INTERIM DIRECTORS' REPORT AS AT 31 May 2022

1. Introduction

The Unieuro Group (hereinafter also the "Group" or "Unieuro Group") is formed by the companies Unieuro S.p.A. and Monclick S.r.l., consolidated since 1 June 2017.

The company Unieuro S.p.A. (hereinafter also the "Company" or "Unieuro" or "UE") is a company incorporated under Italian law based in Forlì in Via Piero Maroncelli 10, founded in the late 1930s by Vittorio Silvestrini. Unieuro is now the leading company in the distribution of consumer electronics and appliances in Italy and it operates as an integrated omnichannel distributor in four major product segments: Grey (telephone systems, computers and photos), White (large and small appliances), Brown (consumer electronics and media storage), Other Products (consoles, video games, bicycles) and offering parallel ancillary services such as delivery and installation, extended warranties and consumer financing.

The company Monclick S.r.l. (hereinafter also referred to as "Monclick" or "MK"), a wholly-owned subsidiary of Unieuro, is a company under Italian law based in Milan at Via Marghera 28, and sells IT, electronics, telephony and household appliances products online in Italy through the website www.monclick.it, offering a catalogue of over 70,000 items and guaranteeing a complete shopping experience, which is completed with the delivery and installation of the chosen product at home. It also operates in the segment known as B2B2C, where the customers are operators which need to purchase electronic products to distribute to their regular customers or employees to accumulate points or participate in competitions or incentive plans.

The Group's mission is to accompany customers in all phases of their shopping experience, placing them at the centre of an integrated ecosystem of products and services with a strategic approach focusing on accessibility, a local presence and nearness.

Since April 2017, Unieuro shares have been listed on the STAR segment of the Milan stock exchange and the Company is in all respects a public company. As of the date of this Report, Unieuro's free float is about 80% of the Company's capital. The following table shows the percentage of Unieuro's ordinary shares held, as of the date of this Report, both directly and indirectly by shareholders or persons at the top of the shareholding chain who have declared that they have reached or exceeded the 5% threshold of Unieuro's subscribed share capital pursuant to Article 120 of the Consolidated Finance Act and Consob's Issuers' Regulations; this percentage is updated on the basis of the information available to the Company:

DECLARANT	DIRECT SHAREHOLDER	NUMBER OF SHARES	% OF NUMBER OF SHARES REPRESENTING THE SHARE CAPITAL
XAVIER NIEL	• ILIAD HOLDING S.P.A. • ILIAD SA	2,520,374	**12.177%**
AMUNDI ASSET MANAGEMENT	• AMUNDI SGR SPA • AMUNDI ASSET MANAGEMENT	1,396,730	**6.748%**
GIUSEPPE SILVESTRINI	• VICTOR S.R.L. • MONTE PASCHI FIDUCIARIA S.P.A. • GIUSEPPE SILVESTRINI	1,290,620	**6.235%**

2. Procedural note

The Interim Report on Operations herein, contains information relating to consolidated revenues, consolidated profitability, cash flows and the statement on the economic and financial position of the Unieuro Group as at 31 May 2022, compared with the figures as at 31 May 2021, for the economic results and the cash flows and with the figures of the latest financial statements approved as at 28 February 2022 for the economic and financial statement.

On 20 December 2021, the Unieuro Board of Directors approved an amendment to the communication policy for periodic financial information on a quarterly basis. In this regard, as of the same date, the impact of direct taxes for the period was excluded from the calculation of the economic and financial figures presented in interim reports on operations, relating to the first quarter and the first nine months of the financial year. The decision was made in the light of the need to fully consider any effects of the Budget Laws on the Company's accounts, considering the timing of their approval with respect to the approval date of Unieuro's nine-month results (January of each year).

Unless otherwise indicated, all amounts are stated in millions of Euro. Amounts and percentages were calculated on amounts in thousands of Euro and, thus, any differences found in certain tables are due to rounding.

This Interim Report on Operations was prepared in accordance with Article 82-ter of the Issuers' Regulation adopted through resolution 11971 of 14 May 1999, introduced based on the provisions of Article 154-ter, paragraphs 5 and 6 of the Consolidated Finance Act (“TUF”). Therefore, the provisions of the international accounting standard relating to interim financial reporting (IAS 34 "Interim Financial Reporting”) were not adopted.

The publication of the Interim Directors’ Report as at 31 May 2022 is regulated by the provisions of the Stock Exchange Regulations, specifically Article 2.2.3, paragraph 3 of the Stock Exchange Regulations.

The accounting standards used by the Group are the International Financial Reporting Standards (“IFRS”) adopted by the European Union and in accordance with Legislative Decree 38/2005, as well as other CONSOB provisions concerning financial statements. The accounting criteria and the consolidation principles adopted are consistent with those used in the Group's Consolidated Financial Statements as at 28 February 2022, to which reference is made.

3. Key Financial performance Indicators

To facilitate the understanding of the Group’s economic and financial progress, some Alternative Performance Indicators (“APIs”) are indicated. For a correct interpretation of the APIs, note the following: (i) these indicators are derived exclusively from the Group’s historical data and are not indicative of future trends, (ii) the APIs are not provided for by the IFRS and, despite being derivatives of the Consolidated Financial Statement, they are not subject to audit, (iii) the APIs should not be regarded as substitutes for the indicators provided for in the reference accounting standards (IFRS), (iv) the interpretation of these APIs should be carried out together with the Group’s financial information drawn from the Interim Performance Report; (v) the definitions and the criteria adopted for the determination of the indicators used by the Group, since they do not derive from the reference accounting standards, may not be aligned with those adopted by other companies or groups and, therefore, they may not be comparable with those potentially presented by such entities, and (vi) the APIs used by the Group are prepared with continuity and consistency of definition and they represent all the financial periods for which information is included in the Interim Performance Report.

The IAPs represented (Consolidated Adjusted EBIT, Consolidated Adjusted EBIT Margin, Consolidated Adjusted Profit Before Tax, Net Working Capital, Consolidated Adjusted Free Cash Flow and (Net Debt) / Net Cash - Ex IAS 17) are not identified as accounting measures under IFRSs and, therefore, as stated above, should not be considered as alternative measures to those provided in the Group's Consolidated Financial Statements for the evaluation of their economic performance and relative financial position.

Certain indicators are referred to as “Adjusted”, to represent the Group’s management and financial performance, net of non-recurring events, non-characteristic events and events related to extraordinary transactions, as identified by the Group. The Adjusted indicators shown consist of: Consolidated Adjusted EBIT, Consolidated Adjusted EBIT Margin, Consolidated Adjusted Profit Before Tax and Consolidated Adjusted Free Cash Flow and (Net Debt) / Net Cash - Ex IAS 17. These indicators reflect the main operating and financial measures adjusted for non-recurring income and expenses that are not strictly related to the core business and operations and for the effect from the change in the business model for extended warranty services (as more fully described below in the API “Consolidated Adjusted EBIT”) and, thus, they make it possible to analyse the Group’s performance in a more standardized manner in the periods reported in the Interim Directors’ Report.

