

elumeo

Half-Year Financial Report
H1/2021



KEY FIGURES

EUR thousand [unless indicated otherwise]	H1 2021		H1 2020		HoH in %	Q2 2021		Q2 2020		QoQ in %
Revenue	26,051	100.0%	19,986	100.0%	30.3%	12,842	100.0%	9,656	100.0%	33.0%
[The following disclosures represent: absolute values and in % of revenue]										
Gross profit	14,312	54.9%	10,127	50.7%	41.3%	7,102	55.3%	5,492	56.9%	29.3%
EBITDA	1,726	6.6%	-798	-4.0%	316.3%	652	5.1%	316	3.3%	106.4%
Adjusted-EBITDA	1,836	7.0%	-708	-3.5%	359.4%	763	5.9%	374	3.9%	104.0%
Depreciation and amortisation	482	1.9%	472	2.4%	2.1%	250	1.9%	233	2.4%	7.3%
EBIT	1,244	4.8%	-1,270	-6.4%	198.0%	402	3.1%	83	0.9%	384.6%
Total comprehensive income	1,179	4.5%	-1,269	-6.3%	192.9%	363	2.8%	72	0.7%	404.3%
Selling and administrative expenses [absolutely and in % of balance sheet total]	13,163	50.5%	11,363	56.9%	15.8%	6,693	52.1%	5,365	55.6%	24.8%
Total assets¹	22,048	100.0%	21,164	100.0%	4.2%					
Total equity¹ [absolutely and in % of balance sheet total]	5,530	25.1%	4,346	20.5%	27.2%					
Working capital¹ [absolutely and in % of balance sheet total]	4,184	19.0%	4,142	19.6%	1.0%					
¹ Prior year disclosure: 31 Dec 2020										
[The following disclosures represent: absolute values and in % of revenue]										
Net cash flow from operating activities	1,617	6.2%	1,049	5.2%	54.2%					
Net cash flow from investing activities	-177	-0.7%	-114	-0.6%	-55.4%					
Net cash flow from financing activities	-196	-0.8%	-605	-3.0%	67.7%					
Items sold [pieces]	288,668		255,305		13.1%	142,559		108,143		31.8%
Average sales price (ASP) [EUR]	90		78		15.3%	90		89		0.9%
Gross profit per item sold [EUR]	50		40		25.0%	50		51		-1.9%
<u>New customer breakdown (Germany only)</u>										
[in % of new customers]										
TV only	13%		25%		-11.5 p.p.	14%		23%		-8.5 p.p.
Web only	76%		64%		11.9 p.p.	76%		65%		10.6 p.p.
Others	11%		12%		-1.4 p.p.	10%		11%		-1.1 p.p.





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Letter from the Chairman of the Executive Board

Dear Shareholders,

I am very pleased to be able to report to you on elumeo's continued positive development in the 2021 Half-Year Report. In the first six months of this year, we were able to improve our performance significantly compared to the previous year. This applies to both revenue, which increased by more than 30% year-on-year, and earnings. The latter was clearly positive for the fifth quarter in a row. As a result, we were able to significantly strengthen the Group's equity, increasing it by 27% to EUR 5.5 million.

This extremely pleasing development of our Company continues to be supported by the continuous growth of our two most important sales channels: TV sales and sales via the web shop. In the first quarter, we also expanded the Juwelo app with the functionality "My Juwelo" to include a completely new, video-based shopping format. Our customers have accepted the new offer very well so far. As an independent company, jooli.com GmbH, a 100% subsidiary of the elumeo Group, launched the "jooli" app in the second quarter. Jooli offers a completely new shopping experience with short, entertaining videos that is unique in Europe to date. The videos are produced by independent partners, managed and played out via jooli's affiliate platform and billed via a commission model. We see great potential here for the further growth of the Group.

It is also pleasing that the Berlin Regional Court decided on 13 April 2021 to dismiss the action brought by SWM Treuhand AG for payment of EUR 10 million. This ruling is now legally binding. Thus, elumeo SE has won all court cases brought by either SWM Treuhand AG or OSH Strategy Holding in connection with the shutdown of the Group's own manufacturing facility in Thailand. At present, no further lawsuits are pending against elumeo SE. Nevertheless, for reasons of commercial prudence, we have not yet adjusted the provision for possible risks from the liquidation of the manufactory.

We thank you for placing your trust in our Company and look forward to embarking on the path to a successful future together with you.

12 August 2021



Wolfgang Boyé
(Chairman of the Executive Board)

