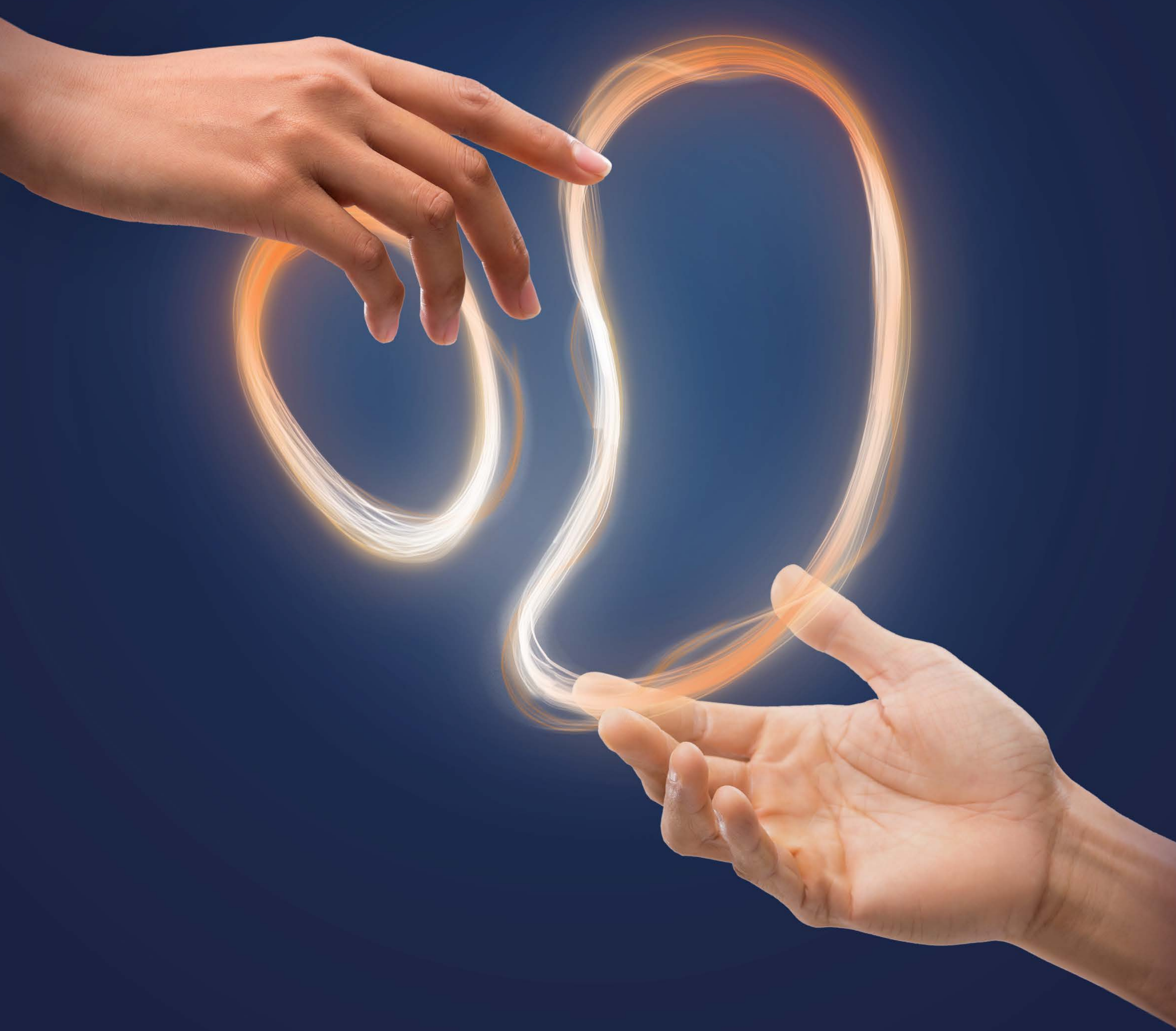
unieuro

Half-Yearly Financial Report

as at 31 August 2023



HALF-YEAR DIRECTORS' REPORT

1. Introduction

The Unieuro Group (hereinafter also the "Group" or "Unieuro Group") consists of the companies Unieuro S.p.A. and Monclick S.r.l..

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, computer and photo), White (large and small appliances), Brown (consumer electronics and media storage), Other products (consoles, video games, bicycles), offering in parallel a wide range of services such as delivery and installation, extended warranty and consumer financing.

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, sells IT, electronics, telephony and home appliance products online in Italy through the website www.monclick.it, while also operating in the B2B2C segment. On October 16, 2023, the Board of Directors of the Company approved the launch of the procedure for the liquidation of Monclick as part of a corporate restructuring.

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

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

2. Methodological note

The following Directors' Report provides information on consolidated revenues, consolidated profitability, cash flow and the financial position of the Unieuro Group at August 31, 2023, compared with the interim period to August 31, 2022 in terms of the operating results and cash flow, and with the latest approved financial statements for the fiscal year ended February 28, 2023 for the statement of financial position.

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.

3. Accounting policies

This Directors' Report as of August 31, 2023 was prepared in accordance with Article 154-*ter*, paragraph 5 of Legislative Decree No. 58/98 - C.F.A. - as amended and supplemented - in compliance with Article 2.2.3 of the Stock Exchange Regulations - and in application of IAS 34. It does not include all the information required by IFRS for the preparation of the annual financial statements and should therefore be read in conjunction with the Unieuro Group Financial Statements as of February 28, 2023. The Directors' Report has been prepared in accordance with International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and related interpretations (SIC/IFRIC), as adopted by the European Union.

The accounting policies and consolidation principles adopted are the same as those utilised for the Group Consolidated Financial Statements at February 28, 2023, to which reference should be made.

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

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

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

Key financial performance indicators[1]

(in millions of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Operating indicators		
Consolidated revenues	1,227.9	1,292.7
Consolidated Adjusted EBIT[2]	2.7	12.1
Consolidated Adjusted EBIT margin[3]	0.2%	0.9%
Consolidated Adjusted Profit/(loss) for the Period[4]	(0.6)	4.6
Consolidated Profit/(loss) for the Period	(7.1)	1.1
Cash flows		
Consolidated Adjusted Free Cash Flow[5]	(31.5)	(34.5)
Investments for the period	(13.2)	(21.2)

(in millions of Euro)	Period ended	
	August 31, 2023	February 28, 2023
Indicators from statement of financial position		
Net working capital	(309.8)	(339.9)
(Net financial debt) / Net cash - Pursuant to IAS 17[6]	78.5	124.4
(Net financial debt) / Net cash	(349.3)	(323.1)

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

2 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, and (iii) non-recurring amortisation and depreciation. Please refer to Section 5.2 for further details.

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

4 Consolidated Adjusted Profit/(loss) for the Period is calculated as Consolidated Adjusted Profit/(loss) for the Period adjusted for (i) the adjustments incorporated in Consolidated Adjusted EBITDA, (ii) adjustments of non-recurring amortisation and depreciation and write-downs (iii) adjustments of non-recurring financial expenses/(income), and (iv) the theoretical tax impact of these adjustments.

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

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

	Period ended	
	August 31, 2023	February 28, 2023
Operating indicators for the period		
Like-for-like revenue movement[7]	(5.9%)	(3.2%)
Direct points of sale (number)	276	278
of which Pick-Up Points[8]	273	274
Affiliated points of sale (number)	256	255
of which Pick-Up Points	211	210
Total area of direct outlets (in square metres)	approximately 401,000	approximately 404,000
Sales density[9] (Euro per square metre)	5,167	5,335
Full-time-equivalent employees[10] (number)	4,830	4,921
Net Promoter Score[11]	56.2	51.9

7 Like-for-like revenue change: the method for comparing sales for the six months ended August 31, 2023 with the six months ended August 31, 2022, based on a homogeneous business scope, by operative retail 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.

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

9 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.

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. Market performance[12]

The initial months of the year featured the continuation of the Ukrainian conflict and the consequent spiralling inflation, which has significantly impacted business and household confidence levels.
Against this challenging backdrop and following years of record growth, the consumer electronics market has slowed, contracting by approximately 6% on the first half of the previous year, although still in excess of pre-pandemic levels in overall value terms.
In addition to the drop in consumer spending capacity as a result of the complex general economy, the market saturation of particular product types which have seen significant growth over the last two years has further impacted demand.

Specifically, looking to the individual product categories:

- **Grey (-3%)**: all category segments have contracted. The IT segment continues to decline - although at a slower pace than the previous year as the products acquired during the pandemic have begun to be replaced - contracting 7% in the period. Despite still higher average prices due to the significant proportion of premium range smartphones, the telephony segment - following two years of demand-driven growth - saw a decrease in value terms (-1%) owing to the online channel whose volumes have slowed.

- **White (+2%)**: this category's improvement was driven mainly by large domestic appliances (+5%), following the increase in the average price, as a result of - on the one hand - the inflationary impact of the across-the-board price increases, and on the other of rising energy-efficient premium product demand. For the PED segment (unchanged), the strong online channel results (+4%) partially offset the decline on the traditional channel. Increased online penetration is confirmed, mainly due to the rise of new brands and trade brands in the vacuum cleaner segment. Air conditioning product demand contracted (Home Comfort -3.5%), impacted by the performance in the first half of the previous year in which incentives were in place for the purchase of energy-efficient products (ecobonus).

- **Brown (-31%):** in continuity with the second half of the previous year, category volumes continued to contract as a result of the sharp drop in television segment demand. This contraction relates to the strong performance in the first half of the previous year in which the government bonus for TV's was in place (valid until November 12, 2022). Demand dynamics have also changed, with a shift back to the trend evident in the years before the switch-off and a return to a mix more focused on larger screens and with rising average prices.

The slowdown in demand - which follows years of consumer electronics market growth - has impacted all operators. Specifically, the Electrical Retailers segment - which includes all the major consumer electronics retailers and purchasing groups - leaves behind the record growth seen in preceding years and now weighs most heavily on the market (-8%), while however remaining the main contributor to sales in terms of both values and volumes. The higher average price, simultaneously reflecting inflation and the shift in demand towards the premium end of the market for certain product categories, partially offsets the reduction in sales volumes.

The Mass Merchandiser channel - concerning the online Pure Players - saw a contraction in the period (-2%), offset (although partially) by the improvement for small domestic appliances, thanks to the double-digit growth for vacuum cleaner products. Finally, the Specialists (-4%) were impacted mainly by the decline in smartphone demand, the channel's main product category.

Against the backdrop in which the large consumer electronic retailers and purchasing groups have weighed most on the sector, the Unieuro Group has outperformed its peers (Electrical Retailers). The Group is focused on leadership of the high-margin strategic categories (White) and on maintaining Grey category market share.

[12] Market data compiled by Group management based on GFK data available as of October 2023.

In particular, White category market share increased following the over-performance of the strategic categories (large domestic appliances and home comfort). White category results were strong also when compared with the general market (Unieuro Group +4% vs total market +2%).

Despite the challenging Grey category marketplace - which saw a general decline for IT products and sharper telephony competition - the Group maintains its strong overall market share and saw its telco segment share rise.

5. Group operating and financial results

5.1 Consolidated revenues

For H1 2023/24, which is unrepresentative in view of the seasonality of the business, the Group reports consolidated revenues of Euro 1,227.9 million, decreasing 5.0% on Euro 1,292.7 million for the comparative half-year within a contracting consumer electronics market (-6%)[13].

The consumer electronics market was impacted in the first six months of the year by the general economic environment, which featured an increased cost of living and the saturation of demand following the record performance over previous years, and therefore saw slower growth than recent years.
In this regard, Legislative Decree No. 26 of March 7, 2023 entered into force from July 1, 2023, in implementation of Directive (EU) 2019/2161 ("Omnibus Directive"), and redefined the presentation of price reduction announcements on the online and offline channels, impacting consumers' perception of promotions.

The decline in Group sales is due mainly to a comparison with the extraordinary volumes reported in the comparative half-year for the Brown category, which benefited from the television frequency switch-off, and in the Information Technology segment due to the settling of consumption levels following the significant levels of demand apparent during the pandemic years for smart working and distance learning. This was partially offset by the growth for other product category revenues, in particular the White, Telecom and Entertainment segments.

The Electroline brand range (the large and small home appliance and air conditioning line) was further extended in the period. In the first six months of the fiscal year, private label revenues amounted to Euro 58.3 million, up 12.5% from the first half of 2022/23.

Like-for-like revenues – comparing sales with the corresponding period of the previous fiscal year on the basis of the same scope of activity - were down 5.9%. Excluding from the scope of analysis the sales following the flooding in Emilia-Romagna and the existing outlets close to the new stores, like-for-like Revenues decreased 6.4%.

5.1.1 Consolidated revenues by channel

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2023	%	August 31, 2022	%	Δ	%
Retail	842.5	68.6%	900.2	69.6%	(57.7)	(6.4%)
Online	222.0	18.1%	231.0	17.9%	(9.0)	(3.9%)
Indirect	109.3	8.9%	112.4	8.7%	(3.1)	(2.8%)
B2B	54.1	4.4%	49.0	3.8%	5.1	10.4%
Total consolidated revenues by channel	**1,227.9**	**100.0%**	**1,292.7**	**100.0%**	**(64.8)**	**(5.0%)**

The Retail channel (68.6% of total revenues) - which at August 31, 2023 comprised 276 direct sales points, including the "Unieuro by Iper" shop-in-shops and the direct sales points located at major public transport hubs such as airports, railway stations and metro stations - decreased 6.4% for revenues of Euro 842.5 million, compared to Euro 900.2 million in the same period of the previous year. Channel sales reflect the Brown and Information Technology segment trends referred to previously, and were partially offset by the strong large domestic appliance, entertainment and telephony segment performances. We indicate the signing of a partnership with Kasanova, Italy's homeware and household goods leader, for the creation of a network of dedicated shop in shops. The first pilot corner was opened in July 31, with the

[13] Market data compiled by Group management based on GFK data.

operation to involve over 50 Group stores by December 2023, while gradually extending over the next two years.

The Online channel (18.1% of total revenues) - which includes the unieuro.it platform and the digital pure player Monclick - generated revenues of Euro 222.0 million in H1 2023/24, contracting 3.9% on the comparative half-year (revenues of Euro 231.0 million). The period results reflect the general market environment, with sales reducing mainly on the Consumer Electronics and Information Technology segments.

The Indirect channel (8.9% of total revenues) - which includes sales made to the network of affiliated stores comprising a total of 256 sales points at August 31, 2023 - reports revenues of Euro 109.3 million, contracting 2.8% on the Euro 112.4 million in H1 2022/23. The performance is due to the lower volumes in the Brown segment, partially offset by White category growth and, against the general market, of the Information Technology segment.

The B2B channel (4.4% 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 54.1 million, increasing 10.4% on H1 2022/23 (Euro 49.0 million). The strong B2B sales channel performance relates to the improved product availability.

5.1.2 Consolidated revenues by category

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2023	%	August 31, 2022	%	Δ	%
Grey	584.7	47.6%	598.8	46.3%	(14.1)	(2.3%)
White	378.2	30.8%	363.5	28.1%	14.7	4.0%
Brown	124.9	10.2%	202.1	15.6%	(77.2)	(38.2%)
Other products	65.5	5.3%	56.2	4.3%	9.3	16.6%
Services	74.6	6.1%	72.1	5.6%	2.5	3.5%
Total consolidated revenues by category	**1,227.9**	**100.0%**	**1,292.7**	**100.0%**	**(64.8)**	**(5.0%)**

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 (47.6% of total revenues) - comprising phones, tablets, information technology, phone accessories, cameras, in addition to all wearable products - generated revenues of Euro 584.7 million in H1 2023/24, decreasing 2.3% on the first half of the previous year. The category was impacted by the settling back of Information Technology segment consumption, due to the exceptional sales during the pandemic based on the smart working and distance learning trends, partially offset by the good telephony segment performance.

