HALF YEAR FINANCIAL REPORT

H1/Q2 2022/23

CONTENT

METRO WITH 10% SALES GROWTH IN Q2
STRATEGY IMPLEMENTATION SHOWS SUCCESS

H1:

— Total sales in local currency increased by 7.7%. Reported sales increased by 8.3% to €15.0 billion

— Sales channel growth: sales in the store-based business grew to €11.7 billion (+5.5%), delivery sales to €3.3 billion (+19.5%) and METRO MARKETS sales to €45 million (+46.6%)

— Adjusted EBITDA was €577 million (H1 2021/22: €678 million), earnings contributions from real estate transactions amounted to €207 million (H1 2021/22: €13 million). Transformation costs in the amount of €-3 million (H1 2021/22: €-6 million). EBITDA increased to €787 million (H1 2021/22: €697 million)

— Cyber-attack in Q1: estimated sales loss of a low three-digit million euros range and estimated negative effect in EBITDA of a mid to high double-digit million euros range

— Earnings per share amounted to €1.14 (H1 2021/22: €-0.25). The increase is significantly driven by a real estate development project that includes the sale of parts of the METRO Campus. In addition, there were non-cash currency effects in the financial result in the amount of slightly more than €0.50, while the previous year's result was still burdened with more than €-200 million or more than €-0.60 in the earnings per share due to the war (impairments and currency-related negative effects in the financial result)

— In the guidance view (adjusted for currency and portfolio effects), sales rose by 10.6% and adjusted EBITDA was €120 million below the previous year's level

— Outlook for sales and adjusted EBITDA for the financial year 2022/23 (sales growth 5-10%, adjusted EBITDA decline of €75-225 million) and mid-term ambitions (sales growth 5-10%, EBITDA growth 5-7%) confirmed

Q2:

— Total sales in local currency increased by 10.5%. Reported sales increased by 10.4% to €6.9 billion

— Sales channel growth: sales in the store-based business grew to €5.2 billion (+7.4%), delivery sales to €1.6 billion (+21.0%) and METRO MARKETS sales to €24 million (+46.9%)

— Adjusted EBITDA was €111 million (Q2 2021/22: €157 million), transformation costs in the amount of €-2 million (Q2 2021/22: €-2 million). The EBITDA was €114 million (Q2 2021/22: €169 million)

— Earnings per share amounted to €-0.29 (Q2 2021/22: €-0.78)

OVERVIEW

H1 2022/23

METRO IN FIGURES

Key financial figures (€ million)	H1 2021/22	H1 2022/23	Change	Change in %
Sales (net)	13,849	15,004	1,155	8.3%
Adjusted EBITDA	678	577	-101	-14.9%
EBIT	182	369	187	-
Earnings per share in € (basic = diluted)	-0.25	1.14	1.39	-

MULTICHANNEL DEVELOPMENT

Sales development (€ million)	H1 2021/22	H1 2022/23	Change	Ambition FY 2030
Store-based and other business	11,086	11,692	607	~1.2 x vs. 2020/21
FSD	2,733	3,266	534	> 3 x vs. 2020/21
METRO MARKETS Sales	31	45	14	
METRO MARKETS Marketplace sales[1]	63	73	10	> €3 billion

[1]Total volume of METRO MARKETS platform (and third-party platforms) excluding VAT and after cancellations, but before any deductions; includes seller sales in full.

NETWORK

	30.09.2022	31.03.2023[1]	Change	Change in %
Stores & delivery (number of countries)	31	30	-1	-3%
Marketplace (number of countries)	3	5	2	-
DISH POS[2] (number of countries)	0	2	2	-
Stores (number of locations)	661	628	-33	-5%
thereof delivery OOS[3] (number of locations)	(567)	(535)	(-32)	(-6%)
FSD depots (number of locations)	64	65	1	2%

[1]Due to the sale of the Indian business (closing expected in the first half of calendar year 2023), METRO India is no longer included in the country portfolio and the 31 Indian METRO stores are no longer included in the store network.
[2] DISH POS is an all-in-one cloud-based POS system with solutions for the hospitality industry. The product was developed by POS provider Eijsink. After the acquisition by METRO Hospitality Digital in March 2022, the product was further developed and integrated into the digital Dish Tools offering.
[3] OOS refers to the existing METRO location portfolio and includes METRO stores that deliver from the store on the one hand and stores that operate their own depot in the store on the other.

INTERIM GROUP MANAGEMENT REPORT

MACROECONOMIC CONDITIONS[1]

Against the backdrop of geopolitical tensions, global economic growth continued to weaken in the first half of the current financial year. Likewise, growth in all reported regions was lower compared to the same period in the previous year. Based on current forecasts, the Russian economy should have continued to develop negatively. Since a major energy crisis did not occur, also thanks to the warm winter, the economic development in the first half of the year was better overall than expected at the end of the last calendar year, according to current forecasts.

Inflation remains high, but experts believe it has peaked or passed its peak in many of our countries. In particular, the costs for energy have recently been declining again in many cases compared to the previous year. Economic policy measures, such as the energy price brake in Germany, have often contributed to this. Rising food prices have meanwhile replaced energy prices as the driver of inflation in many countries. As a result of inflation, private consumption as an economic growth driver has often been weaker.

Starting from historically low levels, consumer confidence in the countries of the European Union has recovered significantly over the last six months. However, consumer confidence is still well below the long-term average. Nevertheless, the development of this indicator reflects increasing consumer confidence in the European Union and the Eurozone.

Based on available data, the start of the hospitality industry in the current business year was also positive. Due to a significant delay in reporting on the development of the sector by the statistical offices, data is only available - if at all - for the first tertial or the first quarter of the current business year. For the available period, unchanged high sales growth was reported for the hospitality industry.

The following table shows the development of the gross domestic product by METRO regions.

DEVELOPMENT OF GROSS DOMESTIC PRODUCT BY REGION[1, 2]

Changes compared to the previous year in %

	H1 2021/22	H2 2021/22	H1 2022/23
World	4.7	3.0	1.8
Germany	2.3	1.5	0.5
West	6.2	3.9	1.7
Russia	4.4	-3.9	-3.5
East	6.6	3.9	1.2

[1]Real GDP growth on USD basis and, except for "World", corrected for purchasing power. The values are calculated on the basis of the financial year. Source: Oxford Economics.
[2]Regions only take into account continuing portfolio countries.

[1] The data used was collected as of 4 April 2023. The statistics are based on assumptions, especially for the 2nd quarter, and are therefore provisional. Statistics on Russia and Ukraine are only reliable to a limited extent due to the war.