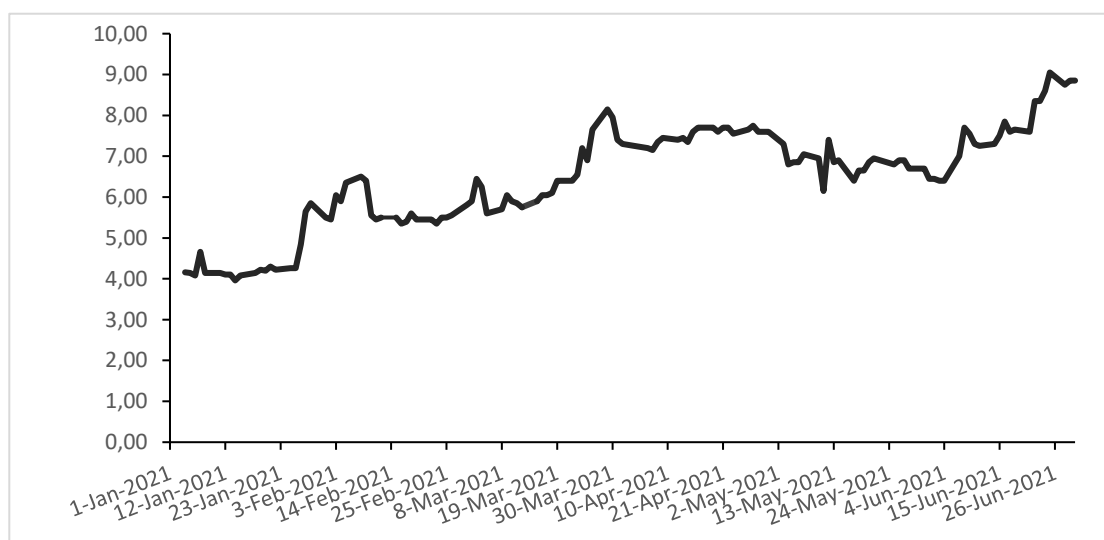


Capital market information

Master data and key figures for the elumeo SE share
(as of: 30 June 2021)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in H1 2021	EUR 0.22
Number of shares outstanding	5.500.000
XETRA closing price on the balance sheet date	EUR 8.85
Market capitalisation	EUR 48.7 million

Share price development (1 January to 30 June 2021: XETRA, in EUR)



Shareholder structure (as of 30 June 2021)

Shareholders of elumeo SE	Shareholdings
1. Blackflint Ltd.	26.66%
2. Ottoman Strategy Holdings (Suisse) SA	25.20%
3. Universal-Investment-Luxembourg SA	10.01%
4. Members of the Executive Board	9.47%
5. Other free float	28.66%



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Principles

The basic principles of the elumeo Group described in the Annual Report for financial year 2020 ending on 31 December ("2020 Annual Report") remain fundamentally valid.

Economic Report

Macroeconomic environment in the first half of 2021

The elumeo Group is active in seven euro zone countries as well as Switzerland and the United Kingdom.

The impact of the ongoing COVID-19 pandemic is reflected in the macroeconomic development in the first half of 2021. Strict lockdown measures and, with the slowed increase in reported cases and wider availability of vaccination from March onwards, the gradual regaining of momentum of the European economies characterised the first half of 2021.

Although the majority of European economies have recovered from the COVID-19 crisis, most of them have not yet reached their pre-crisis levels. The pace of recovery in the different sectors of the economy also differs significantly.

While the manufacturing sector has recovered significantly according to the Markit/BME Purchasing Managers' Index (EMI) for the industry, sometimes reaching the highest figures ever recorded, the services sector is still in the early stages of recovery. With private consumption, the lifting of the containment measures and high household savings have led to a considerable pent-up demand. According to the OECD Economic Outlook (May 2021), private consumption is expected to increase by 2.5% in the entire eurozone (2020: 8.0%). Germany recorded a moderate decline of around -0.3 % (2020: -6.3%).

Industry-specific conditions

The elumeo Group's most important direct sales channels include TV home shopping channels, online shops and apps for smartphones. A study by the Gesellschaft zur Förderung der Unterhaltungselektronik in Deutschland (gfu) shows that smart TVs are becoming increasingly common. According to the gfu, close to half of German households now own an Internet-capable television. The use of smart functions is also increasing. At 80%, the figure for the younger generation of 16- to 39-year-olds is significantly higher than the figure for those over 60 at 56%.

In 2021, sales of goods in e-commerce increased by 23.2 percent year-on-year from EUR 36.7 billion to EUR 45.2 billion. The German E-Commerce and Distance Selling Trade Association (Bundesverband E-Commerce und Versandhandel Deutschland e. V.) expects e-commerce with goods and services to even benefit from the corona pandemic and exceed the EUR 100 billion mark in 2021.

Please refer to the explanations in the 2020 Annual Report.



Business development in the first half of 2021

The elumeo Group's first half-year 2021 covers the period from 1 January to 30 June 2021 ("H1 2021" or "reporting period"). The first half of 2020 relates to the period from 1 January to 30 June 2020 ("H1 2020" or "prior-year comparative period").

In the first half of 2021, the economic development of the elumeo Group was characterised by the following significant events:

The growth from the first quarter of 2021 continued in the second quarter of 2021. **Revenues** increased significantly by 30.3% in the first half of 2021, driven mainly by the classic web shop, but the development in the TV business also improved. The growth is due to the intensive new customer growth and the successful birthday event.

A strict hygiene concept enabled the broadcasting operation to be run successfully. The profit-per-show-minute increased significantly due to a higher share of premiers and guests. Improvements in all marketing channels, technical improvements in the payment process and the higher share of sales of high-priced products led to a significant increase in the gross profit margin in the traditional web shop. **Gross profit** increased disproportionately by 41.3% to EUR 14.3 million, with a gross profit margin of 54.0%.

Investments in online marketing were successfully scaled for the acquisition of new customers and led to an increase in **selling expenses**. Legal fees in connection with the court cases won against SWM Treuhand AG and OSH Strategy Holding led to higher **administrative costs**.

