



Trimming the sails

Key figures

The 2023/24 financial year was very challenging for all market participants, including the Otto Group, due to geopolitical changes, high interest rates and inflation, as well as persistent consumer restraint in important sales markets. The Otto Group's revenue in the 2023/24 financial year was around EUR 15 billion, around 6 percent below the previous year on a comparable basis. E-commerce revenue was around EUR 11 billion. Significant progress was made in regard to operating profitability. The advancement of strategically relevant topics continued, despite challenging market circumstances. Targeted investments in the transformation of business models, e.g., in the e-commerce platform OTTO, and in logistics processes, including in the locations in Altenkunstadt and Iława, strengthen the future viability of the Otto Group.

Group		2023/24	2022/23
Revenue	EUR billion	15.0	16.2
thereof e-commerce revenue	EUR billion	10.8	12.0
EBITDA	EUR million	744	589
EBIT	EUR million	11	22
EBT	EUR million	- 350	- 224
Loss for the year	EUR million	- 426	- 413
Group equity	EUR million	4,657	5,168
Net financial debt	EUR million	2,676	2,813
Free cash flow	EUR million	689	- 1,219
Employees	number	38,456	41,186
thereof domestic	number	22,503	24,282
thereof foreign	number	15,953	16,904
Key performance indicators on financial position*			
Cash EBITDA	EUR million	1,364	1,177
Group equity ratio	in %	33.8	36.8
Debt service ratio	in years	2.0	2.4
Debt to equity ratio	ratio	0.6	0.5
Sustainability indicators (selected goals from the CR strategy**)		2023	2022
Reduction of adjusted CO ₂ e emissions (compared to the base year of 2018)	in %	- 30	- 21
Proportion of "preferred fibers"	in %	59	55
Proportion of FSC®-certified furniture products	in %	83	83
Proportion of sustainable catalog paper	in %	94	90
Proportion of sustainable packaging	in %	94	78

* For a definition of these financial indicators, please refer to the Group management report.

** The CR strategy covers all Group companies that make a sizable contribution to the Otto Group's external revenues in two consecutive financial years. For a detailed description of the CR strategy, please refer to the Sustainability part.



The world is in turmoil. The conflict in the Middle East has flared up again, while the war in Ukraine continues to rage and the values embraced by Western democracies appear under threat. Even the economy is navigating stormy seas. So now more than ever, the Otto Group must ensure that its sails are trimmed the right way. It helps that we are used to weather any storm. We seize opportunities, even those that emerge in crises and make ourselves fit for the future. We have sharpened our focus, optimized cost structures, and streamlined processes. Our shared goal of prioritizing our customers' wishes more than anything else is what drives us forward. Our motivation is to harness innovative technologies that make the shopping experience even more inspirational and personal, and our everlasting ambition going forward remains to embody our values and responsibility for people and nature.

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Foreword Alexander Birken



Dear partners and friends of the Otto Group, ladies and gentlemen,

The Otto Group has coped well with a very extraordinary financial year. We have successfully continued the course set by corporate management based on earnings and liquidity, divested ourselves of unprofitable business activities and lost comparatively little revenue in the process.

I would therefore like to extend my deep gratitude to all fellow members of the Executive Board and the almost 40,000 employees within the Group. And this also extends to the shareholders Prof. Dr. Michael Otto and Benjamin Otto for their unwaveringly constructive-critical support.

We do not expect any real tailwind from the markets in the financial year ahead. Geopolitical upheavals and their macroeconomic consequences will continue to dampen the consumer mood on the markets that are relevant to us in Europe and the USA. So it is all the more important that we trim the Group's sails the right way. And we have.

We continue to steer the holding company and the Group companies on the basis of improved

cost structures in regard to income and liquidity, review the future viability of our business models and optimize synergies between the business units. Our focus nonetheless is on the performance we deliver to customers. We will only achieve long-term success if they appreciate and endorse the services of our company amid highly price-sensitive competition.

"We have trimmed our sails the right way – for performance, innovation and responsibility."

Included in this is the tireless quest for process- and customer-relevant innovations. Generative artificial intelligence will play a major role in this context. The manner in which we have embraced the opportunities of a new era shaped by GenAI is virtually unparalleled in the corporate world. Now it's about integrating our value-added processes and business applications – from marketing to logistics.

In all of this, products and services should remain imbued with the values we embody as a family-driven corporate group. Our quality standards, after all, extend to inner values as well. Since the 1980s, we have defined sustainability as a further corporate goal. We are now setting out an ambitious strategy, including a science-based target, to achieve our ambitious social and environmental goals.

Our customers can trust us, and so can you as our partners and friends.

Yours,

A handwritten signature in red ink that reads "Alexander Birken". The signature is fluid and cursive, written on a white background with a dashed red line underneath.

Alexander Birken

Chairman of the Executive Board and
Chief Executive Officer (CEO)

The Executive Board



Petra Scharner-Wolff

Chief Financial Officer (CFO),
Member of the Executive Board
Finance, Controlling, Human Resources

Kay Schiebur

Member of the Executive Board
Services



Sebastian Klauke

Member of the Executive Board
E-Commerce, Technology, Business
Intelligence and Corporate Ventures

Dr. Marcus Ackermann

Member of the Executive Board
Multichannel Distance Selling



Sergio Bucher

Member of the Executive Board
Brands and Retail

Foreword Prof. Dr. Michael Otto



Dear ladies and gentlemen,
dear friends,

The challenges facing the Group remain stiff. Our past financial year proved that the Executive Board, managers and employees are adept at adapting quickly and flexibly to new market circumstances, without losing sight of the Group's basic orientation and value-oriented economic activity. This fills me with gratitude.

We have charted the right course to ensure success in the years ahead. Performance, innovation and responsibility are the driving forces. What matters most from my perspective is to continuously improve the delivery of our services to customers. They must be at the heart of everything we do.

In recent months, the shareholders and Supervisory Board have also focused their attention on how the Group will be managed in the medium and long term to ensure its viability going forward. Let us not forget, successful generational transitions are one of the biggest challenges for family businesses.

As announced already, I am handing responsibility for the Group to the third generation so that I can devote more time to my various foundation activities.

"We have charted the right course to ensure success in the years ahead."

With effect from 1 March 2026, my son Benjamin Otto will take over as head of the Board of Trustees and Shareholders and assume strategic control of the Group. Together with long-standing CEO Alexander Birken, who will take over as Chairman of the Supervisory Board on 1 March 2025, this will ensure that the Group has strong entrepreneurial and value-oriented leadership.