Key financial performance indicators[1]

(in millions of Euro)	Period ended	
	31 May 2022	31 May 2021
Operating indicators		
Consolidated revenues	611.9	581.8
Consolidated Adjusted EBIT[2]	0.0	6.5
Consolidated Adjusted EBIT margin[3]	0.0%	1.1%
Adjusted consolidated profit before tax[4]	(3.5)	3.3
Profit before tax for the period	(5.6)	1.5
Cash flows		
Consolidated Adjusted Free Cash Flow[5]	(109.9)	36.4
Investments for the period	(13.5)	(20.4)

(in millions of Euro)	Period ended	
	31 May 2022	28 February 2022
Indicators from statement of financial position		
Net working capital	(223.2)	(332.6)
(Net financial debt) / Net cash – Pursuant to IAS 17[6]	24.7	135.7
(Net financial debt) / Net cash	(424.5)	(314.5)

1 Adjusted indicators are not identified as accounting measures in the IFRS and, thus, should not be considered as alternative measures for assessing the Group’s results. Since the composition of these indicators is not governed by established accounting standards, the calculation criterion applied by the Group might not be the same as that used by other companies or with any criterion the Group might use or create in the future, which therefore will not be comparable.

2 Consolidated Adjusted EBIT is Consolidated EBIT adjusted for (i) non-recurring expenses/(income), (ii) the impact from the adjustment of revenues for extended warranty services net of related estimated future costs to provide the assistance service, as a result of the change in the business model for directly managed assistance services, and (iii) non-recurring amortisation/depreciation. See section 4.2 for additional details.

3 The Consolidated Adjusted EBIT Margin is the ratio of Consolidated Adjusted EBIT to revenues.

4 Consolidated Adjusted Earnings Before Taxes is calculated as Consolidated Earnings Before Taxes adjusted for (i) the adjustments incorporated in *Consolidated Adjusted EBITDA*, (ii) adjustments for non-recurring depreciation and amortisation and (iii) adjustments for non-recurring financial expenses/(income).

5 Consolidated Adjusted Free Cash Flow is the consolidated cash flow generated/absorbed by operating and investing activities, including financial expenses, prior to the adoption of IFRS 16. The Consolidated Adjusted Free Cash Flow is adjusted for non-recurring operating and investment cash flows, and includes adjustments for non-recurring charges (income), their non-monetary component and the related tax effects. See section 4.5 for additional details.

6 The (Net financial debt) / Net cash - Pursuant to IAS 17, indicates the consolidated (Net financial debt) / Net cash without incorporating the effects related to the application of IFRS 16. See section 6 for additional details.

(in millions of Euro)	Period ended	
	31 May 2022	**28 February 2022**
Operating indicators for the year		
Like-for-like growth[7]	4.9%	8.8%
Direct points of sale (number)	279	282
of which *Pick Up Points*[8]	273	273
Affiliated points of sale (number)	260	259
of which Pick Up Points	210	206
Total area of direct points of sale (in square metres)	approximately 403,000	approximately 403,000
Sales density[9] (Euro per square metre)	5,689	5,641
Full-time-equivalent employees[10] (number)	4,901	4,952
Net Promoter Score[11]	53.8	48.5

7 Like-for-like revenue growth: the methods for comparing sales for the three-month period ended 31 May 2022 with those for the three-month period ended 31 May 2021, based on a standard scope of operations, for retail and travel stores operating for at least an entire financial year from the closing date of the reference period, excluding sales outlets affected by significant business operation discontinuity (e.g. temporary closures and major refurbishments), as well as the entire online channel.

8 Physical pick-up points for customer orders using the online channel.

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

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

11 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 2022/23, the Unieuro Group reported consolidated sales of Euro 611.9 million, up 5.2% compared to Euro 581.1 million in the same period of the previous year, setting a new record in a seasonally weak quarter for sales of electronics and household appliances.

The good business performance was driven by the online channel, which recorded an increase of +24.9%; the physical network also increased by +4.9% as a result of the external and internal growth actions undertaken by the Company.

The Evolution of Like-for-Like Revenues[12] - i.e. the comparison of sales with the corresponding period last year on a like-for-like basis - was +4.9%. Excluding from the scope of analysis the pre-existing outlets adjacent to the new shops, like-for-like sales would have recorded an even stronger growth of 5.8%.

4.1.1 Consolidated revenues by channel

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	31 May 2022	**%**	**31 May 2021**	**%**	**Δ**	**%**
Retail[13]	421.3	68.9%	400.3	68.8%	21.1	5.3%
Online	111.1	18.2%	89.0	15.3%	22.1	24.9%
Indirect	55.1	9.0%	65.7	11.3%	(10.6)	(16.2%)
B2B	24.4	4.0%	26.9	4.6%	(2.4)	(9.1%)
Total consolidated revenues by channel	**611.9**	**100.0%**	**581.8**	**100.0%**	**30.1**	**5.2%**

The Retail Channel (68.9% of total revenue) – which as of 31 May 2022 consisted of 279 direct stores. Including Unieuro by Iper shop-in-shops and direct sales outlets located at some of the major public transport hubs such as airports, train stations and underground (formerly Travel Channel)- has achieved a growth of 5.3%, at Euro 421.3 million, Compared to Euro 400.3 million in the same quarter of the previous year, mainly due to the growth of the direct store network compared to 31 May 2021, which benefited from the incremental contribution of the new openings and acquisitions completed in the last 12 months.

The Online channel (18.2% of total revenue), which includes the renewed unieuro.it platform and the digital pure player Monclick, generated Euro 111.1 million in revenue. This was up 24.9% from Euro 89.0 million in the same period of the previous year. At the heart of the performance, once again double-digit, is Unieuro's omnichannel strategy, which gives the physical outlet the role of pick-up point for the benefit of web customers. The continuous innovation linked to the constant release of new functions and improvements of the platform, attention to contents and the effectiveness of digital communication campaigns have further strengthened the competitive advantage.

The indirect channel (9.0% of total revenue), which includes the turnover to the network of affiliated shops for a total of 260 outlets as at 31 May 2022, reported revenues of Euro 55.1 million, Down 16.2% from Euro 65.7 million in the

[12] *Like-for-like* revenue growth is calculated by including: (i) retail and travel stores operating for at least an entire year from the closing date of the reference period, excluding sales outlets affected by significant business discontinuity (e.g. temporary closures and major refurbishments) and (ii) the entire online channel.
[13] As of the first quarter ending 31 May 2022, direct sales outlets located at some of the major public transport hubs such as airports, railway stations and subways - formerly the Travel channel - were reclassified and included in the Retail channel.

corresponding period of last year, which had benefited from the closures of shopping malls at weekends.

The B2B channel (4.0% of total revenues) – which caters to professional customers, including foreign ones, operating in sectors other than those of Unieuro, such as hotel chains and banks, as well as operators who need to purchase electronic products to distribute to their regular customers or employees on the occasion of points collections, prize competitions or incentive plans (so-called B2B2C segment) - reported revenues of Euro 24.4 million, down 9.1% compared to Euro 26.9 million in the corresponding period of the previous year. The contraction was the result of a precise managerial choice due to the lower availability of products to feed the channel.