Distribution costs increased by 10.6% in the first half of 2021 compared to the previous year. This was mainly due to increased investments in online marketing and higher TV broadcasting costs.

Overall, a **consolidated total result** of EUR 1.2 million was achieved in the first half of 2021 after EUR -1.3 million in the first half of 2020.

The key financial indicator **adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA)** improved to EUR 1.8 million in the first half of 2021 from EUR -0.7 million in the first half of 2020.

A detailed explanation of the individual financial figures is provided in the following sections [*Revenue and Earnings Position*], [*Net Asset Position*] and [*Financial Position*].



Revenue and earnings position

	Note	Q2 2021		Q2 2020		QoQ in %	H2 2021		H1 2020		HoH in %
Revenue	(3)	12,842	100.0%	9,656	100.0%	33.0%	26,051	100.0%	19,986	100.0%	30.3%
Cost of goods sold	(4)	5,740	44.7%	4,164	43.1%	37.9%	11,738	45.1%	9,859	49.3%	19.1%
Gross profit		7,102	55.3%	5,492	56.9%	29.3%	14,312	54.9%	10,127	50.7%	41.3%
Selling expenses	(5)	4,516	35.2%	3,851	39.9%	17.3%	9,078	34.8%	8,205	41.1%	10.6%
Administrative expenses	(6)	2,176	16.9%	1,514	15.7%	43.8%	4,084	15.7%	3,159	15.8%	29.3%
Other operating income	(7)	113	0.9%	-40	-0.4%	382.5%	214	0.8%	43	0.2%	402.8%
Other operating expenses	(8)	120	0.9%	4	0.0%	n.a.	120	0.5%	4	0.0%	n.a.
Earnings before interest and taxes (EBIT)		402	3.1%	83	0.9%	384.6%	1,244	4.8%	-1,197	-6.0%	203.9%
Interest income		0	0.0%	0	0.0%	n.a.	0	0.0%	0	0.0%	n.a.
Interest and similar expenses		23	0.2%	33	0.3%	-29.4%	47	0.2%	73	0.4%	-35.3%
Financial result	(9)	-23	-0.2%	-33	-0.3%	30.6%	-47	-0.2%	-73	-0.4%	35.8%
Earnings before income taxes (EBT)		379	3.0%	50	0.5%	658.6%	1,197	4.6%	-1,269	-6.4%	194.3%
Earnings for the period		379	3.0%	50	0.5%	658.6%	1,197	4.6%	-1,269	-6.3%	194.4%

Revenues increased significantly by 30.3% in the first half of 2021 and by 33.0% in the second quarter, driven by the traditional web shop, but also by the improved development of the TV business. The web shop grew by 40.4% and the TV business by 28.4%.

Gross profit increased disproportionately by 41.3% to EUR 14.3 million.

Distribution costs increased by 10.6% in the first half of 2021. This was mainly due to increased investments in online marketing and higher TV broadcasting costs.

Administrative expenses also rose in the first half of 2021 by 29.3% mainly due to a reclassification of cost centres from selling expenses to administrative expenses, increased legal fees and warehouse maintenance.

Already in the second quarter of 2020, the reduction in the daily live broadcasting time from 18 to 12 hours and the use of the short-time allowance as well as the reimbursement of social security contributions, significantly increased the gross profit margin and reduced the selling and administrative expenses.

Other operating income in the first half of 2021 mainly includes reimbursements for litigation and legal costs, currency gains and income from the sale of fixed assets.

Other operating expenses in the first half of 2021 mainly include marketing expenses unrelated to the accounting period.

Overall, the **result of operating activities (EBIT)** improved to EUR +0.4 million in the second quarter 2021 compared to EUR +0.1 million in the second quarter of 2020. (H1 2021: EUR +1.2 million, H1 2020: EUR -1.2 million).

Earnings per share amounted to EUR 0.22 in the first half of 2021 (H1 2020: EUR -0.23).



Asset position

ASSETS						
EUR thousand % of balance sheet total	Note	30 Jun 2021		31 Dec 2020		Delta in %
Non-current assets						
Intangible assets	(12)	382	1.7%	429	2.0%	-10.9%
Property, plant and equipment	(12)	3,707	16.8%	3,965	18.7%	-6.5%
Other financial assets	(14)	69	0.3%	77	0.4%	-10.1%
Other non-financial assets	(15)	233	1.1%	225	1.1%	3.5%
Total non-current assets		4,392	19.9%	4,696	22.2%	-6.5%
Current assets						
Inventories	(13)	12,245	55.5%	12,147	57.4%	0.8%
Trade receivables		890	4.0%	1,230	5.8%	-27.6%
Other financial assets	(14)	224	1.0%	276	1.3%	-18.8%
Other non-financial assets		745	3.4%	507	2.4%	46.9%
Cash and cash equivalents		3,552	16.1%	2,307	10.9%	53.9%
Total current assets		17,657	80.1%	16,468	77.8%	7.2%
Total assets		22,048	100%	21,164	100%	4.2%

Total assets increased to EUR 22.0 million as of 30 June 2021 (31 December 2020: EUR 21.2 million).

Current assets increased mainly due to higher cash and cash equivalents.

Trade receivables declined due to the balance sheet date.



