MEDIA Central GROUP

ANNUAL FINANCIAL STATEMENTS

MEDIA CENTRAL HOLDING

FISCAL YEAR 2023

AND COMBINED MANAGEMENT REPORT

Local shopping goes

tech

smart

wow

ShopFully Yagora Offerista Driving Local Sales MEDIA Central

Annual financial statements as at 31 December 2023 and combined management report

TRANSLATION – AUDITOR'S REPORT

MEDIA Central Holding GmbH
Mönchengladbach

KPMG AG
Wirtschaftsprüfungsgesellschaft

MEDIA Central Holding GmbH, Mönchengladbach

Balance sheet as at 31 December 2023

A s s e t s

	31 Dec. 2023		31 Dec. 2022	
	EUR	EUR	EUR	EUR
A. Fixed assets				
I. Property, plant and equipment				
Operating and other equipment		83,904.00		0.00
II. Financial assets				
1. Shares in affiliated companies	305,338,736.76		76,314,365.07	
2. Loans to affiliated companies	59,567,289.73	364,906,026.49	5,215,097.68	81,529,462.75
		364,989,930.49		**81,529,462.75**
B. Current assets				
I. Receivables and other assets				
1. Receivables from affiliated companies	18,071,567.13		0.00	
2. Other assets	37,239.06	18,108,806.19	0.00	0.00
II. Securities				
Other securities		15,000,000.00		0.00
III. Cash at bank		2,012,234.58		69,286.51
		35,121,040.77		**69,286.51**
C. Prepaid expenses		**83,409.93**		**0.00**
D. Deferred tax assets		**21,252.66**		**0.00**
		400,215,633.85		**81,598,749.26**

Equity and liabilities

		31 Dec. 2023 EUR	31 Dec. 2022 EUR
A.	**Equity**		
I.	**Subscribed capital**	25,000.00	25,000.00
II.	**Capital reserve**	92,057,390.17	57,996,250.54
III.	**Accumulated deficit brought forward**	-1,899,730.51	-987,153.71
IV.	**Net income for the year (PY: net loss)**	26,434,691.27	-912,576.80
		116,617,350.93	**56,121,520.03**
B.	**Provisions**		
1.	Tax provisions	448,310.71	0.00
2.	Other provisions	17,312,802.60	15,850.00
		17,761,113.31	**15,850.00**
C.	**Liabilities**		
1.	Bonds	200,000,000.00	0.00
2.	Liabilities to banks	373,598.61	19,505,922.94
3.	Trade payables	348,212.69	0.00
4.	Liabilities to affiliated companies	19,944,469.78	5,955,456.29
5.	Liabilities to shareholders	42,884,176.21	0.00
6.	Other liabilities	1,197,275.46	0.00
	– thereof for taxes: EUR 1,194,063.64 (PY: EUR 0.00) –		
		264,747,732.75	**25,461,379.23**
D.	**Deferred tax liabilities**	**1,089,436.86**	**0.00**
		400,215,633.85	**81,598,749.26**

MEDIA Central Holding GmbH, Mönchengladbach

Income statement for the period from 1 January to 31 December 2023

		2023	2022
		EUR	EUR
1.	Revenue	5,110,645.49	0.00
2.	Other operating income	33,157,499.67	0.00
3.	Personnel expenses		
	a) Wages and salaries	-6,303,933.20	0.00
	b) Social security, pension and other benefits	-868,140.80	0.00
	– thereof for pensions: EUR 51,511.39 (PY: EUR 0.00) –		
4.	Depreciation and write-downs of property, plant and equipment	-38,677.55	0.00
5.	Other operating expenses	-14,429,496.99	-44,101.03
6.	Income from profit and loss transfer agreement	29,002,979.19	0.00
7.	Income from loans – all from affiliated companies –	3,526,475.91	0.00
8.	Other interest and similar income	1,511,424.37	232,351.99
	– thereof from affiliated companies: EUR 0.00 (PY: EUR 232,351.99) –		
9.	Interest and similar expenses	-20,279,376.33	-1,100,827.76
	– thereof to affiliated companies: EUR 2,530,911.88 (PY: EUR 261,903.48) –		
10.	Income taxes	-3,951,227.49	0.00
11.	**Earnings after taxes**	**26,438,172.27**	**-912,576.80**
12.	Other taxes	-3,481.00	0.00
13.	**Net income for the year (PY: net loss)**	**26,434,691.27**	**-912,576.80**

MEDIA Central Holding GmbH,
Mönchengladbach

Notes to the financial statements for the financial year
from 1 January 2023 to 31 December 2023

I. General information

MEDIA Central Holding GmbH (MCH) has its registered office in Mönchengladbach and is entered in the commercial register of the Mönchengladbach District Court under the number HRB 18883.

The Company's purpose is the acquisition and holding of investments in companies, including the exercise of usual holding functions as well as the provision of services to third parties and affiliated companies, in particular to direct and indirect subsidiaries and associated companies. These services may consist, inter alia, in the provision of management, administrative, brokerage, marketing and consulting services as well as financial services, in particular by granting shareholder loans.

With effect from 1 January 2023, MEDIA Central Beteiligungs GmbH, Mönchengladbach (MCB), which served as intermediate holding company, was merged with the reporting company. The merger was carried out at book value in accordance with German commercial law and has not affected the comparability with the prior-year's financial statements. The main merger-related effects are as follows:

- As at 31 December 2022, MCB reported shares in affiliated companies in the amount of EUR 220.9 million, which were transferred to MEDIA Central Holding GmbH in full as part of the merger. At the same time, MEDIA Central Holding GmbH's investment in MCB in the amount of EUR 76.3 million was derecognised as a result of the merger.
- The loans from MEDIA Central Holding GmbH to MCB in the amount of EUR 5.2 million recognised as at 31 December 2022 were also derecognised as a result of the merger.
- Receivables from affiliated companies as at 31 December 2023 mainly resulted from the entry into the profit and loss transfer agreement previously in place between MCB and MEDIA CENTRAL Gesellschaft für Handelskommunikation und Marketing mbH (MCO). Against this background, MCH, in its function as the controlling company since the merger, has also reported the provisions and income taxes for the reporting entity as well as other liabilities from the VAT charge. In addition, income from a profit and loss transfer agreement was reported in the income statement for the first time.

- Liabilities to shareholders as at 31 December 2023 resulted in full from MCB's loans transferred as part of the merger in addition to the interest payables accrued in financial year 2023. Accordingly, interest expenses to affiliated companies of the Company increased in 2023.
- As MCB and not MEDIA Central Holding GmbH employed personnel in 2022 (an annual average of 50 employees in 2022), MEDIA Central Holding GmbH reported both personnel expenses and personnel-related other provisions for the financial year ending 31 December 2023 due to the merger. MCB's personnel expenses amounted to EUR 5.6 million in 2022 while MCB's personnel-related provisions amounted to EUR 1.3 million as at 31 December 2022.
- As at 31 December 2022, MCB's other provisions totalled EUR 1.6 million and included, in addition to the aforementioned personnel-related items, provisions for outstanding purchase invoices in the amount of EUR 0.2 million.
- As MEDIA Central Holding GmbH did not perform any holding services for other group companies in the period up to and including 2022 — partly due to the absence of own employees — the Company did not report any revenue in 2022. The revenue of MCB amounted to EUR 4.8 million in 2022.

The financial statements of MEDIA Central Holding GmbH have been prepared in accordance with the accounting provisions of HGB [Handelsgesetzbuch: German Commercial Code] and the supplementary provisions of the GmbHG [GmbH-Gesetz: German Limited Liability Companies Act].

The requirements for presentation and structure were adhered to in accordance with the legal provisions taking into account the requirements of the German Commercial Code. The income statement has been prepared using the nature of expense method.

In the interest of clarity and transparency, the legally prescribed explanatory notes to items of the balance sheet and the income statement are partially included in the notes to the financial statements.

The Company is a medium-sized corporation within the meaning of Section 267 (2) HGB and has made partial use of size-related reporting exemptions when preparing its annual financial statements.

II. Accounting policies

Valuations are based on the assumption that the Company will continue as a going concern.

The recognition and valuation methods applied in the prior year's annual financial statements have been applied consistently.

The accounting policies used in the 2023 annual financial statements correspond to the requirements of the German Commercial Code (Sections 238 et seqq. and Sections 264 et seqq. HGB) applicable to business corporations and the supplementary provisions of the German Limited Liability Companies Act [GmbHG].

Property, plant and equipment

Property, plant and equipment are valued at cost as at the date of transfer of beneficial or legal ownership according to Section 255 (1) HGB and – to the extent they have a limited life – less depreciation. Depreciation is carried out according to the straight-line method based on the estimated useful lives of assets.

