NOTES

SEGMENT REPORTING[1, 2]

€ million	METRO Germany 2018/19	METRO Germany 2019/20	METRO Western Europe (excl. Germany) 2018/19	METRO Western Europe (excl. Germany) 2019/20	METRO Russia 2018/19	METRO Russia 2019/20	METRO Eastern Europe (excl. Russia) 2018/19	METRO Eastern Europe (excl. Russia) 2019/20
External sales (net)	4,735	**4,699**	10,752	**9,603**	2,662	**2,644**	7,191	**7,125**
Internal sales (net)	16	**15**	2	**2**	38	**36**	0	**0**
Sales (net)	4,751	**4,714**	10,753	**9,605**	2,700	**2,679**	7,191	**7,125**
Adjusted EBITDA	128	**125**	636	**394**	235	**224**	385	**371**
Transformation costs	0	**0**	0	**0**	0	**0**	0	**0**
Earnings contributions from real estate transactions	0	**0**	29	**1**	0	**0**	182	**2**
EBITDA	128	**125**	665	**395**	235	**224**	567	**373**
Depreciation/amortisation/ impairment losses	107	**114**	241	**257**	64	**64**	126	**133**
Reversals of impairment losses	0	**0**	7	**0**	0	**0**	0	**0**
EBIT	20	**11**	432	**138**	171	**161**	441	**241**
Investments	63	**77**	215	**213**	38	**17**	261	**107**
Non-current segment assets	1,027	**976**	2,597	**2,531**	1,052	**770**	1,658	**1,468**
Selling space (1,000 m^2)	915	**915**	1,531	**1,533**	688	**682**	1,391	**1,386**
Locations (number)	103	**103**	240	**240**	94	**93**	195	**196**

€ million	METRO Asia 2018/19	METRO Asia 2019/20	Others 2018/19	Others 2019/20	Consolidation 2018/19	Consolidation 2019/20	METRO Continuing operations 2018/19	METRO Continuing operations 2019/20
External sales (net)	1,696	**1,539**	46	**22**	0	**0**	27,082	**25,632**
Internal sales (net)	0	**0**	667	**753**	−723	**−806**	0	**0**
Sales (net)	1,696	**1,539**	713	**774**	−723	**−806**	27,082	**25,632**
Adjusted EBITDA	43	**0**	−34	**42**	0	**1**	1,392	**1,158**
Transformation costs	0	**0**	0	**47**	0	**0**	0	**47**
Earnings contributions from real estate transactions	107	**0**	21	**0**	0	**0**	339	**3**
EBITDA	150	**0**	−13	**−5**	0	**1**	1,731	**1,113**
Depreciation/amortisation/ impairment losses	37	**66**	207	**224**	1	**0**	782	**857**
Reversals of impairment losses	0	**0**	0	**0**	0	**0**	8	**1**
EBIT	113	**−65**	−220	**−229**	−1	**1**	957	**257**
Investments	29	**24**	222	**189**	−2	**0**	826	**627**
Non-current segment assets	613	**516**	1,320	**1,235**	11	**9**	8,277	**7,504**
Selling space (1,000 m^2)	202	**206**	0	**0**	0	**0**	4,728	**4,723**
Locations (number)	46	**46**	0	**0**	0	**0**	678	**678**

[1] Segment reporting is explained in the notes to the consolidated financial statements in no. 42 – segment reporting.

[2] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

NOTES TO THE GROUP ACCOUNTING PRINCIPLES AND METHODS

Accounting principles

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

These consolidated financial statements of METRO AG as of 30 September 2020 were prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements in their present form comply with the stipulations of § 315e of the German Commercial Code (HGB). Together with Regulation (EU) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, they form the legal basis for group accounting according to international standards in Germany.

The date at which the Management Board of METRO AG signed the consolidated financial statements (1 December 2020) also represents the date at which the Management Board released the consolidated financial statements for publication and submitted them to the Supervisory Board.

The income statement has been prepared using the cost of sales method.

Assets and liabilities are classified as current if the respective asset is expected to be realised or the liability settled within 12 months of the closing date.

Certain items in the income statement and the balance sheet have been combined to increase transparency and informative value. These items are explained separately in the notes.

The consolidated financial statements are presented in euros. All amounts are stated in million euros (€ million) unless otherwise indicated. Amounts below €0.5 million are rounded and reported as €0 million. Individual figures may not add up to the stated sum precisely due to rounding.

The following accounting and measurement methods were used in the preparation of the consolidated financial statements.

Application of new accounting methods

Accounting standards applied for the first time in financial year 2019/20

The following IFRS, issued or revised by the International Accounting Standards Board (IASB), that were binding for METRO AG in financial year 2019/20 were applied for the first time in these consolidated financial statements:

IFRS 16 (Leases)

The key change of IFRS 16 compared to IAS 17 concerns the lessee accounting model. IFRS 16 introduces a uniform accounting model for lessees after the recognition of a right-of-use asset for each asset transferred for use. It also references a corresponding liability in the amount of the present value of the future lease payments.

Exercising of options

Lessees can choose from several policy options. For accounting and measurement, they have the option to build a portfolio of leases with similar characteristics of which METRO did not make use of. METRO is exercising the option of not applying the right-of-use approach to leases involving assets of minor value (mainly business and office equipment) and short-term leases (maximum terms of 12 months). Rental expenses for these assets were therefore recognised in the income statement.

The option to separate lease and non-lease components (service) is not exercised and the non-lease components are included in the right-of-use assets to be recognised.

Furthermore, the option to capitalise leased intangible assets was not exercised. They still fall within the scope of IAS 38.

METRO as lessee

The company recognises an asset with a right of use and a lease liability at the inception of the lease. The right of use is initially measured at cost, which is the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initially incurred direct costs, minus any incentives received. The right of use is subsequently amortised on a straight-line basis over the shorter lease term or the useful life of the underlying asset. Moreover, the right of use is reduced by any impairment loss and adjusted for certain remeasurements of the lease liabilities. The lease liability is initially measured at the present value of the lease payments, which are discounted at the interest rate inherent in the lease agreement or, if this interest rate cannot be readily determined, at the company's incremental borrowing rate.

The lease payments included in the measurement of the lease liability consist of the following items:

- Fixed payments, including substantially fixed payments
- Variable lease payments that depend on an index or instalment, which are initially valued using the index or instalment on the starting date
- Amounts expected to be paid under a residual value guarantee
- Exercise price of a call option which the company assumes with sufficient certainty will be exercised
- Lease payments in an optional extension period, if the company exercises an extension option with sufficient certainty
- Penalties for early termination of a lease, unless the company is reasonably certain that it will not terminate the lease prematurely.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if the future lease payments change as a result of a change in the index or interest rate, if the company's estimate of the amount expected to be payable under a residual value guarantee changes, or if the company changes its assessment of whether it will exercise a purchase, renewal or termination option. If the lease liability is remeasured in this way, a corresponding adjustment to the carrying amount of the right of use is made or recognised in the income statement if the carrying amount of the right of use is reduced to 0. Rights of use are disclosed in the balance sheet under property, plant and equipment. Rights of use that meet the definition of investment property are included under 'Investment properties' and are recognised separately in the financial statements. Lease liabilities are included in 'Other current financial liabilities' and 'Other non-current financial liabilities'.

In the cash flow statement, the company has classified the repayment of lease payments and the interest portion within financing activities. Lease payments are divided into a redemption and an interest portion and are included in the cash flow statement in the line 'Redemption of lease liabilities'. Lease payments for short-term leases, lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

METRO as lessor

The accounting policies that applied to METRO as a lessor under IAS 17 do not differ materially from the new rules under IFRS 16. However, there are differences with regard to subleases, which are classified under IFRS 16 with reference to the right of use and not, as previously under IAS 17, by reference to the underlying asset. As a result, the number of subleases classified as finance leases has risen, and the amount of receivables to be reported in the balance sheet has increased accordingly.

Even if the company is the lessor in a sublease, it determines at the inception of the lease whether each lease is a finance lease or an operating lease. To classify each lease, the company makes an overall assessment of whether the lease generally transfers all the risks and benefits associated with ownership of the underlying asset. If this is the case, the lease is a finance lease; otherwise, it is an operating lease. As part of this assessment, the company considers certain indicators, for example, whether the lease covers most of the lease term of the main lease of the asset.

If the lease is a finance lease, a net investment (receivable) equal to the discounted future lease payments to be received is recognised in the balance sheet. The interest rate underlying the lease is used to determine the discount. Interest income from leases is disclosed in cash flow from operating activities.

If the company is an intermediate lessor, it accounts for its interest in the main lease agreement and the sub-lease agreement separately. If a main lease is a short-term lease to which the company applies the exception described above, the company classifies the sub-lease as an operating lease. The company recognises lease payments it receives under operating leases as rental income.

Sale-and-leaseback transactions

If a sale and leaseback transaction involves the sale of the asset as defined by IFRS 15 (Revenue from Customer Agreements), the lessee (seller) must derecognise the asset and recognise any gain or loss relating to the rights transferred to the lessor (buyer). Retrospective application of the new accounting treatment of sale and leaseback transactions is not required and was thus not applied to METRO.

METRO is applying the standard fully retrospectively, which requires restatement of previous year's comparative figures.

— **For further information, please refer to** No. 48 Adjustment of comparative figures for 2018/19 due to IFRS 16 ▸ page 255.

Additional IFRS amendments

Other accounting rules to be applied for the first time in financial year 2019/20 without material effects on METRO are:

- IAS 12 – Income Taxes (clarification as part of the annual improvements cycle 2015–2017: Income Tax Consequences of Payments on Instruments Classified as Equity)
- IAS 19 – Employee Benefits (clarification: Plan Amendment, Curtailment or Settlement)
- IAS 23 – Borrowing Costs (clarification as part of the annual improvements cycle 2015–2017: Borrowing Costs Eligible for Capitalisation)
- IAS 28 – Investments in Associates and Joint Ventures (clarification: Long-term Interests in Associates and Joint Ventures)
- IFRS 3 – Business Combinations/IFRS 11 – Joint Arrangements (clarification as part of the annual improvements cycle 2015–2017: Previously Held Interest in a Joint Operation)
- IFRS 9 – Financial Instruments (clarification: Prepayment Features with Negative Compensation)
- IFRIC 23 – Uncertainty over Income Tax Treatments (IFRIC interpretation to be applied for the first time)

In addition, METRO is voluntarily applying the amendments to IFRS 16 (Leases) adopted by the IASB in May 2020 early, which made it possible to simplify the accounting treatment of concessions granted by lessors to lessees due to the Covid-19 pandemic.

Accounting standards that were published but are not yet applied in financial year 2019/20

A number of other standards and interpretations amended or newly issued by the IASB were not yet applied by METRO in financial year 2019/20 because they were either not yet mandatory or have not yet been endorsed by the European Commission.

Standard/ Interpretation	Titel	Effective date according to IFRS[1]	Application at METRO AG from[2]	Endorsed by EU[3]
Amendments to IFRS 1	Changes resulting from the annual improvements cycle 2018–2020 (Subsidiary as a First-time Adopter)	1/1/2022	1/10/2022	No
Amendments to IFRS 3	Business Combinations (Definition of a Business)	1/1/2020	1/10/2020	Yes
Amendments to IFRS 3	Business Combinations (Reference to the Conceptual Framework)	1/1/2022	1/10/2022	No
Amendments to IFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying IFRS 9)	1/1/2023	1/10/2023	No
Amendments to IFRS 9	Changes resulting from the annual improvements cycle 2018–2020 (Fees in the 10 % Test for Derecognition of Financial Liabilities)	1/1/2022	1/10/2022	No
Amendments to IFRS 9/ IFRS 7/ IAS 39	Financial Instruments (Interest Rate Benchmark Reform – Phase 1)	1/1/2020	1/10/2020	Yes
Amendments to IFRS 9/ IFRS 7/ IFRS 16/ IAS 39	Financial Instruments (Interest Rate Benchmark Reform – Phase 2)	1/1/2021	1/10/2021	No
Amendments to IFRS 10/ IAS 28	Consolidated Financial Statements/Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Unknown[4]	Unknown[4]	No
Amendments to IFRS 16	Leases (Covid-19-Related Rental Concessions)	1/6/2020	1/10/2019	Yes
IFRS 17	Insurance Contracts – including adopted amendments to the standard	1/1/2023	1/10/2023	No
Amendments to IAS 1	Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1/1/2023	1/10/2023	No
Amendments to IAS 1/ IAS 8	Definition of ‘Material’	1/1/2020	1/10/2020	Yes
Amendments to IAS 16	Property, Plant and Equipment (Proceeds before Intended Use)	1/1/2022	1/10/2022	No
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Costs of Fulfilling a Contract)	1/1/2022	1/10/2022	No
Amendments to IAS 41	Changes resulting from the annual improvements cycle 2018–2020 (Taxation in Fair Value Measurement)	1/1/2022	1/10/2022	No
Changes to the Con-ceptual Framework	Conceptual Framework for Financial Reporting (Amendments to References to the Conceptual Framework in IFRS Standards)	1/1/2020	1/10/2020	Yes

[1] Without earlier application (exception: IFRS 16 – Covid-19-Related Rental Concessions).
[2] Application as of 1 October due to deviation of financial year from calendar year, if the approval for use (endorsement) has been granted by the EU.
[3] As of: Early November 2020.
[4] Indefinite deferral of effective date by IASB.

Effect of the additional IFRS amendments
The first-time application of the other standards and interpretations listed in the above table as well as amendments to IFRS is not expected to have a material impact on the group’s asset, financial and earnings position.

Consolidation group

Besides METRO AG, all companies indirectly or directly controlled by METRO AG are included in the consolidated financial statements if these companies individually or as a group are not immaterial to the consolidated financial statements. Control exists if there is a possibility to control a company's financial and business policy through a majority of voting rights or according to the Articles of Association, company contract or contractual agreement in order to benefit from this company's business activities.

Including METRO AG, 177 German (30/9/2019: 200) and 174 international (30/9/2019: 223) companies are included in the consolidated financial statements.

The group of consolidated companies changed as follows in financial year 2019/20:

As of 1/10/2019	423
Changes in financial year 2019/20	
Companies merged with other consolidated subsidiaries	7
Disposal of shares	80
Other disposals	4
Newly founded companies	17
Acquisitions	2
As of 30/9/2020	**351**

Deconsolidated companies are treated as group companies up to the date of their disposal.

The sales include the disposals from the divestment of METRO China (46 companies) and from the divestment of the hypermarket business (34 companies).

The remaining disposals relate primarily to liquidations. Effects from changes in the consolidation group that are of special significance are explained separately in the notes relating to the respective items.

For materiality reasons, 1 (30/9/2019: 3) affiliated subsidiary is not fully consolidated.

Investments accounted for using the equity method

25 associated companies (30/9/2019: 24) and 9 joint ventures (30/9/2019: 8) are accounted in the consolidated financial statements using the equity method.

OVERVIEW OF SUBSIDIARIES WITH SIGNIFICANT NON-CONTROLLING INTERESTS

€ million

30/9/2019		Non-controlling interests								
Name	Registered office	in %	as of 30/9/2019	Dividends paid[1]	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Sales revenues	Profit shares[1]
METRO Jinjiang Cash & Carry Co., Ltd.	Shanghai, China	10.00	14	13	298	897	3	1,045	2,812	5
METRO Cash & Carry Österreich GmbH	Vösendorf, Österreich	27.00	8	2	80	129	31	135	760	3

[1] Attributable to non-controlling interests.

€ million

30/9/2020		**Non-controlling interests**								
Name	**Registered office**	**in %**	**as of 30/9/2020**	**Dividends paid[1]**	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Sales revenues**	**Profit shares[1]**
METRO Cash & Carry Österreich GmbH	**Vösendorf, Austria**	**27.00**	**9**	**2**	**81**	**139**	**35**	**144**	**736**	**2**

[1] Attributable to non-controlling interests.

- **A complete list of group companies and associates is shown in** no. 57 – overview of the major fully consolidated group companies ▶ page 277**. In addition, a complete list of all group companies and associates is shown in** no. 59 – affiliated companies of the group METRO AG as of 30 September 2020 pursuant to § 313 of the German Commercial Code ▶ page 283**.**

Consolidation principles

The financial statements of German and foreign subsidiaries included in the consolidated accounts are prepared using uniform accounting and measurement methods as required by IFRS 10 (Consolidated Financial Statements).

Subsidiaries that, unlike METRO AG, do not close their financial year on 30 September prepared interim financial statements for consolidation purposes. In principle, subsidiaries are fully consolidated insofar as their consolidation is of material importance to the provision of a true and fair view of the asset, financial and earnings position.

In accordance with IFRS 3 (Business Combinations), capital consolidation is effected using the purchase method. In the case of business combinations, the carrying amounts of the investments are offset against the revalued pro rata equity of the subsidiaries as of their acquisition dates. Any positive differences remaining after the allocation of hidden reserves and liabilities are capitalised as goodwill. Goodwill is tested for impairment regularly once a year.

In addition, in the case of company acquisitions, hidden reserves and liabilities attributable to non-controlling interests are disclosed and recognised in equity as non-controlling interests. In accordance with IFRS 3, any negative differences remaining after the allocation of hidden reserves and liabilities as well as after a reassessment during the period in which the business combination took place are recognised through profit or loss.

Acquisitions of additional equity interests in companies where a controlling interest has already been acquired are recognised as equity transactions.

Investments in associates and joint ventures are accounted for using the equity method and treated in accordance with the principles applying to full consolidation, with existing goodwill being included in the amount capitalised for such investments. The disclosure of income from investments in associates, joint ventures and joint operations in the income statement depends on whether the investee carries out operating or non-operating activities. Operational activities include the wholesale businesses as well as related support activities (for example rent/lease of real estate, procurement, logistics). Income from operating associates, joint ventures and joint operations is recognised in earnings before interest and taxes (EBIT); income from non-operating entities is however recognised in the net financial result.

Any deviating accounting and measurement methods used in the financial statements of entities accounted for by applying the equity method are retained as long as they do not substantially contradict METRO’s uniform accounting and valuation methods.

According to IFRS 11 (Joint Arrangements), the individual venturers in joint operations recognise their portion of jointly held assets and jointly incurred liabilities in their own balance sheets.

Intra-group sales, expenses and income or profits and losses as well as receivables and liabilities and/or provisions are eliminated. Intercompany results in fixed assets or inventories resulting from intra-group transactions are eliminated unless they are of minor significance. In accordance with IAS 12 (Income Taxes), deferred taxes are recognised for consolidation procedures.

Unrealised gains from transactions with companies accounted for using the equity method are recognised as a reduction of the carrying amount of the investment in the amount of the group's share of the profit.

In joint arrangements, all venturers recognise the respective portion of sales attributable to them as well as their own income and expenses resulting from the joint arrangement in their income statement.

If a reduction in the shareholding quota in a subsidiary or the complete disposal of the shares entails a loss of control, full consolidation of the subsidiary is terminated when control no longer exists. All assets and liabilities that were previously fully consolidated will then be derecognised at amortised group carrying amounts (deconsolidation). Any investments held after the loss of control are recognised at fair value as a financial instrument according to IFRS 9 or as an investment according to IAS 28 using the equity method.

Currency translation

Foreign currency transactions

In the separate financial statements of the subsidiaries and the parent company, transactions in foreign currency are recognised at the rate prevailing on the transaction date. Monetary assets and liabilities in foreign currency are valued at the closing date exchange rate. Non-monetary assets and liabilities that are measured at fair value in foreign currency are translated at the rate prevailing at the time the fair value was determined. Non-monetary items measured at historical acquisition or production costs in foreign currency are translated at the rate of the transaction date.

In principle, gains and losses incurred by exchange rate fluctuations until the closing date are recognised in profit or loss. However, the currency translation differences resulting from the subsequent measurement of the following assets and liabilities are reported under reserves retained from earnings outside of profit or loss:

- Receivables and liabilities in foreign currency, which must be regarded as (part of) a net investment in a foreign operation
- Equity instruments measured at fair value through other comprehensive income
- Hedging instruments qualifying for cash flow hedges

Foreign operations

The annual financial statements of foreign subsidiaries are prepared according to the functional currency concept of IAS 21 (The Effects of Changes in Foreign Exchange Rates) and translated into euros for consolidation purposes in case their functional currency is a currency other than the euro. The functional currency is defined as the currency of the primary economic environment in which the subsidiary operates. Since all companies included in the consolidated financial statements operate as financially, economically and organisationally autonomous entities, their respective local currency is the functional currency. Necessary translations of assets and liabilities are made at the exchange rate on the closing date. As a general rule, income statement items are translated at the average exchange rate during the financial year. Exchange rate differences arising from the translation of the financial statements of foreign subsidiaries are recognised directly in equity and are reported separately under reserves retained from earnings in other comprehensive income. To the extent that the parent company does not own all equity interest in foreign subsidiaries, the relevant share of currency differences is allocated to the non-controlling interests.

Currency differences are recognised through profit or loss in the net financial result in the year in which the operations of a foreign subsidiary, whose functional currency is not the euro, are deconsolidated or terminated. In a partial disposal in which a controlling interest in such a foreign subsidiary is retained, the relevant share of cumulated currency differences is allocated to the non-controlling interests. Should associates or jointly controlled entities whose functional currency is not the euro be partially sold without the loss of significant influence or joint control, the relevant share of the cumulated currency differences is recognised in profit or loss.

In financial year 2019/20, no functional currency of a consolidated company was classified as hyperinflationary as defined by IAS 29 (Financial Reporting in Hyperinflationary Economies).

The following exchange rates being of major significance for METRO were applied in the translation of key currencies outside the European Monetary Union:

		Average exchange rate per €		Exchange rate at closing date per €	
		2018/19	**2019/20**	30/9/2019	**30/9/2020**
Bulgarian lev	BGN	1.95583	**1.95583**	1.95583	**1.95583**
Chinese renminbi	CNY	7.75616	**7.84515**	7.77840	**7.97200**
Croatian kuna	HRK	7.41336	**7.50832**	7.41100	**7.55650**
Czech koruna	CZK	25.74114	**26.17769**	25.81600	**27.23300**
Danish krone	DKK	7.46385	**7.46137**	7.46620	**7.44620**
Egyptian pound	EGP	19.48706	**17.84167**	17.75290	**18.45160**
Hong Kong dollar	HKD	8.83913	**8.70568**	8.53680	**9.07420**
Hungarian forint	HUF	323.02241	**343.96227**	334.83000	**365.53000**
Indian rupee	INR	79.65100	**82.28265**	77.16150	**86.29900**
Indonesian rupiah	IDR	16,160.21000	**16,232.86000**	15,456.94000	**17,497.84000**
Japanese yen	JPY	124.14090	**120.71530**	117.59000	**123.76000**
Kazakhstani tenge	KZT	427.11378	**451.86301**	423.49000	**502.14000**
Malaysian ringgit	MYR	4.67447	**4.72060**	4.55920	**4.86530**
Moldovan leu	MDL	19.72835	**19.46755**	19.39590	**19.82730**
Myanmar kyat	MMK	1,728.93370	**1,599.26967**	1,675.90000	**1,532.00000**
Norwegian krone	NOK	9.73765	**10.55535**	9.89530	**11.10080**
Pakistani rupee	PKR	163.05191	**179.88229**	170.90740	**194.33550**
Philippine peso	PHP	59.03683	**56.30047**	56.55300	**56.77400**
Polish zloty	PLN	4.30027	**4.38844**	4.37820	**4.54620**
Pound sterling	GBP	0.88412	**0.87833**	0.88573	**0.91235**
Romanian leu	RON	4.71851	**4.81183**	4.74960	**4.87250**
Russian rouble	RUB	73.82877	**77.50392**	70.75570	**91.77630**
Serbian dinar	RSD	118.06690	**117.56680**	117.52830	**117.58030**
Singapore dollar	SGD	1.54212	**1.54913**	1.50600	**1.60350**
Swiss franc	CHF	1.12274	**1.07494**	1.08470	**1.08040**
Turkish lira	TRY	6.32660	**7.29146**	6.14910	**9.09900**
UAE dirham	AED	4.14292	**4.11363**	4.00630	**4.30235**
Ukrainian hryvnia	UAH	30.17616	**29.09853**	26.34863	**33.16430**
US dollar	USD	1.12799	**1.11982**	1.08890	**1.17080**
Vietnamese dong	VND	25,903.60000	**25,953.36000**	25,457.19000	**27,131.35000**

Income statement

Recognition of income and expenses

Net sales are recognised in accordance with IFRS 15 (Revenue from Contracts with Customers) when the respective performance obligations have been met by transferring goods to wholesale customers or providing services. The goods are deemed to have been transferred at the time at which the customer gains control over them. This applies to store-based retail and wholesale as well as to the delivery business (Food Service Distribution, FSD). In these cases, cash payment or payment within a short time after delivery of the product (credit purchase) is usually agreed with the customer. Significant financing components are usually not included in the contracts with customers. For services, control over the services is transferred over time, thus fulfilling the performance obligation. Revenue is recognised in the amount of the consideration received or expected to be received in exchange for the goods or services.

Under certain wholesale business models, METRO customers are granted the right to exchange or return goods under certain conditions or in accordance with contractual agreements or on a legal basis. Refund liabilities that are based on empirical data regarding return quotas and periods are recorded for expected returns in this context. Assets for the right to recover products from a customer, on settling these refund liabilities, are measured at the initial carrying amount of the respective inventories (less settlement costs and any indicated impairment) and reported under ‘other assets’.

METRO grants various types of standardised, performance-based rebates if certain predefined conditions are met. Examples include rebates for achieving certain sales volumes with a customer and for customer loyalty. As soon as it can be assumed that a customer fulfils the conditions for granting the rebate, a portion of the revenue is deferred and recognised as a contract liability. Such contract liabilities are derecognised when the rebate is redeemed by the customer or when the probability that the customer will enforce its rights is remote. The rebates are regularly redeemed by customers within one year of the respective recognition of a contract liability.

Some of the franchise models offered by METRO include multi-component contracts with customers being offered a bundle of different franchise products and services. Individual contractual components are made available to customers in subsidised form, so that the entire agreed consideration is allocated to the individual components in accordance with the relative stand-alone selling prices.

In some cases, METRO acts as an agent for the delivery of goods or the provision of services. In these cases, METRO recognises the expected fee or commission as revenue.

Operating expenses are recognised as expenses upon utilisation of the service or on the date of their causation.

METRO’s financial result consists primarily of interest income and expenses. Interest is recognised as income or expenses and, where applicable, on an accrual basis using the effective interest method. Interest on borrowing that is directly attributable to the acquisition or production of a so-called qualified asset represent an exception, as they must be included in the acquisition or production costs of the asset capitalised pursuant to IAS 23 (Borrowing Costs). Dividends paid by companies in which METRO holds an interest and which are not accounted for using the equity method are generally recognised as income when the legal claim to payment arises.

Income taxes

Income taxes concern direct taxes on income and deferred taxes. As a general rule, they are recognised through profit or loss unless they are related to business combinations or an item that is directly recognised in equity or other comprehensive income.

Balance sheet

Goodwill

Goodwill is regularly tested for impairment once a year on 30 June – or more frequently if changes in circumstances indicate a possible impairment. If an impairment occurred, an impairment loss is recognised through profit or loss. To determine a possible impairment, the recoverable amount of a cash-generating unit is compared to the corresponding carrying amount of the cash-generating unit. The recoverable amount is the higher of the value in use and the fair value less costs of disposal. An impairment of the goodwill allocated to a cash-generating unit occurs only if the recoverable amount is lower than the total amount of the unit's relevant carrying amount. No reversal of an impairment loss is recognised if the reasons for the impairment in previous years have ceased to exist.

Other intangible assets

Purchased other intangible assets are recognised at cost of purchase. In accordance with IAS 38 (Intangible Assets), internally generated intangible assets are recognised at their production cost. Research costs, in contrast, are not recognised as assets, but recognised as expenses when they are incurred. The production costs include all expenditures directly attributable to the development process, unless they are explicitly excluded from being a component of the cost of an internally generated intangible asset.

Direct costs	Direct material costs
	Direct production costs
	Special direct production costs
Overhead (directly attributable)	Material overhead
	Production overhead
	Depreciation/amortisation/impairment losses
	Development-related administrative costs

Borrowing costs are factored into the determination of production costs only in case the intangible asset is a so-called qualified asset pursuant to IAS 23 (Borrowing Costs). Qualified assets are defined as non-financial assets that take a substantial period of time to be prepared for their intended use or sale.

All other intangible assets with a finite useful life are subject to straight-line amortisation. Capitalised internally created and purchased software as well as similar intangible assets are amortised over a period of up to 10 years, while licences are amortised over their useful lives.

Intangible assets with an indefinite expected useful life are not subject to scheduled amortisation, but are subject to impairment testing at least once a year. Impairment losses and reversed impairment losses are recognised through profit or loss in consideration of the historical cost principle.

Property, plant and equipment

Property, plant and equipment are recognised at acquisition or production costs according to IAS 16 (Property, Plant and Equipment). The production cost of internally generated assets includes both direct costs and directly attributable overhead. Borrowing costs are only capitalised in relation to so-called qualified assets as a component of acquisition or production costs. In line with IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance), investment grants received are offset against the acquisition or production costs of the corresponding asset. Dismantling and removing obligations are included in the acquisition or production costs at the discounted settlement amount. Subsequent acquisition or production costs of property, plant and equipment are only capitalised if they result in a higher future economic benefit of the tangible asset.

Property, plant and equipment are solely depreciated on a straight-line basis. Throughout the group, depreciation is based on the following expected useful lives:

Buildings	10 to 33 years
Leasehold improvements	8 to 15 years or shorter lease term
Business and office equipment	3 to 13 years
Machinery	3 to 8 years

In a few justified exceptional cases, the expected useful life of buildings is 40 years.

Capitalised costs of dismantling and removing are depreciated over the expected useful life of the asset.

According to IAS 36 (Impairment of Assets), an impairment test will be carried out if there are any indications of impairment of property, plant and equipment or of a cash-generating unit (CGU). Impairment losses are recognised if the recoverable amount is less than its carrying amount. If the reasons for the impairment have ceased to exist, impairment losses are reversed up to the amount of amortised acquisition or production costs had no impairment loss been recognised in previous periods.

Usufructuary rights

See IFRS 16 (Leases) in the section ‘Application of new accounting standards’.

Investment properties

In accordance with IAS 40 (Investment Property), investment properties comprise real estate assets that are held to earn rentals or for capital appreciation, or both. Analogous to property, plant and equipment, such assets are recognised at acquisition or production costs less depreciation and if required - impairment losses (cost model). Owned investment properties are depreciated using the straight line method, considering an expected useful life of 15 to 33 years. Investment properties, where rights of use are involved, are depreciated on a straight-line basis over a useful life of 5 to 15 years. In addition, the fair value of these real estates is determined based on accepted valuation methods, taking into account project development opportunities. The fair values are disclosed in the notes.

Financial assets

Unless associated companies or joint ventures as defined by IAS 28 (Investments in Associates and Joint Ventures) are involved, to which the equity method is applied, financial assets are accounted for in accordance with the provisions of IFRS 9 (Financial Instruments).

Financial assets are recognised in the consolidated balance sheet when METRO becomes a contractual party to a financial instrument. Recognition is effected at the trade date. Financial assets are derecognised if the contractual rights to payments from the financial assets no longer exist or the financial assets with all material risks and rewards are transferred to another party and METRO cannot control the financial assets after the transfer. When the uncollectability of receivables is finally determined, they are derecognised.

Financial assets are measured at fair value upon initial recognition. The transaction costs directly attributable to the acquisition must be taken into account, unless the financial instruments are subsequently measured at fair value through profit or loss.

The subsequent measurement of financial assets is based on the allocation of the respective financial asset to one of the categories described below. The classification is determined by whether the so-called cash flow characteristics are met as well as by the business model used to manage the respective financial asset (or a portfolio of financial assets). The cash flow condition is met if the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. With regard to potential business models, a distinction must be made for these financial assets meeting the cash flow condition between the objectives

- to either hold the financial asset in order to collect contractual cash flows (hold)
- or to both, hold them in order to collect contractual cash flows and sell them (hold and sell).

Using these classification criteria, the individual financial asset is assigned to one of the following classes at initial recognition:

- Measured at amortised cost (AC), provided the ‘hold’ criterion is met
- Measured at fair value through other comprehensive income (FVOCI), if the ‘hold and sell’ criterion is met
- Measured at fair value through profit or loss (FVPL) in all other cases

Derivative financial instruments that are not designated as part of a hedge accounting relationship for accounting purposes are measured at fair value.

METRO does not make use of the option to measure financial assets at fair value through profit or loss upon initial recognition (fair value option).

With regard to the financial assets recognised at amortised cost (AC), impairments are recognised as expected losses, regardless of the existence of actual default events. However, if there is objective evidence that contractually agreed cash flows of a financial asset are likely to partially or completely default, they are recorded as specific bad debt allowances. If these indications cease to exist, impairment losses are reversed up to the amount of the carrying amount that would have resulted if no default event had occurred. METRO determines the expected losses on trade receivables using the so-called simplified approach by using a provision matrix structured according to various (past-due) maturities. Expected losses for other financial assets are determined in accordance with the so-called general approach. Impairment losses are generally recognised in separate accounts.

Changes in the fair value of financial assets measured at fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income and reclassified to the income statement when the assets are sold. Impairment losses on financial assets in the

FVOCI category are determined in the same way as impairment losses on financial assets in the AC category and recognised in profit or loss.

In accordance with the provisions of IFRS 9, equity instruments held are either measured at fair value through profit or loss (FVPL) or at fair value through other comprehensive income without reclassification (FVOCInR).

Cash flow hedges: as part of cash flow hedging, which continues to be accounted for in accordance with IAS 39, METRO hedges the exposure to variability in future cash flows. For this purpose, future underlying transactions and related hedging instruments are designated as hedging relationships for accounting purposes. The effective portion of changes in the fair value of the hedging instrument that regularly meets the definition criteria of a derivative is initially recognised directly in equity under consideration of deferred taxes. The ineffective portion is recognised directly in profit or loss. For future transactions that result in the recognition of a non-financial asset or a non-financial liability, the cumulative changes in the fair value of the hedging instrument, which are recognised in other comprehensive income, are removed and included in the initial cost of the other carrying amount of the asset or liability. In case the hedging transaction relates to financial assets, financial liabilities or future transactions, the changes in fair value of the hedging instrument are transferred from other comprehensive income to profit or loss in the reporting period in which the hedged item is recognised in the income statement. The term of the hedging instrument is aligned to coincide with the occurrence of the future transaction.

Other financial and other non-financial assets

The assets reported under other financial assets are generally measured at amortised cost, and impairments are determined for the reporting year in accordance with the general approach to determine expected credit losses.

Other financial assets also include derivative financial instruments that are measured at fair value through profit or loss.

Deferred income presented pertains to transitorily deferred charges.

Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are determined using the asset-liability method in accordance with IAS 12 (Income Taxes). Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of these assets or liabilities in the consolidated financial statements and their tax base. Deferred tax assets are also considered for unused tax losses and interest carry-forwards.

Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available in the future to allow the corresponding benefit of that deferred tax asset to be realised.

Deferred tax assets and deferred tax liabilities are netted if these income tax assets and liabilities concern the same tax authority and refer to the same tax subject or a group of different tax subjects that are jointly assessed for income tax purposes. Deferred tax assets are remeasured at the end of each reporting period and adjusted if necessary.

Deferred taxes are determined on the basis of the tax rates expected in each country upon realisation. In principle, these are based on enacted laws or legislation that has been passed at the time of the closing date.

The assessment of deferred taxes reflects the tax consequence arising from METRO’s expectations as of the reporting date with regard to the manner in which the carrying amounts of the assets will be realised or the liabilities will be settled.

Inventories

In accordance with IAS 2 (Inventories), merchandise held as inventories is reported at cost of purchase. The cost of purchase is determined either on the basis of a separate measurement of additions or by means of the weighted average cost method. Considerations from suppliers to be classified as a reduction in the cost of purchase is deducted when the costs of acquisition are determined.

