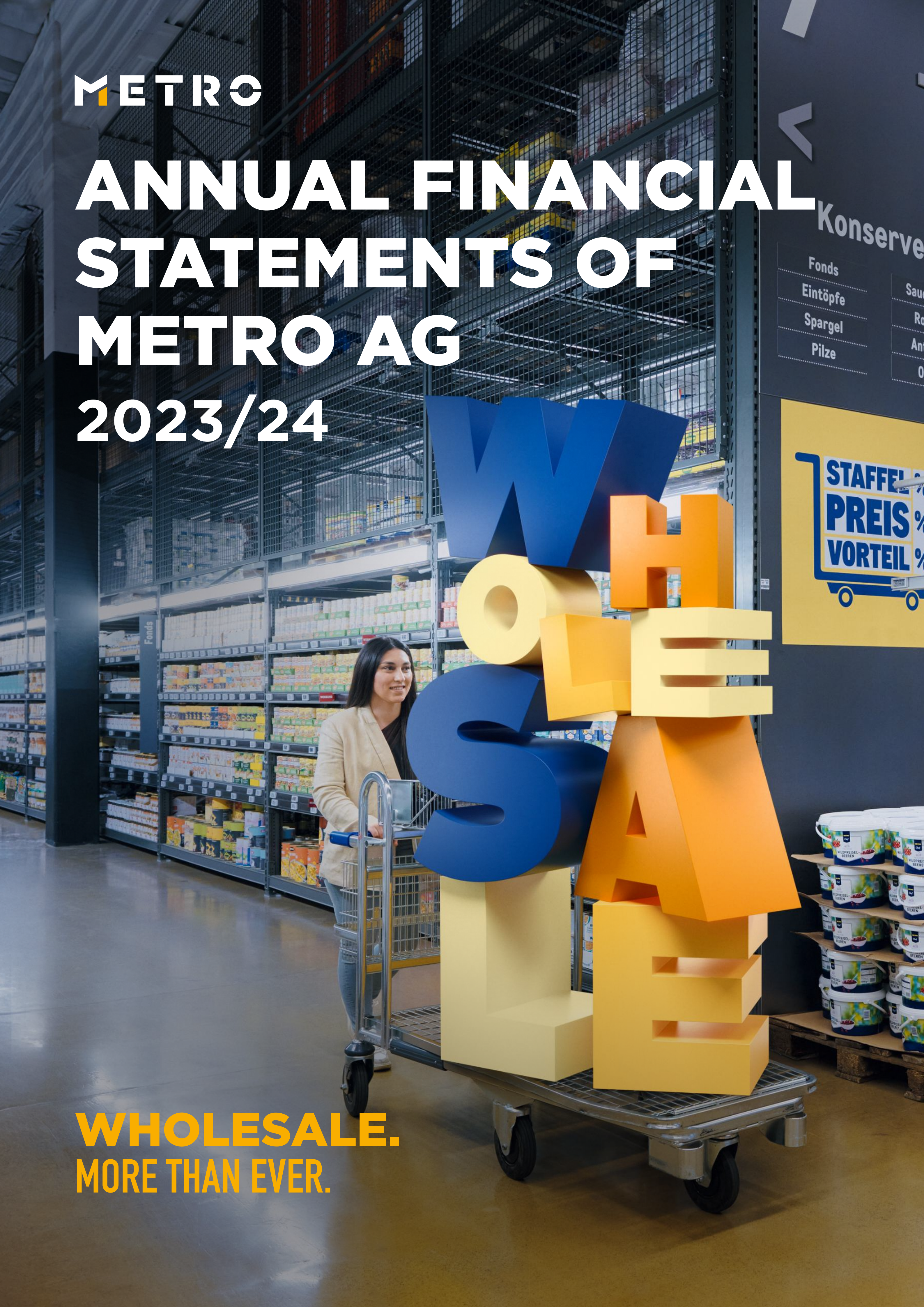
METRO

ANNUAL FINANCIAL STATEMENTS OF METRO AG

2023/24



WHOLESALE.
MORE THAN EVER.

CONTENTS

In accordance with our view on integration and inclusion, we advocate a gender-sensitive understanding of language. For the sole purpose of better readability, we in some cases do not use gender-neutral terms or overtly inclusive multi-gender descriptions. When we use the generic masculine form in our corporate media and our social media channels, this is done solely for reasons of the comprehensibility and readability of the text. In all cases, this form includes all genders equally.

COMBINED MANAGEMENT REPORT

The management report of METRO AG and the group management report were combined pursuant to § 315 Section 5 of the German Commercial Code in conjunction with § 298 Section 2 of the German Commercial Code and published as part of Annual Report 2023/24 of METRO.

The annual financial statements and the management report of METRO AG included in the combined management report for financial year 2023/24 are submitted to the operator of the Company Register and published in the Company Register.

The Annual Financial Statements of METRO AG and the annual report of the METRO group for financial year 2023/24 are also available online at www.metroag.de/en.

BALANCE SHEET AS OF 30 SEPTEMBER 2024

ASSETS

€ million	Note no.	30/9/2023	**30/9/2024**
Non-current assets	**2**		
Intangible assets	3	724	**684**
Tangible assets	4	1	**1**
Financial assets	5	8,115	**8,145**
		8,840	**8,830**
Current assets			
Receivables and other assets	6	782	**309**
Bank deposits	7	27	**162**
		809	**471**
Prepaid expenses and deferred income	**8**	**7**	**12**
		9,656	**9,313**

EQUITY AND LIABILITIES

€ million	Note no.	30/9/2023	**30/9/2024**
Equity			
Share capital	9	363	**363**
Capital reserve	10	4,754	**4,431**
Reserves retained from earnings	11	78	**78**
Balance sheet profit	29	205	**–**
		5,400	**4,872**
Provisions	**12**	**491**	**586**
Liabilities	**13**		
Bonds		926	**1,225**
Liabilities to banks		66	**24**
Liabilities to affiliated companies		2,726	**2,555**
Miscellaneous liabilities		27	**34**
		3,745	**3,838**
Accrued income and expenses	**14**	**20**	**17**
		9,656	**9,313**

INCOME STATEMENT FOR THE FINANCIAL YEAR FROM 1 OCTOBER 2023 TO 30 SEPTEMBER 2024

€ million	Note no.	2022/23	**2023/24**
Sales revenues	20	379	**316**
Other operating income	21	541	**486**
Cost of services purchased	22	−47	**−42**
Personnel expenses	23	−127	**−135**
Depreciation/amortisation/impairment losses on intangible and tangible assets	24	−43	**−42**
Other operating expenses	25	−698	**−617**
Investment result	26	379	**−145**
Net financial result	27	−93	**−135**
Income taxes	28	−12	**−10**
Earnings after taxes		**279**	**−324**
Other taxes		−4	**−3**
Net profit (+)/net loss for the year (−)		**275**	**−327**
Retained earnings from the previous year	29	–	**4**
Withdrawals from the capital reserve		–	**323**
Adjustments of the reserves retained from earnings	29	−70	**–**
Balance sheet profit	**29, 30**	**205**	**–**

NOTES

1. General disclosures and explanatory notes to the annual financial statements

METRO AG, the parent company of the METRO group (hereinafter referred to as METRO), is a German corporation with registered office at Metro-Straße 1 in 40235 Düsseldorf, Germany. The company is registered in the commercial register at the District Court in Düsseldorf under HRB 79055.