EQUITY & LIABILITIES

EUR thousand % of balance sheet total	Note	30 Jun 2021		31 Dec 2020		Delta in %
Equity						
Issued capital		5,500	24.9%	5,500	26.0%	0.0%
Accumulated losses		34,446	156.2%	34,441	162.7%	0.0%
Retained losses		-36,612	-166.1%	-37,809	-178.6%	3.2%
Foreign currency translation reserve		2,196	10.0%	2,214	10.5%	-0.8%
Total equity	(16)	5,530	25.1%	4,346	20.5%	27.2%
<i>Attributable to shareholders of elumeo SE</i>						
		5,530	25.1%	4,346	20.5%	27.2%
Non-current liabilities						
Other non-current financial liabilities	(17)	2,217	10.1%	2,413	11.4%	-8.1%
Provisions	(18)	3,987	18.1%	3,972	18.8%	0.4%
Other non-financial liabilities	(19)	25	0.1%	25	0.1%	0.0%
Total non-current liabilities		6,229	28.3%	6,410	30.3%	-2.8%
Current liabilities						
Other financial liabilities	(17)	368	1.7%	389	1.8%	-5.5%
Provisions	(18)	1,060	4.8%	1,113	5.3%	-4.7%
Trade payables		6,802	30.8%	6,775	32.0%	0.4%
Advance payments received		133	0.6%	133	0.6%	0.7%
Tax liabilities	(19)	100	0.5%	100	0.5%	0.0%
Other non-financial liabilities	(19)	1,825	8.3%	1,899	9.0%	-3.9%
Total current liabilities		10,288	46.7%	10,408	49.2%	-1.2%
Total equity & liabilities		22,048	100.0%	21,164	100.0%	4.2%

On the liabilities side of the balance sheet, **equity** increased as of 30 June 2021. The equity ratio was 25.1% of total assets as of 30 June 2021 compared to 27.2% as of 31 December 2020.

Non-current liabilities remain essentially unchanged.

Current liabilities have not changed significantly overall. The reduced provisions mainly concern those related to the closure of the site in Rome.

Financial position

Net cash flow from operating activities in the first half of 2021 totalled EUR +1.6 million (H1 2019: EUR +1.1 million). The improved earnings contributed significantly to this result.

Net cash flow from investing activities amounted to EUR -0.2 million in the first half of 2021.

Net cash flow from financing activities amounted to approximately EUR -0.2 million in the first half of 2020 (H1 2020: EUR -0.6 million) and is comprised of other financial liabilities.

As at 30 June 2021, the elumeo Group had **cash and cash equivalents** (cash on hand and demand deposits with banks) of EUR 3.6 million (31 December 2020: EUR 2.3 million).



Segment Reporting

The strategic and operational site functions are all concentrated in Berlin and the previous segments are combined into one segment that corresponds to the Consolidated Financial Statements. Earnings before interest, taxes, depreciation and amortisation adjusted for non-operational special items (adjusted EBITDA – previously segment EBITDA) serves as the main financial indicator for monitoring the operational earnings situation. To calculate adjusted EBITDA, EBITDA before special items is adjusted for non-recurring and/or non-operating (special) items by type and amount. Adjusted EBITDA improved from EUR -0.7 million in the first half of 2020 to EUR 1.8 million in the first half of 2021. Adjusted EBITDA improved from EUR 0.4 million in the first quarter of 2020 to EUR 0.8 million in the first quarter of 2021, mainly taking into account out-of-period expenses for marketing costs in the second quarter 2021.

Supplementary Report

No events of particular significance occurred after 30 June 2021.

Opportunity and Risk Report

The elumeo Group presents its risk management system in detail in its 2020 Annual Report. The Executive Board is currently unable to identify any significant changes to the risks and opportunities for the elumeo Group that are comprehensively presented there.

Forecast Report

Management also expects high volatility in 2021 depending on the development of the COVID-19 pandemic. As a result, the forecast is based on a cautious approach to future development and takes into account possible further negative influences from slumps in demand and supply bottlenecks. Based on the development in the first half of 2021, the management assumes that sales growth in the low double-digit % range can be achieved in 2021. The gross profit margin is expected to continue to develop stably > 50%, and the gross profit as a whole is expected to increase slightly disproportionately. Adjusted EBITDA is expected to be in the low to mid-single-digit million range.

Due to the positive business performance, investments in working capital are necessary. However, in order to be able to guarantee the Group's solvency at all times, the elumeo Group can react flexibly and at short notice to negative economic developments with the appropriate options for reducing inventories. The elumeo Group's Executive Board has drawn up various scenarios in this regard and has sufficient liquidity in all scenarios for financial years 2021 and 2022 to service liabilities as they fall due.





III. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statement of Income and Consolidated Statement of Comprehensive Income (unaudited)

for the period from 1 April to 30 June 2021 (Q2 2021) and for the period from 1 January to 30 June 2021

