one of the following categories: (i) executives of the Company and/or Group companies and (ii) first level while-collar employees (or above) at the Company and/or Group companies.

Essential elements related to the characteristics of the financial instruments on which it is based

The Plan provides for the free granting, to each of the beneficiaries, of rights to receive Unieuro ordinary shares (the "Shares") depending, *inter alia*, on the achievement of certain performance targets and specific vesting conditions, which reflect the most important variables related to value creation for the Group.

Free granting of these Shares will be made in the years 2026 (1st cycle), 2027 (2nd cycle) and 2028 (3rd cycle).

It is also provided that the aforementioned rights shall entitle each beneficiary to the receipt of a cash bonus linked to any cash dividends distributed and paid by the Company up to the grant date. This award will be payable in conjunction with, and subject to, the delivery of shares related to each cycle of the Plan provided that the specific vesting conditions are met.

Plan rationale

In fact, the Plan is one of the tools used by the Company to supplement the fixed component of the remuneration package of strategic resources through variable components linked to continued employment, in line with market best practices, and is proposed as a continuation of the previous medium- to long-term incentive plan approved by the Shareholders' Meeting of December 17, 2020.

The Plan has the following objectives: (i) to focus the Beneficiaries of the Plan on factors of strategic interest of the Company and direct key resources toward pursuing medium to long-term results, with a view to the sustainability of the Group's operating-financial performances (ii) to retain and incentivise the Beneficiaries of the Plan within the Company by developing retention policies; (iii) aligning the interests of Beneficiaries with those of Shareholders, with a view to developing the Company's value creation; and (iv) ensuring that the overall remuneration of Plan recipients remains competitive while developing attractive policies toward new talented managerial and professional figures.

The Prospectus stipulates the option for the Board of Directors to grant the Beneficiaries the right to receive the Shares *pro rata temporis* and *pro rata performance* in advance of the timeframes set out in the Plan upon the occurrence of particular events during the Vesting period, such as the launch of a Public Tender and Exchange Offer involving the issuer's Shares.

On August 12, 2024, the Board of Directors, in light of the Public Tender and Exchange Offer launched by the Offerors on July 16, 2024, exercised this option under the Plan and resolved to accelerate the Incentive Plans that are still in effect through the early allocation of the shares and the cash bonus calculated in accordance with the criteria set out in the respective Plan regulations, utilising the treasury shares held in the Parent Company's portfolio.

	Number of rights August 31, 2024
Outstanding at beginning of period	**197,900**
Assigned during the period	(188,678)
Granted during the period	200,000
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**-**
Not allocated at beginning of period	-
Exercisable at end of period	-
Not allocated at end of period	**209,222**

10. Treasury shares

The Shareholders' Meeting approved on June 22, 2023 the launch of a programme to purchase and utilise treasury shares, following the revocation of the previous authorisation granted by the Shareholders' Meeting of June 21, 2022.

The authorisation to purchase treasury shares provides for a maximum of 2,000,000 ordinary shares of Unieuro S.p.A., it being understood that the number of ordinary shares from time to time held in portfolio by the Company and its subsidiaries may not exceed 10% of the Company's pro-tempore share capital.

The purpose of the authorisation is, among other matters, to set up a portfolio of treasury shares to be used to service existing and future share incentive plans reserved for Directors and/or employees and/or associates of the Company or other companies controlled by it, as well as to set up a "securities reserve" to be used, where appropriate, as consideration in corporate transactions, including equity swaps, with third parties as part of transactions that may be of interest to Unieuro.

It should be noted that the authorisation has not been pre-established for any transaction to reduce the share capital.

In H1 2024/25, the company assigned and granted 48,144 shares to the recipients of the 2020-2025 performance shares plan, on the basis of the achievement of the second cycle targets.
At August 31, 2024, 320,632 treasury shares were held, accounting for 1.54% of the share capital.

11. Option to waive the requirement to publish a disclosure document in cases of significant transactions

It should be noted that the Issuer has opted to adopt the exception to Article 70(6) and Article 71(1a) of the Issuers' Regulations, pursuant to Article 70(8) and Article 71(1a) of the Issuers' Regulations.

12. Management and coordination

Unieuro S.p.A. is not subject to the management and coordination of companies or entities and independently defines its general and operational strategic decision-making.

13. Main risks and uncertainties to which the Group is exposed

Information on the main risks and uncertainties are presented respectively at Note 3 of the Condensed Consolidated Half-Year Financial Statements, to which reference should be made.

14. Public Tender and Exchange Offer

On July 16, 2024, Fnac Darty SA ("Fnac Darty") and RUBY lnvestment S.à r.1. ("Ruby" or the “Co-investor" and, together with Fnac Darty, the “Offerors"), by means of a special notice disseminated pursuant to Article 102, paragraph 1, of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented and Article 37, paragraph 1, of the regulations approved by Consob Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented, have announced their decision to promote a voluntary public tender and exchange offer (the "'Offer") involving all of the ordinary shares of Unieuro S.p.A..

On August 23, 2024, Consob Resolution No. 23231 approved the Offer Document pursuant to Article 102, paragraph 4 of the CFA, which the Offerors published on August 24, 2024. The subscription period for the Offer, agreed with Borsa Italiana S.p.A., began on September 2, 2024 and concluded on October 25, 2024. The purpose of the Public Tender and Exchange Offer is the change of control and delisting of Unieuro. Due to the fulfilment of the minimum threshold condition (66.67% of the share capital) at the end of the tender period concluding October 25, 2024, the period was re-opened for five trading days for the sessions from November 4 to November 8, 2024.

Taking into account (i) the no. 4.099.491 ordinary shares of Unieuro tendered in the Offer during the reopening of the tender period and (ii) the no. 14,904,062 Unieuro shares already held by the Offerors prior to the beginning of the reopening of the tender period, the Offerors, jointly considered, will come to hold a total of no. 19.003.553 ordinary shares of Unieuro, equal to 91.15% of the share capital of the issuer. Including the no. 70,004 treasury shares held by the issuer as of today’s date, the total stake held in the share capital of Unieuro by the Offerors, directly and as regards the treasury shares, indirectly, at the end of the reopening of the tender period consists of no. 19,073,557 shares, representing 91.48% of the issuer’s share capital. The requirements for the fulfilment of the obligation to purchase under Art. 108, Par. 2, of the CFA have been met and Unieuro will be delisted from Euronext Milan.

For further details regarding the Tender Offer, please refer to the documents published in the Unieuro institutional website section https://investors.unieurospa.com/en/voluntary-tender-and-exchange-offer/.

It should be noted that the Unieuro Group, as part of its activities, is a party to contracts that provide the option for one or both parties to terminate, or withdraw from, the contract if there is a direct or indirect change in control of the other party. The Group has initiated the necessary discussions with counterparties to mitigate the risk of operational discontinuity and operating-financial impacts. With reference to the above-mentioned risk for credit lines, waivers for the change of control and delisting clauses have been formally obtained. It should be noted that Fnac Darty announced in the Exemption Document to have obtained a commitment to implement a revolving backstop credit line for a maximum principal amount of Euro 180.0 million, to be used in the event of the exercise of the "Change of Control" clauses stipulated in certain loan agreements.

15. Significant events during the period and after the end of the period

Significant events in the period

Monclick S.r.l. liquidation

In July 2024, the liquidation procedure of the wholly-owned subsidiary Monclick S.r.l. initiated in October 2023 was completed. Monclick was engaged in the sale of IT, electronics, telephony and domestic appliance products online in Italy through the website www.monclick.it.

Public Tender and Exchange Offer

On 16 July 2024, Fnac Darty SA (‘Fnac Darty’) and RUBY lnvestment S.à r.1. (‘Ruby’ or the ‘Co-investor’ and, together with Fnac Darty, the ‘Offerors’), announced their decision to launch a voluntary takeover and exchange offer for all the ordinary shares of Unieuro S.p.A. For further information, please see paragraph 14. of the Report on Operations.

M&A Awards

Unieuro was awarded in the "Italy on Italy" M&A category for its acquisition of Covercare S.p.A. as part of the twentieth M&A awards sponsored by Fineurop Soditic S.p.A. and KPMG Italy.

Google Cloud and AI

During the first half of the fiscal year, the first data migration projects were launched on the Cloud, enabling Artificial Intelligence and Machine Learning applications developments. The training of employees on Artificial Intelligence topics was also launched for education and awareness purposes, as well as identification of use cases for direct application in sales and end-customer support processes.

Subsequent events

Council of State ruling regarding the Anti-trust Authority (AGCM) proceedings

The Council of State, in Judgment No. 8520/2024 of October 25, 2024, rejected in its entirety the appeal of the Anti-trust Authority ("AGCM") and upheld, in part, the appeals filed by Unieuro and Monclick against the two AGCM measures that had imposed fines totalling Euro 7 million for Unieuro and Euro 1.5 million for Monclick.
The Council of State confirmed the reductions of more than 90% of the penalties ordered by the Lazio Regional Administrative Court with reference to the non-compliance proceedings and ordered a further reduction of a total of Euro 430 thousand in the penalties imposed subsequent to the main proceedings.
As a result of the decisions of the Lazio Regional Administrative Court and the Council of State, the penalties imposed by the AGCM, which at the end of the two proceedings totalled Euro 8.5 million, were reduced by more than 60%.

16. Outlook

The forecast recovery of the Consumer Electronics market has already been confirmed in the final part of the first half-year, supported by - among other factors - the renewal of electronics products purchased during the pandemic, in addition to technological innovation, although against a still unstable geopolitical backdrop.

Unieuro is ready to tackle with confidence the imminent peak seasons and confirms the forecasts, announced to the market on September 26, 2024, of Revenues in line with FY 2023/24, Adjusted EBIT in excess of Euro 40 million and Net Cash substantially in line with the end of the previous fiscal year.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT AUGUST 31, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in Euro thousands)		Period ended	
	Note	August 31, 2024	February 29, 2024
Plant, machinery, equipment and other assets	5.1	71,462	76,810
Goodwill	5.2	249,591	249,591
Intangible assets with finite useful lives	5.3	76,186	76,272
Right-of-use assets	5.4	360,166	384,619
Deferred tax assets	5.5	39,774	39,159
Other non-current assets	5.6	22,168	22,794
Total non-current assets		**819,347**	**849,245**
Inventories	5.7	437,144	435,764
Trade receivables	5.8	65,808	52,784
Current tax assets	5.9	5,218	3,066
Other current assets	5.6	21,036	22,764
Cash and cash equivalents	5.10	60,969	105,598
Total current assets		**590,175**	**619,976**
Total assets from discontinued operations	5.29	-	**1,839**
Total assets		**1,409,522**	**1,471,060**
Share capital	5.11	4,170	4,140
Reserves	5.11	65,495	89,027
Profits/(losses) carried forward	5.11	26,217	3,675
Total Group shareholders' equity	5.11	95,882	96,842
Minority interest shareholders' equity	5.11	55	19
Total shareholders' equity		**95,937**	**96,861**
Financial liabilities	5.12	9,992	14,951
Employee benefits	5.13	10,978	10,964
Other financial liabilities	5.14	329,776	352,145
Provisions	5.15	12,337	12,511
Deferred tax liabilities	5.5	6,812	8,218
Other non-current liabilities	5.16	26	640
Total non-current liabilities		**369,921**	**399,429**
Financial liabilities	5.12	19,888	19,825
Other financial liabilities	5.14	83,287	85,847
Trade payables	5.17	510,048	552,779
Current tax liabilities	5.9	1,041	1,733
Provisions	5.15	2,190	1,799
Other current liabilities	5.16	327,210	308,373
Total current liabilities	5.29	**943,664**	**970,356**
Total liabilities from discontinued operations		-	**4,414**
Total shareholders' equity and liabilities		**1,409,522**	**1,471,060**

The accompanying notes are an integral part of these Condensed Consolidated Half-Year Financial Statements.

CONSOLIDATED INCOME STATEMENT

(in Euro thousands)		Period ended	
	Note	August 31, 2024	August 31, 2023 [38]
Revenues	5.18	1,149,280	1,199,424
Other income	5.19	693	413
TOTAL REVENUES AND INCOME		**1,149,973**	**1,199,837**
Purchase of materials and external services	5.20	(980,189)	(1,055,140)
Personnel costs	5.21	(104,266)	(99,045)
Change in inventories	5.7	1,381	7,823
Other operating costs and expenses	5.22	(3,455)	(2,741)
GROSS OPERATING RESULT		**63,444**	**50,734**
Amortisation, depreciation and write-downs	5.23	(55,851)	(53,240)
NET OPERATING RESULT		**7,593**	**(2,506)**
Financial income	5.24	218	855
Financial expenses	5.24	(7,812)	(6,231)
PROFIT/(LOSS) BEFORE TAX		**(1)**	**(7,882)**
Income taxes	5.25	(787)	2,154
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(788)**	**(5,728)**
Result from discontinued operations	5.29	3,276	(1,331)
PROFIT/(LOSS) FOR THE PERIOD		**2,488**	**(7,059)**
Profit/(loss) of the Group for the period	5.11	**2,473**	**(7,059)**
Profit/(loss) of third parties for the period	5.11	**15**	-
Basic earnings per share (in Euro) [39]	5.26	(0.039)	(0.282)
Diluted earnings per Share (in Euro)[36]	5.26	(0.039)	(0.285)

The accompanying notes are an integral part of these Condensed Consolidated Half-Year Financial Statements.

[38] The results for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the “Result from discontinued operations”.
[39] Basic and diluted earnings per share are determined by reference to the consolidated Profit/(Loss) for the year of continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in Euro thousands)		Period ended	
	Note	August 31, 2024	August 31, 2023
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**2,488**	**(7,059)**
Other components of comprehensive income that are or could be restated under consolidated profit/(loss) for the period:			
Profit/(loss) on cash flow hedges/ FVOCI	5.6	3,007	(281)
Income taxes		(839)	67
Total other components of comprehensive income that are or could be restated under profit/(loss) for the consolidated period	5.11	**2,168**	**(214)**
Other components of comprehensive income that will not subsequently be restated under profit/(loss) for the consolidated period:			
Actuarial gains (losses) on defined benefit plans	5.13	(71)	35
Income taxes		23	(6)
Total other components of comprehensive income that will not subsequently be restated under profit/(loss) for the consolidated period	5.11	**(48)**	**29**
Total comprehensive income for the consolidated period		**4,608**	**(7,244)**

The accompanying notes are an integral part of these Condensed Consolidated Half-Year Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

(in Euro thousands)	Note	Period ended August 31, 2024	Period ended August 31, 2023
Cash flow from operations			
Consolidated profit/(loss) for the consolidated period	5.11	2,488	(7,059)
Adjustments for:			
Income taxes	5.25	787	(2,680)
Net financial expenses (income)	5.24	7,594	5,395
Amortisation, depreciation and write-downs of fixed assets	5.23	55,851	53,508
Other changes		(1,137)	298
Cash flow generated/(absorbed) from operating activities before changes in Net Working Capital		**65,583**	**49,462**
Changes in:			
- Inventories	5.7	(1,380)	(7,826)
- Trade receivables	5.8	(13,024)	2,207
- Trade payables	5.17	(39,152)	(84,253)
- Other changes in operating assets and liabilities	5.6-5.15-5.16	14,892	56,082
Cash flow generated/(absorbed) from operating activities		**(38,664)**	**(33,790)**
Taxes paid	5.25	(260)	-
Interest paid	5.24	(7,030)	(5,213)
Net cash flow generated/(absorbed) by operating activities	**5.27**	**19,629**	**10,459**
Net cash flow generated/(absorbed) by operating activities of discontinued operations	**5.30**	**701**	**-**
Cash flow from investing activities			
Purchases of plant, machinery, equipment and other assets	5.1	(7,185)	(4,863)
Purchase of intangible assets	5.3	(11,040)	(8,337)
Divestments from current FVOCI securities		-	60,540
Investments for business combinations and business units	5.14	-	-
Cash flows deriving from the acquisitions net of the cash acquired	5.29	(5,460)	-
Cash flow generated/(absorbed) by investment activities	**5.27**	**(23,685)**	**47,340**
Cash flow from financing activities			
Increase/(Decrease) financial liabilities	5.12	-	-
Increase/(Decrease) in other financial liabilities	5.14	(285)	(1,452)
Increase/(Decrease) in financial liabilities - IFRS 16 Leases	5.14	(33,297)	(33,458)
Exercise of Stock Option Plan	5.11	1,660	-
Distribution dividends	5.11	(9,352)	(9,848)
Cash flow generated/(absorbed) by financing activities	**5.27**	**(41,274)**	**(44,758)**
Net increase/(decrease) in cash and cash equivalents		**(44,629)**	**13,041**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**105,598**	**66,653**
Net increase/(decrease) in cash and cash equivalents		**(44,629)**	**13,041**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**60,969**	**79,694**