Notes to the annual financial statements
The Annual Financial Statements of METRO AG are prepared in accordance with the regulations of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The annual financial statements are denominated in euros. All amounts are stated in million euros (€ million) unless otherwise indicated. All amounts under €0.5 million have been rounded. For reasons of clarity, the representation of decimal places in the tables has been omitted. Rounding differences may occur.

Disclosure, accounting and measurement principles
Intangible assets have been accounted for at their acquisition costs, tangible assets at their acquisition or production costs, less accumulated amortisation, depreciation and impairment losses. The licence agreements and rights of use to the METRO and MAKRO brands acquired in the context of the demerger and spin-off of METRO AG carried out in financial year 2016/17 were recognised as intangible assets at their fair values at the time of the spin-off for the first time, taking into account that the total acquisition costs of the assets and liabilities acquired in the context of the demerger must not exceed the total value of the shares granted in return at the time of their issuance. Consequently, the brand value was reduced.

The scheduled depreciation amounts were calculated using the straight-line method. The expected useful life for this purpose amounts to 25 years for the capitalised brand and between 3 and 5 years for other assets. Write-downs to fair value were recognised where an impairment is expected to be sustained. Non-current assets with acquisition costs of less than €1,000 (low-value assets) have been divided into 2 groups. Assets with a cost of up to €250 are fully written off in the year they were acquired. Assets with a cost of €250 to €1,000 are recognised in a collective item and depreciated using the straight-line method in the year of acquisition and over the following 4 years. The company made no use of the option to capitalise internally generated intangible non-current assets.

Investments and shares in affiliated companies are recognised at their acquisition cost or, if a sustained impairment is expected, at the lower of acquisition cost or fair value. Depending on the type of investment, the fair value is determined by means of a discounted cash flow calculation based on scenario-related corporate planning prepared by METRO or by means of real estate measurements. Lower valuations are maintained, unless a higher value up to the original cost of purchase is indicated.

Loans are recognised at nominal value or written down to fair value. Non-interest-bearing or low-interest loans are discounted to the net present value.

Receivables and other assets are generally recognised at their nominal value. Non-interest-bearing receivables are discounted to their net present value. The risks inherent in the receivables are considered by means of specific bad debt allowances. In principle, earnings from indirect and direct investments are recognised in the same reporting period if the relevant conditions are met. In addition, insofar as the respective resolutions have been adopted by the time the annual financial statements are prepared, income from investments is recognised in the year in which the dividend is paid.

Prepaid expenses, deferred income and accrued income and expenses are prorated over the terms of the underlying transactions.

Unhedged receivables and liabilities in foreign currency with a term of up to 1 year are recognised at the exchange rate at the closing date. Unhedged foreign currency receivables and liabilities with a term of more than 1 year are recognised at the exchange rate as of the closing date in adherence to the imparity principle.

The actuarial measurement of direct obligations for pension plan benefits is effected in accordance with the projected unit credit method based on biometric probabilities (Heubeck-Richttafeln-GmbH). This method takes anticipated future pay and pension increases into account in determining the liability amount. We assume annual salary increases of 2.2% and annual pension increases of 2.2%. The actuarial interest rate used in financial year 2023/24 was the average market interest rate calculated and published by Deutsche Bundesbank for the past 10 years (1.87%) for an assumed residual term of 15 years. The changes in the actuarial interest rate are recognised in the financial result.

METRO AG has formed corresponding provisions to provide for shortfalls in the case of an underfunded benevolent fund. The same methods and parameters were applied as in the calculation of direct pension obligations.

Other provisions account for all identifiable risks and uncertain obligations, which are measured at the respective settlement amounts necessary to cover future payment obligations based on prudent business judgement. Future price and cost increases are considered to the extent there are sufficient objectively verifiable indications for their occurrence. Provisions with a remaining term of more than 1 year are discounted at the average market interest rate of the past 7 years corresponding to the residual term of the provisions.

Deferred taxes are determined for temporary differences between the commercial and tax law valuation of assets, liabilities and prepaid expenses, deferred income and accrued income and expenses. This calculation is based on the overall tax rate of 30.53% expected at the time of realisation. In addition to the temporary accounting differences, tax loss and interest carry-forwards as well as any tax credits are considered as well. Deferred tax liabilities are recognised only when they exceed deferred tax assets. The company made no use of the option to recognise a surplus of deferred tax assets pursuant to § 274 Section 1 Sentence 2 of the German Commercial Code (HGB).

Liabilities are recognised at their respective settlement amounts.

Currency, interest and price risks affecting the operational business are regularly hedged using derivative financial instruments. These include forward currency contracts and options as well as interest and currency swaps. Derivative financial instruments that are part of economically necessary and accordingly documented hedging relationships with other primary financial instruments are valued together pursuant to § 254 of the German Commercial Code (net hedge presentation method). This particularly concerns intra-group and external finance arrangements as well as derivatives passed on to affiliated companies. Within the valuation units, unrealised losses are offset against the amount of unrealised gains. Excess losses are anticipated (accrued) and excess profits remain unrecognised. The gross hedge presentation method is used as another method to recognise valuation units. It concerns, in particular, current trade receivables from affiliated companies. Under the gross hedge presentation method, fluctuations in the fair value of underlying and hedging transactions are recognised in the income statement. The formation of valuation units presupposes individual risk compensation, the congruence of interest term and currency, congruence of maturities and the intention to hold the instruments beyond the closing date.

Provisions are formed for anticipated losses from the separate measurement of derivative financial instruments that are not part of a hedging relationship. Unrealised profits are not recognised in the balance sheet.