SALES, EARNINGS AND FINANCIAL POSITION

Sales

In H1 2022/23 sales in local currency increased by 7.7% despite the sales loss during the cyber-attack in Q1 2022/23 (low three-digit million euros amount). The segments East, West and Germany in particular contributed to the growth. Sales in Russia declined due to the war, as the previous year was supported by inventory purchases related to the Russian war in Ukraine. Total sales increased by 8.3% to €15.0 billion. All sales channels contributed significantly to the growth: Sales in the store-based business grew to €11.7 billion (+5.5%), delivery sales to €3.3 billion (+19.5%) and METRO MARKETS sales to €45 million (+46.6%).

In Q2 2022/23 sales in local currency increased by 10.5%. The segments East, West and Germany in particular contributed to the growth. Total sales increased by 10.4% to €6.9 billion. All sales channels contributed significantly to the growth: Sales in the store-based business grew to €5.2 billion (+7.4%), delivery sales to €1.6 billion (+21.0%) and METRO MARKETS sales to €24 million (+46.9%).

Earnings

In H1 2022/23 adjusted EBITDA decreased to €577 million (H1 2021/22: €678 million). The decline is due to the cyber-attack (a mid to high double-digit million euros range) in Q1 2022/23, the phasing out of post-transaction effects (Real) and the expected and materialised cost inflation. Adjusted for exchange rates, EBITDA declined by €-115 million compared to the same period last year. Negative exchange rate effects occurred particularly in Turkey and Ukraine, which were more than offset by positive exchange rate effects, especially in Russia. The earnings contributions from real estate transactions amounted to €207 million (H1 2021/22: €13 million) and resulted primarily from a real estate development project that includes the sale of parts of the METRO Campus. Transformation costs in the amount of €-3 million (H1 2021/22: €-6 million) occurred. Overall, EBITDA reached €787 million (H1 2021/22: €697 million).

In Q2 2022/23 adjusted EBITDA decreased to €111 million (Q2 2021/22: €157 million). The decline is due to the phasing out of post-transaction effects (Real). While adjusted EBITDA grew in the segments West and East, it declined in Russia due to the war. Adjusted for exchange rates, adjusted EBITDA declined by €-51 million compared to the same period last year. Transformation costs in the amount of €-2 million (Q2 2021/22: €-2 million) occurred. Overall, EBITDA reached €114 million (Q2 2021/22: €169 million).

Depreciation in H1 2022/23 amounted to €418 million and are therefore €97 million below the previous year's figure of €515 million. The decrease is mainly due to the war-related impairments in Russia and Ukraine in the previous year.

The financial result in H1 2022/23 amounted to €137 million (H1 2021/22: €-180 million). The positive development is mainly due to the rouble exchange rate development, which led to non-cash positive valuation effects from intra-Group positions in H1 2022/23. The background to this is the continued dysfunction of the RUB foreign exchange market caused by sanctions and counter-sanctions, which led to negative effects in the previous year.

Earnings before taxes reached a level of €507 million in H1 2022/23 (H1 2021/22: €2 million). The tax expense of €91 million for H1 2022/23 (H1 2021/22: €89 million) has been calculated taking into account the expected Group tax expense at the end of the financial year. The comparatively low tax rate for H1 2022/23 of around 18% (tax expense of €91 million / EBT €507 million) (H1 2021/22: around 4,593% - tax expense €89 million / EBT €2 million) is mainly due to the non-tax-effective income in the other financial result as well as the sale of part of the METRO Campus. As the EBT of the previous year was influenced by war-related expenses without corresponding tax relief as well as high exchange rate effects, the calculated tax rate of the previous year is not meaningful.

The net profit for the period attributable to METRO shareholders amounts to €415 million in H1 2022/23 (H1 2021/22: €-89 million).

Net profit for the period attributable to METRO shareholders amounted to €-107 million in Q2 2022/23 (Q2 2021/22: €-284 million).

Earnings per share increased in H1 2022/23 to €1.14 (H1 2021/22: €-0.25).

Earnings per share increased in Q2 2022/23 to €-0.29 (Q2 2021/22: €-0.78).

Investments

The segment investments amounted to €415 million in H1 2022/23 (H1 2021/22: €328 million). The increase is mainly due to lease extensions and rent indexations, which are offset by lower investments in company acquisitions (acquisition of Eijsink in Q2 2021/22 and no acquisitions so far in 2022/23).

Cash-relevant investments according to free cash flow (excluding corporate acquisitions and cash investments) amounted to €262 million in H1 2022/23 (H1 2021/22:€180 million). The addition is due, among other things, to the acquisition of locations that were previously accounted for under leases.

Financing and net debt

The medium to long-term financing requirements are covered by a bond issuance programme with a maximum volume of €5 billion. The bond issuance programme was utilised on 31 March 2023 with a total of €701 million (31.3.2022: €1,276 million). The reduced utilisation is due to the repayment of a bond in the amount of €500 million.

Short-term financing needs are covered by the Euro Commercial Paper Programme with a maximum volume of €2 billion. On average, €221 million was drawn on the programme in the reporting period. As of 31 March 2023, the utilisation amounted to €603 million (31.3.2022: €350 million).

As of 31 March 2023, bilateral credit lines totaling €253 million were utilised (31.3.2022: €218 million). A syndicated credit line totaling €1.0 billion and additional multi-year bilateral credit lines of €200 million were agreed as a liquidity reserve. The balance sheet net debt after netting cash and cash equivalents as well as cash investments with financial liabilities (including liabilities from leases in the amount of €2.7 billion (31.3.2022: €2.8 billion)) as at 31 March 2023 amounted to a total of €3.8 billion (31.3.2022: €3.9 billion).

Balance sheet

The balance sheet total decreased from €12.9 billion by €0.5 billion to €12.4 billion compared to the financial year end on 30 September 2022.

The non-current assets decreased by €0.6 billion to €7.1 billion. This effect is mainly due to the exchange rate development, especially of the Russian rouble. The assets held for sale, which were reclassified to current assets due to the market exit in India, also contribute to this development.

Current assets increased by €0.1 billion to €5.3 billion. While inventories increased by €0.2 billion to €2.6 billion, cash and cash equivalents decreased by €0.4 billion to €0.4 billion.

In the year-on-year comparison as at 31 March 2022 the balance sheet total decreased by €0.2 billion.

The consolidated balance sheet of METRO as at 31 March 2023 shows an equity of €2.2 billion. Compared to 30 September 2022 the equity ratio decreased from 18.4% to 17.7%. In the year-on-year comparison as at 31 March 2022 the equity ratio increased from 13.4% to 17.7%.

Cash flow

The cash flow from operating activities in H1 2022/23 resulted in a cash outflow in the amount of €-440 million (H1 2021/22: cash inflow of €30 million). The change is essentially due to the reduction in cash flow from networking capital compared to the previous year. In addition, the decline in adjusted EBITDA had an effect.

