



# Interim Directors' Report

As at 31 May 2024



# 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, and Monclick S.r.l. in liquidation.

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. 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. It was placed in liquidation as of November 3, 2023, as part of a process to streamline the corporate structure. Monclick, formerly engaged in the online sale of IT, electronics, telephony and domestic appliance products in Italy through the website [www.monclick.it](http://www.monclick.it), suffered a worsening of its operating, equity and financial situation in recent years as a result of the performance of its target markets, exacerbated by its digital pure player business model.

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.

## 2. Methodological note

The following Interim Directors' Report provides information on consolidated revenues, consolidated profitability, cash flow and the financial position of the Unieuro Group at May 31, 2024, compared with the interim period to May 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 (hereafter "FY 2024") for the balance sheet.

On December 20, 2021, the Board of Directors of Unieuro approved the amendment to the Quarterly periodic financial disclosure communication policy, on whose basis, from the same date, the impact of direct taxes accruing in the period has been excluded from the calculation of the operating and financial results in the interim directors' report for the first quarter and for the first nine months of the year. This decision was taken in view of the need to fully reflect any impacts on the company's financial statements from the Budget Laws, taking into account the timing of their approval with respect to the approval date of Unieuro's first nine-month results (January of each year).

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.

This Interim Directors' Report was drawn up according to Article 82-*ter* of the Issuers' Regulation, adopted with motion No. 11971 of May 14, 1999, introduced on the basis of Article 154-*ter*, paragraphs 5 and 6 of the Consolidated Finance Act ("CFA"). Therefore, the provisions of the international accounting standard covering interim reporting (IAS 34 "Interim Financial Reporting") were not adopted.

As a result of the initiation of the liquidation of the subsidiary Monclick S.r.l. in liquidation, which was approved by the subsidiary's Shareholders' Meeting on October 24, 2023, the operating, equity and cash flow indicators at May 31, 2024 do not include the contribution of Monclick S.r.l. in liquidation, in accordance with IFRS 5. Where applicable, 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".

The publication of the Interim Directors' Report at May 31, 2024 is governed by the Stock Exchange Regulation and, in particular, Article 2.2.3, paragraph 3.

The accounting standards used by the Group are the International Financial Reporting Standards, endorsed by the European Union ("IFRS") and in application of Legislative Decree No. 38/2005 and the other CONSOB financial statements provisions. 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.

### 3. Key financial performance indicators

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 Interim Directors' Report; (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 Interim Report.

The API's presented (Consolidated Adjusted EBIT, Consolidated Adjusted EBIT Margin, Consolidated Adjusted Result before taxes, 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 consolidated 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 Result before taxes 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 Interim Directors' Report.

We note that, in view of the initiation of the liquidation of the subsidiary Monclick S.r.l. in liquidation, which was approved by the company's Shareholders' Meeting on October 24, 2023, the adjusted figures for the years ended May 31, 2024 and May 31, 2023 do not include the contribution of Monclick S.r.l. in liquidation, reclassified to the "Result from discontinued operations" as per IFRS 5. The capital contribution to May 31, 2024 has been reclassified to "Net Invested Capital of Discontinued Operations" and "(Net Debt)/Net Cash of Discontinued Operations."

## Key financial performance indicators<sup>1</sup>

<i>(in millions of Euro)</i>	Period ended	
	May 31, 2024	May 31, 2023 <sup>2</sup>
<b>Operating indicators</b>		
Consolidated revenues	533.9	573.8
Consolidated Adjusted EBIT <sup>3</sup>	(4.1)	(8.5)
Consolidated Adjusted EBIT margin <sup>4</sup>	(0.8%)	(1.5%)
Consolidated adjusted result before taxes <sup>5</sup>	(7.0)	(10.9)
Result before taxes for the period	(12.4)	(15.6)
<b>Cash flows</b>		
Consolidated Adjusted Free Cash Flow <sup>6</sup>	(45.0)	(41.3)
Investments for the period	(8.9)	(5.7)

<i>(in millions of Euro)</i>	Period ended	
	May 31, 2024	February 29, 2024
<b>Indicators from statement of financial position</b>		
Net working capital	(308.6)	(350.6)
(Net financial debt) / Net cash - Pursuant to IAS 17 <sup>7</sup>	0.4	44.5
(Net financial debt) / Net cash	(395.3)	(366.9)

<sup>1</sup> 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.

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

<sup>3</sup> 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 4.2 for further details.

<sup>4</sup> Consolidated Adjusted EBIT Margin is the ratio of Consolidated Adjusted EBIT to Consolidated Revenues.

<sup>5</sup> The Consolidated Adjusted Result before taxes is calculated as the Consolidated Result before taxes adjusted for (i) the adjustments incorporated in Consolidated Adjusted EBITDA, (ii) the adjustments of non-recurring amortisation and depreciation and write-downs, (iii) the adjustments to the amortisation, depreciation and write-downs deriving from the Purchase Price Allocation and (iv) the adjustments of non-recurring financial expenses/(income). The Consolidated Adjusted Result before taxes is restated for net charges related to the liquidation of the subsidiary Monclick S.r.l., reclassified in accordance with IFRS 5.

<sup>6</sup> Consolidated Adjusted Free Cash Flow is the consolidated cash flow generated/absorbed by operating activities, including cash flows deriving from IFRS 16 leasing, and investing activities, including financial expenses. 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 4.5 for further details.

<sup>7</sup> 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 6 for additional details.