NOTES TO THE BALANCE SHEET

2. Non-current assets

The following table outlines the development of non-current assets:

	Intangible assets	Tangible assets	Financial assets		
€ million	Rights of use and licences acquired against payment	Other plant, business and office equipment	Invest-ments in affiliated companies	Other loans	Total
Acquisition or production costs					
As of 1/10/2023	1,105	4	8,792	1	9,902
Additions	2	–	16	–	18
Disposals	–	–	–	–	–
As of 30/9/2024	1,107	4	8,808	1	9,920
Depreciation/amortisation/impairment					
As of 1/10/2023	381	3	677	1	1,062
Additions, scheduled	42	–	–	–	42
Depreciation/amortisation/impairment	–	–	24	–	24
Reversals of impairment losses	–	–	−38	–	−38
Disposals	–	–	–	–	–
Reversals of impairment losses	–	–	–	–	–
As of 30/9/2024	423	3	663	1	1,090
Carrying amount as of 30/9/2023	724	1	8,115	–	8,840
Carrying amount as of 30/9/2024	**684**	**1**	**8,145**	**–**	**8,830**

3. Intangible assets

The item intangible assets essentially contains the rights of use in the METRO and MAKRO brands recognised at a value of €684 million. Also included are licences for software.

4. Tangible assets

Additions concern business and office equipment and PC systems.

5. Financial assets

As of 30 September 2024, shares in affiliated companies were held in the amount of €8,145 million. The increase in carrying amounts compared to the previous year is mainly attributable to the reversal of impairment losses in the amount of €38 million, depreciation of financial assets in the amount of €24 million and a capital increase in the amount of €17 million. This reflects the expected earnings situation of individual cash-and-carry and real estate companies.

6. Receivables and other assets

€ million	30/9/2023	**30/9/2024**
Trade receivables	3	**3**
Receivables from affiliated companies	728	**295**
Other assets	51	**11**
Thereof with a remaining term of over 1 year	(0)	**(0)**
	782	**309**

Trade receivables include €3 million in receivables from associates resulting from continuing IT and business services after the disposal.

As of 30 September 2024, the item receivables from affiliated companies comprises receivables from profit transfers amounting to €93 million (PY: €552 million). This item also includes trade receivables from affiliated companies amounting to €197 million (PY: €161 million) and short-term interest-bearing receivables of €5 million (PY: €15 million) arising from the financing function of METRO AG as a holding company.

Other assets mainly include tax receivables.

7. Bank deposits

This item consists primarily of short-term bank deposits in the amount of €154 million and bank deposits of €8 million (PY: €27 million). In conjunction with the increase in bonds and commercial papers, the increase reflects the liquidity situation as of the closing date.

8. Prepaid expenses and deferred income

The item prepaid expenses and deferred income includes €8 million of prepaid invoices for professional fees, as well as €4 million in discounts resulting from bonds and promissory note loans.

9. Share capital

The share capital of METRO AG as of 30 September 2024 remained unchanged at €363,097,253 and is divided as follows:

No-par-value bearer shares, accounting par value of €1.00		30/9/2023	**30/9/2024**
Ordinary shares	Number of shares	360,121,736	**360,121,736**
	€	360,121,736	**360,121,736**
Preference shares	Number of shares	2,975,517	**2,975,517**
	€	2,975,517	**2,975,517**
Total shares	**Number of shares**	**363,097,253**	**363,097,253**
Total share capital	**€**	**363,097,253**	**363,097,253**

Each ordinary share entitles to a single vote in the company's Annual General Meeting. The ordinary shares carry full dividend rights. In contrast to ordinary shares, preference shares do not carry voting rights but confer a preferential entitlement to profits as prescribed in § 21 of the Articles of Association of METRO AG.[1]

Authorised capital
The Annual General Meeting on 11 February 2022 authorised the Management Board to increase the share capital, subject to the consent of the Supervisory Board, by issuing new ordinary shares against cash contributions in one or several tranches for a total maximum of €108,929,175 by 10 February 2027 (authorised capital). Existing shareholders may exercise their subscription rights. Subject to the consent of the Supervisory Board, the Management Board is authorised to exclude shareholder subscription rights to offset fractional amounts. To date, the authorised capital has not been fully utilised.

— **For more information about the company's authorised capital, contingent capital, the authority to issue warrant and/or convertible bearer bonds as well as share repurchasing, see chapter 5 takeover-related disclosures in the combined management report.**

10. Capital reserve

As of 30 September 2024, the capital reserve stood at €4,431 million. In financial year 2023/24, an amount of €323 million was transferred from the capital reserve under § 272 Section 2 No. 1 of the German Commercial Code (HGB) in conjunction with § 150 Section 4 No. 1 of the German Stock Corporation Act (AktG) to offset the net loss for the year.

11. Reserves retained from earnings

Reserves retained from earnings stood unchanged at €78 million.

[1] The Articles of Association of METRO AG can be found on the website www.metroag.de/en in the section About us – Corporate Governance.

12. Provisions

€ million	30/9/2023	**30/9/2024**
Provisions for post-employment benefits plans and similar obligations	34	**34**
Tax provisions	10	**7**
Other provisions	447	**545**
	491	**586**

Provisions for post-employment benefits plans and similar obligations in the amount of €33 million exist for direct pension commitments, with €1 million set aside to cover shortfalls in benevolent funds. The average market interest rate for the previous 10 years (1.87%) was used as the actuarial interest rate. A measurement based on the average market interest rate for the previous 7 years would have resulted in a figure that was €0.20 million (PY: €0.67 million) lower (PY: higher).

Asset values in the amount of €91 million from pension reinsurance were recognised in provisions for post-employment benefits plans and similar obligations. The acquisition costs essentially correspond to the fair value of pension reinsurance policies and the settlement amount of the obligations. Significant expenses or income that were directly offset were not recorded in this context.

Changes in tax provisions are based on the current income taxes for the METRO AG corporate bodies and the results of the advanced tax audits of the companies included in the scope of consolidation of METRO AG.

Other provisions have been formed to provide for the following circumstances:

€ million	30/9/2023	**30/9/2024**
Risks from the transfer pricing model	344	**350**
Risks from investments and completed transactions	19	**110**
Employee benefit liabilities	59	**52**
Risks from trade receivables	16	**19**
Miscellaneous	9	**14**
	447	**545**

Risks from the transfer pricing model relate to the potential partial rejection of the model (in use since 2015/16) by foreign fiscal authorities and resulting obligations to repay revenues to foreign group companies that have already been recognised. The reduction is based on the continuing reconciliation with the tax authorities.
The increase in risks from investments and completed transactions is attributable to the impending use of intra-group guarantees.
The employee benefit liabilities relate in particular to variable remuneration obligations.