The cash flow from investing activities amounted to €27 million (H1 2021/22: €-209 million) and includes investments in property, plant and equipment and intangible assets as well as divestments. Cash inflows from divestments mainly relate to a real estate development project involving the sale of parts of the METRO Campus. The cash flow from disposals of subsidiaries results from the disposal of an operating location in the context of fulfilling the antitrust requirements from the acquisition of AGM Großmärkte.

The cash flow from financing activities amounted to €57 million (H1 2021/22: €-491 million). Beside lease payments in the amount of €-300 million borrowings of financial liabilities had the opposite effect. In the previous year there was a repayment in connection with long-term financing programs.

The free cash flow is derived from the cash flow statement according to the following overview. METRO has introduced free cash flow as a key figure that represents the funds generated in a period that are available primarily for the repayment of debts, the payment of dividends and company transactions.

FREE CASH FLOW

€ million	H1 2021/22	H1 2022/23
Cash flow from operating activities	30	-440
Investments (without cash investments)	-180	-262
Divestments	33	283
Lease payments	-278	-300
Interest paid and received	-21	-3
Other financing activities	-60	1
Free cash flow	-476	-721

METRO SEGMENTS

METRO key sales figures

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)	
	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23	H1 2021/22	H1 2022/23
Total	13,849	15,004	21.6%	8.3%	-0.8%	0.6%	22.5%	7.7%
Germany	2,288	2,421	1.5%	5.8%	0.0%	0.0%	1.5%	5.8%
West	5,574	5,931	41.1%	6.4%	0.0%	0.0%	41.1%	6.4%
Russia	1,373	1,459	13.5%	6.2%	2.2%	20.5%	11.2%	-14.3%
East	4,573	5,095	15.7%	11.4%	-3.1%	-6.4%	18.7%	17.8%
Other	41	98	-	-	-	-	-	-

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)	
	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23
Total	6,245	6,897	23.7%	10.4%	-2.6%	0.0%	26.3%	10.5%
Germany	992	1,078	2.6%	8.7%	0.0%	0.0%	2.6%	8.7%
West	2,531	2,769	47.6%	9.4%	0.0%	0.0%	47.6%	9.4%
Russia	575	571	7.9%	-0.7%	-7.9%	13.7%	15.8%	-14.4%
East	2,126	2,432	16.7%	14.4%	-5.0%	-6.6%	21.6%	21.0%
Other	22	47	-	-	-	-	-	-

In Germany, sales increased in H1 2022/23 by 5.8%. The implementation of the sCore strategy and the associated introduction of a volume-based pricing policy ("Buy more, pay less") made good progress. This is also reflected in the sales development with HoReCa customers. Reported sales reached €2.4 billion.

In Q2 2022/23 sales in local currency as well as reported increased by 8.7%. The HoReCa business performed well and market shares gained were defended.

In the segment West, sales increased in H1 2022/23 by 6.4%. The countries France, Italy and Spain in particular contributed to this. In addition, the delivery specialists Pro à Pro France, Pro a Pro Spain and Aviludo achieved 2-digit growth rates. The missing sales of the Belgian business were partly compensated by the first-time consolidation of AGM Markets in Austria since May 2022. Reported sales reached €5.9 billion.

In Q2 2022/23 sales in local currency as well as reported increased significantly by 9.4%. Almost all countries contributed to this with 2-digit growth. In particular, the sales development with HoReCa customers showed a clearly positive development. The HoReCa business in France, Spain and Italy developed well and market shares gained were defended.

In Russia, sales in local currency declined in H1 2022/23 significantly by -14.3%. The Russian war in Ukraine and the associated reluctance to buy had a negative impact. Furthermore, the business was significantly affected by the cyber-attack. The previous year was also supported by stock-up purchases related to the Russian war in Ukraine. Reported sales increased by 6.2% due to positive exchange rate effects to €1.5 billion.

In Q2 2022/23 sales in local currency decreased significantly by -14.4%. Reported sales decreased by -0.7% and reached €0.6 billion.

In the segment East, sales in local currency developed clearly positive in H1 2022/23 with 17.8%. Almost all countries contributed to the positive development, mainly driven by the clearly positive development of the HoReCa business. Turkey recorded the largest growth in sales, strongly supported by inflation. In Ukraine, sales continued to develop resiliently despite the war and only declined by 12.3%. Reported sales of the segment East increased by 11.4%. Negative exchange rate effects, especially in Turkey and Ukraine, had an impact here.

In Q2 2022/23 sales in local currency increased by 21.0%. In Ukraine, sales developed positively for the first time since the beginning of the war with +3.0%. Due to negative exchange rate effects, especially in Turkey, reported sales increased by only 14.4%.

In the segment Others, sales increased in H1 2022/23 by €57 million to €98 million (H1 2021/22: €41 million) and includes in particular the METRO MARKETS sales of €45 million (H1 2021/22: €31 million). The increase is due to growth in the digital business: strong growth of the marketplace in Germany, Spain, Italy and Portugal. Sales of the POS provider Eijsink (first consolidation as of 31 March 2022) and the Günther Group (first consolidation as of 1 August 2022) also contributed to the increase.

In Q2 2022/23 sales increased by €26 million to €47 million (Q2 2021/22: €22 million) and include in particular the METRO MARKETS sales of €24 million (Q2 2021/22: €16 million).

In H1 2022/23 delivery sales increased significantly by 20% to €3.3 billion (H1 2021/22: €2.7 billion) and achieved a sales share of 22% (H1 2021/22: 20%). In addition to the continued momentum of the HoReCa business, the strong performance is driven in particular by the acceleration of the FSD business in the course of the sCore strategy.

In Q2 2022/23 delivery sales increased by 21% to €1.6 billion (Q2 2021/22: €1.4 billion) and reached with a sales share of 24% (Q2 2021/22: 22%) record level.

As of 31 March 2023, the store network comprised 628 stores, of which 535 out-of-store (OOS) and 65 depots. Due to the sale of the Indian business[2] , the 31 Indian METRO stores are no longer included in the store network. Furthermore, two of the AGM locations, Klagenfurt and Bludenz, were divested due to antitrust requirements. In Q2 2022/23, 8 new locations were opened: 4 Out-of-Store locations and 4 depots. This is countered by closures in connection with country exits and the optimisation of the delivery business.

[2] Completion expected in the first half of the calendar year 2023.