The White category (30.8% 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 378.2 million, up 4.0% on Euro 363.5 million in H1 2022/23. The positive performance is mainly due to large domestic appliance category sales, which saw a shift in demand towards energy-efficient premium products.

The Brown category (10.2% of revenues), including televisions and related accessories, audio devices, smart TV devices, car accessories and data storage systems, reports a contraction in revenues of 38.2% to Euro 124.9 million, from Euro 202.1 million in the first half of the previous year. The reduction in category revenues is due to the extraordinary TV segment performance in the comparative period, thanks to the television frequency switch-off and the Government TV bonus.

The Other Products category (5.3% of total revenues), which includes sales of both the entertainment segment and other products not included in the consumer electronics market, such as hoverboards or bicycles, reported revenues of Euro 65.5 million, increasing 16.6% on the Euro 56.2 million in the comparative half-year. The growth is driven by the entertainment segment, thanks to sales of consoles and video games.

The Services category (6.1% of total revenues) reported revenues of Euro 74.6 million, up 3.5% on the first half of the previous year thanks to the strong consumer credit and warranty services sales which offset the drop in installation services.

5.2 Consolidated operating profit

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

(in millions and as a percentage of revenues)	Period ended						Changes	
	August 31, 2023			August 31, 2022				
	Adjusted amounts	%	*Adj.*	Adjusted amounts	%	*Adj.*	Δ	%
Revenues	1,227.9			1,292.7			(64.8)	(5.0%)
Sales revenues	**1,227.9**			**1,292.7**			**(64.8)**	**(5.0%)**
Purchase of goods and Change in inventories	(967.0)	(78.8%)	3.8	(1,005.4)	(77.8%)	-	38.3	(3.8%)
Marketing costs	(16.8)	(1.4%)	-	(21.8)	(1.7%)	-	5.0	(22.9%)
Logistics costs	(39.3)	(3.2%)	0.4	(40.0)	(3.1%)	0.1	0.7	(1.7%)
Other costs	(47.3)	(3.8%)	1.6	(59.6)	(4.6%)	0.7	12.4	(20.7%)
Personnel costs	(99.9)	(8.1%)	0.1	(100.7)	(7.8%)	0.3	0.8	(0.8%)
Other operating income and costs	(2.4)	(0.2%)	-	(3.0)	(0.2%)	0.6	0.6	(19.0%)
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	1.1	0.1%	1.1	2.6	0.2%	2.6	(1.5)	(58.7%)
Consolidated Adjusted EBITDA	**56.2**	**4.6%**	**7.1**	**64.9**	**5.0%**	**4.2**	**(8.6)**	**(13.3%)**
Amortisation, depreciation and write-downs of fixed assets	(53.5)	(4.4%)	-	(52.9)	(4.1%)	0.6	(0.7)	1.2%
Consolidated Adjusted EBIT	**2.7**	**0.2%**	**7.1**	**12.1**	**0.9%**	**4.8**	**(9.4)**	**(77.6%)**

In the less seasonally representative half of the fiscal year, the Group reports Adjusted EBIT of Euro 2.7 million, compared to Euro 12.1 million in the comparative period of the previous year, with the contraction relating to the Q1 performance. In the second quarter in fact, the operating profitability reported Adjusted EBIT in line with the comparative period and marking a turn-around on the preceding quarters, thanks to the close overheads management which offset the lower sales volumes, mainly in the Brown category.

The H1 2023/24 Gross Profit[14] decreased Euro 28.0 million on the comparative period, with the margin reducing from 22.4% to 21.3%, mainly due to lower sales volumes and a less favourable brand/product mix.

Marketing costs in H1 2023/24 totalled Euro 16.8 million, decreasing 22.9% on the comparative half-year and accounting for 1.4% of consolidated revenues (1.7% in H1 2022/23). This decrease is due to close cost management and an altered mix of marketing initiatives focused on communication through more innovative communication channels than those traditionally used.

Logistics costs in H1 2023/24 totalled Euro 39.3 million, substantially in line with the preceding period, accounting for 3.2% of consolidated revenues (3.1% in H1 2022/23). Costs reduced in the period due to the lower sales volumes, offset

[14] 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".

by increased spending in view of the greater percentage of Online channel sales.

Other costs totalled Euro 47.3 million in H1 2023/24, decreasing Euro 12.4 million on the comparative period, accounting for 3.8% of consolidated revenues (4.6% in H1 2022/23). This decrease was mainly due to the reduction in electricity costs due to a drop in the average market price of energy and lower consumption thanks to the energy efficiency actions introduced in the previous year, and to a lesser extent the lower installation costs related to the reduction in air conditioning sales volumes.

Personnel costs for H1 2023/24 amounted to Euro 99.9 million, decreasing Euro 0.8 million. They accounted for 8.1% of consolidated revenues in H1 2023/2024 (7.8% in H1 2022/2023). The decrease, although not proportional with sales revenue levels, was mainly due to the optimisation of sales network personnel costs.

Other income and operating charges decreased Euro 0.6 million. They accounted for 0.2% of consolidated revenues in H1 2023/24 (0.2% 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 53.5 million (Euro 52.9 million in H1 2022/23). The increase in the item of Euro 0.7 million concerns mainly amortisation and depreciation in view of the investments made in previous years.

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

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2023	%	August 31, 2022	%	Δ	%
Consolidated Adjusted EBIT[15]	**2.7**	**0.2%**	**12.1**	**0.9%**	**(9.4)**	**(77.6%)**
Non-recurring (expenses)/income	(6.0)	(0.5%)	(1.6)	(0.1%)	(4.4)	275.0%
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[16]	(1.1)	(0.1%)	(2.6)	(0.2%)	1.5	(58.7%)
Non-recurring depreciation, amortisation and write-downs of fixed assets	-	-	(0.6)	0.0%	0.6	(100.0%)
Net Operating Result	**(4.3)**	**(0.4%)**	**7.2**	**0.6%**	**(11.5)**	**(160.0%)**

Non-recurring (expenses)/income increased Euro 4.4 million compared to the period ending August 31, 2022 and are presented in detail in paragraph 5.3 below.

The adjustment linked to the change in the directly-managed after-sales services business model was a reduction of Euro 1.5 million compared to the period ending August 31, 2022.

[15] See the note in the "Key financial and operating indicators" section.

[16] 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") (excluding telephony and peripherals), from the year of acquisition for all extended warranty services sold by sales points acquired by the former Andreoli S.p.A., former Cerioni S.p.A., former DPS S.r.l., former Galimberti S.p.A. and former Pistone S.p.A. (excluding telephony and peripherals) business units, 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 by the business units former Andreoli S.p.A., former Cerioni S.p.A., former DPS S.r.l., former Galimberti S.p.A. and former Pistone S.p.A. business units (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, which begins with the conclusion of the two-year statutory warranty. Therefore, Unieuro gradually begins to recognise revenues from sales of extended warranty services after two years (end of the legal product warranty) from the conclusion of the relevant contracts and the collection of the fees, which is generally simultaneous. The revenue is then entered pro-rata over the duration of the contractual commitment (historically, depending on the product concerned, for a period of between one and four years). 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 periods ended August 31, 2023 and August 31, 2022, 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) from the end of the two-year legal warranty. 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, i.e. for each product category on conclusion of the two-year legal warranty and of the extended warranty service.

5.3 Non-recurring expenses/(income)

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

(in millions of Euro)	Period ended		Changes	
	August 31, 2023	August 31, 2022	Δ	%
Mergers & Acquisitions	1.4	1.0	0.4	41.6%
Costs for pre-opening, relocating and closing sales outlets and logistics hub[17]	0.1	0.2	(0.1)	(47.6%)
Other non-recurring expenses	4.5	0.4	4.1	1,014.8%
Total	**6.0**	**1.6**	**4.4**	**275.0%**

Non-recurring expenses and income increased Euro 4.4 million on the first half of the comparative fiscal year.

Merger&Acquisition costs amounted to Euro 1.4 million in H1 2023/24 (Euro 1.0 million in H1 2022/23). The item includes the costs incurred for the consultancy and due diligence for the acquisition of Covercare S.p.A., approved by the Board of Directors on October 16, 2023. In the previous year, the item included the costs for the acquisition of the Etnapolis-Ex Expert sales outlet (lease charges, personnel costs for the outlets incurred from the completion date of the acquisition until the date of opening to the public, the increased costs for the training of the staff at the acquired outlets, and finally consultancy costs and other minor costs for the completion of the acquisition transactions).

The Costs for pre-opening, relocating and closing sales outlets and logistics hubs totalled Euro 0.1 million in the period to August 31, 2023 (Euro 0.2 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 charges totalled Euro 4.5 million in H1 2023/24 (Euro 0.4 million in the comparative quarter). The item includes the costs for the actions taken by Unieuro following the flooding that hit a number of areas in Emilia-Romagna in May 2023, in addition to the increased expenses incurred and donations. It in addition includes the costs for the new partnership with Kasanova, as part of the change in business model for homeware segment sales.

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

5.4 Net result

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

(in millions and as a percentage of revenues)	Period ended						Changes	
	August 31, 2023			August 31, 2022				
	Adjusted amounts	%	*Adjustments*	Adjusted amounts	%	*Adjustments*	Δ	%
Consolidated Adjusted EBIT	**2.7**	**0.2%**	**7.1**	**12.1**	**0.9%**	**4.8**	**(9.4)**	**(77.6%)**
Financial income and charges	(5.4)	(0.4%)	-	(6.1)	(0.5%)	0.1	0.7	(11.1%)
Income taxes[18]	2.1	0.2%	(0.6)	(1.4)	(0.1%)	(1.5)	3.5	(243.7%)
Adjusted Consolidated Net Result	**(0.6)**	**(0.1%)**	**6.4**	**4.6**	**0.4%**	**3.4**	**(5.2)**	**(113.5%)**

The Adjusted Net Result reports a loss of Euro 0.6 million for H1 2023/24, compared to a profit of Euro 4.6 million for H1 2022/23. The decrease on the previous year is mainly due to the operating performance in the first quarter of the year.

Net financial charges in the period to August 31, 2023 amount to Euro 5.4 million (Euro 6.1 million in the same period of the previous year to August 31, 2022). The improvement relates to the increased interest income from Government Bonds maturing in the first half of the year.

Income taxes, net of the theoretical tax effect for non-recurring expenses/(income) and of the Change in Business Model, amounted to Euro 2.1 million in H1 2023/24 (negative Euro 1.4 million in the same period of the previous fiscal year to August 31, 2022).

The Consolidated Adjusted Net Result reports a loss of Euro 0.6 million for H1 2023/24 (profit of Euro 4.6 million in H1 2022/23). The decrease is mainly due to the movement in Adjusted EBIT:

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2023	%	August 31, 2022	%	Δ	%
Adjusted Consolidated Net Result	**(0.6)**	**(0.1%)**	**4.6**	**0.4%**	**(5.2)**	**(113.5%)**
Non-recurring expenses/income	(6.0)	(0.5%)	(1.6)	(0.1%)	(4.4)	275.0%
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	(1.1)	(0.1%)	(2.6)	(0.2%)	1.5	(58.7%)
Non-recurring depreciation, amortisation and write-downs of fixed assets	-	-	(0.6)	0.0%	0.6	(100.0%)
Non-recurring financial expenses/(income)	-	-	(0.1)	0.0%	0.1	(100.0%)
Theoretical tax impact from taxes on non-recurring expenses/(income), non-recurring financial expenses/(income), non-recurring depreciation, amortisation and write-downs of fixed assets and the change in business model	0.6	0.0%	1.5	0.0%	(0.9)	(59.1%)
Adjusted consolidated profit for the period	**(7.1)**	**(0.6%)**	**1.1**	**0.1%**	**(8.2)**	**(722.6%)**

[18]The tax impacts of the adjustments were calculated according to the theoretical tax rate of 8.7% at August 31, 2023 and at August 31, 2022, incorporating IRES at 4.8% (obtained by reducing taxable IRES income by 80%, thanks to the option to use prior year losses) and IRAP at 3.9%.

5.5 Cash flows

5.5.1 Consolidated Adjusted Levered Free Cash Flow[19]

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

(millions of Euro)	Period ended		Changes	
	August 31, 2023	August 31, 2022	Δ	%
Consolidated Gross Operating Profit (EBITDA)	49.2	60.7	(11.5)	(19.0%)
Cash flow generated/(absorbed) from operating activities[20]	(33.8)	(40.9)	7.1	(17.4%)
Taxes paid	-	-	-	-
Interest paid	(5.2)	(5.5)	0.3	(4.6%)
Other changes	0.3	1.7	(1.4)	(82.0%)
Consolidated net cash flow generated/(absorbed) from operating activities[21]	**10.5**	**16.0**	**(5.5)**	**(34.5%)**
Investments[22]	(13.2)	(21.1)	7.9	(37.4%)
Investments for business combinations and business units	-	(0.1)	0.1	(100.0%)
Adjustment for non-recurring investments	-	0.9	(0.9)	(100.0%)
Non-recurring expenses/(income)	6.0	2.2	3.8	177.8%
Adjustment for non-monetary components of non-recurring (expenses)/income	(0.8)	(0.6)	(0.2)	40.0%
Theoretical tax effect of above-mentioned items[23]	(0.4)	(0.1)	(0.3)	224.7%
IFRS 16 Leases[24]	(33.5)	(31.6)	(1.9)	5.9%
Consolidated Adjusted Free Cash Flow	**(31.5)**	**(34.5)**	**3.0**	**(8.8%)**

The Consolidated Adjusted free cash flow absorbed liquidity of Euro 31.5 million (absorption of Euro 34.5 million in H1 2022/23).

The movements in liquidity in the first half of 2023/24 related to business seasonality, which normally results in a significant absorption of working capital in the first half of each fiscal year, and the postponement of the tax and contribution payments for the second quarter of the year, as per Legislative Decree No. 35 of May 23, 2023, to support businesses located in areas affected by the floods of May 2023.

Cash flows for investments paid in the period totalled Euro 13.2 million (Euro 21.1 million in the period ending August 31, 2022).

Adjustments relating to Non-recurring expenses/income were positive for Euro 6.0 million, increasing Euro 3.8 million

[19] See the note in the "Key financial and operating indicators" section.
[20] "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.
[21] "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.
[22] For better representation, this item includes the portion paid in the period of net investments.
[23] The theoretical tax rate is 8.7% at both August 31, 2023 and August 31, 2022, and incorporates IRES at 4.8% (obtained by reducing taxable IRES income by 80%, thanks to the option to use previous losses) and an IRAP rate of 3.9%.
[24] The item includes the cash flows relating to both leases paid and leases expiring during the period.

on a positive Euro 2.2 million in H1 2022/23. For further details, reference should be made to paragraph 5.3.

Cash flows relating to IFRS 16 leasing totalled Euro 33.5 million, compared to Euro 31.6 million in the comparative half-year. The increase is due to the higher lease charges based on the adjustment to the consumer price index.