4.1.2 Consolidated revenues by category

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	31 May 2022	%	31 May 2021	%	Δ	%
Grey	279.7	45.7%	289.5	49.8%	(9.8)	(3.4%)
White	160.8	26.3%	156.1	26.8%	4.7	3.0%
Brown	111.7	18.3%	83.4	14.3%	28.3	33.9%
Other products	25.8	4.2%	25.1	4.3%	0.7	2.6%
Services	34.0	5.5%	27.7	4.8%	6.3	22.6%
Total consolidated revenues by category	**611.9**	**100.00%**	**581.8**	**100.00%**	**30.1**	**5.2%**

Through its distribution channels the Group offers customers a wide range of products - specifically electric appliances and consumer electronics, as well as ancillary services. The segmentation of sales by product category takes place on the basis of the classification of products adopted by the main sector experts. Note therefore that the classification of revenues by category is periodically revised in order to guarantee the comparability of Group data with market data.

The *Grey* category (45.7% of total revenues) - i.e. telephony, tablets, information technology, telephone accessories, cameras, and all wearable technology products - generated revenues of EUR 279.7 million, down 3.4% from EUR 289.5 million in the corresponding period of the previous year. The category was affected by the settling of consumption in the IT segment, which had benefited from purchasing trends related to smart working, e-learning and communication, emphasised by the emergency context, partially offset by the good performance of the telephony segment driven by the consumer's search for technological upgrades.

The *White* category (26.3% of total revenues) - consisting of large household appliances (MDA) such as washing machines, dryers, refrigerators or freezers and cookers, small household appliances (SDA) such as vacuum cleaners, food processors, coffee machines, as well as the air conditioning segment - generated a turnover of Euro 160.8 million, up 3.0% compared to Euro 156.1 million in the same period of the previous year, thanks to the success of the home comfort segment driven by the Ecobonus tax incentive introduced by the Government and aimed at reducing the energy consumption of existing buildings.

The *Brown* category (18.3% of revenues) - comprising TV sets and related accessories, audio devices, smart TV devices, car accessories and memory systems - grew by 33.9% to Euro 111.7 million from Euro 83.4 million in the corresponding period of the previous year. The outstanding performance of the TV segment was driven by the TV frequency switch-off, the effect of which was accelerated and strengthened by the TV Bonus, introduced by the Government precisely to facilitate the technological transition.

The category Other Products (4.2% of total revenues) - which includes sales of the entertainment segment as well as other products not included in the consumer electronics market, such as hoverboards or bicycles - recorded revenues of Euro 25.8 million, up 2.6% compared to the corresponding period of the previous year.

The Services category (5.5% of total revenue) recorded revenue of Euro 34.0 million, up from Euro 27.7 million in the corresponding period of the previous year. The positive trend has benefited from Unieuro's continued focus on providing services to its customers and has benefited from the increase in turnover of services related to the air conditioning sector, as well as from the positive trend in sales related to the extended guarantee service.

4.2 Consolidated operating profit

The consolidated income statement tables present in this Report on Operations have been reclassified using presentation methods that management considered useful for reporting the operating profit performance of the Unieuro Group during the period. To more fully report the cost and revenue items indicated, the following were reclassified in this income statement by their nature: (i) non-recurring expenses/(income) and (ii) the impact from the adjustment of revenues for extended warranty services net of related estimated future costs to provide the assistance service, because of the change in the business model for directly managed assistance services.

(in millions and as a percentage of revenues)	Period ended						Changes	
	31 May 2022			31 May 2021				
	Adjusted amounts	%	*Adjustments*	Adjusted amounts	%	*Adjustments*	Δ	%
Revenue	611.9			581.8			30.1	5.2%
Sales revenues	611.9			581.8			30.1	5.2%
Purchase of goods and Change in inventories	(480.5)	(78.5%)	0.0	(452.4)	(77.8%)	0.0	(28.1)	6.2%
Marketing costs	(9.3)	(1.5%)	(0.0)	(10.2)	(1.8%)	0.1	1.0	(9.4%)
Logistics costs	(19.2)	(3.1%)	0.0	(18.8)	(3.2%)	0.1	(0.4)	2.1%
Other costs	(27.4)	(4.5%)	0.2	(21.1)	(3.6%)	0.3	(6.3)	30.0%
Personnel costs	(49.7)	(8.1%)	0.1	(49.0)	(8.4%)	0.2	(0.7)	1.4%
Other operating income and costs	(1.5)	(0.2%)	0.6	(1.9)	(0.3%)	0.0	0.4	(20.4%)
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	1.3	0.2%	1.3	0.9	0.2%	0.9	0.3	33.7%
Consolidated Adjusted EBITDA[14]	**25.6**	**4.2%**	**2.1**	**29.4**	**5.0%**	**1.6**	**(3.8)**	**(12.8%)**
Amortisation, depreciation and write-downs of fixed assets	(25.6)	(4.2%)	0.0	(22.9)	(3.9%)	0.2	(2.7)	11.8%
Consolidated Adjusted EBIT	**0.0**	**0.0%**	**2.1**	**6.5**	**1.1%**	**1.7**	**(6.5)**	**(100.0%)**

The first quarter of the 2022/23 financial year, which is insignificant because it is affected by the seasonality phenomena typical of the consumer electronics market, has a Consolidated Adjusted EBIT at break-even (Euro 6.5 million in the corresponding period of the previous year, affected by the consumption trends imposed by the pandemic), up by Euro 2.5 million compared to the first quarter of 2019/20, the last pre-Covid.

Operational profitability was negatively affected by the outbreak of the war in Ukraine, which took place at the same time as the start of Unieuro's fiscal year. In fact, the serious geopolitical crisis led to a further escalation in the price of energy products and raw materials, with obvious repercussions on costs, which increased by Euro 6.1 million in the period; depreciation and amortisation also increased by Euro 2.7 million in the period.

Gross profit showed a positive change of Euro 2.3 million compared to Q1 2021/22 due to the growth in sales volumes and the favourable channel/category mix. As a percentage of revenues, due to increased promotionality, it decreased from 22.4% to 21.7%.

Marketing costs decreased by Euro 1.0 million compared to the corresponding period of the previous year, with the ratio to consolidated revenue decreasing to 1.5% (1.8% in the first three months of 2021/22), mainly due to lower costs

[14] *Consolidated Adjusted EBITDA* is Consolidated EBITDA adjusted for (i) non-recurring expenses/(income) and (ii) the impact from the adjustment of revenues for extended warranty services net of related estimated future costs to provide the assistance service, as a result of the change in the business model for directly managed assistance services.

related to investments in digital, radio and TV activities made in the period.

Logistics costs increased by Euro 0.4 million compared to the corresponding period of the previous year, with a consolidated revenue share of 3.1% as of 31 May 2022 (3.2% in the corresponding period of the previous year). The change over the period is linked to the evolution of fuel prices and the increase in tariffs for transport and freight services caused by the current geopolitical environment.