The useful lives for operating and office equipment range from 3 to 13 years. Assets with a cost of up to and including EUR 800 are written off in full in the year of acquisition. Assets that were acquired during the year are depreciated on a pro rata basis.

In the event of expected permanent impairment, items of property, plant and equipment are written down to the lower fair value.

Financial assets

Financial assets are stated at cost or – in the case of expected permanent impairment – at the lower fair value.

The full amount of loans to affiliated companies (KEUR 59,514) has a remaining term of between one year and five years.

Receivables and other assets

Receivables and other assets have been recognised at their nominal value. Appropriate specific value adjustments have been made for all discernible individual risks.

Receivables denominated in foreign currency with a remaining term of up to one year are stated at the average spot exchange rate applicable on the balance sheet date. All other receivables in foreign currency are valued at their exchange rate or at the lower average spot exchange rate on the balance sheet date.

Securities classified as current assets

Current assets include EUR 15 million in bonds at their nominal value, which were taken over as treasury bonds as part of the bond issue in July 2023 and are reported under current assets due to the intention to hold them short-term.

Other assets

Cash at bank is recognised at nominal value.

Expenses incurred prior to the reporting date are reported as prepaid expenses where they represent expenses for a specific period after the reporting date.

Equity

Items under equity are recognised at nominal value.

In financial year 2023, contributions were made to the capital reserve in the amount of EUR 34.1 million pursuant to Section 272 (2) no. 4 HGB, of which EUR 27.7 million were non-cash items. In this context, the Company acquired a receivable in the amount of EUR 27.7 million from creditors of the subsidiary MILLE MIGLIA HOLDING S.p.A. (MILLE MIGLIA) by way of assignment by controlling companies outside the scope of consolidation the Group.

Provisions

Tax provisions and other provisions are recognised at the settlement amount deemed necessary based on prudent commercial judgement, taking into account possible cost increases.

Tax provisions include taxes yet to be assessed for the financial year. All contingent liabilities and onerous contracts are taken into account when recognising other provisions. Provisions are stated at the necessary settlement amount according to prudent commercial judgement.

Provisions with a remaining term of one year or less were not discounted.

Liabilities

Liabilities are stated at their settlement amount.

Liabilities denominated in foreign currency with a remaining term of up to one year are stated at the average spot exchange rate applicable on the balance sheet date. All other liabilities denominated in foreign currency are stated at the exchange rate or the higher average spot exchange rate on the balance sheet date.

Deferred taxes

Deferred taxes are determined for the temporary differences between the commercial balance sheet and tax valuation amounts of assets, liabilities, prepaid expenses and deferred income, taking into account any deductible loss and interest carryforwards. Loss and interest carryforwards are deductible if offsetting against taxable income is anticipated within the legally prescribed period of 5 years. Deferred taxes were determined on the basis of the company-specific income tax rate of 33.0%. The resulting tax liability and relief amounts have not been netted.

III. Explanatory notes on the balance sheet

1. Fixed assets

Movements in individual fixed assets during the financial year are presented in the statement of movements in fixed assets as an appendix to the notes to the financial statements.

The list of shareholdings pursuant to Section 285 no. 11 HGB is as follows:

Beteiligung	Sitz	Beteili-gungsquote in %	Währung	Eigen-kapital 31.01.2023	Jahres-ergebnis 2023
Unmittelbare Beteiligungen:					
MEDIA CENTRAL Gesellschaft für Handelskommunikation und Marketing mbH	Mönchengladbach	100,00%	TEUR	10.268	29.003 (1)
Offerista Group GmbH	Berlin	100,00%	TEUR	10.066	3.241
Yagora GmbH	Neu-Isenburg	100,00%	TEUR	617	635
MILLE MIGLIA HOLDING S.P.A.	Mailand (Italien)	100,00%	TEUR	67.086	2.539
Mittelbare Beteiligungen:					
MEDIA Central Polska Sp. zo.o.	Warschau (Polen)	100,00%	TEUR	1.310	249
MEDIA Central CR s.r.o.	Prag (Tschechien)	100,00%	TEUR	313	110
MEDIA Central Data Intelligence GmbH	Mönchengladbach	100,00%	TEUR	-35	-3
Offerista Group Austria GmbH	Wien (Österreich)	100,00%	TEUR	2.875	721
Offerista Group Bulgaria EAD	Sofia (Bulgarien)	100,00%	TEUR	1.029	2.012
Offerista Group Hungary Kft	Budapest (Ungarn)	100,00%	TEUR	118	-12
Offerista Polska Sp. z o. o.	Warschau (Polen)	100,00% (2)	TEUR	40	37
ShopFully S.p.A.	Mailand (Italien)	100,00%	TEUR	33.579	-1.290
ShopFully PTY Ltd.	Sydney (Australien)	100,00%	TEUR	-7.456	-673
Tiendeo Web Marketing SLU	Barcelona (Spanien)	100,00%	TEUR	1.516	-1.773
Tiendeo Argentina SA	Buenos Aires (Argentinien)	95,00%	TEUR	84	-45
Tiendeo Brasil Marketing LTDA	Sao Paulo (Brasilien)	100,00%	TEUR	314	-75
Tiendeo Chile SPA	Santiago de Chile (Chile)	100,00%	TEUR	68	-195
Tiendeo Colombia SAS	Bogota (Kolumbien)	100,00%	TEUR	171	-31
Tiendeo S de RL de CV	Mexiko-Stadt (Mexiko)	100,00%	TEUR	585	36
Tiendeo Peru SAC	Lima (Peru)	99,00%	TEUR	118	136

(1) Vor Ergebnisabführung
(2) Davon 1% direkte Beteiligung

With effect from 15 May 2023, the acquisition of all shares in MILLE MIGLIA HOLDING S.P.A., Milan, Italy, which acted as intermediate holding company for the acquisition of Shop-Fully S.p.A., was concluded. With effect from 26 July 2023, MILLE MIGLIA acquired all shares in ShopFully S.p.A., Milan, Italy, and thus also indirectly acquired the investments held by this company. The additions to the carrying amount of the investment in MILLE MIGLIA include, in addition to the cash acquisition costs, the assignment of a receivable in the amount of EUR 27.7 million from creditors of MILLE MIGLIA, who in turn held receivables in the same amount from MILLE MIGLIA, which were subsequently set off against each other to settle the liability.

The purchase agreement for the acquisition of the Offerista Group in 2021 includes subsequent purchase price adjustment clauses (earn-out agreements) which are contingent on the occurrence of specific conditions in the future. Since the resulting payment obligation at the end of

May 2024 is considered certain as at the balance sheet date of 31 December 2023, the obligation was initially recognised on the balance sheet as a provision in the amount of KEUR 14,939 as at 31 December 2023. A potential obligation as at 31 December 2022 was not recognised. The present value of the obligation as at the acquisition date of Offerista Group GmbH was calculated at KEUR 14,809 and was recognised as subsequent acquisition costs under shares in affiliated companies as an addition in financial year 2023.

2. Receivables and other assets

Other assets in the amount of KEUR 1 (PY: KEUR 0) have a remaining term of more than one year; all other receivables and other assets have a remaining term of up to one year.

Receivables from affiliated companies in the amount of KEUR 18,072 (PY: KEUR 0) relate exclusively to other receivables.

3. Deferred tax assets

The deferred tax assets recognised for the first time in financial year 2023 relate to temporary differences between the balance sheets for tax and financial reporting purposes from leave provisions, prepaid expenses and other items.

4. Provisions

Other provisions include KEUR 14,939 in relation to subsequent purchase price adjustment clauses in connection with the acquisition of Offerista Group GmbH. Please refer to our previous comments.

In addition, other provisions primarily relate to personnel-related matters in the amount of KEUR 1,370 (PY: KEUR 0) as well as a provision for outstanding purchase invoices in the amount of KEUR 922 (PY: KEUR 0).

5. Liabilities

On 23 June 2023, MEDIA Central Holding GmbH issued a bond with a nominal value of EUR 200 million in the open market of the Oslo Stock Exchange (Oslo Børs) (ISIN: NO0012940347). The maximum possible bond volume on the basis of the bond terms amounts to EUR 250 million. The bond matures on 23 June 2027. The repayment amount is dependent on achieving the sustainability-linked redemption premium. If the sustainability targets are not met, the repayment amount increases by a maximum of 0.5% of the currently drawn nominal bond amount of EUR 200 million, in this case a maximum of KEUR 1,000. In this case, 0.25% is allocated each to one of two key ratios used for assessing whether the sustainability targets were met on the 31 December 2026 reporting date. The sustainability component is a derivative financial instrument with a carrying amount of EUR 0.00 as at 31 December 2023. Taking account of generally accepted valuation methods (expected value based on scenario analysis), the values stated correspond approximately to the fair value as at the reporting date.