The main movements in the Group's net financial debt in the period to August 31, 2023 and in the period to August 31, 2022 are presented below:

(in millions of Euro)	Period ended		Changes	
	August 31, 2023	August 31, 2022	Δ	%
Consolidated Gross Operating Profit (EBITDA)	49.2	60.7	(11.5)	(19.0%)
Cash flow generated/(absorbed) from operating activities	(33.8)	(40.9)	7.1	(17.4%)
Taxes paid	-	-	-	-
Interest paid	(5.2)	(5.5)	0.3	(4.6%)
Other changes	0.3	1.7	(1.4)	(82.0%)
Net cash flow generated/(absorbed) by operating activities	**10.5**	**16.0**	**(5.5)**	**(34.5%)**
Investments	(13.2)	(21.1)	7.9	(37.4%)
Investments for business combinations and business units	-	(0.1)	0.1	(100.0%)
Distribution dividends	(9.8)	(27.1)	17.3	(63.7%)
IFRS 16 Leases	(33.5)	(31.6)	(1.9)	5.9%
Other changes	0.2	(0.7)	0.9	(127.8%)
Change in net financial debt - Pursuant to IAS 17	**(45.9)**	**(64.7)**	**18.8**	**(29.1%)**

5.6 Statement of financial position

The Group’s Net Working Capital and Net Invested Capital at August 31, 2023 and February 28, 2023 is reported below:

(in millions of Euro)	Period ended	
	August 31, 2023	February 28, 2023
Trade Receivables	63.9	66.1
Inventories	453.9	446.0
Trade Payables	(517.0)	(597.3)
Net Operating Working Capital	**0.8**	**(85.2)**
Other working capital items	(310.5)	(254.7)
Net working capital	**(309.8)**	**(339.9)**
Right-of-use assets	400.8	422.7
Non-current Assets and (Liabilities)	366.1	364.9
Net Capital Employed	**457.0**	**447.6**
(Net financial debt) / Net cash - Pursuant to IAS 17	**78.5**	**124.4**
IFRS 16 Leases	(427.7)	(447.5)
(Net financial debt) / Net cash	**(349.3)**	**(323.1)**
Shareholders’ Equity	(107.7)	(124.5)
Total shareholders' equity and financial liabilities	**(457.0)**	**(447.6)**

The Group Net Working Capital at August 31, 2023 was negative for Euro 309.8 million (negative for Euro 339.9 million at February 28, 2023). The movement is due to the typical seasonality of the business which results in, in the initial part of the year, a significant absorption of capital, in addition to a differing financial calendar and the postponement of the tax and contribution payments for the second quarter of the year, as per Legislative Decree No. 35 of May 23, 2023.

The Group's Net Invested Capital amounted to Euro 457.0 million at August 31, 2023, increasing Euro 9.4 million on February 28, 2023. The movement is mainly due to: (i) the increase in Group Net Working Capital for Euro 30.1 million and (ii) the decrease in right-of-use assets for Euro 21.9 million. Investments paid in the period totalled Euro 13.2 million (Euro 21.1 million in H1 2022/23) and mainly concerned the information technology projects, including the adoption of electronic labels at a significant and growing number of direct stores.

Shareholders' equity amounted to Euro 107.7 million at August 31, 2023 (Euro 124.5 million at February 28, 2023), with a decrease mainly due to the distribution of the dividend resolved by the Shareholders’ Meeting in June 2023, amounting to Euro 9.8 million, and the result for the period.

Below is a breakdown of the composition of net financial debt[25] at August 31, 2023 and February 28, 2023, in accordance with ESMA guideline 32-382-1138 dated 4/3/2021:

(in millions of Euro)	Period ended		Changes	
	August 31, 2023	February 28, 2023	Δ	%
(A) Available liquidity	79.7	51.7	28.0	54.3%
(B) Cash and cash equivalents	-	15.0	(15.0)	(100.0%)
(C) Other current financial assets	-	60.3	(60.3)	(100.0%)
(D) Liquidity (A)+(B)+(C)	**79.7**	**126.9**	**(47.2)**	**(37.2%)**
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-	-	-	-
(F) Current portion of non-current financial debt	(70.2)	(70.5)	0.3	(0.5%)
(G) Current financial debt (E)+(F)	**(70.2)**	**(70.5)**	**0.3**	**(0.5%)**
(H) Net current financial debt (G)-(D)	**9.5**	**56.4**	**(46.9)**	**(83.2%)**
(I) Non-current financial debt (excluding the current portion and debt instruments)	(358.8)	(379.5)	20.8	(5.5%)
(J) Debt instruments	-	-	-	-
(K) Trade payables and other non-current payables	-	-	-	-
(L) Non-current financial debt (I)+(J)+(K)	**(358.8)**	**(379.5)**	**20.8**	**(5.5%)**
(M) Total financial debt (H)+(L)	**(349.3)**	**(323.1)**	**(26.2)**	**8.1%**

The item Other Current Financial Assets included the fair value of the Multi-year Treasury Bonds (BTPs), purchased in the previous year. Securities were classified as other current financial assets and measured at fair value to OCI consistent with the adopted business model. During H1 2023/24, investments in Ordinary Treasury Bonds and Multi-year Treasury Bonds totalling Euro 60.3 million matured.

The Parent Company has in place four Committed Credit Facilities which include Euro 150.0 million of medium to long-term cash loans on a revolving basis. At August 31, 2023, the Credit Facilities have not been utilised.

A breakdown of the net financial debt pursuant to IAS 17 at August 31, 2023 and February 28, 2023 is presented below:

(in millions of Euro)	Period ended		Changes	
	August 31, 2023	February 28, 2023	Δ	%
(Net financial debt) / Net cash	**(349.3)**	**(323.1)**	**(26.2)**	**8.1%**
Other current financial payables - IFRS 16	(69.2)	(68.5)	(0.7)	1.1%
Other non-current financial payables - IFRS 16	(358.5)	(379.0)	20.5	(5.4%)
(Net financial debt) / Net cash - Pursuant to IAS 17	**78.5**	**124.4**	**(45.9)**	**(36.9%)**

The Net cash – Pursuant to IAS 17 was Euro 78.5 million, decreasing Euro 45.9 million compared to February 28, 2023. The balance of Net Cash – Pursuant to IAS 17 as of August 31, 2022 was Euro 71.0 million.

Cash flow movements in the period, typical of business seasonality, were impacted by the factors outlined at paragraph 5.5, such as the absorption of cash from operating activities, including IFRS 16 leasing for Euro 22.9 million, capital expenditures in the period of Euro 13.2 million and the pay-out of the dividends approved in June 2023 for Euro 9.8 million.

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6. IFRS 16 Impacts

The impact of IFRS 16 on the Group's main economic and financial indicators for H1 2023/24 is presented below[26]:

		August 31, 2023 (Former IAS 17)	IFRS 16 Impacts	August 31, 2023 (IFRS 16)
ADJ EBITDA	• reduction in operating costs (rents paid on stores, offices, warehouses, and motor vehicles), net of income from store sub-leases	17.5	+38.7	56.2
ADJ EBIT	• increase in depreciation on right-of-use assets	(0.8)	+3.6	2.7
PROFIT BEFORE TAXES ADJ	• increase in financial expenses for interest related to right-of-use liabilities	(1.2)	(1.5)	(2.7)
NET FINANCIAL DEBT	• recognition of right-of-use liabilities (other current and non-current financial payables), net of non-current financial receivables relating to sub-lease contracts.	78.5	(427.8)	(349.3)

[26] The amounts reported in the "H1 2023/24 (IFRS 16)" column derive from the indicators at section "5. Group operating and financial results". The amounts reported in the "IFRS 16 impact" column are based on the accounting records and calculation statements summarising the effects of the application of IFRS 16 (leasing). The amounts reported in the "H1 2023/24 (IAS 17)" column are pre-adoption IFRS 16 and are calculated as the difference between the "H1 2023/24 IFRS 16" column and the "IFRS 16 impacts" column. All values are in millions of Euro.

7. Corporate governance and ownership structure

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

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

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

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

The following tables summarise the Group's creditor and debtor balances with related parties at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Creditor and debtor balances with related parties (at August 31, 2023)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
August 31, 2023				
Other current liabilities	(42)	(389)	(587)	**(1,018)**
Other non-current liabilities	-	-	(8)	**(8)**
Total	**(42)**	**(389)**	**(595)**	**(1,026)**

(In thousands of Euro)	Creditor and debtor balances with related parties (at February 28, 2023)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
At February 28, 2023				
Other current liabilities	(73)	(203)	(118)	**(394)**
Other non-current liabilities	-	-	(379)	**(379)**
Total	**(73)**	**(203)**	**(497)**	**(773)**

The following table summarises the Group's income and costs with related parties in H1 2023/24 and H1 2022/23:

(In thousands of Euro)	Income and costs with related parties (in H1 2023/24)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
H1 2023/24				
Purchase of materials and external services	(68)	(733)	-	**(801)**
Personnel costs	-	-	(878)	**(878)**
Total	**(68)**	**(733)**	**(878)**	**(1,679)**

(In thousands of Euro)	Income and costs with related parties (in H1 2022/23)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
H1 2022/23				
Purchase of materials and external services	(71)	(371)	-	**(442)**
Personnel costs	-	-	(1,950)	**(1,950)**
Total	**(71)**	**(371)**	**(1,950)**	**(2,392)**

We report that the Company in May 2023 donated to the Civil Defence on behalf of the Corporate Boards the amount of Euro 33,400 following the flood that hit Emilia-Romagna.

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

Senior Executives	
H1 2023/24	**H1 2022/23**
General Manager - Bruna Olivieri	*Chief Executive Officer - Giancarlo Nicosanti Monterastelli*
Chief Financial Officer - Marco Deotto	*Chief Financial Officer - Marco Pacini*
	General Manager - Bruna Olivieri

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

Giancarlo Nicosanti Monterastelli concluded his employment as a senior executive on June 1, 2023. He will continue to serve as Chief Executive Officer, as per the mandate granted by the Board of Directors in 2022. From the half-year report as of August 31, 2023, the remuneration as Chief Executive Officer was included in the "Purchase of materials and external services" item.

The following table summarises the Group's cash flows with related parties in H1 2023/24 and H1 2022/23:

(In thousands of Euro)	Related Parties			
Type	**Statutory Auditors**	**Board of Directors**	**Senior Executives**	**Total**
Period from March 1, 2022 to August 31, 2022				
Net cash flow generated/(absorbed) from operating activities	(85)	(447)	(1,695)	**(2,227)**
Total	**(85)**	**(447)**	**(1,695)**	**(2,227)**
Period from March 1, 2023 to August 31, 2023				
Net cash flow generated/(absorbed) from operating activities	(99)	(547)	(780)	**(1,426)**
Total	**(99)**	**(547)**	**(780)**	**(1,426)**

9. Stock option plans

Long Term Incentive Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The number of options outstanding at August 31, 2023 is as follows:

	Number of options August 31, 2023
No. of options outstanding assigned	849,455
No. of options granted in the period	-
No. of options not granted	-
No. of options exercised	689,871
No. of options expired	-

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

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

Description of Plan's recipients

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

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

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

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

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

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

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

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

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

Plan rationale

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

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

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

	Number of rights August 31, 2023
Outstanding at beginning of period	**584,000**
Assigned during the period	(231,224)
Granted during the period	-
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**352,776**
Not allocated at beginning of period	-
Exercisable at end of period	-
Not allocated at end of period	**-**

On March 23, 2022, the Board of Directors granted the rights and approved the regulations for the 3rd Cycle and in which it determined the terms and conditions for the implementation of the Plan. The subscription of the Plan by the Recipients of the 3rd Cycle took place in April 2022.

2023-2028 Performance share plan

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

Description of Plan's recipients

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

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

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

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

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

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

Plan rationale

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

Shareholders' Meeting of December 17, 2020.

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

	Number of rights August 31, 2023
Outstanding at beginning of period	**80,000**
Assigned during the period	-
Granted during the period	119,500
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**199,500**
Not allocated at beginning of period	-
Exercisable at end of period	-
Not allocated at end of period	**120,000**

10. Treasury shares

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

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

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

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

In H1 2023/24, the company assigned and granted 231,224 shares to the recipients of the 2020-2025 performance shares plan, on the basis of the achievement of the first cycle targets. At August 31, 2023, 368,776 treasury shares were held, accounting for 1.78% of the share capital.

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

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

12. Management and coordination

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

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

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

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

Significant events in the period

LC Sustainability Awards 2023

On March 28, 2023, Unieuro S.p.A. was honoured at the LC Sustainability Awards 2023 in the "Ecommerce & Retail" category.

New Strategic Plan

On May 9, 2023, the Board of Directors approved the new "Beyond Omni-Journey" Strategic Plan to 2028 which seeks to consolidate Unieuro's leadership, positioning the company as the natural destination for the consumer for all technology needs. Two growth pillars are focused on developing the "Omnichannel Trade" offer and on expanding "Beyond Trade" through an ambitious transformation plan.

Flood support measures

When the dramatic flood hit Romagna in May 2023, Unieuro wanted to show its solidarity and offer concrete support to the region's population. In the initial hours of the emergency, the Company donated 1,000 powerbanks and 30 flashlights to the Municipality of Forli. Over the following days, it allowed local consumers to purchase - at all outlets in the affected areas - appliances and other products irreparably damaged by the flood through an extraordinary promotion, which negatively impacted margins by approximately Euro 3 million. On behalf of the Corporate Boards, the Company donated more than Euro 33 thousand to the Civil Defence and offered support to employees through various initiatives, including the advance settlement of the fourteenth month's salary and the option for the early settlement of severance pay.

Omnibus Directive

Legislative Decree No. 26 of March 7, 2023 entered into force from July 1, 2023, implementing Directive (EU) 2019/2161 ("Omnibus Directive") on price reduction announcements in online and offline channels.

Regional Administrative Court reduces the Competition Authority Sanctions

The Lazio Regional Administrative Court, in its ruling 13368/2023 of August 18, 2023, partially upheld the appeal filed by Unieuro and Monclick against the two measures of the Competition Authority that had imposed fines totalling Euro 7 million for Unieuro and of Euro 1.5 million for Monclick, also in consideration of the adequacy of the corrective measures adopted in the meantime by the Group.
The Lazio Regional Administrative Court redetermined the amount of the sanctions, reducing them to Euro 3.5 million for Unieuro and approximately Euro 0.3 million for Monclick. The parties have the right to appeal the ruling to the Council of State within November 30, 2023. On October 30, 2023, the Competition Authority notified the authorization for the repayment of the part of the sanctions not due pursuant to the TAR provision by the Ministry of Business and Made in Italy.

Strategic partnership with Kasanova

Unieuro has signed a partnership with Kasanova, Italy's homeware and household goods leader, involving the creation of a network of Kasanova shop in shops inside Unieuro stores. The transaction, which will involve more than 50 stores by December 2023, while gradually extending over the next two years, strengthens and expands the commercial proposition in the homeware segment, adjacent to the core kitchen appliance sector.

Subsequent events

Electricity price hedging

Unieuro has signed with Tozzi Green, one of the country's leading renewable energy sector groups, a three-year Contract For Differences (CFD) on the price of energy, commencing October 1, 2023, on an underlying quantity of at least 36 GWh annually. Unieuro, through the agreement, has fixed energy prices on around 60% of its annual energy needs, during a period of high tariff volatility and ongoing global geopolitical tensions.

Agreement with Google Italy

On October 4, 2023, Unieuro announced a collaboration agreement with Google Italy involving the sale of its new Pixel ecosystem devices from October 12, 2023 at Unieuro's outlets and on the www.unieuro.it, portal, supported by a major multichannel communication plan.