<i>(in millions of Euro)</i>	Period ended	
	May 31, 2024	February 29, 2024
<b>Operating indicators in the period</b>		
Like-for-like growth <sup>8</sup>	(8.9%)	(7.1%)
Direct points of sale (number)	270	271
of which Pick-Up Points <sup>9</sup>	268	270
Affiliated points of sale (number)	253	254
of which Pick-Up Points	213	211
Total area of direct outlets (in square metres)	approximately 395,000	approximately 397,000
Sales density <sup>10</sup> (Euro per square metre)	4,912	4,975
Full-time-equivalent employees <sup>11</sup> (number)	4.772	4,821
Net Promoter Score <sup>12</sup>	55.3	53.1

<sup>8</sup> Like-for-like revenue growth: the method for comparing sales for the three months ended May 31, 2024 with the three months ended May 31, 2023, based on a homogeneous business scope, by retail and travel stores 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.

<sup>9</sup> Physical pick-up points for customer orders from the online channel.

<sup>10</sup> 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.

<sup>11</sup> Average annual number of full-time-equivalent employees calculated as the average of the last 12 months; including temporary employees, Monclick in liquidation and Covercare.

<sup>12</sup> 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. Group operating and financial results

### 4.1 Consolidated revenues

In the first quarter of the fiscal year, a seasonally unrepresentative period, the Unieuro Group reported revenues of Euro 533.9 million, decreasing 7.0% on Euro 573.8 million in the comparative period, within a contracting market, in line with expectations and in continuity with the preceding quarters. The comparison with the preceding quarters was impacted also by the strategy adopted by Unieuro to protect the higher margin channels.

Service revenues increased 6.1%, thanks to the contribution of Covercare, which joined the Unieuro Group from December 1, 2023, accounting for 7.3% of consolidated revenues (6.4% in the first three months of the previous year).

Private label revenues<sup>13</sup> in the quarter totalled Euro 23.8 million, up 10.3% on the comparative period and accounting for 4.5% of total revenues, thanks to the gradual extension of the product range over the preceding quarters.

Like-for-like revenues<sup>14</sup> – comparing sales with the corresponding period of the previous fiscal year on the basis of the same scope of activity - were down 8.9%.

#### 4.1.1 Consolidated revenues by channel

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	May 31, 2024	%	May 31, 2023 <sup>15</sup>	%	Δ	%
Retail	372.2	69.7%	392.4	68.4%	(20.3)	(5.2%)
Online	75.4	14.1%	104.8	18.3%	(29.4)	(28.1%)
Indirect	50.4	9.4%	53.4	9.3%	(3.0)	(5.7%)
B2B	35.9	6.7%	23.1	4.0%	12.8	55.5%
<b>Total consolidated revenues by channel</b>	<b>533.9</b>	<b>100.0%</b>	<b>573.8</b>	<b>100.0%</b>	<b>(39.9)</b>	<b>(7.0%)</b>

The Retail channel (69.7% of total revenues) - which at May 31, 2024 comprised 270 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 - reported revenues of Euro 372.2 million, decreasing 5.2% on the same quarter of the previous year. The performance of the channel was affected by the market dynamics, characterized by the general contraction in demand..

The Online channel (14.1% of total revenues) - which operates through the unieuro.it platform - generated revenues of Euro 75.4 million in the quarter to May 31, 2024, contracting 28.1% on Euro 104.8 million in the comparative period. The performance reflects the Group’s commercial strategy, with a focus on the higher margin sales channels, and suffers from the comparison with a quarter that had achieved a relevant performance.

<sup>13</sup> Also including exclusive brands for the Italian territory.

<sup>14</sup> Like-for-like revenue growth includes: (i) retail stores operating for at least a full year at the reporting date, net of sales points experiencing significant disruption (e.g. temporary closures and major refurbishments) and (ii) the entire online channel.

<sup>15</sup> Consolidated revenues for the period ended May 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the subsidiary Monclick S.r.l. in liquidation, which was reclassified to the “Result from discontinued operations”.

The Indirect channel (9.4% of total revenues) - which includes sales made to the network of affiliated stores comprising a total of 253 sales points at May 31, 2024 - reports revenues of Euro 50.4 million, contracting 5.7% on the comparative quarter (revenues of Euro 53.4 million in Q1 2023/24) as a result of market trends

The B2B channel (6.7% 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 35.9 million in Q1 2024/25, increasing 55.5% on the comparative quarter (Euro 23.1 million in the period to May 31, 2023). Channel sales benefited from the contribution of the subsidiary Covercare, which joined the Unieuro Group from December 31, 2023 and, to a lesser extent, the increased product availability.

#### 4.1.2 Consolidated revenues by category

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	May 31, 2024	%	May 31, 2023 <sup>16</sup>	%	Δ	%
Grey	263.4	49.3%	278.4	48.5%	(15.0)	(5.4%)
White	155.1	29.0%	166.1	28.9%	(11.0)	(6.6%)
Brown	53.4	10.0%	61.4	10.7%	(8.0)	(13.0%)
Other products	23.2	4.3%	31.4	5.5%	(8.1)	(26.0%)
Services	38.7	7.3%	36.5	6.4%	2.2	6.1%
<b>Total consolidated revenues by category</b>	<b>533.9</b>	<b>100.0%</b>	<b>573.8</b>	<b>100.0%</b>	<b>(39.9)</b>	<b>(7.0%)</b>

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 (49.3% of total revenues) - comprising phones, tablets, information technology, phone accessories, cameras, in addition to all wearable products - generated revenues of Euro 263.4 million, contracting 5.4% on Euro 278.4 million in the first quarter of the previous year. The category's performance was impacted by the slowdown of Telecom segment demand, following on from the significant growth over preceding years and the contraction of the Information Technology segment.