The bond is charged with interest at 3-month EURIBOR plus a margin of 9.75%. Interest payments are made on a quarterly basis.

The bond is scheduled to be placed on the regulated market of the Oslo Stock Exchange at the beginning of 2025. Of the total issue volume, MEDIA Central Holding GmbH took over treasury bonds in the amount of EUR 15 million, which are reported under current assets due to the intention to hold them short-term. The net liquidity inflow from the bond issue particularly served the acquisition of the ShopFully Group and the refinancing of the Group, including the ShopFully Group.

Shares in group companies in particular serve as collateral for the liabilities arising from the bond issue. The full amount of bond liabilities existing as at 31 December 2023 (EUR 200 million) has a remaining term of more than one year and up to five years.

Liabilities to banks in the amount of KEUR 374 (PY: KEUR 0) have a remaining term of up to one year (PY: in the full amount a remaining term of more than five years).

As at the reporting date, there was a credit facility of EUR 15 million, of which EUR 1 million was used as guarantee by one group company.

Liabilities to affiliated companies in the full amount are loan liabilities (including accrued interest). They all have remaining terms of less than one year. In the previous year, the liabilities to affiliated companies all had remaining terms of more than five years.

Liabilities to the shareholder also result from the loan granted and have the following remaining terms: KEUR 1,252 (PY: KEUR 0) with a remaining term of up to one year and KEUR 41,632 (PY: KEUR 0) with a remaining term of more than 5 years.

As in the prior year, all other liabilities from the reporting period have a remaining term of up to one year.

6. Deferred tax liabilities

The deferred tax liabilities recognised for the first time in financial year 2023 relate to internally generated software of the subsidiary MEDIA CENTRAL Gesellschaft für Handelskommunikation und Marketing mbH. The deferred tax liabilities attributable to this are reported by MEDIA Central Holding GmbH as the controlling company due to income tax consolidation with MCO.

IV. Explanatory notes on the income statement

1. Revenue

Revenue was mostly attributable to the German group companies of MEDIA Central Holding GmbH (KEUR 4,851) and related exclusively to management services performed as a holding company.

2. Other operating income

Other operating income includes exceptional income of KEUR 33,007 resulting from the merger of MEDIA Central Beteiligungs GmbH into MEDIA Central Holding GmbH.

Income relating to other periods amounted to KEUR 11 (PY: KEUR 0), while income from foreign currency translation amounted to KEUR 6 (PY: KEUR 0).

3. Other operating expenses

Other operating expenses include exceptional expenses of KEUR 11,315 incurred in the course of acquiring the ShopFully Group as well as the related (re)financing.

Expenses relating to other periods amounted to KEUR 158 (PY: KEUR 0), while expenses from foreign currency translation amounted to KEUR 4 (PY: KEUR 0).

4. Financial result

Interest expenses include the difference between the subsequent acquisition costs for the acquisition of Offerista Group GmbH and the settlement amount of KEUR 129 recognised on the balance sheet as at 31 December 2023. As was the case in the previous year, there were no additional unwinding of discounts.

Of the interest income presented, KEUR 1,081 (PY: KEUR 0) is attributable to treasury bonds.

5. Taxes

Income taxes include KEUR 1,089 (PY: KEUR 0) in expenses from additions to deferred tax liabilities as well as KEUR 21 (PY: KEUR 0) in income from the recognition of deferred tax assets.

V. Other disclosures

1. Off-balance-sheet transactions / other financial obligations

The purchase agreement for the acquisition of Yagora GmbH in 2022 includes subsequent purchase price adjustment clauses, which are contingent on the occurrence of specific conditions in the future and may result in an outflow of liquidity of up to EUR 6 million.

Obligations from rental and leasing agreements amounted to a total of KEUR 472 (PY: KEUR 0). Of these obligations, KEUR 199 (PY: KEUR 0) is due within one year.

2. Contingent liabilities

To cover the liabilities to banks of one group company, a guarantee by MEDIA Central Holding GmbH is in place.

In addition, MEDIA Central Holding GmbH issued a bond as at 23 June 2023 with a nominal value of EUR 200 million. The maximum possible bond volume on the basis of the bond terms amounts to EUR 250 million. The bond matures on 23 June 2027.

Shares in group companies in particular serve as collateral for the liabilities arising from the bond issue. The full amount of bond liabilities existing as at 31 December 2023 (EUR 200 million) has a remaining term of more than one year and up to five years.

On the basis of the current financial data and the MEDIA Central Group's medium-term planning for calendar year 2024, management assumes that all obligations arising from the bond can be met and therefore considers it unlikely that the aforementioned contingent liabilities will be utilised.

3. Auditor's fee

The necessary disclosures pursuant to Section 285 no.17 HGB can be retrieved in the notes to the consolidated financial statements of MEDIA Central Holding GmbH, Mönchengladbach.

4. Average number of employees

In financial year 2023, MEDIA Central Holding GmbH had an average of 69 employees subject to social insurance contributions, 2 working students and 4 lower paid employees.

5. Members of the Company's management

Mr Ingo Wienand, Chief Executive Officer Classic Segment, Winterberg
Dr Vincenzo Del Popolo, Chief Administration Officer, Leichlingen, from 25 July 2023
Mr Christof Knop, Chief Financial Officer, Düsseldorf, from 9 October 2023
Stefano Portu, Chief Executive Officer Digital Segment, Milan (Italy), from 11 December 2023

The total remuneration granted to members of management for their activity in the financial year amounted to KEUR 1,242.

6. Advisory Board remuneration

Remuneration for Advisory Board activities amounted to KEUR 45 (PY: KEUR 41).

7. Profit and loss transfer agreement

As at 1 July 2019 (approved at the shareholders' meeting on 24 July 2019 and entered in the commercial register on 29 July 2019), a profit and loss transfer agreement was entered into between the former MEDIA Central Beteiligungs GmbH, Mönchengladbach (previously Cursor GmbH), and MEDIA CENTRAL Gesellschaft für Handelskommunikation und Marketing mbH, Mönchengladbach, effective as at 1 June 2019.

Since then, a pooling arrangement for income tax and VAT is in place between both companies. As a result of the merger with effect from 1 January 2023 of MEDIA Central Beteiligungs GmbH into MEDIA Central Holding GmbH as the acquiring legal entity, the profit and loss transfer agreement is transferred to MEDIA Central Holding GmbH.

8. Proposal for the appropriation of profits

Management proposes that the net income for financial year 2023 be carried forward to the following year.

9. Subsequent events

No events of particular significance for the assets, liabilities, financial position or financial performance have occurred since the end of the financial year.

10. Consolidated financial statements

MEDIA CENTRAL Holding GmbH prepares consolidated financial statements for the largest and smallest group of companies. These are disclosed in the commercial register.

Mönchengladbach, 17 May 2024

MEDIA CENTRAL Holding GmbH

Ingo Wienand	Dr Vincenzo Del Popolo
Christof Knop	Stefano Portu

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MEDIA Central Holding GmbH, Mönchengladbach

Movements in fixed assets during the 2023 financial year

	Cost				
	1 Jan. 2022	Additions/ disposals* due to merger	Additions	Disposals	31 Dec. 2023
	EUR	EUR	EUR	EUR	EUR
I. Property, plant and equipment					
Operating and other equipment	0.00	0.00	122,581.55	0.00	122,581.55
	0.00	**0.00**	**122,581.55**	**0.00**	**122,581.55**
III. Financial assets					
1. Shares in affiliated companies	76,314,365.07	144,590,704.13	84,433,667.56	0.00	305,338,736.76
2. Loans to affiliated companies	5,215,097.68	-5,164,718.51	63,516,910.56	4,000,000.00	59,567,289.73
	81,529,462.75	**139,425,985.62**	**147,950,578.12**	**4,000,000.00**	**364,906,026.49**
	81,529,462.75	**139,425,985.62**	**148,073,159.67**	**4,000,000.00**	**365,028,608.04**

Accumulated amortisation, depreciation and write-downs					Book value	
1 Jan. 2022	Amortisation, depreciation and write-downs during the financial year	Disposals	Reversals of write-downs	31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
EUR	EUR	EUR	EUR	EUR	EUR	EUR
0.00	38,677.55	0.00	0.00	38,677.55	83,904.00	0.00
0.00	**38,677.55**	**0.00**	**0.00**	**38,677.55**	**83,904.00**	**0.00**
0.00	0.00	0.00	0.00	0.00	305,338,736.76	76,314,365.07
0.00	0.00	0.00	0.00	0.00	59,567,289.73	5,215,097.68
0.00	**0.00**	**0.00**	**0.00**	**0.00**	**364,906,026.49**	**81,529,462.75**
0.00	**38,677.55**	**0.00**	**0.00**	**38,677.55**	**364,989,930.49**	**81,529,462.75**