Acquisition of the Covercare Group

The Board of Directors of Unieuro approved on October 16, 2023 the signing of a contract to purchase the entire share capital of Covercare S.p.A.. The company in turn wholly-owns the companies Covercare Services S.r.l., Wifix S.r.l. and Comfort Home Solutions S.r.l..
The Covercare Group is a leading player in Italy in the repair of mobile phones, other portable devices, and household appliances. It also operates on the air conditioner and boiler installation and home assistance services markets. Covercare offers its services throughout the country to leaders in the Retail, Telco and Multi-Utility sectors.
The Transaction is subject to the obtaining of the necessary authorisations pursuant to and in accordance with the applicable Antitrust regulation and shall take place by April 30, 2024. The transaction extends Unieuro's control over the market segments of the value chain which present higher profitability, growth and strong synergies with its core business, broadening the scope of services offered to end-consumers. At the same time, Unieuro can consolidate its sustainability profile, thanks to the extension of the product life cycle and the benefits of installing more energy-efficient devices.

Monclick S.r.l. liquidation.

On October 16, 2023, the Board of Directors of Unieuro S.p.A. resolved to initiate the procedure for the liquidation of its wholly-owned subsidiary Monclick S.r.l. and on October 24, 2023, the Shareholders' Meeting of Monclick S.r.l approved the liquidation of the company and appointed the liquidator. Monclick is a smaller Group company (accounting for 2.6% of consolidated revenues), engaged in the sale of IT, electronics, telephony and home appliance products online in Italy through the website www.monclick.it.. This decision is part of the process of rationalising the corporate structure. In particular, Monclick has 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.

15. Outlook

The persistence of a challenging general economic environment and its impact on household spending power resulted in a greater-than-expected contraction of the consumer electronics market in the first half of the year, and the expectation that a consumer recovery will be delayed. Against this backdrop, revenues within a range of Euro 2.70-2.75 billion are therefore forecast for this fiscal year. Thanks to the initiatives to protect the Group margin, Adjusted EBIT is therefore expected in the low-end of the range previously communicated, i.e. approximately Euro 35 million. Net cash is expected at fiscal year-end in a range of Euro 90-110 million, based on the forecast operating performance and non-recurring costs.

At consolidated financial statement level, non-recurring costs for the liquidation of the subsidiary Monclick are estimated for the present fiscal year within a range of Euro 16-18 million, mainly concerning the write-down of goodwill and brand, in addition to closure-related costs.

The acquisition of Covercare was not included in the guidance, which the company intends to update on completion of the transaction.

Unieuro remains fully focused on the execution of the "Beyond Omni-Journey" Strategic Plan to consolidate its leadership through the strengthening of its distinctive omnichannel positioning, the continuous enrichment of the customer experience and the development of the "Beyond Trade" channel, which is key to ensuring the growth of profitability and the creation of value for the benefit of all Stakeholders over time.

CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS AT AUGUST 31, 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro thousands)		Period ended	
	Note	**August 31, 2023**	**February 28, 2023**
Plant, machinery, equipment and other assets	5.1	73,083	77,009
Goodwill	5.2	196,110	196,110
Intangible assets with finite useful lives	5.3	52,691	49,274
Right-of-use assets	5.4	400,777	422,729
Deferred tax assets	5.5	44,879	45,113
Other non-current assets	5.6	26,019	24,906
Total non-current assets		**793,559**	**815,141**
Inventories	5.7	453,858	446,032
Trade receivables	5.8	63,874	66,081
Current tax assets	5.9	8,322	5,199
Other current assets	5.6	24,324	82,740
Cash and cash equivalents	5.10	79,694	66,653
Total current assets		**630,072**	**666,705**
Total Assets		**1,423,631**	**1,481,846**
Share capital	5.11	4,140	4,140
Reserves	5.11	89,553	89,245
Profits/(losses) carried forward	5.11	14,042	31,143
Profit/(Loss) of third parties	5.11	-	-
Total shareholders' equity		**107,735**	**124,528**
Financial liabilities	5.12	-	-
Employee benefits	5.13	11,052	11,255
Other financial liabilities	5.14	358,756	379,521
Provisions	5.15	11,028	11,318
Deferred tax liabilities	5.5	4,078	3,946
Other non-current liabilities	5.16	641	993
Total non-current liabilities		**385,555**	**407,033**
Financial liabilities	5.12	-	-
Other financial liabilities	5.14	70,209	70,530
Trade payables	5.17	516,955	597,319
Current tax liabilities	5.9	1,041	1,041
Provisions	5.15	1,073	1,069
Other current liabilities	5.16	341,063	280,326
Total current liabilities		**930,341**	**950,285**
Total shareholders' equity and liabilities		**1,423,631**	**1,481,846**

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

CONSOLIDATED INCOME STATEMENT

(Euro thousands)		Period ended	
	Note	August 31, 2023	August 31, 2022
Revenues	5.18	1,227,920	1,292,685
Other income	5.19	359	332
TOTAL REVENUE AND INCOME		**1,228,279**	**1,293,017**
Purchase of materials and external services	5.20	(1,084,080)	(1,097,560)
Personnel costs	5.21	(100,085)	(100,944)
Change in inventories	5.7	7,826	(29,944)
Other operating costs and expenses	5.22	(2,776)	(3,871)
GROSS OPERATING RESULT		**49,164**	**60,698**
Amortization, depreciation & write-downs	5.23	(53,508)	(53,452)
NET OPERATING RESULT		**(4,344)**	**7,246**
Financial income	5.24	883	7
Financial expenses	5.24	(6,278)	(6,178)
PROFIT/(LOSS) BEFORE TAX		**(9,739)**	**1,075**
Income taxes	5.25	2,680	62
PROFIT/(LOSS) FOR THE PERIOD		**(7,059)**	**1,137**
Profit/(loss) of the Group for the period	5.11	**(7,059)**	**1,137**
Profit/(loss) of third parties for the period	5.11	-	-
Basic earnings per share (in Euro)	5.26	(0.347)	0.06
Diluted earnings per Share (in Euro)	5.26	(0.351)	0.06

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Euro thousands)		Period ended	
	Note	August 31, 2023	August 31, 2022
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**(7,059)**	**1,137**
Other components of comprehensive income that are or could be restated under consolidated profit/(loss) for the period:			
Profit/(loss) on cash flow hedge/FVOCI	5.6	(281)	-
Income taxes		67	-
Total other components of comprehensive income that are or could be restated under profit/(loss) for the consolidated period:	5.11	**(214)**	-
Other components of comprehensive income that will not subsequently be restated under profit/(loss) for the consolidated period:			
Actuarial gains (losses) on defined benefit plans	5.13	35	1,523
Income taxes		(6)	(413)
Total other components of comprehensive income that will not subsequently be restated under profit/(loss) for the consolidated period	5.11	**29**	**1,110**
Total comprehensive income for the consolidated period		**(7,244)**	**2,247**

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

CONSOLIDATED CASH FLOW STATEMENT

(Euro thousands)	Note	Period ended August 31, 2023	Period ended August 31, 2022
Cash flow from operations			
Consolidated profit/(loss) for the consolidated period	5.11	**(7,059)**	**1,137**
Adjustments for:			
Income taxes	5.25	(2,680)	(62)
Net financial expenses (income)	5.24	5,395	6,171
Amortisation, depreciation and write-downs of fixed assets	5.23	53,508	53,452
Other changes		298	1,654
Cash flow generated/(absorbed) from operating activities before changes in Net Working Capital		**49,462**	**62,352**
Changes in:			
- Inventories	5.7	(7,826)	29,944
- Trade receivables	5.8	2,207	(13,147)
- Trade payables	5.17	(84,253)	(35,650)
- Other changes in operating assets and liabilities	5.6-5.15-5.16	56,082	(22,072)
Cash flow generated/(absorbed) by operating activities		**(33,790)**	**(40,926)**
Taxes paid	5.25	-	-
Interest paid	5.24	(5,213)	(5,463)
Net cash flow generated/(absorbed) by operating activities	**5.27**	**10,459**	**15,964**
Cash flow from investing activities			
Purchases of plant, machinery, equipment and other assets	5.1	(4,863)	(8,321)
Purchase of intangible assets	5.3	(8,337)	(12,781)
Investments in current FVOCI securities		60,540	
Investments for business combinations and business units	5.14	-	(100)
Cash flow generated/(absorbed) by investment activities	**5.27**	**47,340**	**(21,202)**
Cash flow from financing activities			
Increase/(Decrease) financial liabilities	5.12	-	(709)
Increase/(Decrease) in other financial liabilities	5.14	(1,452)	(2,209)
Increase/(Decrease) in financial liabilities - IFRS 16 Leases	5.14	(33,458)	(31,602)
Exercise - Term Incentive Plan	5.13	-	-
Distribution dividends	5.11	(9,848)	(27,134)
Cash flow generated/(absorbed) by financing activities	**5.27**	**(44,758)**	**(61,654)**
Net increase/(decrease) in cash and cash equivalents		**13,041**	**(66,892)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**66,653**	**141,534**
Net increase/(decrease) in cash and cash equivalents		**13,041**	**(66,892)**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**79,694**	**74,642**

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

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STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

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

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

(In thousands of Euro)	Note	Share capital	Legal reserve	Extraordinary reserve	Reserve for actuarial gains/ (losses) on defined benefit plans	Reserve for share-based payments	Other reserves	Profits/ (losses) carried forward	Total shareholders' equity	Minority interests	Total shareholders' equity
Balance at February 28, 2022	**5.11**	**4,140**	**811**	**43,146**	**(1,648)**	**3,687**	**21,729**	**66,484**	**138,349**	**-**	**138,349**
Consolidated profit/(loss) for the period		-	-	-	-	-	-	1,137	1,137	-	1,137
Other components of comprehensive income		-	-	-	1,110	-		-	1,110	-	1,110
Total consolidated comprehensive income for the period		**-**	**-**	**-**	**1,110**	**-**	**-**	**1,137**	**2,247**	**-**	**2,247**
Allocation of prior year result		-	17	19,052	-	-	(1,108)	(17,961)	-	-	-
Distribution dividends		-	-	-	-	-	-	(27,134)	(27,134)	-	(27,134)
Share-based payment settled with equity instruments		-	-	-	-	2,331	-	(677)	1,654	-	1,654
Total transactions with shareholders		**-**	**17**	**19,052**	**-**	**2,331**	**(1,108)**	**(45,772)**	**(25,480)**	**-**	**(25,480)**
Balance at August 31, 2022	**5.11**	**4,140**	**828**	**62,198**	**(538)**	**6,018**	**20,621**	**21,849**	**115,116**	**-**	**115,116**

EXPLANATORY NOTES

1. INTRODUCTION

The Unieuro Group (hereinafter also the "Group" or "Unieuro Group") consists of the companies Unieuro S.p.A. and Monclick S.r.l..

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, computer and photo), White (large and small appliances), Brown (consumer electronics and media storage), Other products (consoles, video games, bicycles), offering in parallel a wide range of services such as delivery and installation, extended warranty and consumer financing.

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, sells IT, electronics, telephony and home appliance products online in Italy through the website www.monclick.it, while also operating in the B2B2C segment. On October 16, 2023, the Board of Directors of the Company approved the launch of the procedure for the liquidation of Monclick as part of a corporate restructuring.

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

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

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

The Condensed Consolidated Half-Year Financial Statements have been prepared in accordance with the provisions of Article 154-ter of Legislative Decree No. 58 of February 24, 1998 (Consolidated Finance Act - CFA), as amended and supplemented, and in application of IAS 34. They do not include all the information required by IFRS for the preparation of the annual financial statements and should therefore be read in conjunction with the Unieuro Consolidated Financial Statements as of February 28, 2023. The Condensed Consolidated Half-Year Financial Statements have been prepared in accordance with International Accounting Standards (IAS/IFRS) issued by the International Accounting Standard Board (IASB) and related interpretations (SIC/IFRIC), as adopted by the European Union.

The Condensed Consolidated Half-Year Financial Statements comprise the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in shareholders' equity for the interim period ended August 31, 2023, and the relative notes. In the presentation of these statements, the comparative figures required by IAS 34 (February 28, 2023 for the statement of financial position and for the statement of changes in shareholders' equity and August 31, 2022 for the income statement, statement of comprehensive income and cash flow statement) are presented.

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

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

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

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

As of August 31, 2023, the Group is composed as follows:

(Euro thousands)	Share capital	% held	Parent
Unieuro S.p.A.	4,140		

Monclick S.r.l..	100	100%	Unieuro S.p.A.

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

The Condensed Consolidated Half-Year Financial Statements as of August 31, 2023 approved by the Board of Directors on November 13, 2023 were subject to limited audit.

2.3 Condensed Consolidated Half-Year Financial Statements

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

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

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

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

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

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

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

2.4 Consolidation principles and consolidation scope

The Consolidated Financial Statements as of August 31, 2023 include the financial statements of the parent company Unieuro S.p.A. and those of the subsidiary Monclick S.r.l..

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

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

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

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

In drawing up the Condensed Consolidated Half-Year Financial Statements, the subjective relevant assessments of company management in applying the accounting policies and the main sources of uncertainty upon estimates are the same as those for the preparation of the Consolidated Financial Statements for the fiscal year ended February 28, 2023 of the Unieuro Group, to which reference should be made.

2.6 Accounting policies and principles

The accounting policies and consolidation principles adopted are the same as those utilised for the Group Consolidated Financial Statements at February 28, 2023, to which reference should be made.

2.7 New accounting standards

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

- Amendments to IAS 1 - “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”. The IASB published this amendment on January 23, 2020 to clarify the presentation of liabilities in the financial statements of companies. The new amendment is applied from January 1, 2024 and must be applied retrospectively.

- Amendments to IFRS 16 "Lease Liabilities in a Sale and leaseback transaction." The IASB published on September 22, 2022 a document which amends IFRS 16 by clarifying how a sale and leaseback transaction is accounted for subsequent to the transaction date. The amendment will be effective for fiscal years beginning on or after January 1, 2024, with early application permitted.

- Amendments to IAS 12 "Income taxes: international taxation reform." The IASB published on May 23, 2023 a document introducing a temporary exception to the recognition of deferred taxes related to the application of the provisions of Pillar Two published by the OECD. The amendment is effective for fiscal years beginning January 1, 2023.

- Amendments to IAS 7 "Statement of Cash Flows and IFRS 7 Financial Instruments: financing arrangements with suppliers and disclosures in the notes to the financial statements”. The IASB published on May 25, 2023 an amendment regarding financial statement disclosure so as to improve transparency on financial debt and its effects on financial liabilities, cash flows and exposure to liquidity risk, in response to investors' needs. The new amendment will apply on or after January 1, 2024.

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

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

- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting Policies." The IASB published an amendment to this standard on February 12, 2021 to support companies in choosing which accounting policies to disclose in their financial statements. The amendment is effective for fiscal years beginning January 1, 2023.

- Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. The IASB published an amendment to this standard on February 12, 2021, to introduce a new definition of an accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting policies, and errors. The amendment is effective for fiscal years beginning January 1, 2023.

- Amendments to "IAS 12 Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction." The IASB published an amendment to this standard on May 7, 2021, which requires companies to recognise deferred tax assets and liabilities on particular transactions that, upon initial recognition, give rise to equivalent (taxable and deductible) temporary differences. The amendment is effective for fiscal years beginning January 1, 2023.

- Introduction of IFRS 17 "Insurance Contracts”. The IASB published an amendment to the applicability of this standard on November 19, 2021, aimed at establishing principles for recognition, measurement, presentation and disclosure in relation to insurance contracts within the scope of this standard. The amendment is effective for fiscal years beginning January 1, 2023.