The accompanying notes are an integral part of these Condensed Consolidated Half-Year Financial Statements.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in Euro thousands)	Note	Share capital	Legal reserve	Extraordinary reserve	Cash Flow hedge reserve/ FVOCI	FVOCI reserve	Reserve for actuarial gains/ (losses) on defined benefit plans	Reserve for share-based payments	Other reserves	Profits/ (losses) carried forward	Total shareholders ' equity	Minority interests	Total shareholders ' equity
Balance at February 29, 2024	5.11	**4,140**	**828**	**64,276**	**(1,271)**	**(21)**	**(138)**	**3,287**	**22,066**	**3,675**	**96,842**	**19**	**96,861**
Consolidated profit/(loss) for the period		-	-	-	-	-	-	-	-	**2,473**	**2,473**	**15**	**2,488**
Other components of comprehensive income		-	-	-	2,168	-	(48)	-	-		**2,120**	**-**	**2,120**
Total consolidated comprehensive income for the period		**-**	**-**	**-**	**2,168**	**-**	**(48)**	**-**	**-**	**2,473**	**4,594**	**15**	**4,608**
Allocation of prior year result		-	-	(15,770)	-	-	-	-	-	**15,770**	**-**	**-**	**-**
Distribution dividends		-	-	(9,352)	-	-	-	-	-	**-**	**(9,352)**	**-**	**(9,352)**
Exercise of Stock Option Plan		30	-	-	-	-	-	-	1,630	**-**	**1,660**	**-**	**1,660**
Share-based payment settled with equity instruments		-	-	-	-	-	-	(3,148)	988	**4,299**	**2,139**	**-**	**2,139**
Other changes		-	-	-	-	-	-	-	-	**-**	**-**	**21**	**21**
Total transactions with shareholders		**30**	**-**	**(25,122)**	**-**	**-**	**-**	**(3,148)**	**2,617**	**20,069**	**(5,553)**	**21**	**(5,532)**
Balance at August 31, 2024	5.11	**4,170**	**828**	**39,154**	**897**	**(21)**	**(186)**	**139**	**24,682**	**26,217**	**95,882**	**55**	**95,937**

The accompanying notes are an integral part of these Condensed Consolidated Half-Year Financial Statements.

(in Euro thousands)	Note	Share capital	Legal reserve	Extraordinary reserve	Cash Flow Hedge reserve FVOCI	Reserve for actuarial gains/ (losses) on defined benefit plans	Reserve for share-based payments	Other reserves	Profits/ (losses) carried forward	Total shareholder s' equity	Minority interests	Total shareholders' equity
Balance at February 28, 2023	**5.11**	**4,140**	**828**	**62,198**	**214**	**(31)**	**5,416**	**20,621**	**31,143**	**124,528**	**-**	**124,528**
Consolidated profit/(loss) for the period		-	-	-	-	-	-	-	(7,059)	(7,059)	-	(7,059)
Other components of comprehensive income		-	-	-	(214)	29	-	-	-	(185)	-	(185)
Total consolidated comprehensive income for the period		**-**	**-**	**-**	**(214)**	**29**	**-**	**-**	**(7,059)**	**(7,244)**	**-**	**(7,244)**
Allocation of prior year result		-	-	2,078	-	-	-	(3,419)	1,341	-	-	-
Distribution dividends		-	-	-	-	-	-	-	(9,848)	(9,848)	-	(9,848)
Share-based payment settled with equity instruments		-	-	-	-	-	(2,921)	4,753	(1,534)	298	-	298
Total transactions with shareholders		**-**	**-**	**2,078**	**-**	**-**	**(2,921)**	**1,334**	**(10,041)**	**(9,550)**	**-**	**(9,550)**
Balance at August 31, 2023	**5.11**	**4,140**	**828**	**64,276**	**-**	**(2)**	**2,495**	**21,955**	**14,042**	**107,735**	**-**	**107,735**

EXPLANATORY NOTES

1. INTRODUCTION

The Unieuro Group (hereinafter also the "Group" or the "Unieuro Group") consists of the companies Unieuro S.p.A. and Covercare S.p.A., along with its subsidiaries Covercare Center S.r.l. and Cybercare S.r.l. (hereinafter also the "Covercare Group"), consolidated as of December 1, 2023.

Unieuro S.p.A. (hereinafter also referred to as the "Company" or "Unieuro" or "UE") is a company under Italian law based in Forlì, Italy at 10 Via Piero Maroncelli, founded in the late 1930s by Vittorio Silvestrini. Unieuro is now the leading distributor of consumer electronics and domestic appliances in Italy and operates as an integrated omnichannel distributor in four main product segments: Grey (telephony and computer), White (large and small domestic appliances), Brown (consumer electronics), Other products (consoles, video games, bicycles), offering in parallel a wide range of services such as delivery and installation, extended warranty and consumer financing.

Covercare S.p.A. (hereinafter also referred to as "Covercare"), a wholly-owned subsidiary of Unieuro, is an Italian-registered company based in Legnano (MI), Corso Italia, 25. Covercare Center S.r.l., 70% owned by Covercare, and Cybercare S.r.l., 60% owned by Covercare, are Italian-registered companies based in Legnano (MI), Corso Italia 25/A (jointly the "Covercare Group"). The Covercare Group is an Italian leader in repair services for mobile phones, other portable devices and large domestic appliances. It also operates in the field of air conditioning installation services and boiler installation and maintenance, and in the installation of photovoltaic systems. Finally, it markets mobile electronic products, IT and accessories to professional customers, mainly overseas.

Monclick S.r.l. in liquidation (hereinafter also referred to as "Monclick" or "MK"), a wholly-owned subsidiary of Unieuro, is an Italian-registered company based in Milan, Via Marghera 28, and concluded its liquidation in November 2023 as part of a process to streamline the corporate structure.

The Group's mission is to accompany customers at all stages of their purchasing journey, placing them at the centre of an integrated ecosystem of product and service offerings that sees accessibility, proximity and closeness as the pillars of its strategic approach.

Unieuro's shares have been listed on the EURONEXT STAR MILAN since April 2017. The Company is features an extensive and fragmented shareholder base, and thus is structured like a public company.

On July 16, 2024, Fnac Darty SA ("Fnac Darty") and RUBY lnvestment S.à r.1. ("Ruby" or the "Co-investor" and, together with Fnac Darty, the "Offerors"), by means of a special notice disseminated pursuant to Article 102, paragraph 1, of Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented and Article 37, paragraph 1, of the regulations approved by Consob Resolution No. 11971 of May 14, 1999, as subsequently amended and supplemented, have announced their decision to promote a voluntary public tender and exchange offer (the "'Offer") involving all of the ordinary shares of Unieuro S.p.A..

On August 23, 2024, Consob Resolution No. 23231 approved the Offer Document pursuant to Article 102, paragraph 4 of the CFA, which the Offerors published on August 24, 2024. The subscription period for the Offer, agreed with Borsa Italiana S.p.A., began on September 2, 2024 and concluded on October 25, 2024. Due to the fulfilment of the minimum threshold condition (66.67% of the share capital) at the end of the tender period concluding October 25, 2024, the period was re-opened for five trading days for the sessions from November 4 to November 8, 2024.

Taking into account (i) the no. 4.099.491 ordinary shares of Unieuro tendered in the Offer during the reopening of the tender period and (ii) the no. 14,904,062 Unieuro shares already held by the Offerors prior to the beginning of the reopening of the tender period, the Offerors, jointly considered, will come to hold a total of no. 19.003.553 ordinary shares of Unieuro, equal to 91.15% of the share capital of the issuer. Including the no. 70,004 treasury shares held by the issuer as of today's date, the total stake held in the share capital of Unieuro by the Offerors, directly and as regards the treasury shares, indirectly, at the end of the reopening of the tender period consists of no. 19,073,557 shares, representing 91.48% of the issuer's share capital. The requirements for the fulfilment of the obligation to purchase under Art. 108, Par. 2, of the CFA have been met and Unieuro will be delisted from Euronext Milan.

2. ACCOUNTING POLICIES ADOPTED FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SUMMARY OF ACCOUNTING PRINCIPLES

The following are the accounting policies, main accounting principles and basis of preparation adopted in the preparation and drafting of the Condensed Consolidated Half-Year Financial Statements. These principles and criteria were applied consistently for all the periods presented in this document.

2.1 Basis of preparation of the Condensed Consolidated Half-Year Financial Statements

The Condensed Consolidated Half-Year Financial Statements have been prepared in accordance with the provisions of Article 154-ter of Legislative Decree No. 58 of February 24, 1998 (Consolidated Finance Act - CFA), as amended and supplemented, and in application of IAS 34. They do not include all the information required by IFRS for the preparation of the annual financial statements and should therefore be read in conjunction with the Unieuro Consolidated Financial Statements as of February 29, 2024. The Condensed Consolidated Half-Year Financial Statements have been prepared in accordance with International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and related interpretations (SIC/IFRIC), as adopted by the European Union.

The Condensed Consolidated Half-Year Financial Statements comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in shareholders' equity for the interim period ended August 31, 2024, and the relative notes. In the presentation of these statements, the comparative figures required by IAS 34 (February 29, 2024 for the statement of financial position and for the statement of changes in shareholders' equity and August 31, 2023 for the income statement, statement of comprehensive income and cash flow statement) are presented.

2.2 Basis of Presentation of the Condensed Consolidated Half-Year Financial Statements

The Condensed Consolidated Half-Year Financial Statements were drawn up in accordance with the going concern principle, as the Directors verified the absence of financial, operating or other indicators which may suggest difficulties with regards to the Group's capacity to meet its obligations in the foreseeable future and in particular in the next 12 months.

The Condensed Consolidated Half-Year Financial Statements are prepared under the historical cost convention, except for derivative financial instruments measured at fair value.

Please refer to the Directors' Report for information on the nature of the company's business and subsequent events to period-end.

As of August 31, 2024, the Group is composed as follows:

(in Euro thousands)	Share capital	% held	Parent
Unieuro S.p.A.	4,170		

Covercare S.p.A.	100	100.0%	Unieuro S.p.A.
Covercare Center S.r.l.	10	70.0%	Covercare S.p.A.
Cybercare S.r.l.	40	60.0%	Covercare S.p.A.

The Condensed Consolidated Half-Year Financial Statements are presented in Euro, the Group's functional currency. Amounts are in thousands of Euro, except where specifically indicated. Rounding is undertaken at the level of each individual account with totalling thereafter. It should also be noted that any differences in some tables are due to the rounding of values expressed in thousands of euros.

The subsidiary Monclick S.r.l. was deconsolidated from July 2024 following the completion of the liquidation process. It should be noted that the income statement, statement of financial position, and cash flow indicators for the period ended August 31, 2024 do not include the contribution of Monclick S.r.l.. Where applicable, as per IFRS 5 the comparative figures for the previous period have been restated. Therefore, in accordance with IFRS 5, the asset and liability items of the subsidiary Monclick S.r.l. in liquidation have been reclassified to "Assets/Liabilities from discontinued operations" and the income statement items to the “Result from discontinued operations”.

In application of IFRS 10, the financial statements at August 31, 2024 include the contribution of the Covercare Group. This contribution is not included in the comparative figures as the initial consolidation of the subsidiary Covercare S.p.A. and its subsidiaries Covercare Centre S.r.l. and Cybercare S.r.l. was from December 1, 2023.

We recall that the acquisition of control of the Covercare Group is considered a business combination and fell within the scope of IFRS 3. Unieuro, on undertaking the acquisition, availed of the option under IFRS 3 to make a provisional allocation of the cost of the business combinations to the fair values of the assets acquired and liabilities and contingent liabilities assumed. Where new information obtained within one year of the acquisition date, relating to facts and circumstances in existence at the acquisition date, results in adjustments to the amounts presented or to any additional provision in existence at the acquisition date, the acquisition accounting shall be revised. No significant changes are expected from those already recognised.

The Condensed Consolidated Half-Year Financial Statements as of August 31, 2024 approved by the Board of Directors on November 13, 2024 were subject to limited audit.

2.3 Condensed Consolidated Half-Year Financial Statements

The Condensed Consolidated Half-Year Financial Statements, in addition to these explanatory notes, consist of the following statements:

A) **Consolidated statement of financial position:** the consolidated statement of financial position is presented by presenting current and non-current assets and current and non-current liabilities separately, with a description in the notes for each asset and liability item of the amounts expected to be settled or recovered within or beyond 12 months from the date of the consolidated financial statements.

B) **Consolidated income statement:** the classification of costs in the consolidated income statement is based on their nature, showing the intermediate results related to gross operating income, net operating income and profit before tax.

C) **Consolidated statement of comprehensive income:** this statement includes profit/(loss) for the year as well as income and expenses recognised directly in equity for transactions other than those entered into with shareholders.

D) **Consolidated cash flow statement:** the consolidated cash flow statement presents cash flows from operating, investing and financing activities. The cash flow statement is presented in accordance with the indirect method, whereby net income is adjusted for the effects of non-cash transactions, any deferrals or provisions for previous or future operating cash receipts or payments, and items of income or expense associated with cash flows from investing or financing activities.

E) **Statement of changes in consolidated shareholders' equity:** this statement includes, in addition to the result of the comprehensive income statement, the transactions directly with shareholders who acted in this capacity and the details of each individual component. Where applicable, the statement also includes the effects, for each equity item, resulting from changes in accounting policies.

The Condensed Consolidated Half-Year Financial Statements are presented in comparative form.

2.4 Consolidation principles and consolidation scope

The Condensed Consolidated Half-Year Financial Statements at August 31, 2024 include the financial statements of the parent company Unieuro S.p.A. and those of the subsidiaries Covercare S.p.A., Covercare Center S.r.l. and Cybercare S.r.l..

The financial statements of group companies used for line-by-line consolidation have been appropriately modified and reclassified to conform to the international accounting standards referred to above.

2.5 Use of estimates and valuations in the preparation of Condensed Consolidated Half-Year Financial Statements

The preparation of the Condensed Consolidated Half-Year Financial Statements, in application of IFRS, require that management make estimates and assumptions on the values of the assets and liabilities in the Consolidated Financial Statements and on the information relating to the assets and contingent liabilities at the reporting sheet date. Estimates and assumptions are based on facts known at the date of preparation of the Condensed Consolidated Half-Year Financial Statements, management's experience, and other elements that may be considered relevant. The values that will result from the final data may differ from these estimates. Estimates are used to recognise provisions for doubtful debts and legal disputes, inventory obsolescence, assets related to capitalisation of contract obtainment costs, contract liability related to the sale of extended warranty services, lease liabilities, and right-of-use assets, perform asset valuations, goodwill impairment testing, actuarial valuation of employee benefits and share-based payment plan, as well as estimate the fair value of derivatives and assess the recoverability of deferred tax assets.

The estimates and assumptions are periodically reviewed and the effects of any variation are reflected in the Income Statement.

In drawing up the Condensed Consolidated Half-Year Financial Statements, the subjective relevant assessments of company management in applying the accounting policies and the main sources of uncertainty upon estimates are the same as those for the preparation of the Consolidated Financial Statements for the fiscal year ended February 29, 2024 of the Unieuro Group, to which reference should be made.

2.6 Accounting policies and principles

The accounting policies and consolidation principles adopted are the same as those utilised for the Group Consolidated Financial Statements at February 29, 2024, to which reference should be made.

The subsidiary Monclick S.r.l. was deconsolidated in July 2024 following the completion of the liquidation process. It should be noted that the income statement, statement of financial position, and cash flow indicators for the period ended August 31, 2024 do not include the contribution of Monclick S.r.l.. Where applicable, as per IFRS 5 the comparative figures for the previous period have been restated.

2.7 New accounting standards

IFRS and IFRIC accounting standards, amendments and interpretations not yet endorsed by the European Union

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: absence of exchangeability". The IASB published an amendment on August 15, 2023, clarifying when one currency may not be converted into another, how to estimate the exchange rate, and the disclosures to be made in the notes to the financial statements. The amendment will become effective as of January 1, 2025. However, early application is permitted.

