

otto group

A photograph of two people standing on a grassy dune, looking out over a sandy beach and the ocean. They are both wearing bright red, hooded robes and are barefoot. The person on the left is slightly behind the person on the right, and they are both looking towards the horizon. The ocean is a deep blue, and the sky is a light blue with some wispy clouds. The overall mood is contemplative and serene.

Our heritage: **the future**

2024/25
Annual Report



Figures of the Otto Group

87	Group Management Report
141	Consolidated Financial Statements
150	Notes
250	Independent Auditor's Report
254	Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to Selected Disclosures on Greenhouse Gas Emissions





Group Management Report

88	Foreword
88	Basic Information about the Group
93	Financial Report
112	Opportunities and Risks Report
122	Corporate Responsibility
132	Forecast Report

Foreword

Otto GmbH & Co. KGaA¹, with its registered office and place of management in Hamburg, was previously a non-operating holding company that held the sole shares in the direct subsidiary Otto (GmbH & Co KG). With effect from the end of the 2024/25 financial year, the companies were merged under company law, with Otto GmbH & Co. KGaA taking over the entire company assets of Otto (GmbH & Co KG) by way of universal succession. Nothing has changed for the customers, contractual partners and employees of the former Otto (GmbH & Co KG). Moreover, the merger was also an intra-Group transaction and had no impact on the Group's net assets, financial position and financial performance.

The merger with Otto (GmbH & Co KG) and the change of legal form from a stock corporation to a partnership limited by shares are also part of a generational change at the Otto Group. As of 2026, the founding shareholder Benjamin Otto will become Chairman of the Board of Trustees of the Michael Otto Stiftung, Hamburg, which holds a majority stake in Otto GmbH & Co. KGaA, and of the Shareholders' Council of Otto GmbH & Co. KGaA, and will take over the strategic management of the Group from this date forward.

As a result of said merger, the previous preparation and publication of the consolidated financial statements of Otto (GmbH & Co KG) no longer applies. The differences between the previous consolidated financial statements of Otto GmbH & Co. KGaA and Otto (GmbH & Co KG) were insignificant with regard to the net assets, financial position and financial performance of both groups of companies due to the almost identical scope of consolidation but nevertheless led to slight differences between the consolidated financial statements of the previous financial years.

Basic Information about the Group

Group Overview and Business Model

Otto GmbH & Co. KGaA and the other Group companies – hereinafter referred to as the Otto Group – are a globally active group of retailers and retail-related service providers with an average of 36,304 employees² and revenue of EUR 14.9 billion in the 2024/25 financial year. The Otto Group's primary markets are Germany, the rest of Europe and the USA.

The Otto Group's business activities are divided into strategic business areas, which are described below and which also represent the Group's reporting segments.

The Otto Group's trading activities, which constitute a relevant part of the operating business activities, are conducted in the Platforms, Brand Concepts and Retailers segments. The trading activities include product ranges such as fashion, shoes and lifestyle products, furniture and home accessories, toys, consumer electronics, sports, and leisure products plus DIY product ranges for renovations and gardening. The primary sales channels are e-commerce, brick-and-mortar retail, and catalog. The Otto Group sources various products for its trading activities from a large number of countries. It does not own any facilities, but works with business partners (suppliers) who in turn place orders with various facilities. The Otto Group's main sourcing countries in terms of the respective final production manufacturers are China, India and Turkey.

The main sources of revenue in the Platforms, Brand Concepts and Retailers segments are not only revenue from the sale of goods and the related shipping and service offerings, but also from brokerage and advertising services. In total, approximately 79% of the revenues of these three segments in the 2024/25 financial year were generated in the e-commerce sector (2023/24: approximately 79%), with the remainder coming from catalogs, brick-and-mortar retail and other services.

The Platforms segment basically includes the two e-commerce platforms OTTO and About You, whose strategic focus – besides their own trading business – is

¹ Following a change of legal form from Otto Aktiengesellschaft für Beteiligungen to a partnership limited by shares in August 2024, Otto GmbH & Co. KGaA operated as Otto Group GmbH & Co. KGaA until 2 March 2025. For the sake of readability, only the company name Otto GmbH & Co. KGaA valid at the time of preparation of the Group Management Report is used below.

² A more detailed presentation is found in the Corporate Responsibility section.

also on operating a marketplace solution where participating partners sell goods and services to end customers. In addition to the trading business and associated B2C services, B2B services closely related to the trading business are offered as well. The OTTO e-commerce platform is used in all of the following explanations to summarize both the operational business activities of Otto GmbH & Co. KGaA and the payment services provided by Otto Payments GmbH. In the 2024/25 financial year, the online share of sales in the Platforms segment was approximately 92% (2023/24: approximately 93%). The online share does not include selected service revenues, including from the B2B services offered. As a result of digitization in recent years, sales via catalogs have declined sharply and, like brick-and-mortar retail, play a negligible role in this segment. Due to the planned sale of all shares in About You³ to Zalando SE in the 2025/26 financial year, the Platforms segment will be dominated by the e-commerce platform OTTO in future.

The Brand Concepts segment involves internationally represented vertical concepts and product brands – including the bonprix Group, Crate and Barrel Group and the Witt Group – that sell both products of their own brands as well as licensed brands to end customers. The company mainly uses its own sales channels for this, along with e-commerce, brick-and-mortar retail and catalogs. The online share of sales in the Brand

Concepts segment is approximately 62% in the 2024/25 financial year (2023/24: approximately 63%). The second significant sales channel in this segment is brick-and-mortar retail, primarily due to the large number of Crate and Barrel Group stores in the USA and Canada and the Witt Group stores, primarily in southern Germany. The planned integration of the plus-size brand Sheego into the Witt Group in the 2025/26 financial year will continue the bundling of business activities in this segment.

The Retailers segment consists of multichannel retail concepts that primarily buy and sell products belonging to their own and third-party brands. Among other things, this segment entails the retail activities of the Baur Group, including the Otto Austria Group, the shopping offers of the Limango Group and the Manufactum Group. In this segment, e-commerce is also a focal point in the sales channels. The online share of sales in the Retailers segment is approximately 78% in the 2024/25 financial year (2023/24: approximately 81%). Brick-and-mortar retail is also an important sales channel in this segment due to the stores of the Manufactum Group and the Frankonia Group. Sales via catalogs are negligible in the Retailers segment. In the Retailers segment, the aim is to strategically bundle the retail activities of the Baur Group, the Otto Austria Group and the Dutch company Otto B.V. in the four European markets of Germany, Austria, Switzerland and the Netherlands in the 2025/26 financial year.

The Services segment mainly comprises the extensive logistics services of the Hermes Group and the sourcing of the Otto International Group. These sub-groups of the Group deliver services both to customers outside the Otto Group and to Group companies from the Platforms, Brand Concepts and Retailers segments. Dominating this segment is the Hermes Group, which offers numerous services along the logistics value chain – from transport out of the countries of origin to customs clearance and warehousing to deliveries to private and business customers. In the Hermes Group, the Hermes Fulfilment Group plays a key role in the Otto Group's trading activities with its warehousing activities. It operates various sites in Germany, Poland, the Czech Republic, Italy and Switzerland.

The Financial Services segment includes the range of financial services within the Otto Group. The international EOS Group, one of the leading investors and experts in the technology-based processing of non-performing receivables, is behind the main activities in this segment. Its numerous Group companies offer a range of different services in the area of receivables management.

³ ABOUT YOU Holding SE, Hamburg and its other subsidiaries are referred to below exclusively as About You for the purposes of better readability.

Key Figures for Management Control of the Group

Revenue and income from customer financing (hereinafter referred to simply as revenue), earnings before interest and tax (EBIT) and the debt service ratio (net financial debt to cash EBITDA) are the most important financial indicators used to manage the group and to define strategic goals. In addition to other earnings levels, the return on capital employed (ROCE), the debt to equity ratio and the Group equity ratio are also important financial indicators for the Otto Group. In addition, control-relevant non-financial performance indicators relating to customer satisfaction and sustainability are taken into account within the Otto Group.

Growth

In the dynamic market environment of e-commerce, the Otto Group's fundamental objective is to achieve ambitious growth. Revenue growth is also a financial indicator of the attractiveness of the products and services on offer and ultimately of customer satisfaction. Group and segment revenues on a comparable basis are therefore the key performance indicators. To determine the comparable basis, the changes in the scope of consolidation are factored in through a corresponding adjustment of the relevant period of the previous year to align with the revenue growth reported (proportionately) in the reporting year. Liquidations and closures of

operations are treated as changes in scope of consolidation. Currency translation effects are accounted for in the presentation of comparable year-over-year revenue growth in the current reporting year by translating revenue at the average exchange rate of the comparative period. When forecasting revenue growth, no changes in average exchange rates are assumed, i.e., the average exchange rates of the reporting period are used.

In addition, to reflect the platform business model, the Gross Merchandise Value (GMV) is also used to represent revenue growth. The GMV represents the value of all goods, including sales tax and excluding returns, regardless of whether they are reported as own revenue or commission sales to marketplace partners. In particular, it excludes B2B and B2C service revenues, sales reductions and customer financing revenues. The GMV is currently shown in the financial report for the e-commerce platform OTTO.

Profitability

EBIT is the key indicator used to measure the Otto Group's operating performance. As a matter of principle, EBIT is an unadjusted figure, i.e., special effects such as restructuring expenses or expenses for share-based payments are not adjusted. The effects of changes in the scope of consolidation are explained accordingly in the financial report.

Financial performance

In addition to growth and profitability, financial performance is another important component in the management control of the Otto Group. The most important financial indicator here is the debt service ratio. It is the ratio of net financial debt to cash EBITDA. The ratio reflects the Otto Group's full debt repayment capability by indicating the theoretical period for full repayment of net financial debt from cash EBITDA. Net financial debt comprises interest-bearing financial liabilities, in particular liabilities from bonds and other notes payable, from leases and bank liabilities, less (liquid) securities and cash and cash equivalents. Further details on the individual components can be found in the financial report within the Group Management Report. With regard to cash EBITDA, the specifics of the financial services business model are taken into account by increasing the reported EBITDA by repayments on receivables packages, repayments from sales proceeds from real estate disposals and repayments for bridge loans granted to the EOS Group, reduced by non-cash value adjustments. The reason for this is that, in accordance with IFRS, the operating returns from financial services – unlike returns from other investments – are not shown in full in EBITDA, but are already netted against this amortization component. Cash EBITDA is the relevant indicator for calculating the debt repayment period.



Another financial performance indicator is the debt to equity ratio. In the Otto Group, it measures the ratio of net financial debt to Group equity. Group equity corresponds to the amount reported in the consolidated balance sheet.

Another financial performance indicator is the equity ratio. This indicator describes the ratio of reported Group equity to total assets according to the consolidated balance sheet.

Capital efficiency

The ROCE measures the return on the Group's operating activities. It measures how efficiently and profitably the Otto Group has used its capital employed. To calculate ROCE, the EBIT is viewed in relation to average capital employed. Capital employed comprises the assets required for the operating business that were used to generate the reported EBIT. These funds are primarily tied up in fixed assets and working capital. The amount of capital employed is subject to significant seasonal fluctuations, for example due to inventory changes during the year or as a result of investments in intangible assets and property, plant and equipment. Capital employed is not determined on an ongoing basis, but is calculated on certain reporting dates. In order to come as close as possible to the capital actually tied up in the current financial year, an average value is used for the

capital employed. In the Otto Group, this is based on the quarterly reporting dates. The average actual figures are calculated on a rolling basis over the last five quarters.

Customer satisfaction

The Otto Group's goal for its customers is to ideally exceed their expectations. Customer satisfaction is measured using the Net Promoter Score (NPS), which is based on the recommendation from the customer's perspective. The NPS is a relevant non-financial indicator that is calculated and planned at the level of individual selected Group companies.

Sustainability

The Corporate Responsibility Strategy valid until the 2024/25 financial year – hereinafter referred to as the CR strategy – comprises the seven topic areas of Climate, Sustainable Materials, Supply Chain, Circularity, Conscious Customers, Empowered Employees and Digital Responsibility with corresponding transformational goals. Within the topic areas, core priorities have been defined, which are control-relevant non-financial performance indicators for the management control of the Group. For the first four topic areas and the associated core priorities, quantitative values exist at the level of the Otto Group. At the beginning of the 2025/26 finan-

cial year, the CR strategy was replaced by the enhanced sustainability strategy, which largely continues and supplements the ambitious goals of the previous CR strategy in the areas of the environment and human rights. For further details on the CR and sustainability strategy and its content, please refer to the "Sustainability" section.

The Executive Board is convinced that the Otto Group bears responsibility for the environmental and social impacts of its business activities and that sustainability is the basis for the Group's long-term economic success. For this reason, the variable remuneration of the Executive Board members⁴ has been linked to the achievement of sustainability goals since the 2014/15 financial year.

Group Strategy

Shareholder vision and business mandate

The Otto Group's business is based on the shareholder vision "Responsible commerce that inspires," which was developed with the Executive Board. This vision highlights the importance of sustainable retail and practices and clearly expresses the goal of combining business success with social and environmental responsibility.

⁴ Within the Otto Group, the management of Otto Verwaltungsgesellschaft mbH is also referred to as the Executive Board.

Together with the shareholders' business mandate, this shareholder vision defines the framework conditions and guiding principles for developing and implementing the Otto Group's enduringly profitable business models.

This strategic development has been fleshed out in greater detail by the "Otto Group Path." The Otto Group Path has described the Group's growth journey since 2017. It has defined the strategic goals, established focus areas for all Group companies in the Otto Group and provided an action framework for both the portfolio strategy and the strategy for compliance with social and environmental responsibility. With the transfer of the chair of the Executive Board to Petra Scharner-Wolff, the Otto Group Path is considered complete. Since the beginning of the 2025/26 financial year, the Otto Group's strategic agenda has been based on the five strategic priorities "Inspired customers," "Scale & diversification," "Profitability & investment capability," "Competitive tech capabilities" and "Performance culture." This is therefore the last time we will refer to the Otto Group Path in the current Group Management Report.

As part of a focused growth strategy, the Otto Group attempted to use the Otto Group Path to position itself even better for the future through targeted investments in the expansion and development of existing and new business areas, while at the same time increasing efficiency, maintaining a solid capital structure and credit metrics to preserve the necessary financial flexibility for

the future. This was accompanied by the firm conviction that long-term economic success is only possible if it is in harmony with social and environmental responsibility – doing business sustainably means taking responsibility. For this reason, the Otto Group has set itself high sustainability goals with its CR strategy. With the sustainability strategy in place since March 2025, the Otto Group is also pursuing ambitious goals that go beyond regulatory requirements in the areas of the environment and human rights as part of the new strategic agenda. Previous sustainability-related targets and efforts of the CR strategy up to the 2024/25 financial year are largely being incorporated into the sustainability strategy. For example, beyond its near-term science-based target (SBT), the Otto Group is aiming for net-zero emissions across its entire value chain by 2045.⁵

Strategic goals and measurement of achievement of targets

As the new strategic agenda is being fleshed out, the strategic objectives and the measurement of target achievement will also be revised in the course of the 2025/26 financial year. The Otto Group is currently pursuing various strategic objectives:

1. To increase the geographical and business model diversification of the Otto Group's portfolio of companies.
2. To increase market share in the markets relevant to the Otto Group.

3. To ensure a competitive level of customer satisfaction.
4. To increase the Otto Group's capital efficiency.

In order to achieve these targets and to ensure a solid capital structure and credit metrics, two key strategic conditions are necessary:

1. Ensuring sufficient profitability
2. Maintaining good financial performance

The achievement of the targets is monitored using various indicators:

Revenue and Earnings Distribution by Segments for the Diversification Target

Geographical diversification is pursued by dynamically expanding into additional European markets and the USA, particularly through the Group companies in the Brand Concepts segment. The long-term goal is to reduce the dependence of revenues and earnings on the main sales market of Germany and to diversify the distribution of revenues and earnings even more across the different business models of the Otto Group.

Revenue to Increase Market Share

In order to further increase the Otto Group's market share in relevant markets, the Group aims to achieve long-term revenue growth in excess of the respective market growth.

⁵ A more detailed presentation is found in the Corporate Responsibility section.

Net Promoter Score (NPS) to Achieve Competitive Customer Satisfaction

The Otto Group focuses on its customers. The goal is to build long-term relationships with customers by putting their needs at the center of our activities. The creation of outstanding experiences should inspire customers. This is the clear ambition of the Otto Group. NPS is the relevant indicator for measuring customer satisfaction. It measures the willingness to recommend (net promoters). NPS target values are defined annually and specifically for the various Group companies of the Otto Group, taking into account the respective competitive environment and the associated trade-off between customer satisfaction and costs. The aim is to ensure sustainable competitive customer satisfaction.

ROCE to Measure Capital Efficiency

The Otto Group aims to achieve an ROCE of >10% in the long term.

EBIT to Measure Profitability

A high triple-digit EBIT (in EUR million) is the long-term target of the Otto Group.

Debt Service Ratio and Equity Ratio to Measure Financial Performance

The long-term goal is to further improve the debt service ratio compared to the status quo. The Otto Group also intends to permanently maintain a Group equity ratio of at least 25%.

Financial Report

Macroeconomic and Sector-specific Conditions

In 2024, the global economy was in a phase of moderate growth after the crisis-ridden previous years. Although the global upward pressure on consumer prices caused by the war in Ukraine gradually eased, the return to the two-percent target is proving to be tough. This is primarily due to the slowdown in the decline in energy prices and the rise in prices for services. The restrictive monetary policy implemented in the recent past as a political response to the significant rise in consumer prices has been eased since summer 2024 by central bank interest rate cuts.

There were noticeable differences in the economic dynamics of the various regions. While overall economic development in the euro area initially picked up again following a downturn in the first quarter, momentum slowed toward the end of the year. Rising private consumer spending was offset by declining capital investment; both exports and imports have slightly fallen recently, resulting in moderate economic growth overall. In contrast, overall economic development in the USA gained significantly more momentum: Rising real incomes drove private consumption, including spending on durable goods in particular. Government consumption and a strong recovery in residential construction provided additional positive momentum.

In Germany, overall economic growth failed to materialize for the second year in a row, largely driven by declining fixed asset investments and a downturn in exports. The economic downturn is likely to be based on structural rather than cyclical factors. Although inflation largely normalized over the course of the past year with an increase of 2.2 %, thereby promoting a strong rise in real wages, the consumer climate for private households remained poor. High political uncertainty, a weakening labor market and the aftermath of the energy crisis dampened consumer sentiment, which has not fully recovered since its slump in 2022. For the year as a whole, private consumer spending increased at an inflation-adjusted rate of 0.3% (2023: -0.4%), which in nominal terms was at 2.7% (2023: 6.7%).

The year-on-year change in real gross domestic product was as follows:

Year-on-year change in real GDP	2024	2023
	in %	in %
World	3.2	3.3
Germany	-0.2	-0.3
Euro area	0.8	0.5
USA	2.8	2.9

Against the backdrop of a weak macroeconomic environment, the German retail sector as a whole reported an inflation-adjusted year-on-year increase in revenue of only 1.1% in 2024 (2023: –3.3%), which nominally was at 2.5% (2023: 2.3%). Within the German retail sector, the gloomy consumer sentiment was clearly reflected in the German online and mail-order sales sector. According to market research company Euromonitor International, the gross merchandise value (GMV) in the e-commerce sector rose by 2.1% to EUR 97.4 billion in 2024 (2023: EUR 95.4 billion). The upward revenue growth was particularly evident in the Home Appliances and Textiles product groups, while demand for multimedia products was limited. There was a noticeable drop in revenue in the Home & Living product group with furniture for indoor and outdoor use.

The German transport and logistics industry was also significantly affected by macroeconomic weakness in 2024. Exports and industrial production have been unable to keep pace with the momentum of international trade and the global industrial economy for some time now, which was reflected in the 0.7% decline in total transport volumes in Germany (2023: –6.1%).

In addition to the fiercely competitive market environment that continues to prevail, the development of wage costs and energy prices in particular has a noticeable effect on the German transport and logistics sector. The general level of costs in German goods

transport remained on an upward trajectory in 2024. Increasing shipment volumes in the online and mail-order sales sector continued to result in high capacity utilization at parcel delivery companies. The associated necessary demand for human resources, despite a rise in unemployment, was exacerbated by the persisting shortage of drivers in distribution logistics, which is intensifying due to demographic change. As a result, there was also a significant increase in personnel expenses in 2024 due to collective bargaining agreements and necessary wage adjustments. Although the easing of energy prices continued in 2024 with a decline of around 3%, the energy component was still 40% higher overall than its price level in 2020.

The development of the receivables management industry was influenced by increased political and economic uncertainty, which led to a tightening of credit standards for corporate and consumer loans. Although the European Central Bank gradually lowered key interest rates in 2024 in view of the easing inflationary pressure, thereby increasing demand for corporate and consumer loans, this remained at a weak level overall. The downward trend in overall economic development in Germany, which has persisted for two years, is likely to have led to a comparatively high market volume for unsecured and secured non-performing receivables, particularly in the banking sector. In Europe, the market for the purchase of non-performing loans (NPLs) has also developed positively. France and Spain account for

the largest share of the European market volume for non-performing loans, followed by Great Britain and Germany. In Central, Eastern and Southeastern Europe, the share of NPLs as a percentage of total loans continued to decline in almost all countries, resulting in historically low NPL ratios.

For several years, the EOS Group has been investing in the real estate market with the aim of selling these properties at a later date. The reversal in interest rate policy initiated in mid-2024 generally boosted demand for residential construction loans, which led to a rise in incoming orders and building permits in the residential construction sector in the fourth quarter of last year. However, a rapid return of residential construction investment to the level prior to the reversal of interest rate policy in 2022 continued to be held back by tighter financing conditions – in part due to the sharp rise in construction prices in recent years.

Course of Business

The 2024/25 financial year was very challenging for all market participants and therefore also for the Otto Group due to the ongoing tense geopolitical situation and the continued consumer restraint in important sales markets. In addition to the difficult macroeconomic environment, competition for the retail-related segments has also increased.

Despite the subdued consumer sentiment and the existing focus on profitability and liquidity, the Otto Group was able to stabilize revenue at the previous year's level. In addition, further increased cost discipline in the 2024/25 financial year resulted in a significant improvement in earnings, which was reflected in the reported EBITDA and, in particular, EBIT.

The e-commerce platform OTTO, among others, made a significant contribution to earnings in the Platforms segment. After a long period of investment and transformation, it has achieved a turnaround and is reporting a clearly positive EBIT. The largest operating contribution to EBIT was made by the EOS Group in the Financial Services segment, which achieved a record result in the 2024/25 financial year, and the Crate and Barrel Group in the Brand Concepts segment, which further increased its EBIT at a high level.

Portfolio measures already implemented also had a positive effect on EBIT: firstly, the sale of the shares in Evri Limited (until 15 May 2024 Hermes Parcelnet Limited), which operates in the parcel distribution sector in the UK, in the 2024/25 financial year and secondly, the discontinuation of the loss-making business operations of myToys.de GmbH and SAINT BRICE S.A. in Belgium in the 2023/24 financial year. The latter had a negative impact on earnings for the last time in the 2023/24 financial year.

The expected completion of the acquisition of the shares in About You by Zalando SE in the 2025/26 financial year, which is still subject to the usual approvals under merger control legislation, also had a supporting effect on EBIT in the Platforms segment.

In terms of EBIT, the 2024/25 financial year was also negatively impacted by considerable restructuring and closure expenses with the aim of optimizing the portfolio and cost structure in the future. The Services segment was hit hardest by planned closures or partial closures of logistics locations. In addition, pro rata restructuring expenses of Hermes Germany GmbH, included in the consolidated financial statements using the equity method, have been into account; the company has initiated a corresponding program for the strategic and growth-oriented further development of its core business. Further restructuring and closure expenses resulted from the adjustment of business models and are related to the Platforms, Brand

Concepts and Retailers segments. A more detailed explanation of these measures can be found in the "Financial performance of the segments" section.

Overall, the positive development of the Otto Group is reflected in a significant increase in EBIT in the 2024/25 financial year.

The financial performance, as measured by the debt service ratio, has improved further, since a significant reduction in net financial debt was achieved in addition to the improved profitability.

Position of the Otto Group

Financial Performance

The Group's financial performance

The key indicators from the consolidated income statement can be summarized as follows:

Consolidated income statement (short form)		
	2024/25	2023/24
	EUR million	EUR million
Revenue and income from customer financing	14,888	14,995
Earnings before interest, tax, depreciation and amortization (EBITDA)	916	741
Earnings before interest and tax (EBIT)	276	8
Earnings before tax (EBT)	311	-353
Profit/Loss for the year	165	-412

The Otto Group's revenue in the 2024/25 financial year was EUR 14.9 billion, a reported decline of 0.7%, i.e., slightly below the previous year. On a comparable basis, i.e., adjusted for exchange rate effects and changes in the scope of consolidation, revenue was slightly above the previous year at plus 0.9%.

The Otto Group's online revenues fell worldwide by 2.3% to around EUR 10.5 billion. On a comparable basis online revenue, by contrast, represents a decrease of 0.4%, which is approximately at the level of the previous year. According to market research company Euromonitor International, the gross merchandise value (GMV) in the e-commerce sector in Germany for the year 2024 rose by 2.1%. Within the Otto Group, reported online revenues in Germany fell slightly by 0.8% to EUR 6.7 billion in the 2024/25 financial year. On a comparable basis an increase of 2.5% was recorded. The Otto Group's business performance in German e-commerce is slightly above the market average on a comparable basis with the development of online revenues and, taking into account the very positive revenue growth of the marketplace partners on the OTTO e-commerce platform, relevantly above the market average.

With a slightly higher share of 58.3% (2023/24: 56.6%) in the Otto Group's revenue, Germany remained the Group's most significant regional sales market in the

2024/25 financial year. The rest of Europe accounted for 23.8% (2023/24: 24.9%) of revenue, while the USA contributed 17.0% (2023/24: 17.5%) to Otto Group revenue. The revenue figures per region are as follows:

Revenue by region	2024/25	2023/24	Change	Adjusted
	EUR million	EUR million	in %	in %
Germany	8,679	8,483	2.3	4.3
Rest of Europe	3,537	3,736	-5.3	-3.0
USA	2,524	2,625	-3.8	-4.7
Other regions	148	151	-2.0	0.1
Group	14,888	14,995	-0.7	0.9
Domestic	8,679	8,483	2.3	4.3
Foreign	6,209	6,512	-4.7	-3.6

Revenue growth in the Group's major sales markets was mixed.

In the main sales market of Germany, the Group companies OTTO and About You in the Platforms segment as well as the Witt and bonprix Group in the Brand Concepts segment achieved relevant revenues. While Group companies OTTO and About You and the Witt Group in Germany increased their sales revenues, the German activities of the bonprix Group were unable to match the previous financial year, partly as a result of reduced advertising measures and campaigns along with aggressive price competition from Asia. The increase in revenue on a comparable basis was mainly

higher due to the adjustment of revenue from the business of myToys.de GmbH discontinued in the previous year.

In the rest of Europe, About You and the bonprix Group in particular generated relevant revenue, although the reasons mentioned for the revenue growth in the region of the main sales market of Germany also had an impact here, including for the bonprix Group. Due to the sale of the two-man handling specialist GIRARD AGEDISS in France in April 2024 and the discontinuation of the loss-making business operations of SAINT BRICE S.A. in Belgium in the previous year, the decline in revenue was lower on a comparable basis.

The decline in revenue in the USA was mainly due to the shutdown of the loss-making and still very catalog-driven business operations of Venus Fashion, Inc., which is part of the bonprix Group.

Average sales per employee remained at the previous year's level of EUR 0.4 million.

With revenue slightly below the previous year's level, the Group's gross profit increased significantly in absolute terms by EUR 177 million to EUR 7,290 million. This represents an increase of 2.5%. The main contribution to the increase in gross profit was made by the e-commerce platform OTTO. Its gross profit generally benefited from rising partner commissions as a result of the expansion of the marketplace business and the increase in other service revenues, which are not offset by any significant cost of materials, along with further optimization of merchandise-related gross profit, such as in the textile product ranges.

Other operating income increased significantly by EUR 116 million to EUR 483 million in the 2024/25 financial year. This significant increase was mainly due to a reversal of impairment losses of EUR 156 million recognized on About You's assets in the 2023/24 financial year as a result of the purchase price offered for the acquisition of the shares in About You by Zalando SE. Other operating expenses remained virtually unchanged from the previous year's level at EUR 4,320 million. The only slight decrease in the 2024/25 financial year amounted to just EUR 31 million and is primarily due to

changes in the scope of consolidation, including – significantly – the discontinuation of the operating business activities of myToys.de GmbH in the 2023/24 financial year. Advertising costs, by contrast, increased slightly when adjusted for the scope of consolidation. Personnel expenses developed in the opposite direction to other operating income and expenses. They increased considerably compared to the previous year despite the reported decrease in the number of employees. The decline in the average number of Otto Group employees – calculated on a full-time equivalent basis – from 38,462 to 36,304 resulted from adjustment measures to the challenging market environment and changes in the scope of consolidation.⁶ The increase in personnel expenses by EUR 125 million to EUR 2,517 million was mainly due to restructuring expenses and severance payments in the Platforms, Brand Concepts, Retailers and Services segments, which amounted to around EUR 95 million in the 2024/25 financial year (2023/24: EUR 39 million) and had a corresponding negative impact on the result. Of this amount, EUR 54 million is attributable to future personnel-related obligations as part of intra-Group reorganizations.

The income (loss) from equity investments totals EUR –96 million, falling slightly by EUR 8 million, in the 2024/25 financial year. This development is due to a higher loss contribution from Hermes Germany GmbH in the Services segment, resulting in particular from the pro rata recognition of restructuring expenses against the backdrop of a program initiated for the strategic and growth-oriented further development of the core

business. In addition shares in COFIDIS PARTICIPATIONS, France, and its subsidiaries from the Financial Services segment were sold in the 2023/24 financial year. In the 2024/25 financial year, their positive contribution to income (loss) from equity investments was therefore eliminated. The reversal of a deferred income item in other liabilities in the amount of EUR 82 million in the course of the sale of the shares in Evri Limited in the UK had the opposite effect on the income (loss) from equity investments.

As a result of the progress in operating earnings and the above-mentioned effects, earnings before interest, tax, depreciation and amortization (EBITDA) amounted to EUR 916 million in the 2024/25 financial year, which was substantially above the previous year's EBITDA figure of EUR 741 million.

Depreciation and amortization of intangible assets, property, plant and equipment and right-of-use assets fell by EUR 93 million to EUR 640 million in the 2024/25 financial year. While scheduled depreciations amounted to EUR 493 million, below the previous year's level of EUR 530 million, non-scheduled depreciations fell from EUR 203 million to EUR 147 million. The decrease in depreciations was mainly due to the expected completion of the acquisition of the shares in About You by Zalando SE and the associated classification as held for sale in accordance with IFRS 5. As a result, all scheduled depreciations were eliminated in the fourth quarter of 2024/25. Non-scheduled depreciation on derivative goodwill was also recognized in the 2024/25 financial

⁶ A more detailed presentation is found in the Corporate Responsibility section.

year in connection with the sale of the shares in About You. Based on the relative enterprise value of About You in relation to the fair value of the remaining business activities in the Platforms segment, part of the derivative goodwill reported in the Platforms segment was reclassified to assets held for sale. As part of the evaluation in accordance with IFRS 5, an impairment requirement of EUR 96 million arose in the 2024/25 financial year, which was allocated to the reclassified portion of the derivative goodwill. Further non-scheduled depreciation on other intangible assets, property, plant and equipment and right-of-use assets were mainly attributable to land, land rights and buildings, purchased software and technical plants and machinery. Impairment losses had to be recognized on the corresponding assets, mainly due to the closure of locations in the Services segment and the discontinuation of an IT transformation project in the Retailers segment. In the previous year, there was significant non-scheduled depreciation on intangible assets in the Platforms segment. As part of the purchase price allocation at the time of the transitional consolidation of About You in the 2021/22 financial year, customer lists and trademark rights were recognized. The impairment test in the 2023/24 financial year resulted in an impairment of these assets in the amount of EUR 175 million.

In terms of EBIT, the 2024/25 financial year was negatively impacted by considerable restructuring and closure expenses totaling around EUR 180 million, which, as described above, mainly affected personnel expenses, the income (loss) from equity investments and non-scheduled depreciation. By contrast, the EOS Group, which achieved record earnings in the 2024/25 financial year, and the Crate and Barrel Group, which further increased its EBIT at a high level, made a clearly positive contribution to earnings. The e-commerce platform OTTO and the Witt Group also made clearly positive contributions to earnings.

At EUR 276 million, EBIT in the 2024/25 financial year was significantly higher than the previous year's EBIT of EUR 8 million, taking into account the effects described above. The EBIT margin amounted to 1.9%, compared to 0.1% in the previous year.

In the 2024/25 financial year, the Group's net financial result amounted to EUR 35 million, which represents a significant increase of EUR 396 million compared to the previous year's figure of EUR -361 million. The other net financial result increased significantly. It amounted to EUR 184 million after EUR -197 million in the previous year. EUR 354 million of the EUR 381 million year-on-

year improvement resulted from the sale of the shares in Evri Limited in the UK.

Earnings before tax (EBT) in the amount of EUR 311 million represents a significant rise of EUR 664 million compared to the previous year's figure of EUR -353 million.

Income tax expenses for the 2024/25 financial year amounted to EUR 146 million and were therefore considerably higher than the previous year's income tax expenses of EUR 59 million. The positive business performance of various Group companies led to an increase in current taxes both in Germany and abroad. In addition, deferred tax assets on tax loss carry-forwards were not recognized for individual Group companies, meaning that deferred tax income is correspondingly lower.

A net profit for the year of EUR 165 million was generated in the 2024/25 financial year, following a net loss for the year of EUR 412 million in the 2023/24 financial year.

Financial performance of the segments

Revenue/EBIT

	Revenue		EBIT	
	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million
Platforms	6,511	6,219	19	-375
Brand Concepts	5,145	5,318	158	239
Retailers	1,683	2,001	-56	-82
Services	419	374	-153	-82
Financial Services	1,060	1,002	470	420
Non-reportable segments and other activities	70	81	-32	-11
Holding/Consolidation	0	0	-130	-101
Group	14,888	14,995	276	8

Platforms

The revenues of the Platforms segment contributed a relevant share of 43.7% (2023/24: 41.5%) to the Otto Group's revenues. With a rise of 4.7%, reported revenue was significantly above the previous year's level. There were no substantial changes from adjustments due to exchange rate changes and effects from changes in the scope of consolidation.

The most important markets for the Platforms segment are Germany and the rest of Europe.

The reported increase in revenue in the 2024/25 financial year is primarily attributable to the OTTO e-commerce platform. In addition to a strong own retail business, the

growing marketplace and the successful business with OTTO Advertising's marketing solutions also contributed to the positive development. The OTTO e-commerce platform reported an increase in revenue of 5.6% to around EUR 4.4 billion. This growth rate includes the marketplace business on the e-commerce platform otto.de in the form of commission sales with marketplace partners as well as sales from advertising services. The marketplace business is growing very dynamically and has become highly relevant. The growth rate of gross merchandise value (GMV) in the 2024/25 financial year, which includes not only retail sales but also the revenue generated by marketplace partners on the e-commerce platform in particular, corresponds to an increase of 8.9% compared to the previous year. The Group company About You achieved

a significant increase in revenue, particularly in Germany, and contributed EUR 2.0 billion⁷ to the revenue of the Platforms segment in the 2024/25 financial year. This represents a year-on-year increase of 3.6%.

The reported increase in revenue in the Platforms segment and the further optimization of gross profits led to a significant increase in gross profit of EUR 323 million. The significant expansion of non-merchandise-related revenue components, such as partner commissions and other service revenues, also supported the increase in gross profit. After a long period of investment and transformation, the e-commerce platform OTTO achieved a turnaround in the 2024/25 financial year and reported a clearly positive EBIT despite the negative impact of the planned closures of customer service sites in the 2025/26 financial year. The operating loss of About You, which is included in the Platforms segment, was also reduced compared to the previous year. An overall positive effect on earnings from the expected completion of the acquisition of the shares in About You by Zalando SE results from two valuation effects at the EBIT level. This relates to a reversal of non-scheduled depreciations of EUR 156 million on assets recognized in the 2023/24 financial year and, conversely, non-scheduled depreciations of EUR 96 million on the reclassified goodwill. Overall, EBIT in the Platforms segment improved from EUR -375 million in the previous year to EUR 19 million in the 2024/25 financial year.

⁷ About You's external revenue included in the Otto Group's consolidated income statement differs from the external revenue reported by About You, as About You generates a small amount of revenue from Otto Group companies, which is eliminated in the Otto Group's consolidated financial statements as part of the elimination of expenses and income.

Brand Concepts

The Brand Concepts segment contributed a share of 34.6% (2023/24: 35.5%) to the revenue of the Otto Group. Adjusted for exchange rate effects – which mainly involved the development of the US dollar – revenue fell by 3.8% compared to the previous year, when it fell by 3.3%. There were no effects from changes in the scope of consolidation in this segment during the 2024/25 financial year.

The most important sales markets for the Brand Concepts segment are the USA and Germany.

For the Crate and Barrel furnishings and lifestyle group, which operates in the USA and Canada, revenue remained virtually stable with a decline of 1.0%, or 1.7% when adjusted for exchange rate effects. The bonprix Group, whose product range is predominantly characterized by textiles, recorded a drop in revenue of 13.4% in the 2024/25 financial year, or 14.0% when adjusted for exchange rate effects, mainly due to subdued consumer sentiment and increasing competition but also because of the shutdown of business operations in the USA under the Venus brand. By contrast, the Witt Group was able to achieve significant revenue growth of 5.1%, partly thanks to an increased advertising budget. In addition to the catalog business, sales revenue in the Witt Group's online stores and brick-and-mortar locations also developed very positively.

In line with the drop in revenue in the Brand Concepts segment, gross profit decreased by EUR 62 million. The

Crate and Barrel Group made a very significant contribution to this segment's positive EBIT, but the Witt Group also pulled its weight. In contrast, the integration of the plus-size brand Sheego into the Witt Group planned for summer 2025 had a negative impact on the EBIT of sheego GmbH. The bonprix Group's earnings performance in the 2024/25 financial year was negatively impacted to a significant extent by the activities in the USA under the Venus brand and by restructuring-related effects as part of a program to optimize processes and streamline the organization at bonprix Handelsgesellschaft mbH in Germany. The adjustments to the business models described above had a negative impact in the mid double-digit million euro range on the segment's EBIT in the 2024/25 financial year. In total, the factors outlined above led to a decrease in EBIT in the Brand Concepts segment in the 2024/25 financial year from EUR 239 million to EUR 158 million.

Retailers

In the Retailers segment, revenue decreased by 15.9% in the 2024/25 financial year. Revenue fell by only 4.0% compared to the previous year when adjusted for exchange rate effects – primarily related to the development of the British pound – and effects from changes in the scope of consolidation. Changes in the scope of consolidation in this segment involved the discontinuation of operations of myToys.de GmbH and SAINT BRICE S.A. in Belgium in the 2023/24 financial year. Together, they contributed EUR 257 million to the segment's revenue in the previous year. This segment's share of the Otto Group's revenue was 11.3% (2023/24: 13.3%).

Germany is the most important sales market for the Retailers segment.

In addition to the aforementioned drop in revenue due to the portfolio adjustments, the decline in revenue was mainly due to Baur Versand (GmbH & Co KG), but the Otto Austria Group was unable to maintain the previous year's level of revenue either. By contrast, the revenue of the Group companies of the Limango and Frankonia Groups continued to experience a positive development.

Gross profit decreased by EUR 103 million as a result of the drop in revenue in the Retailers segment and a simultaneous disproportionate decrease in purchased goods and services. In contrast, other operating expenses and personnel expenses fell by a total of EUR 165 million. The significant negative effects from the Group companies myToys.de GmbH and SAINT BRICE S.A. in Belgium did not apply in the 2024/25 financial year due to the discontinuation of operations and closure in the previous year. However, the first restructuring-related measures associated with the planned European network of Otto Group retailers had a negative impact in the 2024/25 financial year. The planned strategic bundling of the retail activities of the Baur Group, the Otto Austria Group and the Dutch Otto B.V.⁸ in the four European markets of Germany, Austria, Switzerland and the Netherlands therefore had a

⁸ Otto B.V. in the Netherlands was part of the Platforms segment until the end of the 2024/25 financial year.

negative impact on the segment's EBIT in the 2024/25 financial year due to restructuring expenses in personnel expenses. Overall, however, there was an improvement in EBIT in the Retailers segment from EUR –82 million to EUR –56 million in the 2024/25 financial year.

Services

In the Services segment, the external sales performance reported in the Otto Group's consolidated income statement only reflects the business performance of this segment to a limited extent: On the one hand, the Hermes Fulfilment Group currently provides warehousing and returns processing services almost exclusively for Otto Group companies, meaning that these activities are not reported in the Otto Group's consolidated revenue. On the other hand, revenue from the parcel distribution activities of Hermes Germany GmbH is not included in the Otto Group's consolidated financial statements because it is accounted for using the equity method. In terms of external sales, i.e., with customers outside the Group, the Services segment recorded a reported increase from EUR 374 million to EUR 419 million in the 2024/25 financial year, which corresponds to an increase of 12.0% or 16.3% on a comparable basis. The changes in the scope of consolidation in this segment had to do with the sale of the French 2-man handling specialist GIRARD AGEDISS in April 2024 and, conversely, the acquisition of the supply chain management business of Hermes Germany GmbH in January 2024. External sales in the Services segment contributed 27.8% toward the segment's total revenue

in the 2024/25 financial year (2023/24: 27.7%). External revenue as a percentage of Group revenue remained almost unchanged at 2.8% compared to 2.5% in the previous year.

The EBIT for the segment dropped by EUR 71 million to EUR –153 million in the 2024/25 financial year. The decline resulted, among other things, from implemented and planned closures of logistics locations such as the Gernsheim location of Hermes Fulfilment GmbH, the Weismain location of BFS Baur Fulfillment Solutions GmbH and the Sonnefeld location (partial closure) of Baur Versand (GmbH & Co KG). These led to additional negative effects on earnings in the 2024/25 financial year, which were reflected in personnel expenses and other operating expenses as well as non-scheduled depreciations. In addition, it takes into account pro rata restructuring expenses of Hermes Germany GmbH, which is included in the consolidated financial statements using the equity method and has initiated a corresponding program for the strategic and growth-oriented further development of its core business. In total, these restructuring and closure expenses reduced the Services segment's EBIT by around EUR 100 million. In addition, the proportionate operating result of Hermes Germany GmbH had a negative impact on the Services segment compared to the previous year. By contrast, the sale of the shares in Evri Limited in the UK had a positive effect on EBIT in this segment due to the associated reversal of a deferred income item of EUR 82 million through profit or loss.

Financial Services

In the 2024/25 financial year, the Financial Services segment recorded revenue of EUR 1,060 million, a rise in reported revenue of 5.8%. When adjusted for exchange rate changes and thus establishing a comparable basis, revenue growth in the Financial Services segment was 6.0%. There were no effects from changes in the scope of consolidation in this segment. The segment's share in the Group's revenue amounted to 7.1%, which is slightly over the previous year's figure of 6.7%. The EOS Group, the dominant group in this segment, reported steady revenue growth and was able to increase revenue by 6.0% – and 6.2% on a comparable basis. Due to very good framework conditions with regard to the market, the EOS Group significantly expanded its receivables management activities in the 2024/25 financial year and made high portfolio investments. Sales revenue increased compared to the previous year, particularly in the area of the purchase of receivables.

The EBIT for the Financial Services segment increased by EUR 50 million to EUR 470 million in the 2024/25 financial year. As in previous years, the EOS Group's continued high level of profitability contributed substantially to this segment's EBIT and greatly exceed the earnings in the previous year. Due to the stable cost structure compared to the previous year, the EOS Group's positive revenue growth had a corresponding effect on EBIT. In the previous year, EBIT was also negatively impacted by non-scheduled depreciation on intangible assets.

Non-reportable segments and other activities

The non-reportable segments and other activities include, among others, the activities in the Digital Health business area, the venture activities and the real estate companies of the Forum Group.

The EBIT of the non-reportable segments and other activities decreased from EUR –11 million to EUR –32 million in the 2024/25 financial year. In this segment, the Digital Health business area had a negative impact on earnings.

Holding

The holding contains the overarching costs of Group functions which were not reliably attributable to the above-mentioned segments.

The holding's EBIT amounted to EUR –130 million in the 2024/25 financial year, compared to EUR –101 million in the 2023/24 financial year.

Financial Position

Cash Flows, Investments and Liquidity

Consolidated cash flow statement (short form)

	2024/25	2023/24
	EUR million	EUR million
Gross cash flow from operating activities	964	898
Change in working capital	–35	351
Other changes in cash flow from operating activities	–119	–119
Cash flow from operating activities	810	1,130
Capital expenditures on purchases of intangible assets and property, plant and equipment	–271	–418
Other changes in cash flow from investing activities	715	–33
Cash flow from investing activities	444	–451
Free cash flow	1,254	679
Cash flow from financing activities	–1,257	–489
Net increase/decrease in cash and cash equivalents	–3	190
Changes in cash and cash equivalents due to foreign exchange rates	13	–1
Reclassification with regard to disposal groups	–140	–15
Cash and cash equivalents at beginning of period	692	518
Cash and cash equivalents at end of period	562	692

Cash flow from operating activities

The Otto Group's cash flow from operating activities amounted to EUR 810 million in the 2024/25 financial year and was thus below the corresponding previous year's figure of EUR 1,130 million. This development is primarily due to an improved gross cash flow from operating activities, in particular due to changes in working capital. After a significant decrease of EUR 351 million

in the previous year, working capital increased by EUR 35 million overall in the 2024/25 financial year. This development is characterized by an increase in receivables from financial services due to the significant year-on-year increase in portfolio investments by the EOS Group in the Financial Services segment. Increased effects on working capital also resulted from the development of trade receivables and other

provisions. This was offset by the reduction in inventories at Group companies in the Platforms and Brand Concepts segments, which was significantly lower than in the previous year and therefore had a relevant impact on the development of working capital compared to the previous year.