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

2.8 Seasonality

The market in which the Group operates features typical consumer electronics sector seasonality. In particular, sales are higher in the later part of each fiscal year, with a peak in demand near and during the Christmas period; the costs for purchasing goods from suppliers are also mainly concentrated in that period.
On the other hand, operating costs are more linear in view of the fixed cost components (personnel, rental and overheads) which are evenly distributed throughout the year. Consequently, the operating margin is also affected by this seasonality.
The revenue and costs movements outlined above impact upon the net commercial working capital and the net financial debt movements, which structurally feature cash generation in the second half of the year. Therefore, the analysis of the results and interim operating, equity and financial indicators should not be considered fully representative. It would therefore be erroneous to consider the period indicators as proportional to the full financial year.

3. FINANCIAL RISK MANAGEMENT

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

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

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

The most widely used financing instruments are represented by:

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

3.1 Credit risk

Credit risk is understood as the possibility that an unexpected change in a counterparty's creditworthiness will expose the Group to the risk of default, subjecting it to potential losses. It should be noted that the credit risk faced by the Group is minimised since sales are mainly made to the end consumer who pays the consideration when the product is picked up. Sales to affiliates (Indirect channel[27]) and wholesale customers (B2B channel), which together account for about 13.3% of Group revenues as of August 31, 2023, require the Group to use strategies and tools to reduce this risk. The Group has credit control processes in place that involve obtaining bank sureties to cover a significant amount of outstanding business with customers, analysing customer reliability, assigning a credit limit, and monitoring exposure through reports with a breakdown of due dates and average collection times. There are no significant risk concentration positions. Other receivables mainly refer to receivables from the tax authorities and the public administration and advances for services and therefore have limited credit risk.

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

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

3.2 Liquidity risk

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

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

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

The entire financial structure is constantly monitored by the Group to enable liquidity needs to be met. The Group's financial structure by maturity for the period ended August 31, 2023 and the fiscal year ended February 28, 2023 is presented below:

(In thousands of Euro)	Balance at August 31, 2023	Within 12M	Between 12M and 60M	Over 60M	Total
Financial liabilities	-	-	-	-	-
Other financial liabilities	428,965	70,209	238,639	120,117	428,965
Total	**428,965**	**70,209**	**238,639**	**120,117**	**428,965**

(In thousands of Euro)	Balance at February 28, 2023	Within 12M	Between 12M and 60M	Over 60M	Total
Financial liabilities	-	-	-	-	-
Other financial liabilities	450,051	70,530	240,542	138,979	450,051
Total	**450,051**	**70,530**	**240,542**	**138,979**	**450,051**

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

3.3 Market risk

3.3.1 Interest rate risk

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

The Group has four new credit lines in place to fund working capital and strengthening its capital base. No cash flow hedges were activated on the new lines. The lines have not been utilised as of August 31, 2023.

3.3.2 Currency risk

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

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

As of August 31, 2023, there are no currency forward purchase and sale contracts in place. In the event that foreign exchange contracts are outstanding at the reporting date, the effects of these derivative financial instruments will be recognised on the statement of financial position with a direct offset to the income statement in accordance with the standard accounting treatment prescribed by International Financial Reporting Standard IFRS 9. Should the substantive and formal requirements be met, the Group would also reserve the right to consider applying the cash flow hedge accounting treatment to these operating cases.

3.4 Fair value estimate

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

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

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

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

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

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

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

The following table provides a breakdown of financial assets and liabilities by category as of August 31, 2023 and February 28, 2023:

(Euro thousands)	Period ending August 31, 2023			
	Loans and receivables	Fair value of hedging instruments	Other Liabilities	Total
Financial assets not measured at Fair Value				
Cash and cash equivalents	79,694	-	-	**79,694**
Trade receivables	63,874	-	-	**63,874**
Other current/non-current assets	50,343	-	-	**50,343**
Financial assets measured at Fair Value				
Other assets	-	-	-	**-**
Financial liabilities not measured at Fair Value				
Financial liabilities	-	-	-	**-**
Trade payables	-	-	516,955	**516,955**
Other current/non-current liabilities	-	-	341,704	**341,704**
Other financial liabilities	-	-	428,965	**428,965**
Financial liabilities measured at fair value				
Other financial liabilities	-	-	-	**-**

(Euro thousands)	Fiscal year ending February 28, 2023			
	Loans and receivables	Fair value of hedging instruments	Other Liabilities	Total
Financial assets not measured at Fair Value				
Cash and cash equivalents	66,653	-	-	**66,653**
Trade receivables	66,081	-	-	**66,081**
Other current/non-current assets	47,366	-	-	**47,366**
Financial assets measured at Fair Value				
Other assets	60,281	-	-	**60,281**
Financial liabilities not measured at Fair Value				
Financial liabilities	-	-	-	**-**
Trade payables	-	-	597,319	**597,319**
Other current/non-current liabilities	-	-	281,319	**281,319**
Other financial liabilities	-	-	450,051	**450,051**
Financial liabilities measured at fair value				
Other financial liabilities	-	-	-	**-**

4. INFORMATION ON OPERATING SEGMENTS

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

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

(in thousands of Euro and as a percentage of revenues)	Period ended	
	August 31, 2023	August 31, 2022
Revenues	1,227,920	1,292,685
GROSS OPERATING RESULT	**49,164**	**60,698**
% of revenues	4.0%	4.7%
Amortisation, depreciation & write-downs	(53,508)	(53,452)
NET OPERATING RESULT	**(4,344)**	**7,246**
Financial income	883	7
Financial expenses	(6,278)	(6,178)
PROFIT/(LOSS) BEFORE TAX	**(9,739)**	**1,075**
Income taxes	2,680	62
PROFIT/(LOSS) FOR THE PERIOD	**(7,059)**	**1,137**

The gross operating margin was 4.0% in the period ended August 31, 2023.

The breakdown of revenues by geographic area is presented below:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Overseas	1,663	1,450
Italy	1,226,257	1,291,235
Total	**1,227,920**	**1,292,685**

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

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

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

5.1 Plant, machinery, equipment and other assets

The balance of "Plant, machinery, equipment and other assets" by category as at August 31, 2023 and February 28, 2023 is shown below:

(Euro thousands)	Balance at August 31, 2023			Balance at February 28, 2023		
	Historic cost	Acc. Deprec.	Net book value	Historic cost	Acc. Deprec.	Net book value
Plant & machinery	158,914	(135,221)	**23,693**	157,335	(131,221)	**26,113**
Equipment	33,472	(19,975)	**13,497**	30,986	(19,082)	**11,904**
Other Assets	215,565	(180,699)	**34,866**	211,213	(175,213)	**36,000**
Assets under construction and advances	1,027	-	**1,027**	2,991	-	**2,991**
Total Plant, machinery, equipment and other assets	**408,979**	**(335,896)**	**73,083**	**402,525**	**(325,516)**	**77,009**

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

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

Changes in "Plant, machinery, equipment and other assets" for the period from February 28, 2022 to August 31, 2022 are shown below:

(In thousands of Euro)	Plant & machinery	Equipment	Other assets	Assets under construction and advances	Total
Balance at February 28, 2022	**27,815**	**8,046**	**35,002**	**8,417**	**79,281**
Increases	3,264	3,276	9,894	5,018	**21,452**
Decreases	(112)	(125)	(352)	(11,522)	**(12,111)**
Amortisation, depreciation and write-downs/(revaluations)	(4,319)	(389)	(6,187)	(373)	**(11,268)**
Decreases Accum. Deprec.	75	117	241	--	**433**
Balance at August 31, 2022	**26,723**	**10,926**	**38,598**	**1,540**	**77,787**

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

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

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

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

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

With reference to the period ended August 31, 2022, the Group made investments referring to plant and machinery, equipment and other assets, excluding fixed assets under construction, of Euro 16,434 thousand.

Specifically, net investments are mainly attributable to: (i) the installation of electronic labels at outlets for Euro 2,994 thousand (ii) investments related to the restructuring of selected stores by restyling the layout and reducing or expanding the sales area and investments in relocating outlets to more strategic areas for Euro 3,549 thousand (iii) works on the Piacenza warehouse for Euro 1,484 thousand (iv) minor extraordinary maintenance and plant renewal work at various points of sale for Euro 1,308 thousand.

Net fixed assets under construction amounting to Euro 1,540 thousand mainly refer to investments in new outlets or to open new outlets.

“Amortisation, depreciation and write-downs/(revaluations)”, amounting to Euro 11,268 thousand, includes Euro 10,701 thousand of depreciation and amortisation and Euro 567 thousand of write-downs and revaluations.

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

5.2 Goodwill

Details of "Goodwill" as at August 31, 2023 and February 28, 2023 are shown below:

(In thousands of Euro)	Period ended	
	August 31, 2023	**February 28, 2023**
Goodwill	196,110	196,110
Total Goodwill	**196,110**	**196,110**

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

(In thousands of Euro)	**Goodwill**
Balance at February 28, 2022	**196,072**
Acquisitions	77
Increases	(39)
Write-downs	-
Balance at February 28, 2023	**196,110**
Acquisitions	-
Increases	-
Write-downs	-
Balance at August 31, 2023	**196,110**

The value of goodwill as at August 31, 2023 and February 28, 2023 is composed as follows:

(In thousands of Euro)	Goodwill at August 31, 2023	Goodwill at February 28, 2023
Deriving from mergers:		
Marco Polo Holding S.r.l.	94,993	94,993
Ex Unieuro	32,599	32,599
Rialto 1 S.r.l. and Rialto 2 S.r.l.	9,925	9,925
Marco Polo Retail S.r.l.	8,603	8,603
Other minor mergers	5,082	5,082
Deriving from acquisitions of equity investments:		
Monclick S.r.l..	7,199	7,199
Carini Retail S.r.l.	17,273	17,273
Deriving from acquisition of business units:		
Papino Elettrodomestici S.p.A.- Expert	309	309
2C S.r.l. – Expert	10,500	10,500
Andreoli S.p.A.	5,748	5,748
Cerioni S.p.A.	2,407	2,407
Galimberti S.p.A.	1,240	1,240
DPS Group S.r.l.	194	194
Dixons Travel	38	38
Total Goodwill	**196,110**	**196,110**

Goodwill at August 31, 2023 of Euro 196,110 thousand is unchanged on the fiscal year ending February 28, 2023.

5.2.1 Impairment test

As of August 31, 2023, any indicators of impairment, evident from internal sources or external sources of information, have been assessed by management to be consistent with the provisions of international accounting standard IAS 36.

Company management carried out specific analyses to verify its assets - from which no indicators of possible impairment were identified, and therefore it was not necessary to update the impairment test carried out at February 28, 2023 and approved by Unieuro's Board of Directors on May 9, 2023.

In particular, business dynamics in the period were considered, in addition to future trends, which were in line with the assumptions for the recoverability of its assets (including that regarding goodwill) on the preparation of the Unieuro Group consolidated financial statements at February 28, 2023.

In addition, we highlight that Unieuro's stock market capitalisation at August 31, 2023 was in excess of the Group's shareholders' equity.

5.3 Intangible assets with finite useful life

The balance of "Intangible assets with finite useful life" is shown below by category as at August 31, 2023 and February 28, 2023:

(in thousands of Euro)	Balance at August 31, 2023			Balance at February 28, 2023		
	Historic cost	Acc. Amort.	Net book value	Historic cost	Acc. Amort.	Net book value
Software	127,331	(81,517)	45,814	119,272	(74,403)	44,869
Concessions, licences and trademarks	13,436	(9,938)	3,498	13,436	(9,822)	3,614
Key money	1,572	(1,572)	-	1,572	(1,572)	-
Intangible assets under construction	3,380	-	3,380	791	-	791
Total intangible assets with finite useful life	**145,719**	**(93,027)**	**52,691**	**135,071**	**(85,797)**	**49,274**

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

(In thousands of Euro)	Software	Concessions, licenses and brands	Intangible assets under construction	Total
Balance at February 28, 2023	**44,869**	**3,614**	**791**	**49,274**
Increases	8,059	-	3,041	**11,100**
Decreases	-	-	(452)	**(452)**
Amortisation, depreciation and write-downs/(revaluations)	(7,114)	(116)	-	**(7,230)**
Decreases Accum. Amort.	-	-	-	**-**
Balance at August 31, 2023	**45,814**	**3,498**	**3,380**	**52,691**

Changes in "Intangible assets with finite useful life" for the period from February 28, 2022 to August 31, 2022 are shown below:

(In thousands of Euro)	Software	Concessions, licenses and brands	Intangible assets under construction	Total
Balance at February 28, 2022	**36,835**	**3,540**	**5,286**	**45,661**
Increases	11,368	80	2,519	**13,967**
Decreases	-	-	(6,558)	**(6,558)**
Amortisation, depreciation and write-downs/(revaluations)	(5,886)	(170)	-	**(6,056)**
Decreases Accum. Amort.	-	-	-	**-**
Balance at August 31, 2022	**42,317**	**3,450**	**1,247**	**47,014**

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

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

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

With regard to the period ended August 31, 2022, increases net of decreases in the category "assets under construction" totalled Euro 11,448 thousand and were mainly attributable to the category "Software."

The increases in the "Software" category for Euro 11,368 thousand mainly concerned the information technology project and extraordinary actions on existing software.

Net fixed assets under construction amounting to Euro 1,247 thousand mainly referred to investments to improve the technological infrastructure.

5.4 Right-of-use assets

The balance of "Right-of-use assets" by category at August 31, 2023 and February 28, 2023 is shown below:

(in thousands of Euro)	Balance at August 31, 2023			Balance at February 28, 2023		
	Historic cost	Acc. Amort.	Net book value	Historic cost	Acc. Amort.	Net book value
Buildings	683,292	(289,012)	394,279	669,973	(254,447)	415,526
Cars	5,329	(3,500)	1,830	4,690	(3,040)	1,650
Other Assets	9,868	(5,200)	4,668	9,868	(4,315)	5,553
Total intangible assets with finite useful life	**698,489**	**(297,712)**	**400,777**	**684,531**	**(261,801)**	**422,729**

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

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

The increases in right-of-use assets relating to the Buildings category recorded in the first half of the 2023/24 financial year mainly refer to the effect of the revaluation of rental payments based on the consumer price index.

The change in the item "Right-of-use assets" for the period from 28 February 2022 to 31 August 2022 is broken down below:

(In thousands of Euro)	Buildings	Automobiles	Other assets	Total
Balance as at 28 February 2022	**424,394**	**1,460**	**7,485**	**433,339**
Increases / (Decreases)	54,642	647	-	**55,289**
Amortisation, depreciation and write-downs/(write backs)	(34,748)	(376)	(1,004)	**(36,128)**
Balance as at 31 August 2022	**444,288**	**1,731**	**6,481**	**452,500**

5.5 Deferred tax assets and deferred tax liabilities

Changes in "Deferred tax assets" and "Deferred tax liabilities" for the period from February 28, 2023 to August 31, 2023 and for the period from February 28, 2022 to August 31, 2022 are shown below.

Deferred tax assets

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

(In thousands of Euro)	Bas debt provision - amount due from suppliers	Obsolescence provision	Fixed assets and right-of-use	Intangible assets	Capital reserves	Provisions for risks and charges	Other current liabilities	Net deferred tax assets	Deferred tax assets relating to tax losses	Total net deferred tax assets
Balance at February 28, 2022	**1,241**	**2,618**	**1,874**	**3,391**	**341**	**3,763**	**260**	**13,488**	**31,118**	**44,606**
Provisions/Releases to the income statement	(285)	700	141	(410)	-	208	-	**354**	1,003	**1,357**
Provisions/Releases to the statement of comprehensive income	-	-	-	-	(413)	-	-	**(413)**	-	**(413)**
Balance at August 31, 2022	**956**	**3,318**	**2,015**	**2,981**	**(72)**	**3,971**	**260**	**13,429**	**32,121**	**45,549**

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

The balance at August 31, 2022, amounting to Euro 45,549 thousand, consists mainly of: (i) temporary differences mainly attributable to intangible assets, tangible assets, the obsolescence provision and the provisions for risks and charges for Euro 13,429 thousand and (ii) deferred tax assets recognised on tax losses of Euro 32,121 thousand.