- Introduction of IFRS 18 "Presentation and Disclosure of Financial Statements". On April 9, 2024, the IASB issued the document "Presentation and Disclosure in Financial Statements". IFRS 18 will replace IAS 1 "Presentation of Financial Standards for financial statement presentation" as the primary source of requirements under IFRS for the presentation of financial statements. IFRS 18 introduces new requirements for the presentation of the income statement, including specified totals and subtotals. It also requires reporting on performance indicators defined by management and includes new requirements for the aggregation and disaggregation of financial information. IFRS 18 is effective for fiscal years beginning on or after January 1, 2027, with early application permitted.

- Introduction of IFRS 19 accounting standard. On May 9, 2024, the IASB published "IFRS 19 Subsidiaries without public accountability: Disclosures". The amendment allows subsidiaries, which do not have a public liability and are controlled by a parent company that prepares consolidated financial statements for public use under IFRS, to choose to apply the reduced disclosure requirements of IFRS 19 while continuing to apply the recognition, measurement, and presentation requirements of other IFRS accounting standards. The amendment will take effect on January 1, 2027, with early application allowed.

- Amendments to IFRS 9 and IFRS 7. On May 30, 2024, the IASB published "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)". This clarifies a number of problematic issues emerging from the post-implementation review of IFRS 9. The amendment will take effect from accounting periods beginning on or after January 1, 2026, with earlier application allowed.

With reference to the new amendments previously set out, the Directors are currently assessing the possible effects on the Group's consolidated financial statements related to their introduction.

IFRS accounting standards, amendments and interpretations endorsed by the European Union

- On May 15, 2024, the amendment entitled "Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements" published by the IASB on May 25, 2023. This requires an entity to provide additional information on reverse factoring arrangements to enable users of financial statement to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The amendments apply from fiscal years beginning January 1, 2024, with early application allowed.

Based on the facts and cases to which the new documents apply and taking into account the current accounting policies adopted by the Group, the Directors' consider that there will be no significant impact from the first application of these documents.

2.8 Seasonality

The market in which the Group operates features typical consumer electronics sector seasonality. In particular, sales are higher in the later part of each fiscal year, with a peak in demand near and during the Christmas period; the costs for purchasing goods from suppliers are also mainly concentrated in that period.
On the other hand, operating costs are more linear in view of the fixed cost components (personnel, rental and overheads) which are evenly distributed throughout the year. Consequently, the operating margin is also affected by this seasonality.

The revenue and costs movements outlined above impact upon the net commercial working capital and the net financial debt movements, which structurally feature cash generation in the second half of the year. Therefore, the analysis of the results and interim operating, equity and financial indicators should not be considered fully representative. It would therefore be erroneous to consider the period indicators as proportional to the full financial year.

3. FINANCIAL RISK MANAGEMENT

The principal business risks identified, monitored and, as illustrated below, actively managed by the Group are as follows:

- credit risk (both in relation to normal commercial transactions with clients and financial activities);
- liquidity risk (with reference to the availability of financial resources and access to the credit market and financial instruments in general);
- market risk (defined as foreign exchange and interest rate risk).

The objective is to maintain a balanced management of its financial exposure over time to ensure a liability structure that is in equilibrium with the composition of assets and capable of ensuring the necessary operational flexibility through the use of liquidity generated by current operating activities and recourse to bank financing.

The most widely used financing instruments are represented by:

- medium- to long-term financing, to cover investments in fixed assets;
- short-term financing, use of current account credit lines to finance working capital.

3.1 Credit risk

Credit risk is understood as the possibility that an unexpected change in a counterparty's creditworthiness will expose the Group to the risk of default, subjecting it to potential losses. It should be noted that the credit risk faced by the Group is minimised since sales are mainly made to the end consumer who pays the consideration when the product is picked up. Sales to affiliates (Indirect channel26F[40]) and wholesale customers (B2B channel), which together account for about 14.0% of Group revenues as of August 31, 2024, require the Group to use strategies and tools to reduce this risk. The Group has credit control processes in place that involve obtaining bank sureties to cover a significant amount of outstanding business with customers, analysing customer reliability, assigning a credit limit, and monitoring exposure through reports with a breakdown of due dates and average collection times. There are no significant risk concentration positions. Other receivables mainly refer to receivables from the tax authorities and the public administration and advances for services and therefore have limited credit risk.

Financial assets are recognised net of impairment calculated on the basis of counterparty default risk. This is determined according to procedures that may provide for either write-downs of individual positions, if individually significant, for which an objective condition of total or partial uncollectability is apparent, or write-downs on a collective basis formulated on the basis of historical and statistical data. In addition, the carrying amount of financial assets reflects the maximum Group exposure to credit risk.

[40] The Indirect channel includes revenue from the affiliate store network and the major supermarket segment through partnerships with leading sector players.

3.2 Liquidity risk

Liquidity risk is the risk associated with the failure to meet one's contractual obligations. Contractual obligations can be summarised as the fulfilment, according to set deadlines, of financial liabilities. Therefore, liquidity risk management is closely linked to the administration of financial revenue, ensuring a balance between cash receipts and expenditures by minimising the cost of financial management. This translates into finding financial resources to keep the company's financial structure lean, while minimising their cost (in terms of borrowing costs). Liquidity risk is limited through:

- cash flow from core business: the optimal management of cash inflows from normal business operations versus cash outflows;
- use of short-term financing lines (Hot Money);
- use of committed credit lines: these are credit lines that the bank syndicate agrees to keep available to the Group until maturity;
- use of non-committed financial assets with the sole purpose of financing;
- use of medium- to long-term financing suitable for supporting core and non-core business activities: the use of this type of resource implies constant monitoring of financial payables maturities as well as contingent market conditions.

Liquidity risk arises from the possible difficulty in obtaining financial resources at an acceptable cost to conduct normal operations. Factors influencing liquidity risk relate both to resources generated or absorbed by current operations and those generated or absorbed by investment and financial management, the latter understood as maturity timelines in repayment or obtaining short- and long-term financial payables and the availability of funds in the financial market.

The entire financial structure is constantly monitored by the Group to enable liquidity needs to be met. The Group's financial structure by maturity for the period ended August 31, 2024 and the fiscal year ended February 29, 2024 is presented below:

(in Euro thousands)	Balance at August 31, 2024	Within 12M	Between 12M and 60M	Over 60M	Total
Financial liabilities	29,880	19,888	9,992	-	29,880
Other financial liabilities	413,063	83,287	221,286	108,490	413,063
Total	**442,943**	**103,175**	**231,278**	**108,490**	**442,943**

(in Euro thousands)	Balance at February 29, 2024	Within 12M	Between 12M and 60M	Over 60M	Total
Financial liabilities	34,776	19,825	14,951	-	34,776
Other financial liabilities	437,992	85,847	232,028	120,117	437,992
Total	**472,768**	**70,530**	**240,542**	**120,117**	**472,768**

The performance in the period was affected by business seasonality. For further details, see Note 5.12 Financial liabilities and Note 5.14 Other financial liabilities.

3.3 Market risk

3.3.1 Interest rate risk

The Group uses external financial resources in the form of debt and uses available cash in bank deposits. Changes in the market interest rates impact on the cost and return of the various forms of loans and uses, with an effect therefore on the financial income and expense.

3.3.2 Currency risk

The Group is exposed to foreign exchange risk, i.e. the risk of fluctuations in future supplies denominated in foreign currencies due to the volatility of certain exchange rates, mainly as a result of transactions involving the import of goods.

Given the nature of the business and from a business continuity viewpoint, this risk is considered immaterial to the Group due to the small volume of transactions involving the purchase of goods in currencies other than Euro, and therefore the risk is not managed on a recurring basis from an operational perspective. Should the need arise to manage foreign exchange risk, generated by changes in exchange rates with respect to major transactions expected in the short term of importing goods that involve payments to suppliers in U.S. dollars, the Group manages the risk exposure through forward purchase contracts (i.e. FX Forward) of U.S. dollars. This strategy aims to 'fix' at a predefined exchange rate level the amount of currency in U.S. dollars for future purchases, consequently making it immune to changes in market rates.

As of August 31, 2024, there are no currency forward purchase and sale contracts in place. In the event that foreign exchange contracts are outstanding at the reporting date, the effects of these derivative financial instruments will be recognised on the balance sheet with a direct offset to the income statement in accordance with the standard accounting treatment prescribed by International Financial Reporting Standard IFRS 9. Should the substantive and formal requirements be met, the Group would also reserve the right to consider applying the cash flow hedge accounting treatment to these operating cases.

3.4 Fair value estimate

The fair value of financial instruments listed in an active market is based on market prices at the reporting date. The fair value of instruments that are not listed in an active market is determined using valuation techniques, based on a variety of methods and assumptions related to market conditions at the reporting date.

Below is the classification of fair values of financial instruments based on the following hierarchical levels:

- Level 1: fair value determined with reference to listed prices (not adjusted), on active markets for identical financial instruments;

- Level 2: fair value determined with valuation techniques with reference to observable variables on active markets;

- Level 3: fair value determined with valuation techniques with reference to non-observable variables on markets.

Financial instruments exposed to fair value are classified in Level 2, and the general criterion used to calculate it is the present value of the expected future cash flows of the instrument being measured.

Liabilities related to bank debt are measured on the amortised cost basis. Trade receivables and payables have been measured at carrying amount, net of any allowance for doubtful accounts, as they are considered to approximate current value.

The following table provides a breakdown of financial assets and liabilities by category as of August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ending August 31, 2024			
	Loans and receivables	Fair value of hedging instruments	Other Liabilities	Total
Financial assets not measured at Fair Value				
Cash and cash equivalents	60,969	-	-	**60,969**
Trade receivables	65,808	-	-	**65,808**
Other current & non-current assets	41,959	-	-	**41,959**
Financial assets measured at Fair Value			-	
Other assets	-	1,245	-	**1,245**
Financial liabilities not measured at Fair Value				
Financial liabilities	-	-	29,880	**29,880**
Trade payables	-	-	510,048	**510,048**
Other current and non-current liabilities	-	-	327.236	**327.236**
Other financial liabilities	-	-	413,063	**413,063**
Financial liabilities measured at fair value				
Other financial liabilities	-	-	-	**-**

(in Euro thousands)	Fiscal year ending February 29, 2024			
	Loans and receivables	Fair value of hedging instruments	Other Liabilities	Total
Financial assets not measured at Fair Value				
Cash and cash equivalents	105,598	-	-	**105,598**
Trade receivables	52,784	-	-	**52,784**
Other current & non-current assets	45,558	-	-	**45,558**
Financial assets measured at Fair Value				
Other assets	-	-	-	-
Financial liabilities not measured at Fair Value				
Financial liabilities	-	-	34,776	**34,776**
Trade payables	-	-	552,779	**552,779**
Other current and non-current liabilities	-	-	309,013	**309,013**
Other financial liabilities	-	-	436,230	**436,230**
Financial liabilities measured at fair value				
Other financial liabilities	-	1,762	-	**1,762**

3.5 Sensitivity Analysis

Regarding the exposure to market risk due to changes in electricity prices, the Company conducted a sensitivity analysis in accordance with IFRS 7. The company has made an estimate of the potential impacts produced by an electricity price market shock (National Single Price, "PUN") by using internal valuation models, based on generally accepted approaches. Specifically, these impacts, were estimated by simulating a parallel change of +500 basis points (+5%) and -500 basis points (-5%) on the forward price structure of the above benchmark.

(in Euro thousands)	**Sensitivity analysis Fair value of derivative instruments**			
	Income statement impact +500 basis points	***Impact on Net Equity* +500 basis points**	**Income statement impact -500 basis points**	***Impact on Net Equity* -500 basis points**
Derivatives in hedge accounting	-	518		(518)

4. INFORMATION ON OPERATING SEGMENTS

The operating segment identified by the Group, within which all services and products provided to customers converge, is unique and coincides with the entire Group. The Group's vision of the company as a single omnichannel business means that it has identified a single Strategic Business Unit ("SBU"). Management has also identified three Cash Generating Units ("CGUs") within the SBU to which goodwill has been allocated. This approach is supported by the management control model of operations, which considers the entire business as a whole, regardless of product lines or geographic locations whose subdivision is considered insignificant for the purpose of making business decisions.

The results of the operating segment are measured through the analysis of revenue and EBITDA.

(in thousand of Euro and as a percentage of revenues)	Period ended	
	August 31, 2024	**August 31, 2023** [41]
Revenues	1,149,280	1,199,424
GROSS OPERATING RESULT	**63,444**	**50,734**
% of revenues	5.5%	4.2%
Amortisation, depreciation and write-downs	(55,851)	(53,240)
NET OPERATING RESULT	**7,593**	**(2,506)**
Financial income	218	855
Financial expenses	(7,812)	(6,231)
PROFIT/(LOSS) BEFORE TAX	**(1)**	**(7,882)**
Income taxes	(787)	2,154
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**(788)**	**(5,728)**

The gross operating margin was 5.5% in the period ended August 31, 2024.

The breakdown of revenues by geographic area is presented below:

(in Euro thousands)	Period ended	
	August 31, 2024	**August 31, 2023** [42]
Overseas	7,047	1,662
Italy	1,142,233	1,197,762
Total	**1,149,280**	**1,199,424**

Revenues are allocated on the basis of domestic/foreign billing.

No non-current assets are recorded in countries other than where the Group is headquartered.

[41] The results for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the “Result from discontinued operations”.
[42] Consolidated revenues for the period to August 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the liquidated subsidiary Monclick S.r.l., which was reclassified to the “Result from discontinued operations”.

5. EXPLANATORY NOTES TO INDIVIDUAL ITEMS IN THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

5.1 Plant, machinery, equipment and other assets

The balance of "Plant, machinery, equipment and other assets" by category as at August 31, 2024 and February 29, 2024 is shown below:

(in Euro thousands)	Balance at August 31, 2024			Balance at February 29, 2024		
	Historic cost	Acc. Deprec.	Net book value	Historic cost	Acc. Deprec.	Net book value
Plant & machinery	165,653	(142,856)	22,797	162,900	(139,202)	23,698
Equipment	39,043	(22,770)	16,273	38,335	(21,627)	16,708
Other Assets	223,664	(192,304)	31,359	220,976	(186,836)	34,140
Assets under construction and advances	1,032	-	1,027	2,264	-	2,264
Total Plant, machinery, equipment and other assets	**429,392**	**(357,930)**	**71,462**	**424,475**	**(347,665)**	**76,810**

Changes in "Plant, machinery, equipment and other assets" for the period from February 29, 2024 to August 31, 2024 are shown below:

(in Euro thousands)	Plant and machinery	Equipment	Other assets	Assets under construction and advances	Total
Balance at February 29, 2024	**23,698**	**16,708**	**34,140**	**2,264**	**76,810**
Increases	2,753	708	2,688	430	6,579
Decreases	-	-	-	(1,662)	(1,662)
Amortisation, depreciation and write-downs/(revaluations)	(3,653)	(1,143)	(5,469)	-	(10,265)
Decreases Accum. Deprec.	-	-	-	-	-
Balance at August 31, 2024	**22,797**	**16,273**	**31,359**	**1,032**	**71,462**

Changes in "Plant, machinery, equipment and other assets" for the period from February 28, 2023 to August 31, 2023 are shown below:

(in Euro thousands)	Plant and machinery	Equipment	Other assets	Assets under construction and advances	Total
Balance at February 28, 2023	**26,113**	**11,904**	**36,000**	**2,991**	**77,009**
Increases	1,580	2,486	4,352	841	9,259
Decreases	-	-	-	(2,805)	(2,805)
Amortisation, depreciation and write-downs/(revaluations)	(4,000)	(894)	(5,486)	-	(10,380)
Decreases Accum. Deprec.	-	-	-	-	-
Balance at August 31, 2023	**23,693**	**13,497**	**34,866**	**1,027**	**73,083**

With reference to the period ended August 31, 2024, the Group made investments referring to plant and machinery, equipment and other assets, net of the decreases in fixed assets under construction, of Euro 4,917 thousand.

Specifically, net investments are mainly attributable to: (i) the restructuring of certain stores by restyling the layout, reducing or expanding the sales area and works for the energy efficiency of sales points for Euro 2,381 thousand (ii) the installation of electronic labels at stores for Euro 563 thousand (iii) minor extraordinary maintenance and plant renewal work at various outlets for Euro 695 thousand.

Net fixed assets under construction amounting to Euro 1,032 thousand mainly refer to investments in new outlets.

”Amortisation, depreciation and write-downs/(revaluations)” amounted to Euro 10,265 thousand.