	Note	Q2 2021		Q2 2020		QoQ in %	H2 2021		H1 2020		HoH in %
Revenue	(3)	12,842	100.0%	9,656	100.0%	33.0%	26,051	100.0%	19,986	100.0%	30.3%
Cost of goods sold	(4)	5,740	44.7%	4,164	43.1%	37.9%	11,738	45.1%	9,859	49.3%	19.1%
Gross profit		7,102	55.3%	5,492	56.9%	29.3%	14,312	54.9%	10,127	50.7%	41.3%
Selling expenses	(5)	4,516	35.2%	3,851	39.9%	17.3%	9,078	34.8%	8,205	41.1%	10.6%
Administrative expenses	(6)	2,176	16.9%	1,514	15.7%	43.8%	4,084	15.7%	3,159	15.8%	29.3%
Other operating income	(7)	113	0.9%	-40	-0.4%	382.5%	214	0.8%	43	0.2%	402.8%
Other operating expenses	(8)	120	0.9%	4	0.0%	n.a.	120	0.5%	4	0.0%	n.a.
Earnings before interest and taxes (EBIT)		402	3.1%	83	0.9%	384.6%	1,244	4.8%	-1,197	-6.0%	203.9%
Interest income		0	0.0%	0	0.0%	n.a.	0	0.0%	0	0.0%	n.a.
Interest and similar expenses		23	0.2%	33	0.3%	-29.4%	47	0.2%	73	0.4%	-35.3%
Financial result	(9)	-23	-0.2%	-33	-0.3%	30.6%	-47	-0.2%	-73	-0.4%	35.8%
Earnings before income taxes (EBT)		379	3.0%	50	0.5%	658.6%	1,197	4.6%	-1,269	-6.4%	194.3%
Earnings for the period		379	3.0%	50	0.5%	658.6%	1,197	4.6%	-1,269	-6.3%	194.4%
<i>Earnings of shareholders of elumeo SE</i>		379	3.0%	50	0.5%	658.6%	1,197	4.6%	-1,269	-6.3%	194.4%
Earnings per share in EUR (undiluted and diluted) applied to:	(11)	0.07		0.01		658.6%	0.22		-0.23		194.7%
- undiluted		0.07		0.01		658.6%	0.22		-0.23		194.7%
- diluted		0.07		0.01		652.8%	0.22		-0.23		194.2%
<i>Average number of shares outstanding</i>											
- undiluted		5,500,000		5,500,000		0.0%	5,500,000		5,500,000		0.0%
- diluted		5,542,580		5,500,000		0.8%	5,527,358		5,500,000		0.5%
Differences from foreign currency translation of foreign subsidiaries		8	0.1%	22	0.2%	-63.6%	-18	-0.1%	0	0.0%	n.a.
Other comprehensive income		8	0.1%	22	0.2%	-63.6%	-18	-0.1%	0	0.0%	n.a.
Total comprehensive income		387	3.0%	72	0.7%	437.9%	1,179	4.5%	-1,269	-6.3%	193.0%
<i>Total comprehensive income of shareholders of elumeo SE</i>		387	3.0%	72	0.7%	437.9%	1,179	4.5%	-1,269	-6.3%	193.0%



Consolidated Statement of Financial Position (unaudited)

as of 30 June 2021

ASSETS						
EUR thousand % of balance sheet total	Note	30 Jun 2021		31 Dec 2020		Delta in %
Non-current assets						
Intangible assets	(12)	382	1.7%	429	2.0%	-10.9%
Property, plant and equipment	(12)	3,707	16.8%	3,965	18.7%	-6.5%
Other financial assets	(14)	69	0.3%	77	0.4%	-10.1%
Other non-financial assets	(15)	233	1.1%	225	1.1%	3.5%
Total non-current assets		4,392	19.9%	4,696	22.2%	-6.5%
Current assets						
Inventories	(13)	12,245	55.5%	12,147	57.4%	0.8%
Trade receivables		890	4.0%	1,230	5.8%	-27.6%
Other financial assets	(14)	224	1.0%	276	1.3%	-18.8%
Other non-financial assets		745	3.4%	507	2.4%	46.9%
Cash and cash equivalents		3,552	16.1%	2,307	10.9%	53.9%
Total current assets		17,657	80.1%	16,468	77.8%	7.2%
Total assets		22,048	100%	21,164	100%	4.2%



Consolidated Statement of Financial Position (unaudited)

as of 30 June 2021

EQUITY & LIABILITIES						
EUR thousand % of balance sheet total	Note	30 Jun 2021		31 Dec 2020		Delta in %
Equity						
Issued capital		5,500	24.9%	5,500	26.0%	0.0%
Accumulated losses		34,446	156.2%	34,441	162.7%	0.0%
Retained losses		-36,612	-166.1%	-37,809	-178.6%	3.2%
Foreign currency translation reserve		2,196	10.0%	2,214	10.5%	-0.8%
Total equity	(16)	5,530	25.1%	4,346	20.5%	27.2%
<i>Attributable to shareholders of elumeo SE</i>		<i>5,530</i>	<i>25.1%</i>	<i>4,346</i>	<i>20.5%</i>	<i>27.2%</i>
Non-current liabilities						
Other non-current financial liabilities	(17)	2,217	10.1%	2,413	11.4%	-8.1%
Provisions	(18)	3,987	18.1%	3,972	18.8%	0.4%
Other non-financial liabilities	(19)	25	0.1%	25	0.1%	0.0%
Total non-current liabilities		6,229	28.3%	6,410	30.3%	-2.8%
Current liabilities						
Other financial liabilities	(17)	368	1.7%	389	1.8%	-5.5%
Provisions	(18)	1,060	4.8%	1,113	5.3%	-4.7%
Trade payables		6,802	30.8%	6,775	32.0%	0.4%
Advance payments received		133	0.6%	133	0.6%	0.7%
Tax liabilities	(19)	100	0.5%	100	0.5%	0.0%
Other non-financial liabilities	(19)	1,825	8.3%	1,899	9.0%	-3.9%
Total current liabilities		10,288	46.7%	10,408	49.2%	-1.2%
Total equity & liabilities		22,048	100.0%	21,164	100.0%	4.2%