Deferred tax liabilities

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

(In thousands of Euro)	Intangible assets	Other current assets	Total net deferred taxes
Balance at February 28, 2022	**3,075**	**694**	**3,769**
Provisions/Releases to the income statement	132	(31)	**101**
Provisions/Releases to the statement of comprehensive income	-	-	**-**
Balance at August 31, 2022	**3,207**	**663**	**3,870**

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

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

5.6 Other current assets and other non-current assets

Below is a breakdown of "Other Current Assets" and "Other Non-Current Assets" as at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Period ended	
	August 31, 2023	February 28, 2023
Prepaid expenses and accrued income	5,522	5,398
Contract assets	10,177	10,094
Tax credits	5,358	4,290
Financial receivables from leases - current portion	1,585	1,490
Other current financial assets	-	60,281
Other current assets	1,682	1,187
Other current assets	**24,324**	**82,740**
Financial receivables from leases - non-current portion	13,245	13,577
Deposit assets	3,081	3,019
Other non-current assets	9,693	8,310
Other non-current assets	**26,019**	**24,906**
Total Other current assets and Other non-current assets	**50,343**	**107,646**

"Prepaid expenses and accrued income" amounting to Euro 5,522 thousand as of August 31, 2023 (Euro 5,398 thousand as of February 28, 2023), mainly includes prepaid expenses referring to insurance, condominium expenses and other operating costs that were paid before August 31, 2023 and referring to future years.

"Contract assets" amounting to Euro 10,177 thousand at August 31, 2023 (Euro 10,094 thousand at February 28, 2023), includes costs for obtaining contracts qualifying as contract costs, represented by bonuses paid to employees for each additional sale of extended warranty services.

The balance of “Tax credits” at August 31, 2023 amounted to Euro 5,358 thousand (Euro 4,290 thousand at February 28, 2023) and principally concerns the tax credits for the purchase of electricity which shall be settled in the present tax period.

"Other current financial assets" had a balance of Euro 0 million as of August 31, 2023. During the period, Ordinary Treasury Bonds and Long-Term Treasury Bonds held at February 28, 2023 totalling Euro 60,281 thousand reached maturity.

“Other current assets” totalled Euro 1,682 thousand at August 31, 2023 (Euro 1,187 thousand at February 28, 2023). The item mainly includes the current portion of the Ecobonus receivables, introduced by the Government in preceding years to support building improvements.

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

5.7 Inventories

Inventories are composed as follows:

(In thousands of Euro)	Period ended	
	August 31, 2023	**February 28, 2023**
Merchandise	466,378	457,625
Consumables	1,028	881
Gross inventory	**467,406**	**458,506**
Inventory obsolescence provision	(13,548)	(12,474)
Total inventories	**453,858**	**446,032**

Gross inventories increased from Euro 458,506 thousand at February 28, 2023 to Euro 467,406 thousand at August 31, 2023.

Inventory value reflects the loss of value of goods in cases where the cost is higher than the estimated realisable value, allowing the inventory value to be restored to current market value, and is adjusted by the inventory obsolescence provision, which accommodates the write-down of the value of goods with possible obsolescence indicators. Changes in the inventory obsolescence provision for the period from February 28, 2023 to August 31, 2023 and from February 28, 2022 to August 31, 2022 are shown below:

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

(In thousands of Euro)	**Inventory obsolescence provision**
Balance at February 28, 2022	**(11,022)**
Direct write-down	(2,933)
Provisions	-
Reclassifications	-
Release to income statement	-
Utilisations	-
Balance at August 31, 2022	**(13,955)**

5.8 Trade receivables

Below is a breakdown of “Trade receivables" at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Period ended	
	August 31, 2023	February 28, 2023
Trade receivables – third parties	65,437	68,284
Trade receivables - related parties	-	-
Gross trade receivables	**65,437**	**68,284**
Bad debt provision	(1,563)	(2,203)
Total trade receivables	**63,874**	**66,081**

Gross receivables, mainly concerning the Indirect and B2B channels, totalled Euro 65,437 thousand at August 31, 2023, compared to Euro 68,284 thousand at February 28, 2023.

Changes in the bad debt provision for the period from February 28, 2023 to August 31, 2023 and from February 28, 2022 to August 31, 2022 are shown below:

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

(In thousands of Euro)	Bad debt provision
Balance at February 28, 2022	**(2,318)**
Provisions	(357)
Release to income statement	-
Utilisations	103
Balance at August 31, 2022	**(2,572)**

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

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

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

The book value of the trade receivables approximates their fair value.

5.9 Current tax assets and liabilities

Below is a breakdown of "Current tax assets" at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Period ended	
	August 31, 2023	**February 28, 2023**
IRAP credits	2,775	348
IRES credits	5,547	4,851
Total current tax assets	**8,322**	**5,199**

Current tax assets amounted to Euro 8,322 thousand at August 31, 2023 (Euro 5,199 thousand at February 28, 2023). The item includes the estimated income tax receivable balance for the period to August 31, 2023 and is recognised according to Management's best estimate of the annual average weighted tax rate for the entire period, applied to the result before taxes of the individual entities.

Below is a breakdown of "Current tax liabilities" at August 31, 2023 and February 28, 2023:

Current tax liabilities

(In thousands of Euro)	Period ended	
	August 31, 2023	**February 28, 2023**
Taxes payable	1,041	1,041
Total current tax liabilities	**1,041**	**1,041**

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

5.10 Cash and cash equivalents

Below is a breakdown of "Cash and cash equivalents" at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Period ended	
	August 31, 2023	**February 28, 2023**
Bank accounts	68,011	55,376
Cash	11,683	11,277
Total cash and cash equivalents	**79,694**	**66,653**

Cash and cash equivalents amounted to Euro 79,694 thousand at August 31, 2023 and Euro 66,653 thousand at February 28, 2023.

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

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

5.11 Shareholders' Equity

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

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

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

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

The Reserves are shown below:

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

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

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

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

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

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

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

(In thousands of Euro)	Note	Share capital	Legal reserve	Extraordinary reserve	Reserve for actuarial gains/ (losses) on defined benefit plans	Reserve for share-based payments	Other reserves	Profits/ (losses) carried forward	Total shareholders' equity	Minority interests	Total shareholders' equity
Balance at February 28, 2022	**5.11**	**4,140**	**811**	**43,146**	**(1,648)**	**3,687**	**21,729**	**66,484**	**138,349**	**0**	**138,349**
Consolidated profit/(loss) for the period		-	-	-	-	-	-	1,137	1,137	-	1,137
Other components of comprehensive income		-	-	-	1,110	-		-	1,110	-	1,110
Total consolidated comprehensive income for the period		**-**	**-**	**-**	**1,110**	**-**	**-**	**1,137**	**2,247**	**-**	**2,247**
Allocation of prior year result		-	17	19,052	-	-	(1,108)	(17,961)	-	-	-
Distribution dividends		-	-	-	-	-	-	(27,134)	(27,134)	-	(27,134)
Share-based payment settled with equity instruments		-	-	-	-	2,331	-	(677)	1,654	-	1,654
Total transactions with shareholders		**-**	**17**	**19,052**	**-**	**2,331**	**(1,108)**	**(45,772)**	**(25,480)**	**-**	**(25,480)**
Balance at August 31, 2022	**5.11**	**4,140**	**828**	**62,198**	**(538)**	**6,018**	**20,621**	**21,849**	**115,116**	**-**	**115,116**

Shareholders' Equity, amounting to Euro 115,116 at August 31, 2022 (Euro 138,349 thousand at February 28, 2022), decreased in the period, mainly due to the distribution of the dividend for Euro 27,134 thousand, approved in June 2022.

The Share capital as of August 31, 2022 is Euro 4,140 thousand, divided into 20,698,621 shares.

The Reserves are shown below:

- the legal reserve amounting to Euro 828 thousand as of August 31, 2022 (Euro 811 thousand as of February 28, 2022), includes allocations of profits to the extent of 5% for each fiscal year until the limit set forth in Article 2430 of the Civil Code is reached;
- the Extraordinary Reserve amounting to Euro 62,198 thousand at August 31, 2022 (Euro 43,146 thousand at February 28, 2022); this reserve increased during the period as a result of the allocation of the profit for the year resolved in June 2022 by the Shareholders' Meeting;
- the negative reserve for actuarial gains and losses on defined benefit plans amounting to Euro 538 thousand at August 31, 2022 (negative Euro 1,648 thousand at February 28, 2022) changed by a positive Euro 1,110 thousand as a result of the actuarial valuation related to the post-employment benefit reserve;
- the reserve for share-based payments of Euro 6,018 thousand at August 31, 2022 (Euro 3,687 thousand at February 28, 2022) changed due to the recognition of accruals for Euro 2,331 thousand relating to the 2021-2025 share performance plan. For more details see Note 5.28.
- other reserves amounting to Euro 20,621 thousand at August 31, 2022 (Euro 21,729 thousand at February 28, 2022); the change concerns the allocation of the net result of the subsidiary Monclick S.r.l..

During the period ending August 31, 2022, there are no assets earmarked for a specific business.

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

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

The reconciliation between the parent company's shareholders' equity and the consolidated shareholders' equity at August 31, 2022 is shown below:

(in millions of Euro)	Shareholders' Equity at August 31 2022	Net Result at August 31, 2022
Balances from the Parent Company's financial statements	**117.0**	**2.3**
Difference between carrying amount of investments and profit/(loss)	(11.6)	(1.0)
Allocation of goodwill, brand, software and customer list, net of tax effect	9.7	(0.1)
Consolidated Financial Statements of the Group	**115.1**	**1.1**

5.12 Financial liabilities

Current and non-current "Financial liabilities" amount to zero at August 31, 2023 and February 28, 2023.

Unieuro has in place four Committed Credit Facilities which include Euro 150.0 million of medium to long-term cash loans on a revolving basis. As of August 31, 2023, the Credit Facilities have not been drawn, the balance of financial liabilities is zero.

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

At the same time as the disbursement of the Credit Facilities, a contractual clause (covenants) was agreed upon that grants the lender the right to renegotiate or revoke the credit upon the occurrence of the events stipulated in the clause. These clauses require compliance on each Calculation Date (half-yearly) with an index on a consolidated basis of Unieuro S.p.A., which is summarised below:

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

As of August 31, 2023, the covenant has been met.

Below is a breakdown of the composition of net financial debt[28] at August 31, 2023 and February 28, 2023, in accordance with ESMA guideline 32-382-1138 dated 4/3/2021:

(in millions of Euro)	Period ended		Changes	
	August 31, 2023	February 28, 2023	Δ	%
(A) Available liquidity	79.7	51.7	28.0	54.3%
(B) Cash and cash equivalents	-	15.0	(15.0)	(100.0%)
(C) Other current financial assets	-	60.3	(60.3)	(100.0%)
(D) Liquidity (A)+(B)+(C)	**79.7**	**126.9**	(47.2)	(37.2%)
(E) Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	-	-	-	-
(F) Current portion of non-current financial debt	(70.2)	(70.5)	0.3	0.5%
(G) Current financial debt (E)+(F)	**(70.2)**	**(70.5)**	**0.3**	**0.5%**
(H) Net current financial debt (G)-(D)	**9.5**	**56.4**	**(46.9)**	**(83.2%)**
(I) Non-current financial debt (excluding the current portion and debt instruments)	(358.8)	(379.5)	20.7	(5.5%)
(J) Debt instruments	-	-	-	-
(K) Trade payables and other non-current payables	-	-	-	-
(L) Non-current financial debt (I)+(J)+(K)	**(358.8)**	**(379.5)**	**20.7**	**(5.5%)**
(M) Total financial debt (H)+(L)	**(349.3)**	**(323.1)**	**(26.2)**	**8.1%**

The cash flow movements were mainly as a combined effect of: (i) cash absorbed from operating activities including IFRS 16 cash flows for leasing of Euro 22,999 thousand, (ii) investments made and settled for Euro 13,199 thousand, and (iii) the distribution of dividends for Euro 9,848 thousand.

The following table presents "Other current financial payables" and "Other non-current financial payables" for the year ended August 2023 and February 28, 2023. Reference should be made to Note 5.14 "Other financial liabilities" for further details.

(In thousands of Euro)	Period ended	
	August 31, 2023	February 28, 2023
Other financial liabilities	70,209	70,530
Other current financial payables	**70,209**	**70,530**
Other financial liabilities	358,756	379,521
Other non-current financial payables	**358,756**	**379,521**
Total financial payables	**428,965**	**450,051**

5.13 Employee benefits

Changes in "Employee benefits" for the fiscal year from February 28, 2023 to August 31, 2023 and from February 28, 2022 to August 31, 2022 are shown below:

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

(In thousands of Euro)	
Balance at February 28, 2022	**13,126**
Service Cost	527
Interest Cost	73
Transfers in/(out)	-
Settlements/advances	(356)
Actuarial (gain)/losses	(1,523)
Balance at August 31, 2022	**11,845**

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

The settlements recorded in the year ended August 31, 2023 relate to both severance advances paid to employees during the year and severance payments referring to employees with fixed-term contracts.

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

	Period ended	
Post-employment benefit economic assumptions	**August 31, 2023**	**February 28, 2023**
Inflation rate	2.30%	2.30%
Discount rate	3.67%	3.73%
Severance pay increase rate	3.225%	3.225%
Annual increase in salaries	2.83%	3.73%

	Period ended	
Demographic assumptions	**August 31, 2023**	**February 28, 2023**
Probability of death	RG48 demographic tables	RG48 demographic tables
Probability of incapacity	INPS tables by age and gender	INPS tables by age and gender
Retirement age	100% on satisfying AGO requirements	Achievement of minimum requirements under the compulsory general insurance
Probability of departure	5%	5%
Probability of anticipation	3.50%	3.50%

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

Below is a sensitivity analysis at August 31, 2023, related to the main actuarial assumptions included in the calculation model made considering the one described above and increasing and decreasing the average annual turnover rate, advance request rate, average inflation rate, and discount rate by 1%, -1%, 0.25%, and -0.25%, respectively. The results obtained can be summarised in the table below:

(In thousands of Euro)	Impact on DBO at August 31, 2023	
Changes in the parameter	**Unieuro S.p.A.**	**Monclick S.r.l.**
Increase in turnover rate of 1%	10,665	433
Decrease in turnover rate of 1%	10,554	428
Increase in inflation rate of 0.25%	10,733	438
Decrease in inflation rate of 0.25%	10,493	424
Increase in discounting rate of 0.25%	10,426	422
Decrease in discounting rate of 0.25%	10,804	440

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

End of Service benefit economic assumptions	Period ending August 31, 2023
Discount rate	3.67%
Annual compensation revaluation rate	0.00%

Demographic assumptions	Period ending August 31, 2023
Probability of death	RG48 demographic tables
Probability of incapacity	INPS tables by age and gender
Frequency of revocation of mandate	0.00%

The sensitivity analysis at August 31, 2023, increasing and decreasing the discount rate by 0.25% and -0.25%, is reported below. The results obtained can be summarised in the table below:

Changes in the parameter	Period ending August 31, 2023
Increase in discounting rate of 0.25%	9,136
Decrease in discounting rate of 0.25%	9,491

5.14 Other financial liabilities

Below is a breakdown of current and non-current "Other financial liabilities" at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Period ended	
	August 31, 2023	**February 28, 2023**
Payables to leasing companies	70,209	70,214
Other financial payables	-	316
Other current financial liabilities	**70,209**	**70,530**
Payables to leasing companies	358,756	379,521
Other non-current financial liabilities	**358,756**	**379,521**
Total financial payables	**428,965**	**450,051**

Payables to leasing companies

Lease liabilities totalled Euro 428,965 thousand at August 31, 2023 and Euro 449,734 thousand at February 28, 2023. The assets under the lease agreements consist of buildings, cars, furniture, LEDs, air conditioning equipment, servers, computers and printers. The above payables to leasing companies are guaranteed to the lessor through the rights to the leased assets. This item includes the carrying amount of lease liabilities related to operating leases for which the Group, following the application of IFRS 16, has recorded a liability reflecting the obligation for lease payments and lease liabilities. No interest rate hedging instruments are in place.