With Petra Scharner-Wolff, the Executive Board will soon be headed by an outstanding leader who has left an indelible her mark on the Group of companies over her many years of service to the Otto Group. She will give the Group some fresh impetus together with the Executive Board and the excellent Katy Roewer as her successor in the finance and HR department.

I am extremely confident that my son Benjamin – with Alexander Birken at his side and a strong Executive Board – will guide the Otto Group into a positive economic future and but also keep the particular values of our family business alive as well.

Yours,

Prof. Dr. Michael Otto

Chairman of the Supervisory Board

The Supervisory Board

Prof. Dr. Michael Otto

HAMBURG

Chairman, Entrepreneur

Alexander Otto

HAMBURG

Chairman of the Executive Board

ECE Group GmbH & Co. KG

Benjamin Otto

HAMBURG

Chairman of the Foundation's Board

Holistic Foundation

Birgit Rössig*

HITTBERGEN

Deputy Chairwoman of the

Works Council Otto (GmbH & Co. KG)

Chairwoman of the Works Council Otto Group

Frederic Arndts

HAMBURG

Member of the Board

OTTO Aktiengesellschaft für Beteiligungen

Marius Marschall von Bieberstein

(until 29 February 2024)

BERLIN

Managing Partner

evoreal Holding GmbH & Co. KG

Jürgen Bühler* (until 23 May 2023)

HANAU

Chairman of the Works Council sheego AG

Petra Finnern* (as of 23 May 2023)

HAMBURG

Full-time member of the Works Council

EOS Region Germany

Torsten Furgol*

MAGDEBURG

Division Manager ver.di Trade Union

Saxony, Saxony-Anhalt, Thuringia

Rolf Gnatzy* (as of 23 May 2023)

ALTENKUNSTADT

Deputy Chairman of the Works Council BAUR Group

Oliver Grund* (as of 23 May 2023)

HÜCKELHOVEN

Chairman of the General Works Council

Hermes Group Germany

Dr. Rainer Hillebrand

HAMBURG

Independent management and strategy consultant

Dr. Nicolai Johannsen* (as of 23 May 2023)

HAMBURG

Vice President Consumer Interactions

Otto (GmbH & Co. KG)

Heike Lattekamp*

HAMBURG

Deputy Regional Manager

ver.di Trade Union Commerce Hamburg

Thomas Mort*

LUHE-WILDENAU

Deputy Chairman of the Works Council Witt Group

Heinrich Reisen* (until 23 May 2023)

GREVENBROICH

Chairman of the General Works Council

Hermes Group Germany

Sarah Reitemeyer (as of 1 March 2024)

HAMBURG

Member of the Executive Board

BPO Capital GmbH & Co. KG

Lars-Uwe Rieck*

GRINAU

Regional Specialist ver.di Trade Union Post and

Logistic Hamburg/North

Benjamin Schaper

HAMBURG

Managing Director GFH Gesellschaft für

Handelsbeteiligungen m.b.H.

Hans-Otto Schrader

HAMBURG

Chairman of the Supervisory Board

OTTO Aktiengesellschaft für Beteiligungen

Dr. Winfried Steeger

HAMBURG

Attorney

Monika Vietheer-Grupe* (until 23 May 2023)

BARSBÜTTEL

Chairwoman of the Works Council

bonprix Handelsgesellschaft mbH

Sandra Widmaier-Gebauer*

(until 23 May 2023)

HAMBURG

Executive Employee

Group Vice President Human Resources

Prof. Dr. Peer Witten

HAMBURG

Member of the Supervisory Board

OTTO Aktiengesellschaft für Beteiligungen

Inka Wolff*

HALDENSLEBEN

Works Council Member

Hermes Fulfilment GmbH

* Employee representative





“Setting clear priorities and maintaining focus enables us to drive innovation in the technology sector. In doing so, we remain flexible, to actively shape our business in a complex world.”

Johanna Hinz,
Division Manager Tech Strategy Otto Group

Innovation

Remaining navigable in stormy seas – our solid financial basis equips us for this challenge. In order to emerge even stronger from these critical times, we continue to invest, especially in strategically relevant areas and despite the demanding environment. Examples include the state-of-the-art logistics hubs in Altenkunstadt, Germany, and in Łódź, Poland. Or innovative technologies that build on artificial intelligence. We are anticipating dramatic changes in this area – along with tremendous opportunities that we intend to embrace proactively.



Being better with AI

The Otto Group has invested in the potential of artificial intelligence for a long time – and is making great strides forward.

Artificial intelligence (AI) is sweeping through the industrial and retail sectors like a hurricane. The Otto Group believes that its disruptive potential possesses a similar magnitude to what was experienced with

electrification. This development has not taken us by surprise. Quite the contrary: We see ourselves as pioneers of this technology and are driving it forward decisively. But only on our terms.

We had already deployed AI many years before the hype emerged around generative AI. Its uses included improving the predictability of order volumes – which significantly reduced the amount of surplus goods. AI was also incorporated into a nascent chatbot assistant that provided competent responses to complex inquiries.

But that was only the start. Our approach to AI from an early stage was always intended to be large scale. In which areas of our core business would it unleash the greatest disruptive potential? We knew: Logistics would certainly be one of them. So last year we entered into a strategic partnership with the Californian robotics company Covariant. The purpose of this collaboration was for machines to observe, learn and align their actions with the knowledge they have acquired in order to perform complex tasks such as gripping a steady stream of different objects both spontaneously and autonomously. The Otto Group concluded another strategic agreement with Boston Dynamics, probably the most well-known robotics companies. "Stretch", the unloading robot, and the four-legged "Spot" will make warehouse activities more attractive and safer and ensure improved efficiency and speed – also because the fleet of logistics robots are able to learn communally irrespective of their location.