"Plant, machinery, equipment and other assets" include leased financial assets, mainly consisting of furniture, energy saving lights, air conditioning systems, servers, computers and printers. These assets are provided as guarantees to the lessor until the full payment of the residual debt. For further details on the payables to leasing companies, reference should be made to Note 5.14 “Other financial liabilities”.

With reference to the period ended August 31, 2023, the Group made investments referring to plant and machinery, equipment and other assets, excluding fixed assets under construction, of Euro 6,454 thousand.

Specifically, net investments are mainly attributable to: (i) the restructuring of certain stores by restyling the layout and reducing or expanding the sales area for Euro 2,957 thousand (ii) the installation of electronic labels at stores for Euro 2,371 thousand (iii) minor extraordinary maintenance and plant renewal work at various outlets for Euro 1,023 thousand.

Net assets under construction amounted to Euro 1,027 thousand and mainly concern the investments in existing outlets and the installation of shop in shops following the new strategic partnership with Kasanova.

”Amortisation, depreciation and write-downs/(revaluations)” amounted to Euro 10,380 thousand.

"Plant, machinery, equipment and other assets" include leased financial assets, mainly consisting of furniture, energy saving lights, air conditioning systems, servers, computers and printers. These assets are provided as guarantees to the lessor until the full payment of the residual debt. For further details on the payables to leasing companies, reference should be made to Note 5.14 “Other financial liabilities”.

5.2 Goodwill

Details of "Goodwill" as at August 31, 2024 and February 29, 2024 are shown below:

(in Euro thousands)	Period ended	
	August 31, 2024	February 29, 2024
Goodwill	249,591	249,591
Total Goodwill	**249,591**	**249,591**

Changes in "Goodwill" for the period from February 28, 2023 to August 31, 2024 are shown below:

(in Euro thousands)	Goodwill
Balance at February 28, 2023	**196,110**
Increases	60,680
Decreases	-
Write-downs	-
Reclassification of discontinued operations	(7,199)
Balance at February 29, 2024	**249,591**
Acquisitions	-
Increases	-
Write-downs	-
Balance at August 31, 2024	**249,591**

The value of goodwill as at August 31, 2024 and February 29, 2024 is composed as follows:

(in Euro thousands)	**Goodwill at August 31, 2024**	**Goodwill at February 29, 2024**
Deriving from mergers:		
Marco Polo Holding S.r.l.	94,993	94,993
Ex Unieuro	32,599	32,599
Rialto 1 S.r.l. and Rialto 2 S.r.l.	9,925	9,925
Marco Polo Retail S.r.l.	8,603	8,603
Other minor mergers	5,082	5,082
Deriving from acquisitions of equity investments:		
Monclick S.r.l..	-	-
Carini Retail S.r.l.	17,273	17,273
Covercare S.p.A.	60,680	60,680
Deriving from acquisition of business units:		
Papino Elettrodomestici S.p.A.- Expert	309	309
2C S.r.l. – Expert	10,500	10,500
Andreoli S.p.A.	5,748	5,748
Cerioni S.p.A.	2,407	2,407
Galimberti S.p.A.	1,240	1,240
DPS Group S.r.l.	194	194
Dixons Travel	38	38
Total Goodwill	**249,591**	**249,591**

Goodwill at August 31, 2024 of Euro 249,591 thousand is unchanged on the fiscal year ending February 29, 2024.

5.2.1 Impairment test

As of August 31, 2024, any indicators of impairment, evident from internal sources or external sources of information, have been assessed by management to be consistent with the provisions of international accounting standard IAS 36.

Company management carried out specific analyses to verify its assets - from which no indicators of possible impairment were identified, and therefore it was not necessary to update the impairment test carried out at February 29, 2024 and approved by Unieuro's Board of Directors on May 10, 2024.

In particular, business dynamics in the period were considered, in addition to future trends, which exceeded the assumptions for the recoverability of its assets (including that regarding goodwill) on the preparation of the Unieuro Group consolidated financial statements at February 29, 2024.

In addition, we highlight that Unieuro's stock market capitalisation at August 31, 2024 was in excess of the Group's shareholders' equity and that the offer price of the Public Tender and Exchange Offer announced on July 16, 2024 by Fnac Darty SA and RUBY Investment S.à.r.l. confirms the significant headroom against the Group's carrying amount.

5.3 Intangible assets with finite useful lives

The balance of "Intangible assets with finite useful life" is shown below by category as at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Balance at August 31, 2024			Balance at February 29, 2024		
	Historic cost	Acc. Amort.	Net book value	Historic cost	Acc. Amort.	Net book value
Software	151,153	(97,798)	53,356	141,475	(88,979)	52,496
Concessions, licences and trademarks	33,290	(11,154)	22,136	33,290	(10,157)	23,132
Key money	1,572	(1,572)	-	1,572	(1,572)	-
Intangible assets under construction	695	-	695	644	-	644
Total intangible assets with finite useful life	**186,710**	**(110,524)**	**76,186**	**176,980**	**(100,708)**	**76,272**

Changes in "Intangible assets with finite useful life" for the period from February 29, 2024 to August 31, 2024 are shown below:

(in Euro thousands)	Software	Concessions, licenses and brands	Intangible assets under construction	Total
Balance at February 29, 2024	**52,496**	**23,132**	**644**	**76,272**
Increases	11,122	-	561	**11,684**
Decreases	(1,444)	-	(511)	**(1,955)**
Amortisation, depreciation and write-downs/(revaluations)	(8,818)	(997)	-	**(9,815)**
Balance at August 31, 2024	**53,356**	**22,136**	**695**	**76,186**

Changes in "Intangible assets with finite useful life" for the period from February 28, 2023 to August 31, 2023 are shown below:

(in Euro thousands)	Software	Concessions, licenses and brands	Intangible assets under construction	Total
Balance at February 28, 2023	**44,869**	**3,614**	**791**	**49,274**
Increases	8,059	-	3,041	**11,100**
Decreases	-	-	(452)	**(452)**
Amortisation, depreciation and write-downs/(revaluations)	(7,144)	(116)	-	**(7,230)**
Decreases Accum. Amort.	-	-	-	**-**
Balance at August 31, 2023	**45,814**	**3,498**	**3,380**	**52,691**

With regard to the period ended August 31, 2024, increases net of decreases in the category “Intangible assets under construction" totalled Euro 11,161 thousand and were mainly attributable to the category “Software”.

The increases in the “Software” category for Euro 11,111 thousand mainly concern the information technology projects.

Net fixed assets under construction amounting to Euro 695 thousand mainly refer to investments to improve the technological infrastructure.

With regard to the period ended August 31, 2023, increases net of decreases in the category “Intangible assets under construction" totalled Euro 10,648 thousand and were mainly attributable to the category "Software."

The increases in the “Software” category for Euro 8,059 thousand mainly concern the information technology project and extraordinary actions on existing software.

Net fixed assets under construction amounting to Euro 3,380 thousand mainly refer to investments to improve the technological infrastructure.

5.4 Right-of-use assets

The balance of "Right-of-use assets" by category at August 31, 2024 and February 29, 2024 is shown below:

(in Euro thousands)	Balance at August 31, 2024			Balance at February 29, 2024		
	Historic Cost	Acc. Deprec.	Net Book Value	Historic Historic	Acc. Deprec.	Net Book Value
Buildings	709,406	(356,696)	352,865	699,341	(322,323)	377,018
Cars	9,088	(5,465)	3,623	8,425	(4,761)	3,665
Other Assets	10,520	(6,687)	3,678	9,928	(5,992)	3,936
Total right-of-use assets	**729,013**	**(368,848)**	**360,166**	**717,695**	**(333,076)**	**384,619**

Changes in "Right-of-use assets" for the period from February 29, 2024 to August 31, 2024 are shown below:

(in Euro thousands)	Buildings	Cars	Other assets	Total
Balance at February 29, 2024	**377,018**	**3,665**	**3,936**	**384,619**
Increases/(Decreases)	10,065	662	592	11,319
(Amortisation and write-downs)/revaluations	(34,218)	(704)	(849)	(35,771)
Decreases Accum. Deprec.	-	-	-	-
Balance at August 31, 2024	**352,865**	**3,623**	**3,678**	**360,166**

The increases in right-of-use assets related to the Buildings category in the first half of FY 2024/25 mainly relate to the effect on the right-of-use of the revaluation of lease charges to the consumer price index, and the renewal of the contracts in place for a number of Sales points.

Changes in "Right-of-use assets" for the period from February 28, 2023 to August 31, 2023 are shown below:

(in Euro thousands)	Buildings	Cars	Other assets	Total
Balance at February 28, 2023	**415,526**	**1,650**	**5,553**	**422,729**
Increases/(Decreases)	13,318	640	-	**13,958**
(Amortisation and write-downs)/revaluations	(34,565)	(460)	(885)	**(35,910)**
Balance at August 31, 2023	**394,279**	**1,830**	**4,668**	**400,777**

5.5 Deferred tax assets and deferred tax liabilities

Changes in "Deferred tax assets" and "Deferred tax liabilities" for the period from February 29, 2024 to August 31, 2024 and for the period from February 28, 2023 to August 31, 2023 are shown below.

Deferred tax assets

(in Euro thousands)	Bas debt provision - amount due from suppliers	Obsolescence provision	Fixed assets and right-of-use	Intangible assets	Capital reserves	Provisions for risks and charges	Other current liabilities	Net deferred tax assets	Deferred tax assets relating to tax losses	Total net deferred tax assets
Balance at February 29, 2024	**729**	**3,359**	**2,196**	**2,267**	**229**	**2,933**	**1,762**	**13,474**	**25,685**	**39,159**
Provisions/Releases to the income statement	(24)	704	(116)	(410)	-	32	6	**193**	-	**193**
Provisions/Releases to the statement of comprehensive income	-	-	-	-	(816)	-	-	**(816)**	-	**(816)**
Equity changes	-	-	-	-	-	-	-	**-**	1,239	**1,239**
Balance at August 31, 2024	**705**	**4,063**	**2,080**	**1,858**	**(587)**	**2,964**	**1,768**	**12,851**	**26,924**	**39,774**

(in Euro thousands)	Bas debt provision - amount due from suppliers	Obsolescence provision	Fixed assets and right-of-use	Intangible assets	Capital reserves	Provisions for risks and charges	Other current liabilities	Net deferred tax assets	Deferred tax assets relating to tax losses	Total net deferred tax assets
Balance at February 28, 2023	**874**	**2,982**	**2,159**	**2,572**	**(316)**	**3,081**	**1,412**	**12,764**	**32,349**	**45,113**
Provisions/Releases to the income statement	(25)	250	(44)	(410)	-	(75)	-	**(304)**	-	**(304)**
Provisions/Releases to the statement of comprehensive income	-	-	-	-	70	-	-	**70**	-	**70**
Balance at August 31, 2023	**849**	**3,232**	**2,115**	**2,162**	**(246)**	**3,006**	**1,412**	**12,530**	**32,349**	**44,879**

The balance at August 31, 2024, amounting to Euro 39,774 thousand, consists mainly of: (i) temporary differences mainly attributable to intangible assets, tangible assets, the obsolescence provision and the provisions for risks and charges for a total of Euro 12,851 thousand and (ii) deferred tax assets recognised on tax losses of Euro 26,924 thousand. The item Increases/(Decreases) of Euro 1,239 thousand refers to IRES credits for the past tax losses of Monclick transferred to the consolidating company Unieuro following the closure of the liquidation process and the consequent conclusion of the tax consolidation.

The balance at August 31, 2023, amounting to Euro 44,879 thousand, consists mainly of: (i) temporary differences mainly attributable to intangible assets, tangible assets, the obsolescence provision and the provisions for risks and charges for a total of Euro 12,530 thousand and (ii) deferred tax assets recognised on tax losses of Euro 32,349 thousand.

Deferred tax liabilities

(in Euro thousands)	Intangible assets	Other current assets	Total net deferred taxes
Balance at February 29, 2024	**8,753**	**(535)**	**8,218**
Provisions/Releases to the income statement	(101)	(1,305)	**(1,406)**
Provisions/Releases to the statement of comprehensive income	-	-	**-**
Balance at August 31, 2024	**8,652**	**(1,840)**	**6,812**

(in Euro thousands)	Intangible assets	Other current assets	Total net deferred taxes
Balance at February 28, 2023	**3,367**	**579**	**3,946**
Provisions/Releases to the income statement	153	(21)	**132**
Provisions/Releases to the statement of comprehensive income	-	-	**-**
Balance at August 31, 2023	**3,520**	**558**	**4,078**

Deferred tax liabilities related to Intangible Assets arise mainly from goodwill having a statutory value different from the value relevant for tax purposes.

It is estimated that this liability refers to differences that will be reabsorbed in the medium and long term.

5.6 Other current assets and other non-current assets

Below is a breakdown of "Other Current Assets" and "Other Non-Current Assets" as at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ended	
	August 31, 2024	**February 29, 2024**
Prepaid expenses and accrued income	4,420	5,363
Contract assets	10,314	10,191
VAT credits	98	451
Tax credits	1,462	1,887
Financial receivables from leases - current portion	1,629	1,715
Other current financial assets	310	294
Fair value of derivative instruments current assets	837	-
Other current assets	1,966	2,863
Other current assets	**21,036**	**22,764**
Financial receivables from leases - non-current portion	10,437	11,255
Deposit assets	2,991	3,198
Fair value of derivative instruments non-current assets	408	-
Other non-current assets	8,332	8,341
Other non-current assets	**22,168**	**22,794**
Total Other current assets and Other non-current assets	**43,204**	**45,558**

"Prepaid expenses and accrued income" amounting to Euro 4,420 thousand as of August 31, 2024 (Euro 5,363 thousand as of February 29, 2024), mainly includes prepaid expenses referring to insurance, condominium expenses and other operating costs that were paid before August 31, 2024 and referring to future years.

"Contract assets" amounting to Euro 10,314 thousand at August 31, 2024 (Euro 10,191 thousand at February 29, 2024), includes costs for obtaining contracts qualifying as contract costs, represented by bonuses paid to employees for each additional sale of extended warranty services.

"Other current financial assets" had a balance of Euro 310 thousand as of August 31, 2024 and include the financial instruments held by the subsidiary Covercare at the reporting date.

The "Fair value of derivative instruments assets", which totalled Euro 1,245 thousand, includes the fair value as of the reporting date of the Power Purchase Agreement accounted for, in accordance with IFRS 9, as a cash flow hedge transaction.

"Other current assets" totalled Euro 1,966 thousand at August 31, 2024 (Euro 2,863 thousand at February 29, 2024). The item mainly includes the current portion of the Ecobonus receivables, introduced by the Government in preceding years to support building improvements.

"Other non-current assets" include the financial receivables for leasing, equity investments, guarantee deposits and deposits to suppliers, in addition to the non-current portion of the Ecobonus credit which shall be utilised to offset income taxes to be settled over the subsequent years.

5.7 Inventories

Inventories are composed as follows:

(in Euro thousands)	Period ended	
	August 31, 2024	February 29, 2024
Merchandise	452,646	447,382
Consumables	1,183	2,133
Gross inventory	**453,829**	**449,515**
Inventory obsolescence provision	(16,685)	(13,751)
Total inventories	**437,144**	**435,764**

Gross inventories increased from Euro 449,515 thousand at February 29, 2024 to Euro 453,829 thousand at August 31, 2024.

Inventory value reflects the loss of value of goods in cases where the cost is higher than the estimated realisable value, allowing the inventory value to be restored to current market value, and is adjusted by the inventory obsolescence provision, which accommodates the write-down of the value of goods with possible obsolescence indicators.
Changes in the inventory obsolescence provision for the period from February 29, 2024 to August 31, 2024 and from February 28, 2023 to August 31, 2023 are shown below:

(in Euro thousands)	Inventory obsolescence provision
Balance at February 29, 2024	**(13,751)**
Direct write-down	-
Provisions	(2,972)
Reclassifications	-
Release to income statement	-
Utilisations	38
Balance at August 31, 2024	**(16,685)**

(in Euro thousands)	Inventory obsolescence provision
Balance at February 28, 2023	**(12,474)**
Direct write-down	-
Provisions	(1,113)
Reclassifications	-
Release to income statement	-
Utilisations	39
Balance at August 31, 2023	**(13,548)**

5.8 Trade receivables

Below is a breakdown of “Trade receivables" at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ended	
	August 31, 2024	**February 29, 2024**
Trade receivables – third parties	67,537	54,395
Gross trade receivables	**67,537**	**54,395**
Bad debt provision	(1,729)	(1,611)
Total trade receivables	**65,808**	**52,784**

Gross receivables, mainly concerning the Indirect and B2B channels, totalled Euro 67,537 thousand at August 31, 2024, compared to Euro 54,395 thousand at February 29, 2024.