Merchandise is measured as of the reporting date at the lower of cost or net realisable value. Merchandise is written down on a case-by-case basis if the net realisable value declines below the carrying amount of the inventories. Such net realisable value corresponds to the anticipated estimated selling price less the estimated direct costs necessary to make the sale.

When the reasons for a write-down of the merchandise have ceased to exist, the previously recognised impairment loss is reversed.

Trade receivables

Trade receivables are recognised at amortised cost. For the reporting period, expected impairments determined on the basis of a provision matrix are taken into account. If there are further doubts about their recoverability, the trade receivables are recognised at the lower present value of the estimated future cash flows.

Income tax assets and liabilities

The income tax assets and liabilities presented relate to domestic and foreign income taxes for the reporting period as well as prior periods. They are determined in compliance with the tax laws of the respective country.

Income tax liabilities are calculated in accordance with the provisions of IFRIC 23. IFRIC 23 clarifies the application of recognition and measurement requirements under IAS 12 where there is uncertainty about the treatment of income tax. Recognition and measurement requires estimates and assumptions to be made, for example whether an estimate is made separately or together with other uncertainties, whether a probable or expected value for the uncertainty is used, and whether changes have occurred compared to the previous period. The detection risk is irrelevant for the accounting treatment of uncertain balance sheet items. Accounting is based on the assumption that the tax authorities will investigate the matter in question and that they have all relevant information at their disposal.

The group companies are subject to income taxes in various countries worldwide. In assessing the worldwide income tax assets and liabilities, the interpretation of tax regulations in particular may be subject to uncertainty. It cannot be ruled out that the respective tax authorities may have different views on the correct interpretation of tax regulations. Changes in assumptions about the correct interpretation of tax standards, for example due to changes in case law, are reflected in the accounting treatment of uncertain income tax assets and liabilities in the relevant financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cheques, cash on hand, bank deposits and other short-term liquid financial assets, such as accessible deposits on lawyer trust accounts or cash in transit, with an original term of up to 3 months. They are valued at their respective nominal values.

Non-current assets held for sale, liabilities related to assets held for sale and discontinued operations

In accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations), an asset is classified as a non-current asset held for sale if the respective carrying amount will be recovered principally through a disposal transaction rather than through continuing use. Analogously, liabilities related to assets held for sale are recognised separately in the balance sheet. A sale must be feasible in practice and be planned for execution within the subsequent 12 months. Immediately before the initial classification of the assets and liabilities as held for sale, the carrying amounts of the assets and liabilities are measured in accordance with applicable IFRS. In case of reclassification, the assets and liabilities of the disposal group are measured at the lower of their carrying amount and the fair value less costs of disposal and reported separately in the balance sheet. Discontinued operations are a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or a separate geographical area of operations.

In the present financial statements for the period ending on 30 September 2020, comparative figures and previous year's figures relating to the hypermarket business and METRO China have been omitted.

Employee benefits

Employee benefits include:

- Short-term employee benefits
- Post-employment benefits
- Other long-term employee benefits
- Termination benefits
- Share-based payment

Short-term employee benefits include wages and salaries, social security contributions, paid annual leave and paid sick leave and are recognised as liabilities at the amount (to be) disbursed as soon as the associated job performance has been rendered.

Post-employment benefits are provided in the context of defined benefit or defined contribution plans. In the case of defined contribution plans, the obligation to make periodic contributions to an external pension provider is recognised as expenses for post-employment benefits at the same time as the beneficiaries provide their service. Missed payments or prepayments to the external pension provider are accrued as liabilities or receivables. Liabilities with a term of over 12 months are discounted.

The actuarial measurement of pension provisions for post-employment benefits plans as part of a defined benefit plan is effected in accordance with the projected unit credit method as stipulated by IAS 19 (Employee Benefits) on the basis of actuarial opinions. Based on biometric data, this method takes into account known pensions and pension entitlements at the reporting date as well as expected increases in future wages and pensions. Where the employee benefit obligations determined or the fair value of the plan assets increase or decrease between the beginning and end of a financial year as a result of experience adjustments (for example, a changed fluctuation rate) or changes in underlying actuarial assumptions, this will result in actuarial gains and losses. These are recognised in other comprehensive income outside of profit or loss. Effects of plan changes and curtailments are recognised fully under service costs through profit or loss. The interest element of the addition to the provision contained in the pension expense is presented as interest expenses as part of the financial result. Insofar as plan assets exist, the amount of the pension obligation is generally the result of the difference between the present value of defined benefit obligations and the fair value of the plan assets.

Provisions for obligations similar to pensions (such as anniversary allowances and death benefits) are based on the present value of future payment obligations to the employee or his or her surviving dependants less any associated assets measured at fair value. The amount of provisions is determined on the basis of actuarial opinions in line with IAS 19. Actuarial gains and losses are recognised in the period in which they are incurred.

Termination benefits comprise severance payments to employees. They are recognised as liabilities through profit or loss when contractual or factual payment obligations towards the employee are to be made in relation to the termination of the employment relationship. Such an obligation exists when a formal plan for the early termination of the employment relationship is available to which the company is bound. Benefits with terms of more than 12 months after the reporting date are recognised at their present value.

The share bonuses granted under the share-based remuneration system are classified as cash-settled share-based payments in accordance with IFRS 2 (Share-based Payment). For these share-based payments provisions are set up on a pro rata basis, measured at the fair value of the obligations entered into. The recognition of the provision follows a prorated approach over the underlying vesting period and is recognised in profit or loss as personnel expenses. The fair value is remeasured at each reporting date during the vesting period based on an option pricing model. Provisions are adjusted accordingly in profit or loss.

(Other) provisions

In accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), (other) provisions are recognised if legal or constructive obligations to third parties exist that are based on past business transactions or events and an outflow of financial resources that can be reliably measured is probable. The provisions are stated at the anticipated settlement amount with regard to all identifiable risks considered.

Long-term provisions with a term of more than one year are discounted to the reporting date using an interest rate for matching maturities reflecting current market expectations regarding interest rate effects. Provisions with a term of less than one year are discounted accordingly, if the interest rate effect is material. Claims for recourse are not netted with provisions, but recognised separately as an asset if their realisation is considered virtually certain.

Provisions for onerous contracts are recognised if the unavoidable costs of meeting the obligations under a contract exceed the expected economic benefits resulting from the contract.

Provisions for restructurings are recognised if a constructive obligation for restructuring has been formalised by means of adopting a detailed restructuring plan and its communication vis-à-vis to those employees affected as of the reporting date.

Recognition of warranty provisions that do not fall into the scope of IFRS 15 (Revenue from Contracts with Customers) are based on past warranty claims and the sales of the current financial year.

(Other) financial liabilities

In accordance with IFRS 9, financial liabilities are assigned to one of the following categories:

- At fair value through profit or loss
- Other financial liabilities

The initial recognition of financial liabilities and the subsequent measurement of financial liabilities at fair value through profit or loss is applied in analogy to the corresponding guidance as it is applied to financial assets.

All other financial liabilities are presented as such. They are measured at their amortised cost using the effective interest method.

The fair value option according to IFRS 9 is not applied to financial liabilities at METRO.

The fair values provided for the financial liabilities in the notes have been determined on the basis of the interest rates prevailing on the reporting date for the remaining terms and redemption structures.

Financial liabilities from finance leases are generally measured at the present value of future minimum lease payments.

A financial liability is derecognised only when it has expired or when the contractual obligations have been redeemed or annulled or have expired.

Other non-financial liabilities

Other non-financial liabilities are carried at their repayment amount.

Transitorily deferred charges are presented as deferred income.

Trade liabilities

Trade liabilities are recognised at amortised cost.

Other

Contingent liabilities

Contingent liabilities are, on the one hand, possible obligations arising from past events whose existence must still be confirmed by the occurrence or non-occurrence of uncertain future events that are not entirely under METRO's control. On the other hand, contingent liabilities represent current obligations arising from past events for which, however, an outflow of economic resources is not considered probable or whose amount cannot be determined with sufficient reliability. Such liabilities are not recognised in the balance sheet but disclosed in the notes. Contingent liabilities are determined on the basis of the principles applying to the measurement of provisions.

Accounting for derivative financial instruments and hedge accounting

Derivative financial instruments are exclusively utilised to reduce risks. They are used in accordance with the respective group guideline.

All derivative financial instruments that are not designated as part of a hedging relationship are measured at fair value in accordance with IFRS 9 - or in the previous financial year in accordance with IAS 39 - and reported under other financial assets or other financial liabilities.

Derivative financial instruments are measured on the basis of interbank terms and conditions, possibly including the credit margin or stock exchange prices applicable to METRO - in this respect the average rate on the closing date is used. Where no stock exchange prices can be used, the fair value is determined by means of accepted financial models.

In case of effective hedge accounting transactions in accordance with IAS 39, the effective portion of the change in the derivative used as hedging instrument is recognised in other comprehensive income as part of the cash flow hedges. A transfer to the income statement is –in general – only processed when the underlying transaction is realised. The ineffective portion of the change in the value of the hedging instrument is immediately reported in profit or loss.

Supplier compensation

Depending on the underlying circumstances, considerations from suppliers are recognised as a reduction in the cost of purchase, a reimbursement of own costs or a payment for services rendered. Considerations from suppliers are deferred at the reporting date insofar as it has been contractually agreed and is likely to be realised. For supplier remunerations of METRO's costs linked to calendar year targets, the supplier's compensation included in the financial statement is based on appropriate extrapolations.

Estimates and assumptions, discretionary judgements

Due to the Covid-19 pandemic, particular challenges arose in with regards to estimates and assumptions. The operational business was largely unaffected by Covid-19 until the end of February 2020. At the beginning of the crisis in Europe triggered by the pandemic, METRO was initially able to more than compensate for the loss of sales and earnings of some customer groups (particularly hospitality industry customers) through positive sales and earnings effects in other customer groups (particularly through inventory purchases by SCO customers). Since mid-March 2020, however, the overall development in terms of sales and earnings has been clearly negative due to the pandemic and the regulatory measures imposed in many countries. Public life in many countries where METRO operates has been severely restricted as a result of these measures – in particular, the measures had a significant negative impact on some of our customer groups (especially hospitality industry customers) and, consequently also on our business. The situation did not stabilise until the 2nd half of the financial year – and even then just at a low level. At this stage, it is not possible to make a reliable estimate of how long the pandemic and the associated restrictions on public life will last and how long it will take to return to normal.

Estimates and assumptions

The preparation of these consolidated financial statements was based on estimates and assumptions, taking into account the changes in the business environment described above, which affected the disclosure and amount of assets and liabilities, income and expenses and contingent liabilities. Estimates and underlying assumptions with major effects were particularly made in connection with the Covid-19 pandemic with respect to the following circumstances:

- Ad hoc impairment testing of assets with and without a definite useful life, including goodwill, and a sensitivity analysis. Due to unstable political developments and regulatory restrictions as a result of the Covid-19 pandemic, the ad hoc impairment test of goodwill for the Classic Fine Foods Group in particular resulted in a shortfall, which was recognised as part of an impairment. Otherwise, potential short-term impairments to earnings have no impact on the existing carrying amounts of goodwill.
- Recoverability of receivables – in particular trade receivables and receivables due from suppliers. Increased specific bad debt allowances were provided for when measuring receivables, particularly in units with longer payment terms and a high exposure to the HoReCa sector. In addition, the future element in the general risk provision was increased in accordance with IFRS 9.
- Measurement of inventories, particularly with regard to write-downs to lower net realisable values.
- Calculation of provisions for performance-based remuneration components. Provisions for performance-based remuneration components were also calculated on the basis of corporate planning using current market parameters such as the performance of share prices and benchmark indices.

In addition, information on estimates and underlying assumptions with significant effects on these consolidated financial statements relates to the following circumstances or is included in the following notes:

- Uniform group-wide determination of expected useful lives for assets with a definite useful life (no. 15 – depreciation/amortisation/impairment losses ▸ page 181, no. 20 – other intangible assets ▸ page 188 and no. 21 – property, plant and equipment ▸ page 189)
- Ad hoc impairment testing of assets with a definite useful life (no. 15 – depreciation/amortisation/impairment losses ▸ page 181, no. 20 – other intangible assets ▸ page 188 and no. 21 – property, plant and equipment ▸ page 189)
- Recoverability of receivables due from suppliers with respect to considerations from suppliers (no. 24 – other financial and other non-financial assets ▸ page 196)
- Recognition of consideration from suppliers on an accrual basis and their presentation in the income statement (no. 24 – other financial and other non-financial assets ▸ page 196)
- Ability to realise future deferred tax assets – particularly from tax loss carry-forwards (no. 25 – deferred tax assets/deferred tax liabilities ▸ page 197)
- Measurement of inventories; inventories were examined thoroughly to determine whether fresh goods could still be sold during existing shutdown phases, and additional risk provisions were made where necessary (no. 26 – inventories ▸ page 200)
- Determination of provisions for post-employment benefits plans (no. 32 – provisions for post-employment benefits plans and similar obligations ▸ page 210)
- Determination of other provisions and other liabilities – for example, for performance obligations, restructuring, warranties, taxes and risks emerging from legal proceedings and litigation as well as risks from completed transactions (no. 33 – other provisions (non-current)/provisions (current) ▸ page 218, no. 37 – other financial and other non-financial liabilities ▸ page 224)
- Determination of lease terms, taking into account relevant facts and circumstances relating to economic incentives affecting the likelihood of tenants exercising renewal options or not exercising termination options as well as determination of the marginal interest rate (no. 21 – property, plant and equipment ▸ page 189)

Although great care has been taken in making these estimates and assumptions, actual measurements may deviate from them in individual cases and especially considering Covid-19-related uncertainties. The estimates and assumptions used in the consolidated financial statements are regularly reviewed. Changes are taken into account at the time new information becomes available.

Judgements

Information on the key judgements that materially affected the amounts reported in these consolidated financial statements relates to the following circumstances or note disclosures:

- Determination whether METRO is the principal or agent in sales transactions (no. 1 – revenue ▸page 174)
- Determination of the group of investments accounted for at equity by assessing the material influence

CAPITAL MANAGEMENT

The aim of the capital management strategy of METRO is to secure the company's business operations to continue, to enhance its company value, to create solid capital resources to finance future growth and to provide for attractive dividend payments and capital service.

The capital management strategy of METRO has remained unchanged compared with the previous year.

Equity, liabilities and net debt in the consolidated financial statements

The total equity before non-controlling interests amounts to €2,053 million (30/9/2019: €2,314 million), while liabilities amount to €11,131 million (30/9/2019: €15,485 million). Net debt decreased by €1.6 billion and amounts to €3.8 billion (30/9/2019: €5.4 billion).

€ million	30/9/2019[1]	**30/9/2020**
Equity before non-controlling interests	**2,314**	**2,053**
Liabilities	**15,485**	**11,131**
Net debt	**5,419**	**3,771**
Financial liabilities (incl. liabilities from leases)	5,930	**5,314**
Cash and cash equivalents	500	**1,525**
Short-term financial investments[2]	11	**19**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

[2] Shown in the balance sheet under other financial assets (current).

Local capital requirements

The capital management strategy of METRO consistently aims to ensure that the group companies' capital resources meet the local requirements. During financial year 2019/20, all external capital requirements were met. This includes, for example, adherence to a defined level of indebtedness and a fixed equity ratio.

NOTES TO THE INCOME STATEMENT

1. Sales revenues

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

€ million	2018/19	2019/20
Store-based and other business	**22,487**	**21,695**
METRO Germany	4,075	**4,166**
METRO Western Europe (excl. Germany)	8,885	**8,032**
METRO Russia	2,406	**2,412**
METRO Eastern Europe (excl. Russia)	5,986	**6,047**
METRO Asia	1,097	**1,023**
Others	38	**14**
Delivery sales	**4,595**	**3,937**
METRO Germany	660	**533**
METRO Western Europe (excl. Germany)	1,867	**1,570**
METRO Russia	257	**232**
METRO Eastern Europe (excl. Russia)	1,205	**1,078**
METRO Asia	599	**516**
Others	7	**7**
Total sales	**27,082**	**25,632**
METRO Germany	4,735	**4,699**
METRO Western Europe (excl. Germany)	10,752	**9,603**
METRO Russia	2,662	**2,644**
METRO Eastern Europe (excl. Russia)	7,191	**7,125**
METRO Asia	1,696	**1,539**
Others	46	**22**

2. Other operating income

€ million	2018/19[1]	2019/20
Income from logistics services	257	**281**
Services	250	**244**
Rents incl. reimbursements of subsidiary rental costs	204	**169**
Services rendered to suppliers	103	**69**
Gains from the disposal of fixed assets and gains from the reversal of impairment losses	366	**13**
Miscellaneous	195	**173**
	1,376	**948**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The income from logistics services provided by METRO LOGISTICS is offset by expenses from logistics services, which are reported under other operating expenses.

Services include income from advertising services provided by METRO ADVERTISING in the amount of €157 million (2018/19: €159 million); corresponding expenses from advertising services are shown under selling expenses.

Besides general disposal of long-term assets, the gains from the disposal of fixed assets and gains from the reversal of impairment losses include €3 million of income from the disposal of real estate (2018/19: €355 million) and €1 million of income from reversal of impairment losses (2018/19: €8 million).

The other operating income includes cost allocations and cost shares, income from the use of the METRO brand as well as a great number of insignificant individual items.

3. Selling expenses

€ million	2018/19[1]	**2019/20**
Personnel expenses	2,001	**1,931**
Cost of material	1,954	**1,917**
	3,955	**3,849**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

In terms of selling expenses, personnel expenses decreased compared to the previous year, mainly due to lower wages and salaries and variable payments.

The decline in costs of material compared to the previous year resulted in particular from reduced consultancy costs and lower leasing, energy, travel and transport costs. It was offset by the increased depreciation of usufructuary rights.

4. General administrative expenses

€ million	2018/19[1]	**2019/20**
Personnel expenses	424	**469**
Cost of material	387	**362**
	811	**831**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The increase in personnel expenses within general administrative expenses is mainly due to higher restructuring expenses for restructuring measures.

The decline in cost of material is primarily related to lower consultancy costs and travel expenses. It is offset by the increased amortisation of intangible assets.

5. Other operating expenses

€ million	2018/19	2019/20
Expenses from logistics services	254	**266**
Impairment losses on goodwill	3	**27**
Losses from the disposal of fixed assets	6	**4**
Miscellaneous	17	**24**
	279	**321**

The expenses from logistics services provided by METRO LOGISTICS are offset by income from logistics services, which are reported under other operating income.

6. Earnings from impairment of financial assets

The result from impairment losses on financial assets amounts to €64 million (2018/19: €14 million) and includes impairment losses on receivables from contracts with customers amounting to €51 million (2018/19: €9 million). This includes increased expenses from additions to impairment losses due to Covid-19, income from the reversal of impairment losses, and income from the receipt of cash and cash equivalents for financial assets that have already been derecognised.

7. Earnings share of operating/non-operating companies recognised at equity

The earnings of operating companies recognised at equity that have an operational relation to the ordinary business activities are shown in the income statement in the EBIT item. It amounts to €14 million (2018/19: €24 million). Of this, €6 million (2018/19: €15 million) is attributable to the METRO Western Europe (excl. Germany) segment and €7 million (2018/19: €9 million) to the Others segment as well as €1 million (2018/19: €1 million) to the METRO Asia segment.

8. Other investment result

Other investment results in the amount of €3 million (2018/19: €−1 million) include the impact of the fair value measurement of investments in the amount of €2 million (2018/19: €−1 million). Dividends from investments amounted to €0 million (2018/19: €0 million).

9. Net interest income/interest expenses

The interest result can be broken down as follows:

€ million	2018/19[1]	2019/20
Interest income	**45**	**31**
thereof from leases	(16)	**(15)**
thereof from post-employment benefits plans	(7)	**(5)**
thereof from financial instruments of the measurement categories according to IFRS 9	(12)	**(8)**
Interest expenses	**−285**	**−252**
thereof from leases	(−188)	**(−177)**
thereof from post-employment benefits plans	(−15)	**(−11)**
thereof from financial instruments of the measurement categories according to IFRS 9	(−69)	**(−56)**
Interest result	**−241**	**−220**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

Interest income and interest expenses from financial instruments are assigned to the measurement categories according to IFRS 9 on the basis of the underlying transactions.

The interest expenses included here (of the measurement categories in accordance with IFRS 9) primarily include interest expenses for issued bonds (including the Commercial Paper Programme) of €31 million (2018/19: €41 million) and for liabilities to banks of €17 million (2018/19: €19 million).

The decline in interest expenses was primarily the result of more favourable refinancing terms and lower interest expenses from leases.

– **For more information about possible effects from currency risks, see** no. 44 – management of financial risks page 242.

10. Other financial result

The other financial income and expenses from financial instruments are assigned to measurement categories according to IFRS 9 on the basis of the underlying transactions. Besides income and expenses from the measurement of financial instruments (except derivatives in hedging relationships in accordance with IAS 39), this also includes the measurement of foreign currency positions according to IAS 21.

€ million	2018/19[1]	2019/20
Other financial income	174	**320**
thereof currency effects	(127)	**(255)**
thereof hedging transactions	(39)	**(49)**
Other financial expenses	−162	**−392**
thereof currency effects	(−121)	**(−325)**
thereof hedging transactions	(−18)	**(−35)**
Other financial result	**12**	**−72**
thereof from financial instruments of the measurement categories according to IFRS 9	(17)	**(16)**
thereof cash flow hedges:		
ineffectiveness	(−1)	**(−2)**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The total comprehensive income from currency effects and measurement results from hedging transactions and hedging relationships totalled €−57 million (2018/19: €28 million). In addition, the other financial result reflects €−13 million (2018/19: €−5 million) in currency effects resulting from the translation of the financial statements of foreign subsidiaries that are recognised through profit or loss in the year the subsidiary is deconsolidated or in the year business activities are discontinued. In addition, impairment losses on financial assets amounting to €−2 million (2018/19: €−2 million) were recognised in the reporting period.

— **For more information about possible effects from currency risks, see** no. 44 – management of financial risks ▸ page 242.

11. Net results according to measurement categories

The key effects of income from financial instruments are as follows:

2018/19

€ million	Investments	Interest	Fair value measurements	Currency translation	Disposals	Impairments	Other	Net result
Financial assets measured at amortised cost, incl. cash and cash equivalents	0	11	0	19	0	−16	0	13
Financial assets at fair value through profit or loss	−1	0	24	0	0	0	0	23
Equity instruments measured outside of profit or loss	0	0	0	0	0	0	0	0
Financial liabilities measured at amortised cost	0	−69	4	−23	3	0	−4	−89
	−1	**−57**	**28**	**−5**	**4**	**−16**	**−4**	**−52**

2019/20

€ million	Invest-ments	Interest	Fair value measure-ments	Currency trans-lation	Disposals	Impair-ments	Other	Net result
Financial assets measured at amortised cost, incl. cash and cash equivalents	0	8	0	5	0	−58	0	−46
Financial assets at fair value through profit or loss	3	0	15	0	0	0	0	18
Equity instruments measured outside of profit or loss	0	0	0	0	0	0	0	0
Financial liabilities measured at amortised cost	0	−56	10	−8	4	0	−4	−53
	3	−48	25	−3	4	−58	−5	−82

The income and expenses from financial instruments are assigned to measurement categories according to IFRS 9 on the basis of the underlying transactions.

Investment income and income effects from the disposal of investments are included in other investment result. Interest income and expenses are part of the interest result. Fair value measurements and effects from other financial expenses and currency translation are included in the other financial result. Income effects from the disposal of other financial liabilities are included in earnings before interest and taxes (EBIT). The expenses from impairments are included in the result from impairments on financial assets.

– **Additional information on the risks arising from impairments can be found in** no. 44 – management of financial risks ▶page 242.

Remaining financial income and expenses included in the other financial result primarily concern bank commissions and similar expenses that are incurred within the context of financial assets and liabilities.

12. Income taxes

Income taxes include the taxes on income paid or owed in the individual countries as well as deferred taxes.

€ million	2018/19[1]	**2019/20**
Deferred tax expense/income (+/−)	86	**−25**
thereof from temporary differences	(18)	**(−22)**
thereof from loss and interest carry-forwards	(68)	**(−3)**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

€ million	2018/19[1]	2019/20
Actual taxes	215	**133**
thereof Germany	(9)	**(10)**
thereof international	(206)	**(123)**
thereof tax expenses/income of current period	(221)	**(143)**
thereof tax expenses/income of previous periods	(−6)	**(−10)**
Deferred taxes	86	**−25**
thereof Germany	(105)	**(24)**
thereof international	(−19)	**(−49)**
	301	**108**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The income tax rate of the German companies of METRO consists of a corporate income tax of 15.00% plus a 5.50% solidarity surcharge on corporate income tax as well as the trade tax of 14.70% given an average assessment rate of 420.00%. All in all, this results in an aggregate tax rate of 30.53%. The tax rates are unchanged from the previous year. The income tax rates applied to foreign companies are based on the respective laws and regulations of the individual countries and vary within a range of 0.00% (2018/19: 0.00%) and 34.94% (2018/19: 34.94%).

At €108 million (2018/19: €301 million), recognised income tax expenses are €−193 million below previous year's level. The decline in current income taxes amounting to €82 million (2018/ 19: increase by €42 million) is mainly due to the lower consolidated input tax earnings compared to the previous year. The decrease in deferred tax expenses of €111 million (2018/19: increase by €40 million) is due to the write-downs of deferred taxes on domestic loss carry-forwards recognised in the previous year.

Applying the German group tax rate to the reported pre-tax result would result in an income tax expense of €−10 million (2018/19: €222 million). The deviation of €118 million (2018/19: €79 million) from the reported tax expense of €108 million (2018/19: €301 million) can be reconciled as follows:

€ million	2018/19[1]	2019/20
EBT (earnings before taxes)	**728**	**−32**
Expected income tax expenses (30.53%)	222	**−10**
Effects of differing national tax rates	−65	**−2**
Tax expenses and income relating to other periods	−6	**−10**
Non-deductible business expenses for tax purposes	51	**52**
Effects of not recognised or impaired deferred taxes	119	**69**
Additions and reductions for local taxes	13	**15**
Tax holidays	−39	**−3**
Other deviations	5	**−2**
Income tax expenses according to the income statement	**301**	**108**
Group tax rate	**41.4%**	**−338.3%**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The item ‘effects of differing national tax rates’ includes a deferred tax expense of €3 million (2018/19: deferred tax income of €7 million) from tax rate changes.

Tax holidays for the previous year include effects from real estate transactions in the amount of €30 million.

13. Profit or loss for the period attributable to non-controlling interests

Of profit or loss for the period attributable to non-controlling interests, profit shares accounted for €13 million (2018/19: €13 million) and loss shares for €−2 million (2018/19: €−2 million).

14. Earnings per share

	2018/19[1]	**2019/20**
Weighted number of no-par-value shares	363,097,253	**363,097,253**
Profit or loss for the period attributable to the shareholders of METRO AG (€ million)	322	**460**
Earnings per share in € (basic = diluted)	**0.89**	**1.27**
from continuing operations	(1.16)	**(−0.40)**
from discontinued operations	(−0.27)	**(1.67)**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

Earnings per share are determined by dividing profit or loss for the period attributable to the shareholders of METRO AG by the weighted number of no-par-value shares. In the calculation of earnings per ordinary share, an additional dividend for preference shares is generally deducted from profit or loss for the period attributable to the shareholders of METRO AG. There was no dilution in the reporting period or the year before from so-called potential shares.

Earnings per preference share correspond to earnings per share.

15. Depreciation/amortisation/impairment losses

Depreciation/amortisation/impairment losses of €858 million (2018/19: €784 million) include impairment losses totalling €55 million (2018/19: €21 million).

The impairment is mainly losses attributable to the METRO Asia segment (€26 million), in particular the impairment of goodwill at Classic Fine Foods, €14 million to the Others segment, €6 million to the METRO Germany segment and €5 million to the METRO Russia segment.

The attribution of depreciation/amortisation/impairment losses in the income statement and the affected asset categories is as follows:

2018/19

€ million	Goodwill	Other in-tangible assets	Property, plant and equip-ment[2]	Usu-fructuary rights[2]	Invest-ment proper-ties[2]	Financial assets[1]	Total[2]
Cost of sales	0	3	22	46	0	0	70
thereof depreciation/amortisation	(0)	(3)	(22)	(46)	(0)	(0)	(70)
thereof impairment	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Selling expenses	0	30	321	223	14	0	588
thereof depreciation/amortisation	(0)	(30)	(315)	(222)	(14)	(0)	(580)
thereof impairment	(0)	(0)	(6)	(1)	(0)	(0)	(8)
General administrative expenses	0	81	19	21	1	0	121
thereof depreciation/amortisation	(0)	(73)	(19)	(21)	(1)	(0)	(113)
thereof impairment	(0)	(8)	(0)	(0)	(0)	(0)	(8)
Other operating expenses	3	0	0	0	0	0	3
thereof impairment	(3)	(0)	(0)	(0)	(0)	(0)	(3)
Scheduled impairment losses and impairment before impairment of financial investments	**3**	**113**	**362**	**290**	**15**	**0**	**782**
Net financial result	0	0	0	0	0	2	2
thereof impairment	(0)	(0)	(0)	(0)	(0)	(2)	(2)
Scheduled depreciation/ amortisation/impairment losses	**3**	**113**	**362**	**290**	**15**	**2**	**784**
thereof depreciation/amortisation	(0)	(105)	(356)	(288)	(14)	(0)	(763)
thereof impairment	(3)	(8)	(7)	(2)	(0)	(2)	(21)

[1] Also comprise investments accounted for using the equity method.

[2] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

2019/20

€ million	Goodwill	Other in-tangible assets	Property, plant and equip-ment	Usu-fructuary rights	Invest-ment proper-ties	Financial assets[1]	Total
Cost of sales	0	2	24	50	0	0	77
thereof depreciation/amortisation	(0)	(2)	(24)	(50)	(0)	(0)	(77)
thereof impairment	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Selling expenses	0	34	316	244	24	0	618
thereof depreciation/amortisation	(0)	(34)	(305)	(240)	(17)	(0)	(595)
thereof impairment	(0)	(0)	(11)	(4)	(7)	(0)	(22)
General administrative expenses	0	96	18	21	1	0	135
thereof depreciation/amortisation	(0)	(92)	(18)	(21)	(1)	(0)	(131)
thereof impairment	(0)	(4)	(0)	(0)	(0)	(0)	(4)
Other operating expenses	27	0	0	0	0	0	27
thereof impairment	(27)	(0)	(0)	(0)	(0)	(0)	(27)
Scheduled impairment losses and impairment before impairment of financial investments	27	132	358	315	25	0	857
Net financial result	0	0	0	0	0	1	1
thereof impairment	(0)	(0)	(0)	(0)	(0)	(1)	(1)
Scheduled depreciation/ amortisation/impairment losses	27	132	358	315	25	1	858
thereof depreciation/amortisation	(0)	(128)	(346)	(311)	(18)	(0)	(803)
thereof impairment	(27)	(4)	(11)	(4)	(7)	(1)	(55)

[1] Also comprise investments accounted for using the equity method.

In accordance with IFRS 5, impairment losses of METRO China in the previous year were not included in the profit or loss for the period from continuing operations and were thus not included in the tables above. In contrast, these impairment losses are included in the movement schedules on the development of financial assets up to the point of reclassification on 30 September 2019; for that reason, the amounts stated there may differ from those stated above.

16. Cost of materials

The cost of sales includes the following cost of materials:

€ million	2018/19	**2019/20**
Cost of raw materials, supplies and goods purchased	21,768	**20,572**
Cost of services purchased	16	**18**
	21,784	**20,590**

17. Personnel expenses

Personnel expenses can be broken down as follows:

€ million	2018/19	2019/20
Wages and salaries	2,264	**2,256**
Social security expenses, expenses for post-employment benefits and related employee benefits	552	**537**
thereof for post-employment benefits	(41)	**(37)**
	2,816	**2,793**

Wages and salaries include expenses relating to restructuring measures and severance payments of €84 million (2018/19: €23 million). The variable remuneration dropped from €81 million in financial year 2018/19 to €66 million in financial year 2019/20. Wages and salaries also include expenses for long-term remuneration components totalling €13 million (2018/19: €7 million).

Annual average number of group employees in the continuing segment:

Number of employees by headcount	2018/19	2019/20
Blue collar/white collar	99,843	**95,906**
Apprentices/trainees	1,811	**1,733**
	101,654	**97,639**

This includes an absolute number of 16,160 (2018/19: 16,902) part-time employees. The number of employees working outside of Germany stood at 78,199 (2018/19: 81,607). This includes 77,341 blue- and white-collar employees (2018/19: 80,660). In addition, 858 trainees were employed abroad (2018/19: 947).

- **The personnel figures for discontinued operations are explained in** no. 43 – discontinued operations ▸ page 236**.**

18. Other taxes

The other taxes (for example property tax, motor vehicle tax, excise tax and transaction tax) have the following effects on the income statement:

€ million	2018/19	2019/20
Other taxes	**79**	**69**
thereof from cost of sales	(1)	**(1)**
thereof from selling expenses	(62)	**(59)**
thereof from general administrative expenses	(16)	**(9)**

NOTES TO THE BALANCE SHEET

19. Goodwill

Goodwill amounts to €731 million (30/9/2019: €785 million).

At the closing date, the breakdown of goodwill among the major cash-generating units was as shown below:

	30/9/2019		**30/9/2020**	
		WACC		**WACC**
	€ million	%	**€ million**	**%**
METRO Cash & Carry France	293	5.0	**293**	**4.6**
METRO Cash & Carry Germany	94	4.7	**94**	**4.5**
METRO Cash & Carry Poland	57	5.6	**54**	**4.9**
METRO Cash & Carry Spain/Portugal	54	5.7	**54**	**5.1**
METRO Cash & Carry Romania	39	6.2	**38**	**6.7**
METRO Cash & Carry Italy	38	6.7	**38**	**6.3**
Pro à Pro	34	5.0	**35**	**4.6**
METRO Cash & Carry Russia	42	6.6	**32**	**6.3**
METRO Cash & Carry Czech Republic	24	5.3	**23**	**4.8**
Classic Fine Foods	25	5.0	**0**	**5.0**
Others	85		**69**	
	785		**731**	

In accordance with IFRS 3 in conjunction with IAS 36, goodwill is tested for impairment once a year. This is carried out at the level of a group of cash-generating units. Specifically, this is usually the organisational unit per country.

In the impairment test, the cumulative carrying amount of the group of cash-generating units is compared with the recoverable amount. The recoverable amount is defined as the fair value less costs to sell, which is calculated from discounted future cash flows and the level 3 input parameters of the fair value hierarchy.

- **The description of the fair value hierarchies is included in** no. 40 – carrying amounts and fair values according to measurement categories ▸ page 227**.**

Expected future cash flows are based on a qualified planning process under consideration of intra-group experience as well as macroeconomic data collected by third-party sources. The detailed planning period generally spans 3 years, with various scenarios being derived with regard to the effects of the Covid-19 pandemic and analysed with regard to their appropriateness for the impairment test. The increased uncertainty about future developments was taken into account by adjusting the sales and earnings planning to properly reflect the crisis. The detailed planning period can generally be extended by up to 2 further planning years for units undergoing a transformation process, but no use was made of this option in financial year 2019/20. Following the detailed planning period, a growth rate of 1% is assumed, as in the previous year. The capitalisation rate as the weighted average cost of capital (WACC) is determined using the capital asset pricing model. In the process, an individual peer group is assumed for all groups of cash-generating units operating in the same business segment. In addition, the capitalisation rates are determined on the basis of an assumed basic interest rate of 0.0% (30/9/2019: 0.6%) and a market risk premium of 7.8% (30/9/2019: 7.0%) in Germany as well as a beta factor of 0.88 (30/9/2019: 0.97). Country-specific risk premiums based on the respective country rating are applied to the equity cost of capital and to the borrowing costs. The capitalisation rates after taxes determined individually for each group of cash-generating units range from 4.5% to 10.7% (30/9/2019: 4.7% to 10.1%).