13. Liabilities

€ million	30/9/2023 Total	Remaining term up to 1 year	1 to 5 years	over 5 years	**30/9/2024 Total**	**Remaining term up to 1 year**	**1 to 5 years**	**over 5 years**
Bonds	926	276	650	–	**1,225**	**675**	**550**	**–**
Liabilities to banks	66	66	–	–	**24**	**24**	**–**	**–**
Liabilities to affiliated companies	2,726	2,726	–	–	**2,555**	**2,555**	**–**	**–**
thereof from advance payments received	(7)	(7)	(–)	(–)	**(–)**	**(–)**	**(–)**	**(–)**
Trade liabilities	11	11	–	–	**7**	**7**	**–**	**–**
Other liabilities	16	16	–	–	**27**	**27**	**–**	**–**
thereof taxes	(7)	(7)	(–)	(–)	**(6)**	**(6)**	**(–)**	**(–)**
thereof related to social security	(–)	(–)	(–)	(–)	**(–)**	**(–)**	**(–)**	**(–)**
	3,745	**3,095**	**650**	**–**	**3,838**	**3,288**	**550**	**–**

The bonds item recognises the nominal amounts of bonds and commercial papers issues. Bonds in the amount of €500 million were issued in financial year 2023/24. Liabilities to banks mainly comprise short-term time deposits in the amount of €24 million.

Liabilities to affiliated companies amounted to a total of €2,555 million, of which €2,349 million related primarily to short-term financial investments of METRO group companies and loss compensation obligations.

The item other liabilities comprises tax liabilities for bonds in the amount of €18 million as well as interest owed in the amount of €6 million.

The company did not have any liabilities collateralised by liens or similar rights.

14. Accrued income and expenses

In the current financial year, this item primarily includes services still to be rendered or prepaid services to former group companies.

This item also includes accruals from financial activities such as guarantee commissions for guarantees issued.

15. Contingent liabilities

€ million	30/9/2023	**30/9/2024**
Liabilities from guarantee and warranty contracts	2,076	**2,352**
thereof liabilities of affiliated companies	(1,998)	**(2,291)**
Liabilities from suretyships and guarantees	426	**553**
thereof liabilities of affiliated companies	(417)	**(543)**
	2,502	**2,905**

Liabilities from guarantee and warranty contracts essentially comprise guarantees granted by METRO AG for financial transactions conducted by group companies as well as €1,315 million in guarantees from tenancies. The rise is primarily the result of the extension of lease portfolios of other group companies.

Liabilities from suretyships and guarantees affect bank guarantees of METRO AG.

According to the information available to us, the respective companies are in a position to fulfil all obligations collateralised by the guarantees and warranty contracts to such an extent that no future burdens on the annual result of METRO AG from a possible utilisation can be identified.

METRO AG has also issued letters of comfort to individual group companies.

16. Other financial commitments

			Remaining term		
€ million	30/9/2023 Total	**30/9/2024 Total**	**up to 1 year**	**1 to 5 years**	**over 5 years**
Obligations from rental and leasing relationships	44	**36**	**9**	**20**	**7**
thereof to affiliated companies	(0)	**(0)**	**(0)**	**(0)**	**(0)**
	44	**36**	**9**	**20**	**7**

Indefinite financial obligations from rental contracts are recognised up to the earliest possible termination date.

17. Derivative financial instruments

As of the closing date, the following derivative financial instruments were used for risk mitigation purposes (in the table, the first currency in the currency pair is the sold currency):

		Recognised fair value	
€ million	Nominal volume	Positive	Negative
Currency transactions	**150**	**1**	**1**
thereof forward currency contracts	(150)	(1)	(1)
EUR/CHF	16	0	0
CHF/EUR	16	0	0
EUR/CZK	10	0	0
CZK/EUR	10	0	0
EUR/RON	9	0	0
RON/EUR	9	0	0
EUR/HKD	9	0	0
HKD/EUR	9	0	0
EUR/PLN	8	0	0
PLN/EUR	8	0	0
Others	46	0	0

The fair values of derivative financial instruments are calculated according to the net-present-value method based on interest rates and currency exchange rates published by Reuters.

The nominal volume of derivative financial instruments is reported in absolute amounts.

For details on the balance sheet treatment and measurement of derivative financial instruments, please refer to no. 1.

In principle, the net hedge presentation method is applied. The gross hedge presentation method is applied when recognising the underlying transactions in the balance sheet. Cash flow risks are hedged, with the effectiveness being reviewed prospectively and retrospectively using the critical term match method.

The above-mentioned €150 million is distributed to hedge currency risks related to subsidiaries' receivables and liabilities in foreign currency. Forward currency contracts for corresponding amounts (microhedges) are concluded with banks.

The net balance of forex futures at fair value amounted to €0 million; they fall due within 1 year and have not been recognised in the balance sheet.

Since the fair values of the currency pairs are all below the threshold of €0.5 million,

the fair values are reported as 0. Overall, the currency pairs have a positive fair value of €1 million and a negative fair value of €−1 million.

18. Remaining legal issues

Companies of the METRO group form a party to (arbitration) court proceedings as well as antitrust and other regulatory proceedings in various countries. Insofar as the liability has been sufficiently specified, appropriate risk provisions have been formed for these proceedings. METRO AG and its group companies respectively have also filed claims for damages against companies that have been sanctioned for illegal competition agreements.

19. Risks and benefits from off-balance-sheet transactions

Profit and loss transfer agreements exist between METRO AG and major group companies. The key benefits of these agreements consist in the resulting fiscal unity. Risks arise from the fact that losses will also have to be assumed under these profit and loss transfer agreements. Additionally, declarations of assumption of obligations for financial year 2024/25 have been issued in favour of individual group companies. Risks may arise from these declarations as well as from the letters of comfort issued in favour of group companies.

Additional significant business relationships regarding outsourced functions between METRO AG and its subsidiaries mostly concern IT services. The key benefit of this outsourcing is the specialisation that provides for improvements in quality and optimised prices and costs.

METRO AG has a call option that would require CECONOMY AG to transfer the remaining shares (6.61%) in METRO PROPERTIES GmbH & Co. KG; the next time the call option can be exercised is 8.5 years after the demerger of METRO AG for a period of 6 months. There is also a put option that would require METRO AG to transfer the remaining shares (6.61%) in METRO PROPERTIES GmbH & Co. KG to CECONOMY AG. This option becomes available for the first time 7 years after the demerger of METRO AG has been completed for a period of 6 months. The shares will be transferred at their respective fair value, which amounts to €22 million as of 30 September 2024 on the basis of current calculations.

NOTES TO THE INCOME STATEMENT

20. Sales revenues

Recognised net sales are broken down into €249 million (PY: €307 million) for settlement amounts received in the form of licensing fees for the METRO and MAKRO brands as well as €67 million (PY: €72 million) relating to business services with current and former METRO subsidiaries.