In the Platforms segment, the Group company About You was able to significantly reduce inventories despite the realized revenue growth. Seasonal procurement was better adjusted to the current market conditions. In addition, further improvement in operational inventory management was achieved across the entire logistics network. Inventories at the Group company OTTO, which is also part of the Platforms segment, were on a par with the previous year. A reduction in inventories in individual product ranges was offset by a significant increase in goods in transit. The latter resulted from a more aggressive ordering policy to cover the necessary goods requirements in response to the continuing fluctuations in transport times for sea containers from Asia. At the bonprix Group in the Brand Concepts segment, continued order reductions due to the weak development of demand in the European activities under the bonprix brand as well as extensive inventory clearing sales in the business activities in the USA under the Venus brand led to a significant decline in inventories. The Crate and Barrel Group was also able to reduce inventories in the 2024/25 financial year and optimize operational inventory management through further investments in the

supply chain, including for more efficient interaction between warehouse locations.

There was an increase in trade receivables, particularly at the Group company OTTO in the Platforms segment. In addition to the positive revenue growth in both the retailers and marketplace business, this increase can also be attributed to an expansion and greater use of payment breaks offered by end customers.

The EOS Group's main operational investing activities are the acquisition of receivables and property portfolios. These acquisitions are also part of the development of working capital and are not reported as traditional investments in cash flow from investing activities. Due to very good framework conditions with regard to the market, the EOS Group significantly expanded its receivables management activities in the 2024/25 financial year and made high portfolio investments, especially in the purchase of unsecured and secured receivables packages. Portfolio investments were increased in all regions relevant to the EOS Group, with significant growth realized in Western and Eastern Europe in particular. Both current and non-current receivables from financial services increased accordingly. In addition to the purchase of receivables and property portfolios, the EOS Group invests in so-called bridge loans in the area of performing loans. These are generally short-term loans secured by real estate. Since the 2024/25 financial year, cash payments received and made due to bridge loans have also

been recognized as part of the development of working capital in cash flow from operating business activities. The corresponding net payments from bridge loans in the 2024/25 financial year amounted to EUR 26 million. In the previous year, by contrast, payments received from and made to other financial assets were still part of the cash flow from investing activities, and the net payments amounted to EUR 51 million. The change in reporting reflects the operational nature of this business activity of the EOS Group.

Cash flow from operating business activities is significantly influenced by payments for the purchase of receivables and real estate and for the granting of bridge loans by the EOS Group and is therefore also shown adjusted for these payments. For better comparability between the two financial years, it is also assumed that the payments received and made due to bridge loans were already recognized in the previous year as part of the development of working capital in the cash flow from operating business activities. At EUR 856 million in the 2024/25 financial year, the payments for the purchase of receivables and property portfolios and for the granting of bridge loans at the EOS Group, which are relevant for the adjustment, were significantly higher than the previous year's figure of EUR 615 million. Adjusted for these payments made, the corresponding cash flow in the 2024/25 financial year was EUR 1,666 million, roughly on the level of the corresponding figure for the previous year of EUR 1,694 million.



Consolidated cash flow statement (short form)

	2024/25	2023/24
	EUR million	EUR million
Cash flow from operating activities*	810	1,079
Payments for the purchase of receivables, property portfolios, and the granting of bridge loans by the EOS Group	856	615
Cash flow from operating activities (adjusted for payments for purchases by the EOS Group)	1,666	1,694

* The previous year's figure for cash flow from operating activities differs by EUR 51 million from the figure of EUR 1,130 million reported in the consolidated cash flow statement and assumes that the payments received and made due to the bridge loans were already recognized as part of the cash flow from operating activities in the 2023/24 financial year.

Cash flow from investing activities

The Otto Group's cash flow from investing activities in the 2024/25 financial year was significantly influenced by proceeds from the disposal of other financial assets. These proceeds amounted to a total of EUR 818 million (2023/24: EUR 99 million) and were partly due to the purchase price payment of EUR 441 million from the sale of Cofidis shares in the 2023/24 financial year. In addition, a purchase price payment of EUR 351 million was made from the sale of the remaining 25% shares in Evri Limited, which operates in the parcel distribution business in the UK, in the 2024/25 financial year.

Cash flow from investing activities is also influenced by payments made for intangible assets and property, plant and equipment in the amount of EUR 271 million (2023/24: EUR 418 million). Due to the completion of major strategic projects spanning several years, particularly in the Services segment, investments in intangible assets and property, plant and equipment fell significantly to a normalized investment level in the 2024/25 financial year. The investments made were predominantly expansion investments. The share of expansion investments in the 2024/25 financial year was around 62% (2023/24: 75%). Investments in intangible assets and property, plant and equipment by segment are as follows:

Investments according to segments

	2024/25	2023/24
	EUR million	EUR million
Platforms	48	79
Brand Concepts	57	83
Retailers	13	15
Services	97	283
Financial Services	9	8
Non-reportable segments and other activities	13	39
Holding/Consolidation	16	4
Group (as reported in the segment reporting)	253	511
Adjustment in investments due to changes in the scope of consolidation in the Services segment	0	-76
Other adjustments*	18	-17
Group (as reported in the consolidated cash flow statement)	271	418

* Due to the presentation of About You as a disposal group in accordance with IFRS 5, About You's investments in intangible assets and property, plant and equipment are only included in the segment reporting in the Platforms segment until the end of Q3 of the 2024/25 financial year. However, the payments for investments in intangible assets and property, plant and equipment included in cash flow from investing activities cover the full 2024/25 financial year.

In the Platforms segment, the expansion of the platform-based business models of OTTO and About You was driven forward by investments in IT and future technologies. The Group company OTTO focused its investments on the continued technological development of the e-commerce platform. In the 2024/25 financial year, it made corresponding investments in IT infrastructure, the connection of warehouse locations and the further expansion of the marketplace business. In addition, investments were made in Otto Payments GmbH, which acts as a payment service provider for processing payments on otto.de. These investments related to internally developed software to further simplify payment processing functionalities. The About You e-commerce platform also focused its investments in the 2024/25 financial year on further developing its IT infrastructure and further optimizing its online store. As part of this, significant investments were made in SCAYLE GmbH, which operates as a separate unit within About You as a provider of a cloud-based store system that allows external brands and retailers to scale their digital business quickly and flexibly and adapt it to growing customer needs.

In the Brand Concepts segment, the Crate and Barrel Group in the USA and Canada accounts for the vast majority of investments in intangible assets and property, plant and equipment. Investments were made in the supply chain, the IT infrastructure, the online stores and in existing and new brick-and-mortar locations in the USA and Canada.

A focus of investments in intangible assets and property, plant and equipment in the 2024/25 financial year was on the Hermes Fulfilment Group in the Services segment. With its warehousing activities and locations in Germany, Poland, the Czech Republic, Italy and Switzerland, it plays a key role in the Otto Group's retail activities and the revenue growth of the Group companies in the Platforms, Brand Concepts and Retailers segments. In the 2024/25 financial year, the Hermes Fulfilment Group made investments with a volume of EUR 91 million, which were mainly attributable to the steps necessary to complete the logistics sites in Altenkunstadt, Bavaria, and Iłowa, Poland. At the logistics site in Altenkunstadt, Bavaria, the Hermes Fulfilment Group opened a fully automated shuttle warehouse in July 2024 after a construction period of around two years. The new warehouse covers an area of 16,000 square meters and offers space for around 6 million items. The shuttle warehouse is intended to significantly shorten delivery times for customers and strengthen the Otto Group's logistical capacities. In the site expansion with the fully automated shuttle warehouse and the structural and technological modernization of the existing logistics operations, relevant investments with a volume of EUR 22 million were made for the last time in the 2024/25 financial year. The total investment volume over the last three financial years amounted to EUR 170 million. In addition, after a construction period of around two and a half years, the Hermes Fulfilment Group's extensive new logistics site in Iłowa, Poland, was opened and is

gradually being ramped up. The fulfilment facility consists of a building complex of nine halls, has a floor space of around 268,000 square meters and will focus primarily on the logistics handling of small-volume product ranges of the Group company OTTO, including storage, order picking and shipping. The automation and optimization of logistics processes at the new site are also intended to help significantly reduce delivery times for customers. The investment level for this location in the 2024/25 financial year last amounted to EUR 35 million; the total investment volume in the last four financial years amounted to EUR 330 million. In addition to the two sites in Altenkunstadt and Iłowa, investments were also made in existing Hermes Fulfilment Group warehousing sites in Germany as well as in the necessary technical equipment and IT infrastructure. Among other things, new warehouse management software was implemented to connect with customers.

The investments in intangible assets and property, plant and equipment shown in the segment reporting include the cash-neutral additions resulting from changes in the scope of consolidation in the Services segment in the 2023/24 financial year due to the acquisition of the Supply Chain Solutions operation from Hermes Germany GmbH. SupplyX GmbH (until 2 March 2025 Otto Group Logistics GmbH), as an independent Otto Group company, has since been promoting the expansion of the corresponding services relating to the air and sea freight business and a stronger positioning in the market. For a corresponding reconciliation to the payments made for

intangible assets and property, plant and equipment contained in the cash flow from investing activities, these were adjusted. In the 2024/25 financial year, the investments in intangible assets and property, plant and equipment reported in the segment reporting do not include any significant non-cash additions.

Cash flow from financing activities

After a previous-year figure of EUR 679 million, the Otto Group's free cash flow in the 2024/25 financial year now amounted to EUR 1,254 million. The significant improvement in free cash flow was reflected accordingly in the development of cash flow from financing activities. The Group's financial liabilities from bonds and other notes payable as well as to banks were reduced significantly by EUR 669 million overall. In the previous year, there was a slight net increase in financial liabilities of EUR 18 million. In addition to the development of financial liabilities, cash flow from financing activities was also characterized by the distributions made to non-controlling shareholders, payments for interest and bank charges and the net repayment of lease liabilities. Distributions to non-controlling interests in the 2024/25 financial year amounted to EUR 254 million and are due, among other things, to dividends paid to outside shareholders of the Argosyn Group as a result of the purchase price payment from the sale of Cofidis shares in the 2023/24 financial year. However, no dividends were paid to the shareholders of Otto GmbH & Co. KGaA in the 2024/25

financial year. Cash flow from financing activities is also characterized by the cooperation between EOS Group companies and co-investors, which gives the EOS Group additional investment opportunities on the market to invest in unsecured and secured receivables packages and in real estate. In this context, relevant additions to equity were made by non-controlling interests in the 2024/25 financial year.

The Otto Group's net financial debt was significantly reduced by EUR 579 million in the 2024/25 financial year and, at EUR 2,095 million, was below the previous year's figure of EUR 2,674 million. This was due to the sale of the shares in Evri Limited, which operates in the parcel distribution business in the UK, and the purchase price payment from the sale of the Cofidis shares. In addition, the positive development of net financial debt in the 2024/25 financial year was significantly influenced by the once again very high free cash flows from the Financial Services and Brand Concepts segments. In the Services segment, the high level of investment in the Hermes Fulfilment Group, primarily to finalize the major logistics projects in Ilowa and Altenkunstadt, had an offsetting effect on net financial debt. In addition, the financing requirements of Hermes Germany GmbH, which is included in the consolidated financial statements using the equity method, had a significant negative impact on the Otto Group's net financial debt. In addition, the free cash flow of the Retailers segment was again negatively impacted overall due to the

operating business performance of individual Group companies.

The Group's net financial debt in the 2024/25 financial year changed as follows:

Net financial debt	28.02.2025	29.02.2024
	EUR million	EUR million
Bonds and other notes payable	388	714
Bank liabilities	1,225	1,568
Lease liabilities	944	1,042
Other financing liabilities	100	42
Financial debt	2,657	3,366
Less securities	0	-1
Less cash and cash equivalents	-562	-691
Net financial debt	2,095	2,674

Capital structure

The comparability of the Otto Group's consolidated balance sheet on 28 February 2025 with the previous year is affected by a special circumstance. All provisions and liabilities of a disposal group presented in accordance with IFRS 5 were reclassified to current liabilities ("Liabilities held for sale"). The disposal group involves About You. The completion of the acquisition of the shares in About You by Zalando SE for the 2025/26 financial year is expected but still subject to the usual approvals under merger control legislation.

Financing	28.02.2025		29.02.2024	
	EUR million	in %	EUR million	in %
Equity	4,909	36	4,745	34
Non-current provisions and liabilities	3,553	26	3,651	26
Deferred tax	83	1	153	1
Current provisions and liabilities	4,907	36	5,332	38
Total equity and liabilities	13,452	100	13,881	100

The Otto Group's equity increased by EUR 164 million to EUR 4,909 million in the 2024/25 financial year, resulting in a rise in the Group's equity ratio with total assets slightly lower than in the previous year. It increased from 34.2% in the previous year to 36.5% on 28 February 2025. The main reason for the increase in equity is the net profit for the year of EUR 165 million reported for the 2024/25 financial year. In addition, the cooperation between EOS Group companies and co-investors resulted in relevant equity contributions from non-controlling interests amounting to EUR 151 million. Dividends paid to non-controlling interests, which amounted to EUR 254 million in the 2024/25 financial year, had the opposite effect on the development of Group equity.

Non-current provisions and liabilities fell slightly by EUR 98 million, or 2.7%, to EUR 3,553 million compared to the previous year. Both lease liabilities, characterized by the disclosure of About You as held for sale in accordance with IFRS 5, and bank liabilities declined slightly. In the course of the sale of the remaining shares in Evri Limited, which operates in the parcel distribution

business in the UK, in the 2024/25 financial year, a deferred income item of EUR 82 million was also reversed within other liabilities, which was recognized for distribution amounts from previous years that exceeded the carrying amount of the equity interest in other financial assets.

Current provisions and liabilities declined by EUR 425 million, or 8.0%, to EUR 4,907 million in the 2024/25 financial year. The Group's financial liabilities had a significant impact on the development of current provisions and liabilities, which fell considerably by EUR 650 million. The decline in current liabilities from bonds and other notes payable in the amount of EUR 327 million was partly due to the scheduled settlement of two bonds maturing in the 2024/25 financial year. A bond maturing in June 2024 with a nominal volume of EUR 191 million and a bond maturing in December 2024 with a nominal volume of CHF 52 million were repaid. By contrast, no short-term bonds issued as part of the commercial paper program were outstanding on 28 February 2025. On 29 February 2024,

however, the outstanding nominal volume was still EUR 79 million. Bank liabilities included in current provisions and liabilities also decreased significantly by EUR 323 million. Due in particular to the significant improvement in the Group's free cash flow in the 2024/25 financial year, the utilization of short-term credit lines was reduced accordingly. The reclassification of all provisions and liabilities of the About You disposal group presented in accordance with IFRS 5 had an offsetting effect on current provisions and liabilities. In addition to the liabilities already included in current provisions and liabilities before the reclassification, non-current provisions and liabilities in the amount of EUR 73 million were also reclassified to liabilities held for sale. These amounted to a total of EUR 742 million on 28 February 2025. In the previous year, liabilities held for sale included corresponding effects from the sale of the two-man handling specialist GIRDARD AGEDISS in France, which was completed in April 2024. Trade payables declined sharply in the 2024/25 financial year with a change of EUR 403 million, with the reported change resulting primarily from the reclassification effects of About You. In contrast, longer delivery times and delayed goods procurement processes led to an increase in trade payables at other Group companies in the Platforms and Brand Concepts segments. In the 2024/25 financial year, the Otto Group's existing supply chain finance programs were also further developed and significantly expanded, including at the Crate and Barrel Group.

Key performance indicators on financial position

The debt service ratio, one of the key financial indicators for the Otto Group, was significantly reduced in the 2024/25 financial year compared to the previous year, as a result of both the increase in cash EBITDA and the reduction in the Group's net financial debt. Theoretically, as of 28 February 2025, it would take 1.3 years to fully pay off the net financial debt (including lease liabilities) using the cash EBITDA. The previous year's value as of 29 February 2024 was 2.0 years.

Due to the increase in reported Group equity with a simultaneous decrease in net financial debt, the debt to equity ratio improved and stood at 0.4 on 28 February 2025 (29 February 2024: 0.6).

After the ROCE was almost balanced on 29 February 2024, it increased significantly to 3.3% by 28 February 2025. The average capital employed fell by EUR 924 million to EUR 8,391 million, while EBIT increased significantly by EUR 268 million to EUR 276 million, with a corresponding impact on the ROCE.

Otto Group's credit metrics

		2024/25 (28.02.2025)	2023/24 (29.02.2024)
Group equity ratio	in %	36.5	34.2
Net financial debt	in EUR million	2,095	2,674
EBITDA	in EUR million	916	741
Plus adjustments (total repayments on receivables packages, repayments from sales proceeds from the sale of properties and repayments on bridge loans granted and reduced by non-cash value adjustments from IFRS 9)	in EUR million	704	620
Cash EBITDA	in EUR million	1,620	1,361
Debt service ratio (Net financial debt/cash EBITDA)	in years	1.3	2.0
Debt to equity ratio (Net financial debt/Group equity)	Ratio	0.4	0.6
ROCE (EBIT/average capital employed)	in %	3.3	0.1

Net assets

The comparability of the consolidated balance sheet on 28 February 2025 with the previous year is also significantly influenced by the reclassification of all assets of the About You disposal group presented in accordance with IFRS 5 to current assets ("Assets held for sale").

The total assets of the Otto Group can be broken down by maturity as follows:

Assets	28.02.2025		29.02.2024	
	EUR million	in %	EUR million	in %
Fixed assets	4,664	35	5,609	40
Other non-current assets	2,121	16	2,076	15
Deferred tax	228	2	181	1
Current assets	6,439	48	6,015	43
Total assets	13,452	100	13,881	100

The total assets of the Otto Group can be broken down by segment as follows:

Total assets by segment	2024/25		2023/24	
	EUR million	in %	EUR million	in %
Platforms	2,319	17	3,871	28
Brand Concepts	2,281	17	2,428	17
Retailers	1,716	13	1,717	12
Services	1,431	11	1,369	10
Financial Services	3,249	24	3,868	28
Non-reportable segments and other activities	1,907	14	1,883	14
Holding/Consolidation	-2,285	-17	-2,550	-18
Segment assets (as in segment reporting)	10,618	79	12,586	91
Assets not included in segment assets	2,834	21	1,295	9
Total assets	13,452	100	13,881	100

Non-current assets (fixed assets and other non-current assets) represent the relevant share of the Group's total assets. Segments such as Platforms, Brand Concepts and Financial Services dominate the Otto Group's total assets. In intangible assets, goodwill accounts for EUR 1,228 million (29 February 2024: EUR 1,472 million), of which a total of EUR 757 million (29 February 2024: EUR 1,006 million) is attributable to the Platforms segment and EUR 169 million (29 February 2024: EUR 161 million) to the Brand Concepts segment. Property, plant and equipment in the amount of EUR 1,590 million (29 February 2024: EUR 1,599 million) mainly has to do with the Services segment's logistics infrastructure of the Hermes Fulfilment Group, mostly in Germany and Poland, along with the Forum Group's properties. In addition, right-of-use assets, especially from the lease of land, land rights and buildings, represent a significant portion of fixed assets. Right-of-use assets amounting to EUR 803 million (29 February 2024: EUR 909 million) account for EUR 506 million (29 February 2024: EUR 482 million) and mainly relate to the Brand Concepts segment and especially have to do with the leased stores and logistics facilities of the Crate and Barrel Group in the USA and Canada. Receivables from financial services in the amount of EUR 1,858 million (29 February 2024: EUR 1,773 million), which are fully attributable to the Financial Services segment and mainly have to do with the receivables packages acquired by the EOS Group, constitute another focal point within non-current assets.

Inventories accounted for EUR 1,778 million of current assets (29 February 2024: EUR 2,346 million) and thus account for a relevant share and are mainly recorded in the retail-related segments. Group companies in the Platforms segment account for EUR 539 million of the inventories (29 February 2024: EUR 1,054 million), and Group companies in the Brand Concepts segment account for EUR 741 million (29 February 2024: EUR 809 million). The assets held for sale of the About You disposal group presented in accordance with IFRS 5 also account for a relevant share of current assets. The assets held for sale amounted to EUR 1,752 million on 28 February 2025 (29 February 2024: EUR 56 million).

The total assets reported in the consolidated balance sheet of the Otto Group decreased in the 2024/25 financial year by 3.1%, or EUR 429 million, to EUR 13,452 million on 28 February 2025.

At EUR 6,785 million, non-current assets were significantly lower than the previous year's figure of EUR 7,685 million. The decrease of 11.7% or EUR 900 million is primarily due to changes in intangible assets and right-of-use assets. A significant effect resulted from the high intangible assets of About You and their corresponding

reclassification to assets held for sale. As part of the purchase price allocation in the course of the first-time consolidation of About You, customer lists and trademarks in the amount of EUR 976 million were recognized in the 2021/22 financial year, with residual carrying amounts of EUR 618 million to be reclassified. In addition, part of the goodwill included in the intangible assets of the Platforms segment was also reclassified to assets held for sale. Goodwill attributable to the Platforms segment decreased accordingly to EUR 757 million by 28 February 2025 (29 February 2024: EUR 1,006 million). The reported decline in rights-of-use assets is also due to About You. In the Crate and Barrel Group in the Brand Concepts segment, by contrast, rights-of-use assets increased due to the conclusion of new leases and the extension of existing leases. In contrast, the significant increase in non-current receivables from financial services, which rose accordingly against the backdrop of the significant expansion of the EOS Group's receivables management activities in the 2024/25 financial year, had the opposite effect on non-current assets.

Current assets increased significantly by EUR 424 million to EUR 6,439 million in the 2024/25 financial year. This represents an increase of 7.0%. This increase was primarily

due to assets held for sale. In addition to assets already included in current assets before the reclassification, non-current assets of the disposal group About You in the relevant amount of EUR 977 million were reclassified to assets held for sale. In addition, current receivables from financial services also increased due to the EOS Group's increased portfolio investments. By contrast, there were major offsetting effects within current assets in inventories, other assets and trade receivables. Inventories declined both in the Platforms segment, on account of the About You disposal group, and in the Brand Concepts segment. While the bonprix Group, which is part of the Brand Concepts segment, continued to reduce orders due to the weak demand trend in its European activities, among other things, the Crate and Barrel Group was able to reduce inventories by further optimizing its operational inventory management. The purchase price payment for the sale of Cofidis shares in the 2023/24 financial year also had a significant impact on the development of current assets within other assets. As payment of the purchase price was not due until the 2024/25 financial year, the corresponding purchase price receivable was included in other assets in the previous year.



Overall Assessment

Despite the subdued consumer sentiment, the difficult macroeconomic environment and the continued focus on profitability and liquidity, sales stabilized at the previous year's level.

At the EBITDA level, considerable progress was made in operating profitability at several Group companies thanks to increased cost discipline, among other things. In addition, the 2024/25 financial year was heavily influenced by a wide range of portfolio measures that have already been implemented, are still ongoing and are planned, along with business optimization processes and location optimizations. Overall, there was a significant increase in reported EBIT.

The debt service ratio has improved significantly for the Otto Group. This is due to a reduction in net financial debt in addition to the improved earnings power.

Overall, the Otto Group largely achieved the targets it set itself in the previous year and even exceeded them in some cases.

The following table compares the actual development of the Otto Group's relevant financial indicators in the 2024/25 financial year with the corresponding indicators forecast in the Group Management Report for the 2023/24 financial year.

The Executive Board of the Otto Group considers the 2024/25 financial year to be satisfactory.

Comparison of forecast and actual development		Forecast for the 2024/25 financial year*	Actual development in the 2024/25 financial year
Revenue and income from customer financing*	Group	Stable, at previous year's level (2023/24: EUR 15.0 billion)	+0.9 %
	Platforms segment	Stable, at previous year's level (2023/24: EUR 6.2 billion)	+4.7 %
	Brand Concepts segment	Slight reduction (2023/24: EUR 5.3 billion)	-3.8 %
	Retailers segment	Slight reduction (2023/24: EUR 2.0 billion)	-4.0 %
	Services segment	Significant increase (2023/24: EUR 0.4 billion)	+16.3 %
	Financial Services segment	Slight reduction (2023/24: EUR 1.0 billion)	+6.0 %
Earnings before interest and tax (EBIT)	Group	Low mid-three-digit million euro amount	EUR 276 million
Debt service ratio	Group	Slight reduction	1.3 years (previous year: 2.0 years)

* On comparable basis

Opportunities and Risks Report

Governance Systems

As a family business, the Otto Group operates according to the values enshrined in its Code of Ethics: respectful treatment of one another and responsible, fair and sustainable actions. These values are part of the corporate culture that is embodied and shaped by the employees in their daily work. Behavior that complies with the rules builds primarily on values and cohesion. The value-driven management of risk and opportunity is an integral element of the Otto Group's corporate strategy.

To this end, the Otto Group has designed and established various governance systems based on the "Three Lines of Defense" model. At the heart of this model is the idea that those entrusted with operational control (1st line) implement measures and checks, based on their risk assessment and with due consideration of specifications. In regard to topics with risk exposure, the 2nd line (monitoring) introduces specifications and monitors the effectiveness of the measures and checks. The 3rd line (auditing) ensures independent review of risk management by the 1st and 2nd line.

The following provides a more detailed description of the individual governance systems, namely the risk management system, the internal control system, the compliance management system, and the internal audit system:

Risk management and internal control system

All Group companies in which the Otto Group directly or indirectly holds 50% or more of the voting rights, or over which it is able to exercise a controlling influence, are included in the risk management system pursuant to Group-wide guidelines and directives of the risk management system – referred to hereinafter as the RMS – and the internal control system – referred to hereinafter as the ICS. Risks are collated from the bottom up, i.e., incrementally from the individual Group companies through the sub-groups up to Group level. The purpose of the RMS is to enable rapid risk identification, so that, where possible, targeted measures can be taken or checks established right away in order to either reduce the likelihood of occurrence or limit the possible repercussions of these risks on the Group's net assets, financial position and financial performance in the event of such risks materializing. The high degree of transparency in terms of risks and measures displayed in a single tool enables Group companies to exploit reciprocal synergy effects.

The relevant process implemented for this comprises the following steps:

Identification and evaluation

The risk assessment is carried out at least once a year by the Group. It covers risks for the entire financial year and the following one. For the risk assessment, the risk areas relevant to the business activities of the Group companies must be identified by using the risk catalog stored in the RMS tool.

Risks reported by the respective Group companies and/or divisions are assessed in terms of their likelihood of occurrence and possible impact. The extent of potential losses is assessed qualitatively and, for relevant risks, quantitatively. The Otto Group applies standardized methods for this purpose. This assessment is carried out both in gross terms before risk control measures and in net terms. In addition, validation measures performed by the Otto Group's holding functions ensure quality in the risk report contents. In addition, the risks are examined for their potential to damage the Group's reputation, as well as violations in respect of compliance. Potentially extreme risks from the Group's perspective are also identified and evaluated to complete the risk inventory. An extreme risk is defined as one that, based on a very low likelihood of occurrence, may lead to highly negative effects (extreme events). The risk survey is oriented toward macro-economic-political environment analyses and crisis scenarios.

Since January 2023, risks are also assessed and evaluated in the context of the Supply Chain Due Diligence Act. This includes assessing the risks of Group companies required to report from the perspective of affected parties or rights holders, taking into account the likelihood of occurrence and potential severity.

Management and monitoring

Risk managers are tasked with developing and implementing suitable risk-reducing measures and making the most of opportunities in their respective areas of responsibility. Additionally, they develop a general strategy for handling identified risks. These strategies include risk avoidance, risk reduction with the aim of minimizing the effect or likelihood of occurrence, transfer of risk to third parties or risk acceptance. The decision to implement the relevant strategy for managing a risk also takes into account the costs associated with the effectiveness of any planned risk-reducing measures. Corresponding controls are derived and their effectiveness is documented.

Reporting

Risks are included in reporting according to individually established materiality limits. The risks reported in the annual risk inventory are presented at the meetings of the Advisory Boards of the respective Group companies. In addition, the Otto Group's risk-bearing capacity is also determined in each financial year, and a Monte Carlo simulation is carried out to calculate the overall risk exposure. The Group Executive Board and the Supervisory Board are notified of potential threats to the company's continued existence as a going concern, as well as of relevant developments in risk management. Ad-hoc risk reporting makes it possible to inform the Group Executive Board immediately if new material risks occur at any other time than the official reporting times named.

Responsibility for risk management lies with the Group Executive Board and the managing directors of the Group companies. The close interlocking of the risk management system (RMS) with the internal control system (ICS) and the Financial Controlling/Reporting divisions ensures the effectiveness of the RMS. Furthermore, the structure of the compliance management system and the regular monitoring performed on it ensure that the relevant legal requirements and internal company guidelines are also complied with. The RMS is under constant development by the management division with organizational responsibility, in cooperation with Otto Group Holding's Risk Management department, and is reviewed by Group Audit.

Accounting-related internal control system

The accounting-related ICS is an integral part of the Otto Group's ICS and takes its requirements into account.

The Otto Group's accounting-related ICS's aim is to ensure the correctness of Group accounting and financial reporting. It is intended in particular to ensure that all business transactions are recorded in the accounts promptly, uniformly, and correctly on the basis of applicable standards, accounting regulations, and internal Group rules. Accounting errors should be avoided or material misstatements detected in a timely manner.

The Otto Group's consolidated financial statements are prepared on the basis of a centrally defined conceptual framework. It essentially comprises the

following organizational and technical measures, in which all Group companies are included.

The centrally prescribed Group guideline and supplementary reporting instructions are consistent with the relevant IFRS regulations and the binding Group-wide specifications for the exercise of elective rights and structuring options. They ensure that the IFRS accounting standards are applied uniformly and throughout the Group.

Moreover, a uniform group chart of accounts is mandatory for all Group companies. Data reporting for preparing the consolidated financial statements is carried out at the detail level of this chart of accounts. Its purpose, together with the Group Guideline, is to ensure the proper and uniform preparation of the Otto Group's consolidated financial statements, and it is therefore an integral part of the internal controls for financial reporting.

The Otto Group Holding's Group Controlling & Accounting division reviews the relevance of reforms in international accounting standards in a timely manner, and their implementation is announced to the Group companies in good time, such as in monthly newsletters.

Finally, the uniform Group-wide management of the financial statements process, as part of a centrally managed financial statements calendar, guarantees a structured accounting process.

The IFRS individual financial statements (reporting packages) of the Group companies included in the consolidated financial statements are prepared either locally by the Group company or by a shared service center. They are then recorded in a uniform system. Automatic plausibility checks and system-side validations of the data are used as quality assurance measures in the data collection process. Consolidation then takes place at a central location using additional software. The systems are established software products that have been audited for compliance. Moreover, access permissions are defined in the accounting-related IT systems to protect against unauthorized access. The latter is carried out in accordance with the Otto Group's information security regulations.

At the Group level, the Otto Group Holding's Group Controlling & Accounting division checks the accuracy and reliability of the IFRS individual financial statements reported by the Group companies.

Once all consolidation steps have been finalized, the consolidated financial statements are prepared by the Otto Group Holding's Group Controlling & Accounting division with the involvement of other specialist divisions. The Group Management Report is also prepared by this division in cooperation with the relevant Otto Group Holding divisions. Several quality reviews are performed on the consolidated financial statements and the Group Management Report during

the preparation process. The members of the Group Executive Board then approve the final version for publication.

Compliance management system

The Otto Group maintains a compliance management system—hereinafter CMS. Its objective is to establish compliance as an integral part of all business processes. In this context, the Otto Group identifies and assesses the relevant compliance risks and implements measures to avoid irregular behavior. The measures are checked regularly for efficacy and are improved continuously.

The Compliance Committee is the central body within the CMS and is chaired by the Group Executive Board Member for Finance, Controlling, Human Resources. The risk functions and others within the Otto Group are represented on the committee. The members of the Compliance Committee define the Otto Group's CMS and the binding requirements for all Group companies.

The Group companies each have their own decentralized compliance organizations that are aligned with Group-wide requirements and standards.

Compliance issues are anchored in various Group departments. In this regard, the Otto Group has defined core compliance topics of Group-wide significance that are managed by central topic owners. Compliance

in the Otto Group is not limited to these core issues, however, but takes into account the many other challenges facing Otto Group companies as well. In addition, the processes are continuously subjected to critical review and examination and new compliance risks are integrated into the CMS structures.

The Otto Group has established a whistleblower system so that misconduct and violations can be identified and investigated in good time and so that remedial action can be taken. All employees and externals can access a variety of channels to report violations of laws and internal regulations, also anonymously.

Internal audit system

(Internal) Auditing provides independent and objective auditing services, and in doing so supports the Group Executive Board and the management teams in their monitoring duties. Auditing is focused on creating added value by contributing to guarantee the regularity, efficiency, and security of processes as well as to protect assets and prevent reputational damage. To this end, the audit examines the effectiveness of the RMS, the ICS, and the CMS in particular, as well as the monitoring processes, and helps with their improvement.

The Otto Group’s internal audit system – referred to hereinafter as the IRS – is described in a Group Guide-line and stipulates that the audit requirements of the Group Executive Board (sovereign perspective) and the respective managing directors for their Group company (local perspective) must be determined on a risk-oriented basis and adequately covered.

Auditing activities are carried out by taking into account the scope and risk exposure of the business processes. The audit universe applies to all operational Group companies. Regular general audits are carried out at these companies. Among other things, these audits include the regularity of the Executive Board and the topics of ICS, RMS, CMS and IRS, along with other risk audits.

Audit procedures are conducted in accordance with the Standards for the Professional Practice of Internal Auditing and, in particular, the Code of Ethics of the Institute of Internal Auditors (hereinafter IIA). Recommendations are inferred to eliminate the identified deficiencies and limit the identified risks, and their execution is then monitored (follow-up).

A quality assurance and improvement program is in place to promote the effectiveness of the Otto Group’s IRS and compliance with the IIA’s Code of Professional Conduct. Included in this in particular is the regular (usually every five years) commissioning of external quality reviews. The most recent quality review was performed by an auditing company in February 2024. It confirmed the effectiveness of the Otto Group’s IRS.

Opportunity Management

The focused growth strategy as part of the Otto Group Path enabled the further expansion of existing strengths both nationally and internationally and offers opportunities despite the ongoing challenging market situation. Targeted investments in high-growth and profitable business models such as those of the Crate and Barrel Group, OTTO, the Witt Group and the EOS Group strengthen the Otto Group’s future viability, as do transformation projects with the aim of further shaping the high-performance core of the future portfolio, increasing the Group’s profitability and thus creating further financial leeway.

A key differentiating factor in the competitive environment and therefore an opportunity is the focus on responsibility in line with the shareholder vision “Responsible commerce that inspires.” Assuming social, ecological and digital responsibility has been part of the Otto Group’s

identity for almost 40 years and positions the Group as a credible player in terms of sustainability, especially in contrast to Asian competitors.

The Otto Group sees further opportunities in the field of innovations, specifically through the use of Artificial Intelligence (AI). The potential for the use of AI in the Otto Group extends across all segments and ranges from improving the shopping experience in online shops to optimizing internal processes and increasing personal, individual productivity.

Risks Report

The following report provides an overview of the main risks and indicates their significance for the Otto Group. Within this framework, the risks are classified using a matrix with the dimensions of the scope of damage, i.e., the financial impact on the EBT, and the likelihood of occurrence.

Financial impact (EBT)	Likelihood of occurrence			
	Low / 0 – < 5 %	Moderate / 5 – < 25 %	High / 25 – < 50 %	Very high / 50 – 100 %
Very high / > EUR 100 million	High	Very high	Very high	Very high
High / > EUR 50 – 100 million	Moderate	High	Very high	Very high
Moderate / > EUR 25 – 50 million	Low	Moderate	High	Very high
Low / EUR 5 – 25 million	Low	Low	Moderate	High

Insofar as opportunity components were also determined in the scenario analysis in addition to the risk analysis, they are evaluated in the same way according to the methodology stated above.

In addition to specific risks, the risk report also describes overarching risk drivers.

Geopolitical changes

The current global tensions and crises remain a key risk driver for the Otto Group's value chain and affect various areas of the Group. Since the 2025/26 financial year, they have therefore been recognized directly in the risk categories in which they have an impact, including Procurement & Supply Chain, Information Security and Market Environment. Risks in connection with the war Russia started in Ukraine are considered separately. For example, despite the withdrawal of the Otto Group's trading activities and the reduction of the EOS Group's activities in the Russian market, further sanctions or (disposal) restrictions imposed by Russian legislation represent a very high risk for the EOS Group's existing assets there.

Economic opportunities and risks

The overall economic conditions affect the business activities and consequently also the financial position, net assets, and financial performance of the Otto Group.

Unforeseeable disruptions within global economic interdependencies, such as the US administration's trade policy actions and announcements since spring 2025, can lead to effects that are difficult to predict. In addition to Canada, Mexico, China and the European Union, the tariff measures announced by the USA are to be extended to other countries not yet affected. In addition to a noticeable negative impact on international trade, unpredictable protectionist trade measures are destabilizing global economic activity and leading to great uncertainty. Such macroeconomic risks potentially lead to a reduction in consumer spending in the countries and regions affected, driven in part by a reduction in the purchasing power of private households, and can therefore lead to a decline in demand for the Otto Group's goods and services. The financial consequences of these risks would be fluctuations in sales and a significant impact on results.

Sector-specific and operational opportunities and risks

Market environment

In the 2024/25 financial year, the market environment in the Otto Group's key sales markets was once again demanding and challenging due to uneven macroeconomic development. While the USA continued on its growth path, the differences in economic momentum in the euro area remained significant.

Even though inflation in the core German market has slowed compared to previous years to an average over the year of +2.2%, the economy is still taking time to recover. Structural problems, high economic policy uncertainties and the weakening labor market are dampening private consumption. According to the Kiel Institute for the World Economy, the German economy is likely to emerge from its weak phase in 2024 and switch to a slight upward trend from then on. Overall, there was a recession in 2024 for the second year in a row, which caused gross domestic product to fall by 0.2%. The economy is likely to stabilize at a low level in 2025 and do little more than stagnate before it begins its long-term recovery. Further details can be found in the sections "Macroeconomic and sector-specific framework conditions" and "Macroeconomic and sector-specific development".

According to the Bundesbank, the greatest uncertainty factor for the forecast at present is a possible global increase in protectionism. Other imponderables include geopolitical conflicts and the direction of the new German government's future financial and economic policy.

In its forecast for the 2025/26 financial year, the Otto Group has taken into account the macroeconomic and industry-specific framework conditions as well as the high volatility and associated uncertainties in the outlook. The damage potential associated with a

contracting economy is assessed as very high, but the likelihood of its occurrence as low. An economic recovery holds very high potential for the Otto Group, but given the current volatility in the macroeconomic environment there are few indications of a short-term macroeconomic recovery and opportunities for a significant improvement in the consumer climate, which is why the Otto Group considers the short-term likelihood of occurrence to be low.

In order to counter the risk arising from the market environment, the Otto Group is undertaking a series of cost management programs and is promoting the transformation of key Group companies in order to further shape the future portfolio and increase the Group's financial leeway. The active portfolio management of the Otto Group continuously supports the implementation of the strategic corporate goals. A portfolio analysis is carried out at regular intervals, in which each Group company is reviewed with regard to its profitability, future viability and suitability for the Otto Group. In the 2024/25 financial year, this resulted in the sale of the two-man handling specialist GIRARD AGEDISS in France and the sale of the remaining shares in Evri Limited in the UK, along with the sale of the shares in About You planned for the 2025/26 financial year. At the same time, the strategy of the Otto Group, with its international orientation and the servicing of different market segments via different sales channels, contributes to minimizing risk in the long term and adapts flexibly to regionally varying market developments.

Competitive environment

In addition to competitive pressure from established players, the Platforms, Brand Concepts and Retailers segments continue to be characterized by the growth strategy of Asian competitors, who continue to aggressively penetrate the markets and increasingly enter other product categories in addition to "cheap fashion," thereby intensifying the price war.

In the 2024/25 financial year, the Otto Group made significant investments in the future viability and innovation capability of its company portfolio in order to become more resilient and efficient. Examples of this include, in particular, the further expansion of the marketplace and advertising business of the Group company OTTO as well as an increased focus on top brands to differentiate and strengthen the perception as a high-quality shopping destination, the repositioning of the bonprix brand as a product performance brand to better differentiate it from competitors with the aid of a differentiating and more valuable price-performance ratio, restructuring programs in various Group companies and also the further infrastructure investments of the Crate and Barrel Group in the USA and Canada along with the continuous strengthening of the EOS Group.

As a result of the measures taken and the corresponding consideration in the planning of the companies concerned, the risk is assessed as low and is no longer considered a one of the most significant risks.

Turnarounds

The Otto Group remains exposed to the risk that the envisaged realignment of individual Group companies does not succeed. The likelihood of unsuccessful turnarounds with very high losses is increasing due to the potential adverse effects on liquidity and earnings, and also due to the reputational risks of restructuring measures and company sales. The planned bundling of business activities in the Brand Concepts and Retailers segments is intended to bring the turnaround processes to a successful conclusion. In the Brand Concepts segment, the integration of the plus-size brand Sheego into the Witt Group is planned for the 2025/26 financial year. In the Services segment, however, there are still significant risks, particularly in logistics, which are being countered by the implementation of a comprehensive restructuring program at Hermes Germany GmbH announced in April 2025, among other things. Due to the ongoing difficult market conditions, there is also a risk that the Otto Group will have to initiate new turnaround processes or closures.

Procurement

Due to ongoing attacks by Houthi rebels, the shipping route through the Suez Canal no longer meets security requirements, and a number of shipping companies prefer the longer route around Africa for container ships from Asia. This led to longer transport times, rising freight rates and bottlenecks in transport capacities in the first half of the 2024 calendar year. According to current estimates, this development will lead to lower

and more robust freight rates in the first half of the 2025 calendar year compared to the first half of 2024. Globally, the supply of international transport capacity is expected to exceed the demand for freight space in 2025, so that prices should remain stable over the medium term.

However, the risk of further geopolitical conflicts with direct effects on the Otto Group's relevant supply chains remains. Due to declining macroeconomic demand, there were no significant shortages in the availability of goods in the past 2024/25 financial year. Such shortages are not expected in the 2025/26 financial year either, although the overall economic situation is challenging for many companies, meaning that insolvencies of individual suppliers can still be expected. In the event of increased risk situations, the Otto Group can ensure consistently stable availability of goods through the use of Group-wide task forces and thus counter insolvencies of key suppliers at an early stage. The Otto Group is prepared for similar cases thanks to its transport and procurement networks. However, geopolitical events can influence the supply chain and procurement. Macroeconomic and political uncertainties have a potentially major impact on international trade as well as on costs, availability and supply routes. For example, US customs and trade policy currently represents a potential financial risk that is being closely monitored within the Otto Group. Taking into account the current geopolitical

situation, the likelihood of occurrence of the risk in procurement increases in relation to the supply chain and therefore results in a very high risk for the Otto Group.

Moreover, the Otto Group's procurement management places a particular emphasis on the selection and training of suppliers. It does this to ensure that environmental and social sustainability requirements are met by direct suppliers and their contractors. Potential quality deficits are largely limited through close collaboration with direct suppliers and manufacturers, as well as through continuous quality control.

Risks from non-sector-specific or supporting processes

Information security and IT

The widespread use of information technology due to the high degree of digitization within the Otto Group significantly increases the need to protect information. Besides the requirements for the confidentiality, integrity, and availability of information that is stored and processed in electronic systems, the demands placed on the related IT systems are growing as well.

Risks in connection with unauthorized data access and data misuse (cybercrime) – as well as interruptions or disruptions to key business processes due to IT malfunctions – are among the main risks for the Otto Group.

They may have a high impact on earnings and, despite extensive protective measures and compliance with the applicable regulatory requirements, are classified as high in terms of their risk level. Reputational damage may also ensue as an indirect consequence of the risk.

The Otto Group's protections against information security and IT risks build on a comprehensive security strategy that includes both organizational and technical measures.

With regard to the organizational measures, the Otto Group has a complete, Group-wide IT governance framework with guidelines and principles that continuously ensure compliance with legal and regulatory requirements. This includes communication, awareness and training. Other measures include regular internal audits and security reviews, along with the development and implementation of minimum standards for Group information security for all cloud and on-premises applications.

The technical aspects of the security strategy include firewall systems at different levels, the use of virus scanners, and access controls at the operating system and application level. Compliance with Group-wide security standards is monitored on a regular basis. Moreover, internal and external experts conduct security tests, and any measures inferred from this are rigorously implemented.

Data center operations of the Group company OTTO are divided into a primary data center, which is operated externally as a co-location, and the data center operation at the Otto Group in Hamburg-Bramfeld for use as a secondary data center. The external co-location and the network back-end infrastructure therefore meet the highest Tier 3+ standards. Business-critical systems are run redundantly in two data centers. This also applies to the important datasets, which are permanently mirrored across both data centers. Datasets are regularly backed up as well.

With a view to minimizing risks, all systems developments are carried out in separate environments and subjected to a comprehensive range of tests before being adopted for operation in live situations. They are not used for day-to-day operations until they have been approved. The domestic SAP systems are operated independently by the Group company Otto Group Solution Provider (OSP) GmbH⁹ on the cloud resources of a hyperscaler. All hosting partners are regularly audited against defined criteria, including processes and service performance. The OSP division has been certified as an SAP Customer Center of Expertise, which attests to its technical and functional expertise as well as to process-related excellence.