Changes in the bad debt provision for the period from February 29, 2024 to August 31, 2024 and from February 28, 2023 to August 31, 2023 are shown below:

(in Euro thousands)	**Bad debt provision**
Balance at February 29, 2024	**(1,611)**
Provisions	(123)
Release to income statement	-
Utilisations	5
Balance at August 31, 2024	**(1,729)**

(in Euro thousands)	**Bad debt provision**
Balance at February 28, 2023	**(2,203)**
Provisions	(22)
Release to income statement	507
Utilisations	155
Balance at August 31, 2023	**(1,563)**

Impaired receivables refer mainly to receivables in litigation or customers subject to bankruptcy proceedings. The uses are against creditor situations for which the elements of certainty and precision, i.e. the presence of pending bankruptcy proceedings, determine the write-off of the position.

The credit risk represents the exposure to potential losses following the non-fulfilment of obligations by counterparties. It should be noted, however, that for all periods considered, there are no significant concentrations of credit risk, especially in view of the fact that most sales are made with immediate payment through credit or debit cards in the Retail and Online channels and in cash, in the Retail channels. The Group has credit control processes in place that involve obtaining bank sureties and credit insurance contracts to cover a significant amount of outstanding business with customers, analysing customer reliability, assigning a credit limit, and monitoring exposure through reports with a breakdown of due dates and average collection times.

Overdue credit positions are in any case monitored by the administrative management through periodic analyses of the main positions, and for those for which an objective condition of partial or total uncollectability is detected, write-downs are made. The book value of the trade receivables approximates their fair value.

5.9 Current tax assets and liabilities

Below is a breakdown of "Current tax assets" at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ended	
	August 31, 2024	February 29, 2024
IRAP credits	70	451
IRES credits	5,148	2,615
Total current tax assets	**5,218**	**3,066**

Current tax assets amounted to Euro 5,218 thousand at August 31, 2024 (Euro 3,066 thousand at February 29, 2024). The item includes the estimated income tax balance for the period to August 31, 2024 and is recognised according to Management's best estimate of the annual average weighted tax rate for the entire period, applied to the result before taxes of the individual entities, offset by the advances paid.

Below is a breakdown of "Current tax liabilities" at August 31, 2024 and February 29, 2024:

Current tax liabilities

(in Euro thousands)	Period ended	
	August 31, 2024	February 29, 2024
IRES payables	-	692
Taxes payable	1,041	1,041
Total current tax liabilities	**1,041**	**1,733**

”Taxes payable” of Euro 1,041 thousand concern the contingent tax liabilities regarding indirect taxes.

5.10 Cash and cash equivalents

Below is a breakdown of "Cash and cash equivalents" at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ended	
	August 31, 2024	**February 29, 2024**
Bank accounts	50,480	97,406
Cash	10,489	8,192
Total cash and cash equivalents	**60,969**	**105,598**

Cash and cash equivalents amounted to Euro 60,969 thousand at August 31, 2024 and Euro 105,598 thousand at February 29, 2024.

This item consists of cash on hand, valuables and demand or short-term deposits with banks that are available and readily usable.

For further details on the movements in Cash and cash equivalents, reference should be made to the Cash Flow Statement. Reference should be made to Note 5.12 for further details on the net financial position.

5.11 Shareholders’ Equity

The changes in “Shareholders’ Equity" and the composition of reserves in the reporting periods are shown below:

(in Euro thousands)	Share capital	Legal reserve	Extraordinary reserve	Cash flow hedge reserve	Fair value to OCI Reserve	Reserve for actuarial gains/(losses) on defined benefit plans	Reserve for share-based payments	Other reserves	Profits/(losses) carried forward	Total shareholders' equity	Minority interests	Total shareholders' equity
Balance at February 29, 2024	**4,140**	**828**	**64,276**	**(1,271)**	**(21)**	**(138)**	**3,287**	**22,066**	**3,675**	**96,842**	**19**	**96,861**
Net profit/(loss) for the period	-	-	-	-	-	-	-	-	2,473	2,473	15	2,488
Other components of comprehensive income	-	-	-	2,168	-	(48)	-	-		2,120	-	2,120
Total comprehensive income for the period	**-**	**-**	**-**	**2,168**	**-**	**(48)**	**-**	**-**	**2,473**	**4,594**	**15**	**4,608**
Allocation of prior year result	-	-	(15,770)	-	-	-	-	-	15,770	-	-	-
Exercise of Stock Option Plan	30	-	-	-	-	-	-	1,630	-	1,660	-	1,660
Distribution dividends	-	-	(9,352)	-	-	-	-	-	-	(9,352)	-	(9,352)
Share-based payment settled with equity instruments	-	-	-	-	-	-	(3,148)	988	4,299	2,139	-	2,139
Other movements	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	21	21
Total transactions with shareholders	**30**	**-**	**(25,122)**	**-**	**-**	**-**	**(3,148)**	**2,617**	**20,069**	**(5,553)**	**21**	**(5,532)**
Balance at August 31, 2024	**4,170**	**828**	**39,154**	**898**	**(21)**	**(186)**	**139**	**24,682**	**26,217**	**95,882**	**55**	**95,937**

Shareholders' Equity, amounting to Euro 95,937 thousand at August 31, 2024 (Euro 96,861 thousand at February 29, 2024), decreased in the period, mainly due to the distribution of the dividend approved in June 2024 for Euro 9,352 thousand, offset by the result for the period and the exercise of the Stock Option Plan.

The Share capital as of August 31, 2024 is Euro 4,170 thousand, divided into 20,849,508 shares. On August 12, 2024, the paid-in capital increase with exclusion of option rights approved by the Extraordinary Shareholders' Meeting of the Company on February 6, 2017 to service the Stock Option Plan was partially executed. The share capital increased through the issue of 150,887 ordinary shares, with no par value and with the same characteristics as the outstanding ordinary shares, by Euro 30 thousand, with a share premium of Euro 1,630 thousand.

The Reserves are shown below:

- the legal reserve amounting to Euro 828 thousand as of August 31, 2024 (Euro 828 thousand as of February 29, 2024), includes allocations of profits to the extent of 5% for each fiscal year. The reserve reached the 20% limit of the share capital set out under Article 2430 of the Civil Code;

- the Extraordinary Reserve amounting to Euro 39,154 thousand at August 31, 2024 (Euro 64,276 thousand at February 29, 2024); this reserve decreased during the period as a result of the allocation of the result for the fiscal year 2024, resolved in June 2024 by the Shareholders' Meeting and the distribution of dividends.

- the cash flow hedge reserve amounting to Euro 898 thousand as of August 31, 2024 includes the fair value accounting of the cash flow hedge derivative entered into by the company to hedge the price of electricity (negative for Euro 1,271 thousand as of February 29, 2024).

- the negative reserve for actuarial gains and losses on defined benefit plans amounting to Euro 186 thousand at August 31, 2024 (negative Euro 138 thousand at February 29, 2024) changed by a negative Euro 48 thousand as a result of the actuarial valuation related to the post-employment benefit reserve;

- the reserve for share-based payments of Euro 139 thousand at August 31, 2024 (Euro 3,287 thousand at February 29, 2024) changed due to the early allocation of the shares in comparison to the terms of the *pro rata temporis* and *pro rata performance* performance share plans. For more details see Note 5.28.

- other reserves amounting to Euro 24,682 thousand at August 31, 2024 (Euro 22,066 thousand at February 29, 2024); the change concerns the partial execution of the share capital increase in view of the share premium and the allocation of the treasury shares in favour of the beneficiaries of the incentives plan.

During the period ending August 31, 2024, there are no assets earmarked for a specific business.

The changes in "Shareholders' Equity" and the composition of reserves in the reporting periods are shown below:

(in Euro thousands)	Note	Share capital	Legal reserve	Extraordinary reserve	Cash flow hedge reserve/FVOCI	Reserve for actuarial gains/ (losses) on defined benefit plans	Reserve for share-based payments	Other reserves	Profits/ (losses) carried forward	Total shareholders' equity	Minority interests	Total shareholders' equity
Balance at February 28, 2023	**5.11**	**4,140**	**828**	**62,198**	**214**	**(31)**	**5,416**	**20,621**	**31,143**	**124,528**	**-**	**124,528**
Consolidated profit/(loss) for the period		-	-	-	-	-	-	-	(7,059)	(7,059)	-	(7,059)
Other components of comprehensive income		-	-	-	(214)	29	-	-	-	(185)	-	(185)
Total consolidated comprehensive income for the period		**-**	**-**	**-**	**(214)**	**29**	**-**	**-**	**(7,059)**	**(7,244)**	**-**	**(7,244)**
Allocation of prior year result		-	-	2,078	-	-	-	(3,419)	1,341	-	-	-
Distribution dividends		-	-	-	-	-	-	-	(9,848)	(9,848)	-	(9,848)
Share-based payment settled with equity instruments		-	-	-	-	-	(2,921)	4,753	(1,534)	298	-	298
Total transactions with shareholders		**-**	**-**	**2,078**	**-**	**-**	**(2,921)**	**1,334**	**(10,041)**	**(9,550)**	**-**	**(9,550)**
Balance at August 31, 2023	**5.11**	**4,140**	**828**	**64,276**	**-**	**(2)**	**2,495**	**21,955**	**14,042**	**107,735**	**-**	**107,735**

Shareholders' Equity, amounting to Euro 107,735 thousand at August 31, 2023 (Euro 124,528 thousand at February 28, 2023), decreased in the period, mainly due to the distribution of the dividend approved in June 2023 for Euro 9,848 thousand, and the result for the period.

The Share capital as of August 31, 2023 is Euro 4,140 thousand, divided into 20,698,621 shares.

The Reserves are shown below:

- the legal reserve amounting to Euro 828 thousand as of August 31, 2023 (Euro 828 thousand as of February 28, 2023), includes allocations of profits to the extent of 5% for each fiscal year. The reserve reached the 20% limit of the share capital set out under Article 2430 of the Civil Code;

- the Extraordinary Reserve amounting to Euro 64,276 thousand at August 31, 2023 (Euro 62,198 thousand at February 28, 2023); this reserve increased during the period as a result of the allocation of the profit for the year resolved in June 2023 by the Shareholders' Meeting;

- the negative reserve for actuarial gains and losses on defined benefit plans amounting to Euro 2 thousand at August 31, 2023 (negative Euro 31 thousand at February 28, 2023) changed by a positive Euro 29 thousand as a result of the actuarial valuation related to the post-employment benefit reserve;

- the reserve for share-based payments of Euro 2,495 thousand at August 31, 2023 (Euro 5,416 thousand at February 28, 2023) changed due to the closure of the first cycle of the 2021-2025 performance share plan, and the recognition of accruals for Euro 448 thousand relating to the second and third cycle of the 2021-2025 share performance plan. For more details see Note 5.28.

- other reserves amounting to Euro 21,955 thousand at August 31, 2023 (Euro 20,621 thousand at February 28, 2023); the change concerns the allocation of the net result of the subsidiary Monclick S.r.l. and the allocation of the treasury shares in favour of beneficiaries of the first cycle of the 2020-2025 plan.

During the period ending August 31, 2023, there are no assets earmarked for a specific business.

The reconciliation between the parent company's shareholders' equity and the consolidated shareholders' equity at February 31, 2024 is shown below:

(in millions of Euro)	**Shareholders' Equity at August 31, 2024**	**Net Result at August 31, 2024**
Balances from the Parent Company's financial statements	**102.7**	**5.1**
Difference between carrying amount of investments and profit/(loss)	(79.2)	6.0
Allocation of goodwill, brand, software and customer list, net of tax effect	78.4	(1.5)
Other consolidation adjustments	(6.0)	(7.2)
Consolidated Financial Statements of the Group	**95.9**	**2.5**

The reconciliation between the parent company's shareholders' equity and the consolidated shareholders' equity at August 31, 2023 is shown below:

(in millions of Euro)	**Shareholders' Equity at August 31, 2023**	**Net Result at August 31, 2023**
Balances from the Parent Company's financial statements	**108.9**	**(8.3)**
Difference between carrying amount of investments and profit/(loss)	(10.6)	1.3
Allocation of goodwill, brand, software and customer list, net of tax effect	9.5	(0.1)
Consolidated Financial Statements of the Group	**107.7**	**(7.1)**

5.12 Financial liabilities

Current and non-current "Financial liabilities" amount to zero at August 31, 2024 and February 29, 2024.

(in Euro thousands)	Period ended	
	August 31, 2024	**February 29, 2024**
Current financial liabilities	19,888	19,825
Non-current financial liabilities	9,992	14,951
Total financial liabilities	**29,880**	**34,776**

The balance of financial liabilities at August 31, 2024 includes the residual payables of the medium-long term loan agreement, granted by BNL to the parent company, for a nominal Euro 40,000 thousand for the acquisition of the Covercare Group on December 4, 2023. The loan agreement stipulates the repayment in equal instalments on a quarterly basis by November 30, 2025. The balance at August 31, 2024 is Euro 29,880 thousand.

Interest on the loan is at a floating rate, calculated considering Euribor plus a contractually stipulated spread.

The loans are measured by the amortised cost method based on the provisions of IFRS 9, and therefore their value is reduced by the ancillary charges on the loans, amounting to Euro 120 thousand as of August 31, 2024.

Interest is at a floating rate, calculated considering Euribor plus a contractually stipulated spread; there are fees for non use.

The agreements related to the Credit Lines and the BNL loan contain a contractual clause (covenants) was agreed upon that grants the lender the right to renegotiate or revoke the credit upon the occurrence of the events stipulated in the clause. These clauses require compliance on each Calculation Date (half-yearly) with an index on a consolidated basis of Unieuro S.p.A., which is summarised below:

- leverage ratio (defined as the ratio of Consolidated Net Financial Debt to Consolidated Adjusted EBITDA LTM, as contractually defined).

As of August 31, 2024, the covenant has been met.

In November 2024, the four credit lines for Euro 150.0 million signed in November 2021 with Unicredit S.p.A., Intesa San Paolo S.p.A., Banco BPM S.p.A., and Crédit Agricole Italia S.p.A., have expired. Unieuro has contracted with the lenders to extend or refinance these agreements effective from November 1, 2024, and to waive the change of control and delisting clauses.

Below is a breakdown of the composition of net financial debt [43] at August 31, 2024 and February 29, 2024, in accordance with ESMA guideline 32-382-1138 dated 4/3/2021:

(in millions of Euro)	Period ended		Changes	
	August 31, 2024	February 29, 2024	Change	%
(A) Cash	61.0	105.6	(44.6)	(42.3%)
(B) Cash equivalents	-	-	-	-
(C) Other current financial assets	0.3	0.3	-	-
(D) Liquidity (A)+(B)+(C)	**61.3**	**105.9**	**(44.6)**	**(42.1%)**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	(14.3)	(14.3)	-	-
(F) Current portion of non-current financial debt	(88.9)	(91.4)	2.5	(2.7%)
(G) Current financial indebtedness (E)+(F)	**(103.2)**	**(105.7)**	**2.5**	**(2.4%)**
(H) Net current financial indebtedness (G)-(D)	**(41.9)**	**0.2**	**(42.1)**	**n.a.**
(I) Non-current financial debt (excluding the current portion and debt instruments)	(339.8)	(367.1)	27.3	(7.4%)
(J) Debt instruments	-	-	-	-
(K) Trade payables and other payables	-	-	-	-
(L) Non-current financial indebtedness (I)+(J)+(K)	**(339.8)**	**(367.1)**	**27.3**	**(7.4%)**
(M) Total financial indebtedness (H)+(L)	**(381.7)**	**(366.9)**	**(14.8)**	**4.0%**

The following table presents “Other current financial payables” and “Other non-current financial payables” for the year ended August, 2024 and February 29, 2024.

Reference should be made to Note 5.14 “Other financial liabilities” for further details.