The sales revenues in the reporting period are broken down by regions as follows:

€ million	2022/23	**2023/24**
West	173	**178**
East	176	**122**
Germany	11	**10**
Russia	19	**6**
	379	**316**

The licensing fees for the use of the METRO and MAKRO brands are mainly based on earnings. The systematic implementation of the sCore strategy largely led to increases in sales in the group companies, which are not yet reflected in a rise in ongoing licensing fees for all countries. The decline in total fees is attributable to the discontinuation of licence income from China and a lack of offsetting effects from deferred payments for prior years.

21. Other operating income

€ million	2022/23	**2023/24**
Settlement amounts from subsidiaries and former subsidiaries	352	**379**
Income from reversal of provisions	82	**61**
Exchange rate gains	46	**34**
Rental income	8	**7**
Miscellaneous income	53	**5**
	541	**486**

The item other operating income consists mainly of settlement amounts for services sold to current and temporarily also former subsidiaries that are not classified as sales revenues. Income relating to other periods relates to the reversal of provisions, in particular those for services from the transfer pricing model. Exchange rate gains and losses almost offset each other in this financial year; they result mainly from the currencies UAH, RUB, TRY and PLN. In the previous year, miscellaneous income also had included reimbursements from compensation payments that have been passed on to the cash-and-carry countries concerned.

22. Cost of services purchased

To perform its function as a central management holding company, METRO AG has subcontracted service performances which predominantly relate to costs of marketing and IT services to group companies as well as third-party companies. To the extent such expenses are related to settlement payments recognised in the item sales revenues, the corresponding amounts have been recognised in the item cost of services purchased.

23. Personnel expenses

€ million	2022/23	**2023/24**
Wages and salaries	111	**119**
Social security expenses, expenses for post-employment benefits and related employee benefits	16	**16**
thereof for post-employment benefits	(6)	**(5)**
	127	**135**

The change in personnel expenses results mainly from an increase in the number of employees and in severance payments as well as a positive effect caused by the reversal of provisions in the previous year.

24. Depreciation/amortisation/impairment losses on intangible and tangible assets

The item mainly includes amortisation of the rights of use to the METRO and MAKRO brands in the amount of €40 million. Amortisation of software and depreciation of tangible assets amounted to €2 million.

25. Other operating expenses

As of the closing date, other operating expenses are comprised as follows:

€ million	2022/23	**2023/24**
Services rendered by subsidiaries to METRO AG	398	**407**
Risks from the transfer pricing model	56	**53**
General administrative expenses	52	**52**
Consulting expenses	29	**49**
Exchange rate losses	63	**34**
Rental expenses	16	**16**
Impairments on outstanding receivables	38	**4**
Compensation payments to group companies	44	**–**
Miscellaneous expenses	2	**2**
	698	**617**

In its function as the central management holding company, METRO AG has commissioned services from group companies as well as third-party companies, in particular IT services.-Most of the exchange rate loss of €34 million is attributable to the currency UAH.

Impairments on outstanding receivables mainly relate to the group company in Ukraine.

26. Investment result

€ million	2022/23	**2023/24**
Income from investments	204	**4**
thereof from affiliated companies	(204)	**(4)**
Income from investments with profit and loss transfer agreements	366	**94**
Reversals of impairment losses of financial assets	5	**38**
Expenses from loss absorption	–118	**–173**
Depreciation of financial assets	–78	**–24**
Other expenses from intra-group guarantees	–	**–84**
	379	**–145**

Income from investments results from the group’s cash-and-carry companies. In the previous year, the sale of part of METRO Campus Düsseldorf in particular had made a contribution to the high earnings.

Profit and loss transfer agreements with other group companies accounted for income in the amount of €94 million. In financial year 2023/24, this relates essentially to 1 real estate company and 1 service provider. In the previous year, exchange rate gains on the rouble had also contributed to the positive development of cash-and-carry companies.

Expenses from loss absorption amount to €173 million and mainly result from the cash-and-carry, real estate and DISH Digital Solutions sectors.

In the reporting period, impairment losses and reversals of impairment losses totalling €14 million were made on investments in affiliated companies. This relates firstly to 1 real estate company, and secondly to an impairment loss on 2 cash-and-carry companies.

Other expenses concern the provision for the use of intra-group financial guarantees.

27. Net financial result

€ million	2022/23	**2023/24**
Other interest and similar income	8	**6**
thereof from affiliated companies	(5)	**(3)**
Other financial income	0	**1**
thereof from affiliated companies	(0)	**(1)**
Income from the discounting of provisions	4	**4**
thereof out-of-period income	(0)	**(0)**
Interest and similar expenses	–100	**–141**
thereof to affiliated companies	(–67)	**(–99)**
Other financial expenses	–5	**–5**
thereof to affiliated companies	(0)	**(0)**
	–93	**–135**

Interest and similar income mainly resulted from financial activities with banks and METRO group companies. Other financing activities relate in particular to income from guarantee fees.
The interest and similar expenses item in financial year 2023/24 was characterised by other interest expenses from ongoing monetary transactions in the amount of €102 million (PY: €70 million); the increase resulted from the higher interest rates. Moreover, interest expenses for bonds and promissory note loans increased from €28 million in the previous year to €37 million.

28. Income taxes

For the determination of income taxes, METRO AG as the controlling company is notified of the taxable earnings of the respective incorporated companies. The recognised tax expenses represent the tax expenses for the entire consolidation group. The income taxes in the amount of €10 million recognised in the reporting period relate mainly to withholding tax.

As a result of the introduction of international minimum tax rules under the OECD Pillar 2 approach, METRO AG is subject to the requirements to calculate and disclose the minimum tax from financial year 2023/24 onwards. On the basis of current business development, METRO does not anticipate any significant effects in Germany from the introduction of Pillar 2. The actual burden will, however, depend on the changes in the effective tax rates in the relevant countries. Against this backdrop, METRO expects an additional tax burden in the low single-digit million range.

29. Reserves retained from earnings and balance sheet profit

In the context of preparing the annual financial statements, an amount of €323 million was transferred from the capital reserve. Based on a net loss for the year of €327 million, this results in balance sheet profit of €0 million.

30. Appropriation of the balance sheet profit, dividends

Since no balance sheet profit is reported in the annual financial statements, no dividend payment is planned in financial year 2023/24 for either ordinary shares or preference shares.

OTHER DISCLOSURES

31. Employees

METRO AG employed an average of 707 employees in financial year 2023/24, calculated from the 4 quarters (2022/23: 677). Part-time employees and temporary workers were converted into full-time equivalents. The number of employees is split between 47.0% men and 53.0% women.