Consolidated Statement of Changes in Equity (unaudited)

for the period from 1 January to 30 June 2021

Reason for change	Note	Attributable to shareholders of elumeo SE				
		Issued capital	Capital reserve	Accumulated losses	Reserve for foreign currency translation	Sum Equity
EUR Thousand						
01 January 2021		5,500	34,441	-37,809	2,214	4,346
Equity-settled share-based remuneration	(16)		5			5
Other comprehensive income					-18	-18
Earnings for the period				1,197		1,197
Total comprehensive income				1,197	-18	1,179
30 June 2021		5,500	34,446	-36,612	2,196	5,530



Consolidated Statement of Changes in Equity (unaudited) (continued)

for the period from 1 January to 30 June 2020

Reason for change	Note	Attributable to shareholders of elumeo SE				
		Issued capital	Capital reserve	Accumulated losses	Foreign currency translation reserve	Total equity
EUR thousand						
1 January 2020		5,500	34,423	-37,963	2,159	4,118
Equity-settled share-based remuneration	(17)		13			13
Other comprehensive income					0	0
Earnings for the period				-1,270		-1,270
Total comprehensive income				-1,270	0	-1,269
30 June 2020		5,500	34,436	-39,233	2,159	2,862



Consolidated Statement of Cash Flows (unaudited)

for the period from 1 January to 30 June 2021

EUR thousand	H1 2021	H1 2020	HoH in %
Earnings before interest and taxes (EBIT)			
Earnings before taxes (EBT)	1,244	-1,269	198.0%
+/- Depreciation and amortisation on non-current assets	+482	+472	2.1%
+/- Increase/decrease in provisions	-52	-731	92.8%
+/- Increase/decrease in provisions from obligations resulting from the orderly liquidation of the Group owned factory	+15	-54	127.8%
+/- Equity-settled share-based remuneration	+5	+13	-64.3%
+/- Other non-cash expenses/income	-47	0	n.a.
- Interest expenses paid related to prior accounting periods	0	-1	100.0%
+ Non-cash current interest expenses	0	+19	-100.0%
-/+ Increase/decrease in inventories	-94	+1,352	-106.9%
-/+ Increase/decrease in other assets	+161	-160	200.9%
+/- Increase/decrease in other liabilities	-97	+1,409	-106.9%
= Cash flow from operating activities	+1,617	+1,049	54.2%
- Payments for investments in intangible assets	0	-37	100.0%
- Payments for investments in property, plant and equipment	-177	-77	-130.1%
= Cash flow from investing activities	-177	-114	-55.4%
- Payments for the redemption of financial debt	0	-446	100.0%
+ Proceeds from increase in financial liabilities	-196	-158	-23.8%
= Cash flow from financing activities	-196	-604	-67.6%
+/- Net increase/decrease in cash and cash equivalents	+1,245	+330	277.1%
+ Cash and cash equivalents on beginning of reporting period	+2,307	+880	162.2%
= Cash and cash equivalents on end of reporting period	+3,552	+1,210	193.6%





IV. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(1) Principles and methods

Information on the Company

elumeo SE (hereinafter also referred to as the “Company”) is a listed Company in the legal form of a European Company (Societas Europaea) and the parent Company of the elumeo Group. The Company is registered in the Berlin-Charlottenburg Commercial Register in section B under No. 157 001 B and has its registered office at Erkelenzdamm 59/61, 10999 Berlin, Germany.

Business activities of the elumeo Group

The elumeo Group is active in the design, procurement and distribution of jewelry, jewelry goods, gemstones and related products via television and other, in particular electronic, distribution channels (the Internet) in the main markets of Germany, Italy and France. The principal means of distribution are live interactive offers that allow customers to compete against each other for the jewelry presented and to co-determine the price.

Discontinued operations of the elumeo Group

In financial year 2018, the decision was made to discontinue all business activities of the manufacturing company PWK Jewelry Company Limited, Bangkok, Thailand (“PWK”), and to carry out an orderly liquidation of the manufacturing company under self-administration by realising the existing assets (“discontinued PWK business”). All business activities of the company were fully discontinued by the end of 2018.

As a result of various developments in financial year 2019, an orderly liquidation of PWK in self-administration is almost certainly no longer feasible. As a result, PWK was deconsolidated retroactively as of 31 December 2018 in the Consolidated Financial Statements for the financial year that ended on 31 December 2019.

Basis of preparation and accounting principles

The Interim Consolidated Financial Statements as of 30 June 2021 (“Interim Consolidated Financial Statements”) have been prepared for the purposes of half-year financial reporting in accordance with Section 115 (3) of the German Securities Trading Act (WpHG) and comply with the International Financial Reporting Standards (“IFRSs”) as adopted by the European Union. The Interim Consolidated Financial Statements, which were prepared on the basis of International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*, generally apply the same accounting policies as the audited and published Consolidated Financial Statements of elumeo SE as of 31 December 2020 in accordance with IFRSs (“2020 Consolidated Financial Statements”).