The constant stream of new applications is merely indicative of the dizzying pace at which AI is evolving. This process is equally evident at the Otto Group. An important element of this development is that individual Group companies occasionally make progress in the development of applications – but then make the results transparently available for the entire Group to learn. Baur, for instance, harnessed generative AI to build a "search buddy" that responds to customer queries and provides tailored product recommendations based on tailored style preferences. The Witt Group deploys AI and gamification to improve the shipping experience. The Group company OTTO joined with Google to test an AI-controlled shopping assistant and already runs over 65 AI applications in continuous operation – ten in the area of generative AI. Whether it is in fraud prevention or marketing – AI has already optimized processes

Five AI highlights for 2024

ogGPT

AI language model for 26,000 employees that complies with privacy requirements

Natural language processing

Proposals for optimized search interactions on otto.de

Search buddy

Smart, personalized inspiration in the Baur online shop

Intelligent logistics robots

Strategic agreements with Covariant and Boston Dynamics

AI-optimized route planning

More efficient transport routes with lower emissions for Hermes

throughout the Otto Group and in doing so has cut costs. One of the enterprise-wide Otto Group projects involves the use of ogGPT – a chatbot that is tailored to the needs of the Group, which was developed by colleagues on the basis of the leading chat GPT technology from OpenAI and Microsoft's Azure OpenAI service, which is hosted in the EU. And this is the crucial difference: ogGPT is therefore a

proprietary and secure variant – one that, above all, complies with data protection requirements – in which business documents from within the Otto Group can also be used. It is ensured that information cannot be leaked outside the company. This allows employees to exploit the application's full potential in their professional lives and even experiment with new use cases.

"Artificial intelligence has gigantic potential. No other technology will unleash the same disruptive force in the years ahead."

Sebastian Klauke,
Member of the Executive Board, E-Commerce,
Technology, Business Intelligence and Corporate Ventures

Performance

We cannot change the direction of the wind. But we can trim the sails the right way. What this means for the Otto Group: We are steering our company with a rigorous focus on results and liquidity and not on revenue. The significant improvement in our operating profitability for the 2023/24 financial year merely confirms the success of our strategy and focused decisions. The strength of the Otto Group is equally evident in the fact that we have grown our market share in many business models, despite the current crisis.



in a sophisticated blend of proven principles and prudent decisions for necessary modernization. This is why the company continues to publish its catalog and even managed to significantly increase the Witt brand's brick-and-mortar business with a new store concept. At the same time, the Witt Group's online share has now grown to around 38 percent; the established Heine brand – part of the Witt Group since 2019 – already accounts for around 66 percent. The Witt Group takes a cost-sensitive approach – accompanied by cutting-edge technology: Standardized layout templates, reduced formats and digital image generation are used across the Group to leverage synergies in catalog production. AI is used to optimize the newsletter and to improve the efficiency of returns forecasting. Expansion of the Witt shopping app to accommodate the needs of the target group stands as a prime example of modern customer centricity. Witt learned from its print activities that customers appreciate playfulness – prompting the addition of attractive gamification elements to the app. But will it work? Certainly there has been a 66 percent increase in the number of app users during the first half of the financial year compared to the same period in the previous year.

Maintain the course, remain open

The Witt Group shows how success can come from the right combination of expertise and an eagerness to experiment, even in challenging times.

With a clear focus on our target group, decades of experience in developing product portfolios and an internationally positioned multi-brand concept, the Witt Group once again generated revenues of

over one billion euros in the past financial year – recording year-on-year sales growth despite the challenging market environment. The key to building a vertically integrated fashion company lies

Scaling success with new platform solutions

Adapting the digital business to the rapidly changing customer needs: You can do that at Scayle. The About You Group subsidiary opens its platform solutions to external companies as well.

Ramping up business when things are working. Responding directly to the dynamic needs of customers. Stepping up the pace of market activities with the numerous integrated functions of a modern and cloud-based shop system. What has for years been part of About You's recipe for success can also be transferred the needs of numerous other companies. Ever since Scayle – the competent business unit within the About You Group – has operated as an independent company, its business performance has remained extremely positive despite the fraught market situation in e-commerce. Even prior to the spin-off, numerous complex migration projects went live on the technical platform provided by Scayle, including ones for S.Oliver, Fielmann and Deichmann. The team also managed to acquire new customers, such as the Walz mail order company,

Europe's largest online shop for baby and toddler products Baby-market.de and soccer clubs such as FC Bayern Munich and Manchester United. This has created win-win

scenarios: Brands and retailers benefit from a proven shop system that uses tech-assisted discount systems to boost profitability and deploys customized front ends, omnichannel experiences, integrated third-party services, and modern CRM measures to help attract customers and inspire their loyalty. At the same time, Scayle GmbH acquires more experience with each partner company – along with additional material for its success story.

“The success of Scayle and the continuing high market demand for a state-of-the-art shop system bode well for the years ahead.”

Tarek Müller,
Co-Founder and Co-CEO About You Group

Focusing on the results

Our clear intention to secure results makes it easier for the entire Otto Group to respond to market circumstances. We have optimized cost structures across the Group and slimmed down our processes – a strategy we are determined to maintain. We have also consciously discontinued some business models or placed them in a fresh set of hands in order to emerge from the crisis with improved performance and a brighter future:

Mytoys

Business operations at Mytoys.de GmbH were discontinued. The brand has been given a new stage on otto.de, while the chain of outlets was transferred to Toysino.

DBR

The Brazilian e-commerce provider failed to live up to its growth potential and was then sold to Loghaus BR.

Unigro

The online shopping brand discontinued operations due to a lack of viable perspectives.

Agediss

Promising sale: The 2-man handling specialist from France, Girard Agediss, was taken over by Jacky Perrenot.

Responsibility

Headwinds show how firmly you stand. Our shareholder vision is concise: “Responsible commerce that inspires”. Even in challenging times, we as a Group of companies are committed to taking responsibility – for the world we live in, for society, but also for the digital transformation. We take a public stand, for freedom and democracy. And we are even more binding in regard to climate targets, as evidenced by the introduction of a science-based target.

Ambitious climate targets – evidence-based

The Otto Group has reached a major milestone with the validation of its new climate targets by the Science Based Targets Initiative. Not only are the targets evidence-based and in line with the 1.5 degree target of the Paris Climate Agreement, they also meet the highest standards.

Here at the Otto Group, we have been working to reduce our environmental footprint for almost 40 years. Protecting the climate is among the decision dimensions that are firmly enshrined in our strategic goals. “We have achieved our climate targets so far by rigorously avoiding and reducing emissions and without offsetting. These measures to fight climate change were right, important and successful”, emphasizes Prof. Dr. Tobias Wollermann, Vice President Corporate Responsibility

Otto Group. Faced with the worsening climate crisis, we entered into a commitment in 2022 to develop new, holistic and science-based climate targets for the Otto Group that are in line with the 1.5 degree target of the Paris Climate Agreement – and which were officially validated by the Science Based Targets Initiative (SBTi) at the end of February 2024 ([→ see the Climate chapter](#)). By 2031/32, our aim is to cut absolute greenhouse gas emissions

“With our climate targets, we are making an important and measurable contribution to limiting global warming.”