The White category (29.0% 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 155.1 million, decreasing 6.6% on Euro 166.1 million in the same period of the previous year. The contraction in the quarter of the category was apparent across the various segments.

The Brown category (10.0% of revenues) - including televisions and related accessories, audio devices, smart TV devices, car accessories and data storage systems - generated revenues of Euro 53.4 million, decreasing 13.0% on Euro 61.4

<sup>16</sup> Consolidated revenues for the period ended May 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the subsidiary Monclick S.r.l. in liquidation, which was reclassified to the "Result from discontinued operations".



million in the first quarter of the previous year. The category was driven by the television segment which, although contracting, reports a more contained decrease than the preceding quarters which followed the settlement related to the frequencies switch-off.

The Other Products category (4.3% of total revenues) - which includes sales of both the entertainment sector and other products not included in the consumer electronics market, such as electric scooters or bicycles - reported revenues of Euro 23.2 million, contracting 26.0% on the comparative quarter (Euro 31.4 million), and has been affected by the entertainment segment (consoles and video games), which saw an extraordinary performance in the comparative period.

The Services category (7.3% of total revenues) - which includes, among others, sales of extended warranties, installation services, home deliveries, repair services and consumer credit services - reported revenues of Euro 38.7 million, up 6.1% on Euro 36.5 million in the corresponding period of the previous fiscal year, thanks to the contribution of the Covercare Group.

## 4.2 Consolidated operating profit

The income statement tables presented in this Interim Directors' Report have been reclassified according to the presentation methods considered by management to best represent the Unieuro Group's operating profitability in the period. 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.

<i>(in millions and as a percentage of revenues)</i>	Period ended						Changes	
	May 31, 2024			May 31, 2023 <sup>17</sup>			Δ	%
	Adjusted amounts	%	Adjustments	Adjusted amounts	%	Adjustments		
Revenues	533.9			573.8			(39.9)	(7.0%)
<b>Sales revenues</b>	<b>533.9</b>			<b>573.8</b>			<b>(39.9)</b>	<b>(7.0%)</b>
Purchase of goods and Change in inventories	(416.8)	(78.1%)	-	(457.0)	(79.7%)	2.9	40.2	(8.8%)
Marketing costs	(6.6)	(1.2%)	-	(8.1)	(1.4%)	-	1.5	(18.5%)
Logistics costs	(16.6)	(3.1%)	-	(18.3)	(3.2%)	0.1	1.8	(9.6%)
Other costs	(22.0)	(4.1%)	0.2	(21.7)	(3.8%)	0.1	(0.3)	1.4%
Personnel costs	(51.2)	(9.6%)	0.1	(50.6)	(8.8%)	0.1	(0.6)	1.2%
Other operating income and costs	(1.5)	(0.3%)	-	(0.7)	(0.1%)	-	(0.8)	128.5%
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	3.5	0.7%	3.5	0.4	0.1%	0.4	3.0	698.8%
<b>Consolidated Adjusted EBITDA<sup>18</sup></b>	<b>22.7</b>	<b>4.2%</b>	<b>3.8</b>	<b>17.8</b>	<b>3.1%</b>	<b>3.7</b>	<b>4.9</b>	<b>27.3%</b>
Amortisation, depreciation and write-downs of fixed assets	(26.8)	(5.0%)	0.6	(26.3)	(4.6%)	-	(0.5)	1.9%
<b>Consolidated Adjusted EBIT</b>	<b>(4.1)</b>	<b>(0.8%)</b>	<b>4.4</b>	<b>(8.5)</b>	<b>(1.5%)</b>	<b>3.7</b>	<b>4.4</b>	<b>(51.4%)</b>

In the first quarter of FY 2024/25, which is unrepresentative as affected by typical consumer electronics market seasonality, the Unieuro Group reported a Consolidated Adjusted EBIT loss of Euro 4.1 million, strongly improving over the comparative quarter (negative for 8.5 million) - despite the contraction in sales revenues.

<sup>17</sup> The operating results for the period ended May 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the subsidiary Monclick S.r.l. in liquidation, which was reclassified to the "Result from discontinued operations".

<sup>18</sup> Consolidated Adjusted EBITDA is Consolidated EBITDA adjusted for (i) non-recurring expenses/(income) and (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.

The gross profit<sup>19</sup> for the period to May 31, 2024 increased Euro 3.4 million on the comparative quarter, with a 22.6% revenue margin, improving on 20.4%, due to the initiatives taken under the margin protection strategy and the increased contribution of services.

Marketing costs in the first quarter totalled Euro 6.6 million, decreasing 18.5% and accounting for 1.2% of consolidated revenues (1.4% in the first three months of FY 2023/24). This reduction in the item is due to close cost management and an altered mix of marketing initiatives.

Logistics costs in the quarter to May 31, 2024 amounted to Euro 16.6 million, contracting 9.6% on the first quarter of the previous fiscal year and accounting for 3.1% of consolidated revenues (3.2% in the corresponding period of the previous fiscal year). Transport Costs reduced due to the lower sales volumes and the reduced weight of online channel sales.