(in Euro thousands)	Period ended	
	August 31, 2024	February 29, 2024
Other financial liabilities	83,287	85,847
Other current financial payables	**83,287**	**85,847**
Other financial liabilities	329,776	352,145
Other non-current financial payables	**329,776**	**352,145**
Total financial payables	**413,063**	**437,992**

5.13 Employee benefits

Changes in "Employee benefits" for the fiscal year from February 29, 2024 to August 31, 2024 and from February 28, 2023 to August 31, 2023 are shown below:

(in Euro thousands)	
Balance at February 29, 2024	**10,964**
Service Cost	-
Interest Cost	183
Transfers in/(out)	-
Settlements/advances	(239)
Actuarial (gain)/losses	71
Balance at August 31, 2024	**10,978**

(in Euro thousands)	
Balance at February 28, 2023	**11,255**
Service Cost	-
Interest Cost	177
Transfers in/(out)	-
Settlements/advances	(415)
Actuarial (gain)/losses	35
Balance at August 31, 2023	**11,052**

This item includes the Post-employment benefits provided for by Law No. 297 of May 25, 1982, which guarantees a severance payment to the employee when he or she terminates employment and the End of Service benefits in favour of members of the Board of Directors. Severance pay, regulated by legislation in Civil Code Article 2120, and the End of Service benefit are recalculated in accordance with IAS 19, expressing, as a liability the amount of the present value of the final obligation, where the present value of the obligation is determined by the "projected unit credit" method.

The settlements recorded in the year ended August 31, 2024 relate to both severance advances paid to employees during the year and severance payments referring to employees with fixed-term contracts.

Details of the economic and demographic assumptions used for actuarial valuation purposes of post-employment benefits are given below:

	Period ended	
Post-employment benefit economic assumptions	**August 31, 2024**	**February 29, 2024**
Inflation rate	2.00%	2.00%
Discount rate	3.24%	3.43%
Severance pay increase rate	3.00%	3.00%

	Period ended	
Demographic assumptions	**August 31, 2024**	**February 29, 2024**
Probability of death	ISTAT 2022	RG48 demographic tables
Probability of incapacity	INPS tables by age and gender	INPS tables by age and gender
Retirement age	100% on satisfying AGO requirements	Achievement of minimum requirements under the compulsory general insurance
Probability of departure	5%	5%
Probability of anticipation	3.50%	3.50%

Regarding the discount rate, the iBoxxEurozone Corporates AA index with duration of 10+ years as of the valuation date was taken as a reference for the valuation of this parameter.

Below is a sensitivity analysis at August 31, 2024, related to the main actuarial assumptions included in the calculation model made considering the one described above and increasing and decreasing the average annual turnover rate, advance request rate, average inflation rate, and discount rate by 1%, -1%, 0.25%, and -0.25%, respectively. The results obtained can be summarised in the table below:

(in Euro thousands)	Impact on DBO at August 31, 2024	
Changes in the parameter	**Unieuro S.p.A.**	**Covercare S.p.A.**
Increase in turnover rate of 1%	10,501	628
Decrease in turnover rate of 1%	10,422	624
Increase in inflation rate of 0.25%	10,580	639
Decrease in inflation rate of 0.25%	10,348	614
Increase in discounting rate of 0.25%	10,282	612
Decrease in discounting rate of 0.25%	10,650	642

Details of the economic and demographic assumptions used for actuarial valuation purposes of the End of Service benefit are given below:

End of Service benefit economic assumptions	Period ending August 31, 2024
Discount rate	3.24%
Annual compensation revaluation rate	0.00%

Demographic assumptions	Period ending August 31, 2024
Probability of death	ISTAT 2022
Probability of incapacity	INPS tables by age and gender
Frequency of revocation of mandate	0.00%

The sensitivity analysis at August 31, 2024, increasing and decreasing the discount rate by 0.25% and -0.25%, is reported below. The results obtained can be summarised in the table below:

Changes in the parameter	Period ending August 31, 2024
Increase in discounting rate of 0.25%	50
Decrease in discounting rate of 0.25%	51

5.14 Other financial liabilities

Below is a breakdown of current and non-current "Other financial liabilities" at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ended	
	August 31, 2024	February 29, 2024
Payables to leasing companies	68,974	70,866
Payables for equity investments and business units	14,313	14,313
Fair value of derivative instruments	-	668
Other current financial liabilities	**83,287**	**85,847**
Payables to leasing companies	319,774	341,051
Payables for equity investments and business units	10,000	10,000
Fair value of derivative instruments	-	1,094
Other financial payables	2	-
Other non-current financial liabilities	**329,776**	**352,145**
Total financial liabilities	**413,063**	**437,992**

Payables to leasing companies

Lease liabilities totalled Euro 388,748 thousand at August 31, 2024 and Euro 411,917 thousand at February 29, 2024. The assets under the lease agreements consist of buildings, cars, furniture, LEDs, air conditioning equipment, servers, computers and printers. The above payables to leasing companies are guaranteed to the lessor through the rights to the leased assets. This item includes the carrying amount of lease liabilities related to operating leases for which the Group, following the application of IFRS 16, has recorded a liability reflecting the obligation for lease payments and lease liabilities. No interest rate hedging instruments are in place.

The cash flows referring to lease liabilities are shown below.

(in Euro thousands)	Balance at August 31, 2024	Within 12M	Between 12M and 60M	Over 60M	Total
Payables to leasing companies	388,748	68,974	211,284	108,490	388,748
Total	**388,748**	**68,974**	**211,284**	**108,490**	**388,748**

Payables for equity investments and business units

Payables for equity investments and business units totalled Euro 24,313 thousand at August 31, 2024. The item is attributable to the portion of the consideration for the full acquisition of Covercare S.p.A. that will be recognised by October 2024, as well as the payable recorded as earnout, to be recognised by June 2026, subject to, among others, the achievement of a specific profitability target in fiscal year 2025/26. Given that the achievement of these targets is currently considered probable, management considered this amount to be a part of the acquisition payment and has therefore recognised the payable to the sellers.

5.15 Provisions

Changes in “Provisions" for the period from February 29, 2024 to August 31, 2024 are shown below:

(in Euro thousands)	Provisions for tax disputes	Provisions for other disputes	Other risks provision	Total
Balance at February 29, 2024	**2,969**	**6,683**	**4,660**	**14,310**
- of which current portion	*-*	*1,182*	*617*	*1,799*
- of which non-current portion	*2,969*	*5,501*	*4,042*	*12,511*
Provisions	30	196	497	722
Utilisations/Releases	-	(473)	(33)	(506)
Balance at August 31, 2024	**2,999**	**6,405**	**5,123**	**14,527**
- of which current portion	*-*	*1,165*	*1,025*	*2,190*
- of which non-current portion	*2,999*	*5,240*	*4,098*	*12,337*

"Provision for tax disputes" amounting to Euro 2,999 thousand at August 31, 2024 is set aside mainly to cover liabilities that may arise as a result of tax disputes.

"Provision for other disputes”, amounting to Euro 6,405 thousand as of August 31, 2024, and Euro 6,683 thousand as of February 29, 2024, decreased due to the settlement of a number of civil disputes.

"Other risks provision” amounts to Euro 5,123 thousand at August 31, 2024 and Euro 4,659 thousand at February 29, 2024. The item mainly includes charges for risks with reference to logistics contracting, charges for pristine restoration of stores, allocated against the costs to be incurred for the restoration of the property when it is returned to the landlord in cases where the obligation is contractually stipulated to be borne by the tenant. The provision refers mainly to the assumption of liabilities arising from the liquidation of the subsidiary Monclick S.r.l.

5.16 Other current liabilities and other non-current liabilities

Below are details of "Other current liabilities" and "Other non-current liabilities" at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ended	
	August 31, 2024	February 29, 2024
Contract liabilities	246,051	237,235
Payables to personnel	43,654	44,440
VAT payables	20,776	12,985
Social security institutions	4,025	3,138
IRPEF payables	3,528	3,966
Deferred income and accrued liabilities	5,934	6,581
Monetary Bonus Long Term Incentive Plan	504	-
Other tax payables	2,738	28
Total Other current liabilities	**327,210**	**308,373**
Monetary Bonus Long Term Incentive Plan	-	614
Deposit liabilities	26	26
Total other non-current liabilities	**26**	**640**
Total other current and non-current liabilities	**327,236**	**309,013**

"Other current and non-current liabilities" report an increase of Euro 18,223 thousand at August 31, 2024 compared to the year ended February 29, 2024.

The balance of "Other current liabilities" is mainly composed of:

- contract liabilities amounting to Euro 246,051 thousand at August 31, 2024 (Euro 237,235 thousand at February 29, 2024) mainly attributable to (i) deferred revenues for warranty extension services. Sales revenues are accounted for on the basis of the contractual term, i.e. the period for which there is a performance obligation thus deferring sales accruing to future periods, (ii) down payments received from customers, (iii) liabilities related to vouchers, and (iv) liabilities related to sales with the right of return;
- payables to personnel amounting to Euro 43,654 thousand at August 31, 2024 (Euro 44,440 thousand at February 29, 2024) consisting of payables for salaries to be paid, vacations, leaves of absence, thirteenth and fourteenth month's pay. These payables refer to amounts accrued and not yet settled;
- VAT payables for Euro 20,776 thousand at August 31, 2024 (Euro 12,985 thousand at February 29, 2024), payables to social security institutions for Euro 4,025 thousand (Euro 3,138 thousand at February 29, 2024) and IRPEF payables for Euro 3,528 thousand (Euro 3,966 thousand at February 29, 2024);
- deferred income and accrued liabilities in the amount of Euro 5,934 thousand at August 31, 2024 (Euro 6,581 thousand at February 29, 2024) mainly related to the recognition of deferred income on revenue that was received during the year but deferred economic maturity.
- The balance of the "Monetary Bonus Long Term Incentive Plan" includes Euro 504 thousand for the liability related to the Monetary Bonus under the Performance Share Plan in accordance with the Board of Directors' resolution of August 12, 2024.

5.17 Trade payables

Below is a breakdown of “Trade payables" at August 31, 2024 and February 29, 2024:

(in Euro thousands)	Period ended	
	August 31, 2024	**February 29, 2024**
Trade payables – third parties	509,284	551,916
Gross trade payables	**509,284**	**551,916**
Bad debt provision - amount due from suppliers	764	863
Total trade payables	**510,048**	**552,779**

The balance includes payables related to the normal course of business regarding supplies of goods and services. The item takes into account assessments on the exposure to the risk of potential losses arising from the failure of counterparties to meet their obligations. Gross trade payables decreased by Euro 42,632 thousand at August 31, 2024 compared to February 29, 2024.

Changes in the “Bad debt provision - amounts due from suppliers” for the period from February 29, 2024 to August 31, 2024 and the period from February 28, 2023 to August 31, 2023 are shown below:

(in Euro thousands)	**Bad debt provision - amount due from suppliers**
Balance at February 29, 2024	**863**
Provisions	-
Release to income statement	(99)
Utilisations	-
Balance at August 31, 2024	**764**

(in Euro thousands)	**Bad debt provision - amount due from suppliers**
Balance at February 28, 2023	**1,294**
Provisions	-
Release to income statement	-
Utilisations	(104)
Balance at August 31, 2023	**1,190**

There are no payables beyond 5 years or any significant payable concentrations.

5.18 Revenues

Revenues are broken down by channel, category and geographic market in the following tables. The operating segment identified by the Group, within which all services and products provided to customers converge, is unique and coincides with the entire Group. The Group's vision of the company as a single omnichannel business means that it has identified a single Strategic Business Unit ("SBU"). For further details, reference should be made to Note 4 operating segments. Group revenues are affected by the typical seasonality of the consumer electronics market, which features higher revenues towards the end of the year.

A breakdown of revenues by channel is shown below:

(in thousands of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2024	%	August 31, 2023	%	Δ	%
Retail	822,831	71.6%	842,490	70.2%	(19,659)	(2.3%)
Online	165,227	14.4%	196,275	16.4%	(31,048)	(15.8%)
Indirect	104,006	9.0%	109,346	9.1%	(5,340)	(4.9%)
B2B	57,216	5.0%	51,313	4.3%	5,903	11.5%
Total revenues by channel	**1,149,280**	**100.0%**	**1,199,424**	**100.0%**	**(50,144)**	**(4.2%)**

The Retail channel (71.6% of total revenues) - which at August 31, 2024 comprised 267 direct sales points, including the “Unieuro by Iper” shop-in-shops and the direct sales points located at major public transport hubs such as railway stations and metro stations - decreased 2.3% for revenues of Euro 822,831 thousand, compared to Euro 842,490 thousand in the same period of the previous year. The decline in channel sales has gradually eased on a quarterly basis and has benefited from the contribution of the Covercare Group.

The Online channel (14.4% of total revenues) - which includes the unieuro.it platform and the digital pure player Monclick - generated revenues of Euro 165,227 thousand in H1 2024/25, contracting 15.8% on the comparative half-year (revenues of Euro 196,275 thousand). The performance reflects the Group’s commercial strategy, with a focus on the higher margin sales channels and is impacted by the comparison with a first quarter of the previous fiscal year which returned a strong result.

The Indirect channel (9.0% of total revenues) - which includes sales made to the network of affiliated stores comprising a total of 253 sales points at August 31, 2024 - reports revenues of Euro 104,006 thousand, contracting 4.9% on the Euro 109,346 thousand in the first half of the previous year, as a result of market developments.

The B2B channel (5.0% of total revenues) - which caters to professional customers (including overseas) operating in sectors other than Unieuro's, such as hotel chains and banks, in addition to those purchasing electronic products to distribute to regular customers or employees for point collections, prize contests or incentive plans (B2B2C segment) - reported revenues of Euro 57,216 thousand, increasing 11.5% on H1 2023/24 (Euro 51,313 thousand). Channel sales benefited mainly from the contribution of the Covercare Group, which joined the Unieuro Group from December 1, 2023.

A breakdown of revenues by category is shown below:

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2024	%	August 31, 2023	%	Δ	%
Grey	557,089	48.5%	574,980	47.9%	(17,891)	(3.1%)
White	349,231	30.4%	366,306	30.5%	(17,075)	(4.7%)
Brown	114,609	10.0%	121,255	10.1%	(6,646)	(5.5%)
Other products	47,579	4.1%	62,830	5.2%	(15,251)	(24.3%)
Services	80,772	7.0%	74,053	6.2%	6,719	9.1%
Total revenues by category	**1,149,280**	**100.0%**	**1,199,424**	**100.0%**	**(50,144)**	**(4.2%)**

The Grey category (48.5% of total revenues) - comprising phones, tablets, information technology, phone accessories, cameras, in addition to all wearable products - generated revenues of Euro 557,089 thousand in H1 2024/25, decreasing 3.1% on the first half of the previous year (Euro 574,980 thousand). The Grey category's performance was impacted by the settling of Telecom segment market demand, following on from the significant growth over preceding years and the contraction of the Information Technology segment, although in the second quarter a turnaround and a return to growth emerged.

The White category (30.4% of total revenues) - comprising major domestic appliances (MDA), such as washing machines, dryers, refrigerators or freezers and stoves, small home appliances (SDA), such as vacuum cleaners, food processors and coffee machines, in addition to the air conditioning segment - generated revenues of Euro 349,231 thousand, decreasing 4.7% on Euro 366,306 thousand in the first half of the previous fiscal year. The category, although declining overall in the period as a result of slowing demand, in the second quarter saw growth within the small home appliance segment and a progressive decline for the MDA segment.

The Brown category (10.0% of revenues), including televisions and related accessories, audio devices, smart TV devices, car accessories and data storage systems, reports a 5.5% contraction in revenues to Euro 114,609 thousand, from Euro 121,255 thousand in the first half of the previous year. Following the sharp contraction over the preceding quarters, the televisions segment saw a turnaround in Q2 2024/25, with growth stemming from the settling of demand following the frequency's switch-off.

The Other Products category (4.1% of total revenues), which includes sales of both the entertainment segment and other products not included in the consumer electronics market, such as hoverboards or bicycles, reported revenues of Euro 47,579 thousand, decreasing 24.3% on the Euro 62,830 thousand in the comparative half-year.

The Services category (7.0% of total revenues) - which includes, among others, sales of extended warranties, installation services, home deliveries, repair services and consumer credit services - reported revenues in the half-year of Euro 80,772 thousand, up 9.1% on Euro 74,053 thousand in the corresponding period of the previous fiscal year, thanks to the contribution of the Covercare Group.

The breakdown of revenues by geographic area is presented below:

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Overseas	7,047	1,662
Italy	1,142,233	1,197,762
Total	**1,149,280**	**1,199,424**

5.19 Other income

"Other income" for the periods to August 31, 2024 and to August 31, 2023 are presented below:

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Insurance reimbursements	28	21
Other income	642	366
Rent and lease income	23	27
Total other income	**693**	**413**

The item mainly includes income from the hiring of computer equipment to affiliates and insurance reimbursements for theft or damage caused to stores.