Prof. Dr. Tobias Wollermann,
Group Vice President Corporate Responsibility

across the entire Group by 42 percent compared to the 2021/22 financial year.* The science-based target (SBT) enables us to appraise greenhouse gas emissions throughout our value chain – from the cultivation of raw materials and production to the use and disposal of goods. Integrating the marketplace business as part of the target is a particular feature within the competitive environment. By doing so, we are exceeding the minimum requirements for successful validation and customary practice among competitors. Overall, the SBT means yet another significant expansion and notable intensification of our climate protection activities. In addition to our SBT, we intend to achieve net zero emissions by 2045 – which means reducing greenhouse gas emissions along our entire value chain by at least 90 percent and offsetting only the remaining 10 percent by engaging in measures to remove CO₂ from the atmosphere. Our long-term climate target and the validated SBT demonstrate yet again the significant importance of climate protection within the Otto Group, even in economically challenging times.

* The official wording of the target is accessible on the [SBTi website](#).



Flying the flag for freedom and democracy

We firmly believe that value-oriented business is a vital component of a secure and liberal society. Equally: Ethical trade can only exist in a peaceful and free society. That's why we will always take a stand whenever these things are at risk. Examples of our commitment last year:

#Niewiederistjetzt (Never again is now)

We endorse the initiative against antisemitism.

#Wirsindmehr (We are more)

Numerous colleagues gather for the demonstrations in Hamburg to protest against extremism. Employees at other German locations also take part in local rallies against extremism and racism.

#Zusammenland (Togetherland)

We support the campaign for openness and diversity and the fight against populism and right-wing hate.

Sustainably electric: Green delivery on the last mile

Hermes Germany has organized zero-emission local deliveries throughout Hamburg and its outlying districts since the turn of the year.

The logistics provider is not known for empty promises. Hermes Germany is making good on its promise to implement its "local zero emission" program for the delivery of all parcels and packages in Germany's second-largest city, just in time for the end of the year. Effective immediately, Hermes Germany will move every shipment in its home city of Hamburg – whether to a private doorstep or one of the 337 parcel stores – without any local emissions. There has been slow progress in the reduction of greenhouse gases in the transport sector – even in Germany – and decarbonization is "a Herculean task", as Marco Schlüter, COO Hermes

Germany, says, especially on the last mile. In Hamburg, this involved establishing a separate infrastructure with sufficient numbers of charging stations, including an e-mobility hub with 96 charging points. Doing so laid the foundations for the deployment of over 240 fully electric vehicles. Going forward, they will travel as far as the outskirts of the Hanseatic city, delivering up to twelve million consignments per year without generating any local emissions on the last mile. But that's far from everything: The parcel services provider will deliver consignments without any local emissions in 80 German city centers by 2025.



Find more stories on the topics of innovation, performance and responsibility at

ottogroup.com/bpk2024

Corporate overview

Selected companies and brands

The Otto Group as a globally active retail and services group is represented by 30 major company groups primarily in the three economic areas of Germany, the rest of Europe, and the USA.

Platforms	Brand Concepts	Retailers	
About You OTTO	Bonprix Crate and Barrel Heine Küche & Co Sheego Witt	Baur Retail Frankonia Freemans Grattan Limango Manufactum Otto Austria Group*	
Services		Financial Services	
Baur Logistics Evri** Hermes Einrichtungs Service Hermes Fulfilment Hermes Germany** Otto International		Eos Group Hanseatic Bank**	
Headline**	Project A**	Betterdoc	Medgate

* Unito Group until 29 February 2024 ** Investment companies

Chronicle

2023 → 24

The 2023/24 financial year was again shaped by multiple geopolitical crises, ongoing macroeconomic challenges and the ensuing, significant public uncertainty. Insolvencies and inflation shaped the economic climate and led to a continuation of the extremely cautious behavior among consumers.

We used the crisis to make ourselves fit for the future, make the most of every tailwind and exploit opportunities. Our focus in the 2023/24 financial year remained on our responsibility towards society, our partners and, of course, our employees.

A brief review of a demanding year.

2023

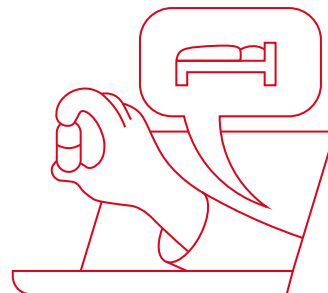
March

The climate crisis and circularity acquire greater relevance

Even ethical consumption is transformed radically by the turbulence around the world. Germans have become significantly more price-sensitive, although the majority is drawn to sustainability when deciding on which product to buy. According to the sixth trend study commissioned by the Otto Group, "Ethical Consumption in Transition", the majority of respondents consider ethical consumer behavior to be an integral part of their purchasing considerations. People now are more about the long-term goal of combating climate change, and they are calling on brands and companies to become the driving force behind the transformation towards climate neutrality.

Emergency consultations via the Onedoc app

A new partnership means that Onedoc users in Switzerland can now contact the Medgate medical team in the event of an emergency in order to discuss their situation. This gives patients quick and simple access to telemedical assistance via their Onedoc app.

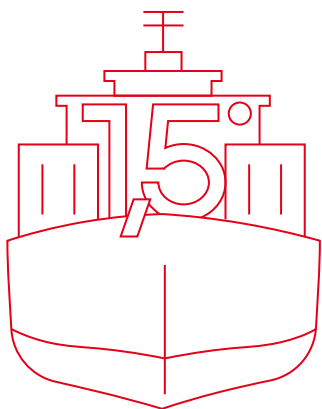


Mytoys.de GmbH ceases business operations

The Executive Board and shareholder bodies of the Otto Group decide that Mytoys will discontinue business operations at the end of the 2023/24 financial year. The monothematic multichannel concept is no longer sustainable in the highly competitive toy market with its small margins. The decision also involves closing the Mytoys headquarters in Berlin by February 2024. In the future, the myToys brand will be offered exclusively on the platform run by the Group company OTTO. The company's 19 over-the-counter-retail shops will be taken over by Toysino GmbH in October.

New style for Bonprix

Bonprix adopts a new brand look: A one-line logo in black – more modern, digitally compatible and an expression of its positioning as a smart fashion brand – together with the new claim "Fashion made smarter", sums up the Bonprix value proposition.