Financial risks

The Otto Group's global orientation also exposes it to a number of financial risks. A binding Group Manual provides a framework for the handling of financial risks. The Group is exposed to a counterparty credit risk when contractual partners default on agreements. In a narrower sense, counterparty credit risk refers to the risk inherent in a borrower or counterparty defaulting or partly defaulting on liabilities vis-à-vis the Otto Group due to a deterioration in its financial situation.

Suitable credit control systems are used to hedge credit risks, taking into account a reasonable risk segmentation of the customer portfolios. The risk segmentation is continuously adjusted. Risk management also includes regularly reviewing credit activities for business model-specific risks arising from changes in the macroeconomic environment. Existing response mechanisms are adjusted as needed. Furthermore, the Otto Group only works with commercial banks that have adequate credit metrics for reducing counterparty credit risk. The default risk is reduced to a reasonable level due to this qualitative selection process and a balanced banking portfolio. The Financial Risk Controlling department uses a variety of instruments

to review the credit metrics of the Otto Group's banks on a regular basis.

The liquidity risk for the Otto Group has to do with not having sufficient funds at its disposal to meet its agreed payment obligations or with the possibility that the liquidity required cannot be obtained based on anticipated conditions.

The Otto Group's financial management system ensures that the Group's liquidity is maintained at all times. It also ensures that the Otto Group has sufficient funds at its disposal for its operations and investments. In principle, refinancing instruments may include not only all money and capital market products but also leasing and factoring. The contracts for central corporate financing are concluded without financial covenants, which provides the Otto Group with a high degree of financial stability even in the event of a temporary deterioration in key figures. The Otto Group has a diversified banking portfolio and a comfortable buffer of free credit lines. Thanks to close, long-term relationships with banks, the Otto Group is in a position to react flexibly to changing conditions and to hedge its liquidity needs, even in a volatile financial market environment. In addition to the banking market, the Otto Group also covers financing requirements through the capital market, where the

⁹ The Group company Otto Group Solution Provider (OSP) GmbH and the associated Group companies in Germany, Spain, Taiwan and India have been bundled under the Otto Group one.O brand since the 2024/25 financial year and act as the Otto Group's new central service provider for technology and strategy consulting along the entire digital value chain. The Group companies will be renamed in the 2025/26 financial year.

Group has managed to establish itself as an issuer through regular bond transactions. However, in recent years, which have been marked by macro-economic crises, the capital market has only been available periodically.

In summary, the Otto Group rates the risk of higher refinancing costs as high and therefore lower than in the previous year (very high).

Liquidity requirements at the Otto Group are determined in the form of an at least quarterly liquidity budget with a planning period of up to 24 months, a monthly liquidity budget for the current financial year and a daily budget with a horizon of at least four weeks. All budgets are regularly reviewed for variances.

In the Otto Group, market risks within the meaning of IFRS 7 are restricted to currencies and interest rates. Significant foreign currency risks arise from payments received in a foreign currency from customer business and from payment obligations to suppliers that need to be settled in a foreign currency. The latter primarily occurs when goods are purchased in US dollars or Hong Kong dollars and then sold in euros. Interest rate fluctuation risks arise in connection with the gains or losses incurred on interest-bearing items when interest rates change.

Currency and interest rate fluctuation risks are hedged by refinancing in the same currency and with the same

maturity. Any remaining risks from open foreign currency and interest rate items are evaluated using appropriate risk assessment methods. They are then further reduced as needed, mainly by using forward exchange contracts and currency options and also with interest rate swaps. The fundamental goal of risk management is to limit the impact of market price fluctuations on cash flows to an acceptable level. An independent risk monitoring team examines the appropriateness and effectiveness of the control measures and compliance with reference rates and/or internal settlement rates. The remaining foreign currency risk is classified as low due to the use of hedging transactions.

The risk of impairment losses of About You's assets was one of the Otto Group's main top risks in the 2023/24 financial year. With the planned sale of the shares in About You to Zalando SE in the 2025/26 financial year, the risk of impairment losses no longer applies and is no longer considered a material risk.

Regarding the concentration of financial risks, refer to the Notes to the consolidated financial statements (see Notes to the consolidated financial statements as of 28 February 2025, Note (35) Financial instruments).

Legal and regulatory risks

In the area of competition and antitrust law, anti-monopoly authorities and legislative efforts continue to focus strongly on the issue of anti-competitive practices.

This applies in particular to e-commerce and digital platforms, which are constantly evolving due to the ongoing adaptation of business models and play an important role in the economy as a whole. The Otto Group's CMS addresses these risks through mitigating structural and organizational measures, employee training, the development of recommendations for action and support for the implementation of various measures in the Group companies. In view of the potential extent of the damage and despite the continuing legal uncertainties, the risks remain at a very high level despite the measures described above.

The 2024/25 financial year was characterized by increasing planning and legal uncertainty with regard to sustainability regulation, particularly in the second half of the financial year. For this reason, we have expanded the scope of the risk of potential violations under the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz, LkSG) to include further regulatory requirements in the context of sustainability and social standards. Accordingly, developments are continuously being monitored and adjusted in the course of planning and management as required. During risk analysis, the risk of possible violations of sustainability requirements in the supply chain was assessed as very high from the Otto Group's perspective. In addition, potential fines for violations of statutory minimum environmental and social standards present a monetary risk. Due to the complex supply chain structures, the aim of CR management continues to be to achieve

transparency about production conditions throughout the supply chain beyond the final production facilities in order to identify and prevent violations at an early stage. The Group companies within the Otto Group pay particular attention to ensuring socially acceptable working conditions. They are an integral part of the Business Partner Declaration and hence a foundational aspect of all business relationships with suppliers. A valid social audit must be available for a final production facility in a high-risk country¹⁰ during the production of articles sold by the Otto Group. This includes the SA8000 certificate, an amfori BSCI audit (at least result "C") or the Otto Group's own standard, the Otto Group Assessment. Adherence to environmental requirements is also reviewed based on guidelines, audits, and training.

The possibility of violating General Data Protection Regulation (GDPR) requirements continues to pose relevant compliance risks. Among other things, case law has set high requirements for the implementation of online tracking and for the transfer of data to "unsafe" third countries and for complying with the right to information. There is also a tendency for supervisory authorities to take an increasingly restrictive view of the use of data for advertising purposes, for example. Current developments have an impact on business activities, among others, for the area of online marketing and lead to considerable expenses, such as those related to the encryption of data in cloud infrastructures. As part of the Otto Group's CMS, central specifications for security requirements in the cloud infrastructure were developed,

relevant effects in the areas of online tracking and data transfer to unsafe third countries were evaluated and measures to minimize risks were derived. The resulting measures have been deemed compliant by several data protection authorities. There has also been an adjustment to the case law of the European Court of Justice in the area of the right to information. These and other data protection topics are continuously being incorporated at the Group companies within the framework of the existing training formats, and uniform requirements for the handling of new developments are provided. Moreover, the Otto Group is also monitoring and accompanying ongoing lawmaking processes and initiatives. Despite all the measures taken so far, there are still risks in view of the ongoing legal uncertainties, which the Otto Group classifies as being very high as a whole.

Any compliance risks that may exist in connection with customer accounts or in the area of dunning and debt collection remain due to the constantly changing legal and regulatory framework conditions. The Otto Group companies operating in this area are also regulated to varying degrees by corresponding supervisory authorities or government institutions in the countries of relevance to the Group. This is compounded by the fact that legal proceedings are the only way to obtain reliable certainty within the regulatory framework in some areas. One pending legal case concerned EOS Investment GmbH. As part of a model declaratory action, EOS Investment GmbH is currently investigating whether collection fees can be claimed as default damages. The Otto Group

had lodged an appeal against the ruling of the Hamburg Higher Regional Court. The Federal Court of Justice followed the Otto Group's legal opinion and dismissed the consumer advocates' lawsuit in February 2025. This means that there is no longer any litigation risk in this regard. The risk of further legal action against the reminder fees demanded by the Otto Group's companies has decreased – despite the expanded options for legal action on the part of consumer protection organizations (e.g., collective performance actions) – due to the reductions in reminder fees implemented by the Group companies and is therefore no longer a one of the most significant risks.

The national and international development of the regulatory framework is constantly monitored by the various divisions of Otto Group Holding, the Group companies and an office opened in Berlin in the 2023/24 financial year, which will also have an impact on European Union policy in Brussels. Appropriate risk-mitigating measures are adopted if need be. This also applies to the implementation of the new 2023 Consumer Credit Directive in local law, which is one of the focal points of the Otto Group's public affairs work. An over-regulatory implementation of the directive would represent a very high risk for the Otto Group.

¹⁰ According to amfori Countries Risk Classification

Overall risk situation

Developments that endanger the continued existence of the company as a going concern are not to be interpreted as merely individual risks threatening the existence of the company but in general as scenarios in which any combination of prevailing risks may endanger the continued existence of the company as a going concern. Given the non-additive nature of risks, developments that endanger the continued existence of the company as a going concern require a risk simulation (Monte Carlo simulation), i.e., a simulation in which several risks occur concurrently, to ensure that they are detected early. Based on the information currently available, an overall assessment of the Group's risk situation indicates that the Otto Group's continued existence as a going concern is not in jeopardy now and is also unlikely to be so in the future due to either individual risks or the overall risk situation.

Corporate Responsibility

Employees¹¹

One of the key factors in the Otto Group's success is its employees. Their wide range of skills, their experience, their capabilities, and their commitment form the basis for the Group's further development.

Calculated on a full-time equivalent basis, the Otto Group employed 36,304 people on average in the 2024/25 financial year (2023/24: 38,462).

¹¹ The disclosures on the proportion of women in the Employees section were not subject to the audit by the auditor as part of the Group Management Report.

The development of the number of employees in the 2024/25 financial year was significantly influenced by adjustments to the challenging market environment and changes in the scope of consolidation. In the reportable segments, on the one hand, cost-cutting and efficiency enhancement programs at various Group companies led to a decline in the number of employees. On the other, the discontinuation of the operating business activities of myToys.de GmbH and SAINT BRICE S.A. in Belgium in the 2023/24 financial year led to a decline in the Retailers segment, and the sale of GIRARD AGEDISS in France in the 2024/25 financial year brought about a decline in the Services segment. In addition to adjustments to the market environment and changes in the scope of consolidation, cross-segment shifts led to significant changes in reporting. As a result of the dissolution of the myToys Group, the employees of myToys Logistik GmbH at the Gernsheim logistics site, to be closed in the 2024/25 financial year, were transferred to Hermes Fulfilment GmbH and have been reported in the Services segment since the 2024/25 financial year. The increase in the non-reportable segments and other activities is due to the merger of Otto Group Holding service providers with Otto Group Solution Provider (OSP) GmbH; in addition, cross-segment shifts from the Platforms segment to the holding company in the 2023/24 financial year also had an impact. Overall, the number of employees in Germany and abroad decreased.

Employees by segment

	2024/25	2023/24	Change
	Number	Number	in %
Platforms	5,544	5,753	-3.6
Brand Concepts	10,601	11,034	-3.9
Retailers	2,962	3,658	-19.0
Services	9,334	10,165	-8.2
Financial Services	5,605	5,757	-2.6
Non-reportable segments and other activities	1,269	1,086	16.9
Holding	989	1,009	-2.0
Group	36,304	38,462	-5.6
Domestic	21,334	22,509	-5.2
Foreign	14,970	15,953	-6.2

The diversity that exists in a society is also a key driver of changes, developments, and innovations within the Otto Group. The three pillars “Embrace, Grow and Envision” form the basis of the Diversity & Inclusion work (D&I). Since the 2021/22 financial year, the Otto Group has been creating individual, structural and culture-building measures for living diversity.

In the 2024/25 financial year, the digital event “DIVE IN – BE part of it” was once again held, focusing on „Diversity as a performance driver” as part of the “Embrace” pillar with an emphasis on community work and culture-shaping formats with the aim of holistically anchoring D&I in the Otto Group. The “English as a common language” initiative was strengthened as a further culture-building measure by holding various events such as the “DIVE IN,” the unconscious bias training for performance evaluation and the kick-off of the “Power of Diversity” mentoring program in English in order to reach more employees. This measure also has a positive impact on overarching and international cooperation. The personal (experience) exchange and formal impulses with the master plan learning path “English as a unifying language” also contribute to this.

In the area of individual and structural change requirements, mapped in the “Grow” pillar, targeted measures are established to promote and develop talents. As in previous years, this includes the “Power of Diversity” mentoring program, initiated by an internal female top

executive network. The Group-wide program for experienced female managers entered its third round in the 2024/25 financial year. For the first time, the program was advertised internationally as well. The targeted promotion of female managers through executive mentoring takes into account both the achievement of targets with regard to the quotas set under the German Act on Equal Participation of Women and Men in Leadership Positions (Führungspostenengesetz [FüPoG]) and the issue of succession planning. In terms of structural change requirements, a diversity-oriented recruiting approach was also set up as an innovative project. In a cross-company workshop, causes for the supposed restriction of a diverse field of applicants were identified, which are to be analyzed in depth and mitigated as part of a pilot project.

In order to promote the proportion of women in management positions across the Group, the Otto Group has set target quotas for all Group companies that fall under the scope of the Management Positions Act or generally employ more than 500 employees. On 31 December 2021, the date on which the target was set, a total of twelve Group companies fell under this category. Achieving the quota is part of the D&I pillar “Envision”, which focuses on quantitative targets and reporting. The Otto Group has set specific targets in the context of the FüPoG: For the Supervisory Board of Otto GmbH & Co. KGaA, a target of at least five women and a female share of at least 25% is to be achieved by 28 February 2030. For the Executive Board

of Otto Verwaltungsgesellschaft mbH, a target of at least two women and a female ratio of at least one third is to be achieved by no later than 28 February 2030. Efforts will be made by the Executive Boards of the twelve Group companies (apart from Otto Verwaltungsgesellschaft mbH) to ensure that a woman has been appointed to at least one position. For the first management level, the Group companies aim to achieve an average quota of 32%¹² by 31 December 2025; for the second management level, an average target quota of 39% by 31 December 2025 has been set. The actual status within the Otto Group companies subject to the provisions of the FüPoG is determined every six months and made available to the relevant stakeholders via a dashboard.

With the chosen three-pillar approach and the corresponding target quotas, diversity and inclusion are essential elements of the practiced values in the Otto Group’s mindset.

In a dynamic environment, adaptability and flexibility are key elements of a practiced performance culture. In order to advance the digital transformation, the Otto Group has been successfully pursuing the cultural change process for around ten years. Thanks to organizational developers, agile units and culture managers, cultural change has increasingly become a professional discipline.

¹² The deadline for achieving the target at ABOUT YOU SE & Co. KG is 1 June 2026 for both the first and second management levels.

Through participatory and decentralized cultural change, the Otto Group empowers employees to be active shapers of a performance culture by means of extensive offerings. Central formats for exchange, networking and effective scaling of good practices are the annual cultural change conference #CDX (Culture Development Experience), the internal cultural change community with more than 250 change makers and the very successful cultural change collective with over 1,400 members from a variety of organizations within and outside the Otto Group. Here too, the focus is on specific enabling measures to strengthen and further develop a practiced performance culture and concepts for the successful and fair implementation of transformation projects and cost reduction programs, for example.

Lifelong learning is a central component of the corporate strategy and a decisive factor for the Otto Group's transformation and future viability. The Otto Group's learning culture is based on the following premises: "Working and learning become one," "Learning for all" and "Learning to learn". The aim is to strengthen employees' personal responsibility for lifelong learning and to create the necessary technical and cultural framework conditions for this.

In total, over 36,000 Otto Group employees are registered on Masterplan's digital learning platform, where

they can learn independently, individually and in a work-integrated way. A new AI-based translation tool aims to make important collaboration topics available to a broad target group: This makes learning content on newly designed topics more accessible, and users with different language backgrounds can select their language directly in the learning path via a drop-down menu.

The use of generative artificial intelligence such as ogGPT, an in-house development by Otto Group IT, has become an essential part of the learning experience. Employees receive learning recommendations, learning content is curated and employees practice using the new technology.

To teach all Otto Group employees how to work effectively with ogGPT, for example, the "How to ogGPT" course has been made available to around 17,000 employees. This course explains the user interface and functions of ogGPT, such as the use of templates, generation of images and evaluation of Excel tables. This learning path is also a good example of how current learning fields can be effectively scaled to accompany transformation.

Regular exchanges with the Otto Group's learning & development experts also make it possible to share experiences with new learning tools and methods. This

allows the learning experiences to be continuously adapted to the needs of the Group companies and strategic learning areas to be multiplied in the long term.

Another central pillar in the Otto Group's human resources strategy is the Otto Group Academy's development programs for executives, which are systematically focused on the needs of the Group. This involves teaching relevant methods and providing an impetus on topics relating to transformation, performance leadership and career paths. The development programs also form a building block in the Group-wide networking of participants with one another.

The design of Group-wide career paths within the Otto Group plays a particularly central role in talent management at Otto Group Holding. With the aim of increasing talent mobility, the overarching "Your Next Move" initiative has become an integral part of talent management. In close cooperation with the Group companies and with a holistic approach, the aim is to offer talented individuals at all levels a wide range of development options and to fill vacancies with high-potential employees from within the company. An Otto Group talent network has been established for this purpose, which is continuously growing and supported by the system. In addition to the advisory and networking role played by Talent Management at Otto Group

Holding, there is a newly established role of Talent Broker, who is represented in all major Group companies and acts as the first point of contact within the Group company and in direct exchanges with Otto Group Holding. In addition, there are other offers and events as well for improving networking between the companies in order to strengthen the matching of talents and vacancies across the Otto Group.

Sustainability¹³

The Otto Group's CR strategy considers the economic, environmental, and social dimensions of sustainability and takes the entire value chain into account. The content of the strategy is based on a materiality analysis and focuses on a framework for the Group companies to develop independent solutions that suit their individual business models. The CR strategy 2021 will end prematurely at the close of the 2024/25 financial year due to the transition to the Sustainability Strategy. During its period of application, it was operationalized for seven areas: Climate, Sustainable Materials, Supply Chain, Circularity, Conscious Customers, Empowered Employees and Digital Responsibility. The Sustainability Strategy will apply as of the start of the 2025/26 financial year. In the areas of environment and human rights, ambitious targets from the previous strategy will be largely continued, supplemented and further developed.

Further development of the Sustainability Strategy

CR strategy from 2021 until the 2024/25 financial year

The CR strategy¹⁴ is firmly enshrined in the corporate strategy, along with the Code of Ethics. Since the 2014/15 financial year, the annual variable remuneration of the members of the Group Executive Board and, since the 2022/23 financial year, also that of the managing directors of selected German Group companies has been linked to the achievement of the CR strategy.

Starting in 2021, the CR strategy was implemented by all Group companies that have made a significant contribution to the Otto Group's external revenues over two consecutive financial years. The Group companies included in the CR strategy generated around 76% of the Group's reported external revenue in the 2024/25 financial year. According to this definition, a total of 15 Group companies or groups were included in the CR strategy: In the Platforms segment, this entailed the Group company OTTO; in the Brand Concepts segment, the bonprix Group, the Witt Group, the Crate and Barrel Group, Venus Fashion, Inc., which belongs to the bonprix Group, and sheego GmbH¹⁵ were included; and in the Retailers segment, the Baur Group, the Limango Group, the Freemans Grattan Group, Otto Austria Group GmbH and Frankonia Handels GmbH & Co. KG were included. Moreover, the CR strategy also applied to the EOS Group

in the Financial Services segment and Hermes Fulfilment Group, HERMES Einrichtungs Service GmbH & Co KG and Hermes Germany GmbH¹⁶ in the Services segment. With regard to the Group company About You in the Platforms segment, reference is made to the comprehensive published sustainability reporting of About You regarding the CR strategy.

The individual topic areas of the CR strategy are deemed binding for a Group company or sub-group as soon as they are relevant for the Group companies and the materiality threshold defined for each topic area or the materiality criterion has been exceeded. The objectives of the CR strategy are dynamic and are reviewed regularly. Due to increasing regulatory requirements and social expectations – and also due to the Otto Group's attitude of constantly reflecting on its own sustainability goals – the CR strategy was further developed in the reporting year. The objectives will therefore end prematurely at the close of the 2024/25 financial year.

Sustainability Strategy starting in the 2025/26 financial year

The Sustainability Strategy will apply as of the 2025/26 financial year. Building on the successes of the previous CR strategy, the Otto Group is thus pursuing ambitious goals in the areas of environment and human rights that go beyond regulatory requirements and self-imposed

¹³ The disclosures in the Sustainability section with the corresponding sub-sections were not subject to the audit by the auditor as part of the audit of the Group Management Report. The information on the near-term science-based target in accordance with the criteria of the Science Based Targets Initiative was subjected to a separate audit in accordance with ISAE 3000 with limited assurance. This section is marked with a note.

¹⁴ With the exception of the science-based target, the assessment of the topic areas is based on the calendar year.

¹⁵ Sheego GmbH will become part of the Witt Group's brand portfolio on 1 July 2025.

¹⁶ Hermes Germany GmbH has been included in the consolidated financial statements of the Otto Group according to the equity method since the 2020/21 financial year.

minimum requirements, the Otto Group Sustainability Standards. The Otto Group Sustainability Standards comprise all requirement documents that apply within the Otto Group for the Group companies with regard to sustainability-related topics, including Group guidelines, for example. Previous sustainability-related goals and efforts up to the end of 2025 are largely reflected in the Sustainability Strategy, but the targets of the CR strategy cannot be directly compared with those of the Sustainability Strategy. This is due to the fact that, for example, the scope of product ranges and products within the target formulations has been expanded. Accordingly, the Otto Group is working on the further development of data availability and the IT landscape. Achieved targets, whose level of requirements is to be upheld for all Group companies, have been transitioned to the Otto Group Sustainability Standards as binding requirements. The Sustainability Strategy applies to the Group companies that have the greatest impact on human rights or environmental issues along the entire value chain (referred to as Impact Group companies), including OTTO, the bonprix Group, the Witt Group, the Crate and Barrel Group and Hermes Germany GmbH. In addition, the Otto International Group has been defined as a so-called facilitator, as the Otto International Group supports the Impact Group companies in achieving their targets, particularly in the area of procurement

within the upstream supply chain. The selection of strategic focus topics is based on the results of the materiality analysis, which was conducted based on the requirements of the Corporate Sustainability Reporting Directive (CSRD).¹⁷ This identifies the greatest negative impacts of the Otto Group's business activities on people and the environment as well as the opportunities and risks of these issues for the Otto Group. As this annual report covers activities in the context of the CR strategy up to the end of the 2024/25 financial year, the materiality analysis is based on the 2021 status.

As part of its Sustainability Strategy, the Otto Group is aiming to substantially lower its ecological impacts to operate within planetary boundaries. The Group reduces its own greenhouse gas emissions in line with the 1.5-degree climate target of the Paris Agreement, minimizes resource consumption and protects biodiversity. Accordingly, the following areas have been identified as focus topics to the end of the 2035/36 financial year: Near-term Science-based Target (SBT), Circular Business Solutions, Preferred Materials, Eco-Design for Circularity and Responsible Products.

The Otto Group has always respected human rights and is committed to improving working conditions for people in its own supply chains. Knowledge, resources

and learning specific skills are crucial to enable progress and improvement, to prevent human rights violations and to achieve better working conditions for people in their own supply chains in the long term. The Otto Group promotes capacity development as a lever for positive change in the lives of workers in its own supply chains. Accordingly, the Group aims to ensure that the majority of key stakeholders participate in capacity development on the following relevant human rights topics by the end of the 2035/36 financial year: Safe Work Environment, Decent Working Hours, Child Free Production, Freely Chosen Employment and Living Wages. For all focus topics, the Otto Group has used a risk-based approach to identify three groups of key stakeholders who can directly influence improvements and who should therefore participate in capacity development: business partners with whom the Otto Group maintains a direct contractual relationship, workers in final production facilities in countries with an increased risk of human rights violations, and the management in final production facilities whose actions are of great relevance to the workers. As an internationally active group of companies, the Otto Group has an obligation and desire to fulfill the requirements placed on the Group with regard to human rights. This is done by complying with laws and regulations and implementing the binding requirements of the Otto Group Sustainability Standards.

¹⁷ The topic areas reported below are for the purpose of managing the Group and are not yet based on the regulatory requirements of the CSRD and EU taxonomy. The timely implementation of the new regulatory requirements is being ensured by a Group-wide project team.

Achievement of targets status for the topic areas of the CR strategy from 2021 and outlook for the Sustainability Strategy as of the 2025/26 financial year

The Otto Group's CR strategy since 2021 has set out long-term, visionary goals ("Transformational Goals") as well as goals with clearly defined time horizons ("Core Priorities") for each of the seven topic areas. In the topic areas of Climate, Sustainable Materials, Supply Chain and Circularity, the CR strategy sets binding targets – backed by quantitative indicators – for all Group companies and sub-groups to which the strategy applies. Binding qualitative targets apply at the Otto Group level in the topic areas of Conscious Customers, Empowered Employees, and Digital Responsibility, which are fleshed out in the individual action plans of the Group companies.

In the Climate area, the Otto Group is working on developing a net-zero target for the entire value chain by 2045 and the steps required to achieve this. The definition of net-zero emissions by the Science Based Targets Initiative (SBTi) provides guidance. The reduction of greenhouse gas emissions (GHG emissions) is the top priority here. All remaining emissions need to be permanently neutralized. This means that companies must take measures to remove greenhouse gases from the atmosphere and permanently store them to offset the impact of emissions that have not been reduced. The following currently applies: Companies may only neutralize up to 10% of their GHG emissions. In addition, the SBTi encourages

companies to look beyond their value chain and take additional measures to reduce emissions, supporting the societal and international effort to drastically reduce GHG emissions to net zero. The Group's stakeholders are regularly informed about the progress made in formulating a net-zero target in the annual report.

In the 2022/23 financial year, the Otto Group committed to developing a near-term science-based target in accordance with the SBTi criteria in order to promote the reduction of its greenhouse gas emissions in line with the 1.5-degree target of the Paris Climate Agreement. The near-term SBT was successfully validated by the Science Based Targets Initiative at the end of the 2023/24 financial year. To this end, separate targets and time horizons were defined for different operations based on the requirements and minimum standards of the SBTi. The Group's previous targets for reducing greenhouse gas emissions are reflected in this target. The SBT is part of the Sustainability Strategy and has already been in effect for a year as part of the CR strategy. The Otto Group's near-term SBT¹⁸ is aggregated into three sub-targets:

Sub-target 1: Absolute scope 1 and 2 greenhouse gas emission¹⁹ reduction by 42% by the end of the 2030/31 financial year (compared to the 2021/22 financial year). This includes direct emissions from company-owned and controlled resources, such as the company's vehicle fleet, and indirect emissions from purchased energy. At

the end of the 2024/25 financial year, a reduction of 57% was achieved compared to the 2021/22 financial year. This sharp drop in emissions is in particular due to the increased purchase of green electricity by the German Group companies and the Crate and Barrel Group. The Otto Group has thus achieved the sub-target for 2030/31 ahead of schedule and will work on a further reduction.

Sub-target 2 (Supplier Engagement): At least 50% third-party brands and marketplace partners by spend covering purchased goods and services set science-based target by the end of the 2027/28 financial year. Due to first time reporting, this simplified aggregated target value was chosen. In 2024/25, a share of 28% was achieved. Separate reporting will be provided for third-party brands (target value 75%) and marketplace partners (target value 20%) starting in financial year 2025/26. Sub-target 2 is calculated on the basis of the Impact Group companies OTTO, the bonprix Group, the Witt Group, the Crate and Barrel Group and the Limango Group, which comprise the majority of the Otto Group's third-party brand and marketplace business and therefore serve as a representative basis for the calculation of the key figure.²⁰ In particular, OTTO as an e-commerce platform and the resulting continuous expansion of the OTTO marketplace are influencing the current target achievement.

¹⁸ The official target descriptions can be found on the [SBTi website](#).

¹⁹ Taking into account the operational control approach. Scope 2 greenhouse gas emissions using the market-based approach.

²⁰ In determining whether partners have their own SBT, the focus was on the most relevant and largest third-party brands and marketplace partners of the Otto Group's Impact companies, covering around 70% of the Otto Group's purchasing volume. The degree of coverage is to be further increased in the 2025/26 financial year.

Sub-target 3: Absolute reduction in scope 3 greenhouse gas emissions²¹ by 42% by the end of the 2031/32 financial year (compared to the 2021/22 financial year). This refers to indirect emissions within the value chain over which the company has no control for the most part, such as energy consumption during production or during the use phase of the products sold. At the end of the 2024/25 financial year, emissions had fallen by 16% compared to the 2021/22 financial year. The reduction is mainly due to the global expansion of renewable energies, efficiency gains in the upstream value chain and lower purchasing volumes.

In order to achieve the near-term SBT and the long-term net-zero target, the Otto Group will work in close collaboration with the business partners and primarily focus on improving the energy efficiency of production processes in the upstream value chain and on promoting the use of renewable energies. Comprehensive measures that the Otto Group has adopted to address emissions

during the use phase of customers will also be highly relevant in the future. A particular focus is on increasing the energy efficiency of electrical appliances. In addition, the Otto Group is continuing its efforts to shift the transportation of goods from air to sea or rail and to electrify delivery to customers. At its own sites, the Otto Group continues to promote increased energy efficiency and

the systematic transition to green energy. The selection of materials also plays a role in the achievement of targets. In the future, the Otto Group will integrate its climate activities more closely with the topic areas of materials and circularity. Here, too, decisive contributions are needed to achieve the ambitious climate targets.

Achievement status of climate sub-targets²²

	Base year 2021/22	Financial year 2024/25		Target value
	Absolute emissions in tCO ₂ e	Absolute emissions in tCO ₂ e	Percentage change compared to the base year 2021/22	
Sub-target 1: Absolute scope 1 and 2 greenhouse gas emission reduction by 42% by the end of the 2030/31 financial year (compared to financial year 2021/22)	236,107	102,306	-57%	-42% (until the end of the 2030/31 financial year)
Sub-target 3: Absolute reduction in scope 3 greenhouse gas emissions by 42% by the end of the 2031/32 financial year (compared to financial year 2021/22)	7,173,678	6,004,778	-16%	-42% (until the end of the 2031/32 financial year)
	Percentage of third-party brands and marketplace partners with their own SBT in financial year 2024/25		Target value (Reporting in aggregated logic until the end of the 2024/25 financial year)	Target values (Reporting from the 2025/26 financial year)
Sub-target 2 (Supplier Engagement): At least 50% third-party brands and marketplace partners by spend covering purchased goods and services set science-based target by the end of the 2027/28 financial year	28%		50% (until the end of the 2027/28 financial year)	75 % of third-party brands and 20 % of marketplace partners (until the end of the 2027/28 financial year)

²² For the calculation basis and methods, see the description of the aggregated sub-targets.

²¹ Taking into account the operational control approach. The following Scope 3 categories were identified as material and are therefore integrated into sub-target 3 and the emissions calculated for it: 3.1, 3.3, 3.4, 3.6, 3.7, 3.11, 3.12. Only GHG emissions from own and licensed brands are included in 3.1. The scaling was based on secondary data to ensure, among other things, the completeness of the Otto Group's retail volume.

In the area of Sustainable Materials, the Otto Group is pursuing specific goals for textiles, furniture, catalog paper, and packaging: The aim was to increase the percentage of “preferred fibers” to 65% by the end of 2025. These are textile fibers that have significantly less negative environmental impact than conventional alternatives, such as organic cotton compared to conventional cotton and recycled materials and animal-based fibers that are produced with careful attention to animal welfare. The proportion in 2024 was 66% and thus above the previous year’s value of 59%. Overall, the target of 65% preferred textile fibers by the end of 2025 has therefore already been achieved ahead of schedule. The enhanced Sustainability Strategy will apply from the start of the new 2025/26 financial year, in which the objectives will be continued with an expanded product group scope. The Otto Group strives to use only preferred fibers in the textiles, fashion and furniture assortments by the end of the 2035/36 financial year.

In the furniture sector, the Otto Group has previously made an effort to use only wood from responsible forestry certified by the Forest Stewardship Council® – referred to hereinafter as FSC® – by 2025 in its own and licensed brands. The availability of FSC®-certified wood varies greatly at the various furniture suppliers’ factories. For this reason, the Otto Group has been accepting other recognized certificates for wood furniture, such as the

EU Ecolabel, the Blue Angel (Blauer Engel) or the Nordic Swan Ecolabel since 2023. The percentage of certified wooden items, relative to the total number, was 90% in 2024 (2023: 83%). Overall, the target of 100% more sustainable wooden furniture by the end of 2025 was therefore largely achieved. In addition to measuring the core priority for wooden furniture on the basis of the articles offered for its own and licensed brands, the Otto Group is publishing a further target achievement value based on the quantity of wood sold, measured in tonnage. This is a more meaningful indicator of the actual impact of using sustainable wood. In 2024, the share of sustainable wood products measured in tonnage was 75% of the total volume (2023: 62%). The enhanced Sustainability Strategy will apply from the start of the 2025/26 financial year, with the aim of further increasing the percentage of more sustainable wooden furniture. The Otto Group will continue striving to use only certified wood in furniture by the end of the 2035/36 financial year.²³

By the end of 2025, only paper with an FSC certificate or EU Ecolabel will be used in catalogs. In 2024, the percentage was 96% (2023: 94%). This means that the goal of using 100% more sustainable catalogue paper by the end of 2025 has almost been achieved. This aspiration will continue to be a binding requirement within the Otto Group Sustainability Standards.

The percentage of more sustainable packaging was 98% in 2024 (2023: 94%). The aspiration of using 100% more sustainable packaging will continue to be a binding requirement within the Otto Group Sustainability Standards.

With regard to Circularity, the Otto Group collected quantitative data to measure progress in this area. In 2024, circular business solutions were implemented for 22.7 million products (2023: 15.6 million products), mainly through products made with recycled materials but also through circular product design, second-hand products sold, repairs made and recycling solutions. The increased use of recycled materials in textiles has led to a significant overachievement of the target (by 2024: 18 million products). At the same time, ambitious pilot projects have continued to be scaled up, such as the Circular Collections of the Group company OTTO and bonprix Handelsgesellschaft mbH in cooperation with circular.fashion GmbH. The enhanced Sustainability Strategy will go into effect at the start of the 2025/26 financial year, with two new aspirational objectives to further advance the implementation of circular business solutions by the end of the 2035/36 financial year: The Otto Group largely shifts its most relevant assortments (textiles, furniture, electronics) to eco-designed products. In addition, the Otto Group largely offers circular business solutions (reuse, repair or recycling) and constantly increases their implementation for its most relevant assortments (textiles, furniture, electronics).

²³ The Otto Group is currently working on being able to record the actual wood content in the product on a granular level. Until this data is available, the percentage of wood in furniture products will be extrapolated using an externally accepted method.

In the Supply Chain topic area, the Otto Group is pursuing the overarching goal of cooperating with business partners to implement measurable social and ecological improvements along the entire supply chain. To this end, the Otto Group is seeking to identify 100% of supply chain facilities for its own and licensed brands, from raw materials to finished products. In 2024, 3,542 new supply chain facilities (2023: +10,172) were identified (process-based counting method)²⁴. The slower development is due to the fact that the Crate and Barrel Group was included in the survey for the first time in 2023, which made it possible to identify a large number of unknown supply chain facilities. In addition, the majority of supply chain facilities across the various production stages have already been determined, and the process of identifying further supply chain facilities in the lower production stages tends to be more complex. The Otto Group's own aspiration to identify all players in the supply chains of its own brands, from raw materials to finished products, will be continued as a binding requirement within the Otto Group Sustainability Standards from the 2025/26 financial year. Moreover, the enhanced Sustainability Strategy will apply from the start of the 2025/26 financial year. As part of this strategy, the Group aims for the majority of its key stakeholders to participate in capacity development by the end of FY 2035/36 in the following focus topics: Safe Work Environment, Decent Working Hours, Child Free Production, Freely Chosen Employment and Living Wages.

The Otto Group is pursuing qualitative core priorities in the topic areas of Conscious Customers, Empowered Employees, and Digital Responsibility. However, measures in these areas are set at the level of the Group companies and Otto Group Holding and therefore vary. Examples of this in the topic area of Empowered Employees include the Sustainability Days, which were held both virtually and on site at various Group companies and throughout the Group. Customers should be sensitized to conscious and sustainable consumption behavior as part of Conscious Customers. To this end, the Otto Group worked in 2024 on labeling products with sustainability attributes in online shops. Digital Responsibility includes the commitment within the ZukunftsWerte initiative for a social discourse on value-oriented digitization. This includes internal activities such as "data cleaning" by employees and a sponsorship partnership to establish the ReDI School of Digital Integration at the Hamburg site. As part of the enhanced Sustainability Strategy that will go into effect starting in the 2025/26 financial year, the Otto Group continues to provide incentives for more conscious consumption. By the end of the 2035/36 financial year, the share of responsible products in its most relevant assortments (textiles, furniture, electronics) is constantly increased. In addition, the ambition of making environmental statements in a comprehensible, transparent and verifiable manner will continue to be a binding requirement within the Otto Group Sustainability Standards. The topic of

Digital Responsibility will no longer be strategically pursued as part of the Sustainability Strategy at the start of the 2025/26 financial year. As the responsible handling of the digital transformation continues to be highly relevant for the Otto Group, topics such as digital skills, responsible AI and data protection are being pursued in other specialist areas. The Empowered Employees area will also no longer be pursued strategically from the start of the 2025/26 financial year. As colleagues continue to be essential for integrating sustainability requirements into their day-to-day work and constantly making them an integral part of the Group, selected measures such as training and onboarding will continue to be implemented. Employees will therefore continue to be informed about sustainability in the future.

²⁴ If a supply chain facility works for multiple business partners or carries out several sufficiently different production steps, it is counted more than once.



CR strategy from 2021 until the 2024/25 financial year

Topic area	Core priority	Reporting year 2023	Reporting year 2024	Target value
Sustainable Materials	65% "preferred fibers", thereof 100% more sustainable cotton	59%	66%	65% (until 2025)
	100% more sustainable wood (products offered)	83% (corresponds to 62% of the volume of wood sold in tons)	90% (corresponds to 75% of the volume of wood sold in tons)	100% (until 2025)
	100% more sustainable catalog paper	94%	96%	100% (until 2025)
	100% more sustainable packaging	94%	98%	100% (until 2024)
Supply Chain*	100% transparent supply chain	+10,172 newly identified supply chain facilities	+3,542	100% (without target year)
Circularity**	Circular solutions implemented for 18 million products	15.6 million products	22.7 million products	18 million products (until 2024)
Conscious Customers	Qualitative targets at the Otto Group level. However, measures are set at the Group company level and therefore vary.			
Empowered Employees				
Digital Responsibility				

* Absolute number of supply chain facilities in the supply chain that are to be identified in addition to supply chain facilities that are already known or have been identified (process-based counting method).

**The core priority of Circularity was first surveyed in the 2023 reporting year. The Crate and Barrel Group was included in the data collection for the first time in 2024.



Sustainability Strategy as of the 2025/26 financial year

Focus topic	Ambition
Near-term SBT	The Otto Group follows a path to reduce greenhouse gas emissions aligned with the 1.5 degree path by the end of the 2031/32 financial year.
Preferred Materials	The Otto Group shifts the materials (fibers, wood, plastics and metals) in the most relevant assortments (textiles, furniture and electronics) to preferred alternatives by the end of the 2035/36 financial year.
Circular Business Solutions	The Otto Group largely offers circular business solutions (reuse, repair or recycling) and constantly increases their implementation for the most relevant assortments (textiles, furniture and electronics) until the end of the 2035/36 financial year.
Eco-Design for Circularity	The Otto Group largely shifts the most relevant assortments (textiles, furniture and electronics) to eco-designed products by the end of the 2035/36 financial year.
Responsible Products	The Otto Group constantly increases the share of responsible products in the most relevant assortments (textiles, furniture and electronics) by the end of the 2035/36 financial year.
Safe Work Environment	
Decent Working Hours	
Child Free Production	The Otto Group aims for the majority of key stakeholders to participate in capacity development by the end of the 2035/36 financial year.
Freely Chosen Employment	
Living Wages	

Forecast Report

Macroeconomic and Sector-specific Development

The following assessments of macroeconomic development, sector development, and the Otto Group’s development during the forecasting period are subject to a high degree of uncertainty. Economic policy actions and announcements by the new US administration along with their macroeconomic consequences are the major risk factors in the forecasting period, the course of which is unpredictable and therefore difficult to forecast. This unpredictableness poses a great challenge to accurately assessing the impact on the sales and procurement markets relevant to the Otto Group. In addition, it cannot be ruled out that further significant geopolitical developments not taken into account in this report may occur between the preparation and publication of the Group Management Report.

Nevertheless, the usual expert reports and association assessments, such as the spring economic reports by the Kiel Institute for the World Economy – referred to hereinafter as IfW Kiel – are generally referenced for assessing macroeconomic trends at the global level and in Germany, the euro area, and the USA, and for forecasting developments within the sector. According to these estimates by the Kiel Institute dated 13 March 2025²⁵, the new US administration in place

²⁵ Kiel Institute for the World Economy: “More unrest, higher risks” dated 13 March 2025

in January 2025 will adopt a much more protectionist trade policy, which is likely to have a significant impact on the global economy in a phase of already moderate momentum. On the one hand, it could have a noticeable impact on global international trade and unbalance existing value chains while, on the other, significantly destabilizing the US economy. One of the first measures announced in February 2025 was tariffs on imports from Canada, Mexico and China, to which the governments concerned responded with countermeasures. Trade tensions intensified when further customs measures were announced against the European Union and China in April 2025. As a result, growing economic fears in the USA led to a significant devaluation of the US dollar and uncertainty on the capital market. It is to be expected that countries not yet affected will also be confronted with significant additional tariffs in the near future.

Against this backdrop, the pace of overall economic expansion in the USA could slow significantly, among other things. Although disposable incomes have risen noticeably, private consumption was subdued at the start of 2025, which was reflected in declining retail sales in January. To make matters worse, the additional tariffs are likely to generate new inflationary pressure in the forecasting period. By contrast, leading indicators in the euro area point to a slight recovery in the overall economic situation. Monetary policy is increasingly losing its restrictive effect and is likely to move closer to a neutral stance. At the same time, a greater impact

is expected from fiscal policy, in particular due to the significant increase in military spending in many countries as a result of the changed geopolitical situation. International trade is likely to weaken, although the extent of this development will largely depend on the intensity of trade policy decisions.

Overall economic development in Germany is unlikely to do more than stagnate in the forecasting period after an anticipated end to its downward trend.²⁶ A noticeable economic upturn is unlikely to materialize as structural problems continue to weigh on the economy and are unlikely to ease in the short term. Economic stimulus is likely to come from the expansive fiscal policy: The reform of the financial constitution adopted in the spring will enable higher defense spending beyond the debt ceiling and will provide a credit-financed special fund of EUR 500 billion for infrastructure over ten years. In contrast, geopolitical disputes are likely to create economic headwinds. Tariff increases on German imports and ongoing economic policy uncertainties could not only weigh on the export business but also dampen overall economic momentum. Falling energy prices are helping to ease the pressure on consumer prices, which are likely to rise at a slightly lower level than last year, although inflation remains high at the core. Following a significant increase in real disposable income in 2024 due to the weaker inflation trend and payment of inflation compensation premiums, this will only increase by a moderate amount in the forecasting period. Private consumption was already subdued at the start of 2025,

while the uncertain geopolitical environment had an additional negative impact on the consumer climate. Overall, real household consumer spending is expected to increase slightly by 0.3% over the forecasting period (2024: 0.3%), with nominal growth of 1.8% (2024: 2.7%).

The expected change in the real gross domestic product for the forecasting period based on the Kiel Institute forecast published on 13 March 2025 is as follows:

(Forecast) year-on-year change in real GDP	2025	2024
	in %	in %
World	3.1	3.2
Germany	0.0	-0.2
Euro area	1.0	0.8
USA	2.0	2.8

The development of the German retail sector will continue to be characterized by a weak economic environment in 2025. Although the upward pressure on prices for consumer goods will continue to ease with a forecast increase in the inflation rate of 2.0% (2024: 2.2%), the persistently high level of economic policy uncertainty is likely to have a negative impact on consumer behavior. Retail sales in January and February 2025 reflect this sentiment in their moderate upward movement. In contrast, the market research company Euromonitor International expects a strong upward trend in the German online and mail-order sales

²⁶ Kiel Institute for the World Economy: "Financial policy turns up the heat" dated 12 March 2025

sector in its forecast published in March 2025.²⁷ The gross merchandise value (GMV) in the e-commerce sector is expected to rise to around EUR 102.5 billion in 2025 (2024: EUR 97.4 billion), which would correspond to significant growth of around 5.3% (2024: 2.1%). In a publication by the German E-Commerce and Distance Selling Trade Association (Bundesverband E-Commerce und Versandhandel [bevh]) in April 2025²⁸, it states that the recovery in online retail is consolidating with positive growth rates and that e-commerce has grown faster than consumer price increases for the first time since mid-2022. Taking into account the overall economic and geopolitical framework conditions, the Otto Group believes that growth in German e-commerce is likely to be somewhat less dynamic than forecast.

According to the medium-term forecast published by the Federal Office for Goods Transport (Bundesamt für Güterverkehr [BAG]),²⁹ a weak recovery is also expected for the German transport and logistics sector in 2025, although this forecast does not yet take into account the trade policy decisions made by the US administration. Accordingly, total goods transport in Germany will increase slightly by 0.4% in the forecasting period (2024: -0.7%).