Other costs in the first quarter of the fiscal year amounted to Euro 22.0 million and increased by Euro 0.3 million compared to the same period of the previous fiscal year, accounting for 4.1% of consolidated revenues (3.8% in the first three months of the previous fiscal year). The increase is due to the contribution of Covercare, consolidated from December 1, 2023, partially offset by the decrease in variable sales costs as a result of the reduced volumes, in addition to the reduction in accessory lease costs.

Personnel costs in the period to May 31, 2024 totalled Euro 51.2 million, increasing Euro 0.6 million on the comparative quarter. They accounted for 9.6% of consolidated revenues in Q1 2024/25 (8.8% in the same period of the previous year). The increase in the item mainly relates to the inclusion in the consolidation scope of the Covercare Group companies, partially offset by the streamlining of the sales network. We highlight that the Retail national collective bargaining contract became effective in the period.

Other operating income and costs totalled Euro 1.5 million, increasing Euro 0.8 million. They accounted for 0.3% of consolidated revenues in Q1 2024/25 (0.1% in the same period of the previous year). The item mainly includes business-related charges such as the waste disposal fee.

Amortisation, depreciation and write-downs amounted to Euro 26.8 million (Euro 26.3 million in Q1 2023/24). The increase in the item of Euro 0.5 million mainly concerns the effect of investments in intangible assets made in previous fiscal years.

<sup>19</sup> Gross profit is calculated as the sum of "Revenues from sales", "Revenues from extended warranty services net of the related estimated future service costs," and "Purchase of goods and Change in inventories".

A reconciliation between Consolidated Adjusted EBIT and the Consolidated Net Operating Profit is presented below.

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	May 31, 2024	%	May 31, 2023 <sup>20</sup>	%	Δ	%
<b>Consolidated Adjusted EBIT<sup>21</sup></b>	<b>(4.1)</b>	<b>(0.8%)</b>	<b>(8.5)</b>	<b>(1.5%)</b>	<b>4.4</b>	<b>(51.4%)</b>
Non-recurring expenses/(income)	(0.3)	(0.1%)	(3.2)	(0.6%)	2.9	(91.0%)
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 <sup>22</sup>	(3.5)	(0.7%)	(0.4)	(0.1%)	(3.0)	698.8%
Non-recurring depreciation, amortisation and write-downs of fixed assets	-	-	-	-	-	-
Amortisation, depreciation and write-downs of the Purchase Price Allocation	(0.6)	(0.1%)	-	-	(0.6)	100.0%
<b>Net Operating Result</b>	<b>(8.5)</b>	<b>(1.6%)</b>	<b>(12.2)</b>	<b>(2.1%)</b>	<b>3.8</b>	<b>(30.7%)</b>

Non-recurring expense/(income) of Consolidated Adjusted EBITDA rose Euro 2.9 million compared to the period ending May 31, 2023 and are detailed in section 4.3 below.

The adjustment linked to the change in the directly-managed after-sales services business model increased by Euro 3.0 million compared to the period ending May 31, 2023.

Amortisation, depreciation and write-downs of the Purchase Price Allocation, amounting to Euro 0.6 million, includes the amortisation of the intangible assets identified in the Purchase Price Allocation of Covercare, which took place on December 1, 2023.

<sup>20</sup> The operating results for the period ended May 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the subsidiary Monclick S.r.l. in liquidation, which was reclassified to the "Result from discontinued operations".

<sup>21</sup> See the note in the "Key financial performance indicators" section.

<sup>22</sup> 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 May 31, 2023 and May 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.

### 4.3 Non-recurring expenses/(income)

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

<i>(in millions of Euro)</i>	Period ended		Changes	
	May 31, 2024	May 31, 2023	Change	%
Costs for pre-opening, relocating and closing sales outlets	0.3	0.1	0.2	308.5%
Other non-recurring expenses	-	3.2	(3.2)	(100.0%)
<b>Total</b>	<b>0.3</b>	<b>3.2</b>	<b>(2.9)</b>	<b>(91.0%)</b>

Non-recurring expenses and income in the quarter to May 31, 2024 totalled Euro 0.3 million, decreasing Euro 2.9 million on the comparative period.

The Costs for pre-opening, relocating and closing sales outlets totalled Euro 0.3 million in the period to May 31, 2024 (Euro 0.1 million in the same period of the previous year). This account includes the cost for rental, personnel, security, travel and accommodation and for maintenance and marketing incurred within the scope of: i) sales points openings (in the months immediately preceding and following the opening of the stores) and ii) sales point closures.

Other non-recurring expenses were zero in Q1 2024/25 (Euro 3.2 million in the comparative quarter). The item mainly included in the preceding period the costs for the actions taken by Unieuro to deal with the flooding in Emilia-Romagna.

## 4.4 Consolidated Result before tax<sup>23</sup>

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

<i>(in millions and as a percentage of revenues)</i>	Period ended						Changes	
	May 31, 2024			May 31, 2023 <sup>24</sup>			Δ	%
	Adjusted amounts	%	Adjustments	Adjusted amounts	%	Adjustments		
<b>Consolidated Adjusted EBIT</b>	<b>(4.1)</b>	<b>(0.8%)</b>	<b>4.4</b>	<b>(8.5)</b>	<b>(1.5%)</b>	<b>3.7</b>	<b>4.4</b>	<b>(51.4%)</b>
Financial income and charges	(2.9)	(0.6%)	0.6	(2.4)	(0.4%)	0.1	(0.5)	20.9%
<b>Consolidated adjusted result before tax</b>	<b>(7.0)</b>	<b>(1.3%)</b>	<b>5.0</b>	<b>(10.9)</b>	<b>(1.9%)</b>	<b>3.8</b>	<b>3.9</b>	<b>(35.8%)</b>

Net financial expenses were reported in the period to May 31, 2024 of Euro 2.9 million (net financial expenses of Euro 2.4 million in the same period of the previous year to May 31, 2023).