OTTO cuts its sea freight emissions

OTTO is determined to ensure that its goals and climate protection activities are in line with the 1.5 degree

target enshrined in the Paris Climate Agreement. This also includes reducing its CO₂ emissions on transport routes by 15 percent in the 2023/24 financial year. The online retailer is now cooperating with Goodshipping, a pioneering company and market leader in the field of reducing transport emissions.

Young Europeans prefer cash

The latest Eos Consumer Study indicates that young adults aged between 18 and 34 have a strong interest in finance. What catches the eye is that almost half of all respondents – 45 percent in Germany – have resorted more frequently to cash in the previous six months. This may be motivated by the desire to keep track of personal spending and steer away from debt.



April

Collection with circular fashion

The first Circular Collection from Bonprix centers on summery, recyclable styles for women, men and

children. The design is geared towards reuse and durability and is based on the Circular Design Criteria issued by the Berlin company Circular Fashion. Aside from the use of more sustainable materials, the development process also focuses on the end of a product's life cycle and recycling. A second Circular Collection with fall styles will follow in September 2023.

The Michael Otto principle

Birthday of an entrepreneurial legend. Prof. Dr. Michael Otto publishes 'Das Michael Otto Prinzip' to mark his 80th birthday. The Chairman of the Supervisory Board of the Otto Group pens eight essays that set out the principles of his entrepreneurial activities and social commitment. Readers are given profound insight into the global companies, foundations and projects run by the multifaceted entrepreneur, philanthropist and honorary citizen of Hamburg, Germany. To mark his round birthday, the jubilarian remains true to his principles and donates a million euros to the NDR charitable organization "Hand in Hand für Norddeutschland". The declared goal is to help people in need in northern Germany who have been forced to flee due to the Ukraine war or are particularly affected by its consequences.

May

Strategic partnership with Covariant

The Otto Group is entering into a long-term strategic partnership with Covariant, the world leader in artificial intelligence (AI) in robotics from the USA, as a foundation for future growth. Covariant's AI-powered robots will automate a

variety of manual fulfillment tasks that require hand-eye coordination. They help the Otto Group to improve service delivery to customers and to take another important step towards a digitalized and AI-driven future. The partnership aims to create new job profiles and attractive workplaces, increase overall performance in fulfillment and ensure more reliable delivery times.



New foundation established

With the Michael Otto Foundation for Sustainability, Prof. Dr. Michael Otto, Chairman of the Supervisory Board of the Otto Group, is adding a new charitable organization to his longstanding social commitment. It will focus on the preservation of biodiversity and on promoting democracy and human rights around the world.

Manufactum goes live in Belgium

Manufactum has launched its online shop in Belgium, manufactum.be, as part of its internationalization strategy. Given the official languages in Belgium, the local Manufactum shop will be available in Flemish and French. This is the third international shop following the Netherlands and Luxembourg.



June

Quelle Austria becomes Universal

Quelle Austria is merging with the online mail order company Universal to adopt an even more strategic position on the market. This step brings together two Austrian online shops within the Otto Austria Group (formerly Unito Group). The merger does not affect Quelle Germany, which will continue to operate independently in the German market.

Public affairs office opens in Berlin

Around 80 invited politicians, VIPs and association functionaries attend the opening of the Otto Group's new public affairs office in Berlin, Germany. The new office will enable the Otto Group to play an even stronger role in the political opinion-forming process and to respond more quickly to developments affecting its business. Moreover, the office is intended to act as a gathering place for various decision-makers in Berlin and Brussels to exchange their views.

Second hand cooperation with Momox

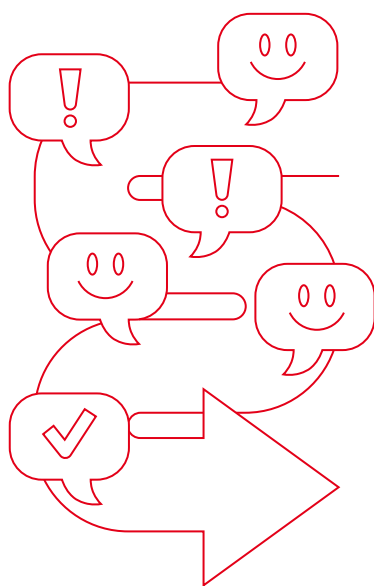
Momox, a leading re-commerce company, is the new partner to About You and is therefore expanding the portfolio of thrifted fashion in the "Second Love" category on aboutyou.de. Overall, About You will quadruple its second hand selection in the months ahead and offer its customers a steadily expanding range of alternatives to new items.

Sustainability award for Eos

The Eos Group receives the German Award for Sustainability Projects in recognition of the Finlit Foundation non-profit organization. In the Charitable Initiative category, the jury honored Eos' efforts to teach financial literacy as a means of preventing excessive debt.

Sheego wins the German Brand Award 2023

Sheego pockets the top prize in two categories of the German Brand Awards 2023 for its exclusive "Passt-mir-Garantie" service for guaranteed fits: Winner in the Brand Innovation of the Year category and Gold for Excellence in Brand Strategy and Creation – Brand Strategy – B2C.

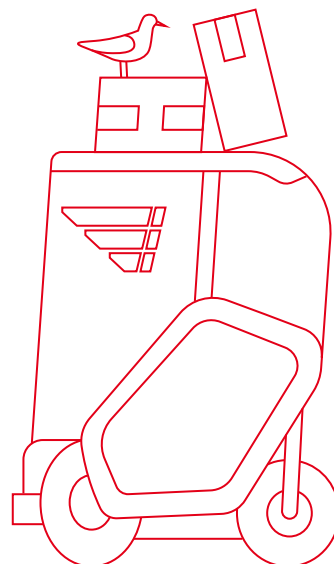


Fulfilling the new reporting requirements in the supply chain

The Group company OTTO, the Witt Group and Hermes Fulfilment submit their reports to the Federal Office of Economics and Export Control (BAFA) in accordance with the German Supply Chain Due Diligence Act (LkSG), with simultaneous publication on their websites. They are therefore among the first companies in Germany to fulfill the reporting obligations.

Unigro discontinues its business activities

After consultation with the Advisory Board, the management of Saint Brice, an Otto Group company from Belgium, has decided to cease all business activities, along with the Unigro online shopping brand in Belgium and Luxembourg. This strategic decision was reached in response to the fraught financial circumstances with which Saint Brice has struggled for several years. Despite intense auditing, none of the options for restructuring the business were ultimately deemed financially and economically viable.