Distribution by German parcel service providers represents a key element of the German transport and logistics sector. The development of these operations is directly related to revenue growth in the online and mail-order sales sector in Germany. The forecast published by the market research company Euromonitor International in March 2025³⁰ assumes a dynamic growth trend and renewed increases in revenue in the forecasting period after a volatile development in recent years, meaning that parcel service providers will once again face the challenge of managing rising shipment volumes in the forecasting period.

It is anticipated that the cost levels in the German transport and logistics sector will continue to exhibit an upward trajectory. While energy prices are likely to fall by around 3% in the forecasting period, the increase in other price components such as CO₂ pricing will lead to an increase in fuel prices. With regard to the shortage of drivers in distribution logistics, it is expected that, in spite of the increase in unemployment in the forecasting period, it will continue to be difficult to recruit staff and that wage costs will increase in response to the high inflation of recent years. It is likely that the significant rise in factor prices will cause an increase in shipping costs and that these effects will therefore be passed on to private and corporate customers.

According to the Otto Group, the market for traditional receivables management and portfolio transactions with non-performing loans (NPL) will remain attractive in the long term for the area of financial services. In the core market of Europe, there are still significant portfolios of non-performing loans, which could potentially be sold. Investment activity in the area of non-performing loans has increased again following recent declines due to crises. The restrictive interest rate and monetary policies that challenged the market with unfavorable financing conditions from mid-2022 to 2024 in response to strong inflationary pressures are expected to continue to ease over the forecasting period. However, due to recent refinancing or the use of variable financing instruments based on reference interest rates such as Euribor, a large number of market participants are likely to continue to face significant financing costs if the high level of interest rates only eases slowly.

The real estate sector, which is sensitive to interest rates, will likely stabilize gradually during the forecasting period without developing any strong momentum. It is distinctly possible that the slowing of monetary policy tightening will lead to an increase in the volume of residential construction loans, with construction investments starting to climb again. At the same time, reduced risk tolerance and increased credit risk are

²⁷ Euromonitor International: Database retrieval on 28 March 2025

²⁸ Press release by the German E-Commerce and Distance Selling Trade Association (bevh), 3 April 2025

²⁹ Federal Office for Goods Transport (BAG): "Rolling Mid-Term Forecast for Goods and Passenger Traffic – Mid-term Forecast for Summer 2024"

³⁰ Euromonitor International: Database retrieval on 28 March 2025

making it more difficult for credit volumes to recover quickly. Overall, there is an upward trend in transaction volumes on the real estate market. In addition, there is still significant excess demand, particularly in urban centers. Construction activity is not sufficient to close the supply gap, which is likely to further exacerbate the imbalance. As a result, real estate prices are expected to remain constant or rise in the medium term.

Development of the Otto Group

The overall economic conditions and the sector-specific conditions affect the Otto Group's business activities and consequently also the net assets, financial position and financial performance of the Group. The assessments concerning the Otto Group's development over the forecasting period factor in the above forecasts and their assumptions. The import tariffs announced by the US administration in April 2025 are also likely to pose an increased risk to global economic development and result in possible distortions in global trade relations. Depending on further developments, this could have a relevant impact on the Otto Group in the forecasting period.

The 2024/25 financial year continued to be very challenging for relevant market participants, including the Otto Group, due to global events and continued consumer restraint in important sales markets. In the 2025/26

forecast year, the macroeconomic and sector-specific environment is likely to remain challenging overall. Against this backdrop, the Otto Group also expects negative effects on the general consumer behavior of its customers in the relevant sales markets in the forecast year, especially in its main market of Germany, but also in the USA.

Taking into account the still challenging market and competitive environment, subdued consumer sentiment in relevant sales markets, and the still unpredictable and volatile trade policy and geopolitical risks, the Otto Group is aiming to make further progress overall in the 2025/26 forecast year. The Group's revenue is expected to remain stable on a comparable basis despite the subdued consumer sentiment. Profitability as measured by EBIT is anticipated to go up significantly once again. The debt service ratio in the forecast year is likely to remain at the previous year's level due to the continued focus on profitability and liquidity combined with a slight increase in net financial debt. This will create the basis for the Group to return to a sustainably profitable growth path in subsequent financial years and to benefit from the expected normalization of the market environment. In addition, the debt service ratio is to be further reduced in the medium term. The Otto Group is continuing to pursue a holistic approach with the aim of acting innovatively, exploiting market opportunities and sustainably expanding and consoli-

dating existing business areas both nationally and internationally. The assumption of responsibility for employees, partners, people and nature remains a firm guiding principle for the Group's actions.

The Otto Group is entering the new 2025/26 financial year with a market and competitive environment that remains challenging. Nevertheless, the Group has managed to position itself flexibly against the backdrop of the volatile market environment of recent financial years. Looking ahead, the Group sees opportunities for the forecast year and the following financial years. The long-term trend toward online retail will continue and, in the view of the Otto Group, remain unbroken, particularly due to the comparatively low level of technological uncertainty compared to other sectors of the economy. In addition, the Group's diversification with regard to different sales markets and business models is a key strength that pays off, particularly in a volatile market environment. The broad positioning from e-commerce to retail-related services in the areas of logistics and financial services requires a high degree of stability on the one hand and enables diverse and distinct opportunities for innovation and scaling on the other. In particular, new approaches in the use of artificial intelligence (AI) in the area of online retail and the associated retail-related services offer relevant opportunities for customers and different processes within of the Group. Today, the Otto Group is already using pioneering technologies

and has successfully implemented them in various processes. In addition to the structural completion of two state-of-the-art logistics centers in the 2024/25 financial year, work has begun on integrating AI-controlled robots into the Group's logistics infrastructure as part of strategic partnerships, for example.

Moreover, the Otto Group has a very strong customer base with continuous growth and stable order frequency in retail-related segments. The average order value is expected to rise as soon as demand for high-priced goods such as furniture and household appliances returns to normal. In addition to the general trends in the e-commerce sector, the positive effects of innovations and AI and a strong and growing customer base, the Otto Group will benefit in the forecast year and subsequent financial years in particular from efficiency and restructuring programs that have already been implemented and are still ongoing at various Group companies. Due to the sustained improvement in cost structures and leaner processes, these companies also offer opportunities for increased utilization and leveraging of synergies within the Group.

The following statements for the Group and the individual segments are essentially predicated on a business performance in the forecast year that remains unaffected by exchange rate changes. In addition, significant effects from already known or highly probable changes to the scope of consolidation are taken into account in all forecast disclosures and revenue forecasts for the Group, and the

affected segments are derived on a comparable basis. In the forecast year, there are two main effects from changes in the scope of consolidation: For one thing, the acquisition of the shares in About You by Zalando SE is expected to be completed, although still subject to the usual approvals under merger control legislation. The expected sale of shares will lead to a corresponding deconsolidation of About You in the forecast year, meaning that About You's

revenue will no longer be included in the consolidated financial statements from this time forward. For another, the Otto Group assumes with a high degree of probability that it will fully consolidate the parcel distribution company included in the consolidated financial statements using the equity method due to the complete acquisition of the currently outstanding shares in Hermes Germany GmbH at the end of the forecast year.

		2024/25 financial year	Forecast for the 2025/26 financial year
Revenue*	Group	EUR 14.9 billion	Stable (at previous year's level)
	Platforms segment	EUR 6.5 billion	Medium increase
	Brand Concepts segment	EUR 5.1 billion	Slight reduction
	Retailers segment	EUR 1.7 billion	Stable (at previous year's level)
	Services segment	EUR 0.4 billion	Medium increase
	Financial Services segment	EUR 1.1 billion	Stable (at previous year's level)
Earnings before interest and tax (EBIT)	Group	EUR 276 million	Mid-three-digit million euro amount
Debt service ratio	Group	1.3 years	Stable (at previous year's level)

*On comparable basis

The revenue growth forecast was derived from the expected developments in the segments as follows:

In the Platforms segment, the dynamic and profitable further development of the OTTO e-commerce platform is the strategic focus in the forecast year. In addition to the sustainable management of the interplay between the traditional trading business, the market-

place business and related services, this is also based on the further technological development of the platform business model. This is being continuously pursued in areas such as AI, and corresponding investments are being made in the IT infrastructure and in payment processing functions and future technologies. Another aim is to further scale the marketplace business by expanding the activities of existing marketplace partners and

further integrating new marketplace partners. The ongoing expansion of the product ranges and product groups both in the traditional retail business and on the marketplace will expand the product portfolio on otto.de in the forecasting period and give customers an even greater selection. This is also intended to increase the proportion of sustainable products, particularly in the furniture and furnishing accessories ranges. The sale of B2B services offered by OTTO Advertising, particularly in the area of self-developed advertising services for suppliers, marketplace partners and media agencies, has firmly established itself as the third revenue pillar of the e-commerce platform and is also forecast to expand further. Against this backdrop, the e-commerce platform OTTO expects very strong revenue momentum overall in the marketplace business and, as a provider of advertising services, in the Advertising Services segment in the forecast year. Significant revenue growth is also forecast in the traditional retail business. The expected deconsolidation of About You will have a relevant impact on revenue growth in the Platforms segment in the forecast year. In order to derive the revenue forecast for the Platforms segment, it was assumed that About You will be included in the reported revenue growth on a pro rata basis during the 2025/26 financial year and that the expected share sale can be completed in summer 2025. To derive the revenue forecast on a comparable basis, the same monthly basis in About You's external revenue is therefore accounted for

in the 2024/25 financial year as in the 2025/26 financial year. Any intragroup revenue of Group companies in the Platforms segment with About You is reclassified as external revenue in the adjustment period.

The Witt Group, the bonprix Group and the Crate and Barrel Group in the Brand Concepts segment are forecasting heterogeneous business performance in terms of revenue in the 2025/26 financial year. The Witt Group expects a slight increase in revenue across all brands and sales markets. This results from the continuation of the multichannel strategy, which focuses on the further expansion of online stores and a corresponding increase in the share of e-commerce. As part of this, relevant investments will be made in the IT infrastructure in the forecast year, among other things. In addition, the Witt Group will continue the integration of the plus-size brand Sheego in the forecast year in order to bundle business activities further in the Brand Concepts segment. The bonprix Group will continue the further development of the bonprix brand in Europe and the realignment of the fashion ranges in the forecast year, will take extensive measures to acquire new customers and promote sales and will make investments in the webshop. Nevertheless, a decline in revenue is assumed for the European activities due to the still challenging market and competitive environment. The further scaling back of the loss-making business operations in the USA with the Venus brand is also likely to again have a

negative impact on the bonprix Group's revenue in the 2025/26 financial year, albeit to a lesser extent than in the previous year. For the Crate and Barrel Group, which operates in the USA and Canada, sales revenue in the forecast year is expected to be approximately on a par with the previous year, subject to any escalation in trade disputes. The focus on the core product categories and the strategic investments to increase customer satisfaction in the supply chain, IT infrastructure, online stores and brick-and-mortar locations will be systematically continued. The Crate and Barrel Group generally sees relevant opportunities for revenue growth with its multi-channel growth strategy in both online retail and brick-and-mortar retail through the planned expansion of the existing store network and differentiation of service offerings. The trade disputes may nevertheless have a negative impact on the Crate and Barrel Group's revenue growth, although it is difficult to estimate the specific impact in terms of revenue at present due to the high level of uncertainty.

In the Retailers segment, the various retail concepts are also forecasting heterogeneous revenue growth in the 2025/26 financial year, which should lead to a stabilization of the segment's revenue in the forecast year. Relevant revenue growth is expected for the Limango Group with its sales markets in Germany, Austria, the Netherlands and Poland. The development of the Retailers segment in the forecast year will also be characterized by the

planned bundling of the retail activities of the Baur Group, the Otto Austria Group and the Dutch Otto B.V. in the four European markets of Germany, Austria, Switzerland and the Netherlands. Thanks to more efficient processes and workflows across national borders, the new association should be able to tap back into revenue growth potential in subsequent financial years. Nevertheless, a drop in revenue is expected for these retail activities in the forecast year.

In the Services segment, the reported external revenue included in the Otto Group's consolidated income statement only reflects the business performance in this segment to a limited extent, as the Hermes Fulfilment Group, for one, currently provides warehousing and returns processing services almost exclusively for Otto Group companies, and these activities are not reported in the consolidated revenue of the Otto Group. For another, revenue from the parcel distribution activities of Hermes Germany GmbH is not included in the Otto Group's consolidated financial statements because it is accounted for using the equity method. In the 2024/25 financial year, the Hermes Fulfilment Group successfully completed both the further development and expansion of its logistics site in Altkunstadt, Bavaria, and the extensive construction of a logistics site in Iłowa, Poland, which is now gradually ramping up operations. The total investment volume for both logistics projects amounted to around EUR 500 million in the past financial years. This has laid the relevant foundations for further shortening delivery times and

significantly improving service for customers in the forecast year and subsequent financial years. The Hermes Fulfilment Group will also make relevant investments in logistics infrastructure in the forecast year, although they will be below the very high level of the two previous financial years. In addition to a considerable expansion of the robotics activities already started in the 2023/24 financial year, there are also plans to replace the technical infrastructure at the fulfillment site in Haldensleben. The external revenue performance of the Hermes Fulfilment Group relevant to the segment forecast will be influenced by two key factors in the 2025/26 financial year: Firstly, as a result of the expected deconsolidation of About You, the revenue from the fulfillment services provided for About You, which is currently reported as intragroup revenue, will become external revenue as of the date of deconsolidation. The same monthly basis of About You's Group affiliation is assumed in the 2024/25 financial year as in the 2025/26 financial year, but the intragroup revenue generated with About You in the adjustment period will be reclassified as external revenue. Secondly, the Hermes Fulfilment Group will continue to expand its F2X business in Germany in the forecast year. As an omnichannel fulfillment service, this aims to provide scalable solutions for medium-sized and large e-commerce brands and to effectively support process design along the entire value chain. Additional external customers are expected to be connected in the 2025/26 financial year. Overall, the Hermes Fulfilment Group expects a very significant increase in external revenue on a comparable basis in

the forecast year. In the 2024/25 financial year, HERMES Einrichtungs Service GmbH & Co. KG, which operates in 2-man handling, was able to record a clearly positive development with external customers, among other things by gaining new major customers in addition to increased internal Group shipment volumes. This positive trend is expected to continue in the forecast year, meaning that the external sales revenue relevant to the segment's revenue forecast should also increase noticeably. SupplyX GmbH is also expecting very significant revenue growth, both with Group companies and with external customers. The new Group company established at the end of the 2023/24 financial year by the Supply Chain Solutions operation acquired from Hermes Germany GmbH will continuously expand the services offered in the air and sea freight business in the forecast year and advance its positioning in the market. To this end, SupplyX GmbH has founded new Group companies in the Netherlands and Vietnam and acquired a new Group company in Poland, among other things. For one thing, the development of BFS Baur Fulfillment Solutions GmbH will have a significant offsetting effect on the forecast revenue growth in the Services segment. Due to the loss of relevant external customers, the logistics division at the Weismain site was closed, meaning that the remaining customer service activities will be reflected to a small extent in external revenue in the forecast year.

For another, the Otto Group assumes with a high degree of probability that it will fully consolidate the parcel

distribution company currently included in the consolidated financial statements using the equity method due to the complete acquisition of the outstanding shares in Hermes Germany GmbH at the end of the forecast year. However, this will have no impact on the derivation of the revenue forecast for the 2025/26 financial year due to the assumed date at the end of the financial year.

In the Financial Services segment, the EOS Group will maintain or expand its positioning in all established markets and relevant business areas in the forecast year and subsequent financial years. The focus will continue to be on the acquisition of receivables and property portfolios. The EOS Group sees clear opportunities in these areas and will position itself even more strongly as a globally networked player. Opportunities are also arising from the ongoing market consolidation in the area of receivables management. Through increased cooperation with co-investors, the EOS Group will gain further investment opportunities in the market for investing in unsecured and secured receivables packages and properties over the short and medium term. Under good framework conditions, the volume of portfolio investments is expected to be significantly higher in the forecast financial year than in the 2024/25 financial year. In particular, efforts are being made to expand portfolio investments for Germany and the relevant Western European markets, taking into account the regulatory and legal framework conditions in the respective markets. In terms of revenue, the EOS Group's revenue is forecast to stabilize at the previous year's level in the 2025/26 financial year.

The profitability (EBIT) of the Otto Group should be increased again significantly in the forecast year 2025/26. It was derived from the expected developments in the segments as follows:

In the Platforms segment, the e-commerce platform OTTO is will be focusing on the considerably higher realization of the earnings potential of the platform business model in the forecast year and expects a significant increase in the earnings contribution. In addition to higher marketplace commissions from the further scaling of the marketplace business, rising sales in the traditional trading business and further expansion of the Advertising Services segment, cost-cutting programs that have already been implemented will have a corresponding impact on the planned increase in profitability. Relevant positive EBIT effects in the Platforms segment will also result from the expected sale of shares in About You and the associated deconsolidation of About You. This will result in a relevant EBIT effect in the forecast year, which is due in particular to the permanent elimination of the high scheduled depreciations of customer lists and trademarks resulting from the purchase price allocation in the course of the first-time consolidation of About You in the 2021/22 financial year. A significant increase in EBIT contributions is expected for the Platforms segment in the forecast year and, viewed as a whole, in the subsequent financial years as well.

The Crate and Barrel Group in the Brand Concepts segment is forecasting a high contribution to earnings, which will result from further optimizations in the supply

chain and the implementation of new technologies in addition to a good gross profit trend. The trade policy measures announced by the US administration and the currently unforeseeable trade policy consequences may also have a significant impact on the procurement markets, merchandise management and the product groups of the Crate and Barrel Group and may also adversely affect the overall economic development in the USA. The operational and financial effects and any operational countermeasures are being reviewed on an ongoing basis. The consequences of the unpredictable and volatile trade policy measures may have a significant impact on earnings in the forecast year. At the Witt Group, the forecast slight revenue growth and more favorable procurement prices will contribute to the expected very positive earnings performance, whereas the integration of the plus-size brand Sheego, which will take place in the forecast year, and the IT transformation will have a one-off negative impact on the Witt Group's earnings in the forecast year. The bonprix Group's earnings performance in the 2024/25 financial year was negatively impacted to a significant extent by the activities in the USA and by restructuring-related effects in Germany. These effects will largely be eliminated in the forecast year, although targeted measures to acquire new customers and promote sales in the European markets will again have a negative impact on earnings in the forecast year.

Hermes Germany GmbH in the Services segment plans to implement a comprehensive restructuring program announced in April 2025 to achieve significant improvements in earnings in the medium term, including through

cost reductions along with revenue growth and pricing measures. However, the Services segment's earnings will be negatively impacted in the forecast year to a significant extent by the pro rata inclusion of the high losses of Hermes Germany GmbH, which is included in the consolidated financial statements using the equity method. The Financial Services segment, which is dominated by the EOS Group, continues to forecast excellent profitability. In addition to its strong operating profitability, the EOS Group will further optimize existing processes and cost structures and leverage synergies through the use of uniform IT systems.

Overall, the efficiency and restructuring programs implemented in the 2024/25 financial year and planned for the forecast year will further improve the cost structure at various Group companies in all segments and lead to leaner processes and greater use and exploitation of synergies within the Group.

With the stable revenue expected on a comparable basis and the considerable increase in profitability in the forecast year once again, the Otto Group is laying the foundations to return to a sustainably profitable growth path for the Group in subsequent financial years and to benefit from the expected medium-term normalization of the market environment, increased cost efficiency and positive economies of scale, among other things.

A slight increase in reported net financial debt is expected in the forecast year. While the purchase price achieved as part of the expected share sale of About You will have a significant positive effect on the Group's net financial debt, the technical effects from the repayment of a subordinated bond with a nominal volume of EUR 248 million reported in Group equity and from the expected full consolidation of Hermes Germany GmbH at the end of the forecast year will have the opposite effect. The Otto Group is therefore forecasting a sideways movement in the debt service ratio for the 2025/26 financial year due to the significant increase in profitability with a simultaneous slight increase in net financial debt.

Statement by the Executive Board on the Otto Group's future performance

Taking into account the still challenging market and competitive environment, subdued consumer sentiment in relevant sales markets, and the still unpredictable and volatile trade policy and geopolitical risks, the Otto Group is aiming to make further progress overall in the 2025/26 forecast year. The Group's sales revenue should remain stable on a comparable basis, profitability (EBIT) should increase significantly. The debt service ratio is likely to remain at the previous year's level.

This will create the basis for the Group to return to a profitable growth path in subsequent financial years and benefit from the expected normalization of the market environment in the medium term while successively improving profitability further and increasing economic performance.

Maintaining financial stability and good credit metrics will also remain a cornerstone of the Group's development going forward.

Hamburg, 13 May 2025

The Executive Board of
Otto Verwaltungsgesellschaft mbH

Petra Scharner-Wolff

Dr. Marcus Ackermann

Sergio Bucher

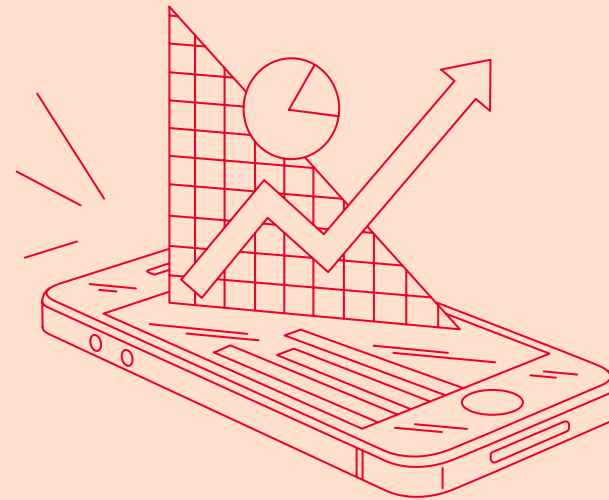
Katy Roewer

Kay Schiebur



Consolidated Financial Statements

142	Consolidated Income Statement
143	Consolidated Statement of Comprehensive Income
144	Consolidated Balance Sheet
146	Consolidated Cash Flow Statement
148	Statement of Changes in Consolidated Equity





Consolidated Income Statement

1 March 2024 to 28 February 2025

	Note	2024/25	2023/24
	[No.]	EUR million	EUR million
Revenue and income from customer financing	[6]	14,888	14,995
Other operating income	[7]	483	367
Change in inventories and other internal costs capitalized		76	92
Purchased goods and services	[8]	-7,598	-7,882
Personnel expenses	[9]	-2,517	-2,392
Other operating expenses	[10]	-4,320	-4,351
Income (loss) from equity investments		-96	-88
Income from associated companies and joint ventures		-96	-88
Income from other equity investments		0	0
Earnings before interest, tax, depreciation and amortization (EBITDA)		916	741
Depreciation and amortization		-493	-530
Impairment losses	[11]	-147	-203
Earnings before interest and tax (EBIT)		276	8
Interest and similar income	[12]	41	25
Interest and similar expenses	[12]	-190	-189
Other net financial income (expense)	[12]	184	-197
Earnings before tax (EBT)		311	-353
Income tax	[13]	-146	-59
Profit/loss for the year		165	-412
Profit/loss attributable to shareholders of Otto GmbH & Co. KGaA		101	-261
Profit/loss attributable to non-controlling interests		53	-163
Profit/loss attributable to publicly-listed equity and participation certificates		11	12



Consolidated Statement of Comprehensive Income

1 March 2024 to 28 February 2025

	2024/25	2023/24
	EUR million	EUR million
Profit/loss for the year	165	-412
Items that may be reclassified subsequently to profit or loss		
Gains and losses arising from translation of financial statements in foreign currencies	90	23
Gains and losses arising from changes in fair values of derivatives held as cash flow hedges after tax	26	-2
Gains and losses in other comprehensive income	23	-17
Gains and losses reclassified to profit or loss	3	15
Share of other comprehensive income of associates and joint ventures accounted for using the equity method after tax	0	2
Items that will not be reclassified to profit or loss		
Gains and losses arising from changes in other financial assets after tax	-24	-18
Remeasurements of the net defined benefit liability after tax	-17	-57
Share of other comprehensive income of associates and joint ventures accounted for using the equity method after tax (net defined benefit liability, other financial investments)	43	-15
Other comprehensive income for the year	118	-67
Total comprehensive income for the year	283	-479
Total comprehensive income attributable to shareholders of Otto GmbH & Co. KGaA	224	-352
Total comprehensive income attributable to non-controlling interests	48	-139
Total comprehensive income attributable to publicly-listed equity and participation certificates	11	12



Consolidated Balance Sheet

as of 28 February 2025

	Note	28.02.2025	29.02.2024
	[No.]	EUR million	EUR million
Intangible assets	[14]	1,506	2,354
Property, plant and equipment	[15]	1,590	1,599
Right-of-use assets	[16]	803	909
Investments in associated companies and joint ventures	[17]	486	460
Other financial investments	[17]	279	287
Trade receivables	[19]	132	137
Receivables from financial services*	[19]	1,858	1,773
Receivables from related parties	[20]	16	40
Other assets*	[21]	115	126
Non-current assets		6,785	7,685
Deferred tax	[13]	228	181
Inventories	[18]	1,778	2,346
Trade receivables	[19]	767	817
Receivables from financial services*	[19]	806	751
Receivables from related parties	[20]	38	74
Income tax receivables		32	80
Other assets*	[21]	704	1,199
Securities		0	1
Cash and cash equivalents		562	691
Assets held for sale	[5c]	1,752	56
Current assets		6,439	6,015
Total assets		13,452	13,881

* Previous year adjusted in the amount of EUR 99 million (see Notes 19 and 21).



	Note	28.02.2025	29.02.2024
	[No.]	EUR million	EUR million
Equity attributable to shareholders of Otto GmbH & Co. KGaA		3,551	3,352
Capital provided by the limited partners in Otto GmbH & Co. KGaA		1,180	1,180
Consolidated retained earnings		2,508	2,411
Net cost in excess of net assets acquired in step acquisitions and partial disposals		-87	-77
Accumulated other comprehensive income		-50	-162
Non-controlling interests		1,074	1,109
Publicly-listed equity and participation certificates		284	284
Equity	[22]	4,909	4,745
Profit and loss participation rights	[23]	20	23
Provisions for pensions and similar obligations	[24]	1,178	1,156
Other provisions	[25]	97	75
Bonds and other notes payable	[26]	381	381
Bank liabilities	[26]	834	853
Other financing liabilities	[27]	40	18
Trade payables	[28]	5	3
Lease liabilities	[38]	766	804
Other liabilities	[30]	232	337
Non-current provisions and liabilities		3,553	3,650
Deferred tax	[13]	83	154
Profit and loss participation rights	[23]	2	2
Other provisions	[25]	179	89
Bonds and other notes payable	[26]	7	333
Bank liabilities	[26]	391	714
Other financing liabilities	[27]	59	24
Trade payables	[28]	1,851	2,254
Liabilities to related parties	[29]	47	162
Income tax liabilities		72	96
Lease liabilities	[38]	178	238
Other liabilities	[30]	1,379	1,370
Liabilities classified as held for sale	[5c]	742	50
Current provisions and liabilities		4,907	5,332
Total equity and liabilities		13,452	13,881



Consolidated Cash Flow Statement

1 March 2024 to 28 February 2025

	2024/25	2023/24
	EUR million	EUR million
Earnings before interest and tax (EBIT)	276	8
Depreciation, amortization and impairment losses/reversal of impairment losses on intangible assets, property, plant and equipment and right-of-use assets	484	732
Profits (-)/losses (+) from associated companies and joint ventures	96	88
Dividends received from associated companies and joint ventures	18	21
Increase (+)/decrease (-) in allowances on loans, receivables and inventories	120	89
Gains (-)/losses (+) on disposals of items in intangible assets and property, plant and equipment	-2	-10
Pension payments exceeding (-)/less than (+) pension expense	-28	-30
Gross cash flow from operating activities	964	898
Decrease (+)/increase (-) in working capital	-35	351
Decrease (+)/increase (-) in inventories (gross)	122	364
Decrease (+)/increase (-) in trade receivables (gross)	-85	-63
Decrease (+)/increase (-) in receivables from financial services (gross)	-159	-82
Increase (+)/decrease (-) in provisions	96	-8
Increase (+)/decrease (-) in trade payables	-2	27
Increase (+)/decrease (-) in receivables due from related parties/ in payables due to related parties	-14	10
Changes in other assets/liabilities	7	103
Income tax paid	-146	-133
Interest received	29	12
Cash inflows/outflows from non-current financial assets and securities	-2	2
Cash flow from operating activities	810	1,130



	2024/25	2023/24
	EUR million	EUR million
Cash flow from operating activities	810	1,130
Capital expenditures on purchases of intangible assets and property, plant and equipment	-271	-418
Payments for acquisition of subsidiaries	0	-62
Capital expenditures on purchases of other financial investments	-130	-97
Proceeds from disposals of intangible assets and property, plant and equipment	23	22
Proceeds from disposals of consolidated subsidiaries	4	5
Proceeds from disposals of other financial investments	818	99
Cash flow from investing activities	444	-451
Free cash flow	1,254	679
Dividends paid	-265	-63
Interest paid and bank charges	-259	-255
Payments for reductions in equity/proceeds from additions to equity	151	29
Proceeds/payments (net) for issues and repurchases of profit and loss participation rights	-3	-2
Payments of principal on lease liabilities	-212	-216
Proceeds from assumption of other financial liabilities	392	290
Repayments of other financial liabilities	-1,061	-272
Cash flow from financing activities	-1,257	-489
Cash and cash equivalents at beginning of period	692	518
Net increase/decrease in cash and cash equivalents	-3	190
Changes in cash and cash equivalents due to foreign exchange rates	13	-1
Reclassification with regard to disposal groups	-140	-15
Cash and cash equivalents at end of period (see Note 33)	562	692



Statement of Changes in Consolidated Equity

	Subscribed capital of Otto GmbH & Co. KGaA	Consolidated retained earnings**	Net cost in excess of net assets acquired in step acquisitions and partial disposals	Gains and losses arising from translation of financial statements in foreign currencies	Gains and losses arising from changes in fair values of derivatives held as cash flow hedges	Remeasurements of the net defined liability
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
1 March 2024	1,180	2,411	-77	-89	-4	-408
Total comprehensive income	0	101	0	90	27	-17
Loss/profit for the year	0	101	0	0	0	0
Other comprehensive income for the year	0	0	0	90	27	-17
Result from hedging transactions that have been reclassified to inventories	0	0	0	0	-11	0
Capital increase	0	0	0	0	0	0
Changes in entities consolidated	0	0	0	0	0	0
Step acquisitions/partial disposals	0	0	-10	0	0	0
Dividends paid	0	0	0	0	0	0
Other changes recognized directly in equity	0	-4	0	0	0	0
Group equity as of 28 February 2025	1,180	2,508	-87	1	12	-425
1 March 2023*	1,000	2,338	-185	-65	-4	-292
Total comprehensive income	0	-261	0	23	-1	-57
Profit for the year	0	-261	0	0	0	0
Other comprehensive income for the year	0	0	0	23	-1	-57
Result from hedging transactions that have been reclassified to inventories	0	0	0	0	1	0
Capital increase*	180	307	115	-47	0	-59
Changes in entities consolidated	0	-1	1	0	0	0
Step acquisitions	0	0	-8	0	0	0
Dividends paid	0	0	0	0	0	0
Other changes recognized directly in equity	0	28	0	0	0	0
Group equity as of 29 February 2024	1,180	2,411	-77	-89	-4	-408



	Gains and losses arising from other financial assets	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	Equity attributable to shareholders of Otto GmbH & Co. KGaA	Non-controlling interests	Publicly-listed equity and participation certificates	Total
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
1 March 2024	123	216	3,352	1,109	284	4,745
Total comprehensive income	-20	43	224	48	11	283
Loss/profit for the year	0	0	101	53	11	165
Other comprehensive income for the year	-20	43	123	-5	0	118
Result from hedging transactions that have been reclassified to inventories	0	0	-11	0	0	-11
Capital increase	0	0	0	151	0	151
Changes in entities consolidated	0	0	0	-5	0	-5
Step acquisitions/partial disposals	0	0	-10	10	0	0
Dividends paid	0	0	0	-254	-11	-265
Other changes recognized directly in equity	0	0	-4	15	0	11
Group equity as of 28 February 2025	103	259	3,551	1,074	284	4,909
1 March 2023*	157	193	3,142	1,786	310	5,238
Total comprehensive income	-43	-13	-352	-139	12	-479
Profit for the year	0	0	-261	-163	12	-412
Other comprehensive income for the year	-43	-13	-91	24	0	-67
Result from hedging transactions that have been reclassified to inventories	0	0	1	0	0	1
Capital increase*	32	36	564	-509	-26	29
Changes in entities consolidated	0	0	0	0	0	0
Step acquisitions	0	0	-8	6	0	-2
Dividends paid	0	0	0	-51	-12	-63
Other changes recognized directly in equity	-23	0	5	16	0	21
Group equity as of 29 February 2024	123	216	3,352	1,109	284	4,745

* In the 2023/24 financial year, the shares of minority shareholders in a subsidiary of Otto GmbH & Co. KGaA (formerly Otto Group GmbH & Co. KGaA or OTTO Aktiengesellschaft für Beteiligungen) were contributed to Otto GmbH & Co. KGaA in exchange for newly issued shares.

** In the 2023/24 financial year, the cumulative other equity was reported separately. Due to the relatively small amount of only EUR 13 million as of 29 February 2024, the cumulative other equity was offset against the consolidated retained earnings for both the reporting year and the previous year.



151	Accounting Principles and Policies applied in the Consolidated Financial Statements
169	Scope of Consolidation
173	Notes to the Consolidated Income Statement
184	Notes to the Consolidated Balance Sheet
220	Notes to the Consolidated Cash Flow Statement
221	Segment Reporting
225	Other Disclosures

Notes

Accounting Principles and Policies applied in the Consolidated Financial Statements

Otto GmbH & Co. KGaA, Werner-Otto-Straße 1-7, 22179 Hamburg, Germany (Commercial Register No. HRB 188101, Local Court of Hamburg), and its subsidiaries (hereinafter: “Otto Group”) are a retailing and services group mainly operating in three economic regions: Germany, Rest of Europe, and the USA. In August 2024, the former OTTO Aktiengesellschaft für Beteiligungen (Commercial Register No. HRB 13422, Local Court of Hamburg) was converted into a partnership limited by shares (KGaA) and has since operated under the name Otto Group GmbH & Co. KGaA. For the sake of readability, only the company name Otto GmbH & Co. KGaA valid at the time these financial statements were prepared is used below.

With effect from the end of the 2024/25 financial year on 28 February 2025, the merger of Otto GmbH & Co. KGaA with the wholly owned subsidiary Otto (GmbH & Co KG) was implemented by way of merger (Section 712a (1) BGB (German Civil Code) in conjunction with Sections 105 (3) and 161 (2) HGB (German Commercial Code)).

The Group’s operations comprise the distribution channels of e-commerce retail sales, brick-and-mortar retail and mail-order catalogs, which are combined into the segments of Platforms, Brand Concepts and Retailers, as well as other services in the areas of logistics and services, which are combined in the Services segment. The Group’s operations in the Financial Services segment mainly include the purchase of unsecured and secured receivables portfolios.

Michael Otto Stiftung, Hamburg, with its majority stake, is the parent company and at the same time the ultimate parent company of Otto GmbH & Co. KGaA. The consolidated financial statements and the Group Management Report of Otto GmbH & Co. KGaA are published in the company register. The Executive Board of the general partner of Otto GmbH & Co. KGaA, Otto Verwaltungsgesellschaft mbH (formerly Otto Group

Verwaltungsgesellschaft mbH and PANTA 126 Verwaltungsgesellschaft m.b.H.), approved the consolidated financial statements and the Group Management Report of Otto GmbH & Co. KGaA for publication on 13 May 2025. For the purposes of better readability, only the company name Otto Verwaltungsgesellschaft mbH valid at the time these financial statements were prepared is used below.

1 Principles

The consolidated financial statements ending on 28 February 2025 of Otto GmbH & Co. KGaA were prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB), as applied in the European Union, in compliance with the regulations contained in Directive (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002, in conjunction with Section 315e (3) HGB. In addition, the supplementary commercial law regulations in accordance with Section 315e (3) HGB in conjunction with Section 315e (1) HGB were taken into account.

The IFRS requirements – as applicable in the European Union – have been met completely and give a true and fair view of the Otto Group’s financial position and financial performance.

The consolidated financial statements were prepared in principle on the basis of the recognition of assets and liabilities at amortized cost. This excludes certain non-derivative financial instruments, all derivative financial instruments and investments in equity instruments, which are recognized at their respective fair values on the balance sheet date.

On the basis of the elective right contained in IAS 1, income and expenses recognized in profit or loss are reported in the income statement, while reconciliation of the net result for the period to total comprehensive income through other comprehensive income is recorded in a separate statement of comprehensive income.

Selected items in the consolidated income statement and consolidated balance sheet have been combined to improve clarity. These are explained in detail in the notes to the consolidated financial statements. The income statement is arranged according to the nature of expense method.

As a rule, all amounts are stated in full millions of euros (EUR million) and, with a few exceptions, to one decimal place (Note 39d and Note 41). Commercial rounding may produce figures totaling EUR 0 million.

2 Consolidation

a Consolidation principles

The Otto Group's consolidated financial statements include all significant domestic and foreign subsidiaries over which Otto GmbH & Co. KGaA has complete control, in accordance with IFRS 10, or joint control together with other parties, in accordance with IFRS 11 and IAS 28. In accordance with IFRS 10, control is considered to exist when Otto GmbH & Co. KGaA has decision-making power over the relevant activities, is exposed to variable returns, and has the ability to use its power to influence the amount of these returns.

The equity is consolidated at the acquisition date, using the acquisition method. The acquisition date is the date on which the Otto Group obtains the ability to control the acquired company's net assets and its financial and operating activities. Under the acquisition method, the cost of an acquired equity interest, including any contingent consideration, is offset against the acquirer's share of the fair value of the subsidiary's acquired assets, liabilities and contingent liabilities at the acquisition date. Any remaining differences are capitalized as goodwill. Negative differences resulting from equity consolidation at the acquisition date are immediately recognized in the income statement. The components of non-controlling interests are measured at the amount representing their percentage of the identifiable net assets of the acquired company. Costs incurred in acquiring the equity interest are immediately expensed.

Any undisclosed reserves or charges recognized in measuring assets and liabilities at fair value upon initial consolidation are carried forward, amortized or depreciated, or reversed in subsequent periods, depending on the development of the related assets and liabilities. Goodwill is regularly reviewed for impairment in subsequent periods and is written down to its recoverable amount if appropriate.

The regulations of IFRS 3 with regard to the complete remeasurement of assets and liabilities at the time control is acquired are applied to step acquisitions of interests in companies in which the Otto Group acquires control. The fair value of equity interests previously held by the Otto Group are included in any measurement of acquisition costs. Any differences in the previous measurements of these interests are recognized in the income statement together with amounts contained in accumulated other comprehensive income.

By contrast, step acquisitions at Group companies in which Otto GmbH & Co. KGaA already had direct or indirect control before the purchase are accounted for as transactions between shareholders. Any difference between the purchase price and the share of net assets previously attributable to non-controlling interests resulting from the purchase is shown under consolidated equity as net cost in excess of net assets acquired in step acquisitions. For such transactions, no undisclosed reserves and charges are recognized and no goodwill is reported.

In the event of a loss of control of Group companies in which Otto GmbH & Co. KGaA continues to retain significant influence, the assets and liabilities of the Group companies and any non-controlling interests in those Group companies will be derecognized. The fair value of the remaining shares also represents the initial recognition value for subsequent reporting using the equity method.

Expenses and income as well as receivables and payables between consolidated companies are eliminated. Any material intercompany profits or losses are eliminated.

Significant associated companies and joint ventures are recognized in the consolidated financial statements using the equity method. Jointly controlled operations must be recognized with their share of assets and liabilities as well as their share of income and expenses. The income(loss) from equity investments reflects the Group's share of income or loss from associated companies and joint ventures reported using the equity method. In accordance with IFRS 11, joint control is considered to exist when the management of a company is contractually agreed and collectively performed.

Associated companies are entities over whose financial and operating policies Otto GmbH & Co. KGaA has the ability to exercise significant influence, usually because it owns between 20% and 50% of the voting rights. In accordance with IFRS 11, joint arrangements are divided into either joint ventures or joint operations, depending on the arrangement of the contractually agreed sharing of control. A joint venture is a legally independent company whereby the joint controlling parties have rights to the net assets of the company. A joint operation is considered to exist when the joint controlling parties have direct rights to assets and are directly responsible for liabilities. At present, there are no joint operations within the Otto Group as the Otto Group has no residual interest in the individual assets and liabilities of the joint operations of any company.

Disproportionate capital increases in return for contributions at associated companies that result in a reduction in the Otto Group's ratio of participation in these companies lead to an adjustment of the carrying amount of these investments affecting profit or loss.

Consolidation methods are applied when determining goodwill and the Group's share of the fair value of assets and liabilities. Losses from associated companies and joint ventures that exceed the carrying amounts of these companies or other non-current receivables from the financing of such companies are recognized only where there are legal or actual obligations with respect to the company. Costs incurred in the acquisition of the equity interest are capitalized as a component of the acquisition costs.

The financial statements of Otto GmbH & Co. KGaA and all subsidiaries, associated companies and joint ventures included in the consolidated financial statements have been prepared using uniform accounting policies.

The reporting date of the financial statements of companies included in the consolidated financial statements is normally the same as that of the Group's parent company. Group companies with different reporting dates are included based on the financial statements as of their own year-end dates, provided the date is no more than three months earlier than the Group's financial year-end date. Any significant events that occur between the different financial year-end dates are taken into account.

b Translation of financial statements in foreign currencies

The consolidated financial statements were prepared in euro. Unless otherwise specified, all amounts are stated in millions of euros (EUR million).

Assets and liabilities of Group companies whose functional currency is not the euro are translated using the closing rate as of balance sheet date. Goodwill is also translated at the closing rate, as are fair value adjustments to assets and liabilities of Group companies recognized at the time of initial consolidation. Items in the income statement are translated using the weighted average exchange rate for the financial year concerned. Equity components of Group companies are translated at the corresponding historical exchange rate at the time they arise. Exchange differences resulting from the translation of foreign currencies are recognized as foreign currency translation adjustments under accumulated other comprehensive income or non-controlling interests.

The exchange rates used for translating relevant foreign currency financial statements into euro were as follows:

Foreign currency for EUR 1	Average rate		Closing rate	
	2024/25	2023/24	28.02.2025	29.02.2024
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
Canadian dollar (CAD)	1.487	1.462	1.502	1.472
Swiss franc (CHF)	0.953	0.963	0.939	0.953
British pound (GBP)	0.843	0.865	0.826	0.857
Hong Kong dollar (HKD)	8.376	8.479	8.098	8.474
Hungarian forint (HUF)	399.153	380.850	399.500	393.480
Polish zloty (PLN)	4.283	4.480	4.150	4.321
Russian ruble (RUB)	100.940	95.983	92.736	98.884
US dollar (USD)	1.074	1.083	1.041	1.083

3 Accounting policies

a Intangible assets

Internally generated intangible assets are recognized at cost incurred during the development phase, i.e. after the technical and economic feasibility of the asset's development was determined and until its completion. Costs capitalized comprise all costs directly and indirectly attributable to the development phase.

Acquired intangible assets are measured at cost.

The Otto Group has no intangible assets with indefinite useful lives. Exceptions are derivative goodwill and recognized trademark rights and domains, which have an indefinite useful life. These trademark rights and domains mainly exist in the Retailers segment in the amount of EUR 11 million (29 February 2024: EUR 15 million). Appropriate maintenance investments are made to uphold the lasting recoverability of these trademark rights and domains. All other internally-generated and acquired intangible assets, including trademark rights with a limited useful life, are amortized on a straight-line basis over their useful lives, commencing at the time they are initially used, as follows:

	Useful life in years
Software	2-12
Licences	Term of licence agreement
Customer lists	5-8
Brand rights	8-10
Franchises	max. 20
Websites	max. 1

Gains or losses from the disposal of intangible assets are reported under other operating income or expenses.

b Property, plant and equipment

Assets included in property, plant and equipment are capitalized at cost and depreciated applying the straight-line method over their estimated useful lives. Changes in residual values or useful life during use are taken into account in the measurement of depreciation. The cost of property, plant and equipment produced internally within the Group includes all direct costs and overheads directly attributable to their production. Subsequent expenses are capitalized if these lead to a change in the purpose of the use or to an increase in the value in use of the asset. Gains or losses from disposals of property, plant and equipment are reported under other operating income or expenses.

Depreciation is based on the following Group-wide useful lives:

	Useful life in years
Buildings	15-50
Leasehold improvements	Rental term, max. 28
Technical plant and machinery	4-30
Operating and office equipment	2-30

c Impairment losses on intangible assets, property, plant and equipment and right-of-use assets

Impairment losses on intangible assets, including goodwill, and on property, plant and equipment as well as right-of-use assets are recognized when the carrying amount of an asset is no longer covered by the estimated proceeds from its disposal, or the discounted net cash flow from its future use. If the recoverable amount cannot be determined for an individual asset, cash flow is calculated for the next highest identifiable group of assets for which such cash flows can be determined. The need to adjust the values of intangible assets with an indefinite useful life and those in development is always checked immediately whenever certain events or changes in circumstances suggest that the recoverable amount no longer corresponds to the carrying amount – but at least once per year. To check for impairment, goodwill is allocated to groups of cash-generating units that are expected to generate synergy effects as part of business mergers. Since goodwill is always monitored by the Otto Group’s Executive Board on the level of the segments, the groups of cash-generating units correspond to the segments. An exception is the Financial Services segment for which the goodwill is monitored on the level of the Group companies or groups within the segment.