The Consolidated adjusted result before tax was a loss of Euro 7.0 million (loss of Euro 10.9 million in the period to May 31, 2023) increased due to an improvement in Adjusted EBIT, offset by increased net financial expenses.

A reconciliation between the Consolidated adjusted result before tax and the Consolidated result before tax is presented below.

<i>(in millions of Euro and as a percentage of revenues)</i>	Period ended				Changes	
	May 31, 2024	%	May 31, 2023 <sup>23</sup>	%	Δ	%
<b>Consolidated adjusted result before tax</b>	<b>(7.0)</b>	<b>(1.3%)</b>	<b>(10.9)</b>	<b>(1.9%)</b>	<b>3.9</b>	<b>(35.8%)</b>
Non-recurring expenses/income	(0.3)	(0.1%)	(3.2)	(0.6%)	2.9	(91.0%)
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	(3.5)	(0.7%)	(0.4)	(0.1%)	(3.0)	698.8%
Amortisation, depreciation and write-downs of the Purchase Price Allocation	(0.6)	(0.1%)	-	-	(0.6)	100.0%
Non-recurring financial expenses/(income)	(0.6)	(0.1%)	(0.1)	(0.0%)	(0.5)	512.4%
Result from discontinued operations	(0.3)	(0.1%)	(0.9)	(0.2%)	0.6	(66.0%)
<b>Consolidated Result before tax</b>	<b>(12.4)</b>	<b>(2.3%)</b>	<b>(15.6)</b>	<b>(2.7%)</b>	<b>3.3</b>	<b>(20.9%)</b>

<sup>23</sup> On December 20, 2021, the Board of Directors of Unieuro approved the amendment to the Quarterly periodic financial disclosure communication policy, on whose basis, from the same date, the impact of direct taxes has been excluded from the calculation of the operating and financial results in the interim directors' report for the first quarter and for the first nine months of the year.

<sup>24</sup> The operating results for the period ended May 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the subsidiary Monclick S.r.l. in liquidation, which was reclassified to the "Result from discontinued operations".

## 4.5 Cash flows

### 4.5.1 Consolidated Adjusted Free Cash Flow<sup>25</sup>

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

<i>(in millions of Euro)</i>	Period ended		Changes	
	May 31, 2024	May 31, 2023	Change	%
Consolidated Gross Operating Result (EBITDA)	18.9	13.3	5.6	42.0%
Cash flow generated/(absorbed) from operating activities <sup>26</sup>	(35.3)	(32.4)	(2.9)	9.0%
Taxes paid	-	-	-	-
Interest paid	(2.9)	(2.7)	(0.3)	10.0%
Other changes	0.3	0.2	0.1	50.2%
<b>Consolidated net cash flow generated/(absorbed) from operating activities<sup>27</sup></b>	<b>(19.1)</b>	<b>(21.6)</b>	<b>2.5</b>	<b>(11.5%)</b>
Investments <sup>28</sup>	(8.9)	(5.7)	(3.2)	57.1%
Cash flow from investments in business combinations and business units	(5.6)	-	(5.6)	(100.0%)
Adjustment for cash flows for non-recurring investments	5.6	-	5.6	100.0%
Adjustment for monetary components of non-recurring expenses/(income)	0.3	3.3	(3.0)	(91.1%)
IFRS 16 Leases <sup>29</sup>	(17.2)	(17.3)	0.1	(0.5%)
<b>Consolidated Adjusted Free Cash Flow</b>	<b>(45.0)</b>	<b>(41.3)</b>	<b>(3.6)</b>	<b>8.8%</b>

Consolidated net cash flow was absorbed by operating activities of Euro 19.1 million, improving on the comparative quarter (absorption of Euro 21.6 million in the period to May 31, 2023). Cash flows in the first quarter of the year were affected by normal business seasonality, which in the initial part of the year sees an absorption of capital.

Cash flows for investments paid in the period totalled Euro 8.9 million (Euro 5.7 million in the period ending May 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.

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"

The monetary components of non-recurring expenses/(income) amounted to Euro 0.3 million in the period to May 31, 2024 (Euro 3.3 million in the corresponding period of the previous fiscal year). Reference should be made to section 4.3

<sup>25</sup> See the note in the "Key financial performance indicators" section.

<sup>26</sup> "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.

<sup>27</sup> "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.

<sup>28</sup> For better representation, this item includes the portion paid in the period of net investments.

<sup>29</sup> The item includes the cash flows relating to both leases paid and leases expiring during the period.

for further details.

Cash flows relating to IFRS 16 leasing totalled Euro 17.2 million, compared to Euro 17.3 million in the comparative quarter (substantially in line with the comparative period).