METRO key figures

€ million	Adjusted EBITDA H1 2021/22	Adjusted EBITDA H1 2022/23	Adjusted EBITDA Change (€)	Transformation costs H1 2021/22	Transformation costs H1 2022/23	Earnings contributions from real estate transactions H1 2021/22	Earnings contributions from real estate transactions H1 2022/23	EBITDA H1 2021/22	EBITDA H1 2022/23
Total	678	577	-101	-6	-3	13	207	697	787
Germany	79	75	-5	0	0	0	0	79	75
West	254	232	-22	0	-3	1	4	255	238
Russia	115	80	-35	0	0	1	0	116	80
East	184	196	12	-5	2	8	0	197	194
Other	47	-12	-59	-1	-3	4	203	51	194
Consolidation	-2	6	7	0	0	0	0	-2	6

€ million	Adjusted EBITDA Q2 2021/22	Adjusted EBITDA Q2 2022/23	Adjusted EBITDA Change (€)	Transformation costs Q2 2021/22	Transformation costs Q2 2022/23	Earnings contributions from real estate transactions Q2 2021/22	Earnings contributions from real estate transactions Q2 2022/23	EBITDA Q2 2021/22	EBITDA Q2 2022/23
Total	157	111	-46	-2	-2	10	0	169	114
Germany	-4	-10	-6	0	0	0	0	-4	-10
West	52	59	8	0	-1	1	0	53	61
Russia	34	20	-14	0	0	1	0	35	20
East	44	50	6	-1	2	8	0	53	48
Other	31	-10	-42	-1	-3	0	0	32	-7
Consolidation	-1	2	3	0	0	0	0	-1	2

In Germany, adjusted EBITDA declined in H1 2022/23 slightly to €75 million (H1 2021/22: €79 million). The expected and materialised cost inflation already had an impact.

In Q2 2022/23 adjusted EBITDA decreased to €-10 million (Q2 2021/22: €-4 million). The decline is attributable to the expected and materialised cost inflation.

In the segment West, adjusted EBITDA declined in H1 2022/23 to €232 million (H1 2021/22: €254 million). The positive sales trend could not compensate for the negative effects of the cyber-attack. France and Spain were particularly affected. Furthermore, the expected and materialised cost inflation already had an impact in individual countries. In the course of the sale of the Belgian business, transformation costs in the amount of €-3 million (H1 2021/22: €0 million) occurred. EBITDA decreased to €238 million (H1 2021/22: €255 million).

In Q2 2022/23 adjusted EBITDA rose to €59 million (Q2 2021/22: €52 million). This increase is due in particular to the good sales development compared to the previous year. Transformation costs in the amount of €-1 million (Q2 2021/22: €0 million) occurred. EBITDA increased to €61 million (Q2 2021/22: €53 million).

Adjusted EBITDA in Russia decreased in H1 2022/23 to €80 million (H1 2021/22: €115 million). Adjusted for exchange rate effects, adjusted EBITDA declined by €-63 million. The decrease is mainly due to the difficult macroeconomic environment and a related decline in margins.

In Q2 2022/23 adjusted EBITDA decreased to €20 million (Q2 2021/22: €34 million). Adjusted for exchange rate effects, adjusted EBITDA declined by €-22 million. The decrease is mainly due to the difficult macroeconomic environment and a related decline in margins.

In H1 2022/23 adjusted EBITDA in the segment East basically followed the sales development and increased to €196 million (H1 2021/22: €184 million). Adjusted for exchange rate effects, adjusted EBITDA increased by €25 million. Transformation costs amounted to €2 million (H1 2021/22: €-5 million) and mainly relate to costs in connection with the sale of the Indian business. EBITDA decreased to €194 million (H1 2021/22: €197 million).

In Q2 2022/23 adjusted EBITDA rose to €50 million (Q2 2021/22: €44 million). Adjusted for exchange rate effects, adjusted EBITDA rose by €8 million. Transformation costs amounted to €2 million (Q2 2021/22: €-1 million) and mainly relate to costs in connection with the sale of the Indian business. EBITDA decreased to €48 million (H1 2021/22: €53 million).

Adjusted EBITDA in the segment Other in H1 2022/23 was at €-12 million (H1 2021/22: €47 million). At the same level as in the previous year adjusted EBITDA also benefited from the license revenues from the partnership with Wumei, which will continue to accrue until April 2023. The decline is due to the expiry of post-transaction effects (Real). Contributions to earnings from real estate transactions amounted to €203 million (H1 2021/22: €4 million). Transformation costs in the amount of €-3 million (H1 2021/22: €-1 million) occurred. EBITDA increased to €194 million (H1 2021/22: €51 million).

In Q2 2022/23 adjusted EBITDA was at €-10 million (Q2 2021/22: €31 million). The decrease is due to the phasing out of post-transaction effects (Real) and further investments in digitalisation. Transformation costs in the amount of €-3 million (Q2 2021/22: €-1 million) occurred. EBITDA decreased to €-7 million (Q2 2021/22: €32 million).

OPPORTUNITIES AND RISKS

Compared to the presentations in the Annual Report 2021/22, the following changes in risks arise in relation to the net view:

Risk #3 "Business interruption" has increased in comparison to the Annual Report 2021/22 in terms of the extent of damage from moderate (> €50-100 million) to significant (> €100-300 million). The adjustment results from the severity of the cyber-attack in October and November 2022 and the findings from the recovery measures. Following the cyber-attack that took place, additional measures and initiatives were pushed for future protection. As a result, the probability of occurrence for this risk is now assessed as possible (> 25-50%) instead of probable (> 50%).

Risk #6 "Real estate risks" has decreased in terms of probability of occurrence from probable (> 50%) to possible (> 25-50%). The adjustment results from the partial stabilisation of energy prices and the improved availability of gas.

Risk #2 "Macroeconomic and political risks" remains at the previous assessment with an extent of damage of material (> €300 million) and in terms of probability of occurrence at possible (> 25-50%). The war in Ukraine continues to affect the safety of employees and customers as well as the integrity of business and supply chains. With regard to business in Russia, risks arise from sanctions, counter-sanctions and government intervention in business operations, up to and including potential expropriation as a result of the development of the war. The continuous monitoring of economic and political developments as well as the review of our strategic goals enable us to react in a timely and appropriate manner.

There are no risks that could jeopardise the existence of the company and no such risks are currently discernible for the future.

OUTLOOK

Outlook of METRO

The outlook is based on the assumption of stable exchange rates and no further adjustments to the portfolio. In financial year 2021/22 some adjustments to the portfolio have been made: AGM (first consolidation as of 2 May 2022) and Eijsink (first consolidation as of 31 March 2022) are included in financial year 2021/22 and 2022/23 figures. Due to the sale of the Belgian business (deconsolidation as of 15 June 2022), figures are excluded from financial year 2021/22 and 2022/23 figures. The relevant opportunities and risks that could influence the outlook are explained in the opportunities and risk report (see METRO Annual Report 2021/22). The expectations for the further macroeconomic development are explained in the chapter on macroeconomic parameters (see METRO Annual Report 2021/22).

Sales

The Management Board expects a total sales growth of 5% to 10% (2021/22: 21.4%[3]) for financial year 2022/23. We expect a measurable decrease of inflation compared to the previous year. Growth will be driven by strategic customers and all channels. The segments Germany, West and East are expected to grow within the guidance range while Russia will decrease against previous year level. Sales in the segment Others will grow significantly above the guidance range as METRO MARKETS and Hospitality Digital products will be rolled out further.