Goodwill is written down on the basis of annual impairment tests. The discounted net cash flows from the value in use are used to determine the recoverable amount for the measurement of impairment losses. Key drivers are the free cash flow margin (after tax) in the terminal value, the capitalization rate for discounting future cash flows and the growth factor after the end of the forecast horizon.

Net cash flow from future use is generally determined using the planning of Group companies, based on which net cash flow trends are inferred for the subsequent periods based on a growth factor. The Group planning is based on assumptions related to macroeconomic developments and changes in selling and purchasing prices in particular. In addition to these current forecasts, developments and experiences from the past are also taken into account. Projected net cash flows are discounted on an after-tax basis using a risk-adjusted, country-specific interest rate. Other parameters are taken from standardized industry data.

Impairment losses are reversed in subsequent financial years if the reasons for impairment no longer apply. Such revaluations may not raise the carrying amount of the asset above the amount that would have been determined had no impairment loss been recognized for the asset in earlier years. An impairment loss recognized for goodwill is not reversed.

d Financial instruments

The Otto Group uses non-derivative and derivative financial instruments. These include cash and cash equivalents, receivables, other financial investments, other financial assets, financial liabilities as well as forward exchange transactions, currency swaps, currency options and interest rate swaps.

The Otto Group accounts for financial assets on delivery, i.e. as at the settlement date. Derivative financial instruments, which are accounted for on the trading date, are an exception. Initial recognition of a financial asset is based on the asset's classification under one of the following three IFRS 9 categories: measured at amortized cost (AC), measured at fair value through other comprehensive income (FVOCI) and measured at fair value through profit or loss (FVPL). In the Otto Group, a financial asset is recognized initially at fair value plus any directly attributable transaction costs, provided the financial asset does not fall under the FVPL category. Trade receivables without significant financing components constitute an exception here and are measured at the transaction price. In accordance with IFRS 9, financial assets are subsequently measured either at amortized cost using the effective interest method or at fair value through other comprehensive income or through profit or loss.

Financial liabilities are initially measured at fair value taking into consideration premiums, discounts and transaction costs. Subsequent measurement is carried out at amortized cost. Non-current liabilities are measured at amortized cost using the effective interest method. Financial liabilities categorized as FVPL are measured at fair value both on initial and subsequent recognition.

In accordance with IFRS 9, impairment losses on financial assets are calculated using an expected credit loss model. This requires discretionary decisions to be taken in terms of assessing the extent to which expected credit losses are influenced by changes in economic factors. Trade receivables and contract assets without significant financing components are to be measured based on lifetime credit losses at all times, and this approach should also be applied if the credit risk of a financial asset as of the closing date has increased significantly since it was first recognized. The Otto Group uses the simplified procedure for the classification of risk prevention for trade receivables, whereby the amount of the value allowance since initial recognition of the trade receivable is measured using the expected credit losses over the term.

The generalized value allowances for expected credit losses (ECL) for trade receivables are generally calculated using the dunning level escalation method, whereby each dunning level is allocated to an explicit probability of default. This allocation is possible as receivables pass through a number of clearly defined credit management process steps before they are handed over to a collection agency. Based on empirical observation, only receivables that are overdue by at least 90 days generally need to be handed over to a collection agency. However, not all receivables in arrears for 90 days will necessarily be passed on for collection as a moratorium may be granted, for example. The value adjustment rates applied in this model are based on the rolling annual average over the last 5 years and also include a forecast for future macroeconomic and political conditions as well as individual risk assessments.

A specific value adjustment is applied to a financial asset if, at the financial year-end date, there are indications that the borrower may not fully meet their obligations to the Otto Group or that the financial asset has been handed over to a collection agency. The Otto Group will hand over a receivable to a collection agency as soon as the overdue receivable has passed through the prior dunning levels without being settled. At this point, trade receivables are generally at least 90 days overdue. If the irrecoverability of certain trade receivables is expected, such as due to insolvency or the death of a customer, they are derecognized.

In the 2024/25 financial year, no changes were made to significant assumptions concerning value allowance estimates.

In the case of receivables from financial services, the special provision for financial assets for which there is objective evidence of impairment losses on receipt is applied. These are to be reported at their carrying amount reduced by the credit losses expected over the entire term and amortized accordingly using a risk-adjusted effective interest rate. At the financial year-end date, only the cumulated changes to the expected credit losses over the term since initial recognition are to be reported as a value allowance.

Financial assets are derecognized if either the rights to cash flows generated from the assets expire, or if substantially all opportunities and risks are transferred to a third party in a manner that meets the criteria for derecognition. Various Group companies sell receivables and remove them from the consolidated balance sheet. Moreover, receivables with a term of up to one year are sold as part of ABS transactions (asset-backed securities). Irrespective of the legal transfer of the receivables to the acquirer, the Otto Group must continue to recognize the receivables if significant opportunities and risks remain with the Group companies due to the contractual structure. Provided that the receivables continue to be recognized in the Group, a liability is recognized for the cash and cash equivalents received by the Group companies from the sale until the receivables are repaid by the customer. The Group companies have committed to the buyer that they will also handle the management of these trade receivables after the sale. Appropriate provisions in the amount of EUR 2 million are recognized for these obligations on the balance sheet date (29 February 2024: EUR 5 million).

Financial liabilities are derecognized if the corresponding obligations are fulfilled or cancelled or lapse or if significant changes are made to the contract terms.

In accordance with IFRS 13, all financial instruments that are accounted for in the financial statements at fair value are categorized into three levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access;

Level 2: input factors other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: factors for the measurement of the asset or liability that are not based on observable market data (unobservable inputs).

Reclassifications between the various levels are recognized at the end of the reporting period in which the change is made.

Financial assets measured at amortized cost

Cash and cash equivalents consist of cash on hand and bank deposits. They are recognized at their nominal value.

Trade receivables, receivables from financial services and other non-derivative financial assets are initially recognized at fair value. Receivables from financial services include purchased receivables.

Subsequent measurement is carried out at amortized cost, using the effective interest method.

Financial assets measured at fair value through profit or loss

This category includes earn-out agreements and call options for which the fair value can vary according to certain contractually arranged variables. Securities traded on the capital market and convertible bonds are also included in this category.

Investments in equity instruments

Shares in companies that do not follow IFRS 10, IFRS 11 or IAS 28 accounting rules are reported under other financial investments. For such investments in equity instruments, IFRS 9 provides for measurement at fair value through profit or loss (FVPL) as well as the option to have value changes recognized in other comprehensive income (FVOCI). Each financial instrument is to be classified on an individual basis.

The Otto Group recognizes investments in equity instruments through other comprehensive income as well as through profit or loss. Investments for which changes in value cannot be recorded in other comprehensive income are measured through profit and loss. This is the case if the shares do not fulfil the criteria defined in IAS 32 in relation to equity classifications or if the shares are not held for strategic reasons. All other investments can be measured at fair value through other comprehensive income. The decision to classify an investment based on FVOCI or FVPL is made on a case-by-case basis. Subsidiaries that are not included in the consolidated financial statements due to their minor significance are accounted for at fair value through profit or loss.

If equity instruments that were recognized through other comprehensive income are disposed of or are depreciated based on permanent impairment, the profit or loss not recognized up to this point is reclassified as consolidated retained earnings through other comprehensive income, taking into account the corresponding tax implications. For investments recognized at fair value through profit and loss, the profit or loss resulting from the change in fair value is recorded directly through profit and loss.

Financial liabilities measured at amortized cost

For some years, the Otto Group has offered reverse factoring programs to selected suppliers. These suppliers have an additional option when structuring their own refinancing. The purpose of these agreements is to enable efficient payment processes and to offer participating suppliers early payment dates.

The payment terms agreed with suppliers for the trade payables in question are not contractually linked to the existence of reverse factoring programs and are within the normal industry context. The range of payment terms for trade payables that are not subject to reverse factoring programs does not differ significantly from that of trade payables that are linked to reverse factoring programs. The amounts covered by the agreement are therefore reported under trade payables (see Note 28), as the nature and function of these liabilities remain the same as for other trade payables. Accordingly, the associated payments to a reverse factoring provider are regarded as cash outflows from operating activities.

The average payment terms for trade payables that are part of a reverse factoring agreement are between 75 and 105 days, depending on the region. The average payment terms for comparable liabilities that are not part of a reverse factoring agreement are between 60 and 105 days.

Derivative financial instruments and hedging relationships

The Otto Group uses derivatives as hedges against foreign exchange and interest rate risks. Derivative financial instruments are recognized at fair value.

Accounting for changes in the fair value of derivative financial instruments depends on whether they are designated as hedging instruments and fulfill the conditions for classification as a hedging relationship under IFRS 9.

If these conditions are not fulfilled, despite the presence of an underlying economic hedging relationship, changes in the fair value of the derivatives are recognized directly through profit and loss.

The effective portion of the change in fair value of a derivative financial instrument designated and qualifying as a cash flow hedging instrument (cash flow hedge) is recognized directly in accumulated other comprehensive income, taking into account the related tax effect. The ineffective portion is recognized in the income statement. The effective portion is then recognized through profit or loss or included directly in the cost of purchased goods and services when the expected cash flows from the underlying transaction affect profit or loss.

In addition, there are options on shares in associated companies, in particular with regard to shares in Hermes Germany GmbH, Hamburg. These options are measured at fair value in accordance with IFRS 9. Changes in fair value are recognized through profit or loss under other net financial income.

Net investment in a foreign operation

A change in the fair value of a monetary item classified as part of a net investment in a foreign operation that is attributable to changes in the exchange rate is accounted for in accumulated other comprehensive income. Gains or losses recognized in accumulated other comprehensive income are to be reclassified from consolidated equity to the consolidated income statement when the foreign company is sold or liquidated. The monetary item represents a component of net investment in the foreign operation if the settlement of the item is neither planned nor probable in the foreseeable future.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction on which the price is based takes place either in the principal market or in the most advantageous market to which the Otto Group has access. The price is measured using the assumptions that market participants would use when establishing pricing and takes into account the relevant credit risk.

The fair value of financial instruments is calculated on the basis of appropriate market values or by applying other suitable measurement methods. For cash and cash equivalents and other non-derivative short-term financial instruments, it is assumed that the fair value corresponds to the carrying amount.

The fair values of non-current receivables and other assets and of non-current liabilities are calculated based on expected cash flows using market interest rates in effect on the balance sheet date. The fair value of derivative financial instruments is determined based on forward foreign exchange rates and market interest rates on the balance sheet date. The credit default risk of the respective counterparty risk is determined using the add-on method taking into account the default probability of the specific counterparty risk. The probability of default is determined on the basis of liquid CDS spreads or market-listed bond prices.

When determining the fair value of put options, contractually agreed payments are taken into account. Where planned income components are relevant to the fair value, these will be determined based on the discounted cash flow method taking the relevant company planning into account. The discount rates are based on weighted average capital costs. Relevant unobservable inputs for determining the fair value include planned income components. The Group regularly reviews the key unobservable inputs and measurement adjustments.

Interest rate swaps are measured by discounting future cash flows based on the applicable market interest rates on the balance sheet date for the remaining term of the contracts. Market values of forward exchange transactions are determined by comparing the contracted forward price with the forward price on the balance sheet date for the remaining term. The resulting value is then discounted, taking account of current market interest rates for the respective currency on the balance sheet date. Currency options are measured using a recognized actuarial method (Black-Scholes option pricing model), taking into account currency rates and volatilities applicable as of the balance sheet date. The Otto Group only concludes derivative contracts with banks that have at least an acceptable credit rating. The Group's own and counterparty-specific default risks are regularly monitored and are taken into account when calculating the fair value of derivative financial instruments.

e Inventories

Inventories are measured as of balance sheet date at the lower of acquisition or production cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale.

The cost of merchandise included in inventories is determined on the basis of a weighted average price or by using the standard cost method.

Acquired properties and buildings intended for short-term sale are reported under inventories. An impairment test is carried out at least once a year by comparing the current carrying amount with the net realizable value. The historical acquisition costs form the upper limit for reversals of impairment losses.

f Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are calculated using the projected unit credit method pursuant to IAS 19, taking expected future salary and pension increases into account. The pension obligations are measured on the basis of expert opinions on pensions, including any plan assets held to cover these obligations. Remeasurements of the net defined benefit liability are recognized directly in other comprehensive income. Remeasurement includes the actuarial gains and losses, the return on plan assets (excluding interest income included in net interest expenses) and the effects of any asset limit (excluding interest income included in net interest expenses). The Group calculates the net interest expenses on the net defined benefit liability for the reporting period by applying the discount rate which was used for the measurement of the defined benefit obligation at the beginning of the annual period. The net interest expenses and the current and past service cost are taken to the consolidated income statement.

Occupational pensions in the Group take the form of both defined contribution plans as well as defined benefit plans. The expenses of defined contribution obligations and defined benefit obligations are included in personnel expenses, except for net interest income (expense). The compounding of the net pension obligation acquired in prior years is reported in net financial result. The retirement plans are organized in compliance with the legal, tax and economic conditions prevalent in the respective countries.

Under defined contribution pension plans, Otto Group companies make payments to external pension institutions and have no further benefit obligations to the beneficiaries.

Provisions for defined benefit pension plans are recognized for obligations arising from accrued rights and current benefits payable to former and active Otto Group employees and their survivors. The structure of the plans is normally based on the length of service, remuneration, status and the contributions of employees.

The principal defined benefit pension plans are in place at the Otto Group companies domiciled in Germany and the United Kingdom. Pension plans in Germany are normally unfunded. These comprise employer financed benefit obligations and defined contribution obligations financed by both the employer and the employee. A major part of the employer-financed benefit obligations was closed as of 1 January 2014 for new entries. At the companies domiciled in the United Kingdom most pension plans are funded. These plans are predominantly based on the frozen average salaries of employees. The plans in the United Kingdom were closed with effect from 28 February 2009 for new entries. The plans benefits in Germany and the United Kingdom are predominantly rendered in the form of pension payments.

The Otto Group is exposed to various risks in connection with the defined benefit plans. Besides general actuarial risks, such as the longevity risk and the interest rate fluctuation risk, the Otto Group is exposed to the currency risk and the capital market or investment risk. Pension payments in Germany are secured against the consequences of insolvency in accordance with the Occupational Pensions Act. For this, annual contributions are paid to the Pensions-Sicherungs-Verein VVaG (Pensions Security Association Mutual Insurance Association).

g Other provisions

Other provisions cover all of the Otto Group's legal and constructive obligations to third parties on the financial year-end date as a result of past events for which settlement is probable and the amount of which can be estimated reliably. The provisions are measured at their probable settlement amount, taking all foreseeable risks into account. This represents the best possible estimate of the cost of settling the present obligation at the balance sheet date. Non-current provisions are recognized at their settlement value, discounted to the balance sheet date using appropriate market interest rates.

Provisions for restructuring expenses are recognized if the restructuring plans have raised a valid expectation on the balance sheet date and have already been communicated to the parties affected by the restructuring or their representatives.

h Leases

Lessee

At the start of a lease, an assessment is made to determine whether the underlying contract constitutes or contains a lease within the meaning of IFRS 16. This is the case if the contract authorizes control over use of an identified asset for a certain period of time in return for payment of a consideration. At the start date or amendment date

of a lease, the contractually agreed consideration is allocated on the basis of the relative individual selling prices and a distinction is made between lease components and non-lease components. If this is not possible, the exemption rule is exercised whereby the requirement to separate the lease into lease and non-lease components is waived.

As the lessee, the Otto Group systematically records an asset for the granted right-of-use asset, and a lease liability for the payment obligations entered into at the start date of the lease.

The right-of-use asset is initially measured at cost, which corresponds to the initial measurement of the lease liability. In addition, an adjustment is made to take into account payments already made on or before the lease start date, plus any initial direct costs and the estimated cost of dismantling or disposing of the underlying asset, less any incentive payments received by the lessor. The right-of-use asset is depreciated on a straight-line basis from the lease start date until the end of the lease period. However, if ownership of the underlying asset passes to the lessee at the end of the lease term, or if the cost of the right-of-use asset takes into account exercise of a purchase option, the right-of-use asset is depreciated over the expected economic useful life of the underlying asset. Moreover, the right-of-use asset is continuously adjusted for impairment losses, where necessary, and to take into account certain reassessments or modifications to the lease liability.

The lease liability is recognized based on the present value of the outstanding lease payments as of the lease start date, which are discounted at the Group's incremental borrowing interest rate. The lease payments included in the measurement of the lease liability include fixed payments and de facto fixed payments as well as variable index-linked lease payments. The variable lease payments are measured based on the index value applicable on the lease start date. Amounts likely to be paid under a residual value guarantee are also included, as are exercise prices for a purchase option or lease payments for a renewal option, provided there is a sufficient degree of certainty that these options will be exercised.

The lease liability is measured at the amortized carrying amount using the effective interest method. The liability is revalued if there are changes to future lease payments due to an index adjustment or if the estimated value of expected payments is modified under a residual value guarantee. A reassessment is also carried out if the lessee changes its assessment in relation to the exercise of a purchase, renewal or termination option or if a de facto fixed leasing payment changes. The lease liability is modified if there is a change made to lease payments that was not included in the original lease.

If a reassessment or modification is applied to a lease liability, a corresponding adjustment is made to the carrying amount for the right-of-use asset. This adjustment is made at fair value through profit and loss if the carrying amount of the right-of-use asset is zero, or if the reduction in the carrying amount of the right-of-use asset differs from the reduction in the lease liability in absolute terms.

The Otto Group exercises the exemption option that is provided for lease contracts for short-term leases and leases for low-value assets and does not recognize any right-of-use asset or lease liability for these leases. In addition, leases for privately used vehicles have not been recognized on the balance sheet since the 2024/25 financial year. These are classified as low-value leases. The lease payments for such leases are recognized as an expense on a straight-line basis over the term of the lease.

Lessor

In a small number of cases, the Otto Group acts as a lessor. In such cases, the lease is classified as a finance or operating lease within the meaning of the definition contained in IFRS 16.

As the lessor in an operating lease, the Otto Group continues to recognize the leased object as an asset at amortized cost under property, plant and equipment. Lease payments received from operating leases are reported under other operating income. In the event of a finance lease, the transferred leased asset is derecognized and an asset from the finance lease is recognized as a receivable for the amount of the net investment value from the lease.

i Income tax

The income tax reported in the consolidated income statement consists of current and deferred taxes. Current and deferred taxes are recognized in income unless they are related to a business merger or an item recognized directly in Group equity or other comprehensive income.

Deferred tax assets and liabilities are recognized to account for the future tax effects of all temporary differences between the carrying amounts reported for tax purposes and those recognized in the IFRS consolidated financial statements, and also on tax loss carry-forwards. Deferred tax is measured on the basis of the laws and regulations enacted by the end of the financial year for those financial years in which the differences will be reversed or the losses carried forward will probably be used. Deferred tax assets are recognized on temporary differences and losses carried forward only if it is considered sufficiently sure that they will be realized in the near future.

Deferred tax is recognized on temporary differences resulting from assets and liabilities measured at fair value when accounting for business combinations.

Deferred tax is recognized on temporary differences in derivative goodwill only if the amortization of derivative goodwill is deductible for tax purposes.

Deferred tax assets and liabilities are offset, providing that they refer to income taxes raised by the same tax authority and current taxes are eligible to be offset.

Current and deferred tax liabilities for which there is uncertainty in relation to income tax treatment are only recognized in cases where it is likely that the corresponding tax amounts will be paid or reimbursed. Here it is to be assumed that the tax authorities will exercise their right to review declared amounts and will have full knowledge of all related information. In applicable cases, the Otto Group always takes an individual view of the tax situation and evaluates it based on the most likely amount.

The Group has come to the conclusion that the global minimum tax payable under the German Minimum Tax Act is an income tax within the scope of IAS 12. The Group applies the temporary, mandatory exemption with regard to the recognition of deferred taxes resulting from the introduction of global minimum taxation and recognizes these taxes as current tax expense/income at the time they arise.

j Recognition of income and expense

Revenue is recognized when performance obligations have been met by transferring control of the asset or service to the customer.

In the Platforms, Brand Concepts and Retailers segments revenue is recognized at the time at which the performance obligation is fulfilled. The revenue is therefore recognized when control of the asset is transferred to the end customer in tandem with transfer of the asset. The Group companies generate a portion of its revenue by providing trading platforms to external sellers. The resulting brokerage services are recognized when the respective sales contract is entered into with the end customer.

In most cases, payment is received from the customer before the end of the payment term. The payment terms are based on the applicable general terms and conditions of the respective Group company. However, the claim for payment generally falls due 30 days (2023/24: 30 days) after delivery. Financed purchases based on market interest rates are offered based on a term of up to 68 months, as in the previous year. Payments received prior to provision of the contractual service are recognized as contract liabilities. Interest income from customer financing is reported within the net interest income (expense) in the income statement.

The transaction price contains variable components in the form of return rights and discounts granted. The forecasted returns are determined based on the projections for the individual product categories. Return obligations for expected refunds are reported as liabilities. Claims for goods returns are reported as other assets.

The recognition of supplier subsidies is recorded under revenue or as a reduction of expenses under purchased goods and services, depending on the service rendered. The key indicators for reporting are the identifiability of the service in terms of type and scope and its verifiability.

In the Services segment, revenue is primarily generated through transport and fulfillment services and is recognized in the period in which it is generated. The customer benefits from these services as they are being performed. Revenue is therefore recognized in line with the degree to which the performance obligation is met. For transport revenue, this corresponds to the distance traveled compared to the overall distance, for example. In the case of revenue from private end consumers, i.e. the B2C sector, payment is received when the transport goods item is handed over to the delivery company. The payment is recognized as a contract liability based on the degree to which the performance obligation is met. In the B2B sector, payment terms of up to 90 days (2023/24: 90 days) are granted. Most payments are generally received before the end of this term.

Revenue in the Financial Services segment is recognized through escrow collection at the time of service provision. The service is considered to be provided on receipt of payment. The agreed commission is withheld from the payment and reduces the amount that is paid to the customer. Income from purchased receivables is recognized as revenue once payment has been received. Revenue corresponds to payment receipts from purchased receivables, reduced by the repayment amounts determined using the effective interest method.

Contractually defined incentives are included in the transaction price as a variable component based on expected values.

The non-reportable Digital Health operating segment recognizes revenue either at a point in time or over time, depending on the performance obligation. Revenue generated from digital health and data analysis services is recorded at the time the service is provided. In addition, a basic monthly fee must be paid for using telemedical consultations, which is realized based on the specific period.

In all reportable segments, the Otto Group divides contract liabilities into outstanding performance obligations with a term of up to one year and outstanding performance obligations with a term of more than one year. These primarily include customer loyalty programs, customer vouchers and warranty extensions. In the case of customer loyalty programs and customer vouchers, the revenue is recognized at the time of utilization. Utilizations typically occur within 3 months (2023/24: within 3 months) after a voucher is purchased, or within 9 months (2023/24: within 9 months) after bonus points are earned. In the case of warranty extensions, the revenue is recognized over the remaining term on a straight-line basis. Other performance obligations that have not yet been fulfilled have a term of up to one year and are not reported separately through application of the simplified options.

The acquisition costs for contracts with a useful life of up to one year are recognized directly as an expense. Other operating income is recognized at the performance date, provided that the amount can be reliably measured and that it is probable that the economic benefits will flow to the entity.

Earnings from sale and leaseback transactions are recognized immediately in income.

Interest income accruing to the Otto Group when merchandise is purchased on credit is recorded for the period using the effective interest method. Fees from banking and other financial services, such as receivables management or collection activities, are recorded as income from financial services as soon as the service in question has been performed.

Operating expenses are recognized in the income statement at the time the service utilization, or when the costs are incurred. Expenses for advertising and promotion activities are charged when the Otto Group acquires the ability to control the goods and services used in connection with these activities. In accordance with IAS 38, advertising and promotion activities also cover the catalogs used in the Platforms, Brand Concepts and Retailers segments.

Interest is recorded as an expense or income in the period to which it relates. Interest expenses incurred in connection with the purchase or production of qualifying assets are capitalized in compliance with IAS 23. At the Otto Group, a qualifying asset is an asset for which a period of more than one year is usually intended for its purchase or production.

The interest advantages of low-interest public-sector loans are recognized in the income statement and accrued to the relevant period, whereby the portion for future financial years is posted to a deferred income item.

Dividends are normally recognized at the date on which legal entitlement to payment arises.

k Share-based payment programs

Share-based payment programs have been established for the Group company ABOUT YOU Holding SE; Hamburg. Moreover, put options on management shares with a remuneration component were granted in the 2022/23 financial year in the context of the acquisition of Medgate Holding AG, Basel, Switzerland.

The specific design of these programs is described in Note 32.

l Classification of partners' capital in limited partnerships

Non-controlling interests in consolidated subsidiaries in the legal form of a commercial partnership, where the shareholders can oblige the company to pay out the capital contributions and the profit shares attributable to them by exercising a statutory right of termination that cannot be excluded by the articles of association, are to be classified as liabilities and are reported as other financial liabilities, since these shares do not fulfill the criteria defined in IAS 32 with respect to the classification as equity. Changes in the value and interest components of liabilities are either expensed or recognized as a gain in the consolidated income statement.

m Publicly-listed equity and participation certificates

Any financial instruments that the Otto Group issues on capital markets are classified as equity as long as there are no termination rights that could obligate the Otto Group to repay the capital paid in by the holder. Accordingly, interest or dividends on such instruments are not reported as interest expense, but as part of the appropriation of net income for the year.

Profit and loss participation certificates issued by the Otto Group are a component of consolidated equity as long as the terms and conditions governing the profit and loss participation certificates do not result in a repayment obligation on the part of the Otto Group, the emergence of which is outside the Otto Group's discretionary power. The benefits arising from these profit and loss participation certificates are accordingly shown as an appropriation of net income. The transaction costs are accounted for as a deduction from equity.

n Profit and loss participation rights

The profit and loss participation rights that the Otto Group issues to employees are classified as financial liabilities under IAS 32, because a repurchase obligation can arise for the Otto Group on expiry of a six-year waiting period at the request of the holder of the profit and loss participation certificate. These financial instruments, which are classified as puttable, may have to be satisfied prior to the claims of the partners on liquidation. The company allowances granted on the basis of issued profit and loss participation rights are included under personnel expenses, and performance-related profit and loss participation is reported under interest and similar income or expenses.

o Transactions in foreign currencies

Purchases and sales in foreign currencies are translated using the exchange rate on the day of delivery. Assets and liabilities in foreign currencies are translated into the functional currency using the closing rate at the balance sheet date. Any resulting gains and losses are recognized in the income statement.

p Assets held for sale and disposal groups

Assets or disposal groups are reported under assets held for sale if a sale of the assets or disposal groups within the next twelve months is considered highly probable and if the assets are in a ready-for-sale condition and will not be realized through continued use. These assets or disposal groups are recognized at the lower value of the carrying amount and the fair value less costs to sell. An impairment loss on a disposal group would first be allocated to goodwill and then, taking into account the requirements of IFRS 5, to the remaining assets and liabilities on a pro rata basis, with the exception that no loss is allocated to inventories, financial assets, deferred tax assets and assets relating to employee benefits, which continue to be evaluated according to the other accounting methods within the Group.

Intangible assets, property, plant and equipment and right-of-use assets are no longer subject to scheduled depreciation or amortization. Impairment losses arising on initial classification as held for sale along with subsequent gains and losses on revaluation until sale are recognized in profit or loss. If shares in associated companies and joint ventures that were previously included in the consolidated financial statements using the equity method are reclassified as assets held for sale in order to ensure compliance with the criteria of IFRS 5, they are no longer recognized using the equity method.

A group of assets held for sale is classified as a discontinued operation within the meaning of IFRS 5 if this group can be clearly distinguished from the remaining units of the Group in regard to its business activities and cash flows and constitutes a significant business activity. If a business activity is reported as a discontinued operation, the business activities are reported separately in the consolidated income statement. The comparative information in the consolidated income statement is adjusted retrospectively as if the operation had already been classified as a discontinued operation at the beginning of the comparative period.

Also presented under assets held for sale are groups of assets whose disposal is related to a plan to discontinue a business activity and that are sold within one year of the date of their designation.

q Use of estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS involves making estimates and assumptions that affect the recognition of assets and liabilities, contingent liabilities at the balance sheet date, and the recognition of income and expenses. Actual amounts may differ from the amounts arrived at using these estimates and assumptions.

The macroeconomic environment, which is currently subject to a high degree of uncertainty, is a relevant factor influencing the development of estimates and assumptions.

In particular, material estimates and assumptions were made in determining uniform depreciation and amortization periods for the Group on property, plant and equipment, intangible assets and right-of-use assets (see Notes 14, 15 and 16), the valuation of investments within the framework of venture activities (see Note 17), value allowances for merchandise and receivables (see Notes 18 and 19), return rates for measuring delivery claims from expected returns (see Note 21), the parameters for

measuring pension provisions (see Note 24), the determination of the fair value of obligations under put/call options and share-based remuneration (see Note 32) and the likelihood that deferred tax assets can be utilized (see Note 13). The measurement of intangible assets, property, plant and equipment and right-of-use assets in connection with impairment testing under IAS 36 was based on budget data for forecasting cash flow and standardized sector information for determining discount rates.

Numerous lease contracts that include renewal and/or termination options have been concluded. Renewal and/or termination options mainly arise in the case of lease contracts classified as land, land rights and building assets. The degree to which the exercise or non-exercise of an option is reasonably certain is a discretionary decision that takes into account all facts and circumstances that provide an economic incentive to exercise renewal options or to not exercise termination options. If a significant event or change in circumstances occurs, the lease term is redefined.

Following guidelines provided for in IFRS 7, pro forma currency and interest curves that may deviate from actual market values on the balance sheet date were used for sensitivity analyses in Note 36c.

r New IASB pronouncements

The Standards required to be applied for the first time in the 2024/25 financial year had no material effect on the presentation of the Group's financial position or financial performance.

Application of the following Standards published by the IASB which may have a possible effect on the Otto Group's IFRS consolidated financial statements is not yet obligatory, either because they have not yet been endorsed by the European Union or because the date of first-time application has not yet been reached. In the case of Standards that have already been endorsed by the EU, the Otto Group has not proceeded with early application. The Standards or amendments to current Standards are to apply to financial years beginning on or after the date of application indicated.

		Application date
IAS 21	Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)	1 January 2025
AIP*	Annual Improvements Volume 11	1 January 2026
IFRS 9/IAS 7*	Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 9/IFRS 7*	Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18*	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19*	Subsidiaries without Public Accountability: Disclosures	1 January 2027

* Standard or amendments to a standard have not yet been endorsed by the EU.

In April 2024, the IASB published IFRS 18, which replaces IAS 1. IFRS 18 adopts some of the sections from IAS 1 with minor adjustments. New requirements are established in particular with regard to the presentation of profit or loss, including fixed totals and subtotals. IFRS 18 also requires the disclosure of performance-related key figures defined by the Executive Board, referred to as management-defined performance measures. Furthermore, new guidelines for the aggregation and disaggregation of information in the financial statements have been introduced.

The Otto Group is required to apply IFRS 18 for the first time as of the 2027/28 financial year. The Otto Group is currently in the process of assessing the impact of the first-time application of IFRS 18 on the consolidated financial statements, particularly with regard to the structure of the consolidated income statement and other disclosure requirements. The Group has launched a corresponding implementation project.

Scope of Consolidation

4 Scope of consolidation

An overview of the composition of Otto Group's scope of consolidation may be derived from the following list:

	2024/25	2023/24
Fully consolidated subsidiaries		
Domestic	152	165
Foreign	197	195
Total	349	360
Associates and joint ventures reported under the equity method		
Domestic	11	10
Foreign	12	27
Total	23	37

In the 2024/25 financial year, 12 Group companies were merged within the Otto Group (2023/24: 14 companies).

The consolidated financial statements include 4 companies (29 February 2024: 7) with a different reporting date, normally 31 December. The inclusion of Group companies with a different reporting date had no significant effect on the Otto Group's financial position and financial performance, as major events that occurred after the different reporting date were taken into account.

The Otto Group holds 49% of the shares in the Group company Baur Versand (GmbH & Co KG), Burgkunstadt, and can exercise control under company contractual regulations.

The Otto Group holds 49.91% of the shares in the Group company Creditable Opportunities Fund SCA SICAV-RAIF – Creditable Sub-Fund 1, Luxembourg, Luxembourg, and its subsidiaries, 49% of the shares in the company Creditable Opportunities Fund II SCS-RAIF – Southrock II, Luxembourg, Luxembourg, 44% of the shares in the company Fonds Commun de Titrisation Foncred IV, Pantin, France, and 40% of the shares in the company Fonds Commun de Titrisation Fedinvest 3, Pantin, France, and can exercise control on the basis of contractual provisions.

The Otto Group holds 37.36% of the shares in the Group company ABOUT YOU Holding SE, Hamburg, and its subsidiaries, and can exercise control on account of the governance structure. A shareholder agreement with Heartland A/S, Aarhus, Denmark, which is the parent company of the second-largest shareholder Aktieselskabet af 12.6.2018, and a contract with a related party, the company GFH Gesellschaft für Handelsbeteiligungen m.b.H., Hamburg, on the pooling of the jointly held voting rights gave Otto GmbH & Co. KGaA control in particular over a casting vote on the Supervisory Board of ABOUT YOU Holding SE. Consequently, this gives Otto GmbH & Co. KGaA control of ABOUT YOU Holding SE.

A wholly owned subsidiary of Otto GmbH & Co. KGaA holds one percent of the shares in one of the subsidiaries of FORUM Grundstücksgesellschaft m.b.H., Hamburg. Furthermore, the Otto Group does not have any controlling interest in FORUM Grundstücksgesellschaft m.b.H, Hamburg, but can exercise control via the company and its subsidiaries under company contractual regulations. The Otto Group is not at any risk from guarantees or warranties. The Forum Group is involved in the Group's cash pooling arrangement and can benefit from inter-Group loans.

The Otto Group does not hold any shares in OTTO Grundstücksbeteiligungsgesellschaft m.b.H., Hamburg, and GSV Grundstücksbeteiligungsgesellschaft m.b.H., Hamburg, but was able to exercise control over the companies until the end of the 2024/25 financial year due to the identity of persons on the Executive Board. On 28 February 2025, the identity of the persons ceased to exist due to the change in the Executive Board of Otto Verwaltungsgesellschaft mbH, and the two Group companies mentioned above were deconsolidated.

The Otto Group does not hold shares in Hefesto STC, S.A. – GalileOS Securitisation No. 1, Lisbon, Portugal. However, it can exercise control on the basis of contractual provisions.

Hermes Germany GmbH and its subsidiaries are included in the consolidated financial statement based on a shareholding of 75.00% calculated using the equity method. Despite this majority share, the Group does not exercise control, as contractual agreements require the company to be jointly controlled with at least one other shareholder.

5 Changes in the scope of consolidation

a Acquisitions

Various companies were consolidated for the first time in the 2024/25 financial year. In their entirety, they are of minor significance for the Otto Group's financial position and financial performance.

b Deconsolidations

In the 2024/25 financial year, in addition to GIRARD AGEDISS, Les Essarts, France, which was already classified as held for sale on the previous year's balance sheet date (see Note 5c), only Group companies that are of minor significance to the Otto Group's financial position and financial performance in their entirety were deconsolidated.

c Disposal groups

On 11 December 2024, the Otto Group signed an agreement to transfer all of the 69,545,116 shares it holds in the listed Group company ABOUT YOU Holding SE, Hamburg, to Zalando SE, Berlin, at a selling price of 6.50 euros per share. As of the beginning of Q4 2024/25, the assets and liabilities of ABOUT YOU Holding SE are therefore presented as held for sale in accordance with IFRS 5. The completion of the takeover is subject to approval under merger control law. The Group company was assigned to the Platforms segment. Based on the relative enterprise value of ABOUT YOU Holding SE, Hamburg, in relation to the fair value of the remaining business activities in the Platforms segment, a portion of the derivative goodwill reported in the Platforms segment was reclassified to assets held for sale. As part of the measurement at fair value less costs to sell in accordance with IFRS 5, an impairment requirement of EUR 96 million arose in the 2024/25 financial year, which was allocated to the reclassified portion of the derivative goodwill.

The assets and liabilities held for sale on 28 February 2025, including the fair value adjustments determined and amortized on the acquisition date in the 2021/22 financial year, are composed as follows:

	28.02.2025
	EUR million
Intangible assets and property, plant and equipment	874
Right-of-use assets	95
Other non-current assets	8
Inventories	446
Current trade receivables	79
Other current assets	95
Cash and cash equivalents	155
Assets held for sale	1,752
Non-current lease liabilities	73
Current trade payables	422
Current lease liabilities	29
Current other provisions and liabilities	128
Deferred tax liabilities	89
Liabilities classified as held for sale	741

A French transport company signed an agreement to acquire 100% of the 2-man handling specialist GIRARD AGEDISS, Les Essarts, France, on 10 February 2024. In accordance with IFRS 5, the corresponding Group company was therefore represented as held for sale on the balance sheet date of the previous year. Approval of the takeover by the corresponding anti-monopoly authorities was still pending on 29 February 2024. Sale of the company was then finalized in April 2024. The Group company was assigned to the Services segment. The assets and liabilities derecognized in the consolidated balance sheet as part of the deconsolidation at the time of disposal are as follows:

Assets	EUR million
Intangible assets and property, plant and equipment	5
Right-of-use assets	12
Other non-current assets	1
Current trade receivables	12
Receivables from related parties	3
Other current assets	5
Securities and cash and cash equivalents	0
Provisions and liabilities	
Provisions for pensions and similar obligations and other non-current liabilities	1
Non-current lease liabilities	26
Current trade payables	15
Current other liabilities	9

The deconsolidated company generated revenue of EUR 7 million in the 2024/25 financial year before deconsolidation, while EBT amounted to EUR –2 million.

The deconsolidation resulted in a gain of EUR 16 million, which is reported in the other net financial result.



The assets and liabilities of GIRARD AGEDISS held for sale on 29 February 2024 consist of the following:

	29.02.2024
	EUR million
Intangible assets and property, plant and equipment	5
Right-of-use assets	12
Other non-current assets	2
Current trade receivables	13
Other current assets	4
Securities and cash and cash equivalents	15
Deferred tax assets	5
Assets held for sale	56
Provisions for pensions and similar obligations and other non-current liabilities	1
Non-current lease liabilities	26
Other current provisions and current trade payables	16
Other current liabilities and current lease liabilities	7
Liabilities classified as held for sale	50

The reclassification as held for sale in the 2023/24 financial year did not result in any impairment loss or reversal of impairment loss requirement.



Notes to the Consolidated Income Statement

6 Revenue and income from customer financing

Revenue and income from customer financing are broken down as follows:

	Revenue from contracts with customers (IFRS 15)		Revenue from rental and leasing (IFRS 16)		Other revenue (IFRS 9)		Total revenue	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Platforms	6,308	6,098	0	0	86	52	6,394	6,150
Brand Concepts	5,135	5,309	0	0	0	0	5,135	5,309
Retailers	1,592	1,908	0	0	0	0	1,592	1,908
Services	410	366	0	0	9	8	419	374
Financial Services	175	178	16	19	869	805	1,060	1,002
Reportable segments	13,620	13,859	16	19	964	865	14,600	14,743
Non-reportable segments and other activities	70	81	0	0	0	0	70	81
Group	13,690	13,940	16	19	964	865	14,670	14,824



	Total revenue		Income from customer financing		Total revenue and income from customer financing	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Platforms	6,394	6,150	117	69	6,511	6,219
Brand Concepts	5,135	5,309	10	9	5,145	5,318
Retailers	1,592	1,908	91	93	1,683	2,001
Services	419	374	0	0	419	374
Financial Services	1,060	1,002	0	0	1,060	1,002
Reportable segments	14,600	14,743	218	171	14,818	14,914
Non-reportable segments and other activities	70	81	0	0	70	81
Group	14,670	14,824	218	171	14,888	14,995

Income from customer financing results from interest income from installment loan transactions and from income from factoring settlements.



Revenue from contracts with customers (IFRS 15) is broken down by sales market as follows:

	Germany		Rest of Europe		USA		Other regions		Revenue from contracts with customers (IFRS 15)	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Platforms	5,136	4,937	1,140	1,125	31	35	1	1	6,308	6,098
Brand Concepts	1,599	1,590	918	1,007	2,483	2,584	135	128	5,135	5,309
Retailers	1,069	1,299	523	609	0	0	0	0	1,592	1,908
Services	356	235	48	124	5	6	1	1	410	366
Financial Services	64	59	111	119	0	0	0	0	175	178
Reportable segments	8,224	8,120	2,740	2,984	2,519	2,625	137	130	13,620	13,859
Non-reportable segments and other activities	33	36	34	31	0	0	3	14	70	81
Group	8,257	8,156	2,774	3,015	2,519	2,625	140	144	13,690	13,940

Revenue from contracts with customers (IFRS 15) is broken down by revenue source as follows:

	Revenue from the sale of goods and related shipping and service offerings		Revenue from agency and advertising services		Revenue from transport and warehousing services		Revenue from other services		Revenue from contracts with customers (IFRS 15)	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Platforms	5,697	5,611	529	402	0	0	82	85	6,308	6,098
Brand Concepts	5,119	5,287	15	19	0	0	1	3	5,135	5,309
Retailers	1,562	1,874	24	27	0	0	6	7	1,592	1,908
Services	4	4	0	0	367	328	39	34	410	366
Financial Services	0	0	7	8	0	0	168	170	175	178
Reportable segments	12,382	12,776	575	456	367	328	296	299	13,620	13,859
Non-reportable segments and other activities	11	11	0	0	0	5	59	65	70	81
Group	12,393	12,787	575	456	367	333	355	364	13,690	13,940

Revenue with goods-related shipping and service offerings involves ancillary income that relates directly to the sale of goods. This amounted to EUR 528 million in the 2024/25 financial year (2023/24: EUR 531 million). Revenue from agency and advertising services mainly comprises commission income from platform activities and revenue from committed advertising subsidies. The revenue from other services in the Financial Services segment includes EUR 142 million (2023/24: EUR 128 million) in income from receivables management.

7 Other operating income

Other operating income is made up as follows:

	2024/25	2023/24
	EUR million	EUR million
Income from the reversal of impairment losses on assets	156	0
Income from ancillary business	63	67
Income from amortized receivables	37	34
Income from reversal of provisions and liabilities	33	57
Income from reversal of allowances on receivables	33	14
Income from debt collection services	32	43
Income from costs recharged to related parties and third parties	20	21
Income from indemnification payments	19	16
Income from charges to suppliers	14	14
Income from disposal of assets	7	16
Miscellaneous	69	85
Other operating income	483	367

The purchase price offered for the acquisition of the shares in ABOUTYOU Holding SE, Hamburg, by Zalando SE, Berlin, led to a reversal of impairment losses of EUR 156 million on the intangible assets in the amount of EUR 175 million, which were written off in the 2023/24 financial year (see Note 11).

8 Purchased goods and services

Purchased goods and services breaks down as follows:

	2024/25	2023/24
	EUR million	EUR million
Costs of merchandise	6,843	7,237
Costs of services received	736	624
Packing and shipping materials	19	21
Purchased goods and services	7,598	7,882

9 Personnel expenses

Personnel expenses are composed as follows:

	2024/25	2023/24
	EUR million	EUR million
Wages and salaries	2,117	1,997
Social security contributions	364	358
Retirement benefit costs	36	37
Personnel expenses	2,517	2,392

Retirement benefit costs include the Group companies' expenses arising from defined contribution and defined benefit pension plans, as well as pension-like obligations. The interest component in the increase of pension provisions is included in net financial result. Employer contributions to statutory pension insurance are included under social security contributions.

Expenses for wages and salaries include expenses of EUR 54 million (2023/24: EUR 21 million) resulting from personnel-related obligations as part of internal Group reorganizations.

In the 2024/25 financial year, the average number of employees in the Otto Group was 41,689 (2023/24: 44,423 employees). Converted to full-time positions, this corresponds to an average of 36,304 employees (2023/24: 38,462 employees). This includes 15,129 part-time positions (2023/24: 15,963 part-time positions) that were converted to 9,744 full-time positions (2023/24: 10,002 full-time positions). The distribution of employees by segment is shown in the report on the segments (Note 35).

10 Other operating expenses

Other operating expenses are composed as follows:

	2024/25	2023/24
	EUR million	EUR million
Advertising	1,565	1,519
Shipping and logistics	1,208	1,287
Expenses for maintenance, servicing and repair	352	344
Consulting expenses for legal and IT matters as well as general consulting	302	267
Contract staff	142	194
Derecognitions and changes in allowances on receivables	138	124
Office and communication expenses	80	91
Commissions and fees	74	75
Insurance and collection	50	51
Leasing expenses	44	49
Other taxes	31	31
Other	334	319
Other operating expenses	4,320	4,351

11 Impairment losses

In the course of the intended sale of the shares in ABOUT YOU Holding SE, Hamburg, part of the derivative goodwill reported in the Platforms segment was reclassified to assets held for sale on the basis of their relative fair values due to their classification as a disposal group in accordance with IFRS 5. As part of the subsequent valuation in accordance with IFRS 5, an impairment loss of EUR 96 million was recognized on the reclassified portion of the derivative goodwill in the 2024/25 financial year based on the fair value (see Note 5c).

Impairment losses on other intangible assets, property, plant and equipment, and right-of-use assets in the 2024/25 financial year mainly relate to land, land rights and buildings, acquired software, and technical equipment and machinery and in particular involve two German Group companies in the Services segment and one Group company in the UK in the Retailers segment. There was an impairment requirement for the corresponding assets due to site closures and the discontinuation of an IT transformation project.