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

<i>(in millions of Euro)</i>	Period ended		Changes	
	May 31, 2024	May 31, 2023	Change	%
Operating Result	18.9	13.3	5.6	42.0%
Cash flow generated/(absorbed) from operating activities	(35.3)	(32.4)	(2.9)	9.0%
Taxes paid	-	-	-	-
Interest paid	(2.9)	(2.7)	(0.3)	10.0%
Other changes	0.3	0.2	0.1	50.2%
<b>Net cash flow generated/(absorbed) from operating activities</b>	<b>(19.1)</b>	<b>(21.6)</b>	<b>2.5</b>	<b>(11.5%)</b>
Investments	(8.9)	(5.7)	(3.2)	57.1%
Cash flow from investments in business combinations and business units	(0.6)	-	(0.6)	100.0%
IFRS 16 Leases	(17.2)	(17.3)	0.1	(0.5%)
Other changes	1.8	(0.1)	1.9	n.a.
<b>Change in the net financial debt</b>	<b>(44.1)</b>	<b>(44.7)</b>	<b>0.6</b>	<b>(1.2%)</b>

"Other changes" 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. Statement of financial position

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

<i>(in millions of Euro)</i>	Period ended	
	May 31, 2024	February 29, 2024
Trade Receivables	52.0	52.8
Inventories	479.8	435.8
Trade Payables	(535.2)	(552.8)
<b>Net Operating Working Capital</b>	<b>(3.4)</b>	<b>(64.2)</b>
Other working capital items	(305.3)	(286.4)
<b>Net Working Capital</b>	<b>(308.6)</b>	<b>(350.6)</b>
Right-of-use assets	368.5	384.6
Non-current Assets/(Liabilities)	425.3	432.3
<b>Net invested capital - Continuing Operations</b>	<b>485.2</b>	<b>466.3</b>
Net invested capital - Discontinued Operations	(3.5)	(3.2)
<b>Net Invested Capital</b>	<b>481.7</b>	<b>463.1</b>
<b>(Net financial debt) / Net cash - Pursuant to IAS 17</b>	<b>0.4</b>	<b>44.5</b>
IFRS 16 Leases	(395.7)	(411.4)
<b>(Net financial debt) / Net cash</b>	<b>(395.3)</b>	<b>(366.9)</b>
<b>(Net financial debt) / Net cash of discontinued operations</b>	<b>0.6</b>	<b>0.6</b>
Shareholders' Equity	(86.9)	(96.9)
<b>Total shareholders' equity and financial liabilities</b>	<b>(481.7)</b>	<b>(463.1)</b>

The Group's Net Operating Working Capital at May 31, 2024 was a negative Euro 3.4 million (negative Euro 64.2 million at February 29, 2024) and stems from normal business seasonality, which results in an absorption of capital in the initial part of the year. The movement in the period is mainly attributable to the different financial calendar from February 29, 2024.

The Net Invested Capital of continuing operations amounted to Euro 485.2 million at May 31, 2024, increasing Euro 18.9 million on February 29, 2024. The increase is mainly attributable to the movement in Net Operating Working Capital, partially offset by the decrease in Right-of-use Assets and Non-current Assets/(Liabilities).

Investments paid in the period to May 31, 2024 totalled Euro 8.9 million and, in line with the investment plan, mainly concerned the information technology projects, which continued from the previous years, and the restructuring of selected sales points through the restyling of the layout and the reduction or extension of sales areas.

The Net invested capital of discontinued operations includes the contribution of the net operating working capital and the fair value of other working capital items of the subsidiary Monclick S.r.l. in liquidation. The balance mainly comprises the residual amount of the provisions for charges for the liquidation procedure at May 31, 2024.

Shareholders' Equity amounted to Euro 86.9 million at May 31, 2024 (Euro 96.9 million at February 29, 2024), with the decrease mainly relating to the recognition of the pre-tax loss.

Below is a breakdown of the composition of net financial debt at May 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	
	May 31, 2024	February 29, 2024	Change	%
(A) Cash	54.6	105.6	(51.0)	(48.3%)
(B) Cash equivalents	-	-	-	-
(C) Other current financial assets	0.3	0.3	-	-
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>54.9</b>	<b>105.9</b>	<b>(51.0)</b>	<b>(48.2%)</b>
(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	(89.8)	(91.4)	1.6	(1.7%)
<b>(G) Current financial indebtedness (E)+(F)</b>	<b>(104.1)</b>	<b>(105.7)</b>	<b>1.6</b>	<b>(1.5%)</b>
<b>(H) Net current financial indebtedness (G)-(D)</b>	<b>(49.2)</b>	<b>0.2</b>	<b>(49.4)</b>	<b>(n.a)</b>
(I) Non-current financial debt (excluding the current portion and debt instruments)	(346.1)	(367.1)	21.0	(5.7%)
(J) Debt instruments	-	-	-	-
(K) Trade payables and other payables	-	-	-	-
<b>(L) Non-current financial indebtedness (I)+(J)+(K)</b>	<b>(346.1)</b>	<b>(367.1)</b>	<b>21.0</b>	<b>(5.7%)</b>
<b>(M) Total financial indebtedness (H)+(L)</b>	<b>(395.3)</b>	<b>(366.9)</b>	<b>(28.5)</b>	<b>7.8%</b>

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.

In order to finalise 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 May 31, 2024 was a nominal Euro 30.0 million.

Unieuro has in place four Committed Credit Facilities, which at May 31, 2024 have not been utilised, and which include Euro 150.0 million of a medium-long term cash loan on a revolving basis.