5.20 Purchase of materials and external services

The “Purchase of materials and external services” for the H1 2024/25 and H1 2023/24 are presented below:

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Purchases of goods	888,748	956,510
Transport	35,406	37,908
Marketing	12,729	14,892
Utilities	9,051	8,136
Maintenance and rental charges	9,317	8,110
General sales expenses	6,006	6,282
Rental and condominium expenses	8,343	8,607
Other costs	3,970	7,765
Consultancy	4,758	5,768
Purchase of consumables	-	16
Travel and transfer	507	455
Remuneration of administrative and supervisory bodies	1,354	690
Total Purchase of Materials and external services	**980,189**	**1,055,140**
Change in inventories	(1,381)	(7,823)
Total, including changes in inventories	**978,808**	**1,047,317**

"Purchases of materials and external services”, taking into account the item "Change in inventories”, decreased from Euro 1,047,317 thousand in the period ended August 31, 2023 to Euro 978,808 thousand in the period ended August 31, 2024, a decrease of Euro 68,509 thousand or 6.5%. This is due to lower volumes compared with the previous year.

The “Transport” item totalled Euro 35,406 thousand in the half-year to August 31, 2024, decreasing on the comparative period (Euro 37,908 thousand). The decrease in the half-year is due to the lower sales volumes and the reduced weight of Online channel sales.

“Marketing” amounted to Euro 12,729 thousand in H1 2024/25, decreasing on the comparative half-year, thanks to the focus on cost management and an altered marketing initiatives mix.

The “Utilities” item totalled Euro 9,051 thousand in the half-year to August 31, 2024 (Euro 8,136 thousand in the comparative period); the first half of the previous fiscal year included the benefit from the tax credit for electricity. In addition, the increase of the item is due to the expansion of the consolidation scope, which includes the Covercare Group from December 1, 2023.

”General sales expenses” decreased from Euro 6,282 thousand in H1 2023/24 to Euro 6,006 thousand in H1 2024/25. The item mainly includes costs for commissions on sales transactions and call centre activity costs and the reduction relates to the lower volume of sales transactions.

”Other costs” of Euro 3,970 thousand in the period to August 31, 2024 include principally condominium expenses, variable rents, costs for motor vehicles, hire, cleaning, insurance and security. They decreased Euro 132 thousand on H1 2023/24.

“Consultancy” increased from Euro 5,768 thousand in H1 2023/24 to Euro 4,758 thousand in H1 2024/25, decreasing on the corresponding period which featured the due diligence activities for the acquisition of Covercare S.p.A..

5.21 Personnel costs

”Personnel costs” for the periods ending August 31, 2024 and August 31, 2023 are reported below:

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Salaries and wages	74,300	72,279
Welfare expenses	22,859	21,470
Severance pay	4,686	4,592
Other personnel costs	2,421	704
Total personnel costs	**104,266**	**99,045**

Personnel costs totalled Euro 104,266 thousand in H1 2024/25, increasing Euro 5,221 thousand on H1 2023/24 (Euro 99,045 thousand).

The item increased as a result of the inclusion in the consolidation scope of the Covercare Group and due to the renewal of the Retail National Collective Bargaining agreement, partially offset by the optimisation of the sales network organisational structure.

Other personnel costs include the effect from the acceleration of the Long Term Incentive Plans, as per the Board of Directors’ resolution of August 12, 2024. For further details on the incentive plans, reference should be made to paragraph 5.28 Share-based payment agreements.

5.22 Other operating costs and expenses

”Other operating costs and expenses” for H1 2024/25 and H1 2023/24 are presented below:

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Non-income based taxes	2,935	2,774
Provision/(release) for supplier bad debts	(99)	(326)
Provision/(release) for write-down of receivables	123	(180)
Other operating expenses	496	473
Total other operating costs and expenses	**3,455**	**2,741**

"Other operating costs and expenses" increased from Euro 2,741 thousand in the period to August 31, 2023 to Euro 3,455 thousand in the period to August 31, 2024, increasing as a result of the accrual to the bad debt provision.

”Non-income based taxes” principally include costs related to the running of the business, such as waste disposal tax and taxes for advertising and promotional activities.

5.23 Amortisation, depreciation and write-downs

"Amortisation, depreciation and write-downs" for H1 2024/25 and FY 2023/24 are presented below:

(in Euro thousands)	Period ended	
	August 31, 2024	**August 31, 2023**
Depreciation of property, plant and equipment	10,265	10,349
Depreciation right-of-use assets	35,771	35,833
Amortisation of intangible assets	9,737	7,048
Write-downs/revaluations property, plant and equipment & intangible assets	78	10
Total amortisation, depreciation and write-downs	**55,851**	**53,240**

"Amortisation, depreciation and write-downs" totalled Euro 55,851 thousand in the period to August 31, 2024, increasing Euro 2,611 thousand on the preceding period as a result of the amortisation of the intangible assets from the Purchase Price Allocation of the Covercare Group and of the investments in intangible assets in preceding periods.

5.24 Financial income and expenses

Below is a breakdown of “Financial income" in H1 2024/25 and H1 2023/24:

(in Euro thousands)	Period ended	
	August 31, 2024	**August 31, 2023**
Other financial income	21	142
Interest income	197	713
Total financial income	**218**	**855**

“Financial income” decreased from Euro 855 thousand in H1 2023/24 to Euro 218 thousand in H1 2024/25, decreasing Euro 637 thousand. In the comparative period, the item included the interest income matured on the Government Bonds held by the parent company and maturing in the previous fiscal year.

The breakdown of the “Financial expenses” is shown below:

(in Euro thousands)	Period ended	
	August 31, 2024	**August 31, 2023**
Interest expense on bank loans	2,145	413
Other financial expenses	5,667	5,818
Total Financial Expenses	**7,812**	**6,231**

"Interest expenses on bank loans" amounted to Euro 2,145 thousand in the period to August 31, 2024, increasing on the period to August 31, 2023 (Euro 413 thousand), due to the financial expense matured on the loan undertaken by the parent company in December 2023 for the acquisition of the Covercare Group and on the utilisation of the credit lines during the period.

"Other financial expenses" include financial expenses on the financial payables for IFRS 16 and amount to Euro 5,667 thousand in H1 2024/25 (Euro 5,818 thousand in H1 2023/24).

5.25 Income taxes

Below is a breakdown of “Income taxes" in H1 2024/25 and H1 2023/24:

(in Euro thousands)	Year ended	
	August 31, 2024	August 31, 2023
Current taxes	(2,386)	2,590
Deferred tax charges	1,599	(436)
Total	**(787)**	**2,154**

Income taxes in H1 2024/25 totalled Euro 787 thousand (Euro 2,154 thousand in H1 2023/24). The item includes the estimated income tax balance for the period to August 31, 2024 and is recognised according to Management’s best estimate of the annual average weighted tax rate for the entire period, applied to the result before taxes of the individual entities.

It should be noted that Unieuro S.p.A. exercised the option for the National Tax Consolidation regime as a "Consolidating Company" (pursuant to Article 117 of Presidential Decree No. 917 of December 22, 1986), jointly with Monclick S.r.l. and the Covercare Group respectively from the fiscal years to February 28, 2019 and to February 28, 2025.

The option permitted the determination of the IRES payable due on a taxable base corresponding to the sum of taxable income and tax losses earned by individual companies participating in the Consolidation.

5.26 Basic and diluted earnings per share

Basic earnings per share was calculated by dividing the consolidated net profit by the average number of ordinary shares. The calculation is broken down in the following table:

(in Euro thousands)	Year ended	
	August 31, 2024	August 31, 2023
Group result from continuing operations [A]	(803)	(5,728)
Number of shares (in thousands) considered in calculating basic earnings per share[B]	20,529	20,330
Basic earnings per share (in Euro) [A/B]	**(0.039)**	**(0.282)**
Group net result [A]	2,473	(7,059)
Number of shares (in thousands) considered in calculating basic earnings per share[B]	20,529	20,330
Basic earnings per share (in Euro) [A/B]	**0.120**	**(0.351)**

Details of the calculation of diluted earnings per share are shown in the table below:

(in Euro thousands)	Year ended	
	August 31, 2024	August 31, 2023
Group result from continuing operations [A]	(803)	(5,728)
Average number of shares (in thousands) [B]	20,351	20,111
Effect of stock options at issue [C] (1)	-	-
Diluted earnings per share (in Euro) [A/(B+C)]	**(0.039)**	(0.285)
Group net result [A]	2,473	**(7,059)**
Average number of shares (in thousands) [B]	20,351	20,111
Effect of stock options at issue [C] (1)	-	-
Diluted earnings per share (in Euro) [A/(B+C)]	**0.122**	**(0.351)**

5.27 Cash flow statement

The principle factors impacting the cash flows in the year are illustrated below.

Net cash flow generated/(absorbed) by operating activities

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Cash flow from operations		
Consolidated profit/(loss) for the consolidated period	2,488	(7,059)
Adjustments for:		
Income taxes	787	(2,680)
Net financial expenses (income)	7,594	5,395
Amortisation, depreciation and write-downs of fixed assets	55,851	53,508
Other changes	(1,137)	298
Cash flow generated/(absorbed) from operating activities before changes in Net Working Capital	**65,583**	**49,462**
Changes in:		
- Inventories	(1,380)	(7,826)
- Trade receivables	(13,024)	2,207
- Trade payables	(39,152)	(84,253)
- Other changes in operating assets and liabilities	14,892	56,082
Cash flow generated/(absorbed) from operating activities	**(38,664)**	**(33,790)**
Taxes paid	(260)	-
Interest paid	(7,030)	(5,213)
Net cash flow generated/(absorbed) by operating activities	**19,629**	**10,459**
Net cash flow generated/(absorbed) from discontinued operations	**701**	**-**

Consolidated cash flows of Euro 19,629 thousand were generated by operating activities (generation of Euro 10,459 thousand in the previous half year to August 31, 2023). The increase relates to the Group's operating profitability.

Cash flow generated by investing activities (B)

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Cash flow from investing activities		
Purchases of plant, machinery, equipment and other assets	(7,185)	(4,863)
Purchase of intangible assets	(11,040)	(8,337)
Divestment of current FVOCI securities	-	60,540
Cash flows from acquisitions	(5,460)	-
Cash flow generated/(absorbed) by investment activities	**(23,685)**	**47,341**

Investment activities absorbed liquidity totalling Euro 23,685 thousand and generated liquidity of Euro 47,341 thousand respectively in H1 2024/25 and H1 2023/24.

The main Group needs in H1 2024/25 concerned:

- investments in plant, machinery and equipment for Euro 7,185 thousand, mainly concerning energy efficiency and restyling work on outlets during the half-year;

- investments in intangible assets for Euro 11,040 thousand, concerning the costs incurred to purchase new hardware, software, licenses and developments on applications for the improvement of the technological infrastructure, and for the execution of new projects.

The cash flows from the acquisitions include the repayment of the loan obtained for the acquisition of the Covercare Group.

Cash flow from generated/(absorbed) by financing activities

(in Euro thousands)	Period ended	
	August 31, 2024	August 31, 2023
Cash flow from financing activities		
Increase/(Decrease) financial liabilities	-	-
Increase/(Decrease) in other financial liabilities	(285)	(1,452)
Increase/(Decrease) in financial liabilities - IFRS 16 Leases	(33,297)	(33,458)
Exercise of Stock Option Plan	1,660	-
Distribution dividends	(9,352)	(9,848)
Cash flow generated/(absorbed) by financing activities	**(41,274)**	**(44,758)**

In H1 2024/25, the paid-in capital increase with exclusion of option rights approved by the Extraordinary Shareholders' Meeting of the Company on February 6, 2017 to service the Stock Option Plan was partially executed, and the Company received Euro 1,660 thousand.

During the period, dividends of Euro 9,352 thousand (Euro 9,848 thousand in the first half of the previous fiscal year) were paid, as resolved by the Shareholders' Meeting in June 2024.

5.28 Share-based payment agreements

Long Term Incentive Plan

On February 6, 2017, Unieuro's Extraordinary Shareholders' Meeting approved the adoption of a stock option plan (the "Plan" or "Long Term Incentive Plan" or "LTIP") reserved for Unieuro's Executive Directors, associates, and employees (executives and non-executives). The Plan provides for the granting of ordinary shares resulting from a capital increase with the exclusion of option rights, pursuant to Article 2441, paragraphs 5 and 8, of the Civil Code, which was approved by the Unieuro Shareholders' Meeting on the same date.

The Plan specifies the following objectives: (i) to focus recipients on factors of strategic interest to Unieuro, (ii) to foster the loyalty of the plan recipients and incentivise their retention at Unieuro, (iii) to increase Unieuro's competitiveness by identifying medium-term goals and supporting value creation for both Unieuro and its shareholders, and (iv) to ensure that the overall remuneration of the plan recipients remains competitive in the market.

The implementation and definition of the specific features of the Plan were delegated by the Shareholders' Meeting to the specific definition by the Board of Directors of Unieuro. On June 29, 2017, the Board of Directors approved the regulations of the plan ("Regulations") in which it determined the terms and conditions of the plan's implementation.

The Recipients subscribed to the Plan in October 2017. The parties expressly agreed that the effects of the granting of rights shall have retroactive effect to June 29, 2017, the date of approval of the regulations by the Board of Directors.

The Regulations also provide for the terms and conditions described below:

- Condition: the Plan and related options will be conditional on the completion of Unieuro's listing by July 31, 2017 ("IPO");

- Recipients: the Plan is addressed to Executive Directors, associates and employees (Executive and Non-Executive) of Unieuro ("Recipients") who have been identified by the Board of Directors from among those who have an ongoing employment relationship with Unieuro and/or other Group companies. The identification of the Recipients was made on the basis of a discretionary judgment of the Board of Directors, which given the aims of the Plan, the strategies of Unieuro and of the Group and the objectives, takes into account, among other matters, the strategic importance of the role and the impact of the role on the pursuit of the objective;

- Purpose: the purpose of the Plan is to grant the Recipients free and non-transferable option rights by deed between living persons for the purchase or subscription for consideration of ordinary shares of Unieuro for a maximum number of 860,215 options, each of which will entitle them to subscribe one newly issued ordinary share ("Options"). Where the objective is exceeded with a performance of 120% of the target, the number of Options will be raised to 1,032,258. A capital increase was therefore approved for a maximum nominal amount of Euro 206,452, plus share premium, for a total value (share capital plus share premium) equal to the price at which Unieuro's shares will be placed on the Italian Stock Exchange (MTA), by issuing a maximum of 1,032,258 ordinary shares;

- Granting: the Options will be granted in one or more tranches, and the number of Options in each tranche will be determined by the Board of Directors after consultation with the Remuneration Committee;

- Exercise of rights: subscription of shares can only be made after July 31, 2020 and by the final deadline of July 31, 2025;

- Vesting: the extent and existence of each Recipient's right to exercise options will be verified at July 31, 2020 provided that: (i) the employment relationship with the Recipient continues until that date and (ii) the targets, in terms of distributable profits, set out in the business plan are met based on the following criteria:

    - in the event of failure to achieve at least 85% of the expected results, no options will be eligible for exercise;

o if 85% of the expected results are achieved, only half the options will be eligible for exercise;

o if between 85% and 100% of the expected results are achieved, the number of options eligible for exercise will increase on a straight line between 50% and 100%;

o if between 100% and 120% of the expected results are achieved, the number of options eligible for exercise will increase on a straight line between 100% and 120% - the maximum limit.

- Exercise Price: the exercise price of the Options will be equal to the placement price on IPO of Euro 11 per share;

- Cash Bonus: A recipient who exercises in whole or in part their subscription rights shall be entitled to receive an extraordinary cash bonus in an amount equal to the dividends they would have received from the date of approval of this Plan until the end of the vesting period (August 31, 2020) with the exercise of the corporate rights attaching to the Shares obtained in the year in question with the exercise of the Subscription Rights;

- Duration: the Plan covers a five-year time horizon, from July 31, 2020 to July 31, 2025.