Impairment losses of EUR 175 million relating to the 2023/24 financial year were mainly attributable to acquired trademark rights and customer lists of the About You Group cash-generating unit. Insufficient earnings in the planning period resulted in a need for impairment in regard to the assets identified in the 2021/22 financial year as part of the purchase price allocation in the course of the transitional consolidation of ABOUT YOU Holding SE.

Please refer to Note 14 for further information on the impairment tests for goodwill.

12 Net financial result

The net financial result is made up as follows:

	2024/25	2023/24
	EUR million	EUR million
Interest income from bank deposits	18	8
Income from interest rate derivatives	12	11
Interest income from loans and securities	8	5
Interest income from measurement of other provisions	0	0
Other interest income	3	1
Interest and similar income	41	25
Interest expenses for bank liabilities and bonds and other notes payable	-90	-95
Interest expenses from lease liabilities	-45	-40
Net interest expenses on defined benefit plans	-37	-37
Expenses from interest rate derivatives	-1	-2
Other interest expenses	-17	-15
Interest and similar expenses	-190	-189
Net interest income (expense)	-149	-164
Income from financial investments and securities and from the disposal of shares in consolidated and associated companies and joint ventures	391	15
Foreign currency gains and losses	-16	-10
Expenses from financial investments and securities and from the disposal of shares in consolidated and associated companies and joint ventures	-61	-67
Bank charges	-107	-105
Miscellaneous financial income (expense)	-23	-30
Other net financial income (expense)	184	-197
Net financial result	35	-361

Income or expenses from financial investments and securities and from the disposal of shares in consolidated companies, associated companies, and joint ventures resulted from the deconsolidation of Group companies in the net amount of EUR 3 million (2023/24: EUR 10 million).

Income from financial assets and securities and from the sale of shares in fully consolidated associated companies and joint ventures in the 2024/25 financial year also includes income of EUR 354 million from the sale of shares in Evri Limited (until 15 May 2024 Hermes Parcelnet Limited), Leeds, UK (see Note 17).

Expenses from financial assets and securities and from the disposal of shares in fully consolidated associates and joint ventures include a charge of EUR 38 million in the 2024/25 financial year (2023/24: EUR 11 million) from the valuation of a put option held by external shareholders on the shares in an associated company.

13 Income tax

The current income tax paid or owed in the various countries and also deferred tax are recognized as income tax. Income tax comprises trade tax, corporation tax, solidarity surcharge in Germany and the corresponding foreign income taxes.

Income tax expense is classified by origin as follows:

	2024/25	2023/24
	EUR million	EUR million
Current income tax, Germany	45	33
Current income tax, other countries	135	116
Current income tax	180	149
Deferred tax, Germany	-28	-80
Deferred tax, other countries	-6	-10
Deferred tax	-34	-90
thereof deferred tax on temporary differences	10	-117
thereof deferred tax on loss carry-forwards	-44	27
Income tax	146	59

Income tax includes tax income for previous years in the amount of EUR 4 million (2023/24: EUR 6 million). This is due to income from current taxes for previous years amounting to EUR 5 million and expenses from deferred taxes for previous years amounting to EUR 1 million (2023/24: mainly from deferred tax income for previous years in the amount of EUR 6 million).

In the 2024/25 financial year, existing tax loss carry-forwards were utilized in the amount of EUR 75 million (2023/24: EUR 46 million). Interest carry-forwards in the amount of EUR 1 million were also utilized (2023/24: EUR 0 million). In the reporting year, current tax expenses were reduced by EUR 13 million due to previously unrecognized tax losses and tax credits or as a result of a previously unrecognized temporary difference from an earlier period (2023/24: EUR 5 million).

The notional income tax expense that would have resulted from applying the tax rate of the Group's parent company Otto GmbH & Co. KGaA of 30% to the IFRS consolidated earnings before tax (EBT) can be reconciled with the income taxes reported in the consolidated income statement as follows:

	2024/25	2023/24
	EUR million	EUR million
Earnings before tax (EBT)	311	-353
Tax rate for Otto GmbH & Co. KGaA	30%	30%
Pro forma income tax expenses (+) / tax income (-)	93	-106
Corrections in deferred tax	89	119
Non-deductible expenses	38	57
Income taxes for prior years	-4	-6
Foreign withholding tax	3	4
Effects of consolidation adjustments recognized in income	-60	-26
Change in applicable tax rate	11	0
Additions and deductions for trade tax	9	7
Non-taxable income	-102	-65
Permanent differences	47	28
Differences in tax rates	26	47
Other	-4	0
Total differences	53	165
Income tax	146	59

Group companies domiciled in Germany in the legal form of a corporation are subject to a corporation tax of 15% and a solidarity surcharge of 5.5% on the corporation tax owed, just as with Otto GmbH & Co. KGaA. In addition, these Group companies and Group companies in the legal form of a partnership are subject to trade tax, the amount of which is determined on the basis of municipality-specific assessment rates.

Loss carry-forwards for corporation and trade tax purposes can be utilized without restriction by domestic companies having a positive tax base of up to EUR 1 million. In view of the Act to Strengthen Growth Opportunities, Investment and Innovation as well as Tax Simplification and Tax Fairness, which provides for a temporary increase in the recognition of losses, any additional positive tax bases may only be reduced by up to a maximum of 60% by using an existing loss carry-forward for reasons of simplification. In Germany, companies are no longer entitled to deduct interest expenses for taxation purposes if the interest expense exceeds EUR 3 million, if the net interest expense exceeds 30% of taxable earnings before interest, depreciation and amortization and if certain exceptions do not apply. There is no limit to the non-deductible interest expense that may be carried forward as an interest carry-forward and offset in future periods against positive tax interest earnings.

The corporation tax and solidarity surcharge, along with the effects of differences between foreign income tax rates and the tax rate paid by the Group's parent company Otto GmbH & Co. KGaA are reported in the reconciliation table under differences in tax rates between Germany and other countries.

The impact of unrecognized deferred tax or their corrections mainly relate to deferred tax in the amount of EUR 89 million on the loss carry-forwards of domestic and foreign Group companies. In the reporting year, the deferred tax expense was reduced by EUR 1 million due to previously unrecognized tax losses and tax credits or as a result of a previously unrecognized temporary difference from an earlier period (2023/24: EUR 2 million).

The following deferred tax assets and liabilities result from temporary differences and tax loss carry-forwards:

	28.02.2025		29.02.2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	EUR million	EUR million	EUR million	EUR million
Intangible assets	4	306	5	273
Property, plant and equipment and right-of-use assets	40	63	54	73
Inventories	17	9	17	12
Receivables and other assets	19	68	16	59
Securities and financial investments	2	20	4	29
Provisions	172	3	176	12
Liabilities	100	9	96	13
IFRS 5 reclassifications	-2	-229	-5	0
Temporary differences	352	249	363	471
Loss carry-forwards	180	0	135	0
IFRS 5 reclassifications	-138	0	0	0
Loss carry-forwards	42	0	135	0
Offset	-306	-306	-317	-317
IFRS 5 reclassifications	140	140	0	0
Total	228	83	181	154

Other comprehensive income includes tax income from the change in temporary differences for financial instruments in the fair value through other comprehensive income category (FVOCI) in the amount of EUR 0 million (2023/24: tax income of EUR 0 million), tax expenses from the change in temporary differences for cash flow hedge derivatives in the amount of EUR 9 million (2023/24: tax expenses of EUR 6 million) and tax expenses from the change in the temporary differences for provisions for pensions in the amount of EUR 6 million (2023/24: tax income of EUR 19 million).

Deferred tax assets are recognized for tax loss carry-forwards only if it appears sufficiently likely that they can be realized in the near future. In the 2024/25 financial year, no deferred tax assets were utilized for tax loss carry-forwards in the amount of EUR 2,218 million (2023/24: EUR 4,057 million). Of these tax loss carry-forwards, EUR 1,884 million (2023/24: EUR 2,841 million) are for corporate tax loss carry-forwards at German and foreign Group companies as well as EUR 146 million (2023/24: EUR 1,025 million) for trade tax loss carry-forwards of German Group companies. Of these tax loss carry-forwards, EUR 2,216 million (2023/24: EUR 4,056 million) can be carried forward indefinitely; EUR 1,882 million (2023/24: EUR 2,840 million) are for corporate tax loss carry-forwards and EUR 146 million (2023/24: EUR 1,025 million) for trade tax loss carry-forwards. Tax loss carry-forwards in the amount of EUR 1 million (2023/24: EUR 1 million) can be carried over for a period limited to a useful life of up to five years. The EUR 1,856 million decrease in expected unusable loss carry-forwards compared to the previous year is due to the classification of ABOUT YOU Holding SE, Hamburg, as a disposal group in accordance with IFRS 5 (see Note 5c). EUR 920 million of this relates to the corporation tax and EUR 917 million to the trade tax and can be carried forward indefinitely.

The recognition of deferred tax assets for the group of companies consolidated for tax purposes under Otto GmbH & Co. KGaA amounts to EUR 151 million (2023/24: EUR 102 million) and is based on specific forecasting for the tax group. The surplus of deferred tax assets has been recognized in full as of the balance sheet date, as it is assumed that it will be fully usable in subsequent years irrespective of the tax loss incurred in the previous financial year.

The origination and reversal of temporary differences for the current financial year resulted in deferred tax income in the amount of EUR 54 million (2023/24: EUR 79 million).

In the reporting year, an interest carry-forward within the meaning of Section 4h EStG (Income Tax Act) for an amount of EUR 5 million (2023/24: EUR 19 million), which can be carried forward for an unlimited period of time, arose in Germany for which no deferred tax assets were recognized.

For retained profits not intended for dividend payments for foreign Group companies, a deferred tax liability in the amount of EUR 7 million (2023/24: EUR 7 million) was recognized. From today's point of view, retained profits at Group companies are to remain predominantly invested. As a rule, future dividend payments would result in an additional tax expense. Determining the temporary differences subject to tax would involve a disproportionate effort.

The current income taxes are calculated on the basis of the respective national taxable earnings and regulations for the relevant year. In addition, the actual taxes reported in the financial year also include adjustment amounts for any tax payments or refunds for years that have not yet been definitively assessed. However, they do not include interest payments or interest refunds and penalties for tax payments. In the event that amounts reported in tax returns are unlikely to be realized (uncertain tax positions), tax liabilities will be recognized. The amount is calculated based on the best possible estimate of the expected tax payment (expected or most likely value of tax uncertainty). Tax receivables from uncertain tax positions are therefore accounted for when it is very likely and therefore sufficiently certain that they can be realized.

Within the Group, a number of financial years are awaiting definitive tax assessments. The Otto Group has made sufficient provisions for these open tax years. However, the possibility of a demand for tax payments that exceeds the provisions made in the consolidated financial statements cannot be excluded. On the basis of future case law or changes in opinion by the tax authorities, the possibility of tax refunds for previous years cannot be ruled out either.

The Otto Group falls within the scope of global minimum taxation in accordance with OECD model regulations. Decisive for this is the law to guarantee global minimum taxation for corporate Groups (Minimum Tax Act), which ensures the corresponding implementation of the OECD model regulations in Germany. The provisions of the Minimum Tax Act apply to the Otto Group for the first time in the 2024/25 financial year.

This Minimum Tax Act requires the Otto Group to pay additional tax per country in which it does business in the amount of the difference between the individual effective tax rate and the minimum tax rate of 15 percent. In this regard, these additional taxes can be incurred either at the level of the respective countries and at the level of certain parent companies or at the level of the ultimate parent company. For the Otto Group, the ultimate parent company within the meaning of the Minimum Tax Act is Michael Otto Stiftung. Otto GmbH & Co. KGaA itself is not required to make any tax declaration or accept tax payment obligations in Germany based on the regulations in regard to the minimum tax group, but it has a statutory compensation obligation toward Michael Otto Stiftung for primary supplementary taxes payable by the latter.

In the 2024/25 financial year, the Otto Group's business activities in North Macedonia, Bulgaria, and Hong Kong are subject to minimum taxation, as the individual effective tax rate in each of these countries is below 15 percent. The Otto Group recognizes a total current tax expense of EUR 2 million in the 2024/25 financial year. This current tax expense is mainly attributable to the compensation obligation of Otto GmbH & Co. KGaA with regard to the primary supplementary tax payable by Michael Otto Stiftung for Hong Kong.

In January 2025, Hong Kong introduced tax legislation in the Legislative Council to introduce a national supplementary tax, which is to come into force for financial years starting on 1 January 2025. As a result, from the 2025/26 financial year onwards, the Group companies in Hong Kong will presumably be obliged to pay supplementary taxes in relation to local business activities instead of Michael Otto Stiftung.



Notes to the Consolidated Balance Sheet

14 Intangible assets

Intangible assets developed as follows:

	Internally-generated intangible assets	Purchased intangible assets	Goodwill	Advance payments and intangible assets under development	Total
	EUR million	EUR million	EUR million	EUR million	EUR million
As of 1 March 2024	641	1,547	1,600	113	3,901
Additions	16	17	0	81	114
Disposals	-3	-40	-16	-1	-60
Reclassifications	50	8	0	-58	0
IFRS 5 reclassifications	-109	-984	-250	-60	-1,403
Foreign currency translation	11	3	7	1	22
Historical cost as of 28 February 2025	606	551	1,341	76	2,574
As of 1 March 2024	-517	-902	-128	0	-1,547
Disposals	3	39	16	0	58
Depreciation and amortization	-67	-89	0	0	-156
Impairment losses	-1	-16	0	0	-17
Reversals of impairment losses	0	156	0	0	156
IFRS 5 reclassifications	86	362	0	0	448
Foreign currency translation	-7	-2	-1	0	-10
Accumulated depreciation, amortization and impairments as of 28 February 2025	-503	-452	-113	0	-1,068
Carrying amount as of 28 February 2025	103	99	1,228	76	1,506



	Internally-generated intangible assets	Purchased intangible assets	Goodwill	Advance payments and intangible assets under development	Total
	EUR million	EUR million	EUR million	EUR million	EUR million
As of 1 March 2023	626	1,550	1,546	84	3,806
Changes in the scope of consolidation	0	19	68	0	87
Additions	15	15	0	108	138
Disposals	-70	-39	0	-3	-112
Reclassifications	73	3	0	-76	0
IFRS 5 reclassifications	0	-3	-12	0	-15
Foreign currency translation	-3	2	-2	0	-3
Historical cost as of 29 February 2024	641	1,547	1,600	113	3,901
As of 1 March 2023	-506	-627	-139	0	-1,272
Changes in the scope of consolidation	0	-6	-3	0	-9
Disposals	72	39	0	0	111
Depreciation and amortization	-66	-133	0	0	-199
Impairment losses	-20	-176	0	0	-196
IFRS 5 reclassifications	0	3	12	0	15
Foreign currency translation	3	-2	2	0	3
Accumulated depreciation, amortization and impairments as of 29 February 2024	-517	-902	-128	0	-1,547
Carrying amount as of 29 February 2024	124	645	1,472	113	2,354

Advance payments and intangible assets under development consist of EUR 51 million (29 February 2024: EUR 35 million) for advance payments and EUR 25 million (29 February 2024: EUR 78 million) for internally-generated intangible assets that are still in development.

The goodwill recognized in intangible assets is allocated to the cash-generating units or groups of cash-generating units as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Platforms	757	1,006
Brand Concepts	169	161
Retailers	11	11
Services	70	70
Various cash-generating units in the EOS Group	103	103
Digital Health	118	121
Goodwill recognized under intangible assets	1,228	1,472

In the 2024/25 financial year, there were impairment losses on derivative goodwill in the amount of EUR 96 million (2023/24: EUR 0 million). In the course of the intended sale of the shares in ABOUT YOU Holding SE, Hamburg, part of the derivative goodwill reported in the Platforms segment was reclassified to assets held for sale due to their classification in accordance with IFRS 5. As part of the subsequent valuation in accordance with IFRS 5, an impairment requirement was recognized on the reclassified portion of the derivative goodwill based on the fair value (see Note 5c).

The estimated recoverable amount of the Digital Health cash-generating unit is EUR 18 million above the carrying amount of the cash-generating unit. Possible changes in three key assumptions could result in the carrying amount of the Digital Health cash-generating unit exceeding the recoverable amount of it. These key assumptions are the free cash flow margin (after tax) in terminal value where free cash flows (after tax) are set in relation to revenue, the capitalization rate used to discount future cash flows and the growth factor after the end of the forecast horizon. The recoverable amount would correspond to the carrying amount of the Digital Health cash-generating unit if the free cash flow margin (after tax) of 18.8% in terminal value were to be reduced by 2.0 percentage points, the capitalization rate used to discount future cash flows were to be increased by 0.6 percentage points, or the growth factor after the end of the forecast horizon were to be reduced by 1.2 percentage points. Corresponding sensitivity analyses for the other cash-generating units or groups of cash-generating units reveal that there would be no impairment of goodwill in the event of any adjustments to the key assumptions. The sensitivity analyses each take into account a change in one key assumption, with the other assumptions remaining unchanged.



The following table shows the parameters of the impairment tests:

	Projection horizon in years		Terminal value growth rate in percent		Capitalization rate in percent	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Platforms	5	5	1.00	1.00	9.03	9.33
Brand Concepts	3	3	1.00	1.00	9.96	9.91
Retailers	5	5	1.00	1.00	9.31	9.12
Services	5	3	1.00	1.00	7.68	7.95
Various cash-generating units in the EOS Group	3	3	0.50-1.00	0.50-1.00	9.11-12.35	8.89-12.34
Digital Health	5	3	1.50	1.00	11.02	10.95

For the Digital Health cash-generating unit, the 5-year planning calculation was extended by two additional periods in the 2024/25 financial year. In the additional periods, the necessary adjustment years for the transfer to terminal value were technically modeled.



15 Property, plant and equipment

Property, plant and equipment developed as follows:

	Land, land rights and buildings	Technical plant and machinery	Other plants, operating and office equipment	Advance payments and assets under construction	Total
	EUR million	EUR million	EUR million	EUR million	EUR million
As of 1 March 2024	1,494	531	688	513	3,226
Additions	20	28	69	23	140
Disposals	-20	-60	-46	-2	-128
Reclassifications	261	113	8	-382	0
IFRS 5 reclassifications	0	0	-13	0	-13
Foreign currency translation	23	4	11	7	45
Historical cost as of 28 February 2025	1,778	616	717	159	3,270
As of 1 March 2024	-849	-321	-457	0	-1,627
Disposals	14	57	43	0	114
Depreciation and amortization	-54	-30	-51	0	-135
Impairment losses	-3	-10	-2	0	-15
IFRS 5 reclassifications	0	0	8	0	8
Foreign currency translation	-18	-1	-6	0	-25
Accumulated depreciation, amortization and impairments as of 28 February 2025	-910	-305	-465	0	-1,680
Carrying amount as of 28 February 2025	868	311	252	159	1,590



	Land, land rights and buildings	Technical plant and machinery	Other plants, operating and office equipment	Advance payments and assets under construction	Total
	EUR million	EUR million	EUR million	EUR million	EUR million
As of 1 March 2023	1,481	495	665	451	3,092
Changes in the scope of consolidation	-17	0	0	0	-17
Additions	37	24	59	160	280
Disposals	-35	-31	-50	-1	-117
Reclassifications	50	45	30	-119	6
IFRS 5 reclassifications	-11	0	-11	0	-22
Foreign currency translation	-11	-2	-5	22	4
Historical cost as of 29 February 2024	1,494	531	688	513	3,226
As of 1 March 2023	-873	-321	-463	0	-1,657
Changes in the scope of consolidation	17	2	0	0	19
Disposals	33	29	46	0	108
Depreciation and amortization	-46	-22	-50	0	-118
Impairment losses	0	-6	0	0	-6
Reclassifications	0	-4	0	0	-4
IFRS 5 reclassifications	10	0	7	0	17
Foreign currency translation	10	1	3	0	14
Accumulated depreciation, amortization and impairments as of 29 February 2024	-849	-321	-457	0	-1,627
Carrying amount as of 29 February 2024	645	210	231	513	1,599

Contractual obligations for the acquisition of property, plant and equipment (purchase commitments) amount to EUR 9 million (29 February 2024: EUR 9 million).



16 Right-of-use assets

Right-of-use assets developed as follows:

	Land, land rights and buildings	Technical plant and machinery	Other plants, operating and office equipment	Total
	EUR million	EUR million	EUR million	EUR million
As of 1 March 2024	1,628	35	32	1,695
Additions	224	1	7	232
Disposals	-134	-11	-17	-162
IFRS 5 reclassifications	-165	0	0	-165
Foreign currency translation	35	0	0	35
Historical cost as of 28 February 2025	1,588	25	22	1,635
As of 1 March 2024	-750	-19	-18	-787
Disposals	99	11	10	120
Depreciation and amortization	-193	-4	-5	-202
Impairment losses	-21	0	0	-21
IFRS 5 reclassifications	75	0	0	75
Foreign currency translation	-17	0	0	-17
Accumulated depreciation, amortization and impairments as of 28 February 2025	-807	-12	-13	-832
Carrying amount as of 28 February 2025	781	13	9	803

	Land, land rights and buildings	Technical plant and machinery	Other plants, operating and office equipment	Total
	EUR million	EUR million	EUR million	EUR million
As of 1 March 2023	1,593	43	34	1,670
Changes in the scope of consolidation	2	0	0	2
Additions	167	1	7	175
Disposals	-79	-1	-8	-88
Reclassifications	0	-6	0	-6
IFRS 5 reclassifications	-41	-2	-1	-44
Foreign currency translation	-13	0	0	-13
Historical cost as of 29 February 2024	1,629	35	32	1,696
As of 1 March 2023	-637	-21	-17	-675
Disposals	50	2	7	59
Depreciation and amortization	-199	-5	-8	-212
Reclassifications	0	4	0	4
IFRS 5 reclassifications	30	1	0	31
Foreign currency translation	6	0	0	6
Accumulated depreciation, amortization and impairments as of 29 February 2024	-750	-19	-18	-787
Carrying amount as of 29 February 2024	879	16	14	909



17 Investments in associated companies, joint ventures and other financial investments

As of the 2020/21 financial year, Hermes Germany GmbH, Hamburg, has been a significant associated company. On 30 November 2020, the Otto Group relinquished control of the previously fully consolidated company, including control of its subsidiaries. Since then, they have been included in the consolidated financial statements based on a shareholding of 75.00% calculated using the equity method. Hermes Germany GmbH is mainly involved in the parcel distribution business.

The key figures for the significant associated company Hermes Germany GmbH and its subsidiaries are as follows (based on 100%):

	28.02.2025	29.02.2024
	EUR million	EUR million
Non-current assets	295	317
Current assets	150	215
Non-current liabilities	308	314
Current liabilities	391	241
Net assets*	-254	-23
Proportional equity (calculated)	-190	-17
Difference allocated to individually identifiable assets and liabilities and resulting from transitional consolidation in FY 2020/21 after deferred tax (before depreciation)	39	39
Accumulated depreciation allocated to individually identifiable assets and liabilities resulting from transitional consolidation in FY 2020/21 after deferred tax	-16	-12
Negative difference allocated to goodwill and resulting from transitional consolidation in the 2020/21 financial year	1	1
Recognition of pro rata losses in the loan as part of the net investment in accordance with IAS 28.38	-93	0
Recognition of pro rata losses as an additional obligation in accordance with IAS 28.39	-73	0
Group's share of carrying amount	0	11

	2024/25	2023/24
	EUR million	EUR million
Revenue	1,612	1,579
Loss for the year**	-231	-63
Adjustment of the interim profit from the sale of the Supply Chain Solutions operation	0	-75
Loss for the year (after adjusting the interim result in the previous year)*	-231	-138
Other comprehensive income for the year	0	-3
Total comprehensive income for the year	-231	-141
Loss for the year recognized in income (loss) from equity investments attributable to Group	-177	-104

* After adjustment of interim results

** Including depreciation in the amount of EUR 4 million (2023/24: EUR 4 million) for the difference attributable to individually identifiable assets and liabilities from the transitional consolidation in the 2020/21 financial year

The carrying amount of the share in the Group has been reduced to zero due to the continued recognition of losses. Further losses were recognized via the loan receivable from Hermes Germany GmbH classified as part of the net investment. In addition, a deferred income item was recognized in other liabilities for the losses that exceed the loan receivables due to a legal obligation.

On 23 August 2024, the shares in Evri Limited (until 15 May 2024 Hermes Parcel-net Limited), Leeds, UK, and its subsidiaries were sold. Until the disposal of the shares, the companies were included in the consolidated financial statements based on a shareholding of 25.00% calculated using the equity method. Evri Limited and its subsidiaries are involved in parcel distribution business in the United Kingdom.

The key figures for the significant associated company Evri Limited and its subsidiaries are as follows (based on 100%):

	29.02.2024
	EUR million
Non-current assets	1,278
Current assets	303
Non-current liabilities	1,611
Current liabilities	398
Net assets	-428
Group's share of carrying amount	0

	2024/25	2023/24
	EUR million	EUR million
Revenue	1,016	1,948
Profit/loss for the year	23	-24
Other comprehensive income for the year	-7	68
Total comprehensive income for the year	16	44
Profit/loss for the year recognized in income (loss) from equity investments attributable to the Otto Group	82	0

The net assets were negative at the time of the disposal of the shares and in the 2023/24 financial year. For dividends paid in previous years that exceeded the carrying amount of the share, a deferred item was recognized in other liabilities for the excess amount. At the time of the disposal of the shares, the deferred income item was released to income and reported in the amount of EUR 82 million in the income (loss) from equity investments. The sale also resulted in a gain of EUR 354 million, which is reported in the other net financial result.

The shares in COFIDIS PARTICIPATIONS, Villeneuve-d'Ascq, France, and its subsidiaries were sold at the end of the 2023/24 financial year. Until the sale, they were included in the consolidated financial statements using the equity method with a shareholding of 20.00% and therefore represented a significant associated company. These associated companies have a different reporting date of 31 December, which corresponds to the reporting date of their parent company. The companies operate within the financial services sector, particularly in the sector of consumer credit.

COFIDIS PARTICIPATIONS, Villeneuve-d'Ascq, France, and its subsidiaries had the following key figures (based on 100%) in the previous year:

	2023/24
	EUR million
Revenue	2,043
Profit for the year	103
Other comprehensive income for the year	-28
Total comprehensive income for the year	75
thereof, attributable to Group	15
Dividends received by the Group	0

For the other associated companies and joint ventures that are individually insignificant for the Group and that have been accounted for in the consolidated financial statements of the Otto Group using the equity method, the key figures (based on 100%) are as follows:

	28.02.2025		29.02.2024	
	Joint ventures	Associates	Joint ventures	Associates
	EUR million	EUR million	EUR million	EUR million
Carrying amount of the investment	26	459	24	425

	2024/25		2023/24	
	Joint ventures	Associates	Joint ventures	Associates
	EUR million	EUR million	EUR million	EUR million
Loss/Profit for the year	5	41	-13	18
Other comprehensive income for the year	0	0	0	0
Total comprehensive income for the year	5	41	-13	18

The recoverability of the carrying amount of investments in associated companies and joint ventures that have been accounted for using the equity method will be reviewed if there is any indication of impairment. If the carrying amount of a shareholding exceeds its recoverable amount, an impairment amounting to the difference between the two amounts should be recorded.

Shares held in companies that are not consolidated or accounted for using the equity method and financial instruments included under other financial investments are measured as of the balance sheet date at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL) in accordance with IFRS 9.

	28.02.2025	29.02.2024
	EUR million	EUR million
Fair Value, FVOCI	195	209
Fair Value, FVPL	84	78
Other financial investments	279	287

For further information on other financial investments, please refer to Note 36a.

18 Inventories

Inventories mainly include merchandise in the amount of EUR 1,438 million (29 February 2024: EUR 2,030 million). Moreover, inventories include acquired properties intended for resale in the amount of EUR 317 million (29 February 2024: EUR 289 million), which are allocated to the Financial Services segment.

Allowances due to marketability discounts were recognized in the amount of EUR 245 million (29 February 2024: EUR 256 million). The allowance discount for gross inventories as a result of this was 12.12% (29 February 2024: 9.84%).

19 Trade receivables and receivables from financial services

These receivables are composed as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Trade receivables, gross	996	1,068
Allowances on trade receivables	-97	-114
Trade receivables	899	954
Receivables from financial services, gross	2,756	2,617
Allowances on receivables from financial services and fair value adjustments IFRS 9	-92	-93
Receivables from financial services	2,664	2,524

Receivables from financial services include, in particular, receivables purchased from third parties in the amount of EUR 2,571 million (29 February 2024: EUR 2,404 million). This also includes receivables from bridge financing in the amount of EUR 72 million (29 February 2024: EUR 99 million). Receivables from financial services in the previous year were adjusted by the EUR 99 million from bridge loans provided by the EOS Group and previously reported under other assets with the corresponding maturities and the valuation allowances shown below (see Note 21). In the Financial Services segment, the Otto Group invests in bridge loans in the area of performing loans. This involves the granting of short- to medium-term loans secured by real estate, for which no relevant valuation allowances had to be recognized to date.

The remaining terms of receivables are as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
Trade receivables	767	132	0	899
Receivables from financial services	806	1,315	543	2,664
Remaining terms of receivables as of 28 February 2025	1,573	1,447	543	3,563
Trade receivables	817	137	0	954
Receivables from financial services	749	1,245	530	2,524
Remaining terms of receivables as of 29 February 2024	1,566	1,382	530	3,478



Allowances recognized on existing trade receivables developed as follows:

	2024/25	2023/24
	EUR million	EUR million
As of 1 March	114	131
Foreign exchange rate changes	1	0
IFRS 5 reclassifications	-1	-2
Utilisation	-81	-106
Reversals	-32	-14
Additions	96	105
Allowances on trade receivables as of 28/29 February	97	114

The allowances recognized for current receivables from financial services developed in detail as follows:

	2024/25	2023/24
	EUR million	EUR million
As of 1 March	93	95
Foreign exchange rate changes	4	-14
Changes to the scope of consolidation	9	9
Utilisation	-47	-13
Reversals	-1	0
Additions	38	19
Fair Value adjustments IFRS 9	-4	-3
Allowances on receivables from financial services as of 28/29 February	92	93

The default risk from trade receivables is primarily assessed on the basis of arrears information. The gross carrying amounts and allowances as well as the default risk rates are broken down into the relevant arrears bands as follows:

	Not overdue	Overdue up to 30 days	Overdue for more than 30 and up to 90 days	Overdue for more than 90 days	28.02.2025
	EUR million	EUR million	EUR million	EUR million	EUR million
Receivables, gross	764	78	50	48	940
Allowances ECL	-24	-5	-7	-25	-61
Receivables not credit-impaired	740	73	43	23	879
Receivables, gross	0	0	0	56	56
Specific allowances	0	0	0	-36	-36
Receivables credit-impaired	0	0	0	20	20
Carrying amount receivables	740	73	43	43	899
Receivables, gross	764	78	50	104	996
Allowances ECL and specific allowances	-24	-5	-7	-61	-97
Default risk rate	3.08%	6.66%	14.30%	58.80%	9.70%

Allowances for ECL (expected credit losses) are general allowances on the basis of the anticipated probability of default. By contrast, specific allowances for single value adjustments are based on borrower performance disruptions that have actually occurred.



The gross carrying amounts and allowances as well as the default rates for the comparative period were broken down into the relevant arrears bands as follows:

	Not overdue	Overdue up to 30 days	Overdue for more than 30 and up to 90 days	Overdue for more than 90 days	29.02.2024
	EUR million	EUR million	EUR million	EUR million	EUR million
Receivables, gross	757	85	46	100	988
Allowances ECL	-32	-4	-10	-26	-72
Receivables not credit-impaired	725	81	36	74	916
Receivables, gross	0	0	0	80	80
Specific allowances	0	0	0	-42	-42
Receivables credit-impaired	0	0	0	38	38
Carrying amount receivables	725	81	36	112	954
Receivables, gross	757	85	46	180	1,068
Allowances ECL and specific allowances	-32	-4	-10	-68	-114
Default risk rate	4.18%	4.54%	21.07%	38.09%	10.65%

The gross carrying amounts and allowances as well as the default risk rates of receivables from financial services in the Platforms segment as of 28 February 2025 are broken down into the relevant arrears bands as follows:

	Not overdue	Overdue up to 30 days	Overdue for more than 30 and up to 90 days	Overdue for more than 90 days	28.02.2025
	EUR million	EUR million	EUR million	EUR million	EUR million
Receivables, gross	199	17	15	2	233
Allowances ECL	-4	-1	-2	-1	-8
Receivables not credit-impaired	195	16	13	1	225
Receivables, gross	0	0	0	3	3
Specific allowances	0	0	0	-3	-3
Receivables credit-impaired	0	0	0	0	0
Carrying amount receivables	195	16	13	1	225
Receivables, gross	199	17	15	5	236
Allowances ECL and specific allowances	-4	-1	-2	-4	-11
Default risk rate	1.93%	5.76%	13.41%	80.14%	4.58%

Within the Platforms segment, there are receivables from financial services consisting of payment services, of which the default risk is determined analogously to the default risk of trade receivables on the basis of past arrears information. Receivables from financial services in the Platforms segment relate to payment claims from genuine factoring of marketplace transactions by marketplace partners on the Otto GmbH & Co. KGaA e-commerce platform. These are not performance-impaired at the time of acquisition.



The default risk of receivables from financial services as of the reporting date of the comparative period was as follows:

	Not overdue	Overdue up to 30 days	Overdue for more than 30 and up to 90 days	Overdue for more than 90 days	29.02.2024
	EUR million	EUR million	EUR million	EUR million	EUR million
Receivables, gross	114	8	10	11	143
Allowances ECL	-1	0	-1	0	-2
Receivables not credit-impaired	113	8	9	11	141
Receivables, gross	0	0	0	1	1
Specific allowances	0	0	0	-1	-1
Receivables credit-impaired	0	0	0	0	0
Carrying amount receivables	113	8	9	11	141
Receivables, gross	114	8	10	12	144
Allowances ECL and specific allowances	-1	0	-1	-1	-3
Default risk rate	0.91%	3.60%	11.81%	8.06%	2.42%

20 Receivables from related parties

Receivables from related parties are composed as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Receivables from non-consolidated companies	0	0
Receivables from associated companies and joint ventures	37	88
Receivables from other related parties	17	26
Receivables from related parties	54	114

Receivables from related parties mainly result from receivables from offsetting and, as in the previous year, from offsetting receivables.



The detailed value allowances recognized on existing receivables from related parties changed as follows:

	2024/25	2023/24
	EUR million	EUR million
As of 1 March	0	5
Disposals	0	-5
Additions	1	0
Allowances as of 28/29 February	1	0

Remaining terms as of balance sheet date are as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Remaining term of up to 1 year	38	74
Remaining term of 1 to 5 years	4	6
Remaining term of more than 5 years	12	34
Receivables from related parties	54	114

21 Other assets

Other assets consist of the following:

	28.02.2025	29.02.2024
	EUR million	EUR million
Financial receivables from purchase price receivables and co-investments	61	526
Factoring deduction for expected returns	59	66
Positive fair values (interest rate and currency derivatives)	49	32
Amounts owed by suppliers	14	37
Receivables from employees	3	4
Deposits	2	2
Other	146	200
Other financial assets	334	867
Receivables from other taxes	254	182
Deferred income	92	94
Expected returns of merchandise	54	103
Defined plan assets	45	42
Other	40	37
Miscellaneous other assets	485	458
Other assets	819	1,325

The bridge loans granted by the EOS Group have been reclassified retrospectively for the previous year from financial receivables due to purchase price receivables and co-investments to receivables from financial services (see Note 19) with the corresponding maturity.

On 29 February 2024, there is a purchase price receivable, settled in the reporting year, from the sale of shares in COFIDIS PARTICIPATIONS, Villeneuve d'Ascq, France, in the amount of EUR 441 million, which is reported under other financial assets in the previous year.

The claim for surrender of goods from expected returns in the amount of EUR 54 million (29 February 2024: EUR 103 million) corresponds to the acquisition costs of the delivered merchandise expected to be returned, less the cost of processing the returns and any losses incurred during disposal.

The remaining terms of other financial assets are broken down as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
Balance as of 28 February 2025	272	48	14	334
Balance as of 29 February 2024	791	60	16	867

For other assets, allowances in the amount of EUR 17 million were set up (29 February 2024: EUR 27 million).

22 Equity

An essential objective of the Otto Group's capital management is to ensure the sustained availability of long-term capital. The main control measure used here is the debt to equity ratio (net financial debt relative to Group equity). Changes in the Otto Group's equity are presented in the statement of changes in equity.

a Subscribed capital

The share capital of Otto GmbH & Co. KGaA in the amount of EUR 1,180 million (29 February 2024: EUR 1,180 million) is divided into 1,179,795,918 no-par value shares (29 February 2024: 1,179,795,918), which are issued in the name.

b Consolidated retained earnings

Consolidated retained earnings in equity mainly include the profit or loss generated by the Group in previous periods, to the extent that these amounts have not been distributed. Due to legal requirements, EUR 53 million (29 February 2024: EUR 49 million) of the consolidated retained earnings in Group equity had not been made available for distribution on 28 February 2025.

c Adjustment item for step acquisitions and partial disposals

The adjustment item contains differences arising from the step acquisition of shares in companies in which the Otto Group already had the power of control and from partial disposals. Such acquisitions are to be treated as transactions at partner level.

	28.02.2025	29.02.2024
	EUR million	EUR million
Consideration paid (–) or received (+)	0	–2
Increase (–)/decrease (+) in non-controlling interests	–10	–6
Effects from step acquisitions and partial disposals	–10	–8

d Non-controlling interests

On 28 February 2025, the non-controlling interests in equity primarily relate to external shareholders in ARGOSYN, Croix, France, including its subsidiaries, based on a non-controlling interest of 46.32%, and to external shareholders in FORUM Grundstücksgesellschaft m.b.H., Hamburg, based on a non-controlling interest of 100%, including its subsidiaries, and to external shareholders of ABOUT YOU Holding SE, Hamburg, with a consolidation-relevant interest of 60.37%, and its subsidiaries.

The summarized financial information for the Argosyn Group, the Forum Group and the About You Group (based on 100%, before offsetting within the Group) is presented below. However, the values for the About You Group also include fair value adjustments (including deferred tax) calculated at the time of acquisition and the corresponding subsequent recognition. This resulted in a revaluation of EUR 156 million in the About You Group in the 2024/25 financial year on assets previously subject to impairment. In the previous year, an impairment loss of EUR 175 million was recognized.

On 1 March 2023, the non-controlling interests in equity were largely attributable to the external shareholders of GSV Aktiengesellschaft für Beteiligungen, Hamburg, which in turn held shares in the former Otto (GmbH & Co KG), Hamburg, and its subsidiaries. The indirect share of Otto GmbH & Co. KGaA in the former Otto (GmbH & Co KG) amounted to 15.16% (taking into account treasury shares held by GSV Aktiengesellschaft für Beteiligungen). In the 2023/24 financial year, the shareholders of GSV Aktiengesellschaft für Beteiligungen contributed their shares in exchange for newly issued shares in Otto GmbH & Co. KGaA. GSV Aktiengesellschaft für Beteiligungen was merged with Otto GmbH & Co. KGaA with retroactive effect on 1 March 2023. As a result of this restructuring under company law, Otto GmbH & Co. KGaA directly held 100% of the former Otto (GmbH & Co KG). These transactions were recognized directly in equity. In the statement of changes in equity, the corresponding effects are shown within the capital increase transaction. In addition to the increase in the subscribed capital of Otto GmbH & Co. KGaA and the derecognition of the non-controlling interests, the historical allocation to the non-controlling interests was reversed for the other comprehensive income item. The adjustment item for step acquisitions and partial disposals formed for earlier transactions at the level above the former Otto (GmbH & Co KG) was reversed and recognized in the Group equity generated.



	Forum Group*		Argosyn Group		About You Group	
	28.02.2025	29.02.2024	28.02.2025	29.02.2024	28.02.2025	29.02.2024
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Non-current assets	431	430	0	1	876	798
Current assets	2	21	55	475	779	888
Non-current liabilities	121	131	0	1	169	202
Current liabilities	57	53	9	4	734	740
Net assets	255	267	46	471	752	744
thereof, attributable to non-controlling interests	255	266	21	218	454	447
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Revenue***	0	0	7	8	2,002	1,935
Profit/loss for the year	18	27	7	13	-9	-344
thereof, attributable to non-controlling interests	18	27	3	6	-5	-204
Other comprehensive income for the year	-2	-2	-2	2	0	0
Total comprehensive income for the year	16	25	5	15	-9	-344
thereof, attributable to non-controlling interests	16	25	2	7	-5	-204
Net increase/decrease in cash and cash equivalents	0	0	25	-12	-10	-41
Dividends paid to non-controlling interests**	28	0	199	8	0	0

* A wholly owned subsidiary of Otto GmbH & Co. KGaA holds 1% of the shares in a subsidiary of FORUM Grundstücksgesellschaft m.b.H.

** The shareholders of the Forum Group are OTTO Grundstücksbeteiligungsgesellschaft m.b.H. and GSV Grundstücksbeteiligungsgesellschaft m.b.H., which were consolidated as pure holding companies in the consolidated financial statements of Otto GmbH & Co. KGaA with non-controlling interests of 100% each until 28 February 2025 due to the identity of persons on the Executive Board (see Note 4). The dividends shown involve the dividends of the two holding companies to non-controlling interests.

*** The stated revenue of the About You Group includes revenue with Group companies of the Otto Group. This revenue is eliminated in the consolidation of expenses and income.



e Publicly-listed equity and participation certificates

Publicly listed equity includes a subordinate bond with an outstanding nominal volume in the amount of EUR 248 million placed on the Luxembourg Stock Exchange in July 2018 (29 February 2024: EUR 248 million).

EOS Holding GmbH, Hamburg, has issued participation certificates that must be classified as equity in accordance with IAS 32 due to their structure. On 28 February 2025, participation certificates with a nominal volume of EUR 30 million remain outstanding (29 February 2024: EUR 30 million).

Also included in this item on 28 February 2025, is the as-yet unpaid remuneration for the aforementioned equity components in the amount of EUR 6 million (29 February 2024: EUR 6 million).

23 Profit and loss participation rights

The Otto Group offers employees at selected Group companies in Germany a capital participation plan in the form of participation rights. Each employee at these companies has the option of buying a package with up to 20 profit and loss participation rights at a par value of EUR 250.00 each. Under the terms and conditions governing profit and loss participation rights in January 2022, these rights share in all Group profits and losses of the Otto Group based on the IFRS consolidated financial statements of Otto GmbH & Co. KGaA. However, in some cases the loss allocation is limited to 30% of the par value of the profit and loss participation rights. As a rule, these rights packages must be held for at least six years and are therefore recognized as non-current rights and accounted for on a pro rata basis over this period.

On 28 February 2025, 29,227 packages were subscribed with a value of EUR 22 million (29 February 2024: 30,174 packages with a value of EUR 25 million).

24 Provisions for pensions and similar obligations

Occupational pensions in the Group take the form of both defined contribution plans as well as defined benefit plans. Expenses for defined contribution pension plans to external pension funds amount to EUR 7 million in the 2024/25 financial year (2023/24: EUR 7 million). There are no further obligations to pension beneficiaries.

The principal defined benefit pension plans are in place at the Otto Group companies domiciled in Germany and the United Kingdom, whereby the existing plan assets are mainly attributable to the Group companies in the UK. The plan assets serve only to fulfill the benefit obligations. The underpinning of these benefit obligations with cash and cash equivalents represents a reserve for future cash outflows. The plan assets are invested and managed by an independent trustee. The overriding investment policy and investment strategy are based on the aim of generating a yield from the plan assets which, together with the contributions, is sufficient to meet the benefit obligations. The pension payments are to a large extent legally secured against the consequences of an insolvency. For this purpose, annual contributions are made to the Pension Protection Fund.

Due to the shortfall in the previous year (29 February 2024: EUR 3 million), for which no additional liability was recognized for balancing, the Group companies in the UK had undertaken to make regular endowments to make up the shortfall in the long term. This measure was implemented, meaning that the technical funding is now complete and there is no longer a shortfall. In the United Kingdom, the independent trustee is entitled to have a portion of the pension plan secured via further funding. The probability of this right being exercised has been classified as very low.

Calculation of the provisions for pensions for the defined benefit plans is on the basis of actuarial assumptions, pursuant to IAS 19. Measurement is based on the following weighted assumptions:

	2024/25	2023/24
	in %	in %
Discount rate	3.9	3.8
Salary trend	1.4	1.5
Pension trend	2.1	2.2
Inflation	2.2	2.3
Fluctuation	8.0	8.0

The present value of pension obligations is broken down as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Defined benefit obligation, unfunded plans	1,254	1,226
Defined benefit obligation, funded plans	431	435
IFRS 5 reclassifications	0	-1
Present value of pension obligations	1,685	1,660



The net defined benefit liability has developed as follows:

	Defined benefit obligations		Plan assets		Provisions for pensions	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
As of 1 March	1,660	1,566	546	535	1,114	1,031
Current service cost	13	14	0	0	13	14
Past service cost	16	15	0	0	16	15
Effects of plan curtailments and settlements	0	0	0	0	0	0
Interest income (expense)	62	61	25	25	37	36
Changes recognized in profit or loss	91	90	25	25	66	65
Actuarial gains and losses						
-arising from demographic assumptions	-3	-6	0	0	-3	-6
-arising on financial assumptions	-28	51	0	0	-28	51
-arising on experience adjustments	18	10	0	0	18	10
Expense for / return on plan assets less interest income	0	0	-25	-22	25	22
Foreign exchange rate changes	17	12	18	12	-1	0
Changes recognized in other comprehensive income	4	67	-7	-10	11	77
Payments to beneficiaries	-71	-64	-33	-28	-38	-36
Transfers	1	0	0	0	1	0
Contributions from employer	0	0	21	24	-21	-24
Changes to the scope of consolidation	0	2	0	0	0	2
IFRS 5 reclassifications	0	-1	0	0	0	-1
Other changes	-70	-63	-12	-4	-58	-59
As of 28/29 February	1,685	1,660	552	546	1,133	1,114
thereof, provisions for pensions					1,178	1,156
thereof, net defined benefit asset					-45	-42

Plan assets available to finance pension obligations are structured as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Securities	377	373
Cash and cash equivalents	19	11
Property	7	7
Other	149	155
Plan assets	552	546

The costs of managing the plan assets diminish the income for the plan assets. The remaining administrative costs are not deducted from the income from plan assets.