The mandatory annual impairment test carried out by METRO as of 30 June 2020 resulted in the following assumptions regarding the development of sales, EBIT and the EBIT margin targeted for valuation purposes until the end of the detailed planning period. In view of the limited comparability of financial year 2019/20 in many countries, financial year 2018/19 was used as a basis for comparison here. The EBIT margin hereby reflects the ratio of EBIT to net sales.

	Sales	EBIT	EBIT margin	Detailed planning period (years)
METRO Cash & Carry France	Slight growth	Noticeable decline[1]	Noticeable decline[1]	3
METRO Cash & Carry Germany	Moderate growth	Slight growth	Slight growth	3
METRO Cash & Carry Poland	Moderate decline	Stable development	Stable development	3
METRO Cash & Carry Spain/Portugal	Moderate decline	Noticeable decline[1]	Moderate decline	3
Pro à Pro	Slight growth	Moderate growth	Stable development	3

[1] The recovery from the Covid 19 pandemic is expected to continue until after the end of the detailed planning period.

Impairment losses of €27 million were recognised in the financial year; they are mainly attributable to Classic Fine Foods. As of 30 June 2020, the mandatory annual impairment test also confirmed the recoverability of all capitalised goodwill.

In addition to the impairment test, 3 sensitivity analyses were conducted for each group of cash-generating units. In the first sensitivity analysis, the interest rate for each group was raised by 10.0%. The second sensitivity analysis was based on the assumption of a 1 percentage point lower growth rate. In the third sensitivity analysis, a lump sum discount of 10.0% was applied to the assumed perpetual EBIT. These changes did not result in significant impairment for any of the groups of cash-generating units with the exception of METRO Cash & Carry Germany and Pro à Pro.

In the goodwill impairment test at METRO Cash & Carry Germany, the fair value less costs to sell exceeded the carrying amount by €18 million. If the WACC were to increase to 4.8%, the fair value less costs to sell would correspond to the carrying amount.

If the WACC were to increase by 4.7% for Pro à Pro, the fair value less costs to sell would correspond to the carrying amount.

€ million	Goodwill
Acquisition or production costs	
As of 1/10/2018	840
Currency translation	7
Additions to consolidation group	0
Additions	1
Disposals	0
Reclassifications in accordance with IFRS 5	−19
Transfers	0
As of 30/9/2019 and 1/10/2019	829
Currency translation	−34
Additions to consolidation group	0
Additions	0
Disposals	0
Reclassifications in accordance with IFRS 5	0
Transfers	0
As of 30/9/2020	795
Depreciation	
As of 1/10/2018	44
Currency translation	−2
Additions, scheduled	0
Additions, impairment	3
Disposals	0
Reclassifications in accordance with IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30/9/2019 and 1/10/2019	44
Currency translation	−7
Additions, scheduled	0
Additions, impairment	27
Disposals	0
Reclassifications in accordance with IFRS 5	0
Reversals of impairment losses	0
Transfers	0
As of 30/9/2020	64
Carrying amount as of 1/10/2018	797
Carrying amount as of 30/9/2019	785
Carrying amount as of 30/9/2020	**731**

20. Other intangible assets

€ million	Intangible assets without goodwill	(thereof internally generated intangible assets)
Acquisition or production costs		
As of 1/10/2018	1,801	(977)
Currency translation	10	(1)
Additions to consolidation group	0	(0)
Additions	170	(137)
Disposals	−11	(−5)
Reclassifications in accordance with IFRS 5	−10	(0)
Transfers	7	(−3)
As of 30/9/2019 and 1/10/2019	1,967	(1,106)
Currency translation	−20	(−2)
Additions to consolidation group	0	(0)
Additions	154	(122)
Disposals	−35	(−15)
Reclassifications in accordance with IFRS 5	0	(0)
Transfers	4	(18)
As of 30/9/2020	2,069	(1,229)
Depreciation		
As of 1/10/2018	1,302	(817)
Currency translation	3	(1)
Additions, scheduled	106	(46)
Additions, impairment	8	(6)
Disposals	−11	(−5)
Reclassifications in accordance with IFRS 5	−6	(0)
Reversals of impairment losses	0	(0)
Transfers	2	(0)
As of 30/9/2019 and 1/10/2019	1,405	(864)
Currency translation	−10	(−2)
Additions, scheduled	128	(69)
Additions, impairment	4	(4)
Disposals	−34	(−15)
Reclassifications in accordance with IFRS 5	0	(0)
Reversals of impairment losses	0	(0)
Transfers	0	(13)
As of 30/9/2020	1,493	(933)
Carrying amount as of 1/10/2018	499	(160)
Carrying amount as of 30/9/2019	562	(242)
Carrying amount as of 30/9/2020	**576**	**(296)**

The other intangible assets have both finite and indefinite expected useful lives. Intangible assets with a finite expected useful life are subject to scheduled depreciation/amortisation. Intangible assets with an indefinite expected useful life are subjected to annual impairment tests.

Assets with an indefinite useful life relate to acquired brand rights. Their carrying amount is €95 million (30/9/2019: €99 million). The expected useful life of the trademark rights is indeterminable, because METRO can use these rights without restrictions and abandoning them is not envisaged in the future. The carrying amounts of the brands are reviewed annually for units to which goodwill is not simultaneously allocated in line with the procedure for the respective purchase price allocations using the licence price analogy method. This involves applying licence rates of between 0.3% and 1% and WACC of between 4.5% and 5%. The mandatory annual impairment test confirmed the recoverability of the carrying amounts. In addition, sensitivity analyses were carried out, assuming a 10% reduction in the sustainable expected sales of the respective units or a 10% increase in WACC. Even in these scenarios, no impairment would have resulted.

Additions in the amount of €154 million (2018/19: €170 million) concern internally generated software at €122 million (2018/19: €137 million), software purchased from third parties and still in development at €19 million (2018/19: €19 million), and concessions, rights and licences at €13 million (2018/19: €13 million).

Research and development expenses recognised in expenses essentially concern internally generated software and amounted to €30 million (2018/19: €28 million).

As in the previous year, there are no material restrictions on title or right to dispose of intangible assets. Purchasing obligations for intangible assets amounting to €1 million (30/9/2019: €1 million) were recorded.

21. Property, plant and equipment

Property, plant and equipment includes own tangible assets and rights of use for leased property, plant and equipment.

€ million	30/9/2019[1]	**30/9/2020**
Property, plant and equipment	4,260	**3,728**
Usufructuary rights	2,374	**2,084**
	6,635	**5,811**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The inventories and developments are each presented and explained separately below. Previous year's figures have been adjusted due to the full retrospective application of IFRS 16 (Leases).

The development of own tangible assets is shown in the following table.

€ million	Land and buildings	Other plant, business and office equip-ment	Assets under construction	Total
Acquisition or production costs				
As of 1/10/2018	6,599	3,189	158	9,946
Currency translation	156	46	3	205
Additions to consolidation group	0	0	0	0
Additions	54	80	161	295
Disposals	−125	−74	−5	−204
Reclassifications in accordance with IFRS 5	−794	−249	−15	−1,058
Transfers	61	100	−186	−24
As of 30/9/2019 and 1/10/2019	5,951	3,093	116	9,160
Currency translation	−457	−136	−7	−600
Additions to consolidation group	0	0	0	0
Additions	24	66	109	198
Disposals	−26	−104	−13	−142
Reclassifications in accordance with IFRS 5	−1	0	0	−1
Transfers	41	72	−109	4
As of 30/9/2020	5,531	2,991	96	8,618
Depreciation				
As of 1/10/2018	2,945	2,155	10	5,110
Currency translation	40	26	0	67
Additions, scheduled	202	200	0	401
Additions, impairment	6	1	0	7
Disposals	−72	−67	0	−139
Reclassifications in accordance with IFRS 5	−385	−138	0	−523
Reversals of impairment losses	−4	−1	0	−5
Transfers	−21	4	0	−18
As of 30/9/2019 and 1/10/2019	2,711	2,179	10	4,900
Currency translation	−163	−87	−1	−252
Additions, scheduled	165	181	0	346
Additions, impairment	7	3	1	11
Disposals	−22	−100	0	−122
Reclassifications in accordance with IFRS 5	−1	0	0	−1
Reversals of impairment losses	0	0	0	−1
Transfers	7	1	0	8
As of 30/9/2020	2,703	2,177	10	4,890
Carrying amount as of 1/10/2018	3,655	1,034	148	4,836
Carrying amount as of 30/9/2019	3,240	914	106	4,260
Carrying amount as of 30/9/2020	**2,828**	**814**	**86**	**3,728**

Of the €533 million decline in property, plant and equipment, €349 million was due to negative currency effects, particularly in Turkey and Russia. Investments were more than offset by ongoing depreciation.

In accordance with IFRS 5, the scheduled depreciation of METRO China in the previous year in the amount of €44 million is not included in the current profit or loss for the period from continuing operations. These impairment losses are included in the movement schedules on the development of financial assets up to the point of reclassification on 30 September 2019; consequently, the amounts stated there may differ from the notes on depreciation.

Restrictions on titles in the form of liens and encumbrances for items of property, plant and equipment amounted to €10 million (30/9/2019: €11 million).

Contractual commitments were recorded for items of property, plant and equipment in the amount of €22 million (30/9/2019: €42 million).

The development of rights of use of leased property, plant and equipment is shown in the following table.

€ million	Land and buildings	Vehicles	Others	Total
Net carrying amount				
As of 1/10/2018	2,524	88	20	2,633
Additions	344	47	21	412
Depreciation	−263	−39	−8	−311
Impairment	−2	0	0	−2
Reclassifications and net change in consolidation group	−343	0	−1	−343
Disposals, currency translation and reversals of impairment losses	−12	−1	0	−14
As of 30/9/2019 and 1/10/2019	2,248	95	32	2,374
Additions	185	61	21	267
Depreciation	−254	−45	−12	−311
Impairment	−4	0	0	−4
Reclassifications and net change in consolidation group	−63	0	−2	−65
Disposals, currency translation and reversals of impairment losses	−165	−9	−4	−178
As of 30/9/2020	**1,947**	**103**	**34**	**2,084**

The decrease in rights of use of €290 million was mainly due to scheduled depreciation of €311 million. In addition, reclassifications as part of the disposal of the hypermarket business amounting to €141 million reduce the rights of use. They consist of the reclassification of rights of use as investment properties and disposals to receivables from finance leases. In addition, disposals due to termination and modification of contracts amounting to €71 million and negative currency effects amounting to €62 million reduced the number of rights of use. This was offset by investments in rights of use in the amount of €267 million.

In accordance with IFRS 5, the scheduled depreciation of METRO China in the previous year in the amount of €23 million is not included in the current profit or loss for the period from continuing operations. These impairment losses are included in the movement schedules on the development of financial assets up to the point of reclassification on 30 September 2019; consequently, the amounts stated there may differ from the notes on depreciation.

- **Information on leases is provided in** no. 47 – leases ▶ page 250**.**
- **Disclosures on assets/liabilities held for sale in connection with the sale of the hypermarket business and METRO China can be found under** no. 43 – discontinued operations ▶ page 236**.**

22. Investment properties

Investment properties are recognised at depreciated cost. As of 30 September 2020, investment properties totalling €188 million (30/9/2019: €127 million) were recognised. The development of these real estates is shown in the following table.

€ million	Investment properties (owned)	Investment property rights of use	Total
Acquisition or production costs			
As of 1/10/2018	239	492	731
Currency translation	15	−10	5
Additions to consolidation group	0	0	0
Additions	4[1]	20	24
Disposals	−32	−2	−34
Transfers associated with the tangible assets	22	0	22
As of 30/9/2019 and 1/10/2019	248	500	748
Currency translation	−40	−16	−56
Additions to consolidation group	0	0	0
Additions	1	7	8
Disposals	0	−4	−4
Transfers associated with the tangible assets	−8	282	274
As of 30/9/2020	200	768	969
Depreciation			
As of 1/10/2018	145	451	596
Currency translation	9	−10	−1
Additions, scheduled	6[1]	11	17
Additions, impairment	0	0	0
Disposals	−11	0	−11
Reversals of impairment losses	0	0	0
Transfers associated with the tangible assets	18	0	18
As of 30/9/2019 and 1/10/2019	168	453	621
Currency translation	−26	−15	−41
Additions, scheduled	3	14	18
Additions, impairment	3	4	7
Disposals	0	−2	−2
Reversals of impairment losses	0	0	0
Transfers associated with the tangible assets	−8	187	178
As of 30/9/2020	140	641	781
Carrying amount as of 1/10/2018	94	41	135
Carrying amount as of 30/9/2019	80	47	127
Carrying amount as of 30/9/2020	**60**	**127**	**188**

[1] Including reclassifications from assets held for sale to investment properties.

The increase of €60 million primarily includes the transfer of rights of use from property, plant and equipment due to the disposal of the hypermarket business for €95 million.

The fair values of these investment properties total €362 million (30/9/2019: €250 million) with a carrying amount of €188 million (30/9/2019: €127 million). They are determined on the basis of internationally recognised measurement methods, particularly the comparable valuation method and the discounted cash flow method (level 3 of the 3-level valuation hierarchy of IFRS 13 (Fair Value Measurement)). This measurement is based on a detailed planning period of 10 years. Aside from market rents, market-based discount rates were used as key valuation parameters. The discount rates are determined on the basis of analyses of relevant real estate markets as well as evaluations of comparable transactions and market publications issued by international consulting firms. The resulting discount rates reflect the respective country and location risk as well as the property-specific real estate risk. In addition, project developments are considered to determine the best use.

The fair value is usually assessed by METRO PROPERTIES employees. External expert reports are used where available.

Rental income from continuing operations amounts to €87 million, with usufructuary rights accounting for €70 million of this total (2018/19: €71 million, thereof €57 million from usufructuary rights). The related expenses amount to €60 million, with usufructuary rights accounting for €51 million (2018/19: €35 million, thereof €26 million from usufructuary rights).

Restrictions on titles in the form of liens and encumbrances amounted to €0 million (30/9/2019: €0 million). As in the previous year, no contractual commitments for the acquisition of investment properties were made.

23. Financial investments and investments accounted for using the equity method

The development of financial assets is shown in the following table.

€ million	Loans	Investments	Securities	Total financial assets
Acquisition or production costs				
As of 1/10/2018	35	47	9	91
Currency translation	1	0	0	1
Additions to consolidation group	0	0	0	0
Additions[1]	3	26	0	29
Disposals[1]	−5	−7	−7	−19
Reclassifications in accordance with IFRS 5	0	0	0	0
Transfers	−1	0	0	−1
As of 30/9/2019 and 1/10/2019	34	66	2	102
Currency translation	−2	0	0	−2
Additions to consolidation group	0	0	0	0
Additions[1]	2	11	0	12
Disposals[1]	−2	−6	0	−9
Reclassifications in accordance with IFRS 5	0	0	0	0
Transfers	0	0	0	0
As of 30/9/2020	32	70	2	104
Depreciation				
As of 1/10/2018	4	0	0	4
Currency translation	0	0	0	0
Additions, scheduled	0	0	0	0
Additions, impairment	2	0	0	2
Disposals	−2	0	0	−2
Reclassifications in accordance with IFRS 5	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	0	0	0
As of 30/9/2019 and 1/10/2019	5	0	0	5
Currency translation	0	0	0	0
Additions, scheduled	0	0	0	0
Additions, impairment	1	0	0	1
Disposals	0	0	0	0
Reclassifications in accordance with IFRS 5	0	0	0	0
Reversals of impairment losses	0	0	0	0
Transfers	0	0	0	0
As of 30/9/2020	6	0	0	6
Carrying amount as of 1/10/2018	31	47	9	86
Carrying amount as of 30/9/2019	29	66	2	97
Carrying amount as of 30/9/2020	**26**	**70**	**2**	**98**

[1] The measurement effects of equity investments carried at fair value are also shown here under additions and disposals, since they do not involve depreciations in the narrower sense.

€ million	Habib METRO Pakistan 2018/19	Habib METRO Pakistan 2019/20	OPCI FWP 2018/19	OPCI FWP 2019/20	OPCI FWS 2018/19	OPCI FWS 2019/20	Mayfair group[1] 2018/19	Mayfair group[1] 2019/20
Disclosures on the income statement								
Sales revenues	11	**10**	18	**19**	18	**18**	17	**14**
Tax profit for the period from continuing operations	5	**10**	12	**12**	12	**13**	8	**9**
Tax profit for the period from discontinued operations	0	**0**	0	**0**	0	**0**	0	**0**
Other comprehensive income	0	**0**	0	**0**	0	**0**	0	**0**
Total comprehensive income	5	**10**	12	**12**	12	**13**	8	**9**
Dividend payments to the group	2	**2**	1	**1**	4	**4**	0	**0**
Disclosures on the balance sheet								
Non-current assets	38	**35**	279	**271**	264	**251**	185	**179**
Current assets	22	**22**	4	**8**	4	**7**	2	**2**
Non-current liabilities	2	**6**	108	**107**	96	**96**	0	**0**
Current liabilities	2	**3**	0	**0**	0	**0**	2	**2**
Net assets	56	**48**	176	**172**	172	**161**	184	**179**
Amount of the share (in %)	**40**	**40**	**5**	**5**	**25**	**25**	**40**	**40**
Share of the group in the net assets	22	**19**	9	**9**	43	**40**	73	**72**
Adjustment of asset values	13	**11**	–	**–**	–	**–**	–	**–**
Carrying amount of the share in the group	**35**	**31**	**9**	**9**	**43**	**40**	**73**	**71**

[1] Mayfair group comprises 10 real estate companies.

[2] METRO acquired the stake in WM Holding (HK) Limited upon closing of the METRO China disposal transaction on 23 April 2020. The data to be disclosed for the equity investment require a short financial statement of WM Holding (HK) Limited, including first-time consolidation and the effects of purchase price allocation. The financial statements of the acquiring party are in the process of being prepared.

The disclosures below provide information on investments accounted for using the equity method.

As of 30 September 2020, shares in investments accounted for using the equity method amounted to €421 million (30/9/2019: €179 million). Disclosures on the major investments accounted for using the equity method can be found in the following table.

Apart from Habib METRO Pakistan (closing date 30 June), all companies mentioned above have 31 December as the closing date. The companies are included in the consolidated financial statements of METRO AG with their latest available financial statements.

€ million	WM Holding (HK) Limited 2018/19	2019/20[2]	Miscellaneous 2018/19	2019/20	Total 2018/19	2019/20
Disclosures on the income statement						
Sales revenues	–	–	141	**146**	204	**207**
Tax profit for the period from continuing operations	–	–	67	**67**	105	**111**
Tax profit for the period from discontinued operations	–	–	0	**0**	0	**0**
Other comprehensive income	–	–	0	**0**	0	**0**
Total comprehensive income	–	–	67	**67**	105	**111**
Dividend payments to the group	–	–	8	**7**	14	**13**
Amount of the share (in %)	**–**	**20**	**–**	**–**	**–**	**–**
Carrying amount of the share in the group	**–**	**250**	**17**	**20**	**179**	**421**

[1] Mayfair group comprises 10 real estate companies.

[2] METRO acquired the stake in WM Holding (HK) Limited upon closing of the METRO China disposal transaction on 23 April 2020. The data to be disclosed for the equity investment require a short financial statement of WM Holding (HK) Limited, including first-time consolidation and the effects of purchase price allocation. The financial statements of the acquiring party are in the process of being prepared.

METRO's representation on the supervisory board of OPCI FRENCH WHOLESALE PROPERTIES – FWP ensures that significant influence is maintained and that the holding will be accounted for using the equity method although the investment only amounts to 5%.

The investments accounted for using the equity method within the group are mainly associate companies and rental companies. The main purpose of the leasing companies is to acquire, lease out and manage assets. The assets of these real estate companies are mainly leased by METRO companies.

— **Disclosures on assets held for sale/liabilities in connection with the disposal of METRO China can be found under** no. 43 – discontinued operations ▶ page 236**.**

24. Other financial and other non-financial assets

€ million	30/9/2019[1] Total	Remaining term up to 1 year	over 1 year	**30/9/2020 Total**	**Remaining term up to 1 year**	**over 1 year**
Receivables due from suppliers	316	316	1	**243**	**243**	**1**
Miscellaneous financial assets	455	306	149	**466**	**282**	**184**
thereof leasing receivables	(159)	(21)	(139)	**(213)**	**(42)**	**(171)**
Other financial assets	**771**	**622**	**150**	**709**	**525**	**185**
Other tax receivables	178	178	0	**261**	**261**	**0**
Prepaid expenses and deferred charges	82	66	16	**85**	**77**	**8**
Miscellaneous non-financial assets	38	35	4	**47**	**39**	**8**
Other non-financial assets	**299**	**279**	**20**	**394**	**377**	**16**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

Receivables due from suppliers comprise both invoiced and deferred income for subsequent supplier compensation (for example bonuses, advertising subsidies) and creditors with debit balances.

The miscellaneous financial assets primarily consist of receivables from financing lease agreements, receivables from credit card transactions, receivables from other financial transactions and receivables and other assets from the real estate sector. Previous year's figures included receivables from the disposal of non-current assets.

The other tax receivables include value added tax refunds, later offsettable input tax and miscellaneous tax receivables. Value added tax refund claims have increased, in particular due to legal changes in Russia, as have value added tax liabilities.

Prepaid expenses and deferred charges include deferred charges and deferred rental, leasing and interest charges as well as miscellaneous prepaid expenses.

Miscellaneous non-financial assets mainly consist of prepayments on inventories and raw materials and supplies. In addition, they include contract assets in the amount of €1 million (30/9/2019: €1 million) as well as assets for the right to recover products from a customer on settling the refund liabilities in the amount of €1 million (30/9/2019: €1 million).

25. Deferred tax assets/deferred tax liabilities

Deferred tax assets on tax loss carry-forwards and temporary differences amount to €1,242 million before offsetting (30/9/2019: €1,188 million), an increase of €54 million compared to 30 September 2019. The carrying amounts of deferred tax liabilities decreased by €2 million to €1,057 million compared with the previous year (30/9/2019: €1,059 million).

Deferred taxes relate to the following balance sheet items:

€ million	30/9/2019[1] Assets	Liabilities	**30/9/2020** **Assets**	**Liabilities**	Change through profit or loss Assets	Liabilities
Goodwill	23	33	**25**	**35**	2	2
Other intangible assets	10	103	**13**	**117**	3	14
Property, plant and equipment and investment properties	75	808	**80**	**699**	5	−118
Financial investments and investments accounted for using the equity method	5	5	**2**	**4**	−3	0
Inventories	19	1	**17**	**1**	−2	0
Other financial and non-financial assets	28	52	**54**	**89**	26	38
Assets held for sale	0	0	**0**	**0**	0	0
Provisions for post-employment benefits plans and similar obligations	118	30	**127**	**33**	7	2
Other provisions	33	2	**41**	**4**	9	2
Financial liabilities	850	3	**763**	**29**	−87	27
Other financial and non-financial liabilities	49	23	**124**	**37**	38	15
Liabilities related to assets held for sale	0	0	**0**	**0**	0	0
Outside basis differences	0	0	**0**	**8**	0	8
Write-downs of temporary differences	−88	0	**−76**	**0**	12	0
Loss carry-forwards	67	0	**70**	**0**	3	0
Carrying amount of deferred taxes before offsetting	**1,188**	**1,059**	**1,242**	**1,057**	**14**	**−11**
Offsetting	−904	−904	**−990**	**−990**	11	11
Carrying amount of deferred taxes	**284**	**155**	**252**	**66**	**25**	**0**

[1] Adjustment of previous year due to full retrospective adjustment of IFRS 16 (Leases).

Of the reported balance of deferred tax assets and liabilities, €49 million (30/9/2019: €57 million) are attributable to the group of incorporated companies of METRO AG. The additional surplus of €136 million (30/9/2019: €73 million) is largely attributable to temporary differences at various foreign subsidiaries. Based on business planning, realisation of these tax assets is to be considered sufficiently likely.

In accordance with IAS 12 (Income Taxes), deferred tax liabilities relating to differences between the carrying amount of a subsidiary's pro rata equity in the balance sheet and the carrying amount of the investment for this subsidiary in the parent company's tax statement must be recognised (so-called outside basis differences) if the tax benefit is likely to be realised in the future. The differences can primarily be attributed to retained earnings of subsidiaries in Germany and abroad. No deferred taxes were recognised for these retained earnings as they will be reinvested over an indefinite period of time or are not subject to relevant taxation. Any dividends paid by subsidiaries would be subject to dividend tax. In addition, foreign dividends may trigger a withholding tax. As of 30 September 2020, a deferred tax liability from outside basis differences was recognised for planned dividend payments in the amount of €8 million (30/9/2019: €0 million). The sum of the amount of temporary differences in connection with investments in subsidiaries for which no deferred tax liabilities were recognised was not determined as this would have been disproportionately expensive due to the level of detail of the METRO group.

No deferred tax assets were capitalised for the following tax loss carry-forwards and interest carry-forwards or temporary differences because realisation of the assets in the short to medium term is not expected:

€ million	30/9/2019[1]	30/9/2020
Corporate tax losses	4,883	**4,686**
Trade tax losses	3,679	**3,752**
Interest carry-forwards	83	**90**
Temporary differences	331	**288**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The loss carry-forwards as of the closing date predominantly concern the German consolidation group. They can be carried forward without limitation.

TAX EFFECTS ON COMPONENTS OF OTHER COMPREHENSIVE INCOME

	2018/19[1]			**2019/20**		
€ million	Before taxes	Taxes	After taxes	**Before taxes**	**Taxes**	**After taxes**
Currency translation differences from translating the financial statements of foreign operations	132	0	132	**−468**	**0**	**−468**
thereof currency translation differences from net investments in foreign operations	(40)	(0)	(40)	**(−72)**	**(0)**	**(−72)**
Effective portion of gains/losses from cash flow hedges	2	0	2	**−2**	**0**	**−1**
Effects from the fair value measurements of equity instruments	−3	0	−3	**0**	**0**	**0**
Effects from the fair value measurements of debt instruments	0	0	0	**0**	**0**	**0**
Remeasurement of defined benefit pension plans	−94	22	−73	**7**	**−2**	**5**
Remaining income tax on other comprehensive income	0	−4	−4	**0**	**0**	**0**
	39	**17**	**56**	**−463**	**−2**	**−466**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

Deferred taxes on components of other comprehensive income primarily apply to the remeasurement of defined benefit pension plans. The other components are not tax-effective.

26. Inventories

€ million	30/9/2019	**30/9/2020**
Food merchandise	1,408	**1,397**
Non-food merchandise	539	**492**
	1,946	**1,888**

The inventories were reduced by €58 million from €1,946 million to €1,888 million.

Negative currency effects, resulting in particular from the development of the Russian rouble, reduced inventories by a total of €127 million.

Inventories include impairments of €63 million (30/9/2019: €62 million). The inventories are subject to the customary or statutory retention of title.

27. Trade receivables

Trade receivables declined by €52 million, from €482 million to €429 million. These are receivables with a remaining term of up to 1 year.

Currency effects decreased the trade receivables by €19 million. Trade receivables were also reduced by the €42 million year-on-year impairment increase.

28. Impairments of financial assets

As of 30 September 2020, impairment losses recognised in the balance sheet in accordance with IFRS 9 amounted to €160 million (30/9/2019: €104 million).

The following explanations relate to significant financial assets to which the impairment requirements of IFRS 9 are applied.

For trade receivables, METRO makes use of the simplified procedure to determine expected credit losses provided for in IFRS 9. METRO records the expected credit losses over the entire term of the financial instruments on the basis of a provision matrix. Trade receivables are combined in different portfolios with similar credit risk characteristics for this purpose. This is based on the regions used for METRO's segment reporting.

The loss default rates per past-due category of these portfolios are estimated on the basis of previous experience with credit losses from such financial assets. The loss default rates determined in this way are adjusted by including a projected global corporate insolvency index. Due to Covid-19, this input parameter was adjusted accordingly in the current financial year.

The table below shows the expected credit losses on trade receivables for each maturity band as of the closing date, calculated on the basis of the provision matrix:

€ million	Total	thereof not past-due	thereof up to 90 days past-due	thereof 91 to 180 days past-due	thereof 181 to 270 days past-due	thereof 271 to 360 days past-due	thereof more than 360 days past-due
Gross carrying amount	454	353	86	7	3	3	3
Bandwidth of calculated default rates		0,21 % to 1,12 %	1,00 % to 6,97 %	3,40 % to 26,00 %	6,62 % to 28,18 %	10,72 % to 47,34 %	11,91 % to 86,49 %
Risk provision as of 30/9/2019	**7**	**2**	**2**	**1**	**0**	**1**	**1**

€ million	**Total**	**thereof not past-due**	**thereof up to 90 days past-due**	**thereof 91 to 180 days past-due**	**thereof 181 to 270 days past-due**	**thereof 271 to 360 days past-due**	**thereof more than 360 days past-due**
Gross carrying amount	387	315	56	4	3	3	5
Bandwidth of calculated default rates		0,21 % to 1,15 %	0,79 % to 6,27 %	3,27 % to 19,17 %	5,90 % to 23,09 %	10,00 % to 31,25 %	13,75 % to 81,25 %
Risk provision as of 30/9/2020	**21**	**15**	**3**	**0**	**0**	**1**	**2**

Besides the impairment recognised based on the presented regional provision matrix, the risk provision of €21 million (30/9/2019: €7 million) also includes an additional country and customer group-specific risk provision against the background of Covid-19.

Impairment on trade receivables is reconciled according to the simplified calculation as follows:

€ million	Trade receivables
As of 1/10/2018	**47**
Addition to impairment through profit or loss	23
Reversal of impairment through profit or loss	−15
Utilisation	−8
Currency effects	1
Other changes	0
As of 30/9/2019 and 1/10/2019	**47**
Addition to impairment through profit or loss	60
Reversal of impairment through profit or loss	−9
Utilisation	−8
Currency effects	−2
Other changes	0
As of 30/9/2020	**89**

The impairment as of 30 September 2020 amounted to €89 million (30/9/2019: €47 million) and include impairments of €68 million (30/9/2019: €40 million) on individual receivables for which there are objective indications of an impairment of creditworthiness. The increase is mainly due to Covid-19.

The following table shows the gross carrying amounts of trade receivables that were or were not past due as of the closing date, which were depreciated either on the basis of the respective applied provision matrix or on the basis of objective indications of default:

€ million	Trade receivables
Not past-due	367
Up to 90 days past-due	93
91 to 180 days past-due	15
181 to 270 days past-due	6
271 to 360 days past-due	6
More than 360 days past-due	31
Gross carrying amount	**517**
Impairment	−47
Maximum credit risk as of 30/9/2019	**470**

€ million	Trade receivables
Not past-due	364
Up to 90 days past-due	72
91 to 180 days past-due	12
181 to 270 days past-due	13
271 to 360 days past-due	6
More than 360 days past-due	41
Gross carrying amount	**509**
Impairment	−89
Maximum credit risk as of 30/9/2020	**421**

In addition, collateral is available for trade receivables of €8 million (30/9/2019: €12 million). These receivables were not impaired.

METRO applies the general impairment requirements of IFRS 9 to receivables from suppliers, credit card transactions and loans. A possible credit risk in these cases is determined on the basis of the counterparty's creditworthiness. For this purpose, METRO uses external ratings of well-known rating agencies as well as internal credit risk rating grades based on the risk of default of the respective financial instrument. The creditworthiness of the counterparties is continuously monitored so that METRO recognises a significant increase in the credit risk and can react promptly to any changes.

The following table shows the development of risk provisions in relation to financial assets to which the general impairment requirements of IFRS 9 are applied:

€ million	No significantly increased credit risk since recognition (stage 1)	Increased credit risk (stage 2)	Impaired credit-worthiness (stage 3)	Total
As of 1/10/2018	**1**	**0**	**28**	**29**
Newly originated/acquired financial assets	0	0	0	0
Other changes within one stage	0	0	9	9
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Derecognised financial assets	0	0	−5	−5
Utilisation	0	0	−4	−4
Other changes[1]	0	0	−2	−2
As of 30/9/2019 and 1/10/2019	**1**	**0**	**27**	**28**
Newly originated/acquired financial assets	0	0	5	5
Other changes within one stage	0	0	7	7
Transfer to stage 1	0	0	0	0
Transfer to stage 2	0	0	0	0
Transfer to stage 3	0	0	0	0
Derecognised financial assets	0	0	−2	−2
Utilisation	0	0	−3	−3
Other changes[1]	0	0	−1	−1
As of 30/9/2020	**1**	**0**	**33**	**34**

[1] Currency translation differences, changes in the consolidation group and reclassifications to assets held for sale are recognised in other changes.

Risk provisions as of 30 September 2020 amount to €34 million (30/9/2019: €28 million).

Stage 1 of the model contains financial assets that have a low credit risk or whose credit risk has not increased significantly since the initial recognition of the asset. At this stage, the risk provision is calculated as the 12-month expected credit loss. If the credit risk on the closing date is significantly higher than at the time of initial recognition, the financial asset is reclassified to stage 2. The amount of the risk provision is determined at this level as the expected losses that can arise from all possible default events over the expected entire term of the financial instrument. If there is objective evidence that a financial asset will not be collected in whole or in part, it is reclassified to stage 3. Default is defined as the failure to maintain contractually agreed cash flows.

The table below shows the gross carrying amounts for those financial instruments for which the impairment losses are determined according to the general approach; they are differentiated according to the external rating of the counterparties:

€ million	No significantly increased credit risk since recognition (stage 1)	Increased credit risk (stage 2)	Impaired credit-worthiness (stage 3)	Total
AAA, AA+, AA, AA-	7	1	1	9
A+, A, A-	16	0	0	17
BBB+, BBB, BBB-	10	0	0	10
BB+, BB, BB-	2	0	0	2
B+ or lower	44	0	0	44
Gross carrying amount	**80**	**1**	**2**	**82**
Impairment	0	0	−1	−1
Maximum credit risk as of 30/9/2019	**80**	**1**	**1**	**82**

€ million	No significantly increased credit risk since recognition (stage 1)	Increased credit risk (stage 2)	Impaired credit-worthiness (stage 3)	Total
AAA, AA+, AA, AA-	11	0	2	12
A+, A, A-	13	0	0	14
BBB+, BBB, BBB-	9	0	0	10
BB+, BB, BB-	0	0	0	0
B+ or lower	25	0	0	25
Gross carrying amount	**58**	**0**	**2**	**60**
Impairment	0	0	−1	−1
Maximum credit risk as of 30/9/2020	**58**	**0**	**1**	**59**

METRO minimises credit risk by exclusively investing in first-class debt instruments from counterparties with a good to very good external rating (investment grade). Therefore, a significant portion of the financial assets is allocated to stage 1 of the impairment model.

For counterparties that do not have an external rating and are therefore assigned to the internal risk classes, the credit risk determined according to the general approach is as follows:

€ million	No significantly increased credit risk since recognition (stage 1)	Increased credit risk (stage 2)	Impaired credit-worthiness (stage 3)	Total
Internal risk class 1 (not past due or up to 30 days past-due)	294	0	2	297
Internal risk class 2 (31 to 90 days past-due)	15	1	1	16
Internal risk class 3 (more than 90 days past-due)	12	0	33	46
Gross carrying amount	**321**	**1**	**37**	**358**
Impairment	−1	0	−27	−27
Maximum credit risk as of 30/9/2019	**320**	**1**	**10**	**331**

€ million	No significantly increased credit risk since recognition (stage 1)	Increased credit risk (stage 2)	Impaired credit-worthiness (stage 3)	Total
Internal risk class 1 (not past due or up to 30 days past-due)	218	0	8	226
Internal risk class 2 (31 to 90 days past-due)	7	1	2	10
Internal risk class 3 (more than 90 days past-due)	15	0	38	52
Gross carrying amount	**239**	**1**	**48**	**288**
Impairment	−1	0	−32	−32
Maximum credit risk as of 30/9/2020	**238**	**1**	**17**	**256**

29. Cash and cash equivalents

€ million	30/9/2019	**30/9/2020**
Cheques and cash on hand	20	**20**
Bank deposits and other financial assets with short-term liquidity	479	**1,505**
	500	**1,525**

Of the cash and cash equivalents, €0 million (30/9/2019: €0 million) is subject to restrictions on title.