The cash flows referring to lease liabilities are shown below.

(In thousands of Euro)	**Balance at August 31, 2023**	**Within 12M**	**Between 12M and 60M**	**Over 60M**	**Total**
Payables to leasing companies	428,965	70,209	238,639	120,117	428,965
Total	**428,965**	**70,209**	**238,639**	**120,117**	**428,965**

5.15 Provisions

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

(In thousands of Euro)	Provisions for tax disputes	Provisions for other disputes	Other risks provision	Total
Balance at February 28, 2023	**798**	**7,190**	**4,399**	**12,387**
- of which current portion	-	*442*	*627*	*1,069*
- of which non-current portion	*798*	*6,748*	*3,772*	*11,318*
Provisions	-	308	-	308
Utilisations/Releases	-	(579)	(15)	(594)
Balance at August 31, 2023	**798**	**6,919**	**4,384**	**12,101**
- of which current portion	-	*393*	*680*	*1,073*
- of which non-current portion	*798*	*6,526*	*3,704*	*11,028*

"Provision for tax disputes" amounting to Euro 798 thousand at August 31, 2023 and unchanged compared to February 28, 2023, is set aside mainly to cover liabilities that may arise as a result of tax disputes.

"Provision for other disputes”, amounting to Euro 6,919 thousand as of August 31, 2023, and Euro 7,190 thousand as of February 28, 2023, decreased due to the settlement of a number of civil disputes.

"Other risks provision” amounts to Euro 4,384 thousand at August 31, 2023 and Euro 4,399 thousand at February 28, 2023. The item mainly includes charges for risks with reference to logistics contracting, charges for pristine restoration of stores, allocated against the costs to be incurred for the restoration of the property when it is returned to the landlord in cases where the obligation is contractually stipulated to be borne by the tenant.

5.16 Other current liabilities and other non-current liabilities

Below are details of "Other current liabilities" and "Other non-current liabilities" at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Period ended	
	August 31, 2023	February 28, 2023
Contract liabilities	208,639	210,277
Payables to personnel	39,501	42,278
VAT payables	60,479	10,862
Social security institutions	15,283	3,564
IRPEF payables	11,621	3,949
Deferred income and accrued liabilities	5,323	9,165
Monetary Bonus Long Term Incentive Plan	-	176
Other tax payables	216	42
Other current liabilities	1	13
Total Other current liabilities	**341,063**	**280,326**
Monetary Bonus Long Term Incentive Plan	615	967
Deposit liabilities	26	26
Total other non-current liabilities	**641**	**993**
Total other current and non-current liabilities	**341,704**	**281,319**

"Other current and non-current liabilities" report an increase of Euro 60,385 thousand at August 31, 2023 compared to the year ended February 28, 2023.

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

- contract liabilities amounting to Euro 208,639 thousand at August 31, 2023 (Euro 210,277 thousand at February 28, 2023) mainly attributable to (i) deferred revenues for warranty extension services. Sales revenues are accounted for on the basis of the contractual term, i.e. the period for which there is a performance obligation thus deferring sales accruing to future periods, (ii) down payments received from customers, (iii) liabilities related to vouchers, and (iv) liabilities related to sales with the right of return;
- payables to personnel amounting to Euro 39,501 thousand at August 31, 2023 (Euro 42,278 thousand at February 28, 2023) consisting of payables for salaries to be paid, vacations, leaves of absence, thirteenth and fourteenth month's pay. These payables refer to amounts accrued and not yet settled;
- VAT payables for Euro 60,479 thousand at August 31, 2023 (Euro 10,862 thousand at February 28, 2023), payables to social security institutions for Euro 15,283 thousand (Euro 3,564 thousand at February 28, 2023) and IRPEF payables for Euro 11,621 thousand (Euro 3,949 thousand at February 28, 2023). The increase in the items compared to the comparative period relates to the postponement of the tax and contribution payments for the May 2023 - July 2023 period, as approved by Legislative Decree No. 35 of May 23, 2023 for businesses with offices located in the areas hit by the Emilia-Romagna flood.
- deferred income and accrued liabilities in the amount of Euro 5,323 thousand at August 31, 2023 (Euro 9,165 thousand at February 28, 2023) mainly related to the recognition of deferred income on revenue that was received during the year but deferred economic maturity.

"Other non-current liabilities" includes Euro 615 thousand from the liability related to the Monetary Bonus under the Performance Share Plan approved by the Shareholders' Meeting, and deposits payable in the amount of Euro 26 thousand.

5.17 Trade payables

Below is a breakdown of "Trade payables" at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Period ended	
	August 31, 2023	February 28, 2023
Trade payables – third parties	515,765	596,025
Trade payables - related parties	-	-
Gross trade payables	**515,765**	**596,025**
Bad debt provision - amount due from suppliers	1,190	1,294
Total trade payables	**516,955**	**597,319**

The balance includes payables related to the normal course of business regarding supplies of goods and services. The item takes into account assessments on the exposure to the risk of potential losses arising from the failure of counterparties to meet their obligations. Gross trade payables decreased by Euro 80,260 thousand at August 31, 2023 compared to February 28, 2023. The movement is due not only to typical business seasonality and a differing financial calendar than the comparative period.

Changes in the "Bad debt provision - amounts due from suppliers" for the period from February 28, 2023 to August 31, 2023 and the period from February 28, 2022 to August 31, 2022 are shown below:

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

(In thousands of Euro)	Bad debt provision - amount due from suppliers
Balance at February 28, 2022	**1,824**
Provisions	-
Release to income statement	(323)
Utilisations	(191)
Balance at August 31, 2022	**1,310**

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

5.18 Revenues

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

A breakdown of revenues by channel is shown below:

(in thousands of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2023	%	August 31, 2022	%	2023 vs 2022	%
Retail	842,488	68.6%	900,209	69.6%	(57,721)	(6.4%)
Online	221,966	18.1%	231,035	17.8%	(9,069)	(3.9%)
Indirect	109,346	8.9%	112,443	8.7%	(3,097)	(2.8%)
B2B	54,120	4.4%	48,998	3.9%	5,122	10.4%
Total revenues by channel	**1,227,920**	**100%**	**1,292,685**	**100.0%**	**(64,765)**	**(5.0%)**

The Retail channel (68.6% of total revenues) - which at August 31, 2023 comprised 276 direct sales points, including the "Unieuro by Iper" shop-in-shops and the direct sales points located at major public transport hubs such as airports, railway stations and metro stations - decreased 6.4% for revenues of Euro 842,488 thousand, compared to Euro 900,209 thousand in the same period of the previous year. Channel sales reflect the Brown and Information Technology segment trends referred to previously, and were partially offset by the strong large domestic appliance, entertainment and telephony segment performances. We indicate the signing of a partnership with Kasanova, Italy's homeware and household goods leader, for the creation of a network of dedicated shop in shops. The first pilot corner was opened in July 31, with the operation to involve over 50 Group stores by December 2023, while gradually extending over the next two years.

The Online channel (18.1% of total revenues) - which includes the unieuro.it platform and the digital pure player Monclick - generated revenues of Euro 221,966 thousand in H1 2023/24, contracting 3.9% on the comparative half-year (revenues of Euro 231,035 thousand). The first half of the year reflects the general market environment, with sales reducing mainly on the Consumer Electronics and Information Technology segments.

The Indirect channel (8.9% of total revenues) - which includes sales made to the network of affiliated stores comprising a total of 256 sales points at August 31, 2023 - reports revenues of Euro 109,346 thousand, contracting 2.8% on the Euro 112,443 thousand in H1 2022/23. The performance reflects the lower volumes in the Brown segment, partially offset by White category growth and, against the general market, of the Information Technology segment.

The B2B channel (4.4% 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 54,120 thousand, increasing 10.4% on H1 2022/23 (Euro 48,998 thousand). The strong B2B sales channel performance relates to the improved product availability.

A breakdown of revenues by category is shown below:

(in millions of Euro and as a percentage of revenues)	Period ended				Changes	
	August 31, 2023	%	August 31, 2022	%	2022 vs 2023	%
Grey	584,732	47.6%	598,798	46.3%	(14,066)	(2.3%)
White	378,168	30.8%	363,532	28.1%	14,636	4.0%
Brown	124,931	10.2%	202,112	15.6%	(77,181)	(38.2%)
Other products	65,511	5.3%	56,189	4.3%	9,322	16.6%
Services	74,578	6.1%	72,054	5.6%	2,524	3.5%
Total revenues by category	**1,227,920**	**100.0%**	**1,292,685**	**100.0%**	**(64,765)**	**(5.0%)**

The Grey category (47.6% of total revenues) - comprising phones, tablets, information technology, phone accessories, cameras, in addition to all wearable products - generated revenues of Euro 584,732 thousand in H1 2023/24, decreasing 2.3% on the first half of the previous year (Euro 598,798 thousand). This result reflects strong telephony segment sales, which partially offset the settling back of consumption levels in the Information Technology segment following the exceptional sales seen during the pandemic, which was supported by the smart working and distance learning trends.

The White category (30.8% 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 378,168 thousand, up 4.0% on Euro 363,532 thousand in H1 2022/23. The growth is mainly due to large domestic appliance category sales, which saw a shift in demand towards energy-efficient premium products.

The Brown category (10.2% of revenues), including televisions and related accessories, audio devices, smart TV devices, car accessories and data storage systems, reports a contraction in revenues of 38.2% to Euro 124,931 thousand, from Euro 202,112 thousand in the first half of the previous year. The reduction in category revenues is due to the extraordinary TV segment performance in the comparative period, thanks to the television frequency switch-off and the Government TV bonus.

The Other Products category (5.3% of total revenues), which includes sales of both the entertainment segment and other products not included in the consumer electronics market, such as hoverboards or bicycles, reported revenues of Euro 65,511 thousand, increasing 16.6% on the Euro 56,189 thousand in the comparative half-year. The growth is driven by the entertainment segment, thanks to sales of consoles and video games.

The Services category (6.1% of total revenues) reported revenues of Euro 74,578 thousand, up 3.5% on the first half of the previous year. This growth stems from consumer credit and warranty services, which offset the decline in installation services.

The breakdown of revenues by geographic area is presented below:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Overseas	1,663	1,450
Italy	1,226,257	1,291,235
Total	**1,227,920**	**1,292,685**

5.19 Other income

”Other income” for the periods to August 31, 2023 and to August 31, 2022 are presented below:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Insurance reimbursements	22	40
Other income	337	292
Total other income	**359**	**332**

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

5.20 Purchase of materials and external services

The “Purchase of materials and external services” for the H1 2023/24 and H1 2022/23 are presented below:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Purchases of goods	978,681	975,432
Transport	39,724	40,041
Marketing	16,790	21,757
Utilities	8,147	16,210
Maintenance and rental charges	8,303	7,867
General sales expenses	6,485	7,374
Other costs	18,823	22,927
Consultancy	5,948	4,447
Purchase of consumables	16	678
Travel and transfer	458	362
Remuneration of administrative and supervisory bodies	705	465
Total Purchase of Materials and external services	**1,084,080**	**1,097,560**
Change in inventories	(7,826)	29,944
Total, including changes in inventories	**1,076,254**	**1,127,504**

"Purchases of materials and external services”, taking into account the item "Change in inventories”, decreased from Euro 1,005,376 thousand in the period ended August 31, 2022 to Euro 970,855 thousand in the period ended August 31, 2023, a decrease of Euro 34,521 thousand or 3.4%. This is due to lower volumes compared with the previous year.

“Transport” decreased from Euro 40,041 thousand in H1 2022/23 to Euro 39,724 thousand in H1 2023/24. The decrease in the period is due to the lower sales volumes, offset by increased expenditure due to the greater weight of Online channel sales.

“Marketing” decreased from Euro 21,757 thousand in H1 2022/23 to Euro 16,790 thousand in H1 2023/24. This decrease is due to close cost management and an altered mix of marketing initiatives focused on communication through more innovative communication channels than those traditionally used.

“Utilities” decreased 49.7% on the comparative half-year for a total of Euro 8,063 thousand, thanks to the reduction in the cost of electricity against the comparative half-year and the investments made in prior years to support energy savings at the sales points and logistical centres.

”General sales expenses” decreased from Euro 7,374 thousand in H1 2022/23 to Euro 6,485 thousand in H1 2023/24. The item mainly includes costs for commissions on sales transactions and call centre activity costs. The reduction relates to the lower volume of sales transactions.

”Other costs” of Euro 18,823 thousand include principally condominium expenses, variable rents, costs for motor vehicles, hire, cleaning, insurance and security. They decreased Euro 4,104 thousand on H1 2022/23. The decrease is mainly attributable to a reduction in condominium expenses due to lower electricity costs and a decrease in installation costs related to lower sales volumes of air conditioning systems.

“Consultancy” increased from Euro 4,447 thousand in H1 2022/23 to Euro 5,948 thousand in H1 2023/24, increasing on the corresponding period due to the due diligence activities carried out in the period for the acquisition of Covercare S.p.A..

5.21 Personnel costs

”Personnel costs” for the periods ending August 31, 2023 and August 31, 2022 are reported below:

(In thousands of Euro)	Period ended	
	August 31, 2023	**August 31, 2022**
Salaries and wages	73,015	72,222
Welfare expenses	21,732	21,364
Severance pay	4,647	4,732
Other personnel costs	691	2,626
Total personnel costs	**100,085**	**100,944**

Personnel costs totalled Euro 100,085 thousand in H1 2023/24, decreasing Euro 859 thousand on H1 2022/23 (Euro 100,944 thousand), equal to 0.9%. The item in the period decreased due to the optimisation of sales network personnel costs.

5.22 Other operating costs and expenses

"Other operating costs and expenses" for H1 2023/24 and H1 2022/23 are presented below:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Non-income based taxes	2,779	3,257
Provision/(release) for supplier bad debts	-	(323)
Provision/(release) for write-down of receivables	(485)	357
Other operating expenses	482	580
Total other operating costs and expenses	**2,776**	**3,871**

"Other operating costs and expenses" decreased from Euro 3,871 thousand in H1 2022/23 to Euro 2,776 thousand in H1 2023/24, decreasing Euro 1,095 thousand (-28.3%), mainly due to the release of the bad debt provision and lower non-income based taxes.

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

"Other operating expenses" include costs for charities, customs and capital losses.