The option to prepare Interim Consolidated Financial Statements was exercised. All interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") that were mandatory as of the reporting date were taken into account. In addition, the interim financial reporting complies with the German Accounting Standard ("DRS") No. 16 *Half-Year Financial Reporting of the German Accounting Standards Committee e.V.* ("DRSC").

For further information on the accounting and valuation methods applied in detail, please refer to the 2020 Consolidated Financial Statements.

General information

The unaudited Interim Consolidated Financial Statements cover the period from 1 January to 30 June 2021 ("H1 2021"). The quarterly reporting period covers the period from 1 April to 30 June 2021 ("Q2 2021"). The changes in period comparison are referred to as half-year to half-year ("HoH") or quarter to quarter ("QoQ").

The Interim Consolidated Financial Statements are prepared in euros ("EUR"). Unless stated otherwise, all values are rounded up or down to the nearest thousand euros ("TEUR") or million euros ("EUR million"). For computational reasons, rounding differences to the mathematically exact values (monetary units, percentages, etc.) can occur in tables and text references.

The Interim Consolidated Financial Statements are generally prepared on the basis of assets and liabilities recognised at amortised cost. The Consolidated Statement of Income is prepared using the cost of sales method. The Consolidated Statement of Financial Position classifies assets and liabilities according to their maturities as current or non-current. The Consolidated Statement of Comprehensive Income is prepared to reconcile the result after income taxes of the Consolidated Statement of Income to the Consolidated Statement of Comprehensive Income. All intra-Group balances and transactions were eliminated in the course of the consolidation of liabilities and income.

The Interim Consolidated Financial Statements include all information necessary for a fair presentation and evaluation of the financial position and performance of the Group. Results for interim periods are not necessarily indicative of results for future periods or for the full financial year.

The Interim Consolidated Financial Statements were not audited or reviewed.

The Executive Board approved the Interim Consolidated Financial Statements on 12 August 2021.



Significant discretionary decisions, estimates and assumptions

The preparation of the Interim Consolidated Financial Statements in conformity with IFRSs requires the Executive Board and the extended management to make discretionary decisions, estimates and assumptions that affect the accounting policies applied and the reported financial position, financial performance and cash flows as well as the related disclosures. Although these discretionary decisions, estimates and assumptions are made to the best of the knowledge of the Executive Board and extended management based on current events and actions, actual results may differ from these discretionary decisions, estimates and assumptions. All discretionary decisions, estimates and assumptions are therefore reviewed on an ongoing basis.

Significant discretionary decisions were made in particular with regard to the following material issues:

- Recognition and measurement of provisions for uncertain future obligations in terms of type, amount and utilisation in connection with the discontinued PWK division,
- Recognition and measurement of provisions for future obligations in connection with legal disputes of uncertain nature, amount and utilisation.

There have been no material changes compared to the disclosures as of 31 December 2020. For further information, please refer to section [F. Significant discretionary decisions, estimates and assumptions] of the Notes to the 2020 Consolidated Financial Statements.

Published applicable accounting standards of the IASB

Standards, interpretations and amendments to IAS/IFRSs that had been announced by the time these Consolidated Financial Statements were published but were not yet mandatory and that are of practical relevance to elumeo SE are presented below. Unless stated otherwise, these are to be applied for financial years beginning on or after the date of application indicated.

Standard/Interpretation	Date of application IASB	Adoption by the EU	Effects on the elumeo Group
IAS 1 Disclosures on accounting policies	01/01/2023	No	insignificant
IAS 1 Presentation of the financial statements/debts	01/01/2023	No	insignificant
IAS 8 Definition of accounting estimates	01/01/2023	No	insignificant
IFRS 3 Business combinations	01/01/2022	No	insignificant
IFRS 9/IAS 39/IFRS 7/IFRS 16 Interest Rate Benchmark Reform – Phase 2	01/01/2021	Yes	insignificant
IAS 16 Property, plant and equipment	01/01/2022	No	insignificant
IFRS 16 COVID-19-related Rent concessions	04/01/2021	Yes	insignificant



IAS 37	Provisions, contingent liabilities and contingent assets	01/01/2022	No	insignificant
Various	Improvements to IFRS 2018 – 2020	01/01/2022	No	insignificant

In addition, the IASB has published other standards or amendments to standards that are to be applied in the future but will not have any material impact on the Consolidated Financial Statements of the elumeo Group.

(2) Scope of consolidation

Comparability of disclosures

The Interim Consolidated Financial Statements include the parent Company elumeo SE and the subsidiaries it directly or indirectly controls (together “elumeo Group”).

The scope of consolidation thus comprised 6 companies as of 30 June 2020 and also a total of 6 companies as of 30 June 2021.

(3) Revenue

The elumeo Group was able to significantly increase its revenue in the first half of 2021 compared to the previous year.