– **For more information, see the cash flow statement and** no. 41 – notes to the cash flow statement ▸ page 233.

30. Assets held for disposal/liabilities related to assets held for sale

Assets held for sale/liabilities related to assets held for sale include a real estate company as of 30 September 2020, which is to be seen in connection with the disposal of the hypermarket business. There are €22 million as 'assets held for sale' and €7 million as 'liabilities related to assets held for sale'.

- **Disclosures on assest held for sale/liabilities in connection with the sale of the hypermarket business and METRO China can be found under** no. 43 – discontinued operations ▶ page 236**.**

31. Equity

The subscribed capital of METRO AG amounts to €363,097,253. It is divided as follows:

No-par-value bearer shares, accounting par value of €1.00		30/9/2019	**30/9/2020**
Ordinary shares	Number of shares	360,121,736	**360,121,736**
	€	360,121,736	**360,121,736**
Preference shares	Number of shares	2,975,517	**2,975,517**
	€	2,975,517	**2,975,517**
Total shares	**Number of shares**	**363,097,253**	**363,097,253**
Total share capital	**€**	**363,097,253**	**363,097,253**

As of 30 September 2020 and as of 30 September 2019, the subscribed capital of METRO AG amounted to €363,097,253. It is divided into a total of 360,121,736 ordinary no-par-value bearer shares (pro rata value of the share capital: €360,121,736, approximately 99.18%), as well as 2,975,517 preference no-par-value bearer shares (pro rata value of the share capital: €2,975,517, approximately 0.82%). Each no-par-value share in the company has a notional interest of €1.00 in the share capital.

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

'(1) Holders of non-voting preference shares will receive a preliminary dividend from the annual balance sheet profit in the amount of €0.17 for each preference share.

(2) Should the balance sheet profit available for distribution not suffice in any one financial year to pay the preliminary dividend, the arrears (excluding any interest) shall be paid from the balance sheet profit of subsequent financial years in an order based on age, meaning in such manner that any older arrears are paid off prior to any more recent ones and that the preference dividends payable from the profit of a financial year are not distributed until all accrued arrears have been paid.

(3) Following distribution of the preliminary dividends, the holders of ordinary shares will be paid a dividend of €0.17 for each ordinary share. Subsequently, a non-cumulative extra dividend per share will be paid to the holders of non-voting preference shares. The extra dividend shall amount to 10% of the dividend paid to the holders of ordinary shares under observation of Section 4, provided such dividend equals or exceeds €1.02 per ordinary share.

(4) The holders of non-voting preference shares and of ordinary shares will equally share in any additional profit distribution in the proportion of their shares in the share capital.'

Authorised capital

The Annual General Meeting on 16 February 2018 authorised the Management Board to increase the share capital, subject to the consent of the Supervisory Board, by issuing new ordinary bearer shares against cash or non-cash contributions in one or several tranches for a total maximum of €181,000,000 by 28 February 2022 (authorised capital). The Management Board is, subject to the consent of the Supervisory Board, authorised to exclude shareholder subscription rights in certain cases. To date, the authorised capital has not been fully utilised.

Contingent capital

The Annual General Meeting held on 16 February 2018 resolved a contingent increase in the share capital by up to €50,000,000, divided into a maximum of 50,000,000 ordinary shares (contingent capital). This contingent capital increase is related to the establishment of an authority of the Management Board to issue, subject to the consent of the Supervisory Board, one or several tranches of warrant or convertible bearer bonds (collectively 'bonds') with a nominal value of up to €1,500,000,000 prior to 15 February 2023, and to grant the holders of warrant or convertible bearer bonds warrant or conversion rights or to impose warrant or conversion obligations on them for ordinary bearer shares in METRO AG representing up to €50,000,000 of the share capital in accordance with the terms of the warrant or convertible bearer bonds, or to provide for the company's right to deliver ordinary shares in the company as full or partial payment in lieu of a cash redemption of the bonds. The Management Board is, subject to the consent of the Supervisory Board, authorised to exclude shareholder subscription rights in certain cases. To date, no warrants and/or convertible bearer bonds have been issued under the aforementioned authority.

Repurchase of own shares

On the basis of § 71 Section 1 No. 8 of the German Stock Corporation Act, the Annual General Meeting on 11 April 2017 authorised the company to acquire own shares of any share class representing a maximum of 10% of the share capital issued at the time the authority became effective, or – if this figure is lower – at the time the authority is exercised. The authority expires on 28 February 2022. To date, neither the company nor any company controlled or majority-owned by it, any other company acting on behalf of the company or of any company controlled or majority-owned by that company has exercised this authority.

- **For more information about the company's authorised capital, contingent capital, the authority to issue warrant and/or convertible bearer bonds as well as share repurchasing, see chapter** 7 takeover-related disclosures ▶ page 123 **in the combined management report.**

Capital reserve and reserves retained from earnings

Prior to the effective date of the reclassification and demerger of CECONOMY AG on 12 July 2017, METRO AG was not yet a group within the meaning of IFRS 10. Accordingly, combined financial statements of METRO Wholesale & Food Specialist GROUP (hereinafter: MWFS GROUP) were prepared for the IPO prospectus of METRO AG. Equity in the combined financial statements was the residual amount from the combined assets and liabilities of MWFS GROUP. Following the demerger, METRO became an independent group with METRO AG as the listed parent company. Therefore, the equity in the consolidated financial statements is subdivided according to legal requirements. The subscribed capital of €363 million and the capital reserve of €6,118 million were recognised at the carrying amounts from the Annual Financial Statements of METRO AG as of 30 September 2017. For this purpose, a transfer was made from the equity item net assets, recognised as of 1 October 2016, attributable to the former METRO GROUP of the combined financial statements of MWFS GROUP. The remaining negative amount of this equity item was reclassified to reserves retained from earnings. It cannot be traced back to a history of loss.

An amount of €1,070 million was withdrawn from the capital reserve in financial year 2019/20. Correspondingly, this amount was reclassified to reserves retained from earnings in the consolidated financial statements.

Reserves retained from earnings can be broken down as follows:

€ million	30/9/2019[1]	**30/9/2020**
Effective portion of gains/losses from cash flow hedges	2	**1**
Equity and debt instruments	−3	**1**
Currency translation differences from translating the financial statements of foreign operations	−607	**−1,076**
Remeasurement of defined benefit pension plans	−500	**−491**
Income tax on components of other comprehensive income	106	**103**
Other reserves retained from earnings	−3,165	**−1,896**
Reserves retained from earnings	**−4,167**	**−3,358**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

Changes in the financial instruments presented above consist of the following components:

€ million	2018/19	**2019/20**
Initial or subsequent measurement of derivative financial instruments	0	**−3**
Derecognition of cash flow hedges	2	**2**
thereof in inventories	(0)	**(0)**
thereof in net financial result	(2)	**(2)**
Effective portion of gains/losses from cash flow hedges	**2**	**−2**
Equity and debt instruments	−3	**3**
Measurement result from financial instruments	**−1**	**2**

The valuation effects of equity and debt instruments relate to the subsequent measurement of investments.

In addition, currency translation differences recognised in equity had an impact of €−468 million (2018/19: €130 million). They can be broken down as follows:

The translation of the local balance sheets to the group currency without affecting profit or loss resulted in a decrease of €459 million in equity, particularly due to the appreciation of the Russian rouble. In addition, the effective derecognition of cumulative currency differences of companies that were deconsolidated or discontinued operation within financial year 2019/20 had an effect of €−10 million. €13 million of it is attributable to continuing operations and €−23 million to discontinued operations from the disposal of METRO China.

The remeasurement of defined benefit pension plans resulted in effects outside of profit or loss before deferred taxes in the amount of €7 million.

As part of the deconsolidation of the hypermarket business, the effects of €−6 million from the measurement of pension plans, the related income tax effects and the fair value measurement of investments without reclassification, which were included in other comprehensive income, were reclassified to other reserves retained from earnings.

— **An overview of the tax effects on components of other comprehensive income can be found under** no. 25 – deferred tax assets/deferred tax liabilities ▶ page 197.

Other reserves retained from earnings increased by €1,269 million from €−3,165 million to €−1,896 million. This increase is mainly influenced by the €1,070 million withdrawal from the capital reserve as well as the profit or loss for the period of €460 million attributable to the shareholders of METRO AG. It was offset by the dividend payment for financial year 2018/19 of €−254 million.

Non-controlling interests

Non-controlling interests comprise the shares held by third parties in the equity of the consolidated subsidiaries. As of 30 September 2020, they amounted to €8 million (30/9/2019: €31 million). The decrease in non-controlling interests is mainly due to the disposal of METRO China.

— **An overview of subsidiaries with major non-controlling interests is published in the** notes to the group accounting principles and methods ▶ page 151.

Appropriation of the balance sheet profit, dividend

Dividend distribution of METRO AG is based on the Annual Financial Statements of METRO AG prepared under German commercial law.

Regarding the appropriation of the balance sheet profit for 2019/20, the Management Board of METRO AG will propose to the Annual General Meeting to distribute from the reported balance sheet profit of €267 million a dividend in the amount of €0.70 per ordinary share and €0.70 per preference share – that is, a total of €254 million – and to carry forward the remaining amount to the new account.

32. Provisions for post-employment benefits plans and similar obligations

€ million	30/9/2019	**30/9/2020**
Provisions for post-employment benefits plans (employer's commitments)	414	**403**
Provisions for indirect commitments	17	**24**
Provisions for voluntary pension benefits	0	**0**
Provisions for post-employment benefits plans	78	**92**
	509	**519**
Provisions for obligations similar to pensions	34	**31**
	543	**550**

Provisions for post-employment benefits plans are recognised in accordance with IAS 19 (Employee Benefits).

Provisions for post-employment benefits plans consist of commitments primarily related to benefits defined by the provisions of company pension plans. These take the form of defined benefit plans directly from the employer (employer's commitments) and defined benefit plans from external pension providers (benevolent funds in Germany and international pension funds). The external providers' assets serve exclusively to finance the pension entitlements and qualify as plan assets. The benefits under the different plans are based on performance and length of service.

The most important performance-based pension plans are described in the following.

Germany

METRO grants many employees in Germany retirement, disability and surviving dependant's benefits. New commitments are granted in the form of 'defined benefit' commitments in the meaning of IAS 19 (contribution-oriented commitments pursuant to German company pension law), which comprise a payment contribution component and an employer-matching component. Contributions are paid to a pension insurance from which benefits are paid out when the insured event occurs. A provision is recognised for entitlements not covered by pension insurance.

In addition, various pension funds exist that are closed for new contributions. In general, these provide for lifelong pensions starting with the start of retirement or recognised invalidity. Benefits are largely defined as fixed payments or on the basis of set annual increases. In special cases, benefits are calculated in consideration of accrued statutory pension entitlements. The commitments provide for a widow's or widower's pension of varying size, depending on the benefits the former employee received or would have received in case of invalidity.

There are also deferred compensation contracts with the Hamburger Pensionskasse (Hamburg pension fund).

Some of the pension obligations in Germany are based on METRO AG's assumption of debt for pension commitments to former employees of the hypermarket business.

Netherlands

A defined benefit pension plan exists in the Netherlands which provides for pension payments in addition to invalidity and death benefits. The amount of the benefits depends on the pensionable salary per year of service. Benefits are funded through a pension fund whose decision-making bodies (management board, as well as administration, finance and investment committee) include employer and employee representatives. The fund's management board has responsibility for asset management. The pension fund's investment committee exists for this purpose. In line with statutory minimum funding requirements, the pension fund's management board must ensure that commitments are covered by assets at all times. In case of underfunding, the pension fund's management board may take different measures to compensate for deficient cover. These measures include the requirement for additional contributions by the employer and curtailments in employee benefits.

In financial year 2019/20, the current pension plan was closed with effect from 1 January 2021 for new entrants and future increases in pension entitlements. It will be replaced by a Collective Defined Contribution (CDC) plan for future entitlements.

United Kingdom

In July 2012, the former METRO GROUP sold its wholesale business in the United Kingdom to Booker Group PLC. Pension commitments were not part of the sale. Since the date of the disposal, only vested benefits and current pensions from service years at the former METRO GROUP have existed. In accordance with legal stipulations, the vested interests must be adjusted for inflation effects. The commitments are covered by assets which are managed and invested by a corporate trustee. A major share of these commitments was fully funded through a buy-in. The management board of this corporate trustee consists of employer and employee representatives. In any case, the trustee must ensure that benefits can be paid at all times in the future. This is regulated on the basis of statutory minimum financing requirements. In case of underfunding, the trustee may require additional employer contributions to close the funding gap.

Belgium

There are both retirement pensions and capital commitments; the amount depends on the pensionable length of service and pensionable income. In addition, groups of employees are granted interim allowances. In principle, benefits are funded through group insurance contracts that are subject to Belgian regulatory law. Additional retirement plans are reported cumulatively under other countries.

The following table provides an overview of the present value of defined benefit obligations by METRO countries as well as material obligations:

€ million	30/9/2019	**30/9/2020**
Germany	448	**484**
Netherlands	611	**555**
United Kingdom	241	**254**
Belgium	85	**79**
Other countries	131	**130**
	1,516	**1,502**

The plan assets of METRO are distributed between the following countries:

€ million	30/9/2019	**30/9/2020**
Germany	81	**97**
Netherlands	671	**695**
United Kingdom	237	**255**
Belgium	52	**54**
Other countries	25	**25**
	1,066	**1,126**

The above commitments are valued on the basis of actuarial calculations in accordance with relevant provisions of IAS 19. The basis for the measurement is the legal and economic circumstances prevailing in each country.

The following assumptions regarding the material parameters were used in the actuarial measurements:

	30/9/2019				**30/9/2020**			
%	Germany	Nether-lands	United Kingdom	Belgium	**Germany**	**Nether-lands**	**United Kingdom**	**Belgium**
Actuarial interest rate	1.00	1.20	2.00	1.20	**1.20**	**1.40**	**1.30**	**1.20**
Pension trend	1.50	0.70	2.50	2.00	**1.50**	**0.70**	**2.20**	**2.00**

As in previous years, METRO used generally recognised methods to determine the actuarial interest rate. With these, the respective actuarial interest rate based on the yield of investment grade corporate bonds is determined as of the closing date taking account of the currency and maturity of the underlying obligations. The actuarial interest rate for the Eurozone and the UK is based on the results of a method applied in a uniform manner across the group. The interest rate for this is set on the basis of the returns of high-quality corporate bonds and the duration of commitments. In countries without a liquid market of suitable corporate bonds, the actuarial interest rate was determined on the basis of government bond yields.

Aside from the actuarial interest rate, the pension trend represents another key actuarial parameter. In Germany, the rate of pension increases is derived directly from the inflation rate insofar as pension adjustments can be determined on the basis of the increase in the cost of living. In international companies, pension adjustments are also generally determined on the basis of the inflation rate.

The other parameters are not relevant for the measurement of pension obligations.

The impact of changes in fluctuation and mortality assumptions was analysed for major plans. As of 30 September 2020, the mortality rates for the German group companies are based on the 2018 G tables from Prof. Dr Klaus Heubeck.

The actuarial measurements outside of Germany are based on country-specific mortality tables. The resulting effects of fluctuation and mortality assumptions have been deemed immaterial and are not listed as a separate component.

The results of a sensitivity analysis for the key measurement parameters with respect to the present value of pension entitlements are presented below. The actuarial interest rate and the pension trend were identified as key parameters with an impact on the present value of pension entitlements. The sensitivity analysis used the same methods as were applied in the previous year. The analysis considered changes in parameters that are considered possible within reason. The selection of the respective spectrum of possible changes in parameters is based on historical multi-year observations.

The following illustrates the impact of an increase/decrease in the actuarial interest rate by 100 basis points or an increase/decrease in the pension trend by 25 basis points. For interpretation of the values, it should be noted that the obligations in the Netherlands and the United Kingdom are covered by life insurance policies to a large extent and that the plan assets also regularly show a compensating sensitivity with regard to the development of the general interest rate level.

		30/9/2019				**30/9/2020**			
€ million		Germany	Nether-lands	United Kingdom	Belgium	**Germany**	**Nether-lands**	**United Kingdom**	**Belgium**
Actuarial interest rate	Increase by 100 basis points	−59	−126	−38	−4	**−56**	**−108**	**−40**	**−4**
	Decrease by 100 basis points	77	175	50	6	**73**	**149**	**52**	**6**
Pension trend	Increase by 25 basis points	12	19	7	0	**12**	**16**	**7**	**0**
	Decrease by 25 basis points	−11	−18	−6	0	**−11**	**−16**	**−7**	**0**

Changes in the present value of defined benefit obligations have developed as follows:

€ million	2018/19	2019/20
Present value of defined benefit obligations		
As of the beginning of the period	1,251	**1,516**
Recognised under	**50**	**39**
interest expenses	29	**20**
current service cost	21	**29**
past service cost (incl. curtailments and changes)	0	**−10**
settlement expenses	0	**0**
Recognised outside of profit or loss under ‘remeasurement of defined benefit pension plans’ in other comprehensive income	**251**	**−40**
Actuarial gains/losses from changes in		
demographic assumptions (−/+)	10	**−13**
financial assumptions (−/+)	237	**−20**
experience-based correction (−/+)	4	**−7**
Other effects	**−36**	**−13**
Benefit payments (incl. tax payments)	−48	**−47**
Contributions from plan participants	9	**9**
Change in consolidation group/transfers	1	**0**
Assumption of debt with regard to former employees of the hypermarket business	0	**39**
Currency effects	2	**−14**
As of end of period	**1,516**	**1,502**

In Germany, assets held for sale in connection with the disposal of the hypermarket business were reclassified as of 30 September 2018 in accordance with IFRS 5. In financial year 2019/20, METRO AG declared an assumption of debt for former (inactive) employees of the hypermarket business in Germany. As a result, a pension liability of €39 million was recognised for inactive employees and pensioners under IAS 19 (reclassification from IFRS 5).

The negative past service costs of €10 million are mainly attributable to the plan conversion in the Netherlands.

Changes in parameters on the basis of actuarial calculations led to a total decrease in the present value of defined benefit obligations by €33 million (2018/19: increase of €247 million). Most of the effects result from the increase of the applied invoice rates.

The weighted average term of defined benefit commitments for the countries with material pension obligations amounts to:

Years	30/9/2019	30/9/2020
Germany	16	**16**
Netherlands	24	**23**
United Kingdom	18	**18**
Belgium	6	**6**
Other countries	11	**11**

The present value of defined benefit obligations can be broken down as follows based on individual groups of eligible employees:

%	30/9/2019	**30/9/2020**
Active members	34	**32**
Former claimants	38	**39**
Pensioners	28	**29**

The granting of defined benefit pension entitlements exposes METRO to various risks. These include general actuarial risks resulting from the measurement of pension commitments (for example, interest rate risks) as well as capital and investment risks related to plan assets.

With a view to the funding of future pension payments from indirect commitments and a stable actuarial reserve, METRO primarily invests plan assets in low-risk investment forms. The funding of direct pension commitments is secured through operating cash flow at METRO.

The fair value of plan assets by asset category can be broken down as follows:

	30/9/2019		**30/9/2020**	
	%	€ million	**%**	**€ million**
Fixed-interest securities	38	407	**40**	**447**
Shares, funds	25	264	**23**	**260**
Real estate	5	50	**4**	**42**
Other assets	32	345	**33**	**377**
	100	**1,066**	**100**	**1,126**

Fixed-interest securities, shares and funds are regularly traded in active markets. As a result, the relevant market prices are available. The asset category ‘fixed-interest securities’ only includes investments in investment grade corporate bonds, government bonds and mortgage-backed bonds (investment grade). Risk within the category ‘shares, funds’ is minimised through geographic diversification.

The majority of real estate assets are invested in real estate funds.

Other assets essentially comprise receivables from first-class insurance companies in Germany, Belgium and the United Kingdom.

The actual return on plan assets amounted to €56 million in the reporting period (2018/19: €125 million).

For financial year 2020/21, the company expects employer payments to external pension providers totalling approximately €12 million and employee contributions of €7 million in plan assets, with contributions in the Netherlands, Belgium and Germany accounting for the major share of this total. Expected contributions from payment contribution commitments in Germany are not included in expected payments.

The fair value of plan assets developed as follows:

€ million	2018/19	2019/20
Change in plan assets		
Fair value of plan assets as of beginning of period	940	**1,066**
Recognised under	**23**	**16**
interest income	23	**16**
Recognised outside of profit or loss under remeasurement of defined benefit pension plans in other comprehensive income	**102**	**41**
Gains/losses from plan assets excl. interest income (+/−)	102	**41**
Other effects	**0**	**3**
Benefit payments (incl. tax payments)	−27	**−26**
Settlement payments	0	**0**
Employer contributions	18	**22**
Contributions from plan participants	9	**9**
Change in consolidation group/transfers	0	**0**
Assumption of debt with regard to former employees of the hypermarket business	0	**6**
Currency effects	1	**−8**
Fair value of plan assets as of end of period	**1,066**	**1,126**

Due to the assumption of debt in Germany for former (inactive) employees of the hypermarket business, additional plan assets for pension liabilities to inactive employees and pensioners of €6 million were recognised under IAS 19 (reclassification from IFRS 5).

€ million	30/9/2019	30/9/2020
Financing status		
Present value of defined benefit obligations	1,516	**1,502**
less the fair value of plan assets	1,066	**1,126**
Asset adjustment (asset ceiling)	59	**141**
Net liability/assets	**509**	**517**
thereof recognised under provisions	(509)	**(519)**
thereof recognised under net assets	(0)	**(2)**

At one Dutch company, plan assets exceeded the value of commitments as of the closing date. Since the company cannot draw any economic benefits from this overfunding, the balance sheet amount was reduced to €0 in line with IAS 19.64 (b).

The change in the asset ceiling was largely recognised directly in equity as a revaluation effect of €−80 million (2018/19: revaluation effect of €−58 million) in other comprehensive income.

The pension expenses of the direct and indirect company pension plan commitments can be broken down as follows:

€ million	2018/19	2019/20
Current service cost[1]	21	**28**
Net interest expenses[2]	9	**6**
Past service cost (incl. curtailments and changes)	0	**−10**
Settlements	0	**0**
Other pension expenses	1	**2**
Pension expenses	**31**	**26**

[1] Netted against employees' contributions.

[2] Included therein: interest effect from the adjustment of the asset ceiling.

The total gain to be recognised outside of profit or loss in the other comprehensive income amounts to €1 million in financial year 2019/20. This figure is comprised of the effect from the change in actuarial parameters in the amount of €33 million, experience-based adjustments of €7 million and the return on plan assets of €41 million. It was offset by €80 million resulting from the change in the effect of the asset ceiling in the Netherlands.

In addition, other comprehensive income includes an effect of €5 million resulting from changes in actuarial parameters for the pension plans of the hypermarket business.

In addition to expenses from defined benefit commitments, expenses for payments to external pension providers relating to defined contribution pension commitments of €78 million in financial year 2019/20 (2018/19: €82 million) were recorded. These figures also include payments to statutory pension insurance.

The provisions for obligations similar to pensions essentially comprise commitments from employment anniversary allowances, death benefits and partial retirement plans. Provisions amounting to €31 million (30/9/2019: €34 million) were allocated for these commitments. The commitments are valued on the basis of actuarial expert opinions. The valuation parameters used for this purpose are generally determined in the same way as for the company pension plan.

33. Other provisions (non-current) / provisions (current)

In the reporting period, other provisions (non-current)/provisions (current) changed as follows:

€ million	Real estate-related obligations	Obligations from trade transactions	Restructuring	Taxes	Miscell-aneous	Total
As of 1/10/2019[1]	46	30	26	18	148	266
Currency translation	−1	−1	0	0	−3	−5
Addition	16	23	48	2	246	335
Reversal	−2	0	−8	0	−30	−40
Utilisation	−7	−18	−22	−1	−82	−131
Change in consolidation group	0	0	0	0	0	0
Interest portion of the addition/change in interest rate	0	0	0	0	0	0
Transfer	0	2	0	−3	1	0
As of 30/9/2020	**51**	**35**	**44**	**16**	**279**	**426**
thereof non-current	21	0	0	13	105	139
thereof short-term	30	35	44	3	174	287

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

Provisions for real estate-related obligations primarily concern reinstatement obligations in the amount of €22 million (30/9/2019: €15 million), dismantling and removing obligations in the amount of €21 million (30/9/2019: €22 million) and rental commitments in the amount of €6 million (30/9/2019: €7 million). The due date of the property-related provisions depends on the remaining term of the lease agreements.

The most significant component of provisions for obligations from trade transactions are risks from subsequent charges to suppliers. Supplementary components are provisions for warranties amounting to €1 million (30/9/2019: €1 million).

The main components of the remaining provisions are provisions in the amount of €113 million (30/9/2019: €0 million) relating to the disposals of subsidiaries, provisions for litigation costs/risks in the amount of €48 million (30/9/2019: €48 million), the provisions for long-term remuneration in the amount of €31 million (30/9/2019: €18 million) and provisions for guarantee and warranty risks amounting to €11 million (30/9/2019: €18 million). The cash outflow estimate for provisions for litigation costs/risks was based on the expected duration of litigation. The provisions for long-term remuneration components are due in the years 2021 to 2023.

- **For more information about the long-term remuneration components, see** no. 52 – long-term incentive for executives page 266.

Depending on the respective term and country, interest rates for non-interest-bearing, non-current provisions range from 0.00% to 5.60%.

34. Liabilities

€ million	30/9/ 2019 Total[1]	Remaining term up to 1 year	1 to 5 years	over 5 years	**30/9/ 2020 Total**	**Remaining term up to 1 year**	**1 to 5 years**	**over 5 years**
Trade liabilities	**3,572**	**3,572**	**0**	**0**	**3,199**	**3,199**	**0**	**0**
Bonds incl. commercial papers	2,301	531	1,122	648	**2,082**	**310**	**1,722**	**50**
Liabilities to banks	359	279	80	0	**150**	**86**	**64**	**0**
Promissory note loans	55	1	54	0	**55**	**1**	**54**	**0**
Liabilities from leases	3,215	353	1,511	1,351	**3,027**	**376**	**1,344**	**1,307**
Financial liabilities	**5,930**	**1,164**	**2,767**	**1,999**	**5,314**	**773**	**3,185**	**1,357**
Payroll liabilities	472	472	0	0	**465**	**465**	**0**	**0**
Liabilities from other financial transactions	14	14	0	0	**20**	**20**	**0**	**0**
Miscellaneous other financial liabilities	298	242	8	48	**256**	**239**	**5**	**13**
Other financial liabilities	**783**	**728**	**8**	**48**	**741**	**724**	**5**	**13**
Contract liabilities	35	35	0	0	**193**	**99**	**94**	**0**
Deferred income	35	10	7	17	**32**	**8**	**8**	**16**
Other tax liabilities	158	158	0	0	**269**	**269**	**0**	**0**
Miscellaneous other non-financial liabilities	25	24	1	0	**149**	**74**	**75**	**0**
Other non-financial liabilities	**253**	**228**	**8**	**17**	**644**	**451**	**177**	**16**
Income tax liabilities	**169**	**169**	**0**	**0**	**184**	**184**	**0**	**0**
	10,707	**5,861**	**2,783**	**2,064**	**10,082**	**5,331**	**3,366**	**1,385**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

35. Trade liabilities

Trade liabilities declined by €373 million, from €3,572 million to €3,199 million.

Currency effects decreased trade payables by €184 million, which mainly resulted from the Russian rouble (€65 million), the Turkish lira (€65 million) and the Ukrainian hryvnia (€17 million). Furthermore, changes in payment terms and lower purchasing volumes had a reducing effect on trade payables.

36. Financial liabilities

The company's medium-term and long-term financing needs are covered by an ongoing bond programme with a maximum volume of €5 billion. On 20 January 2020, a due bond of €125 million with a coupon of 4.05% was repaid on time. As of 30 September 2020, the utilised bond issuance programme amounted to a total of €1,776 million .

Short-term financing requirements are covered through the Euro Commercial Paper Programme with a maximum volume of €2 billion. On average, the programme was used at €575 million during the reporting period. As of 30 September 2020, the utilisation amounted to €295 million (30/9/2019: €387 million).

In addition, METRO has access to syndicated credit facilities totalling €1,750 million (30/9/2019: €1,750 million) with terms ending between 2021 and 2024. If the credit facilities are used, the interest rates range between Euribor +50.0 basis points (BP) and Euribor +55.0 BP. The contract terms for the syndicated credit facilities provide for a decrease of 10 BP in the spread if METRO's credit rating is raised by one grade. In the event of a downgrade in METRO's rating, the margins increase by 25 BP.

In financial year 2019/20, a syndicated credit facility of €900 million as well as temporary multi-year bilateral credit facilities of €200 million were drawn down. The syndicated credit facility and the multi-year bilateral credit facilities were utilised because liquidity on the money market was limited in the wake of the Covid-19 pandemic and short-term refinancing via commercial papers was not ensured. All drawn credit facilities were repaid prior to maturity.

As of 30 September 2020, METRO had access to additional bilateral bank credit facilities totalling €400 million (30/9/2019: €609 million), of which €86 million (30/9/2019: €279 million) had a remaining term of up to one year. As of the closing date, €150 million (30/9/2019: €359 million) of the bilateral credit facilities had been utilised. Of this amount, €86 million (30/9/2019: €279 million) had a remaining term of up to one year. As of the closing date, there were €250 million of free multi-year bilateral credit facilities available.

UNDRAWN CREDIT FACILITIES BY METRO

	30/9/2019			**30/9/2020**		
		Remaining term			**Remaining term**	
€ million	Total	up to 1 year	over 1 year	**Total**	**up to 1 year**	**over 1 year**
Bilateral credit facilities	609	279	330	**400**	**86**	**314**
Utilisation	−359	−279	−80	**−150**	**−86**	**−64**
Undrawn bilateral credit facilities	**250**	**0**	**250**	**250**	**0**	**250**
Syndicated credit facilities	1,750	0	1,750	**1,750**	**900**	**850**
Utilisation	0	0	0	**0**	**0**	**0**
Undrawn syndicated credit facilities	**1,750**	**0**	**1,750**	**1,750**	**900**	**850**
Total credit facilities	**2,359**	**279**	**2,080**	**2,150**	**986**	**1,164**
Total utilisation	−359	−279	−80	**−150**	**−86**	**−64**
Total undrawn credit facilities	**2,000**	**0**	**2,000**	**2,000**	**900**	**1,100**

Default by a lender can be covered at any time by the existing undrawn credit facilities or the available money and capital market programmes. METRO therefore does not bear any creditor default risk.

METRO principally does not provide collateral for financial liabilities. One exception concerns the first-time consolidation of METRO PROPERTIES GmbH & Co. KG as well as its subsidiaries in 2003. As of 30 September 2020, collateral securities in the amount of €10 million (30/9/2019: €11 million) was provided for financial liabilities.

The following tables show the maturity structure of the financial liabilities. The carrying amounts and fair values indicated include the interest accrued when the maturity is less than one year.

BONDS INCL. COMMERCIAL PAPERS

		30/9/2019				**30/9/2020**			
		Nominal values	Nominal values	Carrying amounts	Fair values	**Nominal values**	**Nominal values**	**Carrying amounts**	**Fair values**
Currency	Remaining term	in million currency	€ million	€ million	€ million	**in million currency**	**€ million**	**€ million**	**€ million**
EUR	up to 1 year	512	512	531	–	**295**	**295**	**310**	**–**
	1 to 5 years	1,126	1,126	1,122	–	**1,726**	**1,726**	**1,722**	**–**
	over 5 years	650	650	648	–	**50**	**50**	**50**	**–**
		2,288	**2,288**	**2,301**	**2,375**	**2,071**	**2,071**	**2,082**	**2,117**

LIABILITIES TO BANKS

(excl. current account)

		30/9/2019				**30/9/2020**			
		Nominal values	Nominal values	Carrying amounts	Fair values	**Nominal values**	**Nominal values**	**Carrying amounts**	**Fair values**
Currency	Remaining term	in million currency	€ million	€ million	€ million	**in million currency**	**€ million**	**€ million**	**€ million**
EUR	up to 1 year	183	183	184	–	**2**	**2**	**2**	**–**
	1 to 5 years	12	12	12	–	**9**	**9**	**9**	**–**
	over 5 years	0	0	0	–	**0**	**0**	**0**	**–**
		195	**195**	**196**	**197**	**11**	**11**	**11**	**11**
PKR	up to 1 year	0	0	0	–	**2,337**	**12**	**12**	**–**
	1 to 5 years	0	0	0	–	**547**	**3**	**3**	**–**
	over 5 years	0	0	0	–	**0**	**0**	**0**	**–**
		0	**0**	**0**	**0**	**2,884**	**15**	**15**	**15**
INR	up to 1 year	0	0	0	–	**0**	**0**	**0**	**–**
	1 to 5 years	2,700	35	35	–	**2,700**	**31**	**31**	**–**
	over 5 years	0	0	0	–	**0**	**0**	**0**	**–**
		2,700	**35**	**35**	**35**	**2,700**	**31**	**31**	**31**
JPY	up to 1 year	625	5	5	–	**1,600**	**13**	**13**	**–**
	1 to 5 years	1,600	14	14	–	**0**	**0**	**0**	**–**
	over 5 years	0	0	0	–	**0**	**0**	**0**	**–**
		2,225	**19**	**19**	**19**	**1,600**	**13**	**13**	**13**
MMK	up to 1 year	8,300	5	5	–	**31,690**	**21**	**22**	**–**
	1 to 5 years	30,580	18	18	–	**30,580**	**20**	**20**	**–**
	over 5 years	0	0	0	–	**0**	**0**	**0**	**–**
		38,880	**23**	**23**	**30**	**62,270**	**41**	**42**	**47**
UAH	up to 1 year	260	10	10	–	**0**	**0**	**0**	**–**
	1 to 5 years	0	0	0	–	**0**	**0**	**0**	**–**
	over 5 years	0	0	0	–	**0**	**0**	**0**	**–**
		260	**10**	**10**	**10**	**0**	**0**	**0**	**0**

PROMISSORY NOTE LOANS

		30/9/2019				**30/9/2020**			
		Nominal values	Nominal values	Carrying amounts	Fair values	**Nominal values**	**Nominal values**	**Carrying amounts**	**Fair values**
Currency	Remaining term	in million currency	€ million	€ million	€ million	**in million currency**	**€ million**	**€ million**	**€ million**
EUR	up to 1 year	0	0	1	–	**0**	**0**	**1**	**–**
	1 to 5 years	54	54	54	–	**54**	**54**	**54**	**–**
	over 5 years	0	0	0	–	**0**	**0**	**0**	**–**
		54	**54**	**55**	**61**	**54**	**54**	**55**	**58**

Redeemable loans that are reported under liabilities to banks are listed with the remaining terms corresponding to their redemption date.