32. Auditor’s fees for the financial year pursuant to § 314 Section 1 No. 9 of the German Commercial Code (HGB)

The auditor KPMG AG Wirtschaftsprüfungsgesellschaft invoiced total professional fees in the amount of €5.5 million for services rendered. €4.6 million of this amount was attributable to professional fees for the audit of the financial statements, €0.5 million to other assurance services and €0.4 million to other services. Only services that are consistent with the task of the auditor of the annual financial statements and consolidated financial statements of METRO AG were provided.

The fees for audit services provided by KPMG AG Wirtschaftsprüfungsgesellschaft relate to the audit of the consolidated financial statements and the Annual Financial Statements of METRO AG, including statutory mandate extensions. In addition, the fees for the audits of IFRS reporting packages of subsidiaries of METRO AG for inclusion in the METRO consolidated financial statements as well as for the audits of annual financial statements of subsidiaries under commercial law are included. Moreover, reviews of interim financial statements and services in connection with an enforcement procedure were performed.

Other assurance services relate to agreed audit procedures (compliance certificates, declaration of completeness in accordance with the German Packaging Ordinance and a confirmation of a goods transport licence), a valuation certificate, the issuing of a comfort letter and the audit of the combined non-financial statement.

Other services comprise services in connection with the introduction of a new ERP system.

33. Group affiliation

The consolidated financial statements of METRO AG are prepared by METRO AG in its capacity as the holding company. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. They are submitted to the operator of the Company Register, who then publishes them in the Company Register.

34. Transactions with related companies and individuals

Related companies and individuals are legal entities or individuals who can exert influence on METRO AG or who are controlled or significantly influenced by METRO AG.

Transactions with related companies and individuals are conducted in particular with subsidiaries and associated companies. They primarily relate to services, rental and financing transactions as well as intra-group transactions, which are generally conducted at arm’s-length terms and conditions.

35. Disclosures pursuant to § 160 Section 1 No. 8 of the German Stock Corporation Act (AktG)

METRO AG was not notified of investments in METRO AG subject to disclosure pursuant to § 160 Section 1 No. 8 of the German Stock Corporation Act (AktG) in financial year 2023/24. The content of the notifications of voting rights received by METRO AG pursuant to § 40 Section 1 of the German Securities Trading Act (WpHG), including notifications pursuant to §§ 38 and 39 of the German Securities Trading Act (WpHG), is published on the company's website at www.metroag.de/en/media-centre/legal-announcement.

36. Corporate body emoluments

Remuneration of members of the Management Board in financial year 2023/24
The total compensation of the members of the Management Board in financial year 2023/24 amounted to €8.6 million (2022/23: €13.6 million). Total compensation in financial year 2023/24 consists of the fixed salary, short-term and long-term incentives and other remuneration.

Pursuant to GAS 17, the non-share-based long-term variable remuneration (performance cash plan 2023) granted to the members of the Management Board in financial year 2023/24 is disclosed at the end of the term of the respective tranche as not all conditions have yet been met.

In financial year 2023/24, no credit lines were granted to members of the Management Board, nor were there any credit agreements from previous years.

Total remuneration of former members of the Management Board
The total compensation of the former members of the Management Board amounted to €6.2 million (2022/23: €5.9 million).

Apart from that, there are congruent, reinsured liabilities from pension provisions covered by life insurance contracts of €15.7 million towards former members of the Management Board.

Remuneration of members of the Supervisory Board
The total remuneration of all members of the Supervisory Board in financial year 2023/24 amounted to €2.4 million (2022/23: €2.4 million).

In financial year 2023/24, no credit lines were granted to members of the Supervisory Board, nor were there any credit agreements from previous years.

— **Further information on the remuneration of the members of the Management Board and Supervisory Board is presented in the remuneration report.**

37. Declaration of conformity with the German Corporate Governance Code

In September 2024, the Management Board and the Supervisory Board issued the annual declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) concerning the recommendations of the Government Commission on the German Corporate Governance Code. The statement is permanently accessible on the website of METRO AG (www.metroag.de/en).

38. Boards of METRO AG and mandates of their members

MEMBERS OF THE SUPERVISORY BOARD

Name	Occupation	Mandates[1] a) in statutory supervisory boards and b) in comparable domestic and foreign supervisory bodies of commercial enterprises
Jürgen Steinemann (Chairman)	CEO of JBS Holding GmbH	a) Big Dutchman AG (Chairman) b) Bankiva B.V., Netherlands (Chairman) Barentz International B.V., Netherlands (Chairman) Lonza Group AG[2], Switzerland Solynta B.V., Netherlands (Chairman)
Paul Loyo[3], (Vice Chairman since 5 October 2024)	Chairman of the Works Council of METRO Koblenz	a) Metro Großhandelsgesellschaft mbH[4]
Xaver Schiller[3] (Vice Chairman), until 30 September 2024	Chairman of the Works Council of METRO Brunnthal, until 30 June 2024	a) Metro Großhandelsgesellschaft mbH[4], until 13 February 2024
Marco Arcelli	CEO of Acwa Power, Saudi Arabia	b) Pinsami Srl, Italy (Chairman), until 31 July 2024
Gwyneth Burr	Chairwoman of the Board of Directors of Skipton Building Society, United Kingdom	b) Ingleby Farms & Forests ApS, Denmark Skipton Building Society, United Kingdom (Chairwoman)
Jana Cejpková	Chief Financial Officer of EP Real Estate, a.s., Czech Republic	b) Paris Real Estate I a.s., Czech Republic Paris Real Estate II a.s., Czech Republic
Willem Eelman, since 7 February 2024	Self-employed business consultant	b) IMCD N.V.[2], Netherlands Shero Holdco B.V., Netherlands
Prof. Dr Edgar Ernst, until 7 February 2024	Self-employed business consultant	a) TUI AG[2]
Sabine Gatz[3]	Trade union secretary of ver.di – Vereinte Dienstleistungsgewerkschaft	a) Metro Großhandelsgesellschaft mbH[4]
Michael Heider[3]	Chairman of the Group Works Council, Vice Chairman of the General Works Council of METRO Deutschland GmbH, Chairman of the Works Council of METRO Schwelm	a) Metro Großhandelsgesellschaft mbH[4] (Vice Chairman)
Udo Höfer[3]	General Manager of METRO Krefeld	
Arlind Idrizi[3]	Employee in Food Service Distribution (FSD) and Chairman of the Works Council of METRO Gastro Hameln	
Heidi Müllenberg[3]	Chairwoman of the Works Council of METRO Dortmund-Mitte	a) Metro Großhandelsgesellschaft mbH[4]
Klaus Pollmann[3]	Chairman of the Works Council of METRO Deutschland GmbH Administration	a) Metro Großhandelsgesellschaft mbH[4]
Roman Šilha	Head of Mergers & Acquisitions of EP Global Commerce a.s., Czech Republic, and VESA Equity Investment S.à.r.l., Luxembourg	
Eva-Lotta Sjöstedt	Self-employed business consultant	b) Elisa Corporation[2], Finland Tritax EuroBox plc[2], United Kingdom Alliance Pharma plc[2], United Kingdom, since 7 November 2023