August

New bicycle logistics hub in Munich

Hermes Germany is participating in a newly opened bike logistics hub in Munich's city center to continue its expansion of zero-emission delivery in the Bavarian capital. Starting now, the cargo bikes will be on the road for the parcel service provider in the Dremühlen and Glockenbach districts and in Isarvorstadt, adding to the current fleet of e-vehicles.

OTTO invests in circular fashion

OTTO is presenting the next iteration just eighteen months after the launch of its first Circular Collection. Customers can choose between pants, tops, dresses, blouses and much more at prices ranging from 19.99 to 69.99 euros. What sets the collection apart: All styles come with a digital product passport and are therefore suitable for higher-quality recycling later on, as the ID contains more precise information about the components. This ensures that they can be turned more easily into fibers for new garments.

July

New distribution center in Italy

Hermes Fulfilment is expanding its international network of locations and taking over a Bonprix distribution center in Valdengo, northern Italy, approximately a hundred kilometers west of Milan. The site is specialized in the logistic fulfillment of small-volume traffic. Over the coming months, Bonprix goods destined for Southern Europe will gradually move to Haldensleben in Saxony-Anhalt and will be handled from there.

OTTO tests AI assistant

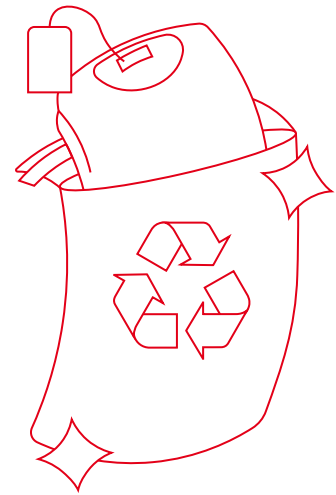
OTTO becomes Germany's first online shop to test an AI assistant – in the desktop version and the app. The company is using generative artificial intelligence (GenAI) to continue improving product advice for customers. The AI assistant draws on product reviews and descriptions to answer even complex questions in just a few seconds.

Scayle becomes independent

The About You Group is spinning off the highly successful Scayle business unit into a separate subsidiary to pave the way for further growth. Now an autonomous enterprise, Scayle GmbH provides a modern, cloud-based shop system that enables brands and retailers to scale their digital business quickly and flexibly and to respond to more demanding customer needs.

Alliance for climate-friendly goods transport

Prompted by the Baden-Württemberg Ministry of Transport, Hermes Germany and other well-known companies and business and industry associations have joined forces to establish the "Fleet conversion of commercial vehicles" alliance for climate-friendly goods transport. The alliance calls for more climate protection in road freight transportation. Baden-Württemberg is the main focus. The aim is to improve the climate impact of at least 50 percent of the light and medium-sized commercial vehicles up to twelve tons used on the roads of the federal state by 2030.



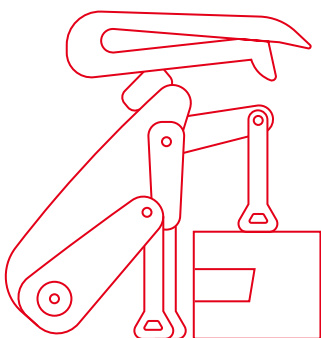
Recycled return bags

Hermes Germany is now cooperating with Wildplastic to offer its customers a simple and free returns solution. The shipping bag developed by the Hamburg company is made from plastic that is collected outdoors in countries that lack an adequate recycling system. This process returns even "wild" plastic to the materials cycle. All of the more than 16,500 Hermes parcel stores across Germany will receive the bags so that customers can even pack their returns on site.

September

Cooperation with Boston Dynamics

The Otto Group signs a strategic agreement with Boston Dynamics, the world's leading mobile robotics company, to continue the automation of its logistics processes. Over the next two years, a fleet of Boston Dynamics "Spot" and "Stretch" robots will be deployed in the Otto Group logistics centers, starting with Hermes Fulfillment. As with the partnership with Covariant, the aim of the collaboration is to increase operational efficiency and occupational safety and to add to the attractiveness of warehouse work in response to the shortage of skilled workers.



#CRX23 – sustainable business and digital data cleaning

The Otto Group organized the first digital Sustainability Week with the motto "Acting responsibly together". Around 1,500 decision-makers from politics, business and civil society as well as Otto Group employees take part in the digital discussions and shared their views on topics such as social and ecological governance in supplier markets, sustainability in the capital market and the climate crisis. The Otto Group is also organizing its second enterprise-wide digital data cleaning as part of #CRX23. This time it even received support from the CDR initiative by the Federal Ministry for the Environment and Consumer Protection. This initiative brings together around 50 partner companies who are determined to clean up their databases and raise awareness for the responsible use of digital resources.

Expansion into Luxembourg

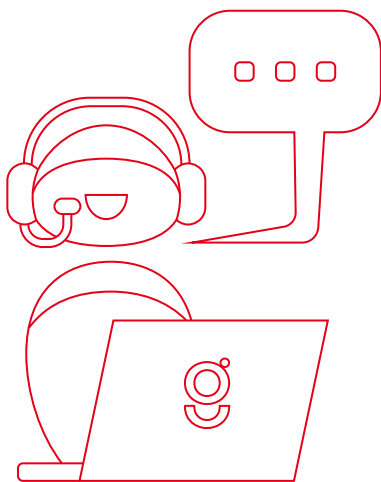
About You is now offering its exclusive fashion and lifestyle range in French for the Luxembourg market and is therefore active in 28 European countries. This gives Luxembourg residents access to exclusive fashion collections that are only available at About You and nowhere else in the world.

Voluntary advance pay rise

The Otto Group has agreed to the voluntary advance pay increase of 5.3 percent for companies operating in Germany that are bound by the collective bargaining agreement for the retail sector and all eligible employees. In doing so, the Group is following a recommendation by the German Retail Association (HDE) in response to the logjammed wage negotiations with the Verdi trade union.

Opening of the bicycle logistics hub in Dresden

Hermes Germany is further expanding its green delivery services in the Saxon state capital by investing in a new micro-depot in Dresden's city center. Starting immediately, four cargo bikes will be used to deliver up to 400 consignments a day with zero local emissions. They are therefore an important addition to the current fleet of e-vehicles.



Otto Group launches the internal ogGPT chatbot

At the end of September, the Otto Group launches its own proprietary chatbot based on OpenAI's chat GPT technology and Microsoft's Azure

Open AI service: ogGPT, a solution that complies with all data protection requirements. Around 26,000 employees in the DACH region are invited to experiment with the various potential uses of generative AI in a secure environment and apply the new technologies to continue improving online retail and the customer experience.