MEDIA Central Holding GmbH,

Mönchengladbach

Combined management report for the financial year from 1 January 2023 to 31 December 2023

A. Group profile

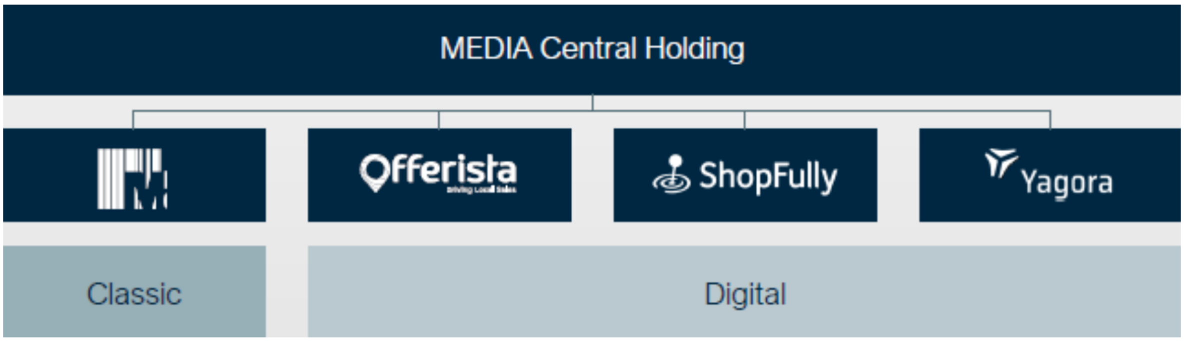
1. Group structure

Besides the parent company MEDIA Central Holding GmbH (MCH), Mönchengladbach, the following subsidiaries and their subsidiaries are included in the consolidated financial statements of the MEDIA Central Group:

- MEDIA CENTRAL Gesellschaft für Handelskommunikation und Marketing mbH, Mönchengladbach ("MCO" or "Classic"), its subsidiaries, MEDIA Central Polska Sp. z o.o. with registered office in Warsaw and MEDIA Central CR s.r.o., with registered office in Prague, as well as
- Offerista Group GmbH ("OG" or "OG Group"), with registered office in Berlin, and its subsidiaries, Offerista Group Austria GmbH (Vienna), Offerista Group Bulgaria EAD (Sofia) and Offerista Group Hungary Kft (Budapest)
- Yagora ("YG") GmbH, with registered office in Neu-Isenburg
- Mille Miglia Holding S.p.A. ("MMH") which, in turn, holds all of the shares in ShopFully S.p.A. ("SF" or "ShopFully Group") based in Milan.

Effective as at 26 July 2023, all of the shares in the ShopFully Group were acquired through the 2023 acquisition of Mille Miglia Holding S.p.A., both of which have their registered office in Milan, Italy. The date of initial consolidation of the ShopFully Group is 1 August 2023.

Simplified group structure



2. Business model of the operating entities

Operational business in the Group is assumed largely by MEDIA CENTRAL Gesellschaft für Handelskommunikation und Marketing mbH and its subsidiary, Offerista Group GmbH and its subsidiary Yagora GmbH as well as the ShopFully Group and its subsidiaries. The following comments largely concern the operating entities, which can be broken down into haptic communication of offers ("Classic") and digital communication of offers ("Digital").

MEDIA CENTRAL Gesellschaft für Handelskommunikation und Marketing mbH is an independent media agency that offers sales-oriented marketing services for retail and service chains across all currently available media. Besides Germany, MEDIA CENTRAL is currently also active in more than 10 additional European countries, with sales being concentrated in the German market. Besides organising the distribution of the classic flyers, there is a corresponding service portfolio of supplementary media, such as digital brochures, print mailing, advertising, poster and radio advertising as well as mobile marketing for various customers in Germany and Europe.

Offerista Group GmbH is a provider of digital retail marketing and is based in Berlin. As its core business, OG operates mobile applications and a partner network through which digitalised advertising materials of retail companies with branch stores are distributed and locally managed. Digital advertising materials are managed (among other things) based on an internal algorithm on the platforms of Offerista Group GmbH as well as in the partner network ("Native Network"). As part of internationalisation, Offerista Group GmbH has since 2018 worked with wogibtswas.at GmbH (now: Offerista Group Austria GmbH) in Austria following a transaction, since 2019 with Prospecto Group EAD (now: Offerista Group Bulgaria EAD) in Bulgaria, Hungary and Romania and also since 2021 in Poland.

Yagora GmbH ("YG") is a specialised provider of data analytics and data science, along with related advisory services in category management and shopper research. In this respect, Yagora GmbH's core business is to provide advisory services for retailers and brands and, in conjunction with corresponding projects, prepare studies and evaluations, for instance, to analyse the effectiveness of various advertising activities initiated by retailers or manufacturers.

The **ShopFully Group** S.p.A. is a provider of digital retail marketing and is based in Milan. Similar to OG, the ShopFully Group's core business is to operate mobile applications and a partner network through which digitalised advertising materials of retailers with branch stores are distributed and managed locally. Furthermore, ShopFully has set up hyper-local marketplaces where end customers can obtain an overview of local offers in retail. Thanks to acquisitions, the ShopFully Group has grown internationally and now operates in Italy as well as France, Spain, Australia and Latin America.

Revenue in the Classic segment was generated mainly with German B2B customers and a focus on food retail. Besides Germany as the core market, the Digital segment also has B2B customers in Central and Eastern Europe. With the acquisition of SF, the customer base in Europe – especially Italy and Spain – as well as Latin America and Australia, has been expanded. Revenue from outside Europe is currently of minor importance for the Group.

The Group does not carry out research in the narrow sense. The Group's development activities essentially concern the capitalised development costs in the amount of KEUR 2,146 (PY: KEUR 804), which are incurred primarily at the level of MCO and SF.

B. Economic report

1. Macroeconomic and sector-specific environment

European retail is currently affected by a period of continuous uncertainty. For instance, 2020 and 2021 were heavily affected by the coronavirus pandemic. This included global trade restrictions and, in some cases, disrupted supply chains in 2021 and 2022. There also followed challenges due to geopolitical risks, especially Russia's war against Ukraine, but also the conflict in Israel/Gaza. This was accompanied by increasing energy costs, rising inflation and significant interest rate hikes, which impacted economic growth and the disposable income of consumers.

In this environment and according to the IMF[1], the eurozone's economic growth declined to 0.5% in 2023 (compared with 3.4% in 2022). In this regard, there were different developments according to sales market: Germany, the relevant core market for both the Classic and Digital business, reported a decline in economic output of -0.3% (compared with +1.8% in 2022). Italy, a market with increasing importance for the Group – especially due to the acquisition of SF – reported a decline in economic growth of +0.7% (compared to +3.7% in 2022). Similar developments were evident in Spain, France and Latin America, with growth of 2.4%, 0.8% and 2.5%, respectively, in 2023. The eurozone is expected to experience a slight economic recovery in 2024, with growth rising from 0.5% to 0.9%. Depending on the country in the eurozone, economic growth rates of 0.5% (Germany) to 1.5% (Spain) are expected.

In this environment, stable to slightly rising advertising expenditure with growth of 2.7% is expected in Western Europe for 2024 (compared to 1.9% for 2023 and 3.3% for 2022).[2] The development on the individual advertising markets in Europe is characterised – similar to economic growth – by local differences. For example, advertising expenditure in 2024 is expected to increase by 1% in Germany, 1.5% in Italy, 5.3% in France and 2% in Spain. In addition, there is an increasing shift in advertising expenditure from haptic to digital communication of offers. There was a total of EUR 35.3 billion in revenue with 5.7% growth in advertising in Germany in 2023. Of this amount, approx. EUR 13.5 billion was attributable to online advertising[3] with growth of 7%. EUR 14.2 billion in revenue from online advertising is expected in 2024 and growth of 5.3%.

[1] Source: "World Economic Outlook Update", International Monetary Fund, January 2024
[2] Source: "Werbemarkt-Prognosen" ("Advertising market forecasts"), Statista/Dentsu Aegis Network, May 2023
[3] Source: "Umsätze mit Onlinewerbung in Deutschland von 2015 bis 2027" ("Revenue from online advertising in Germany from 2015 to 2027"), Statista/PWC, September 2023

The slight to moderate growth[4] in cross-channel advertising expenditure compares with a moderate increase in consumer spending in Germany of 5.9% in the second half of 2023[5].

In this challenging market environment, the MEDIA Central Group considers itself to be market leader in its respective business segments and regions. Due to its business size and specialisation, the Classic segment is able to score points in the competition in terms of service quality and value for the money. The MEDIA Central Group has direct (through its own marketplaces) and indirect (by managing advertising through third-party providers) access to more than 170 million end customers in the Digital segment. This means the Group is one of the leading providers in price and offer communication across Europe.