Other expenses increased by Euro 6.3 million compared to the corresponding period of the previous year, with a consolidated revenue share of 4.5% (3.6% in the first three months of 2021/22). The trend is mainly attributable to the increase in energy costs of about Euro 2.4 million, as well as the increase in installation costs of air-conditioning systems sold to customers.

Personnel costs increased by Euro 0.7 million. The impact on consolidated revenues was 8.1% as at 31 May 2022 (8.4% in the same period a year earlier). The item increased as a result of the new openings and acquisitions completed in the last twelve months, the higher costs arising from the assignment of the rights of the 2nd and 3rd cycle of the Long Term Incentive Plan 2020-2025 in July 2021 and April 2022, respectively.

Other operating income and expenses decreased by Euro 0.4 million. The impact on consolidated revenues was 0.2% as at 31 May 2022 (0.3% in the same period a year earlier). The item mainly includes costs for expenses related to business operations such as waste disposal tax.

Depreciation, amortisation and impairment of fixed assets amounted to Euro 25.6 million (Euro 22.9 million in the period ended 31 May 2021). Capital expenditures as of 31 May 2022 amounted to Euro 7.0 million (Euro 8.4 million as of 31 May 2021) and are mainly attributable to the development of the direct shop network and information technology projects, including the adoption of electronic labels in a significant and growing number of direct shops.

The reconciliation between the Consolidated Adjusted EBIT and the consolidated Net Operating Profit reported in the consolidated financial statements is provided below.

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	31 May 2022	%	31 May 2021	%	Δ	%
Consolidated Adjusted EBIT[15]	0.0	0.0%	6.5	1.1%	(6.5)	(100.0%)
Non-recurring expenses /(income)	(0.8)	(0.1%)	(0.6)	(0.1%)	(0.2)	30.5%
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[16]	(1.3)	(0.2%)	(0.9)	(0.2%)	(0.3)	33.7%
Non-recurring depreciation, amortisation and write-downs of fixed assets	(0.0)	0.0%	(0.2)	(0.0%)	0.1	(86.4%)
Net Operating Result	**(2.1)**	**(0.3%)**	**4.7**	**0.8%**	**(6.8)**	**(144.8%)**

15 See note in the section "Main financial and operating indicators".

16 The adjustment was for the deferral of extended warranty service revenues already collected, net of the related estimated future costs to provide the assistance service. From the year ended 29 February 2012, for White products sold by Unieuro, from the year ended 28 February 2015 for all extended warranty services sold by Unieuro S.r.l. (hereinafter the "Former Unieuro") (excluding telephone systems and peripherals), from the year of acquisition for all extended warranty services sold by the sales outlets acquired by the business units the former Andreoli S.p.A., the former Cerioni S.p.A., the former DPS S.r.l., the former Galimberti S.p.A. and the former Pistone S.p.A. (excluding telephone systems and peripherals), Unieuro modified the business model for the management of extended warranty services by in-sourcing the management of services sold by the Former Unieuro and by Unieuro that were previously outsourced and by extending this model to the sales outlets acquired by the business units

Non-recurring expenses/(income) of Consolidated Adjusted EBITDA increased by Euro 0.2 million compared to the previous period ended 31 May 2021 and are detailed in section 4.3 below.

The adjustment related to the change in the business model for direct management services increased by Euro 0.3 million compared to the previous period ended 31 May 2021 due to the incremental contribution of new openings and acquisitions completed in the last twelve months.

4.3 Non-recurring income and expenses

The non-recurring charges/(income) of the Consolidated Adjusted EBITDA are shown below:

(in millions of Euro)	Period ended		Changes	
	31 May 2022	31 May 2021	Δ	%
Costs for pre-opening, relocating and closing sales outlets[17]	0.3	0.3	0.0	10.9%
Mergers & Acquisitions	0.6	0.4	0.2	51.5%
Other non-recurring expenses	(0.0)	0.0	(0.0)	(100.0%)
Total	**0.8**	**0.6**	**0.2**	**30.4%**

Non-recurring income and expenses increased by Euro 0.2 million compared to the corresponding period of the previous year ended 31 May 2021.

Costs related to the item Pre-opening, Repositioning and Closing Costs of Stores amounted to Euro 0.3 million in the period ended 31 May 2022 (Euro 0.3 million in the corresponding period of the previous year). This item includes costs and expenses for rent, staff, security, business travel, maintenance and marketing incurred in the context of: i) store openings (in the months immediately before and after the openings) and (ii) store closures.

Mergers&Acquisition costs amounted to Euro 0.6 million as at 31 May 2022 (Euro 0.4 million in the period ended 31

the former Andreoli S.p.A., the former Cerioni S.p.A., the former DPS S.r.l., the former Galimberti S.p.A. and the former Pistone S.p.A. (the "Change in Business Model"). As a result of the Change in Business Model, at the time of sale of extended warranty services, Unieuro suspends the revenue in order to recognise the revenue over the life of the contractual obligation, which starts on the expiration of the two-year legally required warranty. Thus, Unieuro begins to gradually record revenues from sales of extended warranty services two years (term of the legally required product warranty) after the execution of the related agreements and after the collection of compensation, which is generally concurrent. Thus, the revenue is recorded on a pro rata basis over the life of the contractual obligation (historically, depending on the product concerned, for a period of one to four years). As a result of this Change in Business Model, the income statements do not fully reflect the revenues and profit of the business described in this note. In fact, the income statements for the periods ended 31 May 2022 and 31 May 2021 only partially report revenues from sales generated starting with the Change in Business Model because Unieuro will gradually record sales revenues from extended warranty services (already collected by it) starting at the end of the legally required two-year warranty period. Thus, the adjustment is aimed at reflecting, for each period concerned, the estimated profit from the sale of extended warranty services already sold (and collected) starting with the Change in Business Model as if Unieuro had always operated using the current business model. Specifically, the estimate of the profit was reflected in revenues, which were held in suspense in deferred income, to be deferred until those years in which the conditions for their recognition are met, net of future costs for performing the extended warranty service, which were projected by Unieuro on the basis of historical information on the nature, frequency and cost of assistance work. The adjustment will progressively decrease to nil in future income statements when the new business model is fully reflected in our financial statements, i.e., for each product category, when the period has lapsed that starts on the first day of the legally required two-year warranty and ends on the last expiry date of warranty extensions.

[17] The costs for "pre-opening, relocating and closing points of sale" include expenses for security, travel, maintenance, and marketing work incurred as a part of i) remodelling work for downsizing and relocating points of sale, ii) opening points of sale (during the months immediately preceding and following the opening), and iii) closing points of sale.

May 2021). The item includes higher taxes related to acquisition transactions carried out in previous years. Last year, the item related to the costs referred to the acquisition of the Limbiate Ex-Galimberti S.p.A. and Turin Ex-Expert business units, and mainly related to rental costs, the cost of personnel of the sales outlets incurred from the date the acquisition was finalised to the date the shop was opened to the public, higher costs for training and instructional activities for the employees of the acquired sales outlets, and finally consulting costs and other minor costs incurred to finalise the acquisition transactions.