Hamburg Founder Award for Prof. Dr. Michael Otto

Prof. Dr. Michael Otto, Chairman of the Otto Group Supervisory Board, receives the Hamburg Founder Award 2023 in the Lifetime Achievement category. The initiators – Haspa and the "Hamburger Abendblatt" – confer the award in recognition of various entrepreneurial initiatives, courage and success in the metropolitan region.

October

Lingerie collection raises awareness for early breast cancer detection

Bonprix has been collaborating with "Brustkrebs Deutschland e.V." since 2017 to make women aware of the

importance of early screening for breast cancer. In fall 2023, its activities have focused on a specially developed, broad-based campaign with the slogan "Routine intervention. Extraordinary impact". It helps women to learn how to check their own breasts. This year's campaign will again feature a limited edition of the lingerie collection entitled the "Pink Collection".

Collective cultural change: #CDX23

More than 300 participants – representatives from over 200 corporations, SMEs, NGOs, educational institutions and the Otto Group – will experience and discuss cultural change at the sixth Cultural Development Experience (#CDX23). A company's ability to adapt flexibly to new market situations is becoming increasingly important in a challenging macroeconomic environment. This year's virtual #CDX23 will therefore prioritize focus and performance through cultural change and shared learning in the cultural change collective.

Silver at the German Logistics Awards

Hermes Germany is awarded silver by the German Logistics Association (BVL) for its "Green Delivery Hamburg" sustainability project. Zero-emission delivery is an important lever for the courier, express and parcel service (CEP) industry to reduce its carbon footprint and contribute to protecting the climate and environment.

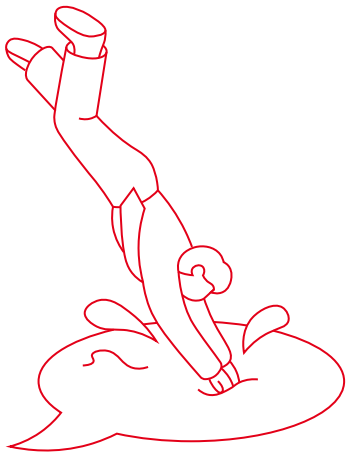
Never again is now

The Otto Group supports the initiative emanating from the center of the German business community to combat antisemitism and hatred of

Jews #Niewiederistjetzt. In doing so, the Group is joining with numerous other companies in Germany to take a public stand, condemn the attacks of 7 October and express sympathy for the civilian victims. Large advertisements bearing the logos of companies involved in the initiative are published in various daily and weekly media to draw public attention to the declaration.

Careers in the Group

The Otto Group is launching an enterprise-wide initiative entitled "Your Next Move" to promote talent. Its aim is to greatly facilitate transfers between divisions and Group companies by offering support to local talent brokers – an important lever for retaining specialists within the Group in view of the current challenges on the labor market.

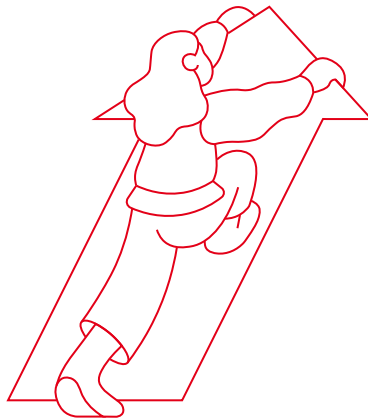


November

Diversity dialog: Dive in – be part of it

Diversity, equity, inclusion and belonging were the driving forces behind the first diversity dialog between 250 experts, network initiators and

managers from the Otto Group as well as external participants from science, business and politics. They came together to discuss the current challenges facing diversity in the working world, to work on potential solutions and define diversity as a management task.



OTTO: Record-breaking traffic on Black Friday

Black Friday is one of the high points of the year in terms of sales for online retailers. This year, a lot of the demand at OTTO was for games consoles. At peak times, the largest German online shop received more than forty orders per second. This 2023 Black Friday shattered all records for traffic at OTTO.

Sustainability award for furniture

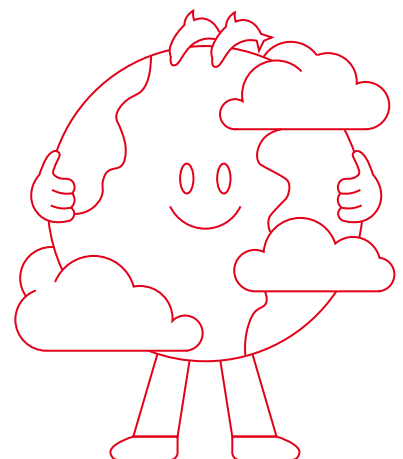
The Otto Group is honored as a pioneer of sustainable change in the "Furniture and Electrical Retail" category at the German Sustainability Award ceremony. This award reflects the many years of work and the outstanding commitment in the various areas of sustainability and confirms the Otto Group strategy of connecting sustainable practices to corporate success.

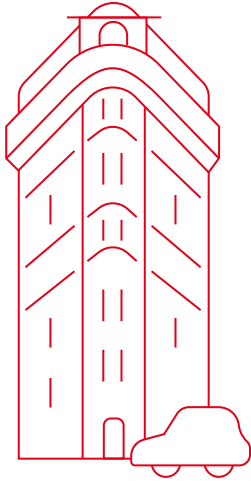
Signing of a new International Accord

As a pioneer in the sector, the Otto Group was among the first companies worldwide to sign a new agreement introducing improved working conditions and safety standards in the textile and clothing industry. The International Accord for Health and Safety in the Textile and Garment Industry (International Accord) represents a decisive step forward in regard to improving the conditions in the supply chains.

30th anniversary of the Michael Otto Environmental Foundation

The Michael Otto Environmental Foundation was founded in 1993 with the guiding principle of preserving the environment and nature for future generations. It has been a source of inspiration ever since, driving innovative projects, initiatives and dialog endorsing effective nature conservation, environmental protection and sustainable development and providing targeted support for their implementation. Building on the insight that protecting biodiversity and vital resources like water is the basis for keeping our ecosystems intact, the foundation has established a reputation as a pioneer in environmental protection and nature conservation.