5.23 Amortisation, depreciation, and write-downs

"Amortisation, depreciation and write-downs" for H1 2023/24 and H1 2022/23 are presented below:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Depreciation property, plant and equipment	10,358	10,701
Depreciation right-of-use assets	35,910	36,128
Amortisation intangible assets	7,230	6,056
Write-downs/revaluations property, plant and equipment & intangible assets	10	567
Total amortisation, depreciation and write-downs	**53,508**	**53,452**

"Amortisation, depreciation and write-downs" totalled Euro 53,508 thousand in H1 2023/24, substantially in line with the comparative half-year (Euro 53,452 thousand).

5.24 Financial income and expenses

Below is a breakdown of “Financial income" in H1 2023/24 and H1 2022/23:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Other financial income	142	7
Interest income	741	-
Total financial income	**883**	**7**

“Financial income” increased from Euro 7 thousand in H1 2022/23 to Euro 883 thousand in H1 2023/24, increasing Euro 876 thousand. The item mainly includes coupon yields and income realised on Government Bonds that matured in the first half of the year.

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

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Interest expense on bank loans	413	116
Other financial expenses	5,865	6,062
Total Financial Expenses	**6,278**	**6,178**

"Interest expenses on bank loans" increased from Euro 116 thousand in H1 2022/23 to Euro 413 thousand in H1 2023/24.

"Other financial expenses" include financial expenses on the financial payables for IFRS 16 and amount to Euro 5,865 thousand in H1 2023/24 (Euro 6,062 thousand in H1 2022/23).

5.25 Income taxes

Below is a breakdown of “Income taxes" in H1 2023/24 and H1 2022/23:

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Current taxes	3,115	(1,194)
Deferred taxes	(435)	1,256
Total	**2,680**	**62**

Income taxes in H1 2023/24 totalled Euro 2,680 thousand (a positive Euro 62 thousand in H1 2022/23). The item includes the estimated income tax balance for the period to August 31, 2023 and is recognised according to Management’s best estimate of the annual average weighted tax rate for the entire period, applied to the result before taxes of the individual entities. The positive effect is related to the result achieved in the half-year.

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

5.26 Basic and diluted earnings per share

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

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Net Result for the period [A]	(7,059)	1,137
Number of shares (in thousands) considered in calculating basic earnings per share[B]	20,330	20,098
Basic earnings per share (in Euro) [A/B]	**(0.347)**	**0.06**

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

(In thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Net Result for the period [A]	(7,059)	1,137
Average number of shares (in thousands) [B]	20,111	20,098
Effect of stock options at issue [C]	-	-
Diluted earnings per share (in Euro) [A/(B+C)]	**(0.351)**	**0.06**

5.27 Cash Flow Statement

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

Net cash flow generated/(absorbed) by operating activities

(in thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Cash flow from operations		
Consolidated profit/(loss) for the consolidated period	**(7,059)**	**1,137**
Adjustments for:		
Income taxes	(2,680)	(62)
Net financial expenses (income)	5,395	6,171
Amortisation, depreciation and write-downs of fixed assets	53,508	53,452
Other changes	298	1,654
Cash flow generated/(absorbed) from operating activities before changes in Net Working Capital	**49,462**	**62,352**
Changes in:		
- Inventories	(7,826)	29,944
- Trade receivables	2,207	(13,147)
- Trade payables	(84,253)	(35,650)
- Other changes in operating assets and liabilities	56,082	(22,072)
Cash flow generated/(absorbed) by operating activities	**(33,790)**	**(40,926)**
Taxes paid	-	-
Interest paid	(5,213)	(5,463)
Net cash flow generated/(absorbed) by operating activities	**10,459**	**15,963**

Consolidated cash flows of Euro 10,459 thousand were generated by operating activities (generation of Euro 15,963 thousand in the previous half year to August 31, 2022). The movement in the period is related to the Group's operating profitability, working capital movements due to the typical seasonality of the business, in addition to the postponement of tax and contribution payments for the period from May 2023 to July 2023 as per Decree Law No. 35 of May 23, 2023 in favour of companies based in Emilia-Romagna impacted by the floods.

Cash flow generated by investing activities (B)

(in thousands of Euro)	Period ended	
	August 31, 2023	August 31, 2022
Cash flow from investing activities		
Purchases of plant, machinery, equipment and other assets	(4,863)	(8,321)
Purchase of intangible assets	(8,337)	(12,781)
Divestment of current FVOCI securities	60,540	-
Investments for business combinations and business units	-	(100)
Cash flow generated/(absorbed) by investment activities	**47,340**	**(21,202)**

Investment activities generated liquidity totalling Euro 47,340 thousand and absorbed liquidity of Euro 21,202 thousand respectively in H1 2023/24 and H1 2022/23.

The main Group needs in H1 2023/24 concerned:

- investments in plant, machinery and equipment for Euro 4,863 thousand, mainly concerning work on outlets during the period;

- investments in intangible assets for Euro 8,337 thousand, concerning the costs incurred to purchase new hardware, software, licenses and developments on applications for the improvement of the technological infrastructure, and for the execution of new projects.

During H1 2023/24, Ordinary Treasury Bonds and Long-Term Treasury Bonds reached maturity, with their consequent settlement for Euro 60,540 thousand.

Cash flow from generated/(absorbed) by financing activities

(in thousands of Euro)	Period ended	
	August 31, 2023	**August 31, 2022**
Cash flow from financing activities		
Increase/(Decrease) financial liabilities	-	(709)
Increase/(Decrease) in other financial liabilities	(1,452)	(2,209)
Increase/(Decrease) in financial liabilities - IFRS 16 Leases	(33,458)	(31,602)
Distribution dividends	(9,848)	(27,134)
Cash flow generated/(absorbed) by financing activities	**(44,758)**	**(61,654)**

Financing activities absorbed liquidity of Euro 44,758 thousand in H1 2023/24 and of Euro 61,654 thousand in H1 2022/23. The decrease is mainly due to the distribution of dividend of Euro 9,848 thousand (Euro 27,134 thousand in H1 2022/23).

5.28 Share-based payment agreements

Long Term Incentive Plan

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

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

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

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

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

- Condition: the Plan and related options will be conditional on the completion of Unieuro's listing by July 31, 2017 ("IPO");
- Recipients: the Plan is addressed to Executive Directors, associates and employees (Executive and Non-Executive) of Unieuro ("Recipients") who have been identified by the Board of Directors from among those who have an ongoing employment relationship with Unieuro and/or other Group companies. The identification of the Recipients was made on the basis of a discretionary judgment of the Board of Directors, which given the aims of the Plan, the strategies of Unieuro and of the Group and the objectives, takes into account, among other matters, the strategic importance of the role and the impact of the role on the pursuit of the objective;
- Purpose: the purpose of the Plan is to grant the Recipients free and non-transferable option rights by deed between living persons for the purchase or subscription for consideration of ordinary shares of Unieuro for a maximum number of 860,215 options, each of which will entitle them to subscribe one newly issued ordinary share ("Options"). Where the objective is exceeded with a performance of 120% of the target, the number of Options will be raised to 1,032,258. A capital increase was therefore approved for a maximum nominal amount of Euro 206,452, plus share premium, for a total value (share capital plus share premium) equal to the price at which Unieuro's shares will be placed on the Italian Stock Exchange (MTA), by issuing a maximum of 1,032,258 ordinary shares;
- Granting: the Options will be granted in one or more tranches, and the number of Options in each tranche will be determined by the Board of Directors after consultation with the Remuneration Committee;
- Exercise of rights: subscription of shares can only be made after July 31, 2020 and by the final deadline of July 31, 2025;
- Vesting: the extent and existence of each Recipient's right to exercise options will be verified at July 31, 2020 provided that: (i) the employment relationship with the Recipient continues until that date and (ii) the targets, in terms of distributable profits, set out in the business plan are met based on the following criteria:
    - in the event of failure to achieve at least 85% of the expected results, no options will be eligible for

exercise;

- if 85% of the expected results are achieved, only half the options will be eligible for exercise;
- if between 85% and 100% of the expected results are achieved, the number of options eligible for exercise will increase on a straight line between 50% and 100%;
- if between 100% and 120% of the expected results are achieved, the number of options eligible for exercise will increase on a straight line between 100% and 120% - the maximum limit.

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

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

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

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

The number of options outstanding at August 31, 2023 is as follows:

	Number of options August 31, 2023
No. of options outstanding assigned	849,455
No. of options granted in the period	-
No. of options not granted	-
No. of options exercised	689,871
No. of options expired	-

2020-2025 Performance share plan

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

Description of Plan's recipients

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

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

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

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

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

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

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

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

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

Plan rationale

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

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

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

	Number of rights August 31, 2023
Outstanding at beginning of period	**584,000**
Assigned during the period	(231,224)
Granted during the period	-
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**352,776**
Not allocated at beginning of period	-
Exercisable at end of period	-
Not allocated at end of period	**-**

On March 23, 2022, the Board of Directors granted the rights and approved the regulations for the 3rd Cycle and in which it determined the terms and conditions for the implementation of the Plan. The subscription of the Plan by the Recipients of the 3rd Cycle took place in April 2022.

2023-2028 Performance share plan

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

Description of Plan's recipients

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

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

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

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

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

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

Plan rationale

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

Shareholders' Meeting of December 17, 2020.

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

	Number of rights August 31, 2023
Outstanding at beginning of period	**80,000**
Assigned during the period	-
Granted during the period	119,500
Contribution from merger	-
Withdrawn during the period	-
Outstanding at the end of period	**199,500**
Not allocated at beginning of period	-
Exercisable at end of period	-
Not allocated at end of period	**120,000**

6. RELATED PARTY TRANSACTIONS

The following tables summarise the Group's creditor and debtor balances with related parties at August 31, 2023 and February 28, 2023:

(In thousands of Euro)	Creditor and debtor balances with related parties (at August 31, 2023)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
H1 2023/24				
Other current liabilities	(42)	(389)	(587)	**(1,018)**
Other non-current liabilities	-	-	(8)	**(8)**
Total	**(42)**	**(389)**	**(595)**	**(1,026)**

(In thousands of Euro)	Creditor and debtor balances with related parties (at February 28, 2023)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
At February 28, 2023				
Other current liabilities	(73)	(203)	(118)	(394)
Other non-current liabilities	-	-	(379)	(379)
Total	**(73)**	**(203)**	**(497)**	**(773)**

The following table summarises the Group's income and costs with related parties in H1 2023/24 and H1 2022/23:

(In thousands of Euro)	Income and costs with related parties (in H1 2023/24)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
H1 2023/24				
Purchase of materials and external services	(68)	(733)	-	**(801)**
Personnel costs	-	-	(878)	**(878)**
Total	**(68)**	**(733)**	**(878)**	**(1,679)**

(In thousands of Euro)	Income and costs with related parties (in H1 2022/23)			
Type	**Statutory Auditors**	**Board of Directors and committees**	**Senior Executives**	**Total**
H1 2022/23				
Purchase of materials and external services	(71)	(371)	-	**(442)**
Personnel costs	-	-	(1,950)	**(1,950)**
Total	**(71)**	**(371)**	**(1,950)**	**(2,392)**

We report that the Company in May 2023 donated to the Civil Defence on behalf of the Corporate Boards the amount of Euro 33,400 following the flood that hit Emilia-Romagna.

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

Senior Executives	
Period ending August 31, 2023	**H1 2022/23**
General Manager - Bruna Olivieri	*Chief Executive Officer - Giancarlo Nicosanti Monterastelli*
Chief Financial Officer - Marco Deotto	*Chief Financial Officer - Marco Pacini*
	General Manager - Bruna Olivieri

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

Giancarlo Nicosanti Monterastelli concluded his employment as a senior executive on June 1, 2023. He will continue to serve as Chief Executive Officer, as per the mandate granted by the Board of Directors in 2022. From the half-year report as of August 31, 2023, the remuneration as Chief Executive Officer was included in the "Purchase of materials and external services" item.

The following table summarises the Group's cash flows with related parties in H1 2023/24 and H1 2022/23:

(In thousands of Euro)	Related Parties			
Type	**Statutory Auditors**	**Board of Directors**	**Senior Executives**	**Total**
Period from March 1, 2022 to August 31, 2022				
Net cash flow generated/(absorbed) from operating activities	(85)	(447)	(1,695)	**(2,227)**
Total	**(85)**	**(447)**	**(1,695)**	**(2,227)**
Period from March 1, 2023 to August 31, 2023				
Net cash flow generated/(absorbed) from operating activities	(99)	(547)	(780)	**(1,426)**
Total	**(99)**	**(547)**	**(780)**	**(1,426)**

7. OTHER INFORMATION

Contingent liabilities

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

Guarantees in favour of third parties

(In thousands of Euro)	Period ended	
	August 31, 2023	**February 28, 2023**
Guarantees and sureties in favour of:		
Third party entities and companies	33,025	32,026
Total	**33,025**	**32,026**

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

As required by the regulations on transparency of public disbursements introduced by Article 1, paragraphs 125-129 of Law No. 124/2017 and subsequently supplemented by the 'security' decree-law (No. 113/2018) and the 'simplification' decree-law (No. 135/2018), please refer to the National Register of State Aid.
It should be noted that the Group has benefited from the general measures available to all enterprises and within the general structure of the system defined by the state or general aid relating to measures to support the economy granted by the government.
In the half year ended August 31, 2023, the Group did not receive any additional grants, contributions and economic benefits of any kind from public administrations and their equivalents, companies controlled by public administrations, and from publicly held companies.

Subsequent events

Acquisition of the Covercare Group

The Board of Directors of Unieuro S.p.A. approved the signing of a contract to purchase the entire share capital of Covercare S.p.A.. The company in turn wholly-owns the companies Covercare Services S.r.l., Wifix S.r.l. and Comfort Home Solutions S.r.l.. The Covercare Group is a leading player in Italy in the repair of mobile phones, other portable devices, and household appliances. It also operates on the air conditioner and boiler installation and home assistance services markets. Covercare offers its services throughout the country to leaders in the Retail, Telco and Multi-Utility sectors.
The Transaction is subject to the obtaining of the necessary authorisations pursuant to and in accordance with the applicable Antitrust regulation and shall take place by April 30, 2024.

Monclick S.r.l. liquidation.

On October 16, 2023, the Board of Directors of Unieuro S.p.A. resolved to initiate the procedure for the liquidation of its wholly-owned subsidiary Monclick S.r.l. and on October 24, 2023, the Shareholders' Meeting of Monclick S.r.l approved the liquidation of the company and appointed the liquidator. Monclick is a smaller Group company (accounting for 2.6% of consolidated revenues), engaged in the sale of IT, electronics, telephony and home appliance products online in Italy through the website www.monclick.it.. This decision is part of the process of rationalising the corporate structure. In particular, Monclick has 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.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AUGUST 31, 2023 PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION No. 11971 OF MAY 14, 1999 AND SUCCESSIVE AMENDMENTS AND SUPPLEMENTS

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

- the accuracy of the information on company operations and
- the effective application of the administrative and accounting procedures for the Condensed Consolidated Half-Year Financial Statements at August 31, 2023.

In addition, we declare that the Condensed Consolidated Half-Year Financial Statements at August 31, 2023 of the Unieuro Group:

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

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

November 13, 2023

Executive Officer for Financial Reporting

Chief Executive Officer

KPMG S.p.A.
Revisione e organizzazione contabile
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(Translation from the Italian original which remains the definitive version)

Report on review of condensed interim consolidated financial statements

To the shareholders of
Unieuro S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Unieuro Group comprising the statement of financial position as at 31 August 2023, the income statement and the statements of comprehensive income, cash flows and changes in equity for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Unieuro Group as at and for the six months ended 31 August 2023 have not been prepared, in all material respects, in accordance with the International

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

Bologna, 13 November 2023

KPMG S.p.A.

(signed on the original)

Davide Stabellini
Director of Audit