It sould be noted that a case is still pending before the Lazio Regional Administrative Court for the annulment of the AGCM order issued in December 2021. On 21, June 2022, a new investigation was initiated by the Authority, the sanction risk of which considering the uncertainty of the outcome of the appeal filed and the still embronial state of the new proceedings was qualified by the lawyers as possible

4.4 Result before tax consolidated[18]

The reclassified income statement from Consolidated Adjusted EBIT to Consolidated Adjusted Profit Before Tax is shown below

(in millions and as a percentage of revenues)	Period ended						Changes	
	31 May 2022			31 May 2021				
	Adjusted amounts	%	*Adjustments*	Adjusted amounts	%	*Adjustments*	Δ	%
Consolidated Adjusted EBIT	**0.0**	**0.0%**	**2.1**	**6.5**	**1.1%**	**1.7**	**(6.5)**	**(100.0%)**
Financial income and expenses	(3.5)	(0.6%)	0.0	(3.2)	(0.5%)	0.0	(0.3)	8.6%
Adjusted consolidated profit before tax	**(3.5)**	**-0.6%**	**2.2**	**3.3**	**0.6%**	**1.8**	**(6.7)**	**(205.0%)**

Net financial expenses in the period ended 31 May 2022 amounted to Euro 3.5 million (Euro 3.2 million in the corresponding period of the previous year ended 31 May 2021). The change in the period is related to IFRS 16 charges of about Euro 0.2 million. It should be noted that on November 2021, the Loan Agreement signed on 9 January 2018 was extinguished and, at the same time, four new credit lines were taken out to finance working capital and strengthen the company's capital strength.

Consolidated Adjusted Profit Before Tax was a negative Euro 3.5 million (positive Euro 3.3 million in the period ended 31 May 2021), the change is attributable to the performance recorded in Adjusted EBIT and net financial expenses.

Below is a reconciliation of Consolidated Adjusted Profit Before Tax and Consolidated Profit Before Tax.

18 On 20 December 2021, Unieuro's Board of Directors approved an amendment to the Policy for the Disclosure of Periodic Financial Information on a Quarterly Basis whereby, as of the same date, the impact of direct taxes was excluded from the calculation of economic and financial data in the interim management reports for the first quarter and first nine months of the financial year.

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	31 May 2022	%	31 May 2021	%	Δ	%
Adjusted consolidated profit before tax	**(3.5)**	**(0.6%)**	**3.3**	**0.6%**	**(6.7)**	**(205.0%)**
Non-recurring expenses/income	(0.8)	(0.1%)	(0.6)	(0.1%)	(0.2)	30.5%
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	(1.3)	(0.2%)	(0.9)	(0.2%)	(0.3)	33.7%
Non-recurring depreciation, amortisation and write-downs of fixed assets	(0.0)	0.0%	(0.2)	0.0%	0.1	100.0%
Non-recurring financial expenses/(income)	(0.0)	0.0%	(0.0)	0.0%	(0.0)	175.0%
Consolidated profit before tax	**(5.6)**	**(0.9%)**	**1.5**	**0.3%**	**(7.1)**	**(466.7%)**

4.5 Cash flows

4.5.1 Consolidated Adjusted Free Cash Flow [19]

The Group considers the Consolidated Adjusted Free Cash Flow to be the most appropriate indicator to measure cash generation during the period. The composition of the indicator is provided in the table below.

(in millions of Euro)	Period ended		Changes	
	31 May 2022	31 May 2021	Δ	%
Consolidated Gross Operating Result (EBITDA)	23.5	27.8	(4.3)	(15.4%)
Cash flow generated/(absorbed) by operating activities[20]	(102.8)	(34.8)	(68.0)	195.2%
Taxes paid	0.0	0.0	0.0	0.0%
Interest	(3.4)	(2.7)	(0.7)	24.8%
Other changes	1.1	0.4	0.7	190.6%
Consolidated net cash flow generated/(absorbed) by operating activities[21]	**(81.6)**	**(9.4)**	**(72.2)**	**768.4%**
Investments[22]	(13.4)	(13.3)	(0.1)	0.7%
Investments for business combinations and business units	(0.1)	(7.1)	7.0	(98.6%)
Adjustment for non-recurring investments	0.1	8.3	(8.2)	(98.8%)
Non-recurring expenses /(income)	0.9	0.8	0.1	8.0%
Adjustment for non-monetary components of non-recurring (expenses)/income	(0.0)	0.0	(0.0)	0.0%
Other non-recurring cash flows	0.0	(2.6)	2.6	(100.0%)
IFRS 16 Leases[23]	(15.8)	(13.2)	(2.6)	19.5%
Consolidated Adjusted free cash flow	**(109.9)**	**(36.4)**	**(73.5)**	**202.0%**

The consolidated net cash flow generated/(absorbed) from operating activities was negative Euro 81.8 million (negative Euro 9.4 million as at 31 May 2021). The cash flow dynamic, is influenced not only by the typical seasonality of the business, which leads to a significant absorption of capital in the first part of the financial year, but also by additional economic factors, including the procurement strategy implemented by the Company since the last months of the 2021/22 financial year.

Capital expenditures made and paid for amounted to Euro 13.4 million in the year ended 31 May 2022 (Euro 13.3 million in the corresponding period of the previous year ended 31 May 2021), and were mainly and primarily attributable to costs incurred for interventions in the development of the direct shop network and investments in information technology, including the adoption of electronic labels in a significant and growing number of direct shops.

Investments for business combinations and lines of business in the amount of Euro 0.1 million in the period ended 31

[19] See note in the section "Main financial and operating indicators".

[20] The item "Cash flow generated/(absorbed) by 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.

[21] The item "Consolidated net cash flow generated/(absorbed) by operating activities" refers to cash generated by operating activities in a broad sense net of outlays for interest and taxes and adjusted for non-cash effects of balance sheet changes included in the item "Cash flow generated/(absorbed) by operating activities".

[22] For better representation, the item includes the portion of net investments paid during the period.

[23] The item includes cash flows related to both paid leases and leases expired during the period.

May 2022 (Euro 7.1 million in the corresponding period of the previous year ended 31 May 2021) refer to the portion paid for the purchase price of the Etnapolis (Ex-Expert) business unit; last year, the item included the price instalments paid as part of the acquisition of ex-Pistone S.p.A., ex-Cerioni, Convertino and Limbiate. These investments are classified as non-recurring and therefore adjusted by determining the Consolidated Adjusted Free Cash Flow indicator. The adjustment for non-recurring investments also includes any investments that took place during the period for the fitting-out of the sales outlets.

Non-recurring income and expenses amounted to Euro 0.9 million in the period ended 31 May 2022 (Euro 0.8 million in the corresponding period of the previous year).

Other non-recurring operating cash flows were zero as of 31 May 2022, Euro 2.6 million in the first three months of 2021/22 and related to the insurance reimbursement obtained in connection with the theft of Piacenza in 2017.