Earnings

The Management Board further expects adjusted EBITDA to decline by €75–225 million compared to financial year 2021/22 (2021/22: +€204 million to €1,394[3] million). The sales growth from sCore generally leads to EBITDA growth. In financial year 2022/23, however, this is countered by measurable cost inflation and impacts from the cyber-attack, hence leading to the expected decline on group level. In the segment West, adjusted EBITDA will grow moderately. The segments Germany and East are expected roughly on previous year level and Russia will decrease strongly. The Segment Others will also decline strongly due to the expiration of post transaction effects (mainly China and Real) and further investments in digitalization.

[3] Exchange rate-adjusted, without Japan and Myanmar, but with Aviludo and Pro a Pro Spain. Belgium up to and including May 2022. The portfolio-adjusted sales growth excluding Belgium for financial year 2021/22 as the basis for the outlook is 22.6% (absolute sales 2022: €29.3 billion), adjusted EBITDA: €1,391 million).

CONDENSED INTERIM FINANCIAL REPORT

INCOME STATEMENT

€ million	H1 2021/22	H1 2022/23	Q2 2021/22	Q2 2022/23
Sales Revenues	13,849	15,004	6,245	6,897
Cost of sales	-11,474	-12,610	-5,236	-5,877
Gross profit on sales	2,375	2,395	1,009	1,020
Other operating income	509	564	247	178
Selling expenses	-2,087	-2,136	-1,080	-1,076
General administrative expenses	-433	-395	-214	-195
Other operating expenses	-187	-64	-114	-30
Earnings from impairment of financial assets	-6	-1	-4	5
Earnings share of operating companies recognised at equity	10	6	6	2
Earnings before interest and taxes (EBIT)	182	369	-151	-95
Other investment result	9	-2	3	-2
Interest income	15	24	9	6
Interest expenses	-100	-92	-48	-46
Other financial result	-104	207	-98	28
Net financial result	-180	137	-134	-14
Earnings before taxes EBT	2	507	-285	-109
Income taxes	-89	-91	0	0
Profit or loss from the period	-87	416	-285	-109
Profit or loss for the period attributable to non-controlling interests	3	1	-1	-2
Profit or loss for the period attributable to the shareholders of METRO AG	-89	415	-284	-107
Earnings per share in € (basic = diluted)	-0.25	1.14	-0.78	-0.29

RECONCILIATION FROM PROFIT OR LOSS FOR THE PERIOD TO TOTAL COMPREHENSIVE INCOME

€ million	H1 2021/22	H1 2022/23	Q2 2021/22	Q2 2022/23
Profit or loss for the period	-87	416	-285	-109
Other comprehensive income				
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	41	-3	41	-4
Remeasurement of defined benefit pension plans	58	-6	57	-6
Effects from the fair value measurements of equity instruments	0	2	0	1
Income tax attributable to items of other comprehensive income that will not be reclassified subsequently to profit or loss	-17	1	-17	1
Items of other comprehensive income that may be reclassified subsequently to profit or loss	-169	-592	-127	-90
Currency translation differences from translating the financial statements of foreign operations	-168	-585	-126	-89
Effective portion of gains/losses from cash flow hedges	0	-8	-1	-2
Effects from the fair value measurements of debt instruments	0	0	0	0
Profit or loss for the period	0	0	0	0
Income tax attributable to items of other comprehensive income that may be reclassified subsequently to profit or loss	0	1	0	0
Other comprehensive income	-128	-595	-86	-94
Total comprehensive income	-214	-179	-371	-203
Total comprehensive income attributable to non-controlling interests	2	1	-1	-2
Total comprehensive income attributable to the shareholders of METRO AG	-217	-179	-371	-201

BALANCE SHEET

ASSETS

€ million	31.3.2022	30.9.2022	31.3.2023
Non-current assets	7,210	7,722	7,090
Goodwill	632	647	652
Other intangible assets	577	572	548
Property, plant and equipment	5,189	5,735	5,190
Investment properties	139	172	152
Financial assets	101	84	74
Investments accounted for using the equity method	103	108	100
Other financial assets	122	100	88
Other non-financial assets	19	17	15
Deferred tax assets	328	287	272
Current assets	4,949	5,132	5,264
Inventories	2,344	2,455	2,645
Trade receivables	493	601	627
Financial assets	2	3	1
Other financial assets	484	588	629
Other non-financial assets	339	339	428
Entitlements to income tax refunds	87	102	76
Cash and cash equivalents	791	825	401
Assets held for sale	408	219	457
	12,159	12,855	12,354

EQUITY AND LIABILITIES

€ million	31.3.2022	30.9.2022	31.3.2023
Equity	1,629	2,365	2,186
Share capital	363	363	363
Capital reserve	5,048	4,754	4,754
Reserves retained from earnings	-3,802	-2,774	-2,951
Equity before non-controlling interests	1,609	2,344	2,166
Non-controlling interests	19	21	19
Non-current liabilities	3,890	3,813	3,600
Provisions for post-employment benefits plans and similar obligations	469	360	353
Other provisions	128	163	149
Financial liabilities	3,146	3,065	2,921
Other financial liabilities	19	39	37
Other non-financial liabilities	34	33	40
Deferred tax liabilities	95	153	99
Current liabilities	6,640	6,677	6,568
Trade liabilities	3,496	3,855	3,591
Provisions	273	316	269
Financial liabilities	1,530	1,059	1,291
Other financial liabilities	654	896	655
Other non-financial liabilities	353	283	255
Income tax liabilities	305	267	274
Liabilities related to assets held for sale	30	0	233
	12,159	12,855	12,354

CASH FLOW STATEMENT

€ million	H1 2021/22	H1 2022/23
EBIT	182	369
Depreciation/amortisation/impairment losses/reversal of impairment losses of fixed assets excl. financial investments	515	418
Change in provisions for pensions and other provisions	-33	-67
Change in net working capital	-341	-592
Income taxes paid (-) / received	-46	-78
Reclassification of gains (–) / losses (+) from the disposal of fixed assets	-15	-208
Lease payments	31	31
Other	-263	-312
Cash flow from operating activities	30	-440
Acquisition of subsidiaries	-62	0
Investments in property, plant and equipment and in investment property (excluding right-of-use assets from leasing relationships)	-119	-196
Other investments	-61	-66
Investments in monetary assets	-2	-3
Disposals of subsidiaries	0	10
Divestments	33	283
Disposal of financial investments	2	0
Cash flow from investing activities	-209	27
Dividends paid		
to METRO AG shareholders	0	0
to other shareholders	-7	0
Proceeds from borrowings	516	1,428
Redemption of borrowings	-642	-1,068
Lease payments	-278	-300
Interest paid	-29	-27
Interest received	8	24
Other financing activities	-60	1
Cash flow from financing activities	-491	57
Total cash flows	-671	-355
Currency effects on cash and cash equivalents	-12	-51
Total change in cash and cash equivalents	-683	-406
Cash and cash equivalents as of 1 October	1,474	825
Cash and cash equivalents as of 31 March	791	419
less cash and cash equivalents reported in assets in accordance with IFRS 5	0	-18
Cash and cash equivalents as of 31 March	791	402