Marek Spurný	General Counsel, EP Group a.s., Czech Republic	b) ACS Properties, a.s., Czech Republic CE Electronics Holding a.s.[5], Czech Republic (Vice Chairman) EP Cargo a.s.[5], Czech Republic EP ENERGY TRADING, a.s.[5], Czech Republic EP Logistics International, a.s.[5], Czech Republic EPPE Germany, a.s.[5], Czech Republic FoundHold EP Corporate Group a.s.[5], Czech Republic (Chairman) Košík Holding a.s.[5], Czech Republic (Chairman) MENH a.s[5]., Czech Republic (Chairman) from 20. December 2023 until 16. October 2024 PT měření, a.s.[5], Czech Republic (Chairman) Titancoin International a.s.[5], Czech Republic Resource Industry Investment Group a.s.[5], Czech Republic (Chairman)
Stefan Tieben	Auditor and tax consultant Partner at RLT Ruhrmann Tieben & Partner mbB Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft as well as member of the Management Board of the RLT Group	
Georg Vomhof	Managing Director and Chief Investment Officer of Beisheim Capital GmbH and Beisheim Management GmbH	
Manuela Wetzko[3], since 1 October 2024	IT coordinator for region 5 at METRO Deutschland GmbH	a) Metro Großhandelsgesellschaft mbH[4] (since 14 March 2024)
Manfred Wirsch[3]	Trade union secretary of ver.di – Vereinte Dienstleistungsgewerkschaft	a) Metro Großhandelsgesellschaft mbH[4]
Silke Zimmer[3]	Trade union secretary of ver.di – Vereinte Dienstleistungsgewerkschaft	

[1] As of: 22 November 2024.
[2] Listed company.
[3] Employee representative.
[4] Intra-group mandate.
[5] Mandate within the EP Group a.s., cf. § 100 Section 2 Sentence 2 of the German Stock Corporation Act (AktG).

MEMBERS OF THE MANAGEMENT BOARD

Name	Occupation	Mandates[1] a) in statutory supervisory boards and b) in comparable domestic and foreign supervisory bodies of commercial enterprises
Dr Steffen Greubel	Chairman of the Management Board	a) Metro Großhandelsgesellschaft mbH[2] (Chairman) PHOENIX Pharma SE, since 17 July 2024 b) Metro Holding France S.A.[2], France (President), since 1 June 2024
Guillaume Deruyter, since 1 June 2024	Chief Customer & Merchandise Officer	b) JOHBECO AB[2], Sweden (Chairman) PRO A PRO HOSTELERIA ORGANIZADA, S.A.[2], Spain (Chairman) METRO FSD HOLDING PORTUGAL, SGPS, S.A.[2], Portugal (Chairman) METRO FSD France S.A.S.[2], France (Chairman) MAKRO DISTRIBUCION MAYORISTA, S.A.U.[2], Spain, until 17 July 2024
Rafael Gasset, until 31 May 2024	Chief Operating Officer	b) Metro Holding France S.A.[2], France (President), until 31 May 2024 METRO Logistics Polska sp. z o.o.[2], Poland, until 1 June 2024 Makro Cash and Carry Polska S.A.[2], Poland, until 31 May 2024
Christiane Giesen	Chief People & Culture Officer until 31 May 2024, Chief Operating Officer since 1 June 2024, Labour Director	a) Metro Großhandelsgesellschaft mbH[2] METRO LOGISTICS Germany GmbH[2]
Eric Riegger, since 1 February 2024	Chief Financial Officer	b) Metro International AG, Switzerland[2], since 26 June 2024
Claude Sarrailh, until 31 May 2024	Chief Customer & Merchandise Officer	b) Metro Holding France S.A.[2], France, until 31 May 2024 Makro Cash and Carry Polska S.A.[2], Poland, until 31 May 2024 WM Holding (HK) Limited[2], China, until 13 November 2023

[1] As of: 22 November 2024.
[2] Intra-group mandate.

39. Events after the closing date

Marketing of promissory note loan

In the financial year just ended, METRO started to market a promissory note loan. The settlement and therefore the outflow of the financial resources occurred on 2 October 2024. The promissory note loan in the amount of €300 million has several tranches with maturities of 3 and 5 years, each with fixed and variable interest rates.

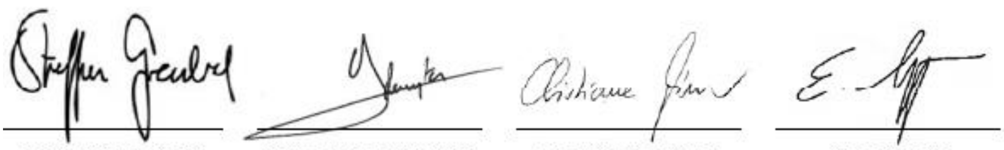
40. Group companies and investments

Disclosures on shareholdings of METRO AG and the METRO group, which are a part of these financial statements, are made in an appendix to the notes. This is included in the accounting documents submitted to the Company Register and can also be found at www.metroag.de/shareholdings.

Pursuant to § 264 Section 3 or § 264b of the German Commercial Code (HGB), some consolidated subsidiaries are exempt from the obligation to comply with the supplementary accounting, auditing and/or disclosure requirements which apply to corporations and certain partnerships. They are marked accordingly in the appendix to the notes with the disclosures on shareholdings of METRO AG and the group.

2 December 2024

The Management Board



DR STEFFEN GREUBEL GUILLAUME DERUYTER CHRISTIANE GIESEN ERIC RIEGGER

RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles, we hereby certify that the annual financial statements give a true and fair view of the asset, financial and earnings position of the company, and the combined management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the significant opportunities and risks associated with the expected development of the company.

2 December 2024

The Management Board

DR STEFFEN GREUBEL	GUILLAUME DERUYTER	CHRISTIANE GIESEN	ERIC RIEGGER

INDEPENDENT AUDITOR'S REPORT

To METRO AG, Düsseldorf

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the annual financial statements of METRO AG, Düsseldorf, which comprise the balance sheet as at 30 September 2024 and the income statement for the financial year from 1 October 2023 to 30 September 2024, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of METRO AG and the Group (hereinafter "combined management report"), including the related disclosures, for the financial year from 1 October 2023 to 30 September 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 30 September 2024 and of its financial performance for the financial year from 1 October 2023 to 30 September 2024, in compliance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 October 2023 to 30 September 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of shares in affiliated companies

Please refer to Note 1 for disclosures on the accounting policies applied. Changes in shares in affiliated companies are presented under Notes 2 and 5. Disclosures on the development of investment result are presented under Note 26.