Below are listed the main changes recorded in the Group's net financial indebtedness during the period ended 31 May 2022 and in the period ended 31 May 2021:

(in millions of Euro)	Period ended		Changes	
	31 May 2022	31 May 2021	Δ	%
Operating profit	23.5	27.8	(4.3)	(15.4%)
Cash flow generated/(absorbed) by operating activities	(102.8)	(34.8)	(68.0)	195.2%
Taxes paid	0.0	0.0	0.0	#DIV/0!
Interest paid	(3.4)	(2.7)	(0.7)	24.8%
Other changes	1.1	0.4	0.7	190.6%
Net cash flow generated/(absorbed) by operating activities	**(81.6)**	**(9.4)**	**(72.2)**	**768.4%**
Investments	(13.4)	(13.3)	(0.1)	0.7%
Investments for business combinations and business units	(0.1)	(7.1)	7.0	(98.6%)
Long Term Incentive Plan	0.0	3.7	(3.7)	(100.0%)
Payables from the acquisition of business units	0.0	6.4	(6.4)	(100.0%)
IFRS 16 Leases	(15.8)	(13.2)	(2.6)	19.5%
Other changes	(0.1)	(0.6)	0.5	(82.7%)
Change in net financial debt	**(111.0)**	**(33.5)**	**(77.5)**	**231.8%**

5. Statement of financial position

Below is a detailed breakdown of the Group’s net working capital and net invested capital as at 31 May 2022 and as at 28 February 2022:

(in millions of Euro)	Period ended	
	31 May 2022	28 February 2022
Trade receivables	44.0	43.0
Inventories	491.0	462.1
Trade payables	(524.2)	(583.5)
Net operating working capital	**10.9**	**(78.4)**
Other working capital items	(234.1)	(254.2)
Net working capital	**(223.2)**	**(332.6)**
Right-of-use assets	430.9	433.3
Non-current assets and (liabilities)	350.6	352.1
Net invested capital	**558.3**	**452.9**
(Net financial debt) / Net cash – Pursuant to IAS 17	24.7	135.7
IFRS 16 Leases	(449.2)	(450.2)
(Net financial debt) / Net cash[24]	**(424.5)**	**(314.5)**
Shareholders' Equity[25]	(133.8)	(138.3)
Total shareholders’ equity and financial liabilities	**(558.3)**	**(452.9)**

The Group's Net Operating Working Capital as at 31 May 2022 was positive for Euro 10.9 million (negative for Euro 78.4 million as at 28 February 2022). The change recorded is influenced not only by the typical seasonality of the business, which leads to a significant absorption of capital in the first part of the financial year, but also by additional economic factors, including the procurement strategy implemented by the Company since the last months of the 2021/22 financial year.

The Net Invested Capital of the Group stood at Euro 558.3 million at 31 May 2022, up Euro 105.5 million compared with 28 February 2022. The change is mainly due to: (i) increase in the Group's Net Working Capital by Euro 109.4 million and (ii) decrease in non-current net assets by Euro 3.9 million. Capital expenditures as of 31 May 2022 amounted to Euro 7.0 million (Euro 8.4 million as of 31 May 2021) and are mainly attributable to costs incurred for measures to develop the direct shop network and investments in information technology, including the adoption of electronic labels in a significant and growing number of direct shops.

Shareholders' equity amounted to Euro 133.8 million as of 31 May 2022 (Euro 138.3 million as of 28 February 2022), with a decrease mainly due to the recognition of the negative pre-tax result for the period partially offset by the recognition of the Long Term Incentive Plan reserved for certain managers and employees.

24 Net financial debt determined in accordance with ESMA Guideline 32-382-1138 of 04/03/2021
25 On 20 December 2021, Unieuro's Board of Directors approved an amendment to the Policy for the Disclosure of Periodic Financial Information on a Quarterly Basis whereby, as of the same date, the impact of direct taxes was excluded from the calculation of economic and financial data in the interim management reports for the first quarter and first nine months of the financial year. The decision was made in the light of the need to fully consider any effects of the Budget Laws on the Company's accounts, considering the timing of their approval with respect to the approval date of Unieuro's nine-month results (January of each year).

Details of the composition of[26] the net financial indebtedness as at 31 May 2022 and 28 February 2022, as required by ESMA guideline 32-382-1138 of 04/03/2021:

(in millions of Euro)	Period ended		Changes	
	31 May 2022	28 February 2021	Δ	%
(A) Cash and cash equivalents	56.1	141.5	(85.4)	(60.4%)
(B) Means equivalent to cash and cash equivalents	0.0	0.0	0.0	0.0%
(C) Other current financial assets	0.0	0.0	0.0	0.0%
(D) Liquidity (A)+(B)+(C)	**56.1**	**141.5**	**(85.4)**	**(60.4%)**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	0.0	0.0	0.0	0.0%
(F) Current portion of non-current debt	(95.0)	(66.5)	(28.5)	42.8%
(G) Current financial debt (E)+(F)	**(95.0)**	**(66.5)**	**(28.5)**	**42.8%**
(H) Net current financial debt (G)-(D)	**(38.9)**	**75.0**	**(113.9)**	**(151.9%)**
(I) Non-current financial debt (excluding current portion and debt instruments) debt)	(385.6)	(389.5)	3.9	(1.0%)
(J) Debt instruments	0.0	0.0	0.0	0.0%
(K) Trade payables and other non-current payables			0.0	0.0%
(L) Non-current financial debt (I)+(J)+(K)	(385.6)	(389.5)	3.9	(1.0%)
(M) Total financial indebtedness (H)+(L)	**(424.5)**	**(314.5)**	**(110.0)**	**35.0%**

A breakdown of the composition of the net financial debt pursuant to IAS 17 as at 31 May 2022 and as at 28 February 2021 is shown below.

(in millions of Euro)	Period ended		Period ended	
	31 May 2022	31 May 2022	Δ	%
(Net financial debt) / Net cash	**(424.5)**	**(314.5)**	**(110.0)**	**35.0%**
Other current financial payables - IFRS 16	65.3	62.8	2.4	3.9%
Other non-current financial payables - IFRS 16	383.9	387.3	(3.4)	(0.9%)
(Net financial debt) / Net cash – Pursuant to IAS 17	**24.7**	**135.7**	**(111.0)**	**(81.8%)**

26 It should be noted that on November 2021, the Loan Agreement signed on 9 January 2018 was extinguished and, at the same time, four new credit lines were taken out to finance working capital and strengthen the company's capital strength.

6. IFRS 16 Impacts

The impact of IFRS 16 on the Group's main economic and financial indicators at 31 May 2022 is shown below[27]:

		31 May 2022 (Ex - IAS 17)	IFRS 16 Impacts	31 May 2022 (IFRS 16)
EBITDA ADJ	• reduction in operating costs (rents paid on shops, offices, warehouses and cars), net of income from subleases of shops	**7.5**	**+18.1**	**25.6**
EBIT ADJ	• increase in depreciation on right-of-use assets	**(1.3)**	**+1.3**	**0.0**
RESULT BEFORE CONSOLIDATED TAXES ADJ	• increase in financial expenses for interest related to rights-of-use liabilities	**(2.2)**	**(1.3)**	**(3.5)**
NET FINANCIAL INDEBTEDNESS	• recognition of rights-of-use liabilities (other current and non-current financial payables), net of non-current financial receivables relating to subleases	**24.7**	**(449.2)**	**(424.5)**

[27] The values reported in the column "31 May 2022 (IFRS 16)" derive from the indicators included in section "4. Group operating and financial results". The values reported in the column "IFRS 16 impact" are taken from accounting records and calculation tables summarising the effects of the application of IFRS 16 Leases. The values shown in the column "31 May 2022 (ex-ias 17)" are pre-adoption IFRS 16 and are calculated as the difference between the column "31 May 2021 (IFRS 16)" and the column "IFRS 16 impacts". All values are in millions of euro.