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

(in millions of Euro)	Period ended		Change	
	May 31, 2024	February 29, 2024	Change	%
<b>(Net financial debt) / Net cash</b>	<b>(395.3)</b>	<b>(366.9)</b>	<b>(28.5)</b>	<b>(7.8%)</b>
Other current financial payables - IFRS 16	(69.6)	(70.4)	0.9	(1.2%)
Other non-current financial payables - IFRS 16	(362.2)	(341.0)	14.8	(4.3%)
<b>(Net financial debt) / Net cash - Pursuant to IAS 17</b>	<b>0.4</b>	<b>44.5</b>	<b>(44.1)</b>	<b>(99.1%)</b>

## 6. IFRS 16 Impacts

The impact of IFRS 16 on the Group's main operating and financial indicators for Q1 2024/25 is presented below<sup>30</sup>:

		May 31, 2024 (Former IAS 17)	IFRS 16 Impacts	May 31, 2024 (IFRS 16)
<b><u>ADJ EBITDA</u></b>	<ul style="list-style-type: none"> <li>reduction in operating costs (rents paid on stores, offices, warehouses, and motor vehicles), net of income from store sub-leases</li> </ul>	3.9	+18.8	22.7
<b><u>ADJ EBIT</u></b>	<ul style="list-style-type: none"> <li>increase in depreciation on right-of-use assets</li> </ul>	(5.9)	+1.8	(4.1)
<b><u>ADJ CONSOLIDATED RESULT BEFORE TAX</u></b>	<ul style="list-style-type: none"> <li>increase in net financial expenses for interest related to right-of-use liabilities</li> </ul>	(6.4)	(0.6)	(7.0)
<b><u>NET FINANCIAL DEBT</u></b>	<ul style="list-style-type: none"> <li>recognition of right-of-use liabilities (other current and non-current financial payables), net of non-current financial receivables relating to sub-lease contracts.</li> </ul>	0.4	(395.7)	(395.3)

<sup>30</sup> The amounts reported in the "Q1 2024/25 (IFRS 16)" column derive from the indicators at section "4. 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 "Q1 2024/25 (IAS 17)" column are pre-adoption IFRS 16 and are calculated as the difference between the "Q1 2024/25 IFRS 16" column and the "IFRS 16 impacts" column. All values are in millions of Euro.

## 7. Unieuro treasury shares

The Shareholders' Meeting approved on June 20, 2024 the authorisation to purchase and utilise treasury shares, following the revocation of the previous authorisation granted by the Shareholders' Meeting of June 22, 2023.

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.

During Q1 2024/25, the Company did not engage in any transactions involving the purchase and/or sale of treasury shares.

As of May 31, 2024, 368,776 treasury shares were held, accounting for 1.78% of the share capital.

## **8. 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.

## 9. 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.

## 10. Significant events during the period and after the end of the period

### Significant events in the period

#### 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 twentyeth M&A awards sponsored by Fineurop Sodic S.p.A. and KPMG Italy.

#### Private label

The Electroline-brand small domestic appliance range was further extended in the quarter under review. In addition, the Gaming monitor line was launched, while the range of Ioplee-brand IT accessories was extended. Additional initiatives include the launch of a brand page dedicated to the Ioplee brand on the website [www.unieuro.it](http://www.unieuro.it).

#### Google Cloud and AI

During the first quarter, 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

#### Shareholders' Meeting

On June 20, 2024, the Shareholders' Meeting of Unieuro approved the financial statements for the year ended February 29, 2024 and approved the allocation of the result for the year, including the distribution of a dividend of Euro 0.46 per share. The Shareholders' Meeting also approved the Remuneration Report at February 29, 2024 and the authorisation to purchase and utilise treasury shares, following the revocation of the previous authorisation granted by the Shareholders' Meeting of June 22, 2023. The Shareholders' Meeting, finally, awarded the legally-required audit engagement for the fiscal years from March 1, 2025 to February 28, 2034 to PricewaterhouseCoopers S.p.A. and established the respective fee.

## Outlook

The market performance and the Q1 results are in line with expectations. Within a still unstable geopolitical and macroeconomic environment, the Consumer Electronics market is forecast to recover in the second half of the year, supported by the expected drop in inflation and the consequent increase in consumer spending power, by the forecast renewal of electronics products purchased during the pandemic, in addition to the technological innovation linked to artificial intelligence.

The Group confirms the guidance for FY 2024/25 announced to the market, with Revenues in line with the previous year and Adjusted EBIT in the Euro 35-40 million range, thanks to the continued policy to closely focus on margins and operating costs. Net Cash at February 28, 2025 is expected to substantially be in line with the end of the previous fiscal year.

Unieuro remains committed to executing the "Beyond Omni-Journey" Strategic Plan and to developing its increasingly services-focused business model, also thanks to the progressive integration of Covercare.