The following tables show the interest rate structure of the financial liabilities:

BONDS INCL. COMMERCIAL PAPERS

Interest terms	Currency	Remaining term	30/9/2019 Nominal values € million	**30/9/2020** **Nominal values € million**
Fixed interest	EUR	up to 1 year	125	**0**
		1 to 5 years	1,126	**1,726**
		over 5 years	650	**50**
Variable interest	EUR	up to 1 year	387	**295**
		1 to 5 years	0	**0**
		over 5 years	0	**0**

LIABILITIES TO BANKS

(excl. current account)

Interest terms	Currency	Remaining term	30/9/2019 Nominal values € million	**30/9/2020** **Nominal values € million**
Fixed interest	EUR	up to 1 year	183	**2**
		1 to 5 years	12	**9**
		over 5 years	0	**0**
	PKR	up to 1 year	0	**12**
		1 to 5 years	0	**3**
		over 5 years	0	**0**
	INR	up to 1 year	0	**0**
		1 to 5 years	35	**31**
		over 5 years	0	**0**
	MMK	up to 1 year	5	**21**
		1 to 5 years	18	**20**
		over 5 years	0	**0**
	UAH	up to 1 year	10	**0**
		1 to 5 years	0	**0**
		over 5 years	0	**0**
Variable interest	JPY	up to 1 year	5	**13**
		1 to 5 years	14	**0**
		over 5 years	0	**0**

PROMISSORY NOTE LOANS

Interest terms	Currency	Remaining term	30/9/2019 Nominal values € million	**30/9/2020** **Nominal values** **€ million**
Fixed interest	EUR	up to 1 year	0	**0**
		1 to 5 years	54	**54**
		over 5 years	0	**0**
Variable interest	EUR	up to 1 year	0	**0**
		1 to 5 years	0	**0**
		over 5 years	0	**0**

The fixed interest rate on short- and medium-term financial liabilities and the interest rate adjustment dates of all fixed-interest financial liabilities are essentially the same as those shown. The repricing dates for variable interest rates are less than one year.

- **The effects of interest rate changes in the variable share of financial liabilities on profit or loss for the period and the equity of METRO are described in detail in** no. 44 – management of financial risks ▶ page 242**.**

37. Other financial and other non-financial liabilities

Key items in the remaining miscellaneous other financial liabilities concern liabilities from the acquisition of non-current assets of €82 million (30/9/2019: €100 million), liabilities from put options of non-controlling shareholders in the amount of €35 million (30/9/2019: €50 million), liabilities to customers of €40 million (30/9/2019: €49 million) as well as liabilities from real estate totalling €5 million (30/9/2019: €2 million).

In addition, the remaining miscellaneous other financial liabilities also include numerous other individual items.

Other tax liabilities include sales tax, land tax, wage and church tax as well as other taxes.

Deferred income includes accrued rental, leasing and interest income.

Contract liabilities are periodic accruals for sales to customers and mainly comprise accruals for advance payments on orders and own customer loyalty programmes. Net sales realised in the reporting period from contract liabilities existing at the beginning of the period amounted to €29 million (30/9/2019: €27 million). Moreover, as part of the sale of the majority stake in METRO China, a licence payment of €153 million received in advance for using the METRO brand is recognised; the income realised from it over the period of use is reported in other operating income. As permitted by IFRS 15, no information is provided on remaining benefit obligations with an expected original term of 1 year or less as of 30 September 2020 or 30 September 2019.

Miscellaneous other non-financial liabilities also include advance payments of €120 million (30/9/2019: €0 million) received from former subsidiaries for service capacities that were created in the course of the disposal of the hypermarket business.

€ million	30/9/2019[1] Total	Remaining term up to 1 year	over 1 year	**30/9/2020 Total**	**Remaining term up to 1 year**	**over 1 year**
Payroll liabilities	472	472	0	**465**	**465**	**0**
Miscellaneous other financial liabilities	311	256	55	**276**	**259**	**17**
Other financial liabilities	**783**	**728**	**55**	**741**	**724**	**17**
Other tax liabilities	158	158	0	**269**	**269**	**0**
Deferred income	35	10	25	**32**	**8**	**24**
Contract liabilities	35	35	0	**193**	**99**	**94**
Miscellaneous other non-financial liabilities	25	24	1	**149**	**74**	**75**
Other non-financial liabilities	**253**	**228**	**25**	**644**	**451**	**193**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

38. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities that are subject to offsetting agreements, enforceable master netting arrangements and similar agreements were as follows:

30/9/2019						
	(a)	(b)	(c) = (a) – (b)	(d)		(e) = (c) – (d)
€ million	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial liabilities/assets that are netted in the balance sheet	Net amounts of financial assets/liabilities that are shown in the balance sheet	Corresponding amounts that are not netted in the balance sheet: Financial instruments	Collateral received/provided	Net amount
Financial assets						
Receivables due from suppliers	462	146	316	36	0	280
Derivative financial instruments	14	0	14	1	0	13
	477	**146**	**330**	**37**	**0**	**294**
Financial liabilities						
Trade liabilities	3,719	146	3,572	36	0	3,536
Derivative financial instruments	12	0	12	1	0	11
	3,730	**146**	**3,584**	**37**	**0**	**3,547**

€ million	30/9/2020					
	(a)	(b)	(c) = (a) – (b)	(d)		(e) = (c) – (d)
	Gross amounts of recognised financial assets/liabilities	Gross amounts of recognised financial liabilities/assets that are netted in the balance sheet	Net amounts of financial assets/liabilities that are shown in the balance sheet	Corresponding amounts that are not netted in the balance sheet		
				Financial instruments	Collateral received/provided	Net amount
Financial assets						
Receivables due from suppliers	330	87	243	17	0	226
Derivative financial instruments	9	0	9	2	0	6
	339	**87**	**252**	**20**	**0**	**232**
Financial liabilities						
Trade liabilities	3,286	87	3,199	17	0	3,182
Derivative financial instruments	19	0	19	2	0	17
	3,305	**87**	**3,218**	**20**	**0**	**3,199**

The amounts that are not netted in the balance sheet include both financial instruments and collateral. The financial instruments that have not been netted could be netted based on the underlying framework agreements, but do not fulfil the netting criteria of IAS 32 (Financial Instruments: Presentation).

— **For more information about collateral, see** no. 44 – management of financial risks ▸ page 242.

39. Undiscounted cash flows of financial liabilities

The undiscounted cash flows of financial liabilities, trade liabilities and derivative liabilities are as follows:

€ million	Carrying amount 30/9/2019[1]	Contractual cash flows up to 1 year	1 to 5 years	over 5 years
Financial liabilities				
Bonds incl. commercial papers	2,301	545	1,215	665
Liabilities to banks	359	279	80	0
Promissory note loans	55	2	59	0
Liabilities from leases	3,215	524	1,862	2,212
Trade liabilities	3,572	3,572	0	0
Other financial liabilities	783	728	8	48
Interest-based derivatives carried as liabilities	0	0	0	0
Currency derivatives carried as liabilities	12	12	0	0
Commodity derivatives carried as liabilities	0	0	0	0

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases). The contractual cash flows include interest and redemption components.

€ million	**Carrying amount 30/9/2020**	**Contractual cash flows up to 1 year**	**1 to 5 years**	**over 5 years**
Financial liabilities				
Bonds incl. commercial papers	**2,082**	**324**	**1,797**	**54**
Liabilities to banks	**150**	**87**	**73**	**0**
Promissory note loans	**55**	**2**	**56**	**0**
Liabilities from leases	**3,027**	**533**	**1,781**	**1,798**
Trade liabilities	**3,199**	**3,199**	**0**	**0**
Other financial liabilities	**741**	**724**	**5**	**12**
Interest-based derivatives carried as liabilities	**0**	**0**	**0**	**0**
Currency derivatives carried as liabilities	**19**	**19**	**0**	**0**
Commodity derivatives carried as liabilities	**0**	**0**	**0**	**0**

40. Carrying amounts and fair values according to measurement categories

The carrying amounts and fair values of recognised financial instruments are as follows:

€ million	30/9/2019[1]					
		Balance sheet value				
	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value recognised in equity without reclass-ification	Fair value recognised in equity with reclass-ification	Fair Value
Assets	**17,830**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Financial instruments measured at amortised cost	**1,108**	**1,108**	**0**	**0**	**0**	**1,117**
Loans and advance credit granted	28	28	0	0	0	28
Receivables due from suppliers	316	316	0	0	0	316
Trade receivables	482	482	0	0	0	482
Miscellaneous financial instruments	281	281	0	0	0	290
Financial instruments measured at fair value through profit or loss	**78**	**0**	**78**	**0**	**0**	**78**
Investments	62	0	62	0	0	62
Derivative financial instruments not in a hedging relationship according to IAS 39	**9**	**0**	**9**	**0**	**0**	**9**
Securities	4	0	4	0	0	4
Loans and advance credit granted	**4**	**0**	**4**	**0**	**0**	**4**
Financial instruments measured at fair value through other comprehensive income	3	0	0	3	0	3
Investments	3	0	0	3	0	3
Derivative financial instruments in a hedging relationship according to IAS 39	**5**	**n/a**	**n/a**	**n/a**	**n/a**	**5**
Cash and cash equivalents	**500**	**500**	**0**	**0**	**0**	**500**
Receivables from leases (amount according to IFRS 16)	**159**	**n/a**	**n/a**	**n/a**	**n/a**	**176**
Assets not classified according to IFRS 7	**15,976**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Equity and liabilities	**17,830**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Financial instruments measured at fair value through profit or loss	**11**	**0**	**11**	**0**	**0**	**11**
Derivative financial instruments not in a hedging relationship according to IAS 39	11	0	11	0	0	11
Liabilities measured at amortised cost	**7,059**	**7,059**	**0**	**0**	**0**	**7,152**
Borrowings excl. liabilities from leases (incl. hedged items in hedging relationships according to IAS 39)	2,715	2,715	0	0	0	2,804
Trade liabilities	3,572	3,572	0	0	0	3,572
Miscellaneous financial liabilities	771	771	0	0	0	776
Derivative financial instruments in a hedging relationship according to IAS 39	**1**	**n/a**	**n/a**	**n/a**	**n/a**	**1**
Liabilities from leases (amount according to IFRS 16)	**3,215**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Equity and liabilities not classified according to IFRS 7	**7,545**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

€ million	30/9/2020					
		Balance sheet value				
	Carrying amount	(Amortised) cost	Fair value through profit or loss	Fair value recognised in equity without reclass-ification	Fair value recognised in equity with reclass-ification	Fair Value
Assets	13,192	n/a	n/a	n/a	n/a	n/a
Financial instruments measured at amortised cost	939	939	0	0	0	939
Loans and advance credit granted	24	24	0	0	0	25
Receivables due from suppliers	243	243	0	0	0	243
Trade receivables	429	429	0	0	0	429
Miscellaneous financial instruments	242	242	0	0	0	242
Financial instruments measured at fair value through profit or loss	82	0	82	0	0	82
Investments	67	0	67	0	0	67
Derivative financial instruments not in a hedging relationship according to IAS 39	7	0	7	0	0	7
Securities	3	0	3	0	0	3
Loans and advance credit granted	4	0	4	0	0	4
Miscellaneous financial instruments	2	0	2	0	0	2
Financial instruments measured at fair value through other comprehensive income	4	0	0	4	0	4
Investments	4	0	0	4	0	4
Securities	0	0	0	0	0	0
Derivative financial instruments in a hedging relationship according to IAS 39	2	n/a	n/a	n/a	n/a	2
Cash and cash equivalents	1,525	1,525	0	0	0	1,525
Receivables from leases (amount according to IFRS 16)	213	n/a	n/a	n/a	n/a	227
Assets not classified according to IFRS 7	10,428	n/a	n/a	n/a	n/a	n/a
Equity and liabilities	13,192	n/a	n/a	n/a	n/a	n/a
Financial instruments measured at fair value through profit or loss	16	0	16	0	0	16
Derivative financial instruments not in a hedging relationship according to IAS 39	16	0	16	0	0	16
Financial instruments measured at amortised cost	6,208	6,208	0	0	0	6,253
Borrowings excl. liabilities from leases (incl. hedged items in hedging relationships according to IAS 39)	2,287	2,287	0	0	0	2,331
Trade liabilities	3,199	3,199	0	0	0	3,199
Miscellaneous financial liabilities	722	722	0	0	0	722
Derivative financial instruments in a hedging relationship according to IAS 39	3	n/a	n/a	n/a	n/a	3
Liabilities from leases (amount according to IFRS 16)	3,027	n/a	n/a	n/a	n/a	n/a
Equity and liabilities not classified according to IFRS 7	3,937	n/a	n/a	n/a	n/a	n/a

Classes were formed based on similar risks for the respective financial instruments and correspond to the categories of IFRS 9. Derivative financial instruments in a hedging relationship according to IAS 39 and other financial liabilities are classified in each case to a separate class.

The fair value hierarchy comprises 3 levels which reflect the degree of closeness to the market of the input parameters used in the determination of the fair values. In cases in which the measurement is based on different input parameters, the fair value is attributed to the hierarchy level corresponding to the input parameter of the lowest level that is significant for the valuation.

Level 1 input parameters: quoted prices (that are adopted unchanged) in active markets for identical assets or liabilities which the company can access at the valuation date.

Level 2 input parameters: other input parameters than the quoted prices included in level 1 which are either directly or indirectly observable for the asset or liability.

Level 3 input parameters: input parameters that are not observable for the asset or liability.

Of the total carrying amount of investments of €70 million (30/9/2019: €66 million), €67 million (30/9/2019: €62 million) is recognised through profit or loss. This concerns off-exchange financial instruments for which there is also no active market. The remaining investments amounting to €4 million (30/9/2019: €3 million) are recognised at fair value in equity. The classification (FVOCInR) was chosen because investments were made in these equity instruments with a longer-term investment horizon.

In addition, securities totalling €3 million (30/9/2019: €4 million) are recognised through profit or loss. These primarily concern highly liquid exchange-listed money market funds.

The following table depicts the financial instruments that are recognised at fair value in the balance sheet. These are classified into a 3-level fair value hierarchy whose levels reflect the degree of closeness to the market of the data used in the determination of the fair values:

	30/9/2019				**30/9/2020**			
€ million	Total	Level 1	Level 2	Level 3	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets								
Financial assets measured at fair value through profit or loss								
Investments	62	0	62	0	**67**	**0**	**67**	**0**
Loans and advance credit granted	4	0	4	0	**4**	**0**	**4**	**0**
Securities	4	0	4	0	**3**	**0**	**3**	**0**
Miscellaneous financial instruments	0	0	0	0	**2**	**0**	**0**	**2**
Derivative financial instruments not in a hedging relationship according to IFRS 9	9	0	9	0	**7**	**0**	**7**	**0**
Derivative financial instruments in a hedging relationship according to IAS 39	5	0	5	0	**2**	**0**	**2**	**0**
Financial assets measured at fair value through other comprehensive income								
Investments	**3**	**0**	**3**	0	**4**	**0**	**4**	**0**
Equity and liabilities	12	0	12	0	**19**	**0**	**19**	**0**
Financial liabilities measured at fair value through profit or loss								
Derivative financial instruments not in a hedging relationship according to IFRS 9	11	0	11	0	**16**	**0**	**16**	**0**
Miscellaneous financial liabilities	0	0	0	0	**0**	**0**	**0**	**0**
Derivative financial instruments in a hedging relationship according to IAS 39	1	0	1	0	**3**	**0**	**3**	**0**
	75	**0**	**75**	**0**	**69**	**0**	**67**	**2**

The measurement of securities (level 1) is carried out based on quoted market prices in active markets.

Interest rate swaps and currency transactions (all level 2) are measured using the mark-to-market method based on quoted exchange rates and market yield curves.

The measurement of investments (all stage 2) is based on comparable transactions in the past.

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

Financial instruments that are recognised at amortised cost in the balance sheet, but for which the fair value is stated in the notes, are also classified according to a 3-level fair value hierarchy.

Due to their mostly short terms, the fair values of receivables due from suppliers, trade receivables and liabilities as well as cash and cash equivalents essentially correspond to their carrying amounts.

The measurement of the fair value of bonds, liabilities to banks and promissory note loans is based on the market interest rate curve following the discounted cash flow method in consideration of credit spreads (level 2). The amounts comprise the interest prorated to the closing date.

The fair values of all other financial assets and liabilities (level 2) that are not listed on an exchange correspond to the present value of payments underlying these balance sheet items. The calculation was based on the applicable country-specific yield curve (level 2) as of the closing date. The remaining financial instrument (level 3) in the amount of €2 million was calculated using the Black–Scholes option pricing model.

OTHER NOTES

41. Notes to the cash flow statement

In accordance with IAS 7 (Statement of Cash Flows), the consolidated cash flow statement describes changes in the group's cash and cash equivalents through cash inflows and outflows during the reporting period.

The item cash and cash equivalents includes cheques and cash on hand as well as cash in transit and bank deposits with a remaining term of up to 3 months.

The cash flow statement distinguishes between changes in cash levels from operating, investing and financing activities. Cash flows from discontinued operations are reported separately where they concern discontinued operations.

Cash flows from discontinued operations concern the hypermarket business as well as METRO China.

The following explanations relate to continuing operations.

Due to the Covid-19 pandemic, operating activities generated significantly lower cash flows of €646 million in the reporting year (2018/19: €1.209 million). Depreciation/amortisation/impairment losses are attributable to property, plant and equipment at €358 million (2018/19: €362 million), to usufructuary rights at €315 million (2018/19: €288 million), to other intangible assets at €132 million (2018/19: €113 million), to goodwill at €27 million (2018/19: €3 million) and to investment properties at €25 million (2018/19: €15 million). This is contrasted by reversals of impairment losses in the amount of €1 million (2018/19: €8 million).

The change in net working capital amounts to €−172 million (2018/19: €+27 million) and includes changes in inventories, trade receivables and receivables due from suppliers, included in the item 'other financial assets'. Furthermore, it includes changes in trade liabilities. The decrease in cash flows from changes in the net working capital is primarily due to the decrease in trade payables, which is mainly related to a decrease in purchasing volume due to Covid-19.

Other operating activities resulted in a total cash outflow of €140 million (2018/19: cash inflow of €53 million). This item includes other taxes, payroll liabilities, changes in other assets and liabilities as well as deferred income and prepaid expenses. In addition, it includes changes in the assets and liabilities held for sale, adjustments of unrealised currency effects and the reclassification of deconsolidation results recognised in EBIT.

In the reporting period, investing activities led to cash outflow in the amount of €265 million (2018/19: cash inflow of €46 million). The decline is mainly due to higher cash inflows from divestments in the previous year, which mainly related to the sale of real estate.

The amount of investments in property, plant and equipment shown as cash outflows differs from the additions shown in the asset reconciliation in the amount of non-cash transactions. These essentially concern additions from usufructuary rights, currency effects and changes in liabilities from the acquisition of miscellaneous other assets.

The financial investments comprise bank deposits with a residual term of more than 3 months to 1 year, as well as near money market investments that are not classified as cash and cash equivalents, such as units in money market funds. The balance of capital expenditure in financial investments and the disposal of financial investments amounts to €−8 million (2018/19: €−2 million).

In the reporting period, cash flow from financing activities totalled €1,280 million (2018/19: cash outflow of €1.535 million).

The lease payments reported under cash flow from financing activities include the redemption portion of €370 million (2018/19: €352 million) and the interest portion of €177 million (2018/19: €188 million). The interest income received from leases (lessor) are disclosed in cash flow from operating activities. They amount to €15 million (2018/19: €16 million).

Cash and cash equivalents were subject to restrictions on title in the amount of €0 million (2018/19: €0 million).

RECONCILIATION OF THE CASH FLOW FROM FINANCIAL LIABILITIES TO THE CHANGE IN FINANCIAL LIABILITIES REPORTED IN THE BALANCE SHEET

€ million	30/9/2018	Cash item	Additions to finance leases	Interest expenses	Disposals from finance leases	Reclassification in accordance with IFRS 5	Exchange rate movements	30/9/2019
Bonds incl. commercial papers	2,920	−619	0	0	0	0	0	2,301
Liabilities to banks	383	−30	0	0	0	0	5	359
Promissory note loans	55	0	0	0	0	0	0	55
Liabilities from finance leases[1]	3,439	−573	432	205	−44	−276	33	3,215
	6,797	**−1,222**	**432**	**205**	**−44**	**−276**	**38**	**5,930**

[1] According to IFRS 5, METRO China is still included in the development.

RECONCILIATION OF THE CASH FLOW FROM FINANCIAL LIABILITIES TO THE CHANGE IN FINANCIAL LIABILITIES REPORTED IN THE BALANCE SHEET

€ million	30/9/2019	Cash item	Additions to finance leases	Interest expenses	Disposals from finance leases	Reclassification in accordance with IFRS 5	Exchange rate movements	**30/9/2020**
Bonds incl. commercial papers	2,301	−219	0	0	0	0	0	**2,082**
Liabilities to banks	359	−201	0	0	0	0	−7	**150**
Promissory note loans	55	0	0	0	0	0	0	**55**
Liabilities from finance leases	3,215	−547	298	177	−80	6	−41	**3,027**
	5,930	**−968**	**298**	**177**	**−80**	**6**	**−48**	**5,314**

42. Segment reporting

Segmentation follows the group's internal reporting as it is used as a basis for resource allocation and performance measurement by the Chief Operating Decision-Maker (member of the Management Board of METRO AG).

METRO is active in the self-service wholesale trade with the brands METRO and MAKRO as well as in the delivery business (FSD) with the METRO delivery service and, among others, with the supply specialists Classic Fine Foods, Pro à Pro and Rungis Express. Operating segments are aggregated to form reporting segments based on the division of the business into individual regions. The individual regions are Germany, Western Europe (excluding Germany), Russia, Eastern Europe (excluding Russia) and Asia.

The Others segment includes in particular Hospitality Digital, the business unit that bundles the group's digitalisation initiatives. It also includes the service companies METRO PROPERTIES, METRO LOGISTICS, METRO-NOM, METRO ADVERTISING and METRO SOURCING and others, which provide group-wide services in the areas of real estate, logistics, information technology, advertising and procurement. METRO MARKETS is further expanding its digital portfolio for independent restaurateurs with a new B2B online marketplace. Through this distribution channel, METRO offers non-food articles from its own product range as well as products from third parties. The sales and pro rata costs generated by METRO MARKETS are included in the operating units, while the development activities of METRO MARKETS beyond it are included in the Others segment.

The key components of segment reporting are as follows:

- External sales represent sales of the operating segments to third parties outside the group.
- Internal sales represent sales between the group's operating segments. These transactions are settled at normal market conditions.
- Segment EBITDA comprises EBIT before depreciation and reversals of goodwill, impairment losses of property, plant and equipment, other intangible assets and investment properties.
- The adjusted EBITDA includes EBITDA excluding transformation costs and earnings contributions from real estate transactions.
- The term 'transformation costs' refers to non-recurring expenses related to efficiency measures, which mainly relate to personnel measures in the headquarters.
- The earnings contributions from real estate transactions include the EBITDA-effective earnings from the disposal of land and land usage rights and/or buildings as part of a disposal transaction. Earnings from the disposal of dedicated real estate companies or the disposal of shares in such companies capitalised at equity are, as a result of their commercial substance, also included in the earnings contributions from real estate transactions. The earnings have been reduced by cost components incurred in relation to real estate transactions.
- EBIT is the key ratio for segment reporting and describes operating earnings for the period before net financial result and income taxes. Intra-group rental contracts are shown as operating leases in the segments. The rental takes place at normal market conditions. In principle, impairment risks related to non-current assets are only shown in the segments where they represent group risks. In analogy, this also applies to deferred assets and liabilities, which are only shown at segment level if this was also required in the consolidated balance sheet.
- Segment investments include additions (including additions to the consolidation groups) to goodwill, other intangible assets and property, plant and equipment and investment properties. Exceptions to this are additions due to the reclassification of assets held for sale as non-current assets.

- Non-current segment assets include non-current assets. They mainly exclude financial assets, investments accounted for using the equity method, tax items, inventories, trade receivables, receivables from suppliers and cash and cash equivalents.
- In principle, transfers between segments are made based on the costs incurred from the group's perspective.

The reconciliation from non-current segment assets to non-current group assets is shown in the following table:

€ million	30/9/2019[1]	**30/9/2020**
Non-current segment assets	**8,277**	**7,504**
Financial assets	97	**98**
Investments accounted for using the equity method	179	**421**
Deferred tax assets	284	**252**
Other	1	**2**
Non-current group assets	**8,838**	**8,277**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

43. Discontinued operations

Disposal of the hypermarket business

The Management Board of METRO AG decided in its meeting on 13 September 2018 to sell the hypermarket business, including the real estate portfolio used in the hypermarket business and owned by METRO. The decision was made with the intention to focus exclusively on wholesale business in the future. In addition to all Real locations, the hypermarket business also includes companies providing procurement and online services for Real as well as real estate and a supplier. Together, the assets and liabilities have been treated as discontinued operations within the meaning of IFRS 5 since September 2018. In February 2020, the notarised purchase contract was concluded between METRO and SCP Group S.à r.l. for the disposal of the hypermarket business and related properties. This transaction resulted in a total net cash inflow after taxes in the amount of €0.3 billion. Tax payments on the sale will result in a cash outflow after the tax return has been assessed.

In June 2020, the disposal of the hypermarket business and significant parts of the real estate portfolio was completed. With the exception of a real estate company, the real estate properties remaining in IFRS 5 as of 30 June 2020 were sold in September 2020 when the transaction was completed. The transfer of the remaining property is expected in the first half of 2020/21. Until the transaction is completed, the real estate company will be reported as assets and liabilities held for sale (disposal group). As of 30 September 2020, €22 million is reported as assets held for sale and €7 million as liabilities related to assets held for sale in connection with the property.

Profit or loss for the period after taxes

The current result of the hypermarket business, together with all related consolidation entries recognised in the income statement, was shown in a separate section in the consolidated income statement as profit or loss for the period from discontinued operations after taxes. To increase the economic meaningfulness of the earnings statement of the continuing sector, its shares in the consolidation effects were also included in the discontinued section of the earnings statement as far as they were related to business relations that are to be upheld in the long term even after the planned disposal.

Until the deconsolidation date, the disposal group ‘hypermarket business’ was measured at fair value based on an analysis of the purchase contract and the agreed purchase price mechanism.

– **A detailed description of the fair value is included in** no. 40 – carrying amounts and fair values according to measurement categories ▶ page 227.

Profit or loss for the period from discontinued operations after taxes is attributable to the shareholders of METRO AG in the amount of €−414 million (2018/19: €−216 million). Non-controlling interests account for €0 million of earnings (2018/19: €1 million).

In connection with the divestment process, expenses in the low 2-digit million euro range have been incurred.

As a result, profit or loss for the period from discontinued operations after taxes for the hypermarket business is made up as follows:

€ million	2018/19[1]	**2019/20[2]**
Sales	6,700	**5,246**
Expenses	−6,644	**−5,033**
Current earnings from discontinued operations before taxes	**56**	**214**
Income taxes on gains/losses on the current result	−63	**−1**
Current earnings from discontinued operations after taxes	**−7**	**213**
Gains/losses from the remeasurement or disposal of discontinued operations before taxes	**−209**	**−598**
Income taxes on measurement/disposal result	0	**−29**
Gains/losses from the remeasurement or disposal of discontinued operations after taxes	**−209**	**−627**
Profit or loss for the period from discontinued operations after taxes	**−216**	**−414**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).
[2] Until 24 June 2020 and 10 September 2020 respectively.

Effects of other comprehensive income

Of the other comprehensive income for financial year 2019/20 attributable to the shareholders of METRO AG, €4 million (2018/19: €−8 million) is attributable to the discontinued operations of the hypermarket business. This includes components that can be recognised as income in the future in the amount of €0 million (2018/19: €0 million) and components that cannot be recognised as income in the future in the amount of €4 million (2018/19: €−8 million).

Assets/liabilities held for sale

As a result of the classification as discontinued operations and after consolidation measures up to the date of deconsolidation were carried out, €2,955 million was recognised in the consolidated balance sheet into the item assets held for sale and €2,608 million into the item liabilities related to assets held for sale. The respective asset and liability items to be consolidated were recognised in the corresponding balance sheet items of both the continuing and the discontinued segment.

The assets and liabilities of the hypermarket business held for sale and disposed of as part of the deconsolidation are comprised as follows:

ASSETS AT THE TIME OF DECONSOLIDATION

€ million	
Non-current assets	**1,576**
Other intangible assets	43
Property, plant and equipment	1,468
Investment properties	13
Financial assets	37
Investments accounted for using the equity method	0
Other financial assets	4
Other non-financial assets	6
Deferred tax assets	5
Current assets	**1,379**
Inventories	688
Trade receivables	29
Financial assets	0
Other financial assets	358
Other non-financial assets	165
Entitlements to income tax refunds	0
Cash and cash equivalents	138

LIABILITIES AT THE TIME OF DECONSOLIDATION

€ million	
Non-current liabilities	**1,357**
Provisions for post-employment benefits plans and similar obligations	**9**
Other provisions	**46**
Financial liabilities	**1,287**
Other financial liabilities	**1**
Other non-financial liabilities	**14**
Deferred tax liabilities	**0**
Current liabilities	**1,251**
Trade liabilities	**751**
Provisions	**100**
Financial liabilities	**184**
Other financial liabilities	**119**
Other non-financial liabilities	**95**
Income tax liabilities	**2**

Effects of other comprehensive income

In financial year 2019/20, METRO AG declared an assumption of debt for former (inactive) employees of Real. The effects in connection with the assumed pension obligations in other comprehensive income of €−10 million from the measurement of pension plans and €3 million of the related income tax effects were transferred to METRO AG. As part of the deconsolidation of the hypermarket business, the remaining effects of €−6 million from the measurement of pension plans, the related income tax effects and the fair value measurement of investments without reclassification, which were included in other comprehensive income, were reclassified to other reserves retained from earnings.

Cash flow

The cash flows of the hypermarket business are as follows:

€ million	2018/19[1]	**2019/20[2]**
Cash flow from operating activities of discontinued operations	187	**342**
Cash flow from investing activities of discontinued operations	−135	**162**
Cash flow from financing activities of discontinued operations	−312	**−268**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

[2] Until 24 June 2020 and 10 September 2020 respectively.

Other disclosures

Prior to deconsolidation, the discontinued hypermarket business employed an average of 34,347 people (2018/19: 35,073).

Disposal of METRO China

On 11 October 2019, METRO AG entered into an agreement with Wumei Technology Group, a leading Chinese retailer, to form a strategic partnership for the operations of METRO China and related real estate. This partnership includes the sale of METRO AG's entire indirect majority shareholding in METRO China to a subsidiary of Wumei Technology Group for an enterprise value (100%) of approximately €1.9 billion. The transaction was closed on 23 April 2020, after receipt of the usual competitive and regulatory approvals, and resulted in a net cash inflow of €1.6 billion, which included the advance payment for the use of the METRO trademark. METRO will retain a stake of about 20% in the activities of METRO China.

Profit or loss for the period after taxes

The current result of METRO China was reclassified in the consolidated income statement under the item profit or loss for the period from discontinued operations after taxes, taking into account necessary consolidation measures. To increase the economic meaningfulness of the earnings statement of the continuing sector, its shares in the consolidation effects were also included in the discontinued section of the earnings statement as far as they were related to business relations that are to be upheld in the long term even after the planned disposal.

Profit or loss for the period from discontinued operations after taxes is attributable to the shareholders of METRO AG in the amount of €1,020 million (2018/19: €118 million). Non-controlling interests account for €6 million of earnings (2018/19: €5 million).

In connection with the divestment process, expenses in the low 2-digit million euro range have been incurred to date.

As a result, profit or loss for the period from discontinued operations after taxes is made up as follows for METRO China:

€ million	2018/19[1]	**2019/20[2]**
Sales	2,902	**1,764**
Expenses	−2,737	**−1,655**
Current earnings from discontinued operations before taxes	**165**	**109**
Income taxes on gains/losses on the current result	−43	**−26**
Current earnings from discontinued operations after taxes	**122**	**83**
Gains/losses from the remeasurement or disposal of discontinued operations before taxes	0	**1,125**
Income taxes on measurement/disposal result	0	**−182**
Gains/losses from the remeasurement or disposal of discontinued operations after taxes	**0**	**943**
Profit or loss for the period from discontinued operations after taxes	**122**	**1,026**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

[2] Until 22 April 2020

Effects of other comprehensive income

Of the other comprehensive income for financial year 2019/20 attributable to the shareholders of METRO AG, €9 million (2018/19: €14 million) is attributable to the discontinued operations of METRO China. This includes components that can be recognised in income in the future in the amount of €9 million (2018/19: €14 million) and components that cannot be recognised in income in the future in the amount of €0 million (2018/19: €0 million).

Assets/liabilities held for sale

As a result of the classification as discontinued operations and after consolidation measures up to the date of deconsolidation were carried out, €1,775 million was reclassified in the consolidated balance sheet into the item assets held for sale and €1,024 million into the item liabilities related to assets held for sale. The respective asset and liability items to be consolidated were recognised in the corresponding balance sheet items of both the continuing and the discontinued segment.

The assets and liabilities of METRO China held for sale and disposed of as part of the deconsolidation are comprised as follows:

ASSETS AT THE TIME OF DECONSOLIDATION

€ million	
Non-current assets	**865**
Goodwill	19
Other intangible assets	5
Property, plant and equipment	783
Deferred tax assets	57
Current assets	**911**
Inventories	205
Trade receivables	75
Other financial assets	74
Other non-financial assets	93
Entitlements to income tax refunds	0
Cash and cash equivalents	464

LIABILITIES AT THE TIME OF DECONSOLIDATION

€ million	
Non-current liabilities	**276**
Financial liabilities	269
Deferred tax liabilities	7
Current liabilities	**748**
Trade liabilities	530
Provisions	43
Financial liabilities	10
Other financial liabilities	34
Other non-financial liabilities	130
Income tax liabilities	2

Effects of other comprehensive income

The components included in the equity of METRO China up to the deconsolidation date, which are part of the other comprehensive income attributable to the shareholders of METRO AG from currency translation differences, had an effect of €23 million on net income from disposals due to their derecognition through profit or loss.

Cash flow
The cash flows of METRO China from discontinued operations are as follows:

€ million	2018/19[1]	**2019/20[2]**
Cash flow from operating activities of discontinued operations	212	**74**
Cash flow from investing activities of discontinued operations	0	**1,109**
Cash flow from financing activities of discontinued operations	−39	**−9**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).
[2] Until 22 April 2020

Other disclosures
Prior to deconsolidation, the discontinued operation of METRO China employed an average of 11,863 people (2018/19: 11,836).

44. Management of financial risks

METRO Treasury manages the financial risks of the group. Specifically, they concern

- Price risks
- Liquidity risks
- Credit risks
- Cash flow risks

— **For more information about the risk management system, see chapter – 3 economic report – 3.2. asset, financial and earnings position – financial and asset position – financial management ▶ page 67 in the combined management report.**

Price risks
For METRO, price risks result from the impact of changes in market interest rates and foreign currency exchange rates on the value of financial instruments.

Interest rate risks can arise for METRO from changes in interest rate levels. If necessary, interest rate derivatives are used to cap these risks.

The remaining interest rate risk is assessed in accordance with IFRS 7 using a sensitivity analysis. In the process, the following assumptions are applied in the consideration of changes in interest rates:

- The total impact determined by the sensitivity analysis relates to the actual balance as of the closing date and reflects the impact for 1 year.
- Primary floating-rate financial instruments whose interest payments are not designated as the underlying transaction in a cash flow hedge against changes in interest rates are recognised in the interest result in the sensitivity analysis. The sensitivity is determined for a change of 10 basis points.

- Primary fixed-interest financial instruments are generally not recognised in the interest result. They are only recognised in other financial result if they are designated as the underlying transaction within a fair value hedge and measured at fair value. In this case, however, the interest-related change in the value of the underlying transaction is offset by the change in the value of the hedging transaction upon full effectiveness of the hedging transaction. The variable interest flows within the group that result from a fair value hedge are recognised in the interest result.
- Financial instruments designated as the hedging transaction within a cash flow hedge to hedge against variable interest flows will only be recognised in the interest result when the payment flows have actually been initiated. However, the measurement of the hedging transaction at fair value is recognised in reserves retained from earnings outside of profit or loss.
- Interest rate derivatives that are not part of a qualified hedging relationship under IAS 39 are recognised at fair value in profit or loss in other financial result and, through resulting interest flows, in the interest result.

As of the closing date, METRO's remaining interest rate risk is primarily the result of variable interest rate receivables and liabilities to banks as well as other short-term liquid financial assets (reported under cash and cash equivalents) with an aggregate debit balance after consideration of hedging transactions of €1,160 million (30/9/2019: €−1 million).