7. War in Ukraine

The conflict between Russia and Ukraine, which began on 24 February 2022, has generated strong geopolitical and economic tensions worldwide, leading among other things to a rise in the price of energy products and raw materials, with obvious repercussions on the production prices of goods and services and the purchasing power of households, which have only been partly preserved thanks to political interventions.

The Unieuro Group does not have any direct economic and/or financial relations with Russian economic entities subject to the current sanctions, however it is subject to the risk of suffering the economic consequences of this worsening of the macro-economic scenario.

In spite of considerable uncertainty, the company decided to assign each department precise targets for the containment of costs not directly related to sales and to strengthen the processes for monitoring and approving expenses. The possible adoption of new contractual safeguards, such as freezing the price of energy supplies through multi-year contracts, is also being considered.

8. Unieuro treasury shares

On 21 June 2022, the Shareholders' Meeting approved the launch of a share buyback programme, in continuation of the previous buyback programme approved by the Shareholders' Meeting on 17 December 2020, which was partially executed and expired on 17 June 2022.

The authorisation in force to date regarding the purchase and disposal of treasury shares provides for a maximum of 2,000,0000 ordinary Unieuro S.p.A. shares, it being understood that the number of ordinary shares held from time to time in portfolio by the Company and its subsidiaries may not in any case exceed 10% of the Company's pro tempore share capital.

The purpose of this authorisation is 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 collaborators of the Company or of other companies controlled by it, as well as to set up a so-called "securities inventory" to be used, where appropriate, as consideration in extraordinary transactions, including share swaps, with third parties in transactions that may be of interest to Unieuro.

It should be noted that the authorisation is not preordained for any share capital reduction.

Following the completion of the Treasury Share Buyback Programme resolved by the Board of Directors on 11 November 2021, as of 31 May 2022, the number of treasury shares held was 600,000, or 2.8987% of the share capital

9. Right to waive the obligation to publish an information document in the event of insignificant transactions

Note that the Issuer has opted to adopt the waiver in Article 70, paragraph 6 and Article 71, paragraph 1 of the Issuers' Regulation, pursuant to Article 70, paragraph 8 and Article 71, paragraph 1 bis of the Issuers' Regulation.

10. Management and coordination activities

Unieuro S.p.A. is not subject to the management or coordination of companies or entities and it determines its general and operational strategies in full autonomy.

11. Significant events during and after the period-end

Significant events during the period

The acquisition of the Etnapolis shop

After participating in the competitive procedure called by the Court, Unieuro was awarded and acquired on 6 April 2022 a business unit of Papino Elettrodomestici S.p.A., consisting of a shop located in Valcorrente (Catania).

The prospective strengthening of logistics

On 14 April 2022, Unieuro signed an agreement with Vailog, the Italian leader in real estate development, to open a new logistics hub in Colleferro (Rome) serving central and southern Italy, to be operational by the end of 2023. Thanks also to the imminent expansion of the central platform in Piacenza, the company is thus taking a new important step in the evolution of its logistics set-up, which will reach 200,000 square metres of storage and goods handling capacity when fully operational, in order to adapt it to a rapidly growing business and the increasingly high standards of service required by customers.

On 5 May 2022, Unieuro signed a partnership with SES-imagotag, a world leader in digital solutions for physical retail, to equip Unieuro's entire direct network with the VUSION Retail electronic smart labels and IoT Cloud platform. Thanks to this initiative, which is one of the digital transformation projects included in the "Our Omni-Journey to 2026" strategic plan, Unieuro will be able, on the one hand, to improve the effectiveness of customer communication, which will be digitally managed remotely, and, on the other hand, to enable shop staff to devote themselves even more profitably to sales activities.

On 11 May 2022, the Board of Directors approved Unieuro's first Sustainability Plan, through which the company intends to meet the growing environmental, social and governance expectations of its main stakeholders. The plan, which is four-year in nature in order to coincide with that of the Our Omni-Journey to 2026 Strategic Plan from which it takes up the four strategic pillars in the ESG sphere - Culture, Community, Sustainable Innovation and Talent - is embodied in 31 projects. This plan represents a fundamental step in Unieuro's strategic evolution towards a logic of integrated thinking, nurturing effective coordination between the various corporate functions and a wider circulation of the culture of sustainability within the entire organisation.

Significant events following the closure of the period

The Shareholders' Meeting

On 21 June 2022, the Ordinary and Extraordinary Shareholders' Meeting of Unieuro, convened in a single call, approved the financial statements for the year ended 28 February 2022; approved the allocation of the profit for the year, including the distribution of a dividend of Euro 1.35 per share; approved the first and voted in favour of the second section of the Report on Remuneration Policy and Remuneration Paid; approved the appointment of the Board of Directors and the Board of Statutory Auditors; approved the 2023-2028 Performance Shares Plan; approved the authorisation to purchase and dispose of treasury shares, also to service the Plan; approved the authorisation to increase the share capital to service the Plan.

Appointment of the Chief Executive Officer

On 24 June 2022, the newly elected Board of Directors of Unieuro S.p.A. appointed Giancarlo Nicosanti Monterastelli as Chief Executive Officer of the Company, in continuity with his previous position. All the remaining directors are non-executive directors, with the exception of Maria Bruna Olivieri by virtue of her position as General Manager.

Appoint EndoConsiliary Committees

On 28 June 2022, the newly-elected Board of Directors of Unieuro S.p.A., in accordance with the Corporate Governance Code and Consob Regulation No. 17221/2010 on related party transactions, reconstituted the Endoconsiliar Committees, appointing their members.

Confirmation of the Financial Reporting Officer

On July 14, 2022, the Board confirmed Dr. Marco Pacini, Chief Financial Officer, in the position of Manager in charge of drafting corporate accounting documents pursuant to Article 154-bis of the TUF.

12. Foreseeable operating evolution

The outbreak of war in the Ukraine, almost at the same time as the start of Unieuro's new fiscal year, brought about a sudden and profound change of scenario, otherwise already quite defined in terms of epidemiology and macroeconomics.

The realisation that, despite the many variants of the virus, a transition phase towards coexistence with Covid-19 has begun, and that the resources accumulated in the meantime by households may represent a stimulus for present and future consumption, initially offset inflationary flare-ups and fears that restrictive monetary policies may conversely slow down the business cycle and consumption.

The effects of the severe geopolitical crisis on prices and consumer purchasing power are also compounded by delays in global production and logistics chains, which could lead, in the medium to long term, to a general rethink of global supply chains.