2. Business performance from 1 January 2023 to 31 December 2023 and the Group's situation based on financial performance indicators

The Group is managed via the financial indicators revenue, gross profit[6] (formerly: gross margin[7]) and EBITDA[8]. As part of the refinancing and acquisition of the ShopFully Group, the Group's business management was realigned with a focus now on EBITDA as a performance ratio (PY: earnings after tax), which represents operating earnings. This ensures that the performance of the operational business – irrespective of influences from financing expenses and amortisation of goodwill and other assets disclosed in the context of the purchase price allocation – is taken into account. Earnings in the reporting year were significantly affected by the acquisition of the ShopFully Group, with initial consolidation as at 1 August 2023. In order to ensure year-on-year comparability, reference is made in this text to the consolidated financial statements for 2023 and to the consolidated financial statements for 2023 excluding consolidation of the ShopFully Group (pro forma presentation) compared to the prior year.

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[4] Source: "FMCG Consumer Panel", GFK, 19 January 2024, regarding "Fast Moving Consumer Goods"
[5] Growth rates are categorised according to slight 0-3%, moderate 3-6%, substantial 6-10%, significant >10%
[6] EBITDA is calculated using the consolidated profit/loss after taxes as shown in the consolidated income statement, adjusted for income taxes, the financial result (net) and amortisation, depreciation and write-downs of intangible assets and property, plant and equipment.
[7] Gross profit is calculated as revenue plus the increase in finished goods and work in progress, other own work capitalised as well as other operating income and less the cost of materials.
[8] Defined as revenue less the cost of materials.

As part of refinancing, a bond was issued ("sustainability linked bond") whose terms and conditions are linked to the Digital segment's share of gross profit[9] as well as sustainability targets still to be defined that aim to reduce greenhouse gas emissions ("Science Based Targets Initiative" or "SBTI Targets"). The latter non-financial indicators will be defined in financial year 2024 and calibrated for target setting, though at the date the financial statements were prepared they did not yet have a key function in corporate management.

Management looks back at a successful financial year 2023 overall. The results for financial year 2023 were in line with the prior year's forecast for revenue growth and were exceeded for gross profit and gross margin. Non-recurring items in the context of the ShopFully acquisition (financing expenses and transaction costs) led to consolidated earnings after tax declining in 2023. By contrast, the Group reported EBITDA adjusted for non-recurring items, which was significantly up year on year (>10%).

a. Financial performance

In financial year 2023, group **revenue** grew slightly (1.5%). The Digital segment and the acquisition of the ShopFully Group especially contributed to growth. Excluding the acquisition of the ShopFully Group, group revenue declined slightly (-3.1%), which was in line with the prior year's forecast.

The breakdown of revenue by geographical markets is as follows:

	01.01. - 31.12.2023 Konzernabschluss Mio. EUR
Deutschland	522.7
Italien	20.7
Restliches Europa	48.5
Restliche Welt	3.1
Gesamt	**595.0**

[9] Defined as gross profit of the Digital segment divided by the gross profit of the entire group. In this regard, the Digital segment consists of the group companies of the Offerista Group, Yagora and the ShopFully Group.

Revenue is broken down by area of activity as follows:

	01.01. - 31.12.2023 Konzernabschluss Mio. EUR
Classic	521.4
Digital	73.4
Sonstiges	0.2
Gesamt	**595.0**

Broken down by business segment, EUR 521.4 million was attributable to the Classic Segment, EUR 73.4 million to the Digital segment and EUR 0.2 million to Other. Externally generated revenue largely arose in Germany, which accounted for EUR 522.7 million. Overseas markets are seen as secondary.

Own work capitalised and the related development activities largely concerned software developments. These amounted to EUR 2.1 million in the reporting year (PY: EUR 0.4 million). The Group's own work capitalised excluding the ShopFully Group amounted to KEUR 0.7 million in financial year 2023. The Group's development activities include (among other things) investments in internally generated software that improves internal processes and enables better targeting of offer communication through various channels.

The Group's **gross profit** in the year under review taking into account the acquisition of the ShopFully Group rose by 44.4% to EUR 97.5 million, while it rose by 12.7% to EUR 76.1 million excluding the ShopFully Group. The increase in gross profit and in gross margin was driven by product mix effects (shifts between Classic and Digital business) and price effects. In this way, despite a slight decline in group revenue excluding the ShopFully Group, absolute gross profit and gross margin increased. Thus, the forecast made in the prior year was exceeded.

Personnel expenses including the acquisition of the ShopFully Group amounted to EUR 40.3 million for the year under review. Excluding the ShopFully acquisition, personnel expenses amounted to EUR 32.1 million compared to the prior year's value of EUR 27.7 million. Headcount excluding the ShopFully Group totalled 440 (PY: 404). An average of 366 employees were active in the ShopFully Group in financial year 2023, giving rise to expenses in the MEDIA Central Group from 1 August 2023 onwards. In this context, the ratio of personnel costs to revenue moved from 4.7% in 2022 to 5.6% in 2023 excluding the Shop-

Fully Group and 6.8% including the ShopFully Group. The absolute increase in personnel expenses was therefore driven by organic growth and by the addition of the ShopFully Group, which has a higher ratio of personnel costs to revenue.

Amortisation, depreciation and write-downs of intangible assets and property, plant and equipment in the reporting year increased from EUR 14.9 million in financial year 2022 to EUR 27.8 million or EUR 19.0 million excluding the ShopFully Group. This means that the increase is in part due to the ShopFully transaction. This purchase as well as the effects from initial consolidation led to an increase in fixed assets, especially in the form of intangible assets for brands, technology and goodwill. As a result, there was an increase in depreciation and amortisation. On the other hand, the increase was driven by the acquisition of Yagora in the course of 2022 and the subsequent amortisation of EUR 3.6 million on the additions to goodwill in conjunction with purchase price adjustment clauses at Offerista, which were recorded in the reporting year and took effect retroactively from the date of initial consolidation on 1 August 2021.

Other operating expenses rose to EUR 30.8 million in financial year 2023 (PY: EUR 11.7 million). This compares to operating expenses of EUR 24.3 million excluding the ShopFully Group. The majority of the increase was attributable to exceptional transaction and financing costs10 of EUR 11.3 million as part of the ShopFully Group acquisition and the refinancing.

Adjusted EBITDA, which is adjusted for exceptional transaction and financing costs, rose in financial year 2023 to EUR 37.7 million or EUR 31.0 million excluding the ShopFully Group (PY: EUR 28.0 million). Revenue growth in the Digital business, an increase in gross profit, rigorous cost control and economies of scale, as well as (especially) the acquisition of the ShopFully Group, contributed to the increase in adjusted EBITDA. Without adjustments, a group EBITDA amounting to EUR 26,4 million was achieved.

The **Group's financial result (net)** amounted to EUR -18.1 million in the reporting year (PY: EUR -5.8 million). The increase in the deficit was driven by the bond issued in the amount of EUR 200 million for refinancing the Group as well as financing the purchase of the ShopFully Group. Also noteworthy in this regard was the increase in other interest and similar income from KEUR 1 in financial year 2022 to EUR 1.6 million in the reporting year. The increase is essentially due to interest from bonds held by the Company itself at a nominal volume of EUR 15.0 million.

Income taxes fell from EUR 7.4 million in financial year 2022 to EUR 5.6 million for financial year 2023, with the decline essentially due to the exceptional expenses described above.

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[10] Pursuant to Section 314 (23) HGB

Earnings after tax amounted to EUR -25.3 million in financial year 2023 (PY: KEUR -86). Excluding the ShopFully Group from the consolidated financial statements, earning after tax amounted to EUR -18.4 million. This means that the prior year's forecast for earnings after taxes was not borne out. One key reason for the forecast not being achieved was the previously noted rise in other operating expenses and depreciation/amortisation and write-downs, which especially resulted from the refinancing and the purchase of the ShopFully Group.

b. Assets and liabilities

In financial year 2023, **total assets** increased to EUR 404.5 million (PY: EUR 230.5 million). Total assets excluding consolidation of the ShopFully Group amounted to EUR 374.5 million in the year under review (thereof EUR 129.2 million loans to and shares in Mille Miglia Holding S.p.A.).

Movements in **fixed assets** were largely affected by the acquisition of the ShopFully Group, amortisation of goodwill and by investments made in the IT landscape (software). In the course of the purchase price allocation, software applications and brand names of the ShopFully Group were identified and recognised as intangible assets as at the date of acquisition. Furthermore, initial consolidation resulted in an increase in goodwill.