During the 2025/26 financial year, the Group expects to pay contributions in the amount of EUR 5 million into the defined benefit plans and also anticipates that EUR 18 million will be paid out from these plans.

The weighted average term of the present value of the defined benefit obligation is 14.7 years (29 February 2024: 15.2 years).

The relative effect of singular parameter changes on the present value of the defined benefit obligation is shown below:

	2024/25	2023/24
	in %	in %
Discount rate +0,5%	-6.7	-6.9
Discount rate -0,5%	7.5	7.8
Pension trend +0,25%	1.4	1.6
Pension trend -0,25%	-1.6	-1.6
Life expectancy + 1 year	1.4	1.0
Life expectancy - 1 year	-2.0	-1.4

There is no material dependence of the plans on salary. Sensitivity was calculated taking into account approximately 99% of the total obligations. Each change in one of the material actuarial assumptions was analysed separately. Interdependencies were not taken into account.



25 Other provisions

Other provisions as of 28 February 2025 are composed as follows:

	01.03.2024	Exchange rate effects/ changes to the scope of consolidation	Utilization	Reversals	Additions	Compounding/ discounting	IFRS 5 reclassification	28.02.2025
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Restructuring obligations	20	0	-12	-11	53	0	0	50
Personnel expenses	51	0	-5	-2	4	1	0	49
Operational provisions	24	0	-2	-1	14	1	0	36
Contractual provisions	5	0	-1	-1	14	0	-2	15
Other	64	0	-20	-4	86	0	0	126
Other provisions	164	0	-40	-19	171	2	-2	276

They had the following composition on the reporting date of the comparative period:

	01.03.2023	Exchange rate effects/ changes to the scope of consolidation	Utilization	Reversals	Additions	Compounding/ discounting	29.02.2024
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Personnel expenses	49	1	-5	-2	5	3	51
Operational provisions	26	0	-1	-5	4	0	24
Restructuring obligations	27	0	-2	-17	12	0	20
Contractual provisions	6	0	0	-1	0	0	5
Other	59	0	-7	-21	33	0	64
Other provisions	167	1	-15	-46	54	3	164

Reported in the provisions for restructuring obligations are severance pay commitments and other personnel expenses incurred as part of restructuring measures initiated primarily in Germany during the 2024/25 financial year. In the previous year, the restructuring measures introduced largely affected Group companies in Germany and Belgium.

Operational provisions mostly consist of provisions for asset removal or site restoration as well as provisions for claims relating to warranties and customer goodwill payments. Provisions for asset removal and site restoration, which apply especially to leasehold improvements, were recognized at the present value of the anticipated costs. These costs were correspondingly capitalized as a component of the purchase or production costs of the assets in property, plant, and equipment at the time the obligation was incurred. Provisions for warranties and customer goodwill payments are recognized for the probable total claim amounts, for warranties established by law or contract or undertaken voluntarily, and for customer warranty claims on delivered merchandise.

The provisions for personnel expenses mainly comprise top-up amounts for partial retirement obligations as well as anniversary bonus entitlements.

Obligations arising from ongoing or anticipated legal disputes are reported under contractual provisions, among others.

The other provisions refer to a large number of identifiable individual risks and contingent liabilities that are included on the basis of an amount determined by their probable occurrence.

The remaining terms of other provisions are broken down as follows as of 28 February 2025:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
Restructuring obligations	44	6	0	50
Personnel expenses	1	48	0	49
Operational provisions	22	8	6	36
Contractual provisions	11	4	0	15
Other	101	25	0	126
Other provisions	179	91	6	276

The remaining terms on the reporting date of the comparative period were as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
Personnel expenses	1	50	0	51
Operational provisions	10	9	5	24
Restructuring obligations	20	0	0	20
Contractual provisions	5	0	0	5
Other	53	11	0	64
Other provisions	89	70	5	164

26 Liabilities under bonds and other notes payable and bank liabilities

The remaining terms of bonds, other notes payable and bank liabilities are broken down as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
Bonds and other notes payable	7	271	110	388
Bank liabilities	391	620	214	1,225
Remaining terms of liabilities as of 28 February 2025	398	891	324	1,613
Bonds and other notes payable	333	271	110	714
Bank liabilities	714	525	328	1,567
Remaining terms of liabilities as of 29 February 2024	1,047	796	438	2,281

The principal bonds outstanding as of 28 February 2025 have the following nominal values, interest rates and maturities:

	Utilization by 28.02.2025	Nominal interest rate	Re-offer yield	Maturity
	EUR million			
Otto GmbH & Co. KGaA Bearer bond (XS1979274708)*,**	184	2.625 %	2.625 %	10.04.2026
Otto GmbH & Co. KGaA Bearer bond (XS1979274708)*,**	37	2.625 %	2.300 %	10.04.2026
Otto GmbH & Co. KGaA Bearer bond (XS1660709616)	50	Euribor + mark-up	Euribor + mark-up	24.08.2026
Otto GmbH & Co. KGaA Registered bond	15	3.400 %	3.400 %	25.03.2031
Otto GmbH & Co. KGaA Bearer bond (XS2028841489)*	30	3.400 %	3.400 %	17.07.2031
Otto GmbH & Co. KGaA Registered Bond*	10	3.000 %	3.000 %	24.01.2032
Otto GmbH & Co. KGaA Bearer bond (XS2111951690)*	40	3.000 %	3.000 %	30.01.2032
Otto GmbH & Co. KGaA Bearer bond (XS2063541358)*	15	3.180 %	3.180 %	10.10.2034

* Sustainable bond

** Nominal volume reduced compared to original issue amount as part of a buyback

Since the 2013/14 financial year, the Otto Group has had an EMTN program with a total volume of EUR 2,000 million on the Luxembourg stock exchange. On 28 February 2025, the total volume of bonds issued under the EMTN program amounted to EUR 356 million (29 February 2024: EUR 594 million).

In addition, a commercial paper program has been in place since the 2016/17 financial year and has a total value of EUR 1,000 million. On 28 February 2025, there is no commercial paper outstanding (29 February 2024: EUR 79 million).

In the 2024/25 financial year, the Otto Group repaid a bond with a nominal volume of EUR 191 million maturing in June 2024 and a bond with a nominal volume of CHF 52 million maturing in December 2024.

As of 28 February 2025, there are the following material liabilities to various German and foreign banks (in order of maturity):

	Utilization by 28.02.2025	Interest Rate	Maturity
	EUR million		
Fixed interest rate			
Remaining term of up to 1 year	35	1.3 – 2.0 %	2025 – 2026
Remaining term of 1 to 5 years	330	1.7 – 6.9 %	2026 – 2029
Remaining term of more than 5 years	373	1.5 – 4.9 %	2030 – 2041
Variable interest rate			
Remaining term of up to 1 year	114	Euribor + variable mark-up	2025
Remaining term of 1 to 5 years	126	Euribor + variable mark-up	2027 – 2029
Remaining term of more than 5 years	47	Euribor + variable mark-up	2039

For financial liabilities, the interest rate reported corresponds to the effective interest rate.



27 Other financing liabilities

The other financing liabilities are composed as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
ABS financing liabilities	54	17
Loans payable	45	25
Other financing liabilities	99	42

The remaining terms were as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
ABS financing liabilities	54	0	0	54
Loans payable	5	22	18	45
Other financing liabilities as of 28 February 2025	59	22	18	99
Loans payable	7	10	8	25
ABS financing liabilities	17	0	0	17
Other financing liabilities as of 29 February 2024	24	10	8	42

28 Trade payables

Trade payables include liabilities from reverse factoring programs in the amount of EUR 340 million. The Otto Group offers selected suppliers reverse factoring solutions, which give suppliers an additional option for structuring their own refinancing. Receivables from suppliers resulting from reverse factoring solutions are still reported in the consolidated balance sheet under current trade payables.

On 28 February 2025, suppliers have received payments of EUR 184 million as part of reverse factoring programs.

29 Liabilities to related parties

Liabilities to related parties consist of the following:

	28.02.2025	29.02.2024
	EUR million	EUR million
Liabilities to non-consolidated companies	0	0
Liabilities to associated companies and joint ventures	44	162
Liabilities to other related parties	3	0
Liabilities to related parties	47	162

Liabilities to associated companies and joint ventures result largely from current liabilities from offsetting with Hanseatic Bank GmbH & Co KG, Hamburg, and Hermes Germany GmbH, Hamburg. As in the previous year, they have a remaining term of up to 1 year. In the previous year, significant current financial liabilities to Hermes Germany GmbH and liabilities from offsetting with Hanseatic Bank GmbH & Co. KG were reported.

30 Other liabilities

The other liabilities are composed as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Liabilities to employees	360	304
Negative fair values (other derivatives)	118	80
Debtors with credit balances	85	129
Obligation to acquire equity interests	65	58
Liabilities to puttable equity interest	50	65
Negative fair values (interest rate and currency derivatives)	40	46
Other	43	123
Other financial liabilities	761	805
Contractual Liabilities	383	395
Liabilities for other taxes	336	345
Deferred income	110	141
Social security liabilities	12	12
Liabilities for other charges	8	8
Other	1	1
Miscellaneous other liabilities	850	902
Other liabilities	1,611	1,707

Liabilities to employees consist primarily of wage and salary obligations, holidays not taken and accrued holiday pay and also under partial retirement agreements.

In accordance with IAS 32, the obligation – on the exercise of options granted to certain shareholders of Group companies – to purchase their shares at their proportional equity value, is to be recognized as a liability to purchase shares at the level of the probable settlement amount.

The maturities of the other financial liabilities are composed as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Remaining term of up to 1 year	565	532
Remaining term of 1 to 5 years	194	271
Remaining term of more than 5 years	2	2
Other financial liabilities	761	805

31 Contract balances

These contract balances are composed as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Receivables from contracts with customers	923	978
Receivables from contracts with customers included in assets held for sale	79	0
Contract liabilities	383	395
Contract liabilities included in liabilities held for sale	12	0

Receivables from contracts with customers are a component of trade receivables and receivables from financial services (see Note 19). On 28 February 2025, the allowances recognized on receivables from contracts with customers amounted to EUR 102 million (29 February 2024: EUR 130 million) and on receivables from contracts with customers included in assets held for sale to EUR 1 million (29 February 2024: EUR 0 million).

The contract liabilities from contracts with customers generally result from advance payments from customers, customer loyalty programs, customer vouchers not yet redeemed, and warranty extensions not yet claimed. The total value of as yet unfulfilled performance obligations expected to be settled in more than twelve months is EUR 33 million on 28 February 2025 (29 February 2024: EUR 33 million).

In the 2024/25 financial year, EUR 284 million of the contract liabilities reported on the previous year's balance sheet date was recognized as revenue (2023/24: EUR 323 million).

32 Share-based payment programs

There were share-based payment programs for ABOUT YOU Holding SE (hereinafter About You) and Medgate Holding AG, Basel, Switzerland, in the 2024/25 financial year.

a Share-based payment programs at ABOUT YOU Holding SE

Expenses of EUR 16 million were recorded for About You's existing share-based payment commitments as of the reporting date (2023/24: EUR 13 million). The share-based payment commitments that are key to the consolidated financial statements are divided into the following nine programs, which are explained in detail below. All of the listed share-based payment commitments for the Executive Board, management and employees were accounted as equity instruments in the 2024/25 financial year. The programs follow the basic assumption that their rules apply equally to all participants.

1. Executive Board Long-Term Incentive (LTI) Program 2021

In addition to non-performance-related remuneration, the members of the Executive Board were each allocated options in the same amount as a one-time allocation under the LTI 2021 program as part of the revision of the Executive Board employment agreements on 4 June 2021. Each member of the Executive Board was allocated a total of 1,702,128 (5,106,384 altogether) options based on the following formula:

$$N = 80,000,000 / 2 \times \text{exercise price}$$

The LTI 2021 program is an option program that, in addition to the time component in the form of continued Executive Board activity ("Time Vesting"), is significantly linked to the development of key performance indicators of About You and also refers to target criteria from the area of ESG (Environmental Social Governance) ("Performance Vesting").

The key conditions of the LTI 2021 program are described in detail in the following:

Exercise Price

The exercise price for each option corresponds to the mid-point of the price range for the offer price per share for the placement of shares in connection with the private placement. The price range was set at EUR 21.00 to EUR 26.00 on 7 June 2021. Accordingly, the mean value is EUR 23.50 ("exercise price").

Vesting Period – Time Vesting

The options granted to the individual Executive Board member vest after the expiry of certain periods, provided that the Executive Board member concerned remains with the company at the expiry of the respective vesting date (time vesting):

- 12% of the options at the end of 28 February 2022
- 14% of the options at the end of 28 February 2023
- 16% of the options at the end of 29 February 2024
- 18% of the options at the end of 28 February 2025
- 20% of the options at the end of 28 February 2026
- 20% of the options at the end of 28 February 2027

Depending on the vesting dates described above, the options are divided into two tranches, which are subject to different conditions as part of the “Performance Vesting” described below. Options that vest on or before 28 February 2025 (inclusive) (a total of 3,063,830 options) belong to Tranche 1 (“Tranche 1 Options”). Options that vest on or before 28 February 2026 and 28 February 2027 (inclusive) (a total of 2,042,554 options) belong to Tranche 2 (“Tranche 2 Options”).

Vesting Period – Performance Vesting

In addition to the time component, a prerequisite for the vesting of the options is that certain predefined performance targets are achieved within certain time periods (“Performance Vesting”). These performance targets were set by the Supervisory Board prior to the private placement and consist of the average annual growth in consolidated revenue (“Revenue CAGR”), the development of the adjusted EBITDA of the About You Group and various ESG parameters. The performance targets are included with different weightings in both Tranche 1 and Tranche 2, with “Sales CAGR” being considered at 60%, “Adjusted EBITDA” at 30% and the ESG parameters at 10% in the respective tranche. The degree of achievement of targets is determined based on the medium-term target values (“Current Mid-Term Performance Targets”) stipulated

by the Supervisory Board prior to the private placement. If less than 85% of the respective performance targets are met, the options concerned forfeit without compensation. If the respective target is met by 85%, 20% of the options forfeit without compensation. If it is met by 100%, all options shall be deemed performance vested. In the range between 85% and 100%, the proportion of options that forfeit without compensation decreases linearly. For the options attributable to ESG criteria, a differentiation is only made between the achievement and non-achievement of the target: If it is achieved, all allocable options shall be deemed vested. If it is not achieved, all options allocated to this performance target forfeit without compensation. Tranche 1 options can be exercised for the first time after the end of June 30, 2025, Tranche 2 options for the first time after the end of 30 June 2027. Options that have not been exercised by 30 June 2029 (inclusive) forfeit without compensation. Exercising the options is only possible within certain exercise windows of two weeks, as defined in greater detail in the LTI conditions, each falling after the publication of the (preliminary) business figures for a financial year, half-year or quarter. Options may not be exercised within certain black-out periods defined in the LTI 2021. Exercising the options vested according to the above-mentioned conditions is subject to the achievement of a share of the company (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) of 200% of the exercise price, i.e., EUR 47.00, no later than 28 February 2027 and additionally either (i) at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window (“exercise threshold”).

Settlement of options

Upon the exercise of the options, a number of shares corresponding to the settlement value of the exercised options shall be delivered by the Company to the respective member of the Executive Board from the conditional capital. The settlement value of the exercised options corresponds to the amount by which the share price exceeds the exercise price upon exercising them but is limited to 200% of the exercise price (that is, EUR 47.00 per option – “Cap”).

Instead of delivering shares from the conditional capital, the company may make a cash payment (cash settlement) to the respective member of the Executive Board in the amount of the settlement value per option (less wage taxes and any other statutory levies to be withheld by the company) or fulfil its obligation to deliver shares from existing treasury shares.

Programs for managers and employees

In addition to the management programs from the 2021/22 financial year and the 2022/23 financial year (as described below), About You implemented the STI RSUP 2023 plan in the 2023/24 financial year, effective as of 1 October 2023. All historical and new programs are outlined in the following: A distinction is made here between programs that are ongoing, granted once and completed. Within these sections, the programs are arranged chronologically by when the program was introduced.

Ongoing programs

2. Restricted Stock Unit Plan (RSUP) & Stock Option Plan (SOP) 2021

In the 2021/22 financial year, About You implemented the Restricted Stock Unit Plan 2021 (RSUP 2021) and Stock Option Plan (SOP 2021) management programs, effective as of 1 October 2021. The programs may be issued continuously, with two tranches per financial year and grant dates of 1 April and 1 October in each financial year. The RSUP & SOP management programs follow on the heels of the VESOP program in 2017 - 2021, which is explained in the "Completed programs" section.

The Restricted Stock Unit Plan (RSUP) is aimed at About You managers and selected high-performers within the organization. The Stock Option Plan (SOP) is primarily aimed at the About You management team employees in the 1st and 2nd level below the Executive Board. They are able to split their annual share-based payments

between restricted stock units ("RSUs") and virtual stock options ("SOs") according to the following distributions:

- Option 1: 100% SOP, 0% RSUP
- Option 2: 75% SOP, 25% RSUP
- Option 3: 50% SOP, 50% RSUP
- Option 4: 25% SOP, 75% RSUP
- Option 5: 0% SOP, 100% RSUP

Restricted Stock Unit Plan (RSUP) 2021

RSUP 2021 entitles managers and selected top performers within the company to receive a remuneration component with a long-term incentive effect. A total of 828,744 RSUs were granted under this program on 1 April 2024 and a total of 2,177,903 RSUs on 1 October 2024. The calculated issue prices of the RSUs on the grant dates were determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant dates and amounted to EUR 4.24 issued on 1 April 2024 and EUR 3.25 on 1 October 2024. All eligible employees receive an individual grant amount in euros. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to a vesting period of three years from the date on which they are granted. One third of the RSUs granted vest at the end of each year during the three-year vesting period. The sum of all payments of one tranche is limited to 350% of the grant value. The value of the vested RSUs are settled in real About You shares. Alternatively, the Executive Board of About You may decide to settle the payment in cash. The payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting date.

Stock Option Plan (SOP) 2021

The SOP 2021 entitles 1st and 2nd line management employees beneath the Executive Board to receive a remuneration component with a long-term incentive effect. As part of this program, no virtual stock options (SOs) were granted as of 1 April 2024, and no virtual stock options (SOs) were granted as of 1 October 2024. The calculated exercise price of the virtual SOs depending on the grant date was determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant date. All eligible employees receive an individual grant amount in EUR. In order to convert the granted virtual SOs into a number of virtual share options, the grant value allocated to the SOP is first converted into a number of RSUs by dividing the amount by the exercise price. The determined number of RSUs is then multiplied by an exchange factor to determine the number of granted virtual SOs. The exchange ratio may vary from tranche to tranche, even within a year if several SOs are granted in a year, depending on the determination of the option price on the respective reporting date. The fair value of the stock options was calculated using the Monte Carlo simulation; individual parameters for calculating the fair value can be found in the consolidated table "Valuation of newly granted options". The virtual SOs granted are subject to a vesting period of three years from the date of their being granted. One third of the virtual SOs granted vest at the end of each year during the three-year vesting period. The virtual share options may be exercised for the first time after a period of four years following the grant date. The waiting period following the vesting is three years for shares vesting on the first vesting date, two years for shares vesting on the second vesting date and one year for shares vesting on the third vesting date. The sum of all payments of one tranche is limited to 350% of the grant value. The value of the vested SOP will be settled in real About You shares. Alternatively, the Executive Board of About You may decide to settle the payment in cash. Subject to any insider trading rules and any lock-up periods, all vested virtual SOs may only be exercised after the expiry of the relevant vesting period and before the

expiry of the relevant end date no more than four years after the expiry of the relevant vesting period and only within four weeks in each case commencing on the third business day after the announcement of the financial report for the relevant quarter or financial year.

3. Long-Term Incentive Program (LTIP) 2022

About You implemented the LTIP 2022 management program with the 2022/23 financial year. In addition to the annual share-based remuneration for managers at About You defined in more detail below, the LTIP was granted to selected members of the management team in the 1st and 2nd level below the Executive Board. As part of this program, a total of 2,963,385 virtual stock options (SOs) were granted on 1 April 2024, and no virtual stock options (SOs) were granted on 1 October 2024. This program represents a performance-related remuneration component, the terms of which basically follow a similar logic to the LTIP 2021 management program, differing from it in two key respects:

Exercise Price

The exercise price for each virtual option corresponds to the volume-weighted average price (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days prior to the grant date. Accordingly, the exercise price was EUR 4.29 on 1 April 2024. The exercise of the virtual options is subject to the achievement of a share price threshold of the company (weighted average price per share in XETRA trading within a period of three months prior to the relevant date) of 200% of the exercise price no later than on the last day of the vesting period of the Tranche 2 options and additionally either (i) at the beginning of the respective exercise window or (ii) on at least three trading days on the Frankfurt Stock Exchange within a previous exercise window ("Exercise Threshold"). However, the maximum value of the virtual options is limited to 300% of the exercise price ("Cap").



Vesting period – Time vesting

The virtual options granted are allocated after certain periods expire. The vesting period begins on 1 April and 1 October of the respective calendar year. The vesting period ends no later than the end of the last day of a 72-month vesting period since the grant date:

- 12% of the virtual options are allocated at the end of the last day of a 12-month vesting period since the grant date.
- 14% of the virtual options are allocated at the end of the last day of a 24-month vesting period since the grant date.
- 16% of the virtual options are allocated at the end of the last day of a 36-month vesting period since the grant date.
- 18% of the virtual options are allocated at the end of the last day of a 48-month vesting period since the grant date.
- 20% of the virtual options are allocated at the end of the last day of a 60-month vesting period since the grant date.
- 20% of the virtual options are allocated at the end of the last day of a 72-month vesting period since the grant date.

Virtual options with a vesting date prior to the expiry of 48 months since the grant date belong to Tranche 1 ("Tranche 1 Options"), and virtual options with a vesting date 60 or 72 months after the grant date belong to Tranche 2 ("Tranche 2 Options"). Tranche 1 options can be exercised after a vesting period of 52 months; Tranche 2 options can be exercised after a vesting period of 76 months. The value of the vested LTIP 2022 will be settled in real About You shares. Alternatively, the Executive Board of About You may decide to settle the payment in cash.

4. RSUP 2023

Effective as of the 2023/24 financial year, About You introduced the Restricted Stock Unit Plan (RSUP 2023) as a remuneration component with a short-term incentive effect and granted the first tranche on 1 October 2023. A total of 123,399 RSUs were granted under this program on 1 April 2024 and 285,779 RSUs were granted on 1 October 2024. The programs may be issued continuously, with two tranches per financial year and grant dates of 1 April and 1 October in each year. The RSUP 2023 is divided into various sub-programs that are intended to create incentives for different stakeholders.

The calculated issue price of the RSUs on the grant date was determined according to the volume-weighted average closing price (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 90 trading days prior to the grant date and amounted to an issue price of EUR 4.24 on 1 April 2024 and EUR 3.25 1 October 2024. The number of RSUs is determined by dividing the grant value by the respective issue price. The RSUs granted are subject to monthly vesting over a period of one year from the grant date. One twelfth of the RSUs granted vest at the end of each month within the one-year vesting period. Half of the RSUs granted are settled after six months, the other half after twelve months. The value of the vested RSUs are settled in real About You shares. Alternatively, the Executive Board of About You may decide to settle the payment in cash. The payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting date.

STI RSUP 2023

RSUP 2023 is primarily aimed at About You managers to cover performance-related salary increases in the organization. RSUP 2023 entitles managers and selected employees within the organization to receive a remuneration component with a short-term incentive effect. As part of the STI RSUP 2023, 112,865 RSUs were granted on 1 April 2024 and 271,965 RSUs were granted on 1 October 2024.

Employee Share Matching Program (ESMP)

The Employee Share Matching Program (ESMP) gave all permanent employees opportunity to convert part of their annual gross fixed salary into restricted stock units (RSUs) in accordance with RSUP 2023 rules. About You subsidizes the value of the investment as an incentive. As part of the ESMP, 10,534 RSUs were granted on 1 April 2024 and 13,814 RSUs were granted on 1 October 2024.

Programs granted once

5. Long-Term Incentive Program (LTIP) 2021

About You implemented the one-time LTIP 2021 management program as of the 2021/22 financial year. In addition to the annual share-based remuneration payments for About You managers defined in the previous section, selected members of the management team in the 1st and 2nd levels beneath the Executive Board were also granted a management LTIP. This program represents a performance-based compensation component, which in its terms and conditions regarding (a) exercise price, (b) time vesting, (c) performance vesting and (d) settlement of options was set up completely analogous to the "LTI 2021 Executive Program," the performance-based remuneration system of the Executive Board. No further options were granted under "Management LTIP 2021" in the 2024 financial year; 148,937 options were forfeited. Options that vest on or before 28 February 2025 (inclusive) (a total of 1,607,241 options) belong to Tranche 1 ("Tranche 1 Options"). Options that vest at the end of 28 February 2026, and 28 February 2027 (a total of 1,071,494 options) belong to Tranche 2 ("Tranche 2 Options"). LTIP 2021 is fulfilled in About You shares. Alternatively, the Executive Board of About You may decide to settle the payment in cash.

6. Long-Term Incentive Program Restricted Stock Unit Plan (LTI RSUP) 2022

As of the 2022/23 financial year, About You implemented the one-time LTI RSUP 2022 management program for managers in the 1st and 2nd level below the Executive Board. A total of 141,189 restricted stock units ("RSUs") were allocated under the program as of 1 October 2022. The calculated issue price of the RSUs on the grant dates was determined according to the volume-weighted average closing prices (commercially rounded to two decimal places) of the ABOUT YOU Holding SE share in XETRA trading during the last 30 trading days prior to the grant dates and amounted to an issue price of EUR 6.00 on 1 October 2022. All eligible employees receive an individual grant amount in EUR. The number of RSUs is determined by dividing the grant value by the respective issue price. The granted RSUs are subject to a non-straight-line vesting of six years starting on the grant date:

- 12% of the RSUs granted will vest on 30 September 2023.
- 14% of the RSUs granted will vest on 30 September 2024.
- 16% of the RSUs granted will vest on 30 September 2025.
- 18% of the RSUs granted will vest on 30 September 2026.
- 20% of the RSUs granted will vest on 30 September 2027.
- 20% of the RSUs granted will vest on 30 September 2027.

The sum of all payments of one tranche is limited to 350% of the grant value. The value of the vested RSUs are settled in real About You shares. Alternatively, the Executive Board of About You may decide to settle the payment in cash. The payment is made with the payroll for the month following the announcement of the first financial report (for a quarter, half-year or financial year) after the end of the respective vesting date.



Completed programs

7. Virtual Employee Stock Option Plan (VESOP) 2017 - 2021

With the 2017/18 financial year, About You granted virtual shares to About You managers and selected high-performers on an annual basis.

Due to the completion of the IPO of About You on 16 June 2021, individual bonuses of the employees were converted into virtual About You shares. Under VSOP 2017 - 2021, a total of 2,033,871 virtual shares were granted.

About You implemented a supplementary program in the 2022/23 financial year, namely the RSUs, or RSUP 2022. As part of RSUP 2022, further RSUs will be granted to beneficiaries upon exercise of virtual share options under VESOP 2017 - 2021. In the 2023/24 financial year, a total of 424,153 RSUs were allocated under the program. The RSUs granted will be settled following the three predefined exercise windows in which About You grants participants the opportunity to exercise virtual shares. As a result, 234,038 restricted stock units were distributed on 8 June 2023, 40,106 RSUs on 14 August 2023, followed by 64,367 RSUs on 8 November 2023, and 85,642 RSUs on 13 February 2024. The RSUs granted are not subject to further vesting.

8. Short-Term Incentive Program Restricted Stock Unit Plan (STI RSUP) 2022

With the 2022/23 financial year, About You implemented the one-time STI RSUP 2022 management program for managers at About You and selected high-performers. A total of 526,811 restricted stock units ("RSUs") were allocated under the program as of 1 October 2022, and 11,889 of the RSUs forfeited in the 2023/24 financial year. The allocated RSUs were subject to a vesting of one year starting on the grant date. The RSUs vested were issued in real About You shares.

9. Employee Free Share Plan (EFSP) 2021

In the 2021/22 financial year, About You implemented the one-time employee program Employee Free Share Plan ("EFSP"), which was aimed at all employees below the Executive Board level who had been employed by About You for more than six months as of the grant date of 1 December 2021. Under this plan, 31,703 About You restricted stock units ("RSUs") were granted on the grant date of 1 December 2021. Within the two-year vesting period, half of the RSUs granted vested at the end of each year. Accordingly, 50% of the allocated RSUs were vested and issued in shares on the first vesting date after the end of the first year on 1 December 2022, and the remaining 50% on 1 December 2023.



Development of outstanding options

	LTI 2021		LTIP 2021		LTI SOP 2021	
	Number	Weighted average exercise price in EUR	Number	Weighted average exercise price in EUR	Number	Weighted average exercise price in EUR
Outstanding as of 1 March 2024	5,106,384	23.50	2,678,735	23.50	715,932	13.17
Granted in the reporting period (April 2024)	0		0		0	
Granted in the reporting period (October 2023)	0		0		0	
Forfeited in the reporting period	0		-148,937	23.50	-7,403	6.19
Exercised in the reporting period	0		0		0	
Outstanding as of 1 March 2025	5,106,384	23.50	2,529,798	23.50	708,529	9.87

	LTIP 2022	
	Number	Weighted average exercise price in EUR
Outstanding as of 1 March 2024	19,846,519	5.69
Granted in the reporting period (April 2024)	2,963,385	4.29
Granted in the reporting period (October 2024)	0	
Forfeited in the reporting period	-1,386,484	5.80
Exercised in the reporting period	0	
Outstanding as of 1 March 2025	21,423,420	5.52

Valuation of newly granted options

Input parameters

	LTIP 2022
Grant date	April 2024
Weighted average exercise price (in EUR)	4.29
Peer group volatility (in %)	60.70
Expected dividends (in %)	0.00
Expected life (in years)	7.50
Risk-free interest rate (in %)	2.25
Fair value (in EUR)	1.31

b Medgate Holding AG share-based payment programs

A put/call agreement was concluded on the future acquisition of all non-controlling interests as part of the acquisition of Medgate Holding AG, Basel, Switzerland, in March 2022. Since the amount of the exercise price is partly dependent on the continued employment of management, this component has been classified as cash-settled share-based payment. The resulting obligation is measured at fair value and recognized pro rata over the vesting period, which extends over a total of five years until 28 February 2027. On the reporting date, the obligation reported under other financial liabilities amounts to EUR 26 million (29 February 2024: EUR 20 million), and the personnel expenses recorded in the 2024/25 financial year amount to EUR 6 million (2023/24: EUR 10 million).

Notes to the Consolidated Cash Flow Statement

The cash flow statement is broken down into cash flows from operating, investing and financing activities.

Since the 2024/25 financial year, payments from and for bridge loans (see Note 20) have been recorded as part of the change in working capital or the change in receivables from financial services (gross) in cash flow from operating activities. In the previous year, by contrast, payments into and out of other financial assets were still part of the cash flow from investing activities. The net payments for bridge loans included in cash flow from operating business activities amounted to EUR 26 million in the 2024/25 financial year (2023/24: net disbursements in the amount of EUR 51 million).

33 Components of cash, cash equivalents, and non-cash transactions

Cash and cash equivalents are made up of the following components:

	28.02.2025	29.02.2024
	EUR million	EUR million
Cash	562	691
Securities with maturities of three months or less	0	1
Cash and cash equivalents	562	692

Of the cash and cash equivalents reported in the consolidated cash flow statement, EUR 11 million was deposited as collateral (29 February 2024: EUR 23 million). Cash and cash equivalents include cash in the amount of EUR 124 million (29 February 2024: EUR 47 million) that is not available for use in the entire Group.

Significant non-cash transactions in financing and investing activities refer to the conclusion of leases within the meaning of IFRS 16 in the amount of EUR 232 million (2023/24: EUR 175 million).

Segment Reporting

34 Principles

In accordance with the provisions of IFRS 8, segment reporting is based on the management approach. This aligns segment reporting with internal reporting to the Executive Board of Otto Verwaltungsgesellschaft mbH. It also provides the information that is presented to these decision makers as part of regular reporting and then used to allocate resources for the individual divisions within the Group.

In accordance with the Group's internal management structure, segment reporting is based on the Group's business segments.

The Platforms segment includes e-commerce platforms whose strategic focus – besides their own trading business – is also on operating a marketplace solution where participating partners sell goods and services to end customers. In addition to the trading business and associated B2C services, B2B services closely related to the trading business are offered as well.

The Brand Concepts segment involves internationally represented vertical concepts and product brands that sell both products of their own brands and licensed brands to end customers. The company mainly uses its own sales channels for this, along with e-commerce, brick-and-mortar retail, and catalogs.

The Retailer segment consists of multichannel retail concepts that primarily buy and sell products of their own and third-party brands. E-commerce is also a focal point in the sales channels here.

The Services segment is made up of the Otto Group's logistics and sourcing services, which deliver their services both to customers outside the Otto Group as well as to Group companies from the Platforms, Brand Concepts, and Retailers segments. Logistics services include numerous services along the logistics value chain, from transport and warehousing to delivery to private and business customers.

The Financial Services segment includes the range of international financial services within the Otto Group primarily for receivables management.

To supplement the business segments, additional information is provided on the geographical regions. In addition to Germany, the Otto Group is especially active in the Rest of Europe and in the USA.

35 Segment information

Segment reporting distinguishes between reportable segments on the one hand and non-reportable segments and other activities on the other. The reportable segments include the Platforms, Brand Concepts, Retailers, Services and Financial Services segments. In addition to the non-reportable Digital Health operating segment, the line "Non-reportable segments and other activities" also includes the other Group companies that are not allocated to an operating segment within the meaning of IFRS 8. Other Group companies include venture activities and the real estate companies of the Forum Group. Segment reporting is broken down as follows:



	Revenue and income from customer financing		Internal revenue (inter-segment)		Purchased goods and services		Operating income and expenses	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Platforms	6,511	6,219	448	503	-4,280	-4,366	-1,977	-1,982
Brand Concepts	5,145	5,318	35	51	-2,287	-2,414	-1,784	-1,834
Retailers	1,683	2,001	15	22	-991	-1,213	-516	-607
Services	419	374	1,089	976	-677	-567	-332	-272
Financial Services	1,060	1,002	18	20	0	0	-309	-307
Reportable segments	14,818	14,914	1,605	1,572	-8,235	-8,560	-4,918	-5,002
Non-reportable segments and other activities	70	81	61	44	-19	-21	12	36
Holding/Consolidation	0	0	-1,666	-1,616	656	699	1,069	982
Group	14,888	14,995	0	0	-7,598	-7,882	-3,837	-3,984

	Personnel expenses		Income from associated companies and joint ventures		EBITDA		EBIT	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Platforms	-518	-465	-13	-6	247	-8	19	-375
Brand Concepts	-780	-705	0	0	345	428	158	239
Retailers	-215	-265	0	0	-23	-61	-56	-82
Services	-466	-444	-95	-104	-58	-33	-153	-82
Financial Services	-296	-291	21	40	493	464	470	420
Reportable segments	-2,275	-2,170	-87	-70	1,004	790	438	120
Non-reportable segments and other activities	-111	-103	-9	-18	10	24	-32	-11
Holding/Consolidation	-131	-119	0	0	-98	-73	-130	-101
Group	-2,517	-2,392	-96	-88	916	741	276	8

	Segment assets		Capital expenditure on intangible assets and property, plant and equipment		Gross cash flow from operating activities		Employees (average number)	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million		
Platforms	2,319	3,871	48	79	143	27	5,544	5,753
Brand Concepts	2,281	2,428	57	83	372	439	10,601	11,034
Retailers	1,716	1,717	13	15	-13	-71	2,962	3,658
Services	1,431	1,369	97	283	34	72	9,334	10,165
Financial Services	3,249	3,868	9	8	495	452	5,605	5,757
Reportable segments	10,996	13,253	224	468	1,031	919	34,046	36,367
Non-reportable segments and other activities	1,907	1,883	13	39	43	43	1,269	1,086
Holding/Consolidation	-2,285	-2,550	16	4	-110	-64	989	1,009
Group	10,618	12,586	253	511	964	898	36,304	38,462

Investments in intangible assets and property, plant, and equipment in the Services segment in the 2023/24 financial year include additions in the amount of EUR 76 million due to changes in the scope of consolidation.

Depreciation and amortization in the Group amounted to EUR 640 million in the 2024/25 financial year (2023/24: EUR 733 million). Of this amount, the Platforms segment accounts for EUR 228 million (2023/24: EUR 367 million), the Brand Concepts segment for EUR 187 million (2023/24: EUR 189 million), the Retailers segment for EUR 33 million (2023/24: EUR 21 million), the Services segment for EUR 95 million (2023/24: EUR 49 million), the Financial Services segment for EUR 23 million (2023/24: EUR 44 million), the non-reportable segments and other activities for EUR 42 million (2023/24: EUR 35 million) and Holding/Consolidation for EUR 32 million (2023/24: EUR 28 million). The reversals of impairment losses amount to EUR 156 million (2023/24: EUR 0 million) and are attributable to the Platforms segment.

Segment data is determined on the basis of accounting and measurement policies used for preparing the consolidated financial statements. Third-party revenue results

from the sale of merchandise and the provision of services, including financial services. Internal revenue relates to the exchange of products and services between segments. Receivables, liabilities, expenses and income resulting from transactions between the individual segments are eliminated in the Holding/Consolidation line. Such transactions are conducted on normal market terms.

Gross cash flow corresponds to earnings before interest and tax, adjusted for the profits, losses and dividends of associated companies and joint ventures and also for material non-cash income and expenses.

Segment assets include non-current assets for the relevant segment, i.e. intangible assets (including goodwill), property, plant and equipment, right-of-use assets and interests in associated companies and joint ventures, as well as current assets. Segment assets do not include other investments, finance receivables, current income tax credits, deferred tax assets and cash and cash equivalents. Only in the Financial Services segment are finance receivables included under segment assets.



Segment assets can be reconciled with Group assets as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Segment assets	10,618	12,586
Other financial investments	279	287
Receivables and other assets	13	80
Cash and cash equivalents	562	691
Deferred tax assets	228	181
Assets held for sale	1,752	56
Consolidated assets	13,452	13,881

For geographical information, revenue is segmented according to customer location. Assets are calculated based on the Group company's location and include the non-current assets for the geographical regions and thus comprise intangible assets, property, plant and equipment, and right-of-use assets as well:

	Revenue		Income from customer financing		Total revenue and income from customer financing		Non-current assets	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Germany	8,542	8,394	137	89	8,679	8,483	2,279	3,319
Rest of Europe	3,456	3,654	81	82	3,537	3,736	769	730
USA	2,524	2,625	0	0	2,524	2,625	815	773
Other regions	148	151	0	0	148	151	36	40
Group	14,670	14,824	218	171	14,888	14,995	3,899	4,862



Other Disclosures

36 Financial instruments

a Non-derivative financial instruments

The Otto Group uses a wide range of financial instruments in its various lines of business.

The tables below list the financial assets and liabilities in accordance with the categories of financial instruments outlined in IFRS 9 based on the carrying amount and associated fair value as of 28 February 2025. Cash flow hedges and other financial investments classified as Level 3 are reported separately. The tables do not contain any information about the fair value of financial assets and liabilities which were not measured at fair value if the carrying amount represents an adequate approximation of the fair value.



Assets	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Fair value recognized in equity (FVOCI)	Fair value recognized in equity (FVOCI) without recycling	Not assigned to an IFRS 9 category	Carrying amount
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Other financial investments	0	84	0	195	0	279
Trade receivables	850	49	0	0	0	899
Receivables from financial services	2,664	0	0	0	0	2,664
Receivables from related parties	54	0	0	0	0	54
Other financial assets	200	85	0	0	0	285
Securities	0	0	0	0	0	0
Cash and cash equivalents	562	0	0	0	0	562
Interest rate and currency derivatives	0	10	0	0	0	10
Other derivatives	0	0	0	0	0	0
Cash flow hedges	0	0	0	0	39	39
Balance as of 28 February 2025	4,330	228	0	195	39	

Liabilities	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Not assigned to an IFRS 9 category	Carrying amount
	EUR million	EUR million	EUR million	EUR million
Profit and loss participation rights	22	0	0	22
Bonds and other notes payable	388	0	0	388
Bank liabilities	1,225	0	0	1,225
Other financing liabilities	99	0	0	99
Lease liabilities	0	0	944	944
Trade payables	1,856	0	0	1,856
Liabilities to related parties	47	0	0	47
Other financial liabilities	538	0	65	603
Interest rate and currency derivatives	0	7	0	7
Other derivatives	0	118	0	118
Cash flow hedges	0	0	33	33
Balance as of 28 February 2025	4,175	125	1,042	



On the reporting date of the comparative period the carrying amounts and fair values of financial assets and liabilities were as follows:

Assets	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Fair value recognized in equity (FVOCI)	Fair value recognized in equity (FVOCI) without recycling	Not assigned to an IFRS 9 category	Carrying amount*
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Other financial investments	0	78	0	209	0	287
Trade receivables	939	15	0	0	0	954
Receivables from financial services	2,524	0	0	0	0	2,524
Receivables from related parties	114	0	0	0	0	114
Other financial assets	750	85	0	0	0	835
Securities	1	0	0	0	0	1
Cash and cash equivalents	691	0	0	0	0	691
Interest rate and currency derivatives	0	4	0	0	0	4
Other derivatives	0	0	0	0	0	0
Cash flow hedges	0	0	0	0	28	28
Balance as of 29 February 2024	5,019	182	0	209	28	

* Previous year adjusted (see Notes 19 and 21).

Liabilities	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Not assigned to an IFRS 9 category	Carrying amount
	EUR million	EUR million	EUR million	EUR million
Profit and loss participation rights	25	0	0	25
Bonds and other notes payable	714	0	0	714
Bank liabilities	1,567	0	0	1,567
Other financing liabilities	42	0	0	42
Lease liabilities	0	0	1,042	1,042
Trade payables	2,257	0	0	2,257
Liabilities to related parties	162	0	0	162
Other financial liabilities	621	0	58	679
Interest rate and currency derivatives	0	9	0	9
Other derivatives	0	80	0	80
Cash flow hedges	0	0	37	37
Balance as of 29 February 2024	5,388	89	1,137	



In the 2024/25 financial year and in the previous year, there were no reclassifications between the various levels of the fair value hierarchy as provided for in IFRS 13.

The fair value hierarchy for financial assets and liabilities is as follows:

Assets	Level 1	Level 2	Level 3	Fair Value
	EUR million	EUR million	EUR million	EUR million
Other financial investments	0	0	279	279
Trade receivables	0	0	0	0
Receivables from financial services	0	0	0	0
Receivables from related parties	0	0	0	0
Other financial assets	0	0	85	85
Securities	0	0	0	0
Cash and cash equivalents	0	0	0	0
Interest rate and currency derivatives	0	10	0	10
Other derivatives	0	0	0	0
Cash flow hedges	0	39	0	39
Balance as of 28 February 2025	0	49	364	413

Liabilities	Level 1	Level 2	Level 3	Fair Value
	EUR million	EUR million	EUR million	EUR million
Profit and loss participation rights	0	0	0	0
Bonds and other notes payable	269	100	0	369
Bank liabilities	0	1,265	0	1,265
Other financing liabilities	0	0	0	0
Lease liabilities	0	0	0	0
Trade payables	0	0	0	0
Liabilities to related parties	0	0	0	0
Other financial liabilities	0	0	37	37
Interest rate and currency derivatives	0	7	0	7
Other derivatives	0	0	118	118
Cash flow hedges	0	33	0	33
Balance as of 28 February 2025	269	1,405	155	1,829

The following table presents a reconciliation of the respective fair values on the reporting date for financial instruments that are measured at fair value on a recurring basis and assigned to Level 3:

	Other financial investments (FVPL) EUR million	Other financial investments (FVOCI) EUR million	Other financial assets and other derivatives (FVPL) EUR million	Other financial assets (FVOCI) EUR million	Other derivatives, liabilities (FVPL) EUR million	Other financial liabilities, not assigned to an IFRS 9 category EUR million
As of 1 March 2024	78	209	85	0	80	36
Gains or losses due to changes in fair value	3	-25	0	0	38	0
Additions	12	11	0	0	0	1
Disposals from sales/repayments	-9	-2	0	0	0	0
Other changes	0	2	0	0	0	0
Balance as of 28 February 2025	84	195	85	0	118	37

Other financial investments classified as Level 3 correspond to investments in companies and in investment funds. The fair value is determined using a measurement method for which the main input factors are based on unobservable market data. Measurement is carried out in accordance with the measurement method deemed most appropriate in each case. In most cases, the best indication is provided by information from recent financing rounds. In addition, market multiples are also used to determine fair value. Due to the large number of investments, sensitivities cannot be presented in a meaningful way.

Other financial investments assessed at fair value through other comprehensive income mainly include investments in venture capital funds in innovative companies with a focus on digital business models, artificial intelligence, sustainable technologies (impact), data-driven solutions along the customer journey, and technological infrastructure.