STATEMENT OF CHANGES IN EQUITY

€ million	Share capital	Capital reserve	Reserves retained from earnings	Total equity before non-controlling interests	Non-controlling interests	Total equity
01.10.2021	363	5,048	-3,585	1,826	21	1,847
Earnings after taxes	0	0	-89	-89	3	-87
Other comprehensive income	0	0	-127	-127	0	-128
Total comprehensive income	0	0	-217	-217	2	-214
Capital increases	0	0	0	0	3	3
Dividends	0	0	0	0	-7	-7
Capital transactions with a change in the participation rate	0	0	-1	-1	0	0
Other changes	0	0	0	0	0	0
31.3.2022	363	5,048	-3,802	1,609	19	1,629
1.10.2022	363	4,754	-2,774	2,344	21	2,365
Earnings after taxes	0	0	415	415	1	416
Other comprehensive income	0	0	-595	-595	0	-595
Total comprehensive income	0	0	-179	-179	1	-179
Capital increases	0	0	0	0	0	0
Dividends	0	0	0	0	0	0
Capital transactions with a change in the participation rate	0	0	2	2	-2	0
Other changes	0	0	0	0	0	0
31.3.2023	363	4,754	-2,951	2,166	19	2,186

NOTES ON THE CONDENSED INTERIM FINANCIAL REPORT

SEGMENT REPORTING H1 2022/23

OPERATING SEGMENTS

€ million	Germany H1 2021/22	Germany H1 2022/23	West H1 2021/22	West H1 2022/23	Russia H1 2021/22	Russia H1 2022/23	East H1 2021/22	East H1 2022/23
External sales (net)	2,288	2,421	5,574	5,931	1,373	1,459	4,573	5,095
Internal sales (net)	8	10	3	3	15	16	0	0
Sales (net)	2,297	2,431	5,578	5,934	1,388	1,475	4,73	5.095
Adjusted EBITDA	79	75	254	232	115	80	184	196
Transformation costs	0	0	0	-3	0	0	-5	2
Earnings contributions from real estate transactions	0	0	1	4	1	0	8	0
EBITDA	79	75	255	238	116	80	197	194
Depreciation	57	59	136	138	74	32	147	82
Reversals of impairment losses	0	0	0	0	0	0	0	0
EBIT	23	16	119	101	42	48	49	112
Investments	29	40	91	187	9	27	58	79
Non-current segment assets	846	831	2,533	2,553	655	724	1,604	1,516

OPERATING SEGMENTS

€ million	Others H1 2021/22	Others H1 2022/23	Consolidation H1 2021/22	Consolidation H1 2022/23	METRO Total H1 2021/22	METRO Total H1 2022/23
External sales (net)	41	98	0	0	13,849	15,004
Internal sales (net)	502	591	-529	-620	0	0
Sales (net)	543	688	-529	-620	13,849	15,004
Adjusted EBITDA	47	-12	-2	6	678	577
Transformation costs	-1	-3	0	0	-6	-3
Earnings contributions from real estate transactions	4	203	0	0	13	207
EBITDA	51	194	-2	6	697	787
Depreciation	101	107	0	0	515	418
Reversals of impairment losses	0	0	0	0	0	0
EBIT	-49	86	-2	6	182	369
Investments	141	83	0	0	328	415
Non-current segment assets	1,037	1,023	1	-2	6,677	6,644

SEGMENT REPORTING Q2 2022/23

OPERATING SEGMENTS

€ million	Germany Q2 2021/22	Germany Q2 2022/23	West Q2 2021/22	West Q2 2022/23	Russia Q2 2021/22	Russia Q2 2022/23	East Q2 2021/22	East Q2 2022/23
External sales (net)	992	1,078	2,531	2,769	575	571	2,126	2,432
Internal sales (net)	4	5	1	1	7	6	0	0
Sales (net)	996	1,083	2,532	2,770	582	577	2,126	2,432
Adjusted EBITDA	-4	-10	52	59	34	20	44	50
Transformation costs	0	0	0	-1	0	0	-1	2
Earnings contributions from real estate transactions	0	0	1	0	1	0	8	0
EBITDA	-4	-10	53	61	35	20	53	48
Depreciation	29	29	69	70	62	15	108	41
Reversals of impairment losses	0	0	0	0	0	0	0	0
EBIT	-33	-39	-16	-9	-27	6	-56	7
Investments	17	30	50	99	6	21	43	46

OPERATING SEGMENTS

€ million	Others Q2 2021/22	Others Q2 2022/23	Consolidation Q2 2021/22	Consolidation Q2 2022/23	METRO Total Q2 2021/22	METRO Total Q2 2022/23
External sales (net)	22	47	0	0	6,245	6,897
Internal sales (net)	237	293	-248	-305	0	0
Sales (net)	258	340	-248	-305	6,245	6,897
Adjusted EBITDA	31	-10	-1	2	157	111
Transformation costs	-1	-3	0	0	-2	-2
Earnings contributions from real estate transactions	0	0	0	0	10	0
EBITDA	32	-7	-1	2	169	114
Depreciation	51	54	0	0	319	209
Reversals of impairment losses	0	0	0	0	0	0
EBIT	-19	-61	-1	2	-151	-95
Investments	109	45	0	0	225	243

Group Accounting Principles and methods

This condensed interim consolidated financial report ending 31 March 2023 has been prepared in accordance with IAS 34 ("Interim Financial Reporting"), which governs interim financial reporting under International Financial Reporting Standards (IFRS). As these are condensed interim financial statements, they do not include all the information required by IFRS for full consolidated financial statements at the end of a financial year.

This consolidated interim statement is unaudited; however, it has been reviewed in accordance with § 115 (5) of the German Securities Trading Act (WpHG).

The condensed consolidated interim statement was prepared in euros. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded down and reported as €0 million. Because of the rounding, individual figures may not add up to the stated sum precisely.

Sales-related and cyclical items are accrued throughout the year, insofar as they are significant.

In this consolidated interim statement, all standards and interpretations adopted and enforced by the International Accounting Standards Board (IASB) have been applied, insofar as they have been approved by the European Union. The same accounting policies have been applied as in the consolidated financial statements as of 30 September 2022. More detailed disclosures on the accounting and measurement methods can be found in the notes to the consolidated financial statements as of 30 September 2022; this also includes amended IFRS applied for the first time in financial year 2022/23, which have no significant impact on the condensed consolidated interim statement.