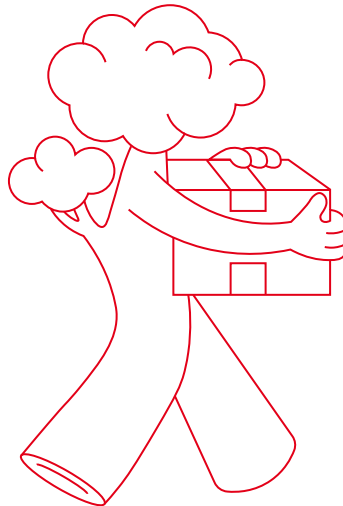


Crate and Barrel in New York

Crate and Barrel opens a new flagship store in the former New York Palace of Trade. Together with the virtual store that was launched simultaneously, customers can look forward to a very special multichannel experience. Situated in New York's Flatiron District in Manhattan, Crate and Barrel now offers a home & living range and personalized services spread over two floors and more than 2,100 square meters. Included in the special services are in-house designers, who are on hand to provide inspiration and advice on furnishing projects.

Green delivery in Hamburg: Zero-emission delivery

Just in time for the end of the year, Hermes Germany is keeping its promise and is now making zero-emission deliveries throughout Hamburg, including the outskirts. Among the measures that Hermes implemented to achieve this goal was the establishment of proprietary charging infrastructure and reorganization of its entire last-mile structure. The Hamburg-Altona bike logistics hub has been in operation since February 2023 as yet another cog in the wheel of the green delivery concept.



20 24

January

OTTO replaces shipping bags with wild plastic

OTTO is now replacing all of its shipping bags with packaging made from "wild" plastic collected outdoors as yet another milestone in its cooperation with the Wildplastic company. From 2021 to the end of 2023, around 308 tons of plastic were removed from the environment to produce shipping bags for OTTO, lowering CO₂ emissions by 740,053 kilograms.

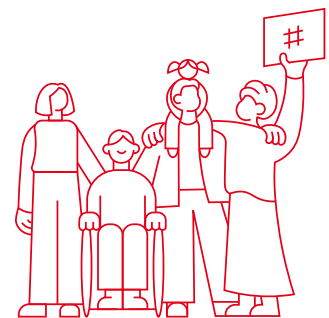
December

Eos: Top rank in the ESG rating

The Eos Group receives its first Environmental Social Governance (ESG) rating from the renowned rating agency Morningstar Sustainalytics. The financial services provider and investor was given a risk rating of 10.2 (low risk). According to Morningstar Sustainalytics, this result places Eos in the top two percent of all companies assessed in the "Consumer Finance" sector.

Awards for working capital financing

The Otto Group receives two major awards at the Working Capital Forum Europe in Amsterdam: the award for "Best use of Supply Chain Finance" and gold for "Best Working Capital Programme in 2023". Both accolades recognize the Otto Group's outstanding supply chain financing program.



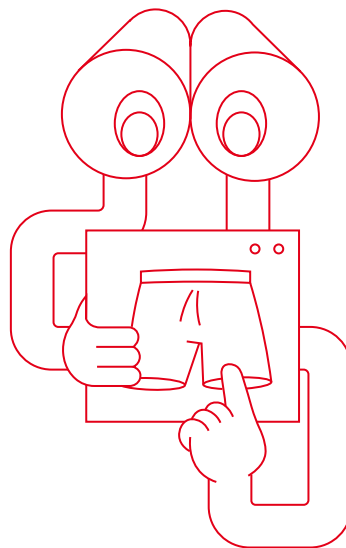
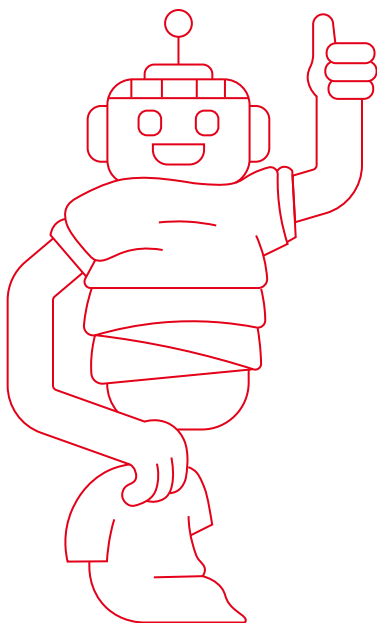
We are more

Around 180,000 people gather at Jungfernstieg in Hamburg to demonstrate against extremism, terror and

antisemitism in Germany – flying the flag for #Wirsindmehr. The Otto Group makes it clear that it endorses the protests. Thronged by colleagues from the Otto Group stand Prof. Dr. Michael Otto, Chairman of the Otto Group Supervisory Board, and CEO Alexander Birken.

Using AI to combat textile destruction

The Otto Group and its Group company Bonprix are partnering with the international Fashion for Good initiative and prestigious industry players such as Adidas and Inditex to launch the ambitious "Sorting for Circularity" project, which will run for 18 months. The aim is to improve circularity and reduce textile waste. Among the key components of the project is the deployment of automated sorting technologies that harness artificial intelligence to improve the sorting of reusable garments. Not only will this extend the lifespan of the textiles, it will also reduce the burden on waste management in the export countries.



February

Baur pilots its search buddy

Generative AI for more inspiration in e-commerce: Baur is one of the first German-language online shops to trial a search tool with generative artificial intelligence based on Microsoft's Azure OpenAI service. It will transform the search field into a source of inspiration for customers, enabling personal interaction and generating product recommendations for individual inquiries. The test run is intended to yield insights into how added value from AI can be used and applied even more in online shopping.

Witt Group acquires Wenz and Impressionen

Following the insolvency of the Klingel mail order company, the Witt Group acquires its well-known brands Wenz and Impressionen as well as the associated domains. The mail order fashion specialist from Weiden will use these additions to grow its portfolio. The Witt Group has extensive expertise in the Living segment, due in particular to its Heine brand.

Separation from Agediss

French transport company Jacky Perrenot signs an agreement to acquire 100 percent of the shares in Girard Agediss, one of the leading 2-man handling specialists for furniture, large-volume and sensitive goods in France. As previous owner, the Otto Group believes that in this constellation, the French logistics company can look forward to excellent opportunities for a sustainable, economically successful future – also at European level. The closing is scheduled for April 2024.

Commitment to #Zusammenland

The Otto Group and its Group companies are committed to the campaign against populism and for greater diversity in Germany, as expressed by the claim "#Zusammenland – Vielfalt macht uns stark" (Togetherland – Diversity makes us strong). The campaign was initiated by the media brands "Die Zeit", "Handelsblatt", "Süddeutsche Zeitung", "Tagesspiegel", "Wirtschaftswoche" and the outdoor advertising company Ströer.