Thanks to the positive development of business of the Offerista Group in financial year 2023, there was also an increase in the expected deferred purchase price payment, which resulted in increased goodwill.

Receivables and other assets rose significantly in the consolidated balance sheet by EUR 21.8 million, from EUR 46.2 million in 2022 to EUR 68.0 million in 2023. This increase was attributable to consolidation of the ShopFully Group and the accompanying trade receivables. Excluding the ShopFully Group, receivables and other assets amounted to EUR 48.7 million in financial year 2023, changing just marginally year on year.

Similarly, **cash on hand and at bank** rose significantly from EUR 18.8 million in 2022 to EUR 35.2 million in financial year 2023, which was largely driven by inorganic growth in conjunction with the ShopFully Group transaction. However, cash on hand and at bank excluding the ShopFully Group amounted to EUR 18.5 million for 2023, a similar level to financial year 2022.

A **bond** of EUR 200.0 million was issued in conjunction with group refinancing, with bonds of a nominal value of EUR 15.0 million being held in treasury. This served to increase the balance of other securities for financial year 2023 to EUR 15.0 million. These were recorded under current assets due to their intended short holding period.

The Group's **equity** rose from EUR 43.4 million in the 2022 consolidated financial statements to EUR 52.3 million as at 31 December 2023. This compares with equity excluding the consolidation of the ShopFully Group amounting to EUR 59.1 million. In 2023, there was an injection into the capital reserve by the shareholder combined with negative consolidated net income for financial year 2023 that was more than compensated by that capital injection. One part of the injection into the capital reserve was a non-cash contribution of a receivable of EUR 27.7 million, which allowed the Group to offset against existing purchase price liabilities for the acquisition of the ShopFully Group in the same amount with the effect of settling the liability.

Provisions increased from EUR 13.8 million in 2022 to EUR 45.6 million in 2023. Provisions excluding consolidation of the ShopFully Group amounted to EUR 30.0 million. The biggest drivers for the increase in other provisions in the amount of EUR 31.3 million were additions from the consolidation of the ShopFully Group along with earn-out obligations for ShopFully and Offerista in the total amount of EUR 21.2 million (PY: EUR 0 million).

Liabilities rose year on year by EUR 125.5 million to EUR 297.7 million as at 31 December 2023. The Group's refinancing was largely in conjunction with the acquisition the ShopFully Group. On the one hand, a bond in the amount of EUR 200.0 million was issued. On the other, liabilities to banks were reduced from EUR 92.0 million at 31 December 2022 to EUR 1.9 million at the end of financial year 2023. Trade payables increased to EUR 42.1 million (PY: EUR 34.6 million). Excluding the ShopFully Group, however, trade payables amounted to EUR 35.6 million for 2023 and were thus on par with the prior year (EUR 34.6 million). Other liabilities rose from EUR 2.7 million in 2022 to EUR 10.0 million in the reporting year. Excluding the ShopFully Group, there was a smaller increase to EUR 3.5 million. Of the other liabilities of EUR 10.0 million, EUR 4.5 million related to taxes, EUR 1.2 million to loans from the former shareholders of Tiendeo and a further EUR 0.9 million to debtors with credit balances in the former group.

As a result of the aforementioned disclosure of intangible assets in conjunction with the purchase price allocation, **deferred tax liabilities** were also recognised that will be subsequently reversed over the useful lives of the corresponding assets. As at 31 December 2023, this led to deferred tax liabilities increasing significantly to EUR 7.9 million (2022: EUR 0.9 million). Excluding the consolidation of the ShopFully Group, deferred tax liabilities amounted to just EUR 1.5 million for 2023.

c. Financial position

The reporting year was impacted by positive operating cash flows and by the refinancing of existing bank borrowings through a new bond issue, as well as by the purchase of the ShopFully Group and the related purchase price payment. Readily available cash and cash equivalents rose during the course of the year to EUR 35.2 million as at 31 December 2023. In addition to the readily available cash and cash equivalents, the Company also holds own issued bonds in the amount of EUR 15.0 million.

The consolidated cash flow statement shows the origin and use of funds and illustrates the financial performance from the Group's business activities during the financial year ended.

The Company reported **cash flows from operating activities** of EUR 31.9 million in the reporting year with the initial consolidation of the ShopFully Group as at 1 August 2023 (PY: EUR 22.4 million).

This was set against **liquidity outflows from investing activities** in the amount of EUR 64.9 million (PY: EUR 7.5 million). The increase in investing activities was mainly driven by the acquisition of the ShopFully Group and by investments in intangible assets. The latter included in-house developed software solutions to improve internal processes and create additional offer solutions for customers.

The liquidity outflow due to increased investing activity was covered by the generation of funds through operating activities and through increased financing activities. **Cash flows from financing activities** in the reporting year amounted to EUR 49.1 million. The Group received EUR 177.3 million from issuing a bond (net of own bonds held in the amount of EUR 15.0 million recognised under current assets and less withheld fees) as well as an additional EUR 6.4 million from capital injections. This was set against EUR 114.7 million and EUR 19.8 million respectively from the loan principal repayment and paid interest.

For the entire period, **cash and cash equivalents** thus rose from EUR 18.8 million as at the end of 2022 in the Group excluding the ShopFully Group to EUR 35.2 million as at the end of 2023 in the Group including the ShopFully Group.

Key **aspects of the Group's capital structure and liquidity** arise from the equity ratio, intragroup financing, the items of net working capital and cash holdings.

The equity recognised at year-end 2023 amounted to EUR 52.3 million (PY: EUR 43.4 million). The **equity ratio** was therefore 12.9% (PY: 18.8%).

Provisions recognised in the amount of EUR 45.6 million (PY: EUR 13.8 million) were largely for outstanding earn-out payments. The purchase agreements for the acquisition of the Shop-Fully Group, the Offerista Group and Yagora GmbH each include a clause on the subsequent purchase price, which is linked to the occurrence of specific conditions in the future. A total of EUR 21.7 million in payment obligations from purchase agreements is expected for the next two years.

Liabilities amounted to EUR 297.7 million at the end of the year under review (PY: EUR 172.2 million). Liabilities were significantly affected by a EUR 200 million bond issued on 23 June 2023. The maximum possible bond volume on the basis of the bond agreements amounts to EUR 250 million. The bond bears interest according to the 3-month EURIBOR plus a margin of 9.75%. The bond is to be listed on the Oslo Børs on the regulated market within 18 months of the issue date. After this point in time, the bond's interest will rise by 1 percentage point for the period in which it is not listed. It has a term of 4 years and is due for repayment on 23 June 2027.

Because of the bonds, interest and similar expenses in the year under review rose to EUR 19.8 million (PY: EUR 5.9 million). This means that approx. 50% of total assets are financed for the medium term. With equity of EUR 52.3 million and non-current liabilities to affiliated companies of EUR 41.6 million, a further 23.2% of total assets are financed over the long term. There are also current trade payables and other liabilities totalling EUR 52.9 million, which are set against trade receivables of EUR 61.4 million.

Due to the cash holdings, undrawn credit facilities and the securities held under current assets, the Group has liquidity available on short notice of over EUR 60.0 million. On this basis, the Group was able to meet its payment obligations at all times in the year under review.

There was no cash pooling between the group companies at the time these consolidated financial statements were prepared. Capital flows between the group companies are largely by means of intercompany loans. Financial instruments to hedge currency risk are used to a limited extent to hedge the Australian dollar exchange rate in euro. No dividends were paid out in financial year 2023.

d. Overall evaluation of the Group's position

Group management considers as very positive the Group's business performance and its economic and financial position in the reporting year and up until the date the management report was prepared.

The MEDIA Central Group was able to further push its strategic objectives by way of the acquisition in the financial year. For instance, consolidated revenue was increased to just under EUR 600 million, business in the Digital segment further diversified and geographic expansion driven forward. The Group's range of services and solutions was expanded in the areas of haptic communication of offers, data analysis and digital communication of offers in order to flexibly address changes in the communication preferences of customers and end consumers.

Especially due to the acquisition of the ShopFully Group and the gross profit margin rising to 15.7%, the prior year's gross profit forecast was exceeded. The Group's EBITDA adjusted for exceptional transaction and financing costs rose significantly to EUR 37.7 million. In a challenging interest rate environment, the capital market enabled the Group to issue a significant bond in the amount of EUR 200.0 million, which made it possible to repay older loans and finance the purchase of the ShopFully Group. The process of integrating the ShopFully Group into the Group and forming an integrated digital business unit is developing positively. Management therefore considers business performance to be encouraging overall.

C. Forecast, risks and opportunities

1. Outlook and opportunities

Forecasts and forward-looking estimates are subject to uncertainties that can lead to positive or negative deviations with a corresponding impact on the expected business performance.