On February 29, 2020, the vesting period of the rights under the Plan concluded; the Board of Directors on June 18, 2020 verified that the quantitative and therefore objectively assessable targets were met to the extent of 101.11%; and in accordance with the provisions of the Plan Regulations, resolved to grant a total of 849,455 options. From July 31, 2020 until July 31, 2025, each beneficiary will be entitled to exercise their subscription rights in whole or in part and also in several tranches; at the end of each fiscal year in which the beneficiary has exercised all or part of their subscription rights, as provided for in the Plan, the beneficiary shall be entitled to receive an extraordinary cash bonus already recognised to the financial statements, in an amount equal to the dividends they would have received from the date of approval of the Plan until the end of the vesting period with the exercise of the corporate rights due to the shares obtained in the year in question with the exercise of the subscription rights.

On August 12, 2024, 150,887 rights were exercised due to the partial execution of the Plan. The share capital increased through the issue of 150,887 ordinary shares, with no par value and with the same characteristics as the outstanding ordinary shares, by Euro 30 thousand. The paid-in capital increase was approved by the Extraordinary Shareholders' Meeting of the parent company on February 6, 2017 to service the stock option plan.

As a result of the capital increase undertaken, the parent company received Euro 1,660 thousand, of which Euro 1,630 thousand share premium.

The number of options outstanding at August 31, 2024 is as follows:

	Number of options August 31, 2024
No. of options outstanding assigned	849,455
No. of options granted in the period	
No. of options not granted	
No. of options exercised	840,758
No. of options expired	

2020-2025 Performance share plan

On October 27, 2020, the Board of Directors of Unieuro S.p.A., subject to the favourable opinion of the Appointments and Remuneration Committee, approved the Disclosure Document on the 2020-2025 Performance Share Plan (the "Performance Shares" or "PS") prepared pursuant to Article 114-*bis* of the CFA, which was submitted in December 2020 for the approval of the Shareholders' Meeting.

Description of Plan's recipients

The implementation and definition of the specific features of the Plan were delegated by the Shareholders' Meeting to the specific definition by the Board of Directors of Unieuro.

The Granting of rights to each of the Beneficiaries with respect to the three-year period FY2021-FY2023 (1st Cycle) and the three-year periods FY2022-FY2024 and FY2023-FY2025 (2nd Cycle and 3rd Cycle) will be determined on each occasion by the Board of Directors.

On January 13, 2021, July 14, 2021, and March 23, 2022, the Board of Directors granted the rights and approved the regulations of the 1st, 2nd, and 3rd Cycles, respectively, in which it determined the terms and conditions for implementing the Plan. The subscription of the Plan by the Recipients of Cycle 1 took place in January 2021, in July 2021 with reference to Cycle 2, and in April 2022 with reference to Cycle 3.

The Plan is intended for Executive Directors and/or Senior Executives and/or employees of the Company or Group companies, understood as personnel who have an employment relationship with the Company and/or the Group and fall into one of the following categories: (i) personnel having the rank of executive at the Company and/or Group companies; (ii) personnel having the rank of manager (or higher) at the Company and/or Group companies.

Essential elements related to the characteristics of the financial instruments on which it is based

The Plan provides for the free granting, to each of the beneficiaries, of rights to receive Unieuro ordinary shares (the "Shares") depending, *inter alia*, on the achievement of certain performance targets and specific vesting conditions, which reflect the most important variables related to value creation for the Group.

Free granting of these Shares will be made in the years 2023 (1st cycle), 2024 (2nd cycle) and 2025 (3rd cycle).

As reflected in the Board of Directors' resolution, the actual granting of Shares for each of the three cycles will be based on the performance targets and, in general, the meeting of the vesting conditions.

It is also provided that the aforementioned rights shall entitle each beneficiary to the receipt of a cash bonus linked to any cash dividends distributed and paid by the Company up to the grant date. This award will be payable in conjunction with, and subject to, the delivery of shares related to each cycle of the Plan provided that the specific vesting conditions are met.

Plan rationale

The Plan shall be one of the instruments used by the Company and the Group to supplement the remuneration of key personnel with variable components based on achieving performance targets and in accordance with best market practices.

The Board of Directors considers a share-based incentive plan, with five-year duration and specific performance targets, as the most effective incentive instrument and one which responds to the interests of the Company and of the Group. Therefore, the Plan has the following objectives: (i) to focus recipients on factors of strategic interest of the Company and direct key resources toward strategies aimed at pursuing medium- to long-term results; (ii) to retain and incentivise recipients within the Company by developing retention policies aimed at key resources; (iii) aligning the interests of beneficiaries with those of shareholders, with a view to developing confidence in the Company's value creation; and (iv) ensuring that the overall remuneration of Plan recipients remains competitive while developing attraction policies toward talented managerial and professional figures.

In the financial statements, the assumptions underlying the calculation were (i) the exercise term equal to the duration between the grant date and the vesting date, (ii) the share price at the time of valuation, (iii) the amount of expected dividends. Finally, consistent, with the provisions of IFRS 2, (iv) the probability of Recipients' exit and (v) the probability of achieving performance targets equal to 100%.

The Prospectus stipulates the option for the Board of Directors to grant the Beneficiaries the right to receive the Shares *pro rata temporis* and *pro rata performance* in advance of the timeframes set out in the Plan upon the occurrence of particular events during the Vesting period, such as the launch of a Public Tender and Exchange Offer involving the issuer's Shares.

On August 12, 2024, the Board of Directors, in light of the Public Tender and Exchange Offer launched by the Offerors on July 16, 2024, exercised this option under the Plan and resolved to accelerate the Incentive Plans that are still in effect through the early allocation of the shares and the cash bonus calculated in accordance with the criteria set out in the respective Plan regulations, utilising the treasury shares held in the Parent Company's portfolio.

	Number of rights August 31, 2024
Outstanding at beginning of period	**354,200**
Assigned during the period	(110,094)
Granted during the period	-
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**-**
Not allocated at beginning of period	
Exercisable at end of period	
Not allocated at end of period	**244,106**

<u>2023-2028 Performance share plan</u>

On June 21, 2022, the Shareholders' Meeting of Unieuro S.p.A., approved the Disclosure Document on the 2023-2028 Performance Shares Plan (the "Performance Shares" or "PS") prepared pursuant to Article 114-bis of the CFA.

Description of Plan's recipients

The implementation and definition of the specific features of the Plan were delegated by the Shareholders' Meeting to the specific definition by the Board of Directors of Unieuro.

The Plan is intended for Executive Directors and/or Senior Executives and/or employees of the Company and/or Group companies who hold roles with a greater impact on the achievement of medium-long term business results or with strategic importance for the purposes of achieving Unieuro's long-term objectives, as well as additional roles identified in relation to the performances achieved, skills possessed or with a view to retention/attraction and fall into one of the following categories: (i) executives of the Company and/or Group companies and (ii) first level while-collar employees (or above) at the Company and/or Group companies.

Essential elements related to the characteristics of the financial instruments on which it is based

The Plan provides for the free granting, to each of the beneficiaries, of rights to receive Unieuro ordinary shares (the "Shares") depending, *inter alia*, on the achievement of certain performance targets and specific vesting conditions, which reflect the most important variables related to value creation for the Group.

Free granting of these Shares will be made in the years 2026 (1st cycle), 2027 (2nd cycle) and 2028 (3rd cycle).

It is also provided that the aforementioned rights shall entitle each beneficiary to the receipt of a cash bonus linked to any cash dividends distributed and paid by the Company up to the grant date. This award will be payable in conjunction with, and subject to, the delivery of shares related to each cycle of the Plan provided that the specific vesting conditions are met.

Plan rationale

In fact, the Plan is one of the tools used by the Company to supplement the fixed component of the remuneration package of strategic resources through variable components linked to continued employment, in line with market best practices, and is proposed as a continuation of the previous medium- to long-term incentive plan approved by the Shareholders' Meeting of December 17, 2020.

The Plan has the following objectives: (i) to focus the Beneficiaries of the Plan on factors of strategic interest of the Company and direct key resources toward pursuing medium to long-term results, with a view to the sustainability of the Group's operating-financial performances (ii) to retain and incentivise the Beneficiaries of the Plan within the Company by developing retention policies; (iii) aligning the interests of Beneficiaries with those of Shareholders, with a view to developing the Company's value creation; and (iv) ensuring that the overall remuneration of Plan recipients remains competitive while developing attractive policies toward new talented managerial and professional figures.

The Prospectus stipulates the option for the Board of Directors to grant the Beneficiaries the right to receive the Shares *pro rata temporis* and *pro rata performance* in advance of the timeframes set out in the Plan upon the occurrence of particular events during the Vesting period, such as the launch of a Public Tender and Exchange Offer involving the issuer's Shares.

On August 12, 2024, the Board of Directors, in light of the Public Tender and Exchange Offer launched by the Offerors on July 16, 2024, exercised this option under the Plan and resolved to accelerate the Incentive Plans that are still in effect through the early allocation of the shares and the cash bonus calculated in accordance with the criteria set out in the respective Plan regulations, utilising the treasury shares held in the Parent Company's portfolio.

	Number of rights August 31, 2024
Outstanding at beginning of period	**197,900**
Assigned during the period	(188,678)
Granted during the period	200,000
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**-**
Not allocated at beginning of period	-
Exercisable at end of period	-
Not allocated at end of period	**209,222**

5.29 Discontinued operations

On October 16, 2023, the Board of Directors of Unieuro S.p.A. approved the initiation of the procedure for the liquidation of its wholly-owned subsidiary Monclick S.r.l., and on October 24, 2023 the Shareholders' Meeting of Monclick S.r.l. approved the liquidation of the company and appointed the liquidator.

On July 24, 2024, the Shareholders' Meeting of the Sole Shareholder approved the final liquidation financial statements of the company, and the removal of the company from the Companies Register was consequently requested.

The Result from discontinued operations includes the result from the final liquidation financial statements of the subsidiary, from which assets mainly consisting of cash and cash equivalents and tax receivables amounting to Euro 3,276 thousand emerged.

6. RELATED PARTY TRANSACTIONS

The following tables summarise the Group's creditor and debtor balances with related parties at August 31, 2024 and February 29, 2024:

(in Euro thousands)	August 31, 2024				
Creditor and debtor balances with related parties	**Trade receivables**	**Trade payables**	**Other current liabilities**	**Other non-current liabilities**	**Total**
Statutory Auditors	-	-	(38)	-	(38)
Board of Directors and committees	-	-	(864)	-	(864)
Senior Executives	-	-	(365)	-	(365)
Total	**-**	**-**	**(1,267)**	**-**	**(1,267)**

(in Euro thousands)	February 29, 2024				
Creditor and debtor balances with related parties	**Trade receivables**	**Trade payables**	**Other current liabilities**	**Other non-current liabilities**	**Total**
Statutory Auditors	-	-	(65)	-	**(65)**
Board of Directors and committees	-	-	(553)	-	**(553)**
Senior Executives	-	-	(449)	(44)	**(493)**
Total	**-**	**-**	**(1,067)**	**(44)**	**(1,111)**

The following table summarises the Group's income and costs with related parties in H1 2024/25 and H1 2023/24:

(in Euro thousands)	August 31, 2024						
Income statement transactions with related parties	**Revenues**	**Other income**	**Purchase of materials and services**	**Personnel costs**	**Amortisation, depreciation & write-downs**	**Financial income**	**Total**
Statutory Auditors	-	-	(53)	-	-	-	**(53)**
Board of Directors and committees	-	-	(1,129)	-	-	-	**(1,129)**
Senior Executives	-	-	-	(1,093)	-	-	**(1,093)**
Total	**-**	**-**	**(1,182)**	**(1,093)**	**-**	**-**	**(2,275)**

(in Euro thousands)	August 31, 2023						
Income statement transactions with related parties	**Revenues**	**Other income**	**Purchase of materials and services**	**Personnel costs**	**Amortisation, depreciation & write-downs**	**Financial income**	**Total**
Statutory Auditors	-	-	(68)	-	-	-	**(68)**
Board of Directors and committees	-	-	(733)	-	-	-	**(733)**
Senior Executives	-	-	-	(878)	-	-	**(878)**
Total	**-**	**-**	**(801)**	**(878)**	**-**	**-**	**(1,679)**

With reference to the periods under consideration, creditor/debtor and income and costs with related parties mainly refer to relations with Directors and Senior Executives, summarised in the table below:

Senior Executives	
Period ending August 31, 2024	**Period ending August 31, 2023**
General Manager - Bruna Olivieri	*General Manager - Bruna Olivieri*
Chief Financial Officer - Marco Deotto	*Chief Financial Officer - Marco Deotto*

The Gross remuneration of senior executives is inclusive of all compensation components (benefits, bonuses and gross pay).

Giancarlo Nicosanti Monterastelli concluded his employment as a Senior Executive on June 1, 2023. He will continue to serve as Chief Executive Officer, as per the mandate granted by the Board of Directors in 2022. From June 1, 2023, the remuneration as Chief Executive Officer was included in the "Purchase of materials and external services" item, in the column relating to the "Board of Directors and Committees".

The following table summarises the Group's cash flows with related parties in H1 2024/25 and H1 2023/24:

(in Euro thousands)	*Net cash flow generated/(absorbed) from operating activities*	
Type	**Period from March 1, 2024 to August 31, 2024**	**Period from March 1, 2023 to August 31, 2023**
Statutory Auditors	(80)	(99)
Board of Directors	813	(547)
Senior Executives [44]	(1,222)	(780)
Total	**(489)**	**(1,426)**

[44] The account includes cash flows referring to remuneration paid to executives and the theoretical value for the period of the Long-term incentive plan.

7. OTHER INFORMATION

Contingent liabilities

Based on the information currently available, the Directors of the Company consider that, as of the date of approval of these financial statements, the provisions set aside are sufficient to ensure a fair presentation of financial information.

Guarantees in favour of third parties

(in Euro thousands)	Period ended	
	August 31, 2024	**February 29, 2024**
Guarantees and sureties in favour of:		
Third party entities and companies	31,380	31,345
Total	**31,380**	**31,345**

Disclosure on public grants transparency obligations (Law No. 124/2017, Article 1, paragraphs 125-129)

As required by the regulations on transparency of public disbursements introduced by Article 1, paragraphs 125-129 of Law No. 124/2017 and subsequently supplemented by the 'security' decree-law (No. 113/2018) and the 'simplification' decree-law (No. 135/2018), please refer to the National Register of State Aid.
It should be noted that the Group has benefited from the general measures available to all enterprises and within the general structure of the system defined by the state or general aid relating to measures to support the economy granted by the government.
In the half year ended August 31, 2024, the Group did not receive any additional grants, contributions and economic benefits of any kind from public administrations and their equivalents, companies controlled by public administrations, and from publicly held companies.

Subsequent events

The Council of State, in Judgment No. 8520/2024 of October 25, 2024, rejected in its entirety the appeal of the Anti-trust Authority ("AGCM") and upheld, in part, the appeals filed by Unieuro and Monclick against the two AGCM measures that had imposed fines totalling Euro 7 million for Unieuro and Euro 1.5 million for Monclick.
The Council of State confirmed the reductions of more than 90% of the penalties ordered by the Lazio Regional Administrative Court with reference to the non-compliance proceedings and ordered a further reduction of a total of Euro 430 thousand in the penalties imposed subsequent to the main proceedings.
As a result of the decisions of the Lazio Regional Administrative Court and the Council of State, the penalties imposed by the AGCM, which at the end of the two proceedings totalled Euro 8.5 million, were reduced by more than 60%.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AUGUST 31, 2024 PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION No. 11971 OF MAY 14, 1999 AND SUCCESSIVE AMENDMENTS AND SUPPLEMENTS

The undersigned Giancarlo Nicosanti Monterastelli, in his capacity as Chief Executive Officer, and Marco Deotto, in his capacity as Executive Officer for Financial Reporting of the Unieuro Group, declare, taking into account also the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

- the accuracy of the information on company operations and
- the effective application of the administrative and accounting procedures for the Condensed Consolidated Half-Year Financial Statements at August 31, 2024.

In addition, we declare that the Condensed Consolidated Half-Year Financial Statements at August 31, 2024 of the Unieuro Group:

- were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
- corresponds to the underlying accounting documents and records;
- provide a true and fair view of the equity and financial position and of the operating performance of the issuer and of the other companies in the consolidation scope.

The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

November 13, 2024

Executive Officer for Financial Reporting

Chief Executive Officer

KPMG S.p.A.
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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Unieuro S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Unieuro Group, comprising the statement of financial position as at 31 August 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Unieuro Group as at and for the six months ended 31 August 2024 have not been prepared, in all material respects, in accordance with the International

Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Bologna, 13 November 2024

KPMG S.p.A.

(signed on the original)

Davide Stabellini
Director of Audit