The calculation of the recognised tax expense is carried out in accordance with the regulations for interim financial reporting using the so-called integral approach. The calculation is based on the current corporate planning at the end of the financial year.

New accounting standards adopted into European law

The disclosures made in the consolidated financial statements as at 30 September 2022 on new standards or amendments to standards to be applied for the first time do not need to be supplemented here, as no amendments to IFRS have been approved by the European Union in the meantime.

Estimates and assumptions, discretionary judgements

Impact of the Covid-19 pandemic and war in Ukraine

H1 2022/23 continued to be impacted by the Covid-19 pandemic and Russia's war in Ukraine, in particular the energy crisis and inflation but also staff shortages in the gastronomy, which affected METRO's individual segments to varying degrees. METRO is represented in both Ukraine and Russia.

For information on the estimates, assumptions and significant judgements that have the most significant effect on the amounts recognised in these interim financial statements, please refer to the relevant disclosures in the Annual Report 2021/22. For the interim financial report, the estimates and assumptions used were reviewed and are still considered to be appropriate.

The cash and cash equivalents of our Russian Group companies amount to €50 million as at 31 March 2023. These are continuously monitored with regard to relevant restrictions.

NOTES TO THE INCOME STATEMENT

Sales Revenues

Revenue is recognised in accordance with IFRS 15 (Revenue from Contracts with Customers). The sales revenues are to be allocated to the following categories:

€ million	H1 2021/22	H1 2022/23
Store-based and other business	11,086	11,692
Germany	1,998	2,037
West	4,336	4,453
Russia	1,169	1,222
East[1]	3,577	3,934
Others	6	46
Delivery sales	2,733	3,266
Germany	291	384
West	1,238	1,478
Russia	204	237
East	996	1,161
Others	4	6
METRO MARKETS sales	31	45
Total sales	13,849	15,004
Germany	2,288	2,421
West	5,574	5,931
Russia	1,373	1,459
East	4,573	5,095
Others	41	98

Depreciation

Depreciation amount to €418 million (H1 2021/22: €515 million) and include impairments in the amount of €2 million (H1 2021/22: €120 million).

H1 2021/22

€ million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investment properties	Total
Depreciation	51	75	224	150	14	515
thereof scheduled depreciation/amortisation	(0)	(75)	(157)	(148)	(14)	(395)
thereof impairment	(51)	(0)	(67)	(2)	(0)	(120)

H1 2022/23

€ million	Goodwill	Other intangible assets	Property, plant and equipment	Right-of-use assets	Investment properties	Total
Depreciation	0	78	159	165	16	418
thereof scheduled depreciation/amortisation	(0)	(78)	(159)	(164)	(16)	(416)
thereof impairment	(0)	(0)	(0)	(1)	(1)	(2)

Impairment losses on financial assets were not incurred in the current year or the previous year.

NOTES TO THE BALANCE SHEET

Effects from the remeasurement of defined benefit pension plans

Due to the unchanged interest rates and pension trends compared to the last annual financial statements, no actuarial gains and losses were recognised in the first six months of the 2022/23 financial year.

Within the framework of a change in the law in Turkey €6 million were recognised in the other comprehensive income as a reduction in equity. This was offset by an effect of deferred taxes in the amount of €1 million in equity.

Carrying amounts and fair values according to measurement categories

Generally, the fair values of financial assets and financial liabilities essentially correspond to the recognised carrying amounts, with the exception of the items listed below

	31.3.2022	
€ million	Carrying amount	Fair Value
Financial liabilities without leases (incl. underlying transactions from hedging relationships according to IAS 39)	1,848	1,831

	31.3.2023	
€ million	Carrying amount	Fair Value
Financial liabilities without leases (incl. underlying transactions from hedging relationships according to IAS 39)	1,557	1,533

Assets recognised at fair value amount to €179 million (31.3.2022: €107 million), of which investments amount to €54 million (31.3.2022: €72 million), liabilities in the amount of €11 million (31.3.2022: €7 million) were recognised at fair value. There were no significant changes in the valuation method or the input parameters.

The measurement of investments recognised at fair value in the amount of €54 million (31.3.2022: €72 million) are booked for investments in the amount of €50 million (31.3.2022: €69 million) will be recognised in profit or loss and for investments in the amount of €4 million (31.3.2022: €3 million) were recognised as neutral and outside of profit or loss.

No transfers were made between levels 1 and 2 during the reporting period.

METRO has an exercised, not yet settled put option in the amount of €114 million for the shares in WM Holding (HK) Limited, which are recognised as an asset held for sale. The valuation system of this Level 3 -instrument and the compensation effect for the share valuation are unchanged compared to the consolidated financial report as of 30 September 2022. There were no effects from the subsequent measurement in H1 2022/23.

Assets and liabilities held for sale

Divestment of METRO India

METRO signed an agreement to divest METRO India to Reliance Retail Ventures Limited ("RRVL") on 22 December 2022. Due to increasing market consolidation, accelerated digitalisation and intense competition, METRO India's business no longer fits METRO's sCore growth strategy. The transaction includes the operating business of all 31 Indian METRO stores as well as the real estate portfolio (6 stores). METRO expects the transaction to close before the end of June 2023. Until the closing of the transaction, the Indian wholesale business will remain part of METRO and contribute to group earnings.

All assets and liabilities affected by this transaction (disposal group) are reported in the consolidated balance sheet under "Assets held for sale" or "Liabilities associated with assets held for sale" after the consolidation measures have been carried out.

The composition of these assets and liabilities as of 31 March 2023 is as follows:

ASSETS AND LIABILITIES

€ million	31.3.2023
Assets	296
Property, plant and equipment	169
Financial assets	9
Other financial and other assets (non-current)	5
Inventories	59
Trade receivables	4
Other financial and other assets (current)	29
Entitlements to income tax refunds	2
Cash and cash equivalents	18
Liabilities	233
Provisions for pensions and similar obligations	3
Financial liabilities (long-term)	102
Trade liabilities	40
Financial liabilities (current)	72
Other financial and other liabilities (current)	15

In connection with the disposal process, EBITDA-effective expenses in the amount of €3 million were incurred until 31 March 2023, which are reported under general administrative expenses. The expenses are fully attributable to the segment East and are allocated to transformation costs as a portfolio measure.

No expenses were incurred in connection with the measurement of the disposal group at fair value less costs to sell.

The currency translation differences recognised directly in equity of METRO India as of 31 March 2023 amount to €-44 million.

METRO WM Holding (HK) Limited, China

With respect to the 20% interest in WM Holding (HK) Limited previously accounted for using the equity method, a sale agreement was entered into with the major shareholder on 24 February 2023. The closing of this agreement is expected during this financial year.

Individual property Poland

A single property in Poland is up for sale. The sale is expected to be completed by the end of the current financial year.