The Group's management expects a **market environment** that continues to be volatile, but that is nevertheless improving. The economic growth indicators are forecast to rise slightly by the leading economic research institutes.[11] Statista predicts that advertising expenditure growth in Europe will increase to 2.7%.[12] In respect of advertising expenditure, management expects digital advertising spending to grow at a proportionately higher rate. Furthermore, the interplay between offline and online communication of offers provides additional market opportunities, since revenue with existing customers can be increased and new customers can potentially be acquired. Management sees the MEDIA Central Group well positioned to benefit from the increased market growth as well as from the disproportionately strong growth in the digital advertising market. The following forecasts are to be viewed in comparison to the 2023 consolidated financial statements, where the earnings of the ShopFully Group were included only proportionately from 1 August 2023.

For **revenue**, management forecasts substantial to significant growth13 compared to financial year 2023. Management expects moderate revenue growth in the Classic segment, driven by the expansion of existing business relationships and new customer acquisitions. Significant revenue growth is expected in the Digital segment. This is expected due to the full-year consolidation of the ShopFully Group and because of considerable growth in the Digital segment excluding ShopFully. The growth strategies for both business segments Digital and Classic have been adapted to local market specifics and the respective competitive environment.

This forecast is based on the assumption that above-average revenue growth will be achieved in certain price- and advertising-sensitive markets of the Digital segment due to investments in marketing and sales activities, with an overall positive impact on EBITDA. In this context, management expects both gross profit and EBITDA for the MEDIA Central Group to rise significantly in financial year 2024 compared with the 2023 consolidated financial statements.

Management sees significant opportunities for future development in the interplay between digital and haptic communication of offers as already described and also in the geographic

[11] IMF, Statista, GfK. Refer also to the section on "General economic conditions"
[12] Statista, Dentsu Aegis
[13] Growth rates are categorised according to slight 0-3%, moderate 3-6%, substantial 6-10%, significant >10%

expansion to new markets, especially in the Digital segment. With the acquisition of the ShopFully Group, the Group's expansion plans now also encompass South and Southwestern Europe. A significant opportunity is also seen in increased knowhow thanks to technological expertise among the ShopFully workforce and associated innovations. For instance, technological solutions developed by ShopFully are planned to be rolled out in markets and customer groups previously mainly served by the Offerista Group. Related to this, there is the opportunity for the newly formed MEDIA Central Group to develop new products and scalable business models with considerable revenue and earnings potential.

2. Risk report

In this section we address the key risks and opportunities that could significantly affect the aforementioned forecast.

a. Risks emanating from the environment and industry

The market for advertising expenditure is dependent on the **economic situation** in the respective sales markets. This means that a sharply slowing overall economy and consumer demand can have negative effects on revenue and thus directly affect the EBITDA and liquidity development of the Company. As discussed in the "Macroeconomic and sector-specific environment" section, the Company has developed positively in a challenging environment. In the case of disruptive changeovers of offer communication from one channel to another, risks can emerge in the market. Retailers typically develop their offer communication gradually and adapt it to end customers' needs. If a change in offer communication occurs for one customer or even in one sector (e.g. conversion from paper brochures to another offer channel, such as online), the Group can accompany this process using its 360° range with digital offers. However, it cannot be ruled out that individual customer orders may be lost in the event of a disruptive change of advertising channels.

Management considers **sector risks** to include (among others) regulatory restrictions that can be imposed by national or European legislation. These may negatively impact consolidated earnings at short notice, although the Company has created alternative approaches through its geographical diversification and by expanding its offering across various offer channels. Furthermore, there is a trend towards allocating advertising budgets through tendering (instead of annual budgets). This increases sales and organisational expense and can also influence the profitability of individual projects. The profitability risk can be countered by tender management, process optimisation/automation and project controlling, as well as by further diversifying the customer structure.

Management considers the environment and industry risks as being "B risks" overall.[14]

b. Financial risks

In terms of its assets and liabilities, MEDIA Central is exposed to valuation and liquidity/interest rate risks.

The liquidity risk largely involves the bond issued, which is to be listed on the Oslo Børs within 18 months of issuance and is to be repaid on 23 June 2027. Should listing be delayed, the bond interest rate increases by 1 percentage for the period of the delay. The bond's term leads to uncertainty regarding future refinancing conditions, which could be both negative and positive. Given the current bond terms of 3-month EURIBOR + 9.75% cash margin and the prospect of declining key interest rates, management sees an opportunity rather than a risk. The interest rate environment is regularly monitored in order to hedge the risk where appropriate using financial instruments such as interest rate caps. To ensure solvency and financial flexibility, the Group maintains liquidity reserves in the form of cash and cash equivalents (EUR 35.2 million), undrawn credit facilities (EUR 14.0 million) and securities (EUR 15.0 million own held bonds from the issue). In addition, the issued bond provides the option of issuing an additional EUR 50.0 million in bond certificates if required. Among other activities, liquidity management involves closely and regularly monitoring the bank balances of the group entities. Furthermore, short- and medium-term liquidity planning is currently being set up, to be integrated and rolled out across the Group. The financing terms have no influence on revenue, gross profit and EBITDA (key performance indicators). There are currently no discernible risks that could affect the Company's ability to continue as a going concern.

One consequence of the Group's inorganic growth is that the Group's assets primarily consist

[14] Risk classification: An "A risk" denotes a high probability of occurrence combined with a major financial impact (> EUR 5 million impact on earnings). A "B risk" denotes a medium probability of occurrence combined with an average financial impact (EUR 1 to 5 million), or lower probability of occurrence combined with a high impact and vice versa. A "C risk" denotes a risk with low probability of occurrence combined with a low financial impact (< EUR 1 million impact on earnings).

of intangibles (amounting to EUR 280.9 million). This leads to risks should the growth expectations based on initial measurement not be met. Amortisation in the consolidated financial statements under German commercial law serves to mitigate these risks. The intangible assets, primarily consisting of goodwill and brands & technologies, are therefore regularly assessed for indications of potential impairment.

Furthermore, there were trade receivables amounting to EUR 61.4 million as at the balance sheet date of 31 December 2023. Over 70% of the ShopFully Group's receivables (EUR 19.1 million) are covered by trade credit insurance. Excluding the ShopFully Group (EUR 42.2 million), the Group largely has systemically important food retailers as customers. Credit insurance is taken out for the outstanding balances of the other market segments (electronics, furniture, etc.). Management considers asset risks to be in the "C risk" category overall, with there being no direct impact on key performance indicators.

c. Other risks

There also exist cyber risks that could endanger IT security, while a successful cyber-attack may compromise the group companies' operational business. Therefore, the Company invests continually to expand IT security and to train staff on topics relevant to IT security. Besides internal resources, there are external firms on hand for advice and for an external audit of IT security. Taking into account the probability of occurrence, amount of risk and precautionary measures, the potential cyber risk is considered to be a "B risk".

Sustainability is of significant importance for our society, customers as well as for the MEDIA Central Group and its staff. Besides social and economic aspects, the effects of our business activities on the environment are examined. The Group recognised the necessity of sustainable actions early on and, with the help of specialist external partners, collected relevant key sustainability figures, such as the carbon footprint. The issued bond is linked to sustainability targets that will be jointly defined in 2024 together with external partners, our shareholders and management. This means the Group's activities in the future will directly impact financial covenants, with non-fulfilment of targets (still to be defined) potentially leading to the interest rate increasing by 25 basis points. Management considers this to be a "C risk" but at the same time points out the intrinsic opportunities from boosting the Company's image in the eyes of customers, suppliers, investors and staff.

The MEDIA Central Group's risk management uses internal budget, management/control processes, which encompass all entities in the Group. Economic risks are analysed and assessed at regular intervals by management and measures for managing the risks are agreed. Furthermore, management regularly informs the Advisory Board about potential economic risks and initiated measures. The success of these measures is tracked by monthly reporting.

D. Additional disclosures for MEDIA Central Holding

In its function as financial holding company of the Group, MEDIA Central Holding's (MCH) business performance, position and expected development, including the significant opportunities and risks, are largely dependent on the performance of the MEDIA Central Group.

MEDIA Central Holding does not include any operational business. Its focus as financial holding company is on corporate group steering, group financing and the provision of management services for the operating business units. Due to the holding structure, the key performance indicators of MEDIA Central Holding (MCH) deviate from those of the operating units of the MEDIA Central Group, and are financial result (net) and net income under German commercial law.

1. Assets, liabilities, financial position and financial performance of MEDIA Central Holding GmbH:

The holding company's business performance for financial year 2023 was influenced by three main effects: (1) the merger of MEDIA Central Holding ("MCH") with MEDIA Central Beteiligungsgesellschaft mbH, Mönchengladbach ("MCB"), previously a wholly owned subsidiary of MCH, which itself held shares in the operating business units and operated as an intermediate holding company; (2) the share purchase of the ShopFully Group; and (3) the Group's refinancing in conjunction with the share purchase of the ShopFully Group including issue of a bond in the amount of KEUR 200,000.