Given this total balance, an interest rate rise of 10 basis points would result in a €1 million (2018/19: €0 million) higher interest result per year. An interest rate decrease of 10 basis points would have the opposite effect of €−1 million (2018/19: €0 million).

METRO faces currency risks in its international procurement of merchandise and because of costs, financings and lease agreements that are incurred in a currency other than the relevant local currency or are pegged to the development of another currency. In accordance with the specifications of the group guideline 'Foreign Currency Transactions', resulting foreign currency positions must be hedged. Exceptions from this hedging requirement exist where hedging is not economically reasonable and in the case of legal and regulatory restrictions in the respective countries. Forward currency contracts are mainly used for hedging purposes. Moreover, currency risks for METRO result from the recognition of foreign currency lease liabilities and foreign currency lease receivables, which affect the amount of the other financial result due to the exchange rate at closing date.

In line with IFRS 7, the presentation of the currency risk resulting from the exceptions is also based on a sensitivity analysis. In the process, the following assumptions are made in the consideration of a depreciation or appreciation of the euro vis-à-vis foreign currencies:

In terms of its amount and result characteristic, the total effect presented by the sensitivity analysis relates to the amounts of foreign currency held within the consolidated subsidiaries of METRO and states the effect of a depreciation of the euro.

A depreciation of the euro will result in a positive effect if a receivable in the foreign currency exists at a subsidiary which uses the euro as its functional currency and if a liability in euros exists at a subsidiary which does not use the euro as its functional currency. The following table shows the nominal volumes of currency pairs in this category with a positive sign.

A depreciation of the euro will result in a negative effect if a receivable in euros exists at a subsidiary which does not use the euro as its functional currency and if a liability in the foreign currency exists at a subsidiary which uses the euro as its functional currency. Correspondingly, the following table shows the nominal volumes of currency pairs in this category with a negative sign.

By contrast, an appreciation of the euro will have the opposite effect for all currency pairs shown above.

In the sensitivity analysis, the effects of the measurement of non-equity foreign currency positions that are calculated based on the exchange rate at closing date in line with IAS 21 are recognised in the income statement. In the case of net investments in a foreign operation, the effects of the closing date measurement are recognised in equity (other comprehensive income) outside of profit or loss.

Forward currency contracts/options and interest rate and currency swaps that are not part of a qualified hedging relationship under IAS 39 are recognised through the fair value measurement in the income statement. In fully effective hedging transactions, this effect is offset by the effect from the measurement of the underlying foreign currency transaction.

In the consolidated financial statements, foreign currency future transactions are designated as hedging transactions within a cash flow hedge to hedge merchandise procurement and sales. Changes in the fair value of these hedging instruments are recognised in other comprehensive income until the underlying transaction is recognised through profit or loss.

Effects from the currency translation of financial statements whose functional currency is not the reporting currency of METRO do not affect cash flows in local currency and are therefore not part of the sensitivity analysis.

As of the closing date, the remaining currency risk of METRO, which is essentially due to an inability to hedge certain currencies for legal reasons or due to insufficient market depth, was as follows:

€ million	Currency pair	Impact of depreciation of the euro by 10 % Volume[1]	30/9/2019[1]	**Volume**	**30/9/2020**
Profit or loss for the period			+/−		**+/−**
	CHF/EUR	+10	−1	**+12**	**−1**
	CNY/EUR	+17	−2	**+28**	**−3**
	CZK/EUR	+59	−6	**+87**	**−9**
	EGP/EUR	+31	−3	**+32**	**−3**
	GBP/EUR	−8	1	**+0**	**0**
	HKD/EUR	−17	2	**−8**	**1**
	HUF/EUR	+42	−4	**−5**	**1**
	JPY/EUR	−7	1	**−5**	**0**
	KZT/EUR	+12	−1	**+14**	**−1**
	PLN/EUR	+192	−19	**+94**	**−9**
	PKR/EUR	+11	−1	**+9**	**−1**
	RON/EUR	−15	2	**+15**	**−1**
	RSD/EUR	+10	−1	**+8**	**−1**
	RUB/EUR	+66	−7	**−36**	**4**
	TRY/EUR	+116	−12	**+80**	**−8**
	UAH/EUR	+43	−4	**+57**	**−6**
	USD/EUR	+5	−1	**0**	**0**
Equity			+/−		**+/−**
	CNY/EUR	+103	−10	**+100**	**−10**
	KZT/EUR	+126	−13	**+130**	**−13**
	PLN/EUR	+70	−7	**+67**	**−7**
	RSD/EUR	+16	−2	**+16**	**−2**
	RUB/EUR	0	0	**0**	**0**
	UAH/EUR	+200	−20	**+200**	**−20**
	USD/EUR	+90	−9	**+74**	**−7**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

Currency risks existing in addition to these are mainly the result of USD currency holdings in various subsidiaries in which the functional currency is not the US dollar or the euro. At a nominal US dollar volume of €19 million (30/9/2019: €21 million), a depreciation of the US dollar by 10% would result in positive effects of €2 million in profit or loss for the period (30/9/2019: €2 million), while an appreciation would lead to negative effects of €2 million (30/9/2019: €2 million).

At a nominal volume of €6 million (30/9/2019: €8 million), the currency pair USD/THB accounts for the main share of this effect, while in the previous year the currency pair USD/AED accounted for the largest share of this effect.

Interest rate and currency risks are substantially reduced and limited by the internal treasury guidelines. The group wide regulations specify that all hedging operations must adhere to predefined limits and must not lead to increased risk exposure under any circumstances. METRO is aware that this severely limits the opportunities to exploit current or expected interest rate and exchange rate movements to optimise results.

In addition, hedging may be carried out only with standard derivative financial instruments whose correct mathematical measurement and accounting mapping are guaranteed.

As of the closing date, the following derivative financial instruments were being used for risk reduction:

	30/9/2019			**30/9/2020**		
		Fair values			**Fair values**	
€ million	Nominal volume[1]	Financial assets	Financial liabilities	**Nominal volume[1]**	**Financial assets**	**Financial liabilities**
Currency transactions						
Forward currency contracts	605	14	12	**678**	**9**	**19**
thereof within fair value hedges	(0)	(0)	(0)	**(0)**	**(0)**	**(0)**
thereof within cash flow hedges	(193)	(5)	(1)	**(173)**	**(2)**	**(3)**
thereof not part of hedges	(412)	(9)	(11)	**(505)**	**(7)**	**(16)**
Interest rate/currency swaps	0	0	0	**0**	**0**	**0**
	605	**14**	**12**	**678**	**9**	**19**

[1] Nominal volumes with a positive prefix indicate a purchase of forward currency contracts.
Nominal volumes with a negative prefix indicate a disposal of forward currency contracts.

The nominal volume of forward currency contracts /options and interest limitation agreements results from the net position of the buying and selling values in foreign currency underlying the individual transactions translated at the relevant exchange rate on the closing date. The nominal volume of interest rate swaps or interest rate/currency swaps and interest rate hedging agreements is shown on a gross basis.

All fair values represent the theoretical value of these instruments upon dissolution of the transaction as of the closing date. Under the premise that instruments are held until the end of their term, these are unrealised gains and losses that, by the end of the term, will be fully set off by gains and losses from the underlying transactions in the case of fully effective hedging transactions.

In order to appropriately show this reconciliation for the period, relationships are created between hedging transactions and underlying transactions and recognised as follows:

- Within a fair value hedge, both the hedging transaction and the hedged risk of the underlying transaction are recognised at their fair value. The fluctuations in the fair value of both transactions are shown in the income statement, where they will be fully set off against each other in the case of full effectiveness.
- Within a cash flow hedge, the hedging transactions are also principally recognised at their fair value. In the case of full effectiveness of the hedging transaction, the value changes will be recognised in equity until the hedged payment flows or expected transactions impact the earnings. Only then will they be recognised in the income statement.
- Hedging transactions that, according to IAS 39, are not part of a hedge are recognised at their fair value. Value changes are recognised directly in the income statement. Even if no formal hedging relationship was created, these are hedging transactions that are closely connected to the underlying transaction and whose impact on earnings will be netted by the underlying transaction.

Only derivatives in the form of forward exchange transactions are used as hedging instruments in hedge accounting (cash flow hedging) to hedge off-balance sheet currency risks. Generally, one underlying transaction is hedged in each case by means of a forward currency contract. The effectiveness of these hedges is assessed on the basis of the hypothetical derivative method. The ineffectiveness determined using this method results from the difference between the changes in value of the hedged item and the changes in value of the hedging transaction.

Currency derivatives are used primarily for Chinese renminbi, Hong Kong dollar, Japanese yen, Polish zloty, Romanian leu, Russian rouble, Swiss franc, Czech koruna, Hungarian forint and US dollar. The average hedging rates for METRO for the 2 particularly important currency pairs resulting from such hedges are as follows:

1.14 USD/EUR and 8.13 CNY/EUR. The maturity of derivatives used for hedging purposes in the amount of €−1 million (30/9/2019: €5 million) is less than one year.

Liquidity risks

Liquidity risk describes the risk of being unable to procure or provide funding or being able to only procure or provide funding at a higher cost. Liquidity risks may arise, for example, as a result of temporary capital market disruptions, creditor defaults, insufficient credit facilities or the absence of budgeted incoming payments. METRO AG acts as financial coordinator for the group companies to ensure that they are provided with the necessary financing to fund their operating and investing activities as cost-effectively and sufficiently high as possible. The necessary information is provided by means of a group financial plan, which is updated monthly and checked monthly for deviations. This financial plan is complemented by a weekly rolling 14-day liquidity plan.

Financing instruments include money and capital market products (time deposits, call money, promissory note loans, commercial papers and listed bonds sold as part of ongoing capital market programmes) as well as bilateral and syndicated loans. METRO has a sufficient liquidity reserve so that liquidity risks are not likely, even if an unexpected event has a negative financial impact on the company's liquidity situation. The unused bilateral syndicated loans held as a liquidity reserve are subject to certain loan conditions. In the event that, contrary to expectations, the agreed credit terms cannot be met in the future due to Covid-19 and no temporary adjustment of the credit terms can be negotiated with the bank consortium, METRO has sufficient refinancing alternatives available with a similar liquidity effect. For more information about the instruments used for financing purposes, see the explanatory notes to the respective balance sheet items.

— **For more information, see** no. 29 – cash and cash equivalents ▸ page 205 **as well as** no. 36 – financial liabilities ▸ page 220.

Through intra-group cash pooling, financial resources can be allocated as needed by group companies with financing needs using the liquidity surpluses of other group companies. This reduces the group's amount of debt and thus its interest expenses. In addition, METRO AG draws on the financial expertise pooled in the treasury of METRO AG to advise the group companies in all relevant financial matters. This ranges from the elaboration of investment financing concepts to supporting the responsible financial officers of the individual group companies in their discussions with local banks and financial service providers. This ensures, on the one hand, that the financial resources of METRO are optimally employed, and, on the other, that all group companies benefit from the strength and credit standing of METRO in negotiating their financing terms.

Credit risks

Credit risks arise from the total or partial default by a counterparty, for example, through bankruptcy or in connection with financial investments and derivative financial instruments with positive market values. METRO'S maximum credit risk as of the closing date is reflected by the carrying amount of financial assets totalling €2,764 million (30/9/2019: €1,854 million).

– **For more information about the amount of the respective carrying amounts, see** no. 40 – carrying amounts and fair values according to measurement categories ▶ page 227.

Cash on hand considered in cash and cash equivalents totalling €14 million (30/9/2019: €16 million) is not exposed to any credit risk.

In the course of the risk management of financial investments totalling €1,482 million (30/9/2019: €453 million) and derivative financial instruments with positive market values totalling €9 million (30/9/2019: €14 million), minimum creditworthiness requirements and individual maximum exposure limits for the engagement have been defined for all business partners of METRO. Cheques and money in circulation are not considered in the determination of credit risks. This is based on a system of limits laid down in the treasury guidelines, which are based mainly on the ratings of international rating agencies, developments of credit default swaps or internal credit assessments. An individual limit is allocated to every counterparty of METRO; compliance is constantly monitored by the treasury systems.

The following table shows a breakdown of business partners by rating class:

Rating classes			Volume in %						
			Financial investments						
Grade	Standard & Poor's	Moody's	Germany	Western Europe (excl. Germany)	Russia	Eastern Europe (excl. Russia)	Asia and others	Derivatives with positive market values	**Total**
Investment-grade	AAA	Aaa	0.0	0.0	0.0	0.0	0.0	0.0	
	AA+ to AA-	Aa1 to Aa3	0.8	0.0	0.0	0.0	0.0	0.0	
	A+ to A-	A1 to A3	57.4	1.1	0.8	4.5	6.5	0.3	
	BBB+ to BBB-	Baa1 to Baa3	21.2	0.9	0.0	2.8	1.1	0.1	**97.5**
Non-Investment-grade	BB+ to BB-	Ba1 to Ba3	0.0	0.0	0.0	0.0	0.0	0.0	
	B+ to B-	B1 to B3	0.0	0.1	0.0	0.0	0.0	0.0	
	CCC+ to C	Caa1 to Ca	0.1	0.0	0.0	1.7	0.0	0.0	**1.9**
No rating			0.0	0.0	0.0	0.6	0.0	0.0	**0.6**
			79.5	**2.1**	**0.8**	**9.6**	**7.6**	**0.4**	**100.0**

The table shows that, as of the closing date, about 97.5% of the capital investment volume, including the positive market value of derivatives, had been placed with investment grade counterparties, in other words, those with good or very good credit ratings. Most of the counterparties that do not yet have an internationally accepted rating are respected financial institutions that have been subjected to a creditworthiness analysis. METRO also operates in countries where local financial institutions do not have investment grade ratings due to the rating of their country. For country-specific reasons as well as cost and efficiency considerations, cooperation with these institutions is unavoidable. These institutions account for about 1.9% of the total volume.

Overall, METRO's level of exposure to credit risks is very low.

Cash flow risks

A future change in interest rates may cause cash flow from variable interest rate asset and liability items to fluctuate. Stress tests are used to determine the potential impact interest rate changes may have on cash flow and how they can be capped through hedging transactions in accordance with the group's internal treasury guidelines.

45. Contingent liabilities

€ million	30/9/2019	30/9/2020
Contingent liabilities from guarantee and warranty contracts	17	**39**
Contingent liabilities from the provision of collateral for third-party liabilities	12	**10**
Other contingent liabilities	1	**0**
	30	**49**

Contingent liabilities from guarantee and warranty contracts are primarily rent guarantees with terms of up to 10 years if utilisation is not considered entirely unlikely. The present values of contingent liabilities are essentially the same as the nominal amounts. Some of the contingent liabilities are subject to rights of recourse against third parties up to the nominal amount.

46. Other financial commitments

As of 30 September 2020, the nominal value of other financial commitments amounted to €241 million (30/9/2019: €232 million) and primarily concerned purchasing commitments from service agreements.

- **For more information about contractual commitments for the acquisition of other intangible assets and property, plant and equipment as well as investment properties, see** no. 20 – other intangible assets ▶ page 188**,** no. 21 – property, plant and equipment ▶ page 189 **and** no. 22 – investment properties ▶ page 192 **as well as** no. 47 – leases ▶page 250**.**

47. Leases

METRO as lessee

Real estate leases
METRO mainly rents land and buildings for its wholesale stores, distribution centres, offices and warehouses. The leases are individually negotiated and contain a variety of different terms and conditions.

The lease agreements for the properties are generally concluded for fixed periods of 5 to 15 years and in some cases include extension options, as described in the section on extension and termination options.

Vehicle leasing
In addition, commercial vehicles such as trucks, forklift trucks and industrial trucks with terms of 4 to 6 years as well as passenger cars with a lease term of 3 to 4 years are also leased.

Other leases
Other leases, which account for an insignificant portion of the leases, include the rental of technical equipment and machinery, IT infrastructure as well as business and office equipment.

With the first-time application of IFRS 16, the previous classification of leases under IAS 17 as operating or finance leases no longer applies to lessees. Nearly all leases (with the exception of short-term leases and leases based on low-value assets) are disclosed in the balance sheet as rights of use with a corresponding lease liability.

— **Additional information about the first-time application of the new accounting standard and on exercising options can be found in the section '**Application of new accounting methods ▸ page 151**'.**

The following table shows the rights of use in connection with leases reported in the balance sheet.

€ million	1/10/2018[1]	30/9/2019[1]	**30/9/2020**
Land and buildings	2,524	2,248	**1,947**
Vehicles	88	95	**103**
Other rights of use	20	32	**34**
	2,633	**2,374**	**2,084**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

— **A detailed presentation of the rights of use can be found in** no. 21. – property, plant and equipment ▸ page 189 **– development of rights of use of leased property, plant and equipment.**

The maturities of lease liabilities are shown in the following table.

€ million	1/10/2018[1]	30/9/2019[1]	**30/9/2020**
Short-term	397	353	**376**
Long-term	3,042	2,862	**2,651**
	3,439	**3,215**	**3,027**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

— **A maturity analysis of the undiscounted payments can be found in** no. 39 – undiscounted cash flows of financial liabilities ▸ page 227**.**

In financial year 2019/20, there were no material expenses for variable lease payments that were not included in the measurement of lease liabilities.

Effects of leases recognised in profit or loss

The following expenses and income relating to leases were reported in the income statement.

€ million	30/9/2019[1]	30/9/2020
Variable rental expenses from rights of use	0	**−2**
Rental expenses for short-term leases	−14	**−14**
Rental expenses for leases of assets of minor value	−28	**−9**
Total rental expenses	−42	**−25**
Depreciation[2]	−301	**−333**
Interest expenses	−188	**−177**
Income and expenses from sale and leaseback transactions	286	**1**
Income from subletting of rights of use	136	**118**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).
[2] Includes depreciation on investment property and impairment losses.

The total cash outflow, which comprises fixed lease payments, payments for short-term leases, payments for leases of assets of minor value and variable lease payments, amounts to €564 million (30/9/2019: €594 million).

In its announcement 'Covid-19-Related Rent Concessions' (amendment to IFRS 16) on 28 May 2020, the IASB grants lessees an option to simplify the accounting for concessions, such as deferral of lease payments or rent discounts, granted in connection with the outbreak of the coronavirus pandemic. METRO has exercised the option of recognising all granted rental discounts amounting to €1 million directly in the income statement.

Extension and termination options

Extension and termination options are included in a significant number of leases in all asset classes of METRO. These terms and conditions are used to maximise operational flexibility in contract management, particularly in relation to the asset classes of land and buildings, plant and machinery, vehicles as well as IT infrastructure.

When METRO determines the lease term and assesses the length of the non-cancellable period of a lease, it specifies the period for which the agreement is enforceable. A lease agreement is no longer enforceable if the lessee and the lessor each have the right to terminate the lease agreement without the other party's consent for at most an insignificant penalty. If only a lessee has the right to terminate a lease, that right is considered a termination option available to the lessee, which a company considers when determining the lease term. If only a lessor has the right to terminate a lease, the non-cancellable period of the lease includes the period covered by the termination option. The majority of the renewal and termination options held can only be exercised by METRO and not by the respective lessor.

In determining the lease term, management takes into account all facts and circumstances that create an economic incentive to exercise a renewal option or not to exercise a termination option. Examples of facts and circumstances include the terms of the lease for the optional periods compared to market conditions, significant improvements to the leases, costs associated with terminating the lease contract and the significance of the underlying asset to METRO's operations. The measurement is reviewed if a significant event or significant change in circumstances occurs that affects this measurement.

Potential future cash outflows of €2,054 million (30/9/2019: €1,985 million) for renewal or termination options that are not sufficiently certain were not included in the lease liability as of 30 September 2020 because it is not reasonably certain that the leases will be renewed or not terminated.

During the financial year, lease extensions totalling €70 million (30/9/2019: €69 million) were exercised and included in lease liabilities using the incremental borrowing rate at the modification date of this lease.

Residual value guarantees and purchase options
METRO has no significant leases that contain residual value guarantees or purchase options.

Leasing agreements not yet commenced
Undiscounted payment obligations for leases that had not yet been commenced on the closing date and were thus not disclosed under lease liabilities totalled €6 million (30/9/2019: €54 million).

Sale-and-leaseback transactions
No significant sale-and-leaseback transactions were carried out in financial year 2019/20. In the previous year, profits of €286 million were generated from the sale of property locations in China, Poland, Spain, Hungary and the Czech Republic.

METRO as lessor

METRO is a lessor that rents and leases real estate owned by the company. These subleases are classified as operating leases or finance leases. The net investments from the finance leases are recognised as receivables in the balance sheet. The receivables are reduced by the redemption portion included in the lease payment. The interest portion included in the lease payment is recognised as finance income in the income statement.

Lease payments (METRO as lessor) due in subsequent periods from entities outside METRO for the rental of properties that are classified as finance leases are shown below:

€ million	30/9/2019[1]	**30/9/2020**
Up to 1 year	38	**59**
1 to 2 years	39	**58**
2 to 3 years	38	**54**
3 to 4 years	39	**37**
4 to 5 years	25	**20**
Over 5 years	29	**40**
Gross investment (total undiscounted minimum lease payments)	208	**268**
Not yet realised financial income	−48	**−47**
Net investment (net present value of future minimum lease payments to be received)	**159**	**221**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The material increase in net investments from finance leases results from the subleasing of real estate locations to the hypermarket business, which led to a reclassification as finance leases due to the disposal of the hypermarket business.

If the rental of real estate is classified as an operating lease, the lease payments are immediately recognised in the income statement as rental income. In subsequent periods, the group is entitled to receive lease payments from third parties, which are due as follows:

€ million	30/9/2019[1]	**30/9/2020**
Up to 1 year	90	**94**
1 to 2 years	78	**75**
2 to 3 years	71	**63**
3 to 4 years	64	**44**
4 to 5 years	47	**30**
Over 5 years	97	**53**
Total undiscounted minimum lease payments	**447**	**360**

[1] Adjustment of previous year due to full retrospective application of IFRS 16 (Leases).

The following rental income in connection with leases was recognised in the income statement.

€ million	30/9/2019	**30/9/2020**
Operating leases		
Fixed rental income	144	**117**
Variable rental income	1	**0**
Finance leases		
Variable rental income	1	**1**
Total rental income	**145**	**118**
Interest income	16	**15**

48. Adjustment of comparative figures for 2018/19 due to IFRS 16

The International Accounting Standards Board published the new accounting standard IFRS 16 (Leases). IFRS 16 replaces the existing lease regulations, including IAS 17 (Leases), IFRIC 4 (Determining Whether an Agreement Contains a Lease), SIC-15 (Operating Leases – Incentives) and SIC-27 (Evaluating the Substance of Transactions in the Legal Form of a Lease) .

METRO has made the first-time application of IFRS 16 fully retrospective to 30 September 2019 (financial year 1/10/2018 to 30/9/2019). As a result, previous year's figures have been adjusted for financial year 2018/19. The effects on the income statement, the balance sheet, the statement of comprehensive income and the cash flow statement are presented below.

The key change of IFRS 16 compared to IAS 17 is the introduction of a uniform accounting model for the lessee. The lessee must recognise a liability and, correspondingly, the right to use the leased asset as a right-of-use asset at the time when the lessor grants the lessee the right to use the asset.

The rental expenses from operating leases previously reported in the income statement in accordance with IAS 17 have been replaced by the disclosure of depreciation and interest expenses in accordance with IFRS 16.

For the transition to IFRS 16, METRO determines whether an agreement contains a lease. For this assessment, the company was allowed to choose whether to apply the IFRS 16 definition of a lease to all its agreements or to apply the practical simplification allowed by IFRS 16 instead of reassessing whether an agreement is or contains a lease. The company decided to apply the practical simplification during the transition. This means that it will apply IFRS 16 to all contracts entered into before 1 October 2018 and identified as leases in accordance with IAS 17 and IFRIC 4.

— **Information about the first-time application of IFRS 16 is presented in the section '**Application of new accounting methods ▶ page 151**'.**

Income statement

INCOME STATEMENT

€ million	2018/19 as reported	IFRS 16 change	**2018/19**
Sales revenues	**27,082**	**0**	**27,082**
Cost of sales	−22,476	10	**−22,466**
Gross profit on sales	**4,606**	**10**	**4,617**
Other operating income	1,405	−30	**1,376**
Selling expenses	−4,092	137	**−3,955**
General administrative expenses	−822	11	**−811**
Other operating expenses	−279	0	**−279**
Earnings from impairment of financial assets	−14	0	**−14**
Earnings share of operating companies recognised at equity	24	0	**24**
Earnings before interest and taxes EBIT	**828**	**130**	**957**
Earnings share of non-operating companies recognised at equity	0	0	**0**
Other investment result	−1	0	**−1**
Interest income	29	16	**45**
Interest expenses	−148	−137	**−285**
Other financial result	1	11	**12**
Net financial result	**−119**	**−111**	**−230**
Earnings before taxes EBT	**709**	**19**	**728**
Income taxes	−298	−3	**−301**
Profit or loss for the period from continuing operations	**411**	**16**	**427**
Profit or loss for the period from discontinued operations	−526	433	**−93**
Profit or loss for the period	**−115**	**448**	**333**
Profit or loss for the period attributable to non-controlling interests	11	0	**11**
from continuing operations	(6)	(0)	**(6)**
from discontinued operations	(5)	(0)	**(5)**
Profit or loss for the period attributable to the shareholders of METRO AG	−126	448	**322**
from continuing operations	(405)	(15)	**(421)**
from discontinued operations	(−532)	(433)	**(−99)**
Earnings per share in € (basic = diluted)	**−0.35**	**1.23**	**0.89**
from continuing operations	(1.12)	(0.04)	**(1.16)**
from discontinued operations	(−1.46)	(1.19)	**(−0.27)**

Reconciliation from net income for the period to total comprehensive income

RECONCILIATION FROM NET INCOME FOR THE PERIOD TO COMPREHENSIVE INCOME

€ million	2018/19 as reported	IFRS 16 change	2018/19
Profit or loss for the period	**−115**	**448**	**333**
Other comprehensive income			
Items of other comprehensive income that will not be reclassified subsequently to profit or loss	**−75**	**0**	**−75**
Remeasurement of defined benefit pension plans	−94	0	**−94**
Effects from the fair value measurements of equity instruments	−3	0	**−3**
Income tax attributable to items of other comprehensive income that will not be reclassified subsequently to profit or loss	22	0	**22**
Items of other comprehensive income that may be reclassified subsequently to profit or loss	**135**	**−6**	**129**
Currency translation differences from translating the financial statements of foreign operations	138	−6	**132**
Effective portion of gains/losses from cash flow hedges	2	0	**2**
Effects from the fair value measurements of debt instruments	0	0	**0**
Income tax attributable to items of other comprehensive income that may be reclassified subsequently to profit or loss	−5	0	**−5**
Other comprehensive income	**59**	**−6**	**54**
Total comprehensive income	**−56**	**443**	**387**
Total comprehensive income attributable to non-controlling interests	12	0	**12**
Total comprehensive income attributable to the shareholders of METRO AG	−68	443	**375**

Balance sheet

ASSETS

€ million	1/10/2018 as reported[1]	IFRS 16 change	1/10/2018
Non-current assets	**7,504**	**2,236**	**9,740**
Goodwill	797	0	**797**
Other intangible assets	499	0	**499**
Property, plant and equipment	5,314	2,155	**7,469**
Investment properties	97	38	**135**
Financial assets	86	0	**86**
Investments accounted for using the equity method	178	0	**178**
Other financial assets	39	125	**164**
Other non-financial assets	163	−133	**30**
Deferred tax assets	331	51	**382**
Current assets	**7,700**	**803**	**8,504**
Inventories	2,108	0	**2,108**
Trade receivables	568	0	**568**
Financial assets	2	0	**2**
Other financial assets	562	18	**580**
Other non-financial assets	353	−3	**349**
Entitlements to income tax refunds	206	0	**206**
Cash and cash equivalents	1,298	0	**1,298**
Assets held for sale	2,604	788	**3,393**
	15,205	**3,039**	**18,244**

[1] Adjustment due to application of IFRS 9 and IFRS 15.

EQUITY AND LIABILITIES

€ million	1/10/2018 as reported[1]	IFRS 16 change	1/10/2018
Equity	**3,066**	**−832**	**2,234**
Share capital	363	0	**363**
Capital reserve	6,118	0	**6,118**
Reserves retained from earnings	−3,456	−831	**−4,287**
Equity before non-controlling interests	3,025	−831	**2,194**
Non-controlling interests	41	−1	**40**
Non-current liabilities	**3,427**	**2,377**	**5,804**
Provisions for post-employment benefits plans and similar obligations	468	0	**468**
Other provisions	126	−38	**88**
Financial liabilities	2,590	2,465	**5,055**
Other financial liabilities	56	−1	**56**
Other non-financial liabilities	67	−43	**24**
Deferred tax liabilities	121	−7	**114**
Current liabilities	**8,711**	**1,494**	**10,206**
Trade liabilities	3,993	0	**3,993**
Provisions	274	−43	**230**
Financial liabilities	1,420	322	**1,742**
Other financial liabilities	745	−1	**744**
Other non-financial liabilities	394	−5	**389**
Income tax liabilities	191	0	**191**
Liabilities related to assets held for sale	1,694	1,221	**2,915**
	15,205	**3,039**	**18,244**

[1] Adjustment due to application of IFRS 9 and IFRS 15.

Balance sheet

ASSETS

€ million	30/9/2019 as reported	IFRS 16 change	**30/9/2019**
Non-current assets	**6,736**	**2,102**	**8,838**
Goodwill	785	0	**785**
Other intangible assets	562	0	**562**
Property, plant and equipment	4,760	1,875	**6,635**
Investment properties	82	45	**127**
Financial assets	97	0	**97**
Investments accounted for using the equity method	179	0	**179**
Other financial assets	37	113	**150**
Other non-financial assets	43	−23	**20**
Deferred tax assets	191	93	**284**
Current assets	**7,761**	**1,231**	**8,992**
Inventories	1,946	0	**1,946**
Trade receivables	482	0	**482**
Financial assets	4	0	**4**
Other financial assets	603	19	**622**
Other non-financial assets	279	1	**279**
Entitlements to income tax refunds	190	0	**190**
Cash and cash equivalents	500	0	**500**
Assets held for sale	3,758	1,212	**4,970**
	14,497	**3,333**	**17,830**

EQUITY AND LIABILITIES

€ million	30/9/2019 as reported	IFRS 16 change	**30/9/2019**
Equity	**2,735**	**−390**	**2,345**
Share capital	363	0	**363**
Capital reserve	6,118	0	**6,118**
Reserves retained from earnings	−3,778	−389	**−4,167**
Equity before non-controlling interests	2,703	−389	**2,314**
Non-controlling interests	32	−1	**31**
Non-current liabilities	**3,419**	**2,234**	**5,652**
Provisions for post-employment benefits plans and similar obligations	543	0	**543**
Other provisions	132	−24	**108**
Financial liabilities	2,498	2,268	**4,766**
Other financial liabilities	56	0	**55**
Other non-financial liabilities	71	−46	**25**
Deferred tax liabilities	119	36	**155**
Current liabilities	**8,343**	**1,489**	**9,832**
Trade liabilities	3,572	0	**3,572**
Provisions	168	−10	**158**
Financial liabilities	871	293	**1,164**
Other financial liabilities	728	−1	**728**
Other non-financial liabilities	233	−6	**228**
Income tax liabilities	169	0	**169**
Liabilities related to assets held for sale	2,601	1,212	**3,813**
	14,497	**3,333**	**17,830**

Cash flow statement

CASH FLOW STATEMENT

€ million	2018/19 as reported	IFRS 16 change	**2018/19**
EBIT	828	130	**957**
Depreciation/amortisation/impairment losses/reversal of impairment losses of fixed assets excl. financial investments	532	243	**774**
Change in provisions for pensions and other provisions	−47	17	**−31**
Change in net working capital	27	0	**27**
Income taxes paid	−215	1	**−215**
Reclassification of gains (−) / losses (+) from the disposal of fixed assets	−356	−1	**−357**
Other	28	25	**53**
Cash flow from operating activities of continuing operations	**796**	**413**	**1,209**
Acquisition of subsidiaries	−1	0	**−1**
Investments in property, plant and equipment and in investment property (excl. rights of use)	−258	0	**−258**
Other investments	−198	0	**−198**
Investments in monetary assets	−9	0	**−9**
Disposals of subsidiaries	0	0	**0**
Divestments	505	0	**505**
Disposal of financial investments	7	0	**7**
Cash flow from investing activities of continuing operations	**46**	**0**	**46**
Dividends paid			
to METRO AG shareholders	−254	0	**−254**
to other shareholders	−7	0	**−7**
Redemption of liabilities from put options of non-controlling shareholders	−2	0	**−2**
Proceeds from long-term borrowings	6,122	0	**6,122**
Redemption of borrowings	−6,844	77	**−6,767**
Redemption of lease liabilities	0	−540	**−540**
Interest paid	−161	49	**−112**
Interest received	28	0	**28**
Other financing activities	−4	0	**−4**
Cash flow from financing activities of continuing operations	**−1,122**	**−413**	**−1,535**

49. Remaining legal issues

Group demerger in 2017

In connection with the demerger of the group, several shareholders took legal action against CECONOMY AG by seeking various legal remedies at the Düsseldorf District Court, such as action for annulment, rescission and/or declaratory action, including against the resolution passed by the Annual General Meeting of CECONOMY AG on 6 February 2017 concerning the meeting's approval of the demerger and spin-off agreement (demerger agreement) as well as partially against the agreement itself. Pursuant to the provisions of the demerger agreement, METRO AG has to bear the costs of the litigation and proceedings relating to the demerger. On 24 January 2018, the Düsseldorf District Court rejected the complaint in its entirety. All plaintiffs have filed appeals against all these decisions with the Düsseldorf Higher Regional Court. On 4 April 2019, the Düsseldorf Higher Regional Court rejected all appeals. In the appeal judgement in the rescission proceedings concerning the resolutions of the Annual General Meeting, the appeal was admitted and lodged with the German Federal Court of Justice. The Higher Regional Court of Düsseldorf did not allow the appeal in the proceedings for a declaration of invalidity or pending ineffectiveness of the spin-off and demerger agreement. In one of these assessment proceedings, the plaintiffs filed an appeal against denial of leave to appeal with the Federal Court of Justice. The judgement in the other assessment proceedings is final. METRO AG maintains its position that all of these legal challenges are inadmissible and/or unfounded and has therefore not recognised corresponding risk provisions in its accounts.

Arbitration proceedings against Hudson's Bay Company

METRO AG was a plaintiff in arbitration proceedings against the Canadian department store group Hudson's Bay Company (HBC). The background of the arbitration proceedings was an outstanding purchase price claim of METRO AG against HBC, resulting from the disposal of Galeria Kaufhof in 2015. METRO AG had initially retained minority interests in individual real estate properties and granted HBC call options. In January 2016, HBC exercised its call options and paid a preliminary purchase price. METRO AG believed that the paid preliminary purchase price was insufficient and disputed the applied valuation basis. At the beginning of financial year 2020/21, an out-of-court settlement was reached with the sole legal successor of HBC regarding the asserted claims. As a result, METRO withdrew its arbitration claim against HBC.

Further remaining legal issues

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

50. Events after the closing date

METRO is acquiring the Aviludo Group

METRO is acquiring the Aviludo Group, the second-largest Portuguese food supplier based in Quarteira, Algarve. In addition to the operational business, the transaction also includes Aviludo's logistics platforms. The Aviludo Group's sales in 2019 (before the Covid-19 pandemic) amounted to approximately €152 million. The acquisition price is in the mid double-digit million range. This acquisition is further step towards a complete focus on HoReCa customers. The acquisition is subject to approval by the relevant authorities. The transaction is expected to be completed in the first half of 2021.