EVENTS AFTER CLOSING DATE

JOHBECO AB

METRO has entered into a purchase agreement dated 3 May 2023 for the acquisition of 100% of the shares in the following companies (JHB):

- JOHBECO AB, Sweden
- Johan I Hallen & Bergfalk AB, Sweden
- Johan I Hallen & Bergfalk Oy, Finland

The purchase price is approx. € 100 million. Consultancy expenses of € 1 million were incurred in connection with the transaction. JHB is the leading specialist supplier of meat, fish and seafood and in the past financial year (January 2022 to December 2022) generated sales of approx. € 180 million and a profit or loss of € 3 million. Over 50% of sales come from its own processing of meat and fish. With the expertise of more than 350 employees, more than 4,000 customers, mainly in the HoReCa sector, are supplied in Sweden and Finland. JHB is an addition to METRO's existing FSD portfolio and grants access to one of the largest foodservice markets in Europe. The acquisition will further increase METRO's delivery sales and contribute to achieving the sCore targets for 2030.

Further details according to IFRS 3.B66 on assets and liabilities will only be presented in the quarterly statement as of 30 June 2023 due to the limited period of time since the closing of the transaction.

OTHER DISCLOSURES

Segment reporting

The segmentation follows the Group's internal management and reporting. Through aggregations of operational reporting units, the reporting segments are based on the division of the business into individual regions.

The main components of the segment reporting are described below:

— External sales represent the sales of the business segments with third parties outside the Group.
— Internal sales show sales with other business segments. They are transacted at arm's length conditions.
— Segment EBITDA comprises EBIT before depreciation and reversals of goodwill, other intangible assets, property, plant and equipment and investment properties.
— The adjusted EBITDA includes EBITDA excluding transformation costs and earnings contributions from real estate transactions.
— The term transformation costs refers to effects from strategic portfolio adjustments that do not recur on a regular basis, unless they have been reported as discontinued operations. In H1 2022/23 this mainly includes the country exits in Belgium and India.
— Earnings contributions from real estate transactions include the EBITDA-effective result from the disposal of land or land use rights and/or buildings as part of a disposal transaction. Results from the disposal of pure real estate companies or the sale of shares in such companies, which were accounted for using the equity method, are also included in the earnings contributions from real estate transactions due to their economic content. Cost components incurred in connection with real estate transactions have a negative effect on earnings.
— EBIT is the key ratio for segment reporting and describes operating earnings for the period before net financial result and income taxes. Intra-group rental agreements are presented in the segments as operating leases. The leases are concluded at normal market conditions. Impairment risks of non-current assets are only shown in the segments if they are considered to be group risks. This applies analogously to accruals and deferrals, which are only shown at segment level if this would also be necessary in the consolidated balance sheet.
— Segment investments include additions (including additions to the scope of consolidation and effects from hyperinflationary accounting) to goodwill, other intangible assets, property, plant and equipment, and investment property. Exceptions to this are additions due to the reclassification of assets held for sale as non-current assets.
— Non-current segment assets include non-current assets. Excluded are mainly financial assets, investments accounted for using the equity method and tax items.
— In principle, transfers between segments are made based on the costs incurred from the group's perspective.

Transactions with related parties

Transactions with related parties do not have a material impact on the net assets, financial and earnings position.

Contingent liabilities

€ million	31.3.2022	31.3.2023
Contingent liabilities from guarantee and warranty contracts	35	35
Contingent liabilities from the provision of collateral for third-party liabilities	8	11
	43	46

Contingent liabilities from guarantee and warranty contracts are primarily rent guarantees with terms of up to 10 years if utilisation is not considered entirely unlikely.

Other legal matters

METRO Group companies are parties or participants in (arbitration) court proceedings as well as antitrust and other regulatory proceedings in various countries. Adequate risk provisions have been made for these proceedings, provided that the obligation is sufficiently specific. METRO AG or its group companies have also filed lawsuits for damages against companies that were convicted of prohibited competition agreements (e.g. truck and sugar cartel).

Düsseldorf, 10. May 2023
The Board of Directors

DR. STEFFEN GREUBEL | CHRISTIAN BAIER | RAFAEL GASSET | CHRISTIANE GIESEN | CLAUDE SARRAILH

RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim financial report gives a true and fair view of the asset, financial and earnings position of the group. Moreover, we confirm that the interim group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the significant opportunities and risks associated with the expected development of the group for the remaining financial year.

Düsseldorf, 10 May 2023
The Board of Directors

DR. STEFFEN GREUBEL | **CHRISTIAN BAIER** | **RAFAEL GASSET** | **CHRISTIANE GIESEN** | **CLAUDE SARRAILH**

AUDIT REVIEW REPORT

To METRO AG, Düsseldorf

We have reviewed the condensed consolidated interim statement (comprising the balance sheet, the income statement, the reconciliation from profit or loss for the period to total comprehensive income, the condensed statement of changes in equity, the cash flow statement and selected explanatory notes) and the interim group management report of METRO AG, Düsseldorf, for the period from 1 October 2022 to 31 March 2023, which are part of the half-yearly financial report pursuant to § 115 WpHG (German Securities Trading Act).

The preparation of the condensed consolidated interim statement in accordance with International Accounting Standard IAS 34 ‘Interim Financial Reporting’ as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the legal representatives of the company. Our responsibility is to issue a certificate for the condensed consolidated interim statement and for the interim group management report based on our audit review.

We conducted our review of the condensed consolidated interim statement and the interim group management report in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review so that we can rule out through critical evaluation and with a certain level of assurance that the condensed consolidated interim statement has not been prepared, in material respects, in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since we have not performed a financial statement audit, in accordance with our engagement, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim statement has not been prepared, in all material respects, in accordance with IAS 34 ‘Interim Financial Reporting’ as adopted by the EU. Furthermore, we have no reason to believe that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, 10 May 2023

KPMG AG
Auditing firm

Jessen	Mehdi Zadegan
Auditor	Auditor

FINANCIAL CALENDAR

Quarterly Statement 9M/Q3 2022/23	Thursday	10 August 2023	6.30 pm
Trading Statement Financial Year 2022/23	Thursday	19 October 2023	6.30 pm
Annual Report 2022/23	Wednesday	13 December 2023	6.30 pm

Times according to German time

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DISCLAIMER

This half-year financial report contains forward-looking statements. They are based on specific assumptions and expectations at the time of publication of this disclosure. Consequently, forward-looking statements involve risks and uncertainties and may differ materially from actual results. In particular, a large number of the risks and uncertainties associated with forward-looking statements are determined by factors that are not controlled by METRO and cannot be reliably estimated today. They include future market conditions and economic developments, the behaviour of other market participants, the achievement of expected synergy effects as well as statutory and political decisions.
Furthermore, METRO does not feel obligated to release revisions to these forward-looking statements to reflect events or circumstances that have occurred after the release date of these materials