# FINANCIAL STATEMENTS<sup>31</sup>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(in thousands of Euro)</i>	Period ended	
	May 31, 2024	February 29, 2024
Plant, machinery, equipment and other assets	73,105	76,810
Goodwill	249,591	249,591
Intangible assets with finite useful lives	73,258	76,272
Right-of-use assets	368,482	384,619
Deferred tax assets	39,159	39,159
Other non-current assets	22,405	22,794
<b>Total non-current assets</b>	<b>826,000</b>	<b>849,245</b>
Inventories	479,839	435,764
Trade receivables	51,989	52,784
Current tax assets	5,051	3,066
Other current assets	24,081	22,764
Cash and cash equivalents	54,593	105,598
<b>Total current assets</b>	<b>615,553</b>	<b>619,976</b>
Total assets from discontinued operations	1,279	1,839
<b>Total assets</b>	<b>1,442,832</b>	<b>1,471,060</b>
Share capital	4,140	4,140
Reserves	91,427	89,027
Profits/(losses) carried forward	(8,691)	3,675
<b>Shareholders' equity - Parent Company</b>	<b>86,876</b>	<b>96,842</b>
Shareholders' equity - Minority interests	31	19
<b>Total shareholders' equity</b>	<b>86,907</b>	<b>96,861</b>
Financial liabilities	9,975	14,951
Employee benefits	10,828	10,964
Other financial liabilities	336,151	352,145
Provisions	12,501	12,511
Deferred tax liabilities	8,218	8,218
Other non-current liabilities	652	640
<b>Total non-current liabilities</b>	<b>378,325</b>	<b>399,429</b>
Financial liabilities	19,856	19,825
Other financial liabilities	84,254	85,847
Trade payables	535,194	552,779
Current tax liabilities	1,041	1,733
Provisions	1,676	1,799
Other current liabilities	331,385	308,373
<b>Total current liabilities</b>	<b>973,406</b>	<b>970,356</b>
Total liabilities from discontinued operations	4,194	4,414
<b>Total shareholders' equity and liabilities</b>	<b>1,442,832</b>	<b>1,471,060</b>

<sup>31</sup> Consolidated Financial Statements at May 31, 2024 (Unaudited figures).

## CONSOLIDATED INCOME STATEMENT

<i>(in thousands of Euro)</i>	Period ended	
	May 31, 2024	May 31, 2023 <sup>32</sup>
Revenues	533,879	573,758
Other income	333	179
<b>TOTAL REVENUE AND INCOME</b>	<b>534,212</b>	<b>573,937</b>
Purchase of materials and external services	(506,256)	(560,648)
Personnel costs	(51,290)	(50,663)
Changes in inventory	44,075	52,332
Other operating costs and expenses	(1,860)	(836)
<b>GROSS OPERATING RESULT</b>	<b>18,881</b>	<b>14,122</b>
Amortisation, depreciation and write-downs	(27,373)	(26,298)
<b>NET OPERATING RESULT</b>	<b>(8,492)</b>	<b>(12,176)</b>
Financial income	99	499
Financial expenses	(3,659)	(3,037)
<b>RESULT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(12,052)</b>	<b>(14,714)</b>
Result from discontinued operations	(313)	(921)
<b>RESULT BEFORE TAX</b>	<b>(12,365)</b>	<b>(15,635)</b>
<b>Profit/(loss) of the Group for the period</b>	<b>(12,377)</b>	<b>(15,635)</b>
<b>Profit/(loss) of the third parties for the period</b>	<b>12</b>	<b>-</b>

<sup>32</sup> The operating results for the period ended May 31, 2023 have been restated in application of IFRS 5 and do not include the contribution of the subsidiary Monclick S.r.l. in liquidation, which was reclassified to the "Result from discontinued operations".

## CONSOLIDATED CASH FLOW STATEMENT

<i>(in thousands of Euro)</i>	Period ended	
	May 31, 2024	May 31, 2023
<b>Cash flow from operations</b>		
Consolidated profit/(loss) for the consolidated period	(12,365)	(15,634)
<i>Adjustments for:</i>		
Income taxes	-	-
Net financial expenses (income)	3,560	2,543
Amortisation, depreciation and write-downs of fixed assets	27,373	26,391
Other changes	578	176
<b>Net cash flow generated/(absorbed) by operating activities before changes in Net Working Capital</b>	<b>19,146</b>	<b>13,476</b>
Changes in:		
- Inventories	(44,075)	(52,312)
- Trade receivables	795	17,194
- Trade payables	(12,110)	2,599
- Other changes in operating assets and liabilities	20,068	123
<b>Cash flow generated/(absorbed) from operating activities</b>	<b>(35,322)</b>	<b>(32,396)</b>
Taxes paid	-	-
Interest paid	(2,949)	(2,682)
<b>Net cash flow generated/(absorbed) by operating activities</b>	<b>(19,125)</b>	<b>(21,601)</b>
<b>Net cash flow generated/(absorbed) from discontinued operations</b>	<b>(28)</b>	<b>-</b>
<b>Cash flow from investing activities</b>		
Purchases of plant, machinery, equipment and other assets	(3,563)	(1,879)
Purchase of intangible assets	(5,328)	(3,781)
Investments in current FVOCI securities	-	-
Divestment of current FVOCI securities	-	50,385
Investments for business combinations net of cash acquired and business units	(5,556)	-
<b>Cash flow generated/(absorbed) by investment activities</b>	<b>(14,447)</b>	<b>44,725</b>
<b>Cash flow from financing activities</b>		
Increase/(Decrease) financial liabilities	-	-
Increase/(Decrease) in other financial liabilities	(172)	(259)
Increase/(Decrease) in financial liabilities - IFRS 16 Leases	(17,233)	(17,320)
Distribution of dividends	-	-
<b>Cash flow generated/(absorbed) by financing activities</b>	<b>(17,405)</b>	<b>(17,579)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(51,005)</b>	<b>5,545</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>105,598</b>	<b>66,653</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(51,005)</b>	<b>5,545</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>54,593</b>	<b>72,198</b>

## DECLARATION OF THE INTERIM DIRECTORS' REPORT AT MAY 31, 2024

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, taking into account also the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

Declare

That the Interim Directors' Report at May 31, 2024 reflects the company's underlying accounting documents and records.

July 11, 2024

Giancarlo Nicosanti Monterastelli  
Chief Executive Officer

Marco Deotto  
Executive Officer  
for Financial Reporting