Expectations of a structurally higher level of inflation than in the recent past have also been taken on board by the ECB’s central bankers’ forum in Sintra in June of this year.

This set of factors continues to weigh on confidence and dampen growth, especially in the short term, suggesting a certain caution in forecasting the evolution of the Italian consumer electronics and household appliance market.

The purchase prices of products are affected by the higher costs of certain raw materials such as lithium or steel, higher production costs related to higher energy prices, as well as higher fuel prices and maritime freight rates, having a rather generalised impact on price lists and forcing retailers to revise their retail prices.

A still positive contribution is expected from the renewal of the TV set fleet in the wake of the migration of TV frequencies, albeit attenuated as a result of the postponement to January 2023 of the deadline for the switch-off of TV frequencies, initially scheduled for June 2022. With regard to IT, there is an adjustment in consumption that had benefited from the purchasing trends related to smart working, e-learning and communication. The home comfort sector is currently supported by energy-efficiency-related tax incentives. The hoped-for resolution of the conflict in Ukraine and the deceleration of inflationary dynamics would help to improve expectations, which would have a positive impact on trade trends throughout the industry.

The first few months of Unieuro's financial year 2022/23, although not very significant in light of the seasonal nature of the business, saw a further increase in sales compared to the corresponding period last year, within a market context characterised, however, by intensified commercial competition.

In light of the current conditions of extreme volatility and high uncertainty, Unieuro's Management continues to monitor with great attention the evolution of the external context and its actual and potential impact on the Company's short-term prospects. Fully consistent with the prudent and realistic approach adopted thus far, it is therefore believed that the guidance on revenues, profitability and cash generation for the current year can be communicated to the market with a higher level of reliability over the next few months. In the meantime, the company is taking all necessary actions to support further business development and preserve profitability.

ACCOUNTING STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Period ended	
(In thousands of Euro)	**31 May 2022**	**28 February 2022**
Plant, machinery, equipment and other assets	78,541	79,281
Goodwill	196,149	196,072
Intangible assets with definite useful life	45,420	45,661
Assets for rights of use	430,885	433,339
Deferred tax assets[28]	44,606	44,606
Other non-current assets	17,398	17,830
Total non-current assets	**812,999**	**816,789**
Inventories	491,031	462,050
Trade receivables	44,043	42,988
Current tax assets[28]	4,206	4,206
Other current assets	39,647	27,593
Cash and cash equivalents	56,089	141,534
Total current assets	**635,016**	**678,371**
Total Assets	**1,448,015**	**1,495,160**
Share capital	4,140	4,140
Reserves	68,752	67,725
Profits/(Losses) carried forward[28]	60,898	66,484
Profit/(Loss) of third parties	-	-
Total shareholders' equity	**133,790**	**138,349**
Financial liabilities	-	-
Employee benefits	13,169	13,126
Other financial liabilities	385,614	389,501
Provisions	14,089	13,936
Deferred tax liabilities[28]	3,704	3,769
Other non-current liabilities	523	519
Total non-current liabilities	**417,099**	**420,851**
Financial liabilities	26,261	-
Other financial liabilities	68,741	66,539
Trade payables	524,195	583,456
Current tax liabilities[28]	1,041	1,041
Provisions	2,309	2,167
Other current liabilities	274,579	282,757
Total current liabilities	**897,126**	**935,960**
Total liabilities and shareholders' equity	**1,448,015**	**1,495,160**

28 On 20 December 2021, Unieuro's Board of Directors approved an amendment to the Policy for the Disclosure of Periodic Financial Information on a Quarterly Basis whereby, as of the same date, the impact of direct taxes was excluded from the calculation of economic and financial data in the interim management reports for the first quarter and first nine months of the financial year. The decision was made in the light of the need to fully consider any effects of the Budget Laws on the Company's accounts, considering the timing of their approval with respect to the approval date of Unieuro's nine-month results (January of each year).

CONSOLIDATED INCOME STATEMENT

	Period ended	
(In thousands of Euro)	**31 May 2022**	**31 May 2021**
Revenue	611,922	581,848
Other income	280	113
TOTAL REVENUE AND INCOME	**612,202**	**581,961**
Purchases of materials and external services	(566,111)	(624,424)
Personnel costs	(49,817)	(49,196)
Changes in inventory	28,981	121,402
Other operating costs and expenses	(1,759)	(1,970)
GROSS OPERATING RESULT	**23,496**	**27,773**
Depreciation, amortisation and write-downs of fixed assets	(25,615)	(23,046)
NET OPERATING RESULT	**(2,119)**	**4,727**
Financial income	3	5
Financial expenses	(3,497)	(3,199)
PROFIT BEFORE TAX	**(5,613)**	**1,533**

CONSOLIDATED CASH FLOW STATEMENT

(In thousands of Euro)	Period ended 31 May 2022	Period ended 31 May 2021
Cash flow from operations		
Consolidated result for the period before taxes	(5,613)	1,533
Adjustments for:		
Net financial expenses (income)	3,494	3,194
Depreciation, amortisation and write-downs of fixed assets	25,615	23,046
Other changes	1,081	372
	24,577	28,145
Changes in:		
- Inventories	(28,981)	(121,402)
- Trade receivables	(1,055)	(21,262)
- Trade payables	(52,880)	139,192
- Other changes in operating assets and liabilities	(19,907)	(31,359)
Cash flow generated/(absorbed) by operating activities	(102,823)	(34,831)
Taxes paid	-	-
Interest paid	(3,387)	(2,713)
Net cash flow generated/(absorbed) by operating activities	**(81,633)**	**(9,399)**
Cash flow from investment activities		
Purchases of plant, machinery, equipment and other assets	(3,611)	(8,285)
Purchases of intangible assets	(9,782)	(5,020)
Investments for business combinations and business units	(100)	(7,058)
Cash flow generated/(absorbed) by investing activities	**(13,493)**	**(20,363)**
Cash flow from investment activities		
Increase/(Decrease) in financial liabilities	26,154	301
Increase/(Decrease) in other financial liabilities	(714)	(170)
Increase/(Decrease) in financial liabilities - IFRS 16 Leases	(15,760)	(13,186)
Exercise - Term Incentive Plan	-	3,745
Net cash and cash equivalents generated by financing activities	**9,681**	**(9,310)**
Net increase/(decrease) in cash and cash equivalents	**(85,445)**	**(39,072)**
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**141,534**	**219,366**
Net increase/(decrease) in cash and cash equivalents	**(85,445)**	**(39,072)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**56,089**	**180,294**

CERTIFICATION OF THE INTERIM REPORT AS AT 31 May 2022

The undersigned, Giancarlo Nicosanti Monterastelli, as Chief Executive Officer, and Marco Pacini, as the manager in charge of preparing the Unieuro Group's corporate and accounting documents, hereby certify, also considering the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998:

They attest

That the Interim Directors' Report as at 31 May 2022, corresponds to the Company's documentary findings, books and accounting records.

14 July 2022

Giancarlo Nicosanti Monterastelli Chief Executive Officer

Marco Pacini
The Officer responsible for preparing
the accounting and corporate documents

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