EP Global Commerce GmbH increases its share of voting rights in METRO AG

EP Global Commerce GmbH, which currently holds 29.99% of the voting rights in METRO AG based on the notification of voting rights dated 10 October 2020, published a voluntary takeover bid on 1 October 2020 with regard to all shares in METRO AG. In its final announcement on 20 November 2020, EP Global Commerce GmbH declared that a total of 10.60% of the ordinary shares had been proffered to it until the end of the additional offer period. The finalisation of the takeover bid is subject to regulatory approvals. According to the information in the offer document, EP Global Commerce GmbH expects the closing by the end of 2020, but no later than by February 2021.

51. Notes on related parties

In financial year 2019/20, METRO maintained the following business relations to related companies:

€ million	2018/19	**2019/20**
Services provided	8	**54**
Associates	5	**51**
Joint ventures	3	**3**
Miscellaneous related parties	0	**0**
Services received	71	**70**
Associates	60	**61**
Joint ventures	7	**6**
Miscellaneous related parties	4	**3**
Receivables from services provided, as of 30/9	0	**23**
Associates	0	**23**
Joint ventures	0	**0**
Miscellaneous related parties	0	**0**
Liabilities from goods/services received as of 30/9	0	**0**
Associates	0	**0**
Joint ventures	0	**0**
Miscellaneous related parties	0	**0**

Transactions with associated companies and other related parties

On 23 April 2020, the sale of METRO AG's entire indirect majority shareholding in METRO China to a subsidiary of Wumei Technology Group was completed. METRO has a stake of around 20% in WM Holding (HK) Limited and thus in the activities of METRO China. Accordingly, METRO transactions with Wumei Technology Group and its subsidiaries must be reported as related company transactions.

The significant increase in services provided results from the business relations with METRO Group Commerce (Shanghai) Co., Ltd. (formerly METRO China) based on a service level agreement for 2 years and the granting of brand licences.

In connection with the prepaid brand use, contractual liabilities amounting to €153 million on 30 September 2020 were deferred at METRO.

The services received totalling €70 million (2018/19: €71 million) that METRO companies received from associates and other related parties in financial year 2019/20 consisted mainly of real estate leases in the amount of €63 million (2018/19: €63 million), thereof €61 million from associates (2018/19: €60 million) and the rendering of services in the amount of €7 million (2018/19: €8 million), thereof €6 million from joint ventures (2018/19: €7 million).

The balance sheet includes lease liabilities of €360 million (2018/19: €380 million) and corresponding rights of use of €291 million (2018/19: €313 million) from rental agreements with the following associates: OPCI FWP France, OPCI FWS France, Habib METRO Pakistan and Iniziative Methab s.r.l.

In financial year 2019/20, METRO companies provided services to companies belonging to the group of associates and related parties in the amount of €54 million (2018/19: €8 million).

A dividend of €76 million has been paid out to a shareholder with significant influence.

Business relations with related parties are based on contractual agreements providing for arm's length prices. As in financial year 2018/19, there were no business relations with related natural persons and companies of management in key positions in financial year 2019/20.

Related persons (remuneration for management in key positions)

The management in key positions consists of members of the Management Board and the Supervisory Board of METRO AG.

Thus, the expenses for members of the Management Board of METRO AG amounted to €6.4 million (2018/19: €6.9 million) for short-term benefits and €0.7 million (2018/19: €3.7 million) for post-employment benefits. The expenses for existing compensation programmes with long-term incentive effect in financial year 2019/20, calculated in accordance with IFRS 2, amounted to €−0.8 million (2018/19: €2.6 million).

The short-term compensation for the members of the Supervisory Board of METRO AG amounted to €2.2 million (2018/19: €2.2 million).

The total compensation for members of the Management Board in key positions in financial year 2019/20 amounted to €8.5 million (2018/19: €15.4 million).

– **For more Information about the basic principles of the remuneration system and the amount of Management Board and Supervisory Board compensation, see** no. 53 – Management Board and Supervisory Board ▸ page 269.

52. Long-term incentive for executives

Authorisations for the continuing operations of METRO

The METRO long-term incentive (METRO LTI) granted on 1 April 2019 to senior executives of METRO and the management bodies of the METRO national subsidiaries was continued in financial year 2019/20. The METRO LTI is a cyclical plan that is issued once every 3 years. The respective performance targets focus on value creation in the individual national subsidiaries, the relative total shareholder return of the METRO share compared to a comparison group as well as the sustainable development and future orientation of METRO. The performance period of the METRO LTI extends from 1 April 2019 to 31 March 2022. The individual target amounts are accumulated proportionally during this period. The final target amount that has been accumulated at the end of the performance period is based on the period of eligibility for the METRO LTI as well as the individual's position. According to the plan conditions, executives can be newly admitted to the circle of beneficiaries on a pro rata basis or be removed from the plan.

METRO LTI operating principles

After the end of each performance period, the payout amount is determined by multiplying the respectively accumulated individual target amount with a total goal achievement factor. This factor consists of the achievement of the country performance component (60%), the achievement of the METRO performance component (30%) and the achievement of the sustainability component (10%). The payout amount is capped and the total goal achievement factor cannot drop below 0.

For the country performance component, the success of the respective national subsidiary is decisive for the beneficiaries of the METRO Wholesale national subsidiaries, while the overall success of all national subsidiaries is taken as the basis for the other beneficiaries. The overall success of METRO is determined for the METRO performance and sustainability components.

The country performance component rewards the achievement of internal economic targets and is measured on the basis of a cash proxy achieved cumulatively for the METRO subsidiaries in financial years 2018/19 to 2020/21. In each case, a value for the factor 0.0 and a target value for the target achievement factor 1.0 were defined. In the case of intermediate values and values above 1.0, the factor for goal achievement is calculated using linear interpolation to 2 decimal points. The goal achievement factor for the country performance component cannot drop below 0 and is capped.

The METRO performance component is based on the success of METRO, expressed as the relative total shareholder return (TSR) compared to a comparison group. This group consists of the MDAX (50%) and the selected competitors (50%).

The comparison group of competitors consists of the following companies:

- Bidcorp (ISIN ZAE000216537)
- Bizim Toptan (ISIN TREBZMT00017)
- Marr (ISIN IT0003428445)
- Eurocash Group (ISIN PLEURCH00011)
- Performance Food Group (ISIN US71377A1034)
- US Foods (ISIN US9120081099)
- Sysco (ISIN US8718291078)
- Sligro (ISIN NL0000817179)

If the total shareholder returns of METRO AG and the comparison group run in parallel, the performance target is 100% met; for an underperformance of −20%, the performance target is met by one third; for anything below that, the target achievement is 0. Between these 2 points and beyond, linear interpolation or extrapolation is used to determine target achievement. The achievement of targets is capped.

Performance achievement for the sustainability component is determined on the basis of the average rating which METRO AG is awarded in an external corporate sustainability assessment during each performance period. Each year during the performance period, METRO AG participates in the Corporate Sustainability Assessment conducted by the independent service provider RobecoSAM. RobecoSAM AG uses this assessment to determine METRO AG's ranking within the industry group Food & Staples Retailing that is defined in accordance with the Global Industry Classification Standard (GICS). RobecoSAM AG will inform METRO AG of any changes in its sector classification. In case of material changes in the composition of companies or the ranking method, RobecoSAM AG can determine adequate comparable values.

The company's average ranking, rounded to whole numbers, is determined on the basis of the rankings communicated during each performance period. The factor for the sustainability component is determined in the following manner on the basis of the average of the performance period:

Average rating (rounded)	Sustainability factor
1	3.00
2	2.00
3	1.50
4	1.00
5	0.75
6	0.50
7	0.25
Below rank 7	0.00

METRO mid-term incentive

In financial year 2018/19, a mid-term incentive (MTI) was launched to support the transformation of METRO over a 2-year period. This plan allows top executives to participate in METRO's success and rewards the achievement of important internal transformation goals, such as customer satisfaction and master data quality. No new beneficiaries were included in the MTI in the past financial year.

The METRO mid-term incentive (METRO MTI) has a term (performance period) of 2 years and was granted to the senior executives of METRO and the management bodies of the METRO subsidiaries as of 1 April 2019. This is a one-time issue.

The METRO MTI is a phantom share plan in which a phantom share represents the value of the METRO ordinary share. Participants were allocated an initial number of phantom shares based on a target amount at the beginning of the performance period. At the end of the performance period, the final number of phantom shares will be determined for each participant and paid out with the dividend-adjusted value. Half of the final number of phantom shares is measured by the achievement of an internal EBITDA target, based on METRO as a whole, and half by country-specific transformation targets (transformation KPIs). The individual performance targets cannot fall below 0 and are capped. The total payout from the plan is also capped.

The EBITDA target is based on the EBITDA of METRO excluding earnings contributions from real estate transactions in financial year 2018/19. Targets were set for 50%, 100% and 150%

degrees of target achievement. The achievement of targets is determined by linear interpolation between these values. The achievement of targets is limited at the lower and upper levels.

Targets were set for all METRO subsidiaries for the transformation KPIs performance target in the equally weighted components like-for-like sales growth in strategic customer groups, Net Promoter Score (NPS) and master data quality. A country-specific overall factor is determined from the achievement of the respective targets with regard to the transformation KPIs.

With regard to the target for like-for-like sales growth in strategic customer groups, growth targets were set for individual customer groups in line with the strategic orientation of the respective national subsidiary. For each national subsidiary and for each of the strategic customer groups relevant for that country, the Management Board of METRO AG set separate target values for the achievement of the factor 1.00. Furthermore, a threshold (a minimum performance target where the factor is 0.00) and the target values for reaching a factor of 2.00 and 3.00 were defined. Linear interpolation is performed between these values to determine the achievement of the respective targets. The goal achievement factor cannot drop below 0 and is capped.

The NPS factor (qualitative) rewards the careful implementation and maintenance of the NPS system by the national subsidiaries, which was entrenched in the NPS target image of METRO. The relevant measurement of the performance for the determination of the target achievement is carried out during the performance period on 2 dates. The measurement focuses in particular on the routines and processes associated with the introduction of the NPS as well as the success of the respective national subsidiary. The goal achievement cannot drop below 0 and is capped.

The master data quality component rewards a sustainable improvement of the core attributes of article master data and customer contact data, since complete and correct data are a basic requirement for all METRO processes. 4 relevant data clusters have been defined (purchasing units, sales units, customers and authorised buyers). Separate target values for achieving factor 1.00 were set for each national subsidiary. Furthermore, a threshold (a minimum performance target where the factor is 0.00) and the target values for reaching a factor of 2.00 and 3.00 were defined. Linear interpolation is performed between these values to determine the achievement of the respective targets. Each identified factor for the past performance component cannot drop below 0 and is capped.

The transformation KPIs target achievement for METRO as a whole is calculated separately for each subcomponent as a sales-weighted average of the respective factors determined for the national subsidiaries.

As of the closing date on 30 September 2020, the initially granted number of phantom shares was 1,099,739. Assuming that all performance targets can be achieved to the maximum extent possible, the maximum number of phantom shares is 2,292,956.

As of 30 September 2020, the target amount for the eligible group of persons was €28.8 million. The mentioned tranches of share-based payment programmes total expenses of €9.6 million (2018/19: €11.7 million) were incurred.

The related provisions as of 30 September 2020 amount to €21.3 million (30/9/2019: €11.7 million).

The provisions correspond to the fair value of the plans calculated pro rata temporis. This fair value is determined by an external expert using recognised financial mathematical methods. The basis for this is a risk-neutral, arbitrage-free valuation model of the option price theory (in this case using Monte Carlo simulation). The input data for the simulation are measurements and estimates of internal key performance indicators as of the reporting date and the external market values as of the valuation date.

53. Management Board and Supervisory Board

Remuneration of members of the Management Board in financial year 2019/20

The remuneration of the active members of the Management Board essentially consists of a fixed salary, a short-term variable remuneration component (short-term incentive and special bonuses), as well as the long-term variable remuneration (long-term incentive) granted in financial year 2019/20.

The short-term incentive for members of the Management Board is essentially determined by the development of financial performance targets related to that financial year and also considers the attainment of agreed-upon targets.

The remuneration of the active members of the Management Board in financial year 2019/20 amounted to €11.5 million (2018/19: €9.8 million). This includes €3.8 million (2018/19: €3.5 million) in fixed salaries, €2.1 million (2018/19: €2.0 million) in short-term performance-based remuneration, €5.1 million (2018/19: €3.9 million) in share-based long-term variable remuneration and €0.5 million (2018/19: €0.3 million) in non-monetary and supplemental benefits.

The share-based long-term variable remuneration (performance share plan) granted in financial year 2019/20 is recognised at fair value, taking into account the revised performance targets. The Supervisory Board resolved on 24 September 2020 to adjust the LTI tranche 2019/20 to the current medium-term planning with regard to the target of the EPS component in order to mitigate the effects on the remuneration of the Management Board and to maintain the incentive effect. Furthermore, the TSR component was adjusted with regard to the composition and valuation of the comparison group of competitors. The comparison group of competitors was reduced by the company Bizim Toptan and the median is used instead of the arithmetic mean to determine the TSR value for the comparison group.

The number of conditionally allocated performance shares for the members of the Management Board amounts to a total of 514,821.

In financial year 2019/20, value adjustments resulted from the current share-based tranches of the long-term variable remuneration. The company's expenses amounted to €0.464 million for Mr Koch, €0.126 million for Ms Euenheim and €0.145 million for Mr Gasset and Mr Poirier each. Provisions of €0.376 million for Mr Baier, €1.171 million for Mr Hutmacher and €0.087 million for Mr Palazzi were reversed in financial year 2019/20.

As of 30 September 2020, the provisions for the members of the Management Board totalled €2.71 million. Of this amount, €1.63 million was attributable to Mr Koch, €0.32 million to Mr Baier, €0.13 million to Ms Euenheim, €0.15 million to Mr Gasset and Mr Poirier each, and €0.34 million to Mr Hutmacher.

Expenses and provisions were determined by external experts using a recognised financial mathematical procedure.

An agreement was reached with Mr Hutmacher in financial year 2018/19 for the premature termination of his employment contract with effect from the end of 31 December 2019. A severance payment of €2,957,700 was agreed to settle the remaining term of his employment contract (1 January 2020 to 30 September 2020) and the short-term incentive for the period from 1 October 2019 to 31 December 2019. This settlement covers Mr Hutmacher's claims, taking into account the contractually agreed severance payment cap in accordance with the German Corporate Governance Code. The severance payment, which was due in financial year 2019/20, was fully accrued in financial year 2018/19. The tranches of the long-term incentive already granted to Mr Hutmacher will be settled in accordance with the terms of the plan.

In financial year 2019/20, an agreement was reached with Mr Palazzi regarding the early termination of his employment contract with effect from the end of 31 May 2020. The short-term incentive for the period from 1 October 2019 to 31 May 2020 was paid out in May 2020. No severance payment was agreed with Mr Palazzi and the tranches of the long-term incentive granted to him were cancelled without compensation.

In financial year 2019/20, an agreement was also reached on the early termination of the employment contract with Mr Koch with effect from the end of 31 December 2020. In accordance with his contract, the short-term incentive until 31 December 2020 will be paid to Mr Koch. The tranches of the long-term incentive already granted to Mr Koch remain in place and will be settled in accordance with the terms of the plan. No severance payment will be paid to Mr Koch.

Total compensation of former members of the Management Board

There are congruent, reinsured liabilities from pension provisions covered by life insurance contracts of €6.4 million towards former members of the Management Board.

- **Individual versions of the disclosures released pursuant to § 314 Section 1 No. 6a Sentences 5 to 8 of the German Commercial Code can be found in chapter** 6 remuneration report ▶ page 104 **in the combined management report.**

Compensation of members of the Supervisory Board

The total remuneration of all members of the Supervisory Board in financial year 2019/20 amounted to €2.2 million (2018/19: €2.2 million).

- **For more information about the remuneration of the members of the Supervisory Board, see chapter** 6 remuneration report ▶ page 104 **in the combined management report.**

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

KPMG AG Wirtschaftsprüfungsgesellschaft invoiced total professional fees in the amount of €5.4 million for services rendered. €4.7 million of this amount was attributable to professional fees for the audit of the financial statements, €0.1 million to other assurance services and €0.6 million to other services. Only services that are consistent with the task of the auditor of the annual financial statements and consolidated financial statements of METRO AG were provided.

The fees for audit services provided by KPMG AG Wirtschaftsprüfungsgesellschaft relate to the audit of the consolidated financial statements and the Annual Financial Statements of METRO AG, including statutory order extensions. In addition, the fees for the audits of IFRS reporting packages of subsidiaries of METRO AG for inclusion in the METRO consolidated financial statements as well as for the audits of annual financial statements of subsidiaries under commercial law are included. Moreover, audit-integrated reviews of interim financial statements, project-related audits within the framework of the introduction of new accounting standards and ISAE 3402 audit-related services were performed.

Other assurance services relate to agreed audit procedures (for example on sales lease agreements, compliance certificates, declarations of completeness in accordance with the German Packaging Ordinance and concession fees) and the business audit of the summarised non-financial statement and the Corporate Responsibility Report.

Other services relate to auditing support services as part of a VAT compliance management system, support services based on IDW PS 980 within the IT compliance system field, as well as fees for financial due diligence and consulting services.

55. Declaration of conformity with the German Corporate Governance Code

In September 2020, the Management Board and the Supervisory Board issued the annual declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) concerning the recommendations of the Government Commission on the German Corporate Governance Code. The statement is published permanently on the website of METRO AG (www.metroag.de/en).

56. Election to be exempt from §§ 264 Section 3 and 264b of the German Commercial Code

The following domestic subsidiaries in the legal form of stock corporations or partnerships will use the exemption provisions according to § 264 Section 3 and § 264b of the German Commercial Code, and will thus refrain from preparing their annual financial statements for financial year 2019/20 as well as the majority from preparing their notes and management report (according to the German Commercial Code).

a) Operating companies and service units	
MIP METRO Group Intellectual Property Management GmbH	Düsseldorf
N & NF Trading GmbH	Düsseldorf
METRO Siebte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf
Hospitality Digital GmbH	Düsseldorf
METRO GROUP Accounting Center GmbH	Wörrstadt
METRO Innovations Holding GmbH	Düsseldorf
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Düsseldorf
MGL METRO Group Logistics Warehousing Beteiligungs GmbH	Düsseldorf
METRO LOGISTICS Germany GmbH	Düsseldorf
MGL METRO Group Logistics GmbH	Düsseldorf
MGC METRO Group Clearing GmbH	Düsseldorf
METRO Deutschland Consulting GmbH	Düsseldorf
MIP METRO Group Intellectual Property GmbH & Co. KG	Düsseldorf
METRO Dienstleistungs-Holding GmbH	Düsseldorf
METRO Re AG	Düsseldorf
METRO Advertising GmbH	Düsseldorf
METRO Insurance Broker GmbH	Düsseldorf
METRO-nom GmbH	Düsseldorf
METRO SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Esslingen am Neckar
METRO SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Linden
METRO GastroFinanz GmbH	Düsseldorf
METRO Großhandelsgesellschaft mbH	Düsseldorf
METRO Deutschland GmbH	Düsseldorf
MGE Warenhandelsgesellschaft mbH	Düsseldorf
MGL METRO Group Logistics GmbH	Düsseldorf
MCC Trading International GmbH	Düsseldorf
METRO Cash & Carry International GmbH	Düsseldorf
Multi-Center Warenvertriebs GmbH	Düsseldorf
METRO Erste Erwerbsgesellschaft mbH	Düsseldorf
MCC Trading Deutschland GmbH	Düsseldorf
Goldhand Lebensmittel- u. Verbrauchsgüter-Vertriebsgesellschaft mit beschränkter Haftung	Düsseldorf
Johannes Berg GmbH, Weinkellerei	Düsseldorf
Weinkellerei Thomas Rath GmbH	Düsseldorf
METRO INTERNATIONAL SUPPLY GmbH	Düsseldorf
METRO FSD Holding GmbH	Düsseldorf
RUNGIS express GmbH	Meckenheim

Petit RUNGIS express GmbH	Meckenheim
CCG DE GmbH	Kelsterbach
cc delivery gmbh (Verschmelzung zum 1/10/2019)	Meckenheim
HoReCa Investment Management GmbH	Düsseldorf
HoReCa Komplementär GmbH	Düsseldorf
HoReCa Innovation I GmbH & Co. KG	Düsseldorf
HoReCa Investment I GmbH & Co. KG	Düsseldorf
HoReCa Strategic I GmbH & Co. KG	Düsseldorf
METRO Wholesale & Food Services Vermögensverwaltung GmbH & Co. KG	Düsseldorf
METRO Wholesale & Food Services Vermögensverwaltung Management GmbH	Düsseldorf
MIP METRO Holding Management GmbH	Düsseldorf
METRO Hospitality Digital Holding GmbH	Düsseldorf
METRO Dritte Verwaltungs GmbH	Düsseldorf
METRO Vierte Verwaltungs GmbH	Düsseldorf
METRO Fünfte Verwaltungs GmbH	Düsseldorf
METRO Sechste Verwaltungs GmbH	Düsseldorf
METRO Siebte Verwaltungs GmbH	Düsseldorf
METRO Wholesale & Food Services Vermögensverwaltung GmbH & Co. KG	Düsseldorf
METRO Wholesale & Food Services Vermögensverwaltung Management GmbH	Düsseldorf
MIP METRO Holding Management GmbH	Düsseldorf
METRO Hospitality Digital Holding GmbH	Düsseldorf
METRO Dritte Verwaltungs GmbH	Düsseldorf
METRO Vierte Verwaltungs GmbH	Düsseldorf
METRO Fünfte Verwaltungs GmbH	Düsseldorf
METRO Sechste Verwaltungs GmbH	Düsseldorf
METRO Siebte Verwaltungs GmbH	Düsseldorf
Hospitality Digital Services Germany GmbH	Düsseldorf
HoReCa Innovation I Carry GmbH & Co. KG	Düsseldorf
HoReCa Innovation I Team GmbH & Co. KG	Düsseldorf
HoReCa Investment I Carry GmbH & Co. KG	Düsseldorf
HoReCa Investment I Team GmbH & Co. KG	Düsseldorf
HoReCa Strategic I Carry GmbH & Co. KG	Düsseldorf
METRO Markets GmbH	Düsseldorf
METRO Payment Services GmbH	Düsseldorf
METRO Fulfillment GmbH	Düsseldorf
METRO Cash & Carry China Holding GmbH	Düsseldorf
METRO Asia Investment GmbH	Düsseldorf
NX-Food GmbH	Düsseldorf
METRO Achte Verwaltungs GmbH	Düsseldorf
METRO Neunte Verwaltungs GmbH	Düsseldorf
METRO Zehnte Verwaltungs GmbH	Düsseldorf
METRO Elfte Verwaltungs GmbH	Düsseldorf
METRO Zwölfte Verwaltungs GmbH	Düsseldorf
METRO Dreizehnte Verwaltungs GmbH	Düsseldorf
b) Real estate companies	
METRO Digital GmbH	Düsseldorf
METRO Asset Management Services GmbH	Düsseldorf

Immobilien-Vermietungsgesellschaft von Quistorp GmbH & Co. Objekt Altlandsberg KG	Düsseldorf
ADAGIO 3. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
ARKON Grundbesitzverwaltung GmbH	Düsseldorf
METRO PROPERTIES Holding GmbH	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Augsburg KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bochum Otto Straße KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rastatt KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal-Studernheim KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Paderborn "Südring Center" KG i. L.	Düsseldorf
RUTIL Verwaltung GmbH & Co. SB-Warenhaus Bielefeld KG i. L.	Düsseldorf
GKF Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schaper Bremen-Habenhausen KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hamm KG	Düsseldorf
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerlingen KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Oldenburg KG i. L.	Düsseldorf
Renate Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach-Rheydt KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Emden KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Entwicklungsgrundstücke KG	Düsseldorf
RUDU Verwaltungsgesellschaft mbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ratingen KG i. L.	Düsseldorf
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Donaueschingen KG i. L.	Düsseldorf
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Köln-Porz KG i. L.	Düsseldorf
TIMUG GmbH & Co. Objekt Homburg KG i. L.	Düsseldorf
AIB Verwaltungs GmbH	Düsseldorf
SIL Verwaltung GmbH & Co. Objekt Haidach KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gäufelden KG i. L.	Düsseldorf
DFI Verwaltungs GmbH	Düsseldorf
KUPINA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG i. L.	Düsseldorf
METRO Retail Real Estate GmbH	Düsseldorf
METRO Wholesale Real Estate GmbH	Düsseldorf
ADAGIO Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
ADAGIO 2. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
2. Schaper Objekt GmbH & Co. Kiel KG	Düsseldorf
Adolf Schaper GmbH & Co. Grundbesitz-KG i. L.	Düsseldorf
ZARUS Verwaltung GmbH & Co. Objekte Niedersachsen KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hildesheim-Senking KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Brühl KG	Düsseldorf
ZARUS Verwaltung GmbH & Co. Objekt Mutterstadt KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Linden KG i. L.	Düsseldorf
GKF 6. Objekt Vermögensverwaltungsgesellschaft mbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. 8. Objekt - KG i. L.	Düsseldorf
METRO PROPERTIES GmbH & Co. KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. 10. Objekt-KG	Düsseldorf
MCC Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ludwigshafen KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover Fössestraße KG i. L.	Düsseldorf
FZB Fachmarktzentrum Bous Verwaltungsgesellschaft mbH & Co. KG i. L.	Düsseldorf

Wolfgang Wirichs GmbH	Düsseldorf
MTE Grundstücksverwaltung GmbH & Co. Objekt Duisburg oHG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Gewerbegrundstücke KG	Düsseldorf
BAUGRU Immobilien - Beteiligungsgesellschaft mit beschränkter Haftung & Co. Grundstücksverwaltung KG i. L.	Düsseldorf
GBS Gesellschaft für Unternehmensbeteiligungen mbH	Düsseldorf
STW Grundstücksverwaltung GmbH	Düsseldorf
PIL Grundstücksverwaltung GmbH	Düsseldorf
NIGRA Verwaltung GmbH & Co. Objekt Moers KG i. L.	Düsseldorf
METRO Cash & Carry Grundstücksverwaltungsgesellschaft mbH	Düsseldorf
NIGRA Verwaltung GmbH & Co. Objekt Eschweiler KG i. L.	Düsseldorf
NIGRA Verwaltung GmbH & Co. Objekt Langendreer KG i. L.	Düsseldorf
NIGRA Verwaltung GmbH & Co. Objekt Rendsburg KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. 25. Objekt-KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Herten KG i. L.	Düsseldorf
NIGRA Verwaltung GmbH & Co. Objekt Neunkirchen KG	Düsseldorf
Deutsche SB-Kauf GmbH & Co. KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Saar-Grund KG	Düsseldorf
Schaper Grundbesitz-Verwaltungsgesellschaft mbH	Düsseldorf
MDH Secundus GmbH & Co. KG	Düsseldorf
NIGRA Verwaltung GmbH & Co. Objekt Germersheim KG i. L.	Düsseldorf
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Düsseldorf
Kaufhalle GmbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Espelkamp KG i. L.	Düsseldorf
ASSET Immobilienbeteiligungen GmbH	Düsseldorf
ASSET Köln-Kalk GmbH	Düsseldorf
Horten Nürnberg GmbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Duisburg KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Heinsberg KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Stralsund KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bitterfeld KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Nettetal KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Krefeld KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Braunschweig Hamburger Straße KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wülfrath KG i. L.	Düsseldorf
GKF Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Wolfenbüttel KG i. L.	Düsseldorf
GKF Grundstücksverwaltung GmbH & Co. Objekt Groß-Zimmern KG i. L.	Düsseldorf
GKF Grundstücksverwaltung GmbH & Co. Objekt Norden KG i. L.	Düsseldorf
TIMUG Verwaltung GmbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach ZV II KG	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Kulmbach KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Regensburg KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Pfarrkirchen KG i. L.	Düsseldorf
METRO Leasing Objekt Schwerin GmbH	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Kassel KG i. L.	Düsseldorf
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bannewitz KG i. L.	Düsseldorf

GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hürth KG	Düsseldorf
Deutsche SB-Kauf Beteiligungsverwaltung GmbH	Düsseldorf
Schaper Beteiligungsverwaltung GmbH	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Porta-Westfalica KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt München-Pasing KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Berlin-Friedrichshain KG	Düsseldorf
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Altona KG	Düsseldorf
METRO Campus Services GmbH	Düsseldorf

57. Overview of the major fully consolidated group companies

Name	Registered office	Group shares in %	Sales[1] (€ million)
Holding companies			
METRO AG	Düsseldorf, Germany		0
METRO Cash & Carry International GmbH	Düsseldorf, Germany	100.00	0
METRO Wholesale			
METRO Deutschland GmbH	Düsseldorf, Germany	100.00	4,410
METRO France S.A.S.	Nanterre, France	100.00	3,833
METRO Cash & Carry OOO	Moscow, Russia	100.00	2,679
METRO Italia Cash and Carry S. p. a	San Donato Milanese, Italy	100.00	1,416
Makro Cash and Carry Polska S.A.	Warsaw, Poland	100.00	1,330
METRO CASH & CARRY ROMANIA SRL	Bucharest, Romania	100.00	1,233
Makro Autoservicio Mayorista S. A. U.	Madrid, Spain	100.00	1,036
MAKRO Cash & Carry CR s.r.o.	Prague, Czech Republic	100.00	1,017
METRO Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi	Istanbul, Turkey	100.00	985
METRO Distributie Nederland B. V.	Amsterdam, Netherlands	100.00	797
METRO Cash & Carry India Private Limited	Bengaluru, India	100.00	787
METRO Cash & Carry Österreich GmbH	Vösendorf, Austria	73.00	736
MAKRO Cash & Carry Belgium NV	Wommelgem, Belgium	100.00	713
METRO Cash & Carry Ukraine Ltd.	Kiev, Ukraine	100.00	699
Other companies			
METRO Sourcing International Limited	Hong Kong, China	100.00	24
METRO LOGISTICS Germany GmbH	Düsseldorf, Germany	100.00	0
METRO PROPERTIES GmbH & Co. KG	Düsseldorf, Germany	92.90	0
METRO-nom GmbH	Düsseldorf, Germany	100.00	0
METRO International AG	Baar, Switzerland	100.00	0

[1] Including incorporated national subsidiaries.

58. Boards of METRO AG and mandates of their members

Members of the Supervisory Board

(As of 1 December 2020)

Jürgen Steinemann (Chairman)
CEO of JBS Holding GmbH
Shareholder representative
a) Big Dutchman AG (Chairman, since 19 December 2019)
b) Bankiva B.V., Wezep, Netherlands – Supervisory Board (Chairman)
Lonza Group AG[1], Basle, Switzerland – Board of Directors

Xaver Schiller (Vice Chairman, since 22 July 2020)
Chairman of the Group Works Council of METRO AG
Chairman of the General Works Council of METRO Deutschland GmbH
Employee representative
a) METRO Großhandelsgesellschaft mbH[2] (Vice Chairman)
b) None

Marco Arcelli, since 22 January 2020
CEO of EP Global Commerce a.s. (EPGC), Prague, Czech Republic
Shareholder representative
a) None
b) None

Werner Klockhaus (Vice Chairman), until 25 June 2020
Chairman of the General Works Council of real GmbH
Employee representative
a) Hamburger Pensionskasse von 1905 Versicherungsverein auf Gegenseitigkeit
real GmbH[2] (Vice Chairman)
b) None

Stefanie Blaser
Chairwoman of the General Works Council of METRO PROPERTIES GmbH & Co. KG
Saarbrücken
Employee representative
a) None
b) None

Herbert Bolliger
Self-employed business consultant
Shareholder representative
a) None
b) Amann Wine Group Holding SA, Zug, Switzerland – Board of Directors
BNP Paribas (Suisse) AG[1], Geneva, Switzerland – Board of Directors
Eldora Holding SA, Rolle, Switzerland – Board of Directors, since 4 June 2020
MTH Retail Group Holding GmbH, Vienna, Austria – Supervisory Board
Office World Holding AG, Bolligen, Switzerland – Board of Directors (Vice President)

Gwyn Burr
Member of the Board of Directors of Hammerson plc, London, United Kingdom
Shareholder representative
a) None
b) Hammerson plc[1], London, United Kingdom – Board of Directors
Ingleby Farms and Forests ApS, Køge, Denmark – Board of Directors
Just Eat Ltd. (formerly Just Eat plc[1]), London, United Kingdom – Board of Directors, until 1 May 2020
Just Eat Takeaway.com N.V.[1], Amsterdam, Netherlands – Supervisory Board, since 31 January 2020
Sainsbury's Bank plc[1], London, United Kingdom – Board of Directors, until 31 January 2020
Taylor Wimpey plc[1], London, United Kingdom – Board of Directors

a) Memberships in other statutory supervisory boards within the meaning of § 125 Section 1 Sentence 5, 1st alt. of the German Stock Corporation Act (AktG).
b) Memberships in comparable German and international supervisory bodies of commercial enterprises within the meaning of § 125 Section 1 Sentence 5, 2nd alt. of the German Stock Corporation Act (AktG).
[1] Listed company.
[2] Intra-group mandate.

Thomas Dommel
Chairman of the General Works Council of METRO LOGISTICS Germany GmbH
Employee representative
a) METRO LOGISTICS Germany GmbH[2] (Vice Chairman)
b) None

Prof. Dr Edgar Ernst
President of the German Financial Reporting Enforcement Panel (FREP)
Shareholder representative
a) TUI AG[1]
Vonovia SE[1] (Vice Chairman)
b) None

Dr Florian Funck, until 7 December 2019
Member of the Management Board of Franz Haniel & Cie. GmbH
Shareholder representative
a) CECONOMY AG[1]
TAKKT AG[1] (Chairman)
Vonovia SE[1]
b) None

Michael Heider
Vice Chairman of the General Works Council of METRO Deutschland GmbH
Chairman of the Works Council of the METRO wholesale store Schwelm
Employee representative
a) METRO Großhandelsgesellschaft mbH[2]
b) None

Udo Höfer, since 17 July 2020
General Manager of the METRO Deutschland GmbH store Krefeld
Employee representative
a) None
b) None

Peter Küpfer
Self-employed business consultant
Shareholder representative
a) None
b) AHRA AG, Zurich, Switzerland – Board of Directors (President)
AHRB AG, Zurich, Switzerland – Board of Directors (President)
ARH Resort Holding AG, Zurich, Switzerland – Board of Directors (President)
Breda Consulting AG, Zurich, Switzerland – Board of Directors (President)
Cambiata Ltd, Road Town, Tortola, British Virgin Islands – Board of Directors
Cambiata Schweiz AG, Zurich, Switzerland – Board of Directors
Gebr. Schmidt GmbH & Co. KG – Advisory Council, until 23 December 2019
Lake Zurich Fund Exempt Company, George Town, Grand Cayman, Cayman Islands – Board of Directors
SERAVI AG, Zollikon, Switzerland – Board of Directors
Supra Holding AG, Zug, Switzerland – Board of Directors (President)

Rosalinde Lax, since 17 July 2020
Chairwoman of the Works Council of METRO Deutschland GmbH
Employee representative
a) METRO Großhandelsgesellschaft mbH[2]
b) None

Susanne Meister, until 25 June 2020
Member of the General Works Council of real GmbH
Employee representative
a) None
b) None

Dr Angela Pilkmann, until 25 June 2020
Category Manager Food at real GmbH
Employee representative
a) None
b) None

a) Memberships in other statutory supervisory boards within the meaning of § 125 Section 1 Sentence 5, 1st alt. of the German Stock Corporation Act (AktG).
b) Memberships in comparable German and international supervisory bodies of commercial enterprises within the meaning of § 125 Section 1 Sentence 5, 2nd alt. of the German Stock Corporation Act (AktG).
[1] Listed company.
[2] Intra-group mandate.