THE FINANCIAL STATEMENT RISK

METRO AG's annual financial statements as at 30 September 2024 present shares in affiliated companies in the amount of EUR 8,145 million under financial assets. Shares in affiliated companies as a proportion of the total assets amount to 87% in total and, thus, have a significant influence on the Company's assets and liabilities.

Shares in affiliated companies are measured at cost or, if they are expected to be permanently impaired, at the lower fair value. If fair value exceeds the carrying amount, the impairment loss – assuming an impairment loss was previously recognised – is reversed up to a maximum of initial cost, provided the reasons for impairment no longer apply.

In this case, the fair value is determined for operating subsidiaries using the discounted cash flow method based on the scenario-based multi-year plan prepared by METRO AG.

The calculation of fair value is complex, and the underlying assumptions are, in part, subject to considerable estimation uncertainties and judgements. This applies particularly to the estimate of future cash flows, the determination of discount interest rates and the assessment of whether the reasons for impairment no longer apply.

The shares in (intermediate) holding companies are tested for impairment largely through their operating subsidiaries. Impairment testing of the shares in real estate holding companies is largely based on the fair values of the associated properties of the real estate companies. Determining the fair values of the real estate companies demands a range of assumptions that require judgement. As well as the property-specific capitalisation and discount rates, the estimated realisable net rental income of the real estate companies is significant. This income estimate rests largely on type of use and the location of the property.

In the reporting year, reversals of impairment losses on shares in affiliated companies in the amount of EUR 38 million and impairment losses in the amount of EUR 24 million were recognised, which are included in investment result. The reversal of impairment related to a real estate company due to the improved earnings situation. Therefore, the reasons for the previously recognised impairment no longer exist. The impairment losses were recognised due to lower expected earnings and cash flow development and related to two international cash and carry companies.

There is a risk for the financial statements that the shares in affiliated companies are not recoverable and that the impairment losses or reversals of impairment losses on shares in affiliated companies are not recognised in the correct amount.

OUR AUDIT APPROACH
We tested the shares in affiliated companies presented in the annual financial statements of METRO AG for impairment based on selective sampling with a view to risk and size criteria.

For the selective sampling of shares in affiliated companies, we assessed the appropriateness of the key assumptions and calculation method as well as the business planning of individual subsidiaries with the involvement of our own valuation experts. We assessed the suitability of the valuation method by auditing the formal and computational accuracy as well as by considering the principles for performing company valuations pursuant to IDW Standard S1 as well as the IDW’s Auditing and Accounting Board Statement on Accounting 10 (IDW RS HFA 10).

To assess the methodically and mathematically correct implementation of the valuation method, we verified the valuation performed by the Company using our own calculations and analysed deviations. For shares in the operating subsidiaries held directly and indirectly through (intermediate) holding companies, we assessed the corporate budget figures underlying the valuation for consistency with the multi-year plan prepared by METRO AG. To this end, we discussed and assessed the expected business and earnings development with regard to sales revenue and margin development in the detailed planning horizon with those responsible for planning. Owing to the continuing uncertainties, METRO has prepared multi-year planning based on scenarios. In this regard, we also confirmed the appropriateness of METRO AG’s budget process by assessing the approach used to prepare budgets. We also confirmed the accuracy of the Company’s previous forecasts by comparing the budgets of previous financial years with actual results and by analysing deviations. On the basis of market data and publicly available information, we assessed whether the discount interest rates used by METRO AG are within a reasonable range, and carefully analysed the assumptions and data behind the increased capitalisation rates.

For the real estate holding companies, we compared the estimated rental income with the rental agreements and market rents for a specified sample of properties with the involvement of our real estate valuation specialists. In addition, we assessed the appropriateness of the property-specific capitalisation and discount rates.

OUR OBSERVATIONS
The approach used for impairment testing of shares in affiliated companies is appropriate and in line with the applicable accounting policies. The respective underlying assumptions and data are appropriate.

Other Information

The Management Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the combined non-financial statement for the Company and the Group, which is contained in Section 1.3 of the combined management report,
- the combined corporate governance statement for the Company and the Group referred to in the combined management report, and
- information extraneous to management reports and marked as unaudited.

Our opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

In accordance with our engagement letter, we conducted a separate limited assurance engagement of the non-financial statement. Please refer to our assurance report dated 5 December 2024 for information on the nature, scope and findings of this assurance engagement.

Responsibilities of the Management Board and Supervisory Board for the Annual Financial Statements and the Combined Management Report

The Management Board is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the Management Board is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the Management Board is responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Management Board is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Company’s financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company’s position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Annual Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Jahresabschluss.xhtml" (SHA256-Hashwert: 8da84756564421daeecae943d731b7c346a4d6211ec3ea715e210c1bbf677597) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with the German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the combined management report contained in the electronic file made available identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying combined management report for the financial year from 1 October 2023 to 30 September 2024 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the annual financial statements and the combined management report, contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic renderings of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB.

In addition, the Company's Management Board is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor at the Annual General Meeting held on 7 February 2024. We were engaged by the Supervisory Board on 26 March 2024. We have been the auditor of METRO AG without interruption since financial year 2016/2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Michael Jessen.

Düsseldorf, 5 December 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Jessen	Mehdi Zadegan
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

INFORMATION

Financial calendar 2024/25

Q1 disclosure 2024/25	5 February 2025
Annual General Meeting 2025	19 February 2025
Half-year financial report H1/Q2 2024/25	15 May 2025
9M/Q3 disclosure 2024/25	28 July 2025

INFORMATION

Publisher

METRO AG
Metro-Straße 1
40235 Düsseldorf, Germany
PO Box 23 03 61
40089 Düsseldorf, Germany

METRO on the Internet

www.metroag.de

Investor Relations

T +49 211 6886-1280
F +49 211 6886-73-3759
investorrelations@metro.de

Corporate Communications

T +49 211 6886-4252
F +49 211 6886-2001
presse@metro.de

Project lead, concept and editorial

Katharina Meisel

Project management

Viktoria Rous

Katrin Mingels

Concept, design and realisation (Online & PDF)

nexxar GmbH, Wien

Photography

Hartmut Nägele: Cover

Photo credits

METRO AG

Disclaimer

Published on 10 December 2024

You can also find the Annual Financial Statements
of METRO AG 2023/24 and the Annual Report 2023/24 online at
METROAG.DE/ANNUAL-REPORT-2023-24