Changes in the fair value of other financial assets measured at fair value through profit or loss are recognized in other net financial income (expense). The recognized changes

in the fair value of other financial assets measured at fair value through other comprehensive income are included in accumulated other comprehensive income and are reclassified to consolidated retained earnings when realized. The additions and disposals mainly relate to additional fund investments and sales of fund investments in the venture activities. The other changes are mainly due to exchange rate effects and changes in the method of consolidation of Group companies.

In the 2024/25 financial year, no dividends were recognized in the net financial result from shares in companies measured at fair value through other comprehensive income (2023/24: EUR 2 million). The dividends in the previous year were entirely related to current venture capital funds on the reporting date. In the reporting period, income of EUR 0 million (2023/24: EUR 23 million) was reclassified from other comprehensive income to consolidated retained earnings in Group equity. They resulted exclusively from the disposal of investments and were included in Group equity under other changes recognized directly in equity.



Changes in the fair value of other financial assets and other derivatives measured at fair value through profit or loss are recognized in other net financial income (expense).

Other financial assets include a subsequent contingent purchase price component for a Group company sold in the 2017/18 financial year in the amount of EUR 85 million (29 February 2024: EUR 85 million). The retrospective purchase price component was fully recognized based on an agreement concluded in the 2020/21 financial year, as it was deemed to be very probable that the conditions would be fulfilled and the purchase price receivables settled in the 2024/25 financial year, as in the previous year.

The assets and liabilities from other derivatives classified as Level 3 involve a put/call agreement regarding shares in associated companies. The fair value was determined using an option pricing model. Future expected cash flows were taken as the basis for this and, where available, market parameters were applied. Keeping the other input factors constant, a 10% increase or decrease in the baseline value of the put/call agreement would result in no notable increase in financial assets or financial liabilities.

The additions to other financial liabilities that are not assigned to an IFRS 9 category relate largely to a share-based remuneration component from a put/call agreement that was concluded as part of the acquisition of the Medgate Group in March 2022 (see Note 32).

The fair value hierarchy for financial assets and liabilities in the previous financial year was as follows:

Assets	Level 1	Level 2	Level 3	Fair Value
	EUR million	EUR million	EUR million	EUR million
Other financial investments	0	0	287	287
Trade receivables	0	0	0	0
Receivables from financial services	0	0	0	0
Receivables from related parties	0	0	0	0
Other financial assets	0	0	85	85
Securities	0	0	0	0
Cash and cash equivalents	0	0	0	0
Interest rate and currency derivatives	0	4	0	4
Other derivatives	0	0	0	0
Cash flow hedges	0	28	0	28
Balance as of 29 February 2024	0	32	372	404

Liabilities	Level 1	Level 2	Level 3	Fair Value
	EUR million	EUR million	EUR million	EUR million
Profit and loss participation rights	0	0	0	0
Bonds and other notes payable	401	279	0	680
Bank liabilities	0	1,582	0	1,582
Other financing liabilities	0	0	0	0
Lease liabilities	0	0	0	0
Trade payables	0	0	0	0
Liabilities to related parties	0	0	0	0
Other financial liabilities	0	0	36	36
Interest rate and currency derivatives	0	9	0	9
Other derivatives	0	0	80	80
Cash flow hedges	0	37	0	37
Balance as of 29 February 2024	401	1,907	116	2,424



As of the reporting date of the comparative period, the reconciliation for financial instruments that are regularly measured at fair value and allocated to level 3 was as follows:

	Other financial investments (FVPL) EUR million	Other financial investments (FVOCI) EUR million	Other financial assets and other derivatives (FVPL) EUR million	Other financial assets (FVOCI) EUR million	Other derivatives, liabilities (FVPL) EUR million	Other financial liabilities, not assigned to an IFRS 9 category EUR million
As of 1 March 2023	111	254	85	0	69	47
Gains or losses due to changes in fair value	-41	-70	0	0	11	0
Additions	11	71	0	0	0	2
Disposals from sales/repayments	-1	-35	0	0	0	-13
Other changes	-2	-11	0	0	0	0
Balance as of 29 February 2024	78	209	85	0	80	36

The net gain/loss from financial instruments after tax (attributable to the Group) includes effects from value allowances, currency translation, measurement at fair value and disposal of financial instruments and is broken down into the individual IFRS 9 measurement categories as follows:

	Recognized in equity EUR million	Recognized in income EUR million	Total EUR million
Financial investments measured at amortized cost	0	966	966
Financial liabilities measured at amortized cost	0	-1	-1
Financial investments measured at fair value through profit or loss	0	12	12
Financial liabilities measured at fair value through profit or loss	0	-39	-39
Financial investments measured at fair value recognized in equity	0	0	0
Financial investments measured at fair value recognized in equity without recycling	-20	0	-20
Net gain/net loss as of 28 February 2025	-20	938	918

At the reporting date of the comparative period, the breakdown was as follows:

	Recognized in equity	Recognized in income	Total
	EUR million	EUR million	EUR million
Financial investments measured at amortized cost	0	907	907
Financial liabilities measured at amortized cost	0	-1	-1
Financial investments measured at fair value through profit or loss	0	-30	-30
Financial liabilities measured at fair value through profit or loss	0	-40	-40
Financial investments measured at fair value recognized in equity	0	0	0
Financial investments measured at fair value recognized in equity without recycling	-43	2	-41
Net gain/net loss as of 29 February 2024	-43	838	795

The financial instruments mentioned above were recognized in revenue, in other operating income and expenses, in income from equity investments, and in other net financial income (expense) depending on their effects on income.

b Derivative financial instruments

Owing to its international activities, the Otto Group is particularly exposed to risks from foreign exchange and interest rate changes. The Group companies of the Otto Group use derivative financial instruments to limit these risks.

The use of derivative financial instruments within the Otto Group is governed by specific guidelines and is permitted only for hedging existing underlying transactions, or forecasted transactions that are sufficiently probable. These binding guidelines define responsibilities, areas of authority, reporting requirements and the strict

separation of trading, settlement and control functions. According to this guideline, trading transactions with derivative financial instruments may be entered into only with banks of sufficient creditworthiness.

The Otto Group uses conditional and unconditional foreign exchange transactions to hedge completed or forecasted business transactions in a risky currency. As part of the Group's interest rate hedging, risks are minimized by concluding interest rate derivatives in the form of interest rate swaps.

Accordingly, the derivative transactions that the Otto Group enters into are reported to a trade repository according to the provisions of the European Market Infrastructure Regulation (EMIR). Where possible, the Otto Group makes use of grounds for exemption or delegates fulfillment of reporting obligations to its counterparties. Compliance with EMIR is regularly verified and confirmed by an auditing company.

Currency risk

Within the Otto Group, risks arise from foreign currency transactions for receipts and payments denominated in currencies other than the functional currency of the Group companies. These involve cash flows from highly probable future transactions mainly from merchandise purchasing and revenue as well as from refinancing. The euro is the predominant functional currency. The transactions in question are primarily denominated in the euro, the US dollar, the Swiss franc and the Hong Kong dollar. The main currency risk exposure is hedged. From the point of view of the individual company, hedging can cover up to 100% of the estimated foreign currency risks from highly probable future transactions and already accounted for underlying transactions. Foreign currency risk is hedged using foreign exchange transactions that are generally classified as cash flow hedges. An overview of the movement of currencies that have a material and relevant effect on the consolidated financial statements can be found under Note 2b.

The Otto Group designates the spot component of qualified foreign currency derivatives as the hedging instrument based on a 1:1 ratio. The forward components of foreign currency derivatives are not taken into account here. These are reported separately as hedging costs and are included under consolidated equity.

The existence of an economic relationship between the hedging instrument and the hedged underlying transaction is established on the basis of currency, amount and the timing of their respective cash flows. The Group uses the hypothetical derivative method together with the dollar offset method to assess whether any material ineffectiveness has occurred with regard to the designated hedging relationships. Ineffectiveness is not expected to occur for these hedging relationships as it is not assumed that the currency, amount or timing of the corresponding cash flows from the underlying transaction will change before maturity.

Interest rate risk

The hedging strategy pursued by the Otto Group for loans received involves the conversion of the majority of variable interest rate loans and bonds to fixed interest payments by means of corresponding fixed interest rate derivatives.

When preparing the consolidated financial statements, the effectiveness of the hedging relationships was tested using the critical term match method. Important criteria (critical terms) used to test the appropriateness of the hedging instrument for the underlying transaction when hedging interest rate risks include the reference interest rate, nominal value, interest rate agreement as well as the timing and amount of the cash flows. The interest rate risk exposure addressed in this way is 100% hedged using this method.

The Group uses the hypothetical derivative method together with the dollar offset method to assess whether any material ineffectiveness has occurred with regard to the designated hedging relationships. The main causes of ineffectiveness in the context of these hedging relationships result from taking into account the credit loss risks of the corresponding counterparties when determining the fair value of the swaps included in the hedge as well as the interest rate hedging of variable interest rate loans through interest rate swaps that already had an intrinsic value when they were included in the consolidated financial statements for the first time (late designation).

Cash flow hedging

As of the reporting date, the remaining terms of the nominal values of instruments held by the Otto Group for the purposes of hedging against exchange rate and interest rate changes were as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years
	EUR million	EUR million	EUR million
Currency derivatives	1,176	211	0
Interest rate derivatives	0	83	47
Total assets	1,176	294	47
Currency derivatives	376	237	0
Interest rate derivatives	0	50	0
Total liabilities	376	287	0

In the previous year, the nominal values of interest rate derivatives and currency derivatives were composed as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years
	EUR million	EUR million	EUR million
Currency derivatives	642	147	0
Interest rate derivatives	5	50	82
Total assets	647	197	82
Currency derivatives	732	246	0
Interest rate derivatives	0	50	0
Total liabilities	732	296	0

The Otto Group recognizes certain derivatives that meet the hedging relationship requirements of IFRS 9 as cash flow hedges. On the balance sheet date, the following hedging instruments meet these criteria:

	28.02.2025			29.02.2024		
	Nominal value	Fair value assets	Fair value liabilities	Nominal value	Fair value assets	Fair value liabilities
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Currency derivatives						
Revenue	195	1	2	209	1	9
Refinancing	835	3	30	614	8	27
Inventories	610	31	0	567	11	1
Interest rate derivatives						
Interest rate swaps	179	4	1	187	8	0
Derivatives in cash flow hedges	1,819	39	33	1,577	28	37

Positive fair values are recorded under other assets (see Note 21), while negative fair values are recorded under other liabilities (see Note 30).



The amounts relating to items designated as hedging instruments, and the ineffective portions of the hedging relationships, were as follows:

	Designated risk component			Cost of hedging		
	Recognized in equity	Reclassified to cost of inventory	Reclassified to profit or loss	Recognized in equity	Reclassified to cost of inventory	Reclassified to profit or loss
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Currency derivatives						
Revenue	-8	0	9	3	0	-1
Refinancing	6	0	-6	3	0	0
Inventories	30	-8	0	7	-8	0
Interest rate derivatives						
Interest rate swaps	-6	0	3	0	0	0
Change in the fair value of derivatives in cash flow hedges before deduction of non-controlling interests and deferred tax as of 28 February 2025	22	-8	6	13	-8	-1

	Designated risk component			Cost of hedging		
	Recognized in equity	Reclassified to cost of inventory	Reclassified to profit or loss	Recognized in equity	Reclassified to cost of inventory	Reclassified to profit or loss
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Currency derivatives						
Revenue	-14	0	11	4	0	-1
Refinancing	-17	0	17	-2	0	0
Inventories	-4	8	0	10	-6	0
Interest rate derivatives						
Interest rate swaps	-4	0	3	0	0	0
Change in the fair value of derivatives in cash flow hedges before deduction of non-controlling interests and deferred tax as of 29 February 2024	-39	8	31	12	-6	-1



Amounts from currency derivatives that were reclassified to profit or loss are recorded under revenue (see Note 6) or other net financial income (expense) (see Note 12). Amounts from interest rate swaps that were reclassified at fair value through other profit and loss are taken into account under net interest income (expense) (see Note 12).

There is no hedging transaction ineffectiveness in currency derivatives in the 2024/25 financial year (2023/24: EUR –1 million). The previous year's ineffectiveness related solely to refinancing and was taken into account in the other net financial result (see Note 12). The existing ineffectiveness of interest rate derivatives amounted to EUR 1 million in the 2024/25 financial year (2023/24: EUR 0 million). In addition, EUR –3 million (2023/24: EUR –3 million) was reclassified from the cash flow reserve through profit or loss due to the discontinuation of underlying transactions. The income and expenses arising from both issues are recorded under net interest income (see Note 12).

As of 28 February 2025, the value of the hedged item changed by EUR –40 million for currency derivatives (29 February 2024: EUR –34 million) and EUR 6 million for interest rate derivatives (29 February 2024: EUR –3 million). The hedged underlying transaction serves as a basis for recording the ineffectiveness of the hedging relationship.



The following table shows the reconciliation of risk categories of the equity components and the corresponding analysis of the items under other comprehensive income after tax that result from cash flow hedge accounting:

	2024/25			2023/24		
	Designated risk component	Cost of hedging forward exchange transactions	Cost of hedging option transactions	Designated risk component	Cost of hedging forward exchange transactions	Cost of hedging option transactions
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Attributable to shareholders of Otto GmbH Co. KGaA after deferred tax as of 1 March	1	2	-7	-2	-1	-1
Changes in fair values before deduction of non-controlling interests and before deferred tax						
Currency derivatives – inventories	30	8	-1	-4	11	-1
Currency derivatives – revenue	-8	3	0	-14	4	0
Currency derivatives – refinancing	6	3	0	-17	-2	0
Interest rate derivatives – interest rate swaps	-6	0	0	-4	0	0
Reclassified to profit or loss before deduction of non-controlling interests and before deferred tax						
Currency derivatives – revenue	9	-1	0	11	-1	0
Currency derivatives – refinancing	-6	0	0	17	0	0
Interest rate derivatives – interest rate swaps	3	0	0	3	0	0
Reclassified to cost of inventories before deduction of non-controlling interests and before deferred tax						
Currency derivatives – inventories	-8	-9	1	8	-11	4
Fair value of derivatives in cash flow hedges before deduction of non-controlling interests and before deferred tax	21	6	-7	-2	0	2
Change in the fair value of derivatives in cash flow hedges attributable to non-controlling interests	2	-1	0	2	-1	0
Fair value of derivatives in cash flow hedges attributable to shareholders of Otto GmbH & Co. KGaA	23	5	-7	0	-1	2
Deferred tax effects resulting from changes	-10	7	-6	1	3	-9
Fair value of derivatives in cash flow hedges attributable to shareholders of Otto GmbH & Co. KGaA after deferred tax as of 28/29 February	13	12	-13	1	2	-7

The hedging costs concern transaction-related hedged underlying transactions.

The underlying transactions hedged occur in a period of up to 5 years in the case of currency derivatives and up to 15 years in the case of interest rate derivatives. The probable cash flow effects will occur in the same period. The nominal volumes of the hedging transactions are offset by underlying transactions already recognized in the amount of EUR 1,032 million (29 February 2024: EUR 835 million) for currency derivatives, and in the amount of EUR 179 million (29 February 2024: EUR 187 million) for interest rate derivatives as well as planned transactions. In regard to underlying transactions accounted for from a hedging relationship with currency derivatives, EUR –12 million (29 February 2024: EUR –3 million) from the cash flow hedge reserve is included in the acquisition costs of inventories and from accumulated other comprehensive income in revenue. Of this amount, EUR –11 million (29 February 2024:

EUR –2 million) is attributable to the designated risk component and EUR –1 million (29 February 2024: EUR –1 million) to the cost of hedging.

The Otto Group concludes derivative transactions within the scope of the existing German Master Agreement for Financial Derivatives Transactions (Rahmenvertrag für Finanztermingeschäfte). If certain credit events occur, such as a payment default or the termination of transactions concluded under this agreement, all outstanding transactions relating to the derivative transactions that are in default are terminated and the value as of the termination date is determined. A single net amount should be used to offset all transactions. As there is currently no specific credit event such as a default on a bank loan and, consequently, no legal entitlement to offset the recognized amounts, the agreements concluded do not meet the criteria for offsetting in the balance sheet.

The following financial instruments are subject to the German Master Agreement for Financial Derivatives Transactions:

	28.02.2025			29.02.2024		
	Gross and net amount presented in the balance sheet	Amount not set off in the balance sheet	Net amount	Gross and net amount presented in the balance sheet	Amount not set off in the balance sheet	Net amount
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Financial assets						
Interest rate and currency derivatives	49	10	39	32	17	15
Financial liabilities						
Interest rate and currency derivatives	40	10	30	46	17	29

As of 28 February 2025, the Otto Group holds foreign currency and interest rate derivatives at the following terms:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years
Currency risk			
Average forward exchange rate EUR/USD	1.082	1.110	
Average forward exchange rate EUR/HKD	8.167		
Average forward exchange rate EUR/CHF	0.958	0.909	
Interest rate risk			
Average fixed EUR interest rate (in %)		2.03	2.34

On the reporting date of the comparative period, the Otto Group holds foreign currency and interest rate derivatives at the following terms:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years
Currency risk			
Average forward exchange rate EUR/USD	1.102	1.132	
Average forward exchange rate EUR/HKD	8.456		
Average forward exchange rate EUR/CHF	1.009	0.984	
Interest rate risk			
Average fixed EUR interest rate (in %)	2.76	2.12	2.15

c Financial risks

Due to its international positioning, the Otto Group is exposed to financial risks. These include in particular the effects of fluctuations in foreign exchange and interest rates. These risks are reduced through existing treasury and risk management processes.

All material interest rate change and foreign currency risks are fundamentally limited by refinancing in the same currency and/or with the same maturity. Any remaining

material incongruities are further reduced by the use of derivatives such as interest rate swaps and forward exchange transactions.

Owing to the nature of its business activities, the Otto Group is primarily exposed to currency risks arising from fluctuations in the US dollar (USD), the Hong Kong dollar (HKD) and the Swiss franc (CHF). In calculating the sensitivities presented below, a hypothetical revaluation/devaluation of the euro against all currencies by +/- 10% was carried out as of 28 February 2025. All other variables remain unchanged. Under these conditions, the major effects on Group earnings before tax (EBT) and the equity of the Otto Group would have been as follows:

		EBT		Equity	
		2024/25	2023/24	28.02.2025	29.02.2024
		EUR million	EUR million	EUR million	EUR million
Fluctuation in USD	+10%	1	1	-116	-84
	-10%	-1	-1	119	86
Fluctuation in HKD	+10%	-5	-6	-3	-4
	-10%	4	5	3	4
Fluctuation in CHF	+10%	1	4	20	17
	-10%	-1	-4	-20	-17
Total effects	+10%	-3	-1	-99	-71
	-10%	2	0	102	73

Exchange rate hedges are accounted for in the Otto Group as cash flow hedges to the greatest extent possible, in accordance with IFRS 9. The associated fluctuations in market value are shown under Group equity.

The reported effects on earnings primarily result from fluctuations in the measurement of derivatives that have been concluded to hedge cash flows for business operations and internal financing but not designated as a hedging relationship in the balance sheet in accordance with IFRS 9. These derivatives are also associated with contracts that are planned but not yet concluded in which the currency exchange risk follows a counter trend. When calculating the earnings effects, these cash flows are not

included in the underlying operating transactions. The actual risk of the net position is thus much lower.

The Otto Group is also exposed to interest rate risks from variable interest-bearing receivables and liabilities.

A hypothetical increase/reduction in the market interest rate of 50 base points for all currencies (parallel shift of the interest rate curve) with all other variables remaining constant would result in the following effects on the earnings before tax (EBT) and equity of the Otto Group:

		EBT		Equity	
		2024/25	2023/24	28.02.2025	29.02.2024
		EUR million	EUR million	EUR million	EUR million
Shift in level of interest	+50 bp	0	0	5	4
	-50 bp	0	0	-5	-4

There is no risk concentration relating to the above-mentioned financial risks.

d Default risk

The Otto Group is exposed to the risk of its business partners not being able to meet their obligations. Within the Group, a financial asset is considered to be in default if it is expected that the financial partner will not fully meet their obligations to the Otto Group or if the financial asset has been handed over to a collection agency. Credit checks are performed to reduce the default risk, the maximum amount of which corresponds to the carrying amounts recognized for the relevant financial assets. For identifiable default risks, especially in trade receivables and receivables from financial services, appropriate value allowances are made using the model to be applied to expected credit defaults in accordance with IFRS 9. Cash and cash equivalents are also subject to IFRS 9 impairment rules; however, the impairment loss is not significant.

Trade receivables and receivables from financial services are essentially due from end customers and are normally not hedged by special instruments, with the exception of the usual retention of title typical for the retailing business. Because receivables are widely spread, only small amounts are actually allotted to individual customers. The risk of maximum default is thus highly improbable.

Deposits at banks and financial assets are only ever held with partners that have a sufficient creditworthiness on a par with ratings from an internationally recognized rating agency.

Overdue loans and receivables are monitored intensively in the various lines of business. In the Platforms, Brand Concepts, Retailers and Financial Services segments, credit management is a crucial element in operational processes.

The determination as to whether or not the default risk of other financial assets has increased significantly is based on a regular assessment of the probability of default, which takes into account external rating information as well as internal information on the credit quality of the counterparty. Other financial assets are derecognized if they are assumed to be uncollectible, for example due to the insolvency or death of the contractual partner.

Receivables that are not impaired or overdue solely due to renegotiation, and overdue other financial assets that are not impaired, exist only to a very limited extent with a maturity of up to one year. There are no objective indications that the debtors are unable to meet their obligations.

The Group uses an impairment matrix to measure the expected credit losses of trade receivables. Default rates are largely calculated using the roll rate method, which is based on the probability that a receivable will enter into arrears in successive stages. The expected default rates are based on the default history over previous years as well as forecasts in relation to future economic events. The default risk of trade receivables is explained in Note 20.

In the Financial Services segment, receivables primarily consist of fiduciary debt collection, receivables purchased and bridge loans provided. In the context of fiduciary activities, there are no material financial assets or financial instruments that are classed as overdue but not impaired. Receivables purchased generally relate to receivables classed as impaired which are already overdue.

In the Financial Services segment, the main default risks result from the purchase of payment-impaired receivables. Therefore, for managing risks, methods have been developed in order to systematically manage these risks. Important considerations when managing risk include contractual arrangements, analysis of portfolio structures and time series and investment calculations as part of due diligence procedures as well as the regular calculation of actual costs. The payment behavior of debtors is also monitored continuously so that structural changes can be identified early and taken into account.

The recalculation is used to check and further develop the forecast quality of the receivables management systems on an ongoing basis. Furthermore, structural changes in payment behavior are monitored by debt collection and reported to risk management on a continuous basis. This ensures that timely adjustments can be made to the underlying measurement assumptions and that this information can be taken into account when analyzing future purchases. The adjustment of underlying measurement principles ensures that default risks within the scope of existing accounting and measurement guidelines are already included in the carrying amounts of the purchased receivables.

Because of the high number of individual receivables in the respective portfolios of purchased payment-impaired receivables, the risk of default is not tied to a small number of debtors.

A number of these purchased payment-impaired receivables are materially secured. Property is disposed of through sale on the open market or through foreclosure, however this does not always result in full settlement of the receivable in question. The disposal of property through foreclosure plays a role in supporting debt collection.

The carrying amount of the individual receivables packages purchased are regularly tested using a standardized measurement model. This measurement model is based on the estimated net cash receipts from the respective receivable package over the remaining term as of the measurement date. Future net cash receipts are discounted using the original effective interest rate.

Expected credit losses are determined based on the respective portfolio level that applied on purchase. In this respect, there have been no changes to the instrument summary.

e Liquidity risk

The Otto Group's financial management system ensures that the Group's liquidity is maintained at all times. It also ensures that the Otto Group has sufficient funds at its disposal for its operations and investments. Minimising financing costs is an essential ancillary condition for effective financial management. The basic principle is to match open positions through natural hedging. Refinancing instruments may include money and capital market products such as loans, bonds or ABS (asset-backed securities), along with guarantees, leasing, sale and lease back, and factoring. The requisite underlying data is determined using an at least quarterly liquidity budget with a planning horizon of up to 24 months, a monthly liquidity budget with a planning horizon of 12 months and a daily budget with a horizon of at least four weeks. Both types of budget are regularly reviewed for variances. There is no risk concentration relating to the above-mentioned liquidity risks.



As described in Note 28, the Otto Group offers selected suppliers worldwide the opportunity to participate in reverse factoring programs. The payment terms agreed upon with suppliers for the trade payables in question are not contractually linked to the existence of a reverse factoring program and are within the normal industry framework. The programs serve to finance suppliers and therefore do not lead to liquidity or concentration risks for the Otto Group.

The following table shows the outflow of existing contractually agreed funds for financial liabilities as of 28 February 2025:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
Bonds and other notes payable	11	292	118	421
Bank liabilities	418	687	232	1,337
Trade payables	1,866	5	0	1,871
Liabilities to related parties	51	0	0	51
Lease liabilities	215	591	283	1,089
Other financing liabilities	59	22	18	99
Other financial liabilities	565	194	2	761
thereof derivative financial instruments	24	30	0	54

As of 29 February 2024, the outflow of funds from financial liabilities fixed by contract were as follows:

	Remaining term of up to 1 year	Remaining term of 1 to 5 years	Remaining term of more than 5 years	Total
	EUR million	EUR million	EUR million	EUR million
Bonds and other notes payable	333	299	122	754
Bank liabilities	745	612	356	1,713
Trade payables	2,286	3	0	2,289
Liabilities to related parties	163	0	0	163
Lease liabilities	247	641	256	1,144
Other financing liabilities	24	10	8	42
Other financial liabilities	532	271	2	805
thereof derivative financial instruments	26	31	0	57



37 Cash and non-cash changes to liabilities arising from financing activities

Changes in liabilities arising from financing activities as of the closing date were as follows:

	01.03.2024	Cash changes	Non-cash changes				28.02.2025
			Effects from changes in the scope of consolidation/IFRS 5	Effects from exchange rate changes	Effects from the conclusion of new and adjusted lease contracts	Effects from accrued interests/compounding	
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Profit and loss participation rights	25	-3	0	0	0	0	22
Bonds and other notes payable	714	-329	0	0	0	3	388
Bank liabilities	1,567	-344	0	0	0	2	1,225
Lease liabilities	1,042	-257	-102	29	187	45	944
Other financing liabilities	42	55	0	2	0	0	99
Liabilities from financing activities	3,390	-878	-102	31	187	50	2,678

On the previous reporting date, the liabilities arising from financing activities changed as follows:

	01.03.2023	Cash changes	Non-cash changes				29.02.2024
			Effects from changes in the scope of consolidation/IFRS 5	Effects from exchange rate changes	Effects from the conclusion of new and adjusted lease contracts	Effects from accrued interests/compounding	
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
Profit and loss participation rights	26	-1	0	0	0	0	25
Bonds and other notes payable	777	-62	0	0	0	-1	714
Bank liabilities	1,345	214	11	0	0	-3	1,567
ABS financing liabilities	0	0	0	0	0	0	0
Lease liabilities	1,157	-256	-27	-11	139	40	1,042
Other financing liabilities	36	6	0	0	0	0	42
Liabilities from financing activities	3,341	-99	-16	-11	139	36	3,390

38 Leases

In particular, leases identified as important leases within the Otto Group involve the leasing of retail space (chain stores) and logistics facilities and the corresponding equipping of Group companies in the Services and Brand Concepts segments. Important leases also arise from the leasing of office space and office buildings by a large number of Group companies across all segments.

The contractual arrangement of the leases is generally carried out by the individual Group companies, taking into account country-specific practices. The basic term of current leases varies according to the lease class; and in the case of property, according to the respective location.

As a rule, leases for property include renewal options that can be extended up to a certain point in time before expiry of the non-cancellable basic term. The exercising of extension options that are not recognized in the lease liabilities on 28 February 2025 would result in a potential lease payment of EUR 1,178 million (29 February 2024: EUR 1,094 million). When concluding new leases, the inclusion of renewal options should be agreed wherever possible to ensure a high level of operational flexibility.

The remaining terms for reported lease liabilities are as follows:

	28.02.2025	29.02.2024
	EUR million	EUR million
Remaining term of up to 1 year	178	238
Remaining term of 1 to 5 years	509	601
Remaining term of more than 5 years	257	203
Lease liabilities	944	1,042

Reference is made to Note 16 for information on the amount of depreciation and amortization of right-of-use assets.

In accordance with the provisions of IFRS 16, the consolidated income statement for the 2024/25 financial year includes expenses for short-term leases in the amount of EUR 3 million (2023/24: EUR 6 million) and expenses for leases for low-value assets in the amount of EUR 6 million (2023/24: EUR 2 million) under other operating expenses. In addition, income from the subleasing of right-of-use assets in the amount of EUR 3 million (2023/24: EUR 2 million) is recognized under other operating income. Interest expenses from lease liabilities included in net financial result amount to EUR 45 million (2023/24: EUR 40 million).

For leases accounted for in accordance with IFRS 16, total cash outflows in the 2024/25 financial year amounted to EUR 257 million (2023/24: EUR 256 million) and are shown under cash flow from financing activities. Of this amount, EUR 212 million (2023/24: EUR 216 million) is attributable to repayments and EUR 45 million (2023/24: EUR 40 million) to interest payments. Remaining in the gross cash flow from operating activities are payments for short-term leases, for leases for low-value assets, and for variable lease payments in the amount of EUR 17 million in total (2023/24: EUR 13 million).

39 Related party transactions

Related parties of the Otto Group, as defined in IAS 24, are persons or companies who control the Group or exercise significant influence over it, or over whom the Otto Group has control or exercises significant influence. Accordingly, the members of the Otto family and Michael Otto Stiftung, the businesses controlled or subject to significant influence by this family and the Foundation (Stiftung), the members of the management of Otto Verwaltungsgesellschaft mbH and the members of the Executive Board of the former OTTO Aktiengesellschaft für Beteiligungen, the members of the Executive Board of Verwaltungsgesellschaft Otto mbH along with the Group companies of the Otto Group, its associated companies, and joint ventures are defined as related parties. Verwaltungsgesellschaft Otto mbH was the general partner of the former Otto (GmbH & Co KG), meaning that its Executive Board is also considered a related party. The previous year's figures have been adjusted accordingly.

In addition to transactions with Group companies that are fully consolidated in the consolidated financial statements, there were the following transactions with related parties:

Consolidated income statement	2024/25	2023/24
	EUR million	EUR million
Revenue and income from customer financing	35	60
Financing expenses from factoring	-149	-106
Other operating income	13	11
Purchased goods and services	46	84
Personnel expenses	19	1
Other operating expenses	512	513
Net financial income (expense)	-5	-9

Consolidated balance sheet	28.02.2025	29.02.2024
	EUR million	EUR million
Receivables from related parties	54	114
Cash and cash equivalents	3	3
Pension obligations to related parties	59	55
Liabilities to related parties	47	162

a Transactions with associated companies and joint ventures

Revenue and income from customer financing with associates and joint ventures totaled EUR 33 million in the 2024/25 financial year (2023/24: EUR 55 million) and result mainly from revenues from factoring settlements with the Hanseatic Bank GmbH & Co KG, Hamburg, in the amount of EUR 4 million (2023/24: EUR 25 million) and revenue from Hermes Germany GmbH, Hamburg, in the amount of EUR 27 million (2023/24: EUR 17 million). As of the second half of the 2023/24 financial year, factoring was carried out with Hanseatic Bank GmbH & Co KG via OTTO Payments GmbH, Hamburg, as a transaction partner. Financing costs from the factoring of the installment loan business are reported in this context. The income pertaining to the transaction and derived from customer financing is not shown with regard to associated companies but to the end customers. The net amount from these items is shown in the income from customer financing (see Note 6).

Other operating income from associates and joint ventures amounted to EUR 13 million in the 2024/25 financial year (2023/24: EUR 11 million) and results mainly from income in the amount of EUR 8 million (2023/24: EUR 9 million) with Hermes Germany GmbH.

Other operating expenses for the 2024/25 financial year in the amount of EUR 512 million (2023/24: EUR 509 million) include expenses of EUR 481 million (2023/24: EUR 487 million) from transactions with Hermes Germany GmbH.

Various Group companies in the Platforms and Retailers segments sell trade receivables to Hanseatic Bank GmbH & Co KG. The receivables are transferred under normal market conditions and are fully derecognized from the balance sheets of the Group companies selling the receivables. In the 2024/25 financial year, corresponding receivables were sold with a total value of EUR 2,252 million (2023/24: EUR 2,204 million). The value of these receivables as of the reporting date is EUR 1,725 million (29 February 2024: EUR 1,698 million). On 28 February 2025 cash and cash equivalents at Hanseatic Bank GmbH & Co KG amounted to EUR 3 million (29 February 2024: EUR 3 million).

Information regarding the amount of the receivables and liabilities from associated companies and joint ventures is set out in Notes 20 and 29. The receivables and liabilities result mainly from transactions in goods and services and from short-term financing between Group companies of the Otto Group and from associated companies and joint ventures.

b Related party transactions with shareholders

On 28 February 2025 and on 29 February 2024, no loans had been granted to shareholders of Otto GmbH & Co. KGaA.

c Related party transactions with other companies

Otto Group companies have concluded various agreements under normal market terms for the leasing of properties and land owned by subsidiaries of ECE Group GmbH & Co. KG, Hamburg.

On 28 February 2025, there were receivables from other related parties in the amount of EUR 17 million (29 February 2024: EUR 26 million). Receivables from other related parties mainly result from financial receivables.

d Related party transactions with individuals

In the 2024/25 financial year, the total remuneration of the Executive Board of Otto GmbH & Co. KGaA and Verwaltungsgesellschaft Otto mbH recognized as an expense for the financial year amounted to EUR 12.1 million (2023/24: EUR 9.7 million), with EUR 12.2 million (2023/24: EUR 6.5 million) due in the short term and EUR –0.1 million (2023/24: EUR 3.2 million) due in the long term as a result of an adjustment in the current financial year. The total remuneration of EUR 13.3 million granted during the 2024/25 financial year (2023/24: EUR 6.5 million) consists of variable remuneration elements with long-term incentives contingent on all conditions being met by the balance sheet date. EUR 5.3 million (2023/24: EUR 5.0 million) of it is attributable to fixed components and EUR 8.0 million (2023/24: EUR 1.5 million) to variable components. In the 2017/18 financial year, a long-term incentive agreement was concluded for directors of Verwaltungsgesellschaft Otto mbH based on rolling annual tranches. Effective from 1 March 2018, each of the tranches comprises three financial years and consists of a combination of two variable elements. The elements are based on a fixed threshold value and then increase on a linear basis. The benchmarks are revenue and income from customer financing and the Otto Group's return on capital employed (ROCE), which puts EBIT in relation to average capital employed. The change in remuneration recorded as an expense for the long-term incentive amounted to EUR –0.2 million in the reporting year (2023/24: EUR 1.5 million). On the balance sheet date, a liability totaling EUR 1.0 million (29 February 2024: EUR 3.2 million) was recognized for this.

Pension obligations to members of the Executive Board amount to EUR 9.0 million (29 February 2024: EUR 13.0 million). Allocations to pension provisions amount to EUR 3.0 million (2023/24: EUR 2.0 million).

Remuneration of former members of the Executive Board and their surviving dependents amounts to EUR 3.1 million (2023/24: EUR 3.0 million). EUR 50.0 million has been recognized as provisions for the pension obligations toward former members of the Executive Board and their surviving dependents (29 February 2024: EUR 42.0 million).

The total remuneration of the Supervisory Board of Verwaltungsgesellschaft Otto mbH in the 2024/25 financial year amounts to EUR 0.3 million (2023/24: EUR 0.3 million). The total remuneration of the Supervisory Board of Otto GmbH & Co. KGaA in the 2024/25 financial year amounts to EUR 0.02 million (2023/24: EUR 0.02 million).

40 Contingent assets and contingent liabilities

The Otto Group's contingent liabilities are composed of guarantees and other obligations that, together, amount to EUR 253 million (29 February 2024: EUR 178 million) and are mainly made up of financial obligations toward associated companies in the Services segment. This financing obligation increased by a further EUR 170 million after the balance sheet date.

The Otto Group has a contingent asset of EUR 8 million from the identification of a tax matter (29 February 2024: EUR 0 million).

41 Auditors' fees

Total fees paid to Otto Group auditors are broken down as follows:

	2024/25	2023/24
	EUR million	EUR million
Fees for auditing the financial statements	3.1	0.2
Fees for other auditing services	1.0	0.0
Fees for tax consultancy services	0.9	0.0
Fees for other services	2.3	0.0
Auditors' fees	7.3	0.2

The fee for the auditing services in the 2024/25 financial year is attributable to KPMG AG Wirtschaftsprüfungsgesellschaft and also includes fees for the audit services of German Group companies. The fee for auditing services in the previous year is attributable to BDO AG Wirtschaftsprüfungsgesellschaft. The fees for auditing services, other confirmation services, tax advisory services, and other services provided by KPMG AG Wirtschaftsprüfungsgesellschaft for the former Otto (GmbH & Co KG) are not included in the previous year's fees.

42 List of shareholdings

The list of Otto Group shareholdings on 28 February 2025, including those Group companies exempt from publishing their financial statements in accordance with the provisions of Section 264 (3) and Section 264b HGB is published on the Otto Group's website at www.ottogroup.com/konzerngesellschaften.



43 Executive bodies of Otto GmbH & Co. KGaA

The existing executive bodies of Otto GmbH & Co. KGaA are made up as follows:

Supervisory Board

Alexander Birken, Hamburg	Chairman, Businessman
Birgit Rössig, Hittbergen*	Deputy Chairwoman, Works Council Member Otto GmbH & Co. KGaA
Frederic Arndts, Hamburg	Managing Director KG CURA Vermögensverwaltung G.m.b.H. & Co.
Jens Gerrit Becker, Hamburg*	Joint Works Council Hermes Germany GmbH
Torsten Furgol, Magdeburg*	Division Manager ver.di Trade Union Saxony, Saxony-Anhalt, Thuringia
Oliver Grund, Heinsberg*	Chairman of the General Works Council Hermes Germany GmbH
Dr. Rainer Hillebrand, Hamburg	Independent management and strategy consultant
Dr. Nicolai Johannsen, Hamburg*	Vice President Consumer Interactions Otto GmbH & Co. KGaA
Thomas Korn, Hamburg	Chief of Staff Benjamin Otto
Heike Lattekamp, Hamburg*	Deputy Regional Manager ver.di Trade Union Commerce Hamburg
Frauke Mispagel, Hamburg	Management Consultant and Business Coach
Thomas Mort, Luhe-Wildenau*	Deputy Chairman of the Works Council Witt Group
Alexander Otto, Hamburg	Chairman of the Executive Board ECE Group GmbH & Co. KG
Benjamin Otto, Hamburg	Chairman of the Holistic Foundation Board
Sarah Reitemeyer, Bad Segeberg	Managing Director 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.
Dr. Winfried Steeger, Hamburg	Attorney
Monika Vietheer-Grupe, Barsbüttel*	Chairwoman of the Works Council bonprix Handelsgesellschaft mbH
Inka Wolff, Gutenswegen*	Works Council Member Hermes Fulfilment GmbH

* Employee representative

Shareholders' Council

Prof. Dr. Michael Otto, Hamburg	Chairman, Entrepreneur
Alexander Birken, Hamburg	Deputy Chairman, Businessman
Frederic Arndts, Hamburg	Managing Director KG CURA Vermögensverwaltung G.m.b.H. & Co.
Marius Marschall von Bieberstein, Berlin	Managing Partner evoreal Holding GmbH & Co. KG
Thomas Korn, Hamburg	Chief of Staff Benjamin Otto
Alexander Otto, Hamburg	Chairman of the Executive Board ECE Group GmbH & Co. KG
Benjamin Otto, Hamburg	Chairman of the Holistic Foundation Board

Executive Board of Otto Verwaltungsgesellschaft mbH

Petra Scharner-Wolff, Hamburg	Chairwoman of the Executive Board and Chief Executive Officer (CEO)
Dr. Marcus Ackermann, Hamburg	Member of the Executive Board, Multichannel Distance Selling
Sergio Bucher, Hamburg	Member of the Executive Board, Brands and Retail
Katy Roewer, Hamburg	Chief Financial Officer (CFO), Member of the Executive Board, Finance, Controlling, Human Resources
Kay Schiebur, Hamburg	Member of the Executive Board, Services

44 Events after the reporting period

On 12 March 2025, the Otto Group announced that it would fully redeem the subordinate bond with an outstanding nominal volume in the amount of EUR 248 million placed on the Luxembourg Stock Exchange in July 2018. The repayment was made on 17 April 2025.

No other events of major significance to the Otto Group occurred after the balance sheet date of 28 February 2025.

Hamburg, 13 May 2025

Executive Board of Otto Verwaltungsgesellschaft mbH

Petra Scharner-Wolff

Dr. Marcus Ackermann

Sergio Bucher

Katy Roewer

Kay Schiebur

Independent Auditor's Report¹

To Otto GmbH & Co. KGaA, Hamburg

Opinions

We have audited the consolidated financial statements of Otto GmbH & Co. KGaA, Hamburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 28 February 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 March 2024 to 28 February 2025, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the group management report of Otto GmbH & Co. KGaA for the financial year from 1 March 2024 to 28 February 2025.

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

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 28 February 2025, and of its financial performance for the financial year from 1 March 2024 to 28 February 2025, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of those components of the group management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group 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 Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities 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 consolidated financial statements and on the group management report.

¹ The English language text is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may arise from the translation.

Other Information

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

- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the group management report information audited for content and our auditor's report thereon.

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

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

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

Responsibilities of Management for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated 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 consolidated financial statements, management is responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated 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 group 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 group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated 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 consolidated financial statements and on the group 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 consolidated financial statements and this group 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 consolidated financial statements and of the group 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 consolidated financial statements and of arrangements and measures relevant to the audit of the group 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 the Group's internal control or of these arrangements and measures.
- 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 Group'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 consolidated financial statements and in the group 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 Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the group 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.

Hamburg, 14 May 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft



Heckert
Wirtschaftsprüfer
[German Public Auditor]



Lippmann
Wirtschaftsprüfer
[German Public Auditor]

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to Selected Disclosures on Greenhouse Gas Emissions¹

To Otto GmbH & Co. KGaA, Hamburg

Assurance Conclusion

We have performed a limited assurance engagement on selected disclosures on greenhouse gas emissions, included in the chapter “Corporate responsibility”, section “Sustainability” of the Group management report 2024/25 of Otto GmbH & Co. KGaA, Hamburg (hereinafter “Company”), for the period from March 1, 2024 to February 28, 2025.

Those selected disclosures are marked with  within the Group management report.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the selected disclosures on greenhouse gas emissions for the period from March 1, 2024 to February 28, 2025 are not prepared, in all material respects, in accordance with the reporting criteria. The Company applies the criteria of the Science Based Targets Initiative (Corporate Net-Zero Standard Criteria, Version 1.2) in conjunction with internal guidelines (hereinafter “reporting criteria”).

Our conclusion does not extend to any other information that accompanies or contains the selected disclosures on greenhouse gas emissions and is marked as unassured.

Basis for the Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities are further described in the “Responsibility of the Assurance Practitioner for the audit of the selected disclosures on greenhouse gas emissions” section.

We are independent in accordance with the independence requirements of the German commercial and professional law and we have fulfilled our other German professional responsibilities in accordance with these requirements.

Our firm applies the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)), issued by the Institute of Public Auditors in Germany. This standard requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

¹ Our engagement applied to the German version of the selected disclosures on greenhouse gas emissions for the period from March 1, 2024 to February 28, 2025. This text is a translation of the assurance report of the independent German Public Auditor issued in German language, whereas the German text is authoritative.

Responsibilities of Management for the Selected Disclosures on Greenhouse Gas Emissions

The Management of Otto GmbH & Co. KGaA, Hamburg is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the selected disclosures on greenhouse gas emissions such that they are free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the selected disclosures on greenhouse gas emissions and appropriately referring to or describing as well as disclosure of the criteria used; and
- preparing the selected disclosures on greenhouse gas emissions in accordance with the reporting criteria.

Responsibility of the Assurance Practitioner for the Audit Selected Disclosures on Greenhouse Gas Emissions

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the selected disclosures on greenhouse gas emissions are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion on the selected disclosures on greenhouse gas emissions to Otto GmbH & Co. KGaA, Hamburg.

Summary of the Work we Performed as the Basis for our Conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the selected disclosures on greenhouse gas emissions that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the selected disclosures on greenhouse gas emissions and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. In carrying out our engagement, the procedures we perform also consist of:

- Evaluation of the methods and processes used to assess material aspects and corresponding reporting boundaries.
- A risk analysis, including media research, to identify relevant information on the sustainability performance of Otto GmbH & Co. KGaA, in particular aspects regarding the emissions in the reporting period.
- Evaluation of the design and implementation of systems and processes for the identification, collection and validation of the selected disclosures on greenhouse gas emissions (Scope 1, Scope 2 and material Scope 3 emissions and supplier engagement), including the consolidation of data.
- Inspection of selected internal and external documents.

- Analytical procedures for the evaluation of consolidated data and trends reported by all sites.
- Evaluation of the data collection, validation and reporting processes as well as the reliability of the reported data based on a sample of one site (physical site visit).
- Assessment of the overall presentation of the selected disclosures on greenhouse gas emissions within the scope of our engagement.

Restriction of Use/General Engagement Terms

This assurance report is solely addressed to Otto GmbH & Co. KGaA.

The engagement, in the performance of which we have provided the services described above on behalf of Otto GmbH & Co. KGaA, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 (www.kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Hamburg, 14 May 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Heckert
Wirtschaftsprüfer
[German Public Auditor]

Edelmann
Wirtschaftsprüferin
[German Public Auditor]