Dr Fredy Raas
Managing Director of Beisheim Holding GmbH, Baar, Switzerland
Shareholder representative
a) CECONOMY AG[1]
b) ARISCO Holding AG, Baar, Switzerland – Board of Directors
HUWA Finanz- und Beteiligungs AG, Au, Switzerland – Board of Directors (President)

Eva-Lotta Sjöstedt
Self-employed business consultant
Shareholder representative
a) None
b) Elisa Corporation[1], Helsinki, Finland, Board of Directors, since 20 April 2020
Tritax EuroBox plc[1], London, United Kingdom, Board of Directors, since 10 December 2019

Dr Liliana Solomon
Group Chief Financial Officer of Awaze Limited, London, United Kingdom
Shareholder representative
a) None
b) Unit4 N.V., Utrecht, Netherlands – Supervisory Board, since 1 January 2020

Alexandra Soto
Group Executive Director, Managing Director and Global Chief Operating Officer of Lazard Financial Advisory, Lazard & Co., Limited, London, United Kingdom
Shareholder representative
a) None
b) None

Manuela Wetzko, since 17 July 2020
IT coordinator for region 5 at METRO Deutschland GmbH
Employee representative
a) METRO Großhandelsgesellschaft mbH[2]
b) None

Angelika Will
Honorary Judge at the Federal Labour Court
Secretary of the Regional Association Board North Rhine-Westphalia of DHV – Die Berufsgewerkschaft e. V.
(federal specialist group on trade and logistics)
Employee representative
a) None
b) None

Manfred Wirsch
Trade union secretary of ver.di – Vereinte Dienstleistungsgewerkschaft e. V.
Employee representative
a) METRO Großhandelsgesellschaft mbH[2]
b) None

Silke Zimmer
Trade union secretary of ver.di – Vereinte Dienstleistungsgewerkschaft e. V.
Employee representative
a) None
b) None

a) Memberships in other statutory supervisory boards within the meaning of § 125 Section 1 Sentence 5, 1st alt. of the German Stock Corporation Act (AktG).
b) Memberships in comparable German and international supervisory bodies of commercial enterprises within the meaning of § 125 Section 1 Sentence 5, 2nd alt. of the German Stock Corporation Act (AktG).
[1] Listed company.
[2] Intra-group mandate.

Permanent Supervisory Board committees and their composition

(As of 1 December 2020)

Presidential Committee

Jürgen Steinemann (Chairman)
Xaver Schiller (Vice Chairman)
Thomas Dommel
Prof. Dr Edgar Ernst

Audit Committee

Prof. Dr Edgar Ernst (Chairman)
Xaver Schiller (Vice Chairman)
Marco Arcelli
Stefanie Blaser
Michael Heider
Dr Fredy Raas

Nomination Committee

Jürgen Steinemann (Chairman)
Gwyn Burr
Herbert Bolliger

Mediation Committee pursuant to § 27 Section 3 of the German Co-determination Act

Jürgen Steinemann (Chairman)
Xaver Schiller (Vice Chairman)
Thomas Dommel
Prof. Dr Edgar Ernst

Members of the Management Board

(As of: 1 December 2020)

Olaf Koch (Chairman)
a) real GmbH[2] (Chairman), until 25 June 2020
METRO-NOM GmbH[2] (Chairman), since 28 January 2020
b) Hospitality Digital GmbH[2]– Advisory Board (Chairman)

Christian Baier (Chief Financial Officer)
a) METRO Großhandelsgesellschaft mbH[2]
METRO Re AG[2] – Supervisory Board (Chairman)
b) Hospitality Digital GmbH[2] – Advisory Board
METRO Cash & Carry International Holding GmbH[2], Vösendorf, Austria – Supervisory Board (Chairman)
METRO Holding France S. A.[2], Vitry-sur-Seine, France – Board of Directors

Andrea Euenheim (Chief Human Resources Officer and Labour Director)
Since 1 November 2019
a) METRO Großhandelsgesellschaft mbH[2], since 1 November 2019
METRO LOGISTICS Germany GmbH[2], since 16 July 2020
METRO-NOM GmbH[2], since 4 March 2020
real GmbH[2], until 25 June 2020
b) None

Rafael Gasset (Chief Operating Officer – Convenience Cluster)
Since 1 April 2020
a) None
b) METRO Logistics Polska sp. z o.o.[2], Warsaw, Poland – Supervisory Board
Makro Cash and Carry Polska S.A.[2], Warsaw, Poland – Supervisory Board
WM Holding (HK) Limited, Hong Kong, China – Board of Directors, since 23 April 2020

Heiko Hutmacher (Chief Human Resources Officer and Labour Director, until 31 October 2019)
Until 31 December 2019
a) METRO Großhandelsgesellschaft mbH[2], until 31 October 2019
real GmbH[2], until 31 December 2019
METRO-NOM GmbH[2] (Chairman), until 31 October 2019
b) None

Eric Poirier (Chief Operating Officer – Hospitality Cluster)
Since 1 April 2020
a) None
b) Makro Cash and Carry Polska S. A.[2], Warsaw, Poland – Supervisory Board
METRO FSD France S.A.S.[2], Montauban, France – Board of Directors (Chairman), since 1 April 2020
Hospitality Digital GmbH[2] – Advisory Board, since 11 May 2020
METRO Holding France S. A.[2], Vitry-sur-Seine, France – Board of Directors (Chairman), since 1 April 2020

Philippe Palazzi (Chief Operating Officer)
Until 31 March 2020
a) None
b) Hospitality Digital GmbH[2] – Advisory Board, until 11 May 2020
METRO Holding France S. A.[2], Vitry-sur-Seine, France – Board of Directors (Chairman), until 31 March 2020
METRO FSD France S.A.S.[2], Montauban, France – Board of Directors (Chairman), until 31 March 2020
METRO Wholesale Myanmar Ltd.[2], Rangoon, Myanmar – Supervisory Board, until 10 June 2020
Classic Fine Foods Netherlands B. V.[2], Rotterdam, Netherlands – Board of Directors, until 3 June 2020

a) Memberships in other statutory supervisory boards within the meaning of § 125 Section 1 Sentence 5, 1st alt. of the German Stock Corporation Act (AktG).
b) Memberships in comparable German and international supervisory bodies of commercial enterprises within the meaning of § 125 Section 1 Sentence 5, 2nd alt. of the German Stock Corporation Act (AktG).
[1] Listed company.
[2] Intra-group mandate.

59. Affiliated companies of the group METRO AG as of 30 September 2020 pursuant to § 313 of the German Commercial Code

Name	Registered office	Country	Shares in capital in %
Consolidated subsidiaries			
2. Schaper Objekt GmbH & Co. Kiel KG	Düsseldorf	Germany	100.00
ADAGIO 2. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
ADAGIO 3. Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
ADAGIO Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
Adolf Schaper GmbH & Co. Grundbesitz-KG i. L.	Düsseldorf	Germany	100.00
AIB Verwaltungs GmbH	Düsseldorf	Germany	100.00
ARKON Grundbesitzverwaltung GmbH	Düsseldorf	Germany	100.00
ASSET Immobilienbeteiligungen GmbH	Düsseldorf	Germany	100.00
ASSET Köln-Kalk GmbH	Düsseldorf	Germany	100.00
Aubepine SARL	Châlette-sur-Loing	France	100.00
Avilo Marketing Gesellschaft m. b. H.	Vösendorf	Austria	100.00
BAUGRU Immobilien - Beteiligungsgesellschaft mit beschränkter Haftung & Co. Grundstücksverwaltung KG i. L.	Düsseldorf	Germany	100.00
Beijing Weifa Trading & Commerce Co. Ltd.	Beijing	China	100.00
CCG DE GmbH	Kelsterbach	Germany	100.00
CJSC METRO Management Ukraine	Kiev	Ukraine	100.00
Classic Coffee & Beverage Sdn Bhd	Kuala Lumpur	Malaysia	100.00
Classic Fine Foods (Hong Kong) Limited	Hong Kong	China	100.00
Classic Fine Foods (Macau) Ltd	Macao	China	99.80
Classic Fine Foods (Singapore) Private Limited	Singapore	Singapore	100.00
Classic Fine Foods (Thailand) Company Limited	Bangkok	Thailand	100.00
Classic Fine Foods (Thailand) Holding Company Limited	Bangkok	Thailand	49.00
Classic Fine Foods (Vietnam) Limited	Ho Chi Minh City	Vietnam	100.00
Classic Fine Foods China Holdings Limited	Hong Kong	China	100.00
Classic Fine Foods China Trading Limited	Hong Kong	China	100.00
Classic Fine Foods EM LLC	Abu Dhabi	United Arab Emirates	50.00
Classic Fine Foods Group Limited	London	United Kingdom	100.00
Classic Fine Foods Holdings Limited	London	United Kingdom	100.00
Classic Fine Foods Japan Holdings	Tokyo	Japan	100.00
Classic Fine Foods Macau Holding Limited	Hong Kong	China	100.00
Classic Fine Foods Netherlands BV	Rotterdam	Netherlands	100.00
Classic Fine Foods Philippines Inc.	Makati	Philippines	100.00
Classic Fine Foods Rungis SAS	Rungis	France	100.00
Classic Fine Foods Sdn Bhd	Kuala Lumpur	Malaysia	100.00
Classic Fine Foods UK Limited	London	United Kingdom	100.00
Classic Fine Foodstuff Trading LLC	Abu Dhabi	United Arab Emirates	49.00
Concarneau Trading Office SAS	Concarneau	France	100.00
COOL CHAIN GROUP PL Sp. z o.o.	Cracow	Poland	100.00
Culinary Agents Italia s.r.l.	San Donato Milanese	Italy	100.00

Deelnemingmaatschappij Arodema B.V.	Amsterdam	Netherlands	100.00
Deutsche SB-Kauf Beteiligungsverwaltung GmbH	Düsseldorf	Germany	100.00
Deutsche SB-Kauf GmbH & Co. KG	Düsseldorf	Germany	100.00
DFI Verwaltungs GmbH	Düsseldorf	Germany	100.00
Dinghao Foods (Shanghai) Co. Ltd.	Shanghai	China	100.00
Etablissements Blin SAS	Saint-Gilles	France	100.00
Fideco AG	Courgevaux	Switzerland	100.00
French F&B (Japan) Co., Ltd.	Tokyo	Japan	93.83
Freshly CR s.r.o.	Prague	Czech Republic	100.00
FZB Fachmarktzentrum Bous Verwaltungsgesellschaft mbH & Co. KG i. L.	Düsseldorf	Germany	100.00
GBS Gesellschaft für Unternehmensbeteiligungen mbH	Düsseldorf	Germany	100.00
GKF 6. Objekt Vermögensverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Donaueschingen KG i. L.	Düsseldorf	Germany	100.00
GKF Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Köln-Porz KG i. L.	Düsseldorf	Germany	100.00
GKF Grundstücksverwaltung GmbH & Co. Objekt Groß-Zimmern KG i. L.	Düsseldorf	Germany	100.00
GKF Grundstücksverwaltung GmbH & Co. Objekt Norden KG i. L.	Düsseldorf	Germany	100.00
GKF Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schaper Bremen-Habenhausen KG i. L.	Düsseldorf	Germany	100.00
GKF Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Wolfenbüttel KG i. L.	Düsseldorf	Germany	94.00
GKF Vermögensverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 10. Objekt-KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 25. Objekt-KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. 8. Objekt - KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Entwicklungsgrundstücke KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Gewerbegrundstücke KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bannewitz KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbh & Co. Objekt Bitterfeld KG i. L.	Düsseldorf	Germany	94.90
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Bochum Otto Straße KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Braunschweig Hamburger Straße KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Brühl KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Duisburg KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Emden KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Espelkamp KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Frankenthal-Studernheim KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Gäufelden KG i. L.	Düsseldorf	Germany	100.00

GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hamm KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover / Davenstedter Straße KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover Fössestraße KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hannover-Linden KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Heinsberg KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Herten KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hildesheim-Senking KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Hürth KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Kassel KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbh & Co. Objekt Krefeld KG i. L.	Düsseldorf	Germany	94.90
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Kulmbach KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach ZV II KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Mönchengladbach-Rheydt KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Nettetal KG	Düsseldorf	Germany	94.90
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Oldenburg KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Paderborn "Südring Center" KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Pfarrkirchen KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Rastatt KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ratingen KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Regensburg KG i. L.	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Saar-Grund KG	Düsseldorf	Germany	100.00
GKF Vermögensverwaltungsgesellschaft mbh & Co. Objekt Stralsund KG i. L.	Düsseldorf	Germany	94.90
GKF Vermögensverwaltungsgesellschaft mbH & Co. Objekt Wülfrath KG i. L.	Düsseldorf	Germany	100.00
Goldhand Lebensmittel- u. Verbrauchsgüter-Vertriebsgesellschaft mit beschränkter Haftung	Düsseldorf	Germany	100.00
GrandPari Limited Liability Company	Moscow	Russia	100.00
HoReCa Innovation I Carry GmbH & Co. KG	Düsseldorf	Germany	3.26[1]
HoReCa Innovation I GmbH & Co. KG	Düsseldorf	Germany	100.00
HoReCa Innovation I Team GmbH & Co. KG	Düsseldorf	Germany	0.67[1]
HoReCa Investment I Carry GmbH & Co. KG	Düsseldorf	Germany	3.32[1]
HoReCa Investment I GmbH & Co. KG	Düsseldorf	Germany	100.00
HoReCa Investment I Team GmbH & Co. KG	Düsseldorf	Germany	0.07[1]
HoReCa Investment Management GmbH	Düsseldorf	Germany	100.00
HoReCa Komplementär GmbH	Düsseldorf	Germany	100.00

HoReCa Strategic I Carry GmbH & Co. KG	Düsseldorf	Germany	4.26[1]
HoReCa Strategic I GmbH & Co. KG	Düsseldorf	Germany	100.00
Horten Nürnberg GmbH	Düsseldorf	Germany	100.00
Hospitality Digital France SAS	Paris	France	100.00
Hospitality Digital GmbH	Düsseldorf	Germany	100.00
Hospitality Digital Services Germany GmbH	Düsseldorf	Germany	100.00
HOSPITALITY.digital, Inc.	Wilmington	USA	100.00
ICS METRO Cash & Carry Moldova S.R.L.	Chişinău	Moldova	100.00
Immobilien-Vermietungsgesellschaft von Quistorp GmbH & Co. Objekt Altlandsberg KG	Düsseldorf	Germany	90.24
Inpakcentrale ICN B.V.	Duiven	Netherlands	100.00
Johannes Berg GmbH, Weinkellerei	Düsseldorf	Germany	100.00
Kaufhalle GmbH	Düsseldorf	Germany	100.00
Kaufhalle GmbH & Co. Objekt Lager Apfelstädt KG	Düsseldorf	Germany	100.00
Klassisk Group (S) Pte. Ltd.	Singapore	Singapore	100.00
Klassisk Investment Limited	Hong Kong	China	100.00
KUPINA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG i. L.	Düsseldorf	Germany	100.00
LLC Ukrainian Wholesale Trade Company	Kiev	Ukraine	100.00
Makro Autoservicio Mayorista S. A. U.	Madrid	Spain	100.00
MAKRO Cash & Carry Belgium NV	Wommelgem	Belgium	100.00
MAKRO Cash & Carry CR s.r.o.	Prague	Czech Republic	100.00
Makro Cash & Carry Egypt LLC	Cairo	Egypt	100.00
Makro Cash & Carry Portugal S.A.	Lisbon	Portugal	100.00
Makro Cash & Carry UK Holding Limited	Manchester	United Kingdom	100.00
Makro Cash and Carry Polska S.A.	Warsaw	Poland	100.00
MAKRO Fulfillment SL	Madrid	Spain	100.00
Makro Ltd.	Manchester	United Kingdom	100.00
Makro Pension Trustees Ltd.	Manchester	United Kingdom	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Augsburg KG	Düsseldorf	Germany	94.90
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Berlin-Friedrichshain KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Hamburg-Altona KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt München-Pasing KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Porta-Westfalica KG	Düsseldorf	Germany	100.00
MCC Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Schwelm KG	Düsseldorf	Germany	100.00
MCC Trading Deutschland GmbH	Düsseldorf	Germany	100.00
MCC Trading International GmbH	Düsseldorf	Germany	100.00
MCC Vermögensverwaltungsgesellschaft mbH & Co. Objekt Ludwigshafen KG	Düsseldorf	Germany	94.90
MCCAP Holding GmbH	Vienna	Austria	100.00
MCCI Asia Pte. Ltd.	Singapore	Singapore	100.00
MDH Secundus GmbH & Co. KG	Düsseldorf	Germany	100.00
METRO Achte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Advertising GmbH	Düsseldorf	Germany	100.00
METRO Advertising Spółka z ograniczoną odpowiedzialnością	Warsaw	Poland	100.00

METRO Asia Investment GmbH	Düsseldorf	Germany	100.00
METRO Asia Investment Management Limited	Hong Kong	China	100.00
METRO Asset Management Services GmbH	Düsseldorf	Germany	100.00
METRO Białystok sp. z o.o.	Warsaw	Poland	100.00
METRO Bielsko-Biała sp. z o.o.	Warsaw	Poland	100.00
METRO Bydgoszcz sp. z o.o.	Warsaw	Poland	100.00
METRO Campus Services GmbH	Düsseldorf	Germany	100.00
METRO Cash & Carry Bulgaria EOOD	Sofia	Bulgaria	100.00
METRO Cash & Carry Central Asia Holding GmbH	Vienna	Austria	100.00
METRO Cash & Carry China Holding GmbH	Düsseldorf	Germany	100.00
METRO Cash & Carry d.o.o.	Zagreb	Croatia	100.00
METRO Cash & Carry d.o.o.	Belgrade	Serbia	100.00
METRO Cash & Carry Danmark ApS.	Glostrup	Denmark	100.00
METRO Cash & Carry Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
METRO Cash & Carry Import Limited Liability Company	Noginsk	Russia	100.00
METRO Cash & Carry India Private Limited	Bangalore	India	100.00
METRO Cash & Carry International GmbH	Düsseldorf	Germany	100.00
METRO Cash & Carry International Holding B. V.	Amsterdam	Netherlands	100.00
METRO Cash & Carry International Holding GmbH	Vienna	Austria	100.00
METRO Cash & Carry Japan KK	Tokyo	Japan	100.00
METRO Cash & Carry Myanmar Holding GmbH	Vienna	Austria	100.00
METRO Cash & Carry Nederland B.V.	Amsterdam	Netherlands	100.00
METRO Cash & Carry OOO	Moscow	Russia	100.00
METRO Cash & Carry Österreich GmbH	Vösendorf	Austria	73.00
METRO CASH & CARRY ROMANIA SRL	Bucharest	Romania	100.00
METRO Cash & Carry Russia N.V.	Amsterdam	Netherlands	100.00
METRO Cash & Carry SR s.r.o.	Ivanka pri Dunaji	Slovakia	100.00
METRO Cash & Carry TOO	Almaty	Kazakhstan	100.00
METRO Cash & Carry Ukraine Ltd.	Kiev	Ukraine	100.00
METRO Cash & Carry Wines	Hyderabad	India	99.99
METRO Central East Europe GmbH	Vienna	Austria	100.00
METRO Częstochowa sp. z o.o.	Warsaw	Poland	100.00
METRO Delivery Service NV	Willebroek	Belgium	100.00
METRO Deutschland Consulting GmbH	Düsseldorf	Germany	100.00
METRO Deutschland GmbH	Düsseldorf	Germany	100.00
METRO Dienstleistungs-Holding GmbH	Düsseldorf	Germany	100.00
METRO Digital GmbH	Düsseldorf	Germany	100.00
METRO Distributie Nederland B. V.	Amsterdam	Netherlands	100.00
METRO DOLOMITI S.p.A.	San Donato Milanese	Italy	100.00
METRO Dreizehnte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Dritte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Elfte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Erste Erwerbsgesellschaft mbH	Düsseldorf	Germany	100.00
METRO FIM S.p.A.	Cinisello Balsamo	Italy	100.00
METRO France Immobiliere S. a. r. l.	Nanterre	France	100.00
METRO France S.A.S.	Nanterre	France	100.00

METRO FSD France S.A.S.	Montauban	France	100.00
METRO FSD Holding GmbH	Düsseldorf	Germany	100.00
METRO Fulfillment GmbH	Düsseldorf	Germany	100.00
METRO Fünfte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO GastroFinanz GmbH	Düsseldorf	Germany	100.00
METRO Gdańsk-Przejazdowo sp. z o.o.	Warsaw	Poland	100.00
METRO Gdynia sp. z o.o.	Warsaw	Poland	100.00
METRO Global Business Services Private Limited	Pune	India	100.00
METRO Grosmarket Bakirköy Alisveris Hizmetleri Ticaret Ltd. Sirketi	Istanbul	Turkey	100.00
METRO Groß- und Lebensmitteleinzelhandel Holding GmbH	Düsseldorf	Germany	100.00
METRO Großhandelsgesellschaft mbH	Düsseldorf	Germany	100.00
METRO GROUP Accounting Center GmbH	Düsseldorf	Germany	100.00
METRO Group Asset Management Ukraine, Limited Liability Company	Kiev	Ukraine	100.00
METRO Group Properties SR s.r.o.	Ivanka pri Dunaji	Slovakia	100.00
METRO Group Retail Real Estate Romania S.R.L.	Voluntari	Romania	100.00
METRO Group Wholesale Real Estate Bulgaria EOOD	Sofia	Bulgaria	100.00
METRO Holding France S. A.	Vitry-sur-Seine	France	100.00
METRO Hospitality Digital Holding GmbH	Düsseldorf	Germany	100.00
METRO Innovations Holding GmbH	Düsseldorf	Germany	100.00
METRO Insurance Broker GmbH	Düsseldorf	Germany	100.00
METRO International AG	Baar	Switzerland	100.00
METRO INTERNATIONAL SUPPLY GmbH	Düsseldorf	Germany	100.00
METRO Italia Cash and Carry S. p. A.	San Donato Milanese	Italy	100.00
METRO Kalisz sp. z o.o.	Warsaw	Poland	100.00
METRO Kereskedelmi Kft.	Budaörs	Hungary	100.00
METRO Kielce sp. z o.o	Warsaw	Poland	100.00
METRO Kobierzyce sp. z o.o.	Warsaw	Poland	100.00
METRO Koszalin sp. z o.o.	Warsaw	Poland	100.00
METRO Kraków Jasnogórska sp. z o.o.	Warsaw	Poland	100.00
METRO Kraków Zakopiańska sp. z o.o.	Warsaw	Poland	100.00
METRO Leasing GmbH	Düsseldorf	Germany	100.00
METRO Leasing Objekt Schwerin GmbH	Düsseldorf	Germany	100.00
METRO Legnica sp. z o.o.	Warsaw	Poland	100.00
METRO Łódź sp. z o.o.	Warsaw	Poland	100.00
METRO LOGISTICS Germany GmbH	Düsseldorf	Germany	100.00
METRO Logistics Polska sp. z o.o.	Warsaw	Poland	100.00
METRO Logistics Polska spółka z ograniczoną odpowiedzialnością i Spółka spółka komandytowa	Warsaw	Poland	99.83
METRO Lublin sp. z o.o.	Warsaw	Poland	100.00
METRO Management EOOD	Sofia	Bulgaria	100.00
METRO Markets GmbH	Düsseldorf	Germany	100.00
METRO Neunte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Olsztyn sp. z o.o.	Warsaw	Poland	100.00
METRO Opole Sp. z o.o.	Warsaw	Poland	100.00
METRO Pakistan (Pvt.) Limited	Lahore	Pakistan	100.00
METRO Payment Services GmbH	Düsseldorf	Germany	100.00
METRO Poznań II sp. z o.o.	Warsaw	Poland	100.00

METRO Poznań sp. z o.o.	Warsaw	Poland	100.00
METRO Properties B.V.	Amsterdam	Netherlands	100.00
METRO Properties CR s.r.o.	Prague	Czech Republic	100.00
METRO PROPERTIES France SAS	Nanterre	France	100.00
METRO Properties Gayrimenkul Yatirim A.Ş.	Istanbul	Turkey	100.00
METRO PROPERTIES GmbH & Co. KG	Düsseldorf	Germany	92.90
METRO PROPERTIES Holding GmbH	Düsseldorf	Germany	100.00
METRO PROPERTIES Management GmbH	Düsseldorf	Germany	66.67
METRO Properties Real Estate Management Spółka z ograniczoną odpowiedzialnością	Warsaw	Poland	100.00
METRO PROPERTIES Sp. z o.o.	Warsaw	Poland	100.00
METRO Re AG	Düsseldorf	Germany	100.00
METRO Retail Real Estate GmbH	Düsseldorf	Germany	100.00
METRO Rybnik sp. z o.o.	Warsaw	Poland	100.00
METRO Rzeszów sp. z o.o.	Warsaw	Poland	100.00
METRO Rzgów sp. z o.o.	Warsaw	Poland	100.00
METRO SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Esslingen am Neckar	Germany	100.00
METRO SB-Großmärkte GmbH & Co. Kommanditgesellschaft	Linden	Germany	100.00
METRO Sechste Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Services PL spółka z ograniczoną odpowiedzialnością	Szczecin	Poland	100.00
METRO Siebte Gesellschaft für Vermögensverwaltung mbH	Düsseldorf	Germany	100.00
METRO Siebte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Sosnowiec sp. z o.o.	Warsaw	Poland	100.00
METRO Sourcing (Shanghai) Co., Ltd.	Shanghai	China	100.00
METRO Sourcing International Limited	Hong Kong	China	100.00
METRO South East Asia Holding GmbH	Vienna	Austria	100.00
METRO Systems Romania S.R.L.	Bucharest	Romania	100.00
METRO Systems Ukraine LLC	Kiev	Ukraine	100.00
METRO Szczecin sp. z o.o.	Warsaw	Poland	100.00
METRO Toruń sp. z o.o.	Warsaw	Poland	100.00
METRO Vierte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Warehouse Noginsk Limited Liability Company	Noginsk	Russia	100.00
METRO Warszawa Jerozolimskie sp. z o.o.	Warsaw	Poland	100.00
METRO Warszawa Kolumbijska sp. z o.o.	Warsaw	Poland	100.00
METRO Wholesale & Food Services Vermögensverwaltung GmbH & Co. KG	Düsseldorf	Germany	100.00
METRO Wholesale & Food Services Vermögensverwaltung Management GmbH	Düsseldorf	Germany	100.00
METRO Wholesale Myanmar Ltd.	Rangoon	Myanmar	88.12
METRO Wholesale Real Estate GmbH	Düsseldorf	Germany	100.00
METRO Zabki sp. z o.o.	Warsaw	Poland	100.00
METRO Zabrze sp. z o.o.	Warsaw	Poland	100.00
METRO Zehnte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO Zielona Góra sp. z o.o.	Warsaw	Poland	100.00
METRO Zwölfte Verwaltungs GmbH	Düsseldorf	Germany	100.00
METRO-nom GmbH	Düsseldorf	Germany	100.00
MGB METRO Group Buying RUS OOO	Moscow	Russia	100.00
MGC METRO Group Clearing GmbH	Düsseldorf	Germany	100.00

MGE Warenhandelsgesellschaft mbH	Düsseldorf	Germany	100.00
MGL METRO Group Logistics Bulgaria LTD	Sofia	Bulgaria	100.00
MGL METRO Group Logistics GmbH	Düsseldorf	Germany	100.00
MGL METRO Group Logistics Limited Liability Company	Noginsk	Russia	100.00
MGL METRO GROUP LOGISTICS UKRAINE LLC	Kiev	Ukraine	100.00
MGL METRO Group Logistics Warehousing Beteiligungs GmbH	Düsseldorf	Germany	100.00
MIP METRO Group Intellectual Property GmbH & Co. KG	Düsseldorf	Germany	100.00
MIP METRO Group Intellectual Property Management GmbH	Düsseldorf	Germany	100.00
MIP METRO Holding Management GmbH	Düsseldorf	Germany	100.00
MP Gayrimenkul Yönetim Hizmetleri Anonim Şirketi	Istanbul	Turkey	100.00
MTE Grundstücksverwaltung GmbH & Co. Objekt Duisburg oHG i. L.	Düsseldorf	Germany	100.00
Multi-Center Warenvertriebs GmbH	Düsseldorf	Germany	100.00
My Mart (China) Trading Co., Ltd.	Guangzhou	China	100.00
My Mart (Shanghai) Trading Co. Ltd.	Shanghai	China	100.00
N & NF Trading GmbH	Düsseldorf	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Eschweiler KG i. L.	Düsseldorf	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Germersheim KG i. L.	Düsseldorf	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Langendreer KG i. L.	Düsseldorf	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Moers KG i. L.	Düsseldorf	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Neunkirchen KG	Düsseldorf	Germany	100.00
NIGRA Verwaltung GmbH & Co. Objekt Rendsburg KG i. L.	Düsseldorf	Germany	100.00
NX-Food GmbH	Düsseldorf	Germany	100.00
Petit RUNGIS express GmbH	Meckenheim	Germany	100.00
PIL Grundstücksverwaltung GmbH	Düsseldorf	Germany	100.00
PRO A PRO DISTRIBUTION EXPORT SAS	Montauban	France	100.00
PRO A PRO DISTRIBUTION NORD SAS	Châlette-sur-Loing	France	100.00
PRO A PRO DISTRIBUTION SUD SAS	Montauban	France	100.00
PT Classic Fine Foods Indonesia	North Jakarta	Indonesia	100.00
Real Estate Management Misr Limited Liability Company	Cairo	Egypt	100.00
Remo Zaandam B.V.	Zaandam	Netherlands	100.00
Renate Grundstücksverwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
Restu s.r.o.	Prague	Czech Republic	100.00
Retail Property 5 Limited Liability Company	Moscow	Russia	100.00
Retail Property 6 Limited Liability Company	Moscow	Russia	100.00
R'EXPRESS ALIMENTOS, UNIPESSOAL LDA	Lisbon	Portugal	100.00
ROSARIA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Gerlingen KG i. L.	Düsseldorf	Germany	100.00
Rotterdam Trading Office B.V.	Amsterdam	Netherlands	100.00
RUDU Verwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00
RUNGIS express GmbH	Meckenheim	Germany	100.00
RUNGIS express SPAIN SL	Palma de Mallorca	Spain	100.00
RUNGIS express Suisse Holding AG	Courgevaux	Switzerland	100.00
RUTIL Verwaltung GmbH & Co. SB-Warenhaus Bielefeld KG i. L.	Düsseldorf	Germany	100.00
Schaper Beteiligungsverwaltung GmbH	Düsseldorf	Germany	100.00
Schaper Grundbesitz-Verwaltungsgesellschaft mbH	Düsseldorf	Germany	100.00

Sentinel GCC Holdings Limited	Tortola	British Virgin Islands	100.00
Servicios de Distribución a Horeca Organizada, S.L.	Madrid	Spain	100.00
Sezam XVI Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	Warsaw	Poland	100.00
Shenzhen Mymart Trade Co., Ltd.	Shenzhen	China	100.00
SIL Verwaltung GmbH & Co. Objekt Haidach KG	Düsseldorf	Germany	100.00
Sinco Großhandelsgesellschaft m. b. H.	Vösendorf	Austria	73.00
Sodeger SAS	Château-Gontier	France	100.00
Star Farm Pakistan Pvt. Ltd.	Lahore	Pakistan	100.00
STW Grundstücksverwaltung GmbH	Düsseldorf	Germany	100.00
TIMUG GmbH & Co. Objekt Homburg KG i. L.	Düsseldorf	Germany	94.00
TIMUG Verwaltung GmbH	Düsseldorf	Germany	100.00
Transpro France SARL	Montauban	France	100.00
Transpro SAS	La Possession	France	100.00
VALENCIA TRADING OFFICE, S.L.	Madrid	Spain	100.00
Weinkellerei Thomas Rath GmbH	Düsseldorf	Germany	100.00
Western United Finance Company Limited	London	United Kingdom	100.00
Wholesale Real Estate Belgium N.V.	Wommelgem	Belgium	100.00
Wolfgang Wirichs GmbH	Düsseldorf	Germany	100.00
WRE Real Estate Limited Liability Partnership	Almaty	Kazakhstan	100.00
ZARUS Verwaltung GmbH & Co. Objekt Mutterstadt KG i. L.	Düsseldorf	Germany	100.00
ZARUS Verwaltung GmbH & Co. Objekte Niedersachsen KG i. L.	Düsseldorf	Germany	100.00

Joint ventures			
CABI-SFPK JV	Lahore	Pakistan	48.00
Intercompra LDA	Lisbon	Portugal	50.00
MAXXAM B.V.	Ede	Netherlands	16.67
MAXXAM C.V.	Ede	Netherlands	16.67
MEC METRO-ECE Centermanagement GmbH & Co. KG	Düsseldorf	Germany	50.00
MEC METRO-ECE Centermanagement Verwaltungs GmbH	Düsseldorf	Germany	50.00
METSPA Beszerzési és Kereskedelmi Kft.	Budaörs	Hungary	33.33
METSPA d.o.o. za trgovinu	Zagreb	Croatia	50.00
Professional Finance Technologies Limited Liability Company	Moscow	Russia	40.00

Investments accounted for using the equity method			
EKS Handelsgesellschaft mbH	Salzburg	Austria	15.00
EKS Handelsgesellschaft mbH & Co. KG	Salzburg	Austria	15.00
Fachmarktzentrum Essen GmbH & Co. KG	Pullach im Isartal	Germany	94.00
FILPROMER SAS	Cherbourg-en-Cotentin	France	24.90
Gourmet F&B Korea Ltd.	Seoul	South Korea	28.00
Habib METRO Pakistan (Pvt) Ltd	Karachi	Pakistan	40.00
Helm Wohnpark Lahnblick GmbH	Aßlar	Germany	25.00
Horizon International Services Sàrl	Le Grand-Saconnex	Switzerland	25.00
Iniziative Methab s.r.l.	Bolzano	Italy	50.00
Kato Property GmbH	Berlin	Germany	5.10

Mayfair GP S.à r.l.	Luxembourg	Luxembourg	40.00
Mayfair Holding Company S.C.S.	Luxembourg	Luxembourg	39.99
Napier Property GmbH	Berlin	Germany	5.10
OPCI FRENCH WHOLESALE PROPERTIES - FWP	Paris	France	5.00
OPCI FRENCH WHOLESALE STORES - FWS	Paris	France	25.00
Peter Glinicke Grundstücks-GmbH & Co. KG	Pullach im Isartal	Germany	50.00
Quadrant Property GmbH	Berlin	Germany	5.10
Sabra Property GmbH	Berlin	Germany	5.10
Tatra Property GmbH	Berlin	Germany	5.10
Upton Property GmbH	Berlin	Germany	5.10
Wilcox Property GmbH	Berlin	Germany	5.10
WM Holding (HK) Limited	Hong Kong	China	20.04
Xiali Property GmbH	Berlin	Germany	5.10
Zagato Property GmbH	Berlin	Germany	5.10
Zender Property GmbH	Berlin	Germany	5.10

Investments			
BINARY SUBJECT, S.A.	Torres Vedras	Portugal	16.03
Culinary Agents Inc.	Wilmington	USA	18.33
Diehl & Brüser Handelskonzepte GmbH	Düsseldorf	Germany	100.00[2]
eVentures Growth, L.P.	Wilmington	USA	5.00
Horizon Achats SARL	Paris	France	8.00
Horizon Appels d'Offres SARL	Paris	France	8.00
MATSMART IN SCANDINAVIA AB	Stockholm	Sweden	13.98
METRO plus Grundstücks-Vermietungsgesellschaft mbH	Düsseldorf	Germany	20.00
orderbird AG	Berlin	Germany	14.18
Planday A/S	Copenhagen	Denmark	11.74
QUANTIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG	Schönefeld	Germany	6.00
RTG Retail Trade Group GmbH	Hamburg	Germany	11.11
Shore GmbH	Munich	Germany	12.41
Verwaltungsgesellschaft Lebensmittelgesellschaft "GLAWA" mbH & Co. KG	Hamburg	Germany	18.75
Yoyo Wallet Ltd.	London	United Kingdom	12.44

[1] To be included in accordance with IFRS 10.

[2] Not fully consolidated and not accounted for using the equity method due to immateriality to the asset, financial and earnings position.

1 December 2020

The Management Board

Olaf Koch Christian Baier Andrea Euenheim Rafael Gasset Eric Poirier