MCH's assets, liabilities, financial position and financial performance for financial year 2023 can be summarised as follows:

a. MCH financial performance:

Gewinn- und Verlustrechnungen MEDIA Central Holding GmbH

	1.1. - 31.12.2023 TEUR	1.1. - 31.12.2022 TEUR
Umsatzerlöse	5.111	0
Sonstige betriebliche Erträge	33.157	0
Personalaufwand	-7.172	0
Abschreibungen auf Sachanlagen	-39	0
Sonstige betriebliche Aufwendungen	-14.429	-44
Erträge aufgrund eines Gewinnabführungsvertrags	29.003	0
Erträge aus Ausleihungen des Finanzanlagevermögens	3.526	0
Sonstige Zinsen und ähnliche Erträge	1.511	232
Zinsen und ähnliche Aufwendungen	-20.279	-1.101
Finanzergebnis (netto)	13.761	-869
Steuern vom Einkommen und vom Ertrag	-3.951	0
Ergebnis nach Steuern	**26.438**	**-913**
Sonstige Steuern	-3	0
Jahresüberschuss/Jahresfehlbetrag	**26.435**	**-913**

In view of the effects listed above, MCH's financial performance for financial year 2023 cannot be compared against the prior year. This can be seen especially in the absorption of employees from MCB and the resulting management services provided for other group companies in 2023. Until the end of 2022, MCH did not have its own staff and therefore did not provide any administrative or other services for group companies.

Due to the recharging of various services to group companies, MCH therefore posts revenue for the first time in the year under review. The management services relate especially to the German subsidiaries of MCH. The merger resulted in a merger gain of EUR 33.0 million being realised; the merger of MCB into MCH was at book values.

As a result of the merger-induced absorption of the MCB employees, MCH recognises personnel expenses for the first time. MCB employed an average of 50 people in financial year 2022. The sharp increase in other operating expenses was largely due to one-off expenses in the form of exceptional transaction and financing expenses15 in the amount of EUR 11.3 million that were incurred in connection with the acquisition of the ShopFully Group and the refinancing of the Group.

The merger of MCB into MCH led to MCB's profit and loss transfer agreement with MCO and the resulting income in the amount of EUR 29.0 million for financial year 2023 moving over to MCH. At the same time, the new function of tax group parent resulted in income taxes in the amount of EUR 3.9 million reducing net income for the first time.

Income from loans for financial year 2023 concerned all loans granted to group companies and interest income, especially income from the bonds under current assets amounting to EUR 15 million which were held by MEDIA Central Holding GmbH itself as part of the bond emission in July 2023. The bond, with a total issue volume of EUR 200 million, is also the main driver for the interest expenses recognised in financial year 2023.

Overall, MCH's net income rose significantly due to the previously described effects, increasing to EUR 26.4 million. The financial result for financial year 2023 also rose significantly to EUR 13.8 million.

[15] Pursuant to Section 314 (23) HGB

b. MCH assets, liabilities and financial position:

	31.12.2023 TEUR	31.12.2022 TEUR
Aktiva		
A. Anlagevermögen		
I. Sachanlagen	84	0
II. Finanzanlagen	364.906	81.529
	364.990	81.529
B. Umlaufvermögen		
I. Forderungen und sonstige Vermögensgegenstände	18.109	0
II. Wertpapiere	15.000	0
III. Kassenbestand, Guthaben bei Kreditinstituten	2.012	69
	35.121	69
C. Rechnungsabgrenzungsposten	83	0
D. Aktive latente Steuern	21	0
	400.215	**81.598**
Passiva		
A. Eigenkapital		
I. Gezeichnetes Kapital	25	25
II. Kapitalrücklage	92.057	57.996
III. Verlustvortrag	-1.900	-987
IV. Jahresüberschuss/ Jahresfehlbetrag	26.435	-913
	116.617	56.121
B. Rückstellungen	17.761	16
C. Verbindlichkeiten	264.747	25.461
D. Passive latente Steuern	1.089	0
	400.214	**81.598**

Due to the merger of MCB into MCH, comparability of the balance sheets of MCH as at 31 December 2022 and 2023 is impaired, especially concerning financial assets.

MCH's total assets rose between 31 December 2022 and 31 December 2023 by EUR 318.6 million, from EUR 81.6 million to EUR 400.2 million.

Assets and liabilities:

The change in financial assets is largely due to the acquisition of shares in affiliated companies held by MCB in the total amount of EUR 220.9 million. In financial year 2023 there was also the acquisition and subsequent capitalisation of the intermediate holding company MILLE MIGLIA HOLDING S.p.A., Milan, Italy, for the purpose of acquiring ShopFully S.p.A. The share purchase was also financed by the granting of intercompany loans (EUR 60.0 million), which as loans to affiliated companies also served to increase MCH's financial assets. This was set against the derecognition of MCH's shares in MCB (EUR 76.3 million) as a result of the merger.

Receivables from affiliated companies rose largely due to the profit and loss transfer agreement between MCO and MCB, which moved over to MCH as part of the merger. Securities classified as current assets rose by EUR 15.0 million due to own held units from the bonds issued in the reporting year in the amount of EUR 200.0 million.

Financial position:

Equity rose significantly by EUR 60.5 million due to the much improved net income (EUR +27.3 million) – largely thanks to the merger – and an increased capital reserve (EUR +34.1 million), which was largely implemented through the contribution of a non-cash receivable (EUR 27.7 million). The equity ratio at 31 December 2023 was 29.1% (31 December 2022: 68.7%), falling especially due to the bond issue.

The Company's provisions as at the balance sheet date 31 December 2023 especially include commitments from downstream purchase price payments ("earn-out" agreements) amounting to EUR 14.9 million.

MCH's liabilities increased from EUR 25.5 million (31 December 2022) to EUR 264.7 million (31 December 2023). There are three main drivers in the reordering of the Group's financing structure: a bond in the amount of EUR 200.0 million was issued. Furthermore, liabilities to banks were repaid. Due to the merger, liabilities to affiliated companies and to shareholders were assumed. Further details are provided in the comments on the Group's financial position.

Due to the existing financing possibilities from own-held bonds and intercompany loans, as well as a not fully drawn credit facility in the amount of EUR 14.0 million, MCH at the balance sheet date was at all times able to meet its financial commitments in financial year 2023.

As MCH does not perform operating activities with non-group units, its future debt service capacity depends on the Group's financial performance and its ability to generate funds. For this matter we refer to the comments in MCH's management report, including related to future opportunities and risks. All risks of the group companies impacting their long-term earnings situation have an indirect effect on MCH in term of potential impairment risks for shares in and loans to affiliated companies.

Compared to financial year 2023, management expects for MCH a significant decline in the net financial result driven by the full-year effect of bond interest, which will not be compensated by the profit and loss transfer agreement with MCO despite the expected positive business performance of the operating units. Beyond this there are no profit and loss transfer agreements between MCH and group companies. No dividend payments from other subsidiaries of MCH are currently planned. At holding company level, a significant cost reduction for personnel and other operating expenses is planned through restructuring and the reduction of exceptional expenses related to the share purchase and the refinancing. At the same time, the positive effect of the merger gain in financial year 2023 will not recur, meaning that a significant decline in net income for the year is also expected.

E. Note

This management report includes information and forecasts concerning the Group's future development. The following forecast represents our appraisal of the situation based on all information available to us at the present time. Should the assumptions on which this forecast is based not materialise or risks arise that were addressed in the risk report, then the actual results may vary from the results that are forecast here.

Mönchengladbach, 17 May 2024

Christof Knop

Dr Vincenzo Del Popolo

Stefano Portu

Ingo Wienand

Independent Auditor's Report

To MEDIA Central Holding GmbH, Mönchengladbach

Opinions

We have audited the annual financial statements of MEDIA Central Holding GmbH, Mönchengladbach, which comprise the balance sheet as at 31 December 2023, and the income statement for the financial year from 1 January to 31 December 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of the Company and the Group (combined management report) of MEDIA Central Holding GmbH for the financial year from 1 January to 31 December 2023.

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 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023, 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.

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 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 German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. 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.

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

Management 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, management 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, management 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, management 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, management is responsible for such arrangements and measures (systems) as they have 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.

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 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 management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management'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 management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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.

Düsseldorf, den 21. Mai 2024

KPMG AG
Wirtschaftsprüfungsgesellschaft

Velder	Grittern
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

MEDIA Central GROUP

Transforming Retail

The leading tech company in Drive To Store.

We work with the best tech and people to reinvent local shopping and take it to the next level.