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Revenue from product sales	12,826	99.9%	9,648	99.9%	32.9%	26,015	99.9%	19,964	99.9%	30.3%
Other revenue	16	0.1%	8	0.1%	103.1%	36	0.1%	23	0.1%	58.8%
Revenue	12,842	100.0%	9,656	100.0%	33.0%	26,051	100.0%	19,986	100.0%	30.3%

Revenue from product sales by region

	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Germany	10,097	78.6%	7,216	74.7%	39.9%	20,050	77.0%	14,884	74.5%	34.7%
Italy	1,137	8.9%	846	8.8%	34.4%	2,289	8.8%	1,627	8.1%	40.7%
Other countries	1,608	12.5%	1,594	16.5%	0.9%	3,711	14.2%	3,475	17.4%	6.8%
Revenue from product sales	12,842	100.0%	9,656	100.0%	33.0%	26,051	100.0%	19,986	100.0%	30.3%

(4) Cost of goods sold

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Material costs	6,674	52.0%	5,413	56.1%	23.3%	11,884	100.0%	8,567	42.9%	38.7%
Change in inventory of finished goods, work in progress and merchandise	-933	-7.3%	-1,249	-12.9%	25.3%	-145	-1.2%	1,292	6.5%	-111.3%
Cost of goods sold	5,740	44.7%	4,164	43.1%	37.9%	11,738	100.0%	9,859	100.0%	19.1%



(5) Selling expenses

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Broadcasting and channel rental costs	1,644	12.8%	1,488	15.4%	10.5%	3,259	12.5%	2,935	14.7%	11.0%
Personnel expenses	1,558	12.1%	1,431	14.8%	8.9%	2,953	11.3%	3,217	16.1%	-8.2%
Sales and marketing expenses	537	4.2%	359	3.7%	49.6%	1,403	5.4%	765	3.8%	83.4%
Depreciation, amortization and impairment loss	108	0.8%	73	0.8%	47.9%	199	0.8%	141	0.7%	41.1%
Other selling expenses	670	5.2%	499	5.2%	34.2%	1,263	4.8%	1,147	5.7%	10.1%
Selling expenses	4,516	35.2%	3,851	39.9%	17.3%	9,078	34.8%	8,205	41.1%	10.6%

Selling expenses increased in the first half of 2021 compared to the previous year. This was mainly due to the increased investments in online marketing and the increased costs of TV broadcasting. In addition, packaging costs and costs for payment service providers rose due to the higher sales revenues.

With regard to the effects of the Federal Government's cyclical short-time working allowance on personnel costs in the second quarter 2020, please refer to Note (10).

(6) Administrative expenses

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Personnel expenses	1,006	7.8%	650	6.7%	54.7%	1,931	7.4%	1,468	7.4%	31.6%
Depreciation, amortization and impairment loss	142	1.1%	160	1.7%	-11.2%	282	1.1%	331	1.7%	-14.7%
Equity-settled share-based remuneration	2	0.0%	5	0.1%	-53.6%	5	0.0%	13	0.1%	-64.3%
Other administrative expenses	1,026	8.0%	699	7.2%	46.8%	1,866	7.2%	1,347	6.7%	38.5%
Administrative expenses	2,176	16.9%	1,514	15.7%	43.8%	4,084	15.7%	3,159	15.8%	29.3%

Administrative expenses increased mainly due to a reclassification of cost centres from distribution costs to administrative expenses, increased legal fees and maintenance measures for the warehouse.

With regard to the effects of the Federal Government's cyclical short-time working allowance on personnel costs in the second quarter 2020, please refer to Note (10).

(7) Other operating income

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Income resulting from past reporting periods	4	0.0%	2	0.0%	137.4%	4	0.0%	20	0.1%	-81.9%
Other income resulting from recharges of related parties	3	0.0%	0	0.0%	n.a.	5	0.0%	0	0.0%	n.a.
Gains from foreign currency translation	5	0.0%	-48	-0.5%	110.0%	31	0.1%	0	0.0%	n.a.
Miscellaneous other operating income	111	0.9%	7	0.1%	n.a.	174	0.7%	24	0.1%	626.8%
Other operating income	113	0.9%	-40	-0.4%	382.5%	214	0.8%	43	0.2%	398.1%

Miscellaneous other operating income mainly relates to reimbursements for litigation and legal costs, currency gains and income from the sale of fixed assets.



(8) Other operating expenses

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Net losses from foreign currency translation	120	0.9%	0	0.0%	n.a.	120	0.5%	0	0.0%	n.a.
Net losses from foreign currency translation	0	0.0%	4	0.0%	-100.0%	0	0.0%	4	0.0%	-100.0%
Other operating expenses	120	0.9%	4	0.0%	n.a.	120	0.5%	4	0.0%	n.a.

Other operating expenses relate to marketing expenses unrelated to the accounting period.

(9) Financial result

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Interest expenses from lease liabilities (operate lease)	16	0.1%	24	0.2%	-34.2%	32	0.1%	50	0.3%	-36.0%
Interest expenses from the compounding of non-current provisions	8	0.1%	8	0.1%	-6.3%	15	0.1%	18	0.1%	-16.7%
Interest expenses from financial debt (bank loans)	0	0.0%	0	0.0%	n.a.	0	0.0%	4	0.0%	-100.0%
Other interest and similar expenses	0	0.0%	1	0.0%	-100.0%	0	0.0%	3	0.0%	-100.0%
Interest expenses	23	0.2%	33	0.3%	-29.4%	47	0.2%	-73	-0.4%	164.4%
Financial result	-23	-0.2%	-33	-0.3%	30.6%	-47	-0.2%	-73	-0.4%	36.2%

Interest and similar expenses include interest expenses from lease liabilities from rights of use (operating leases of real estate contracts) in accordance with IFRS 16.

The interest expenses from the compounding of non-current provisions relate to obligations of uncertain nature, amount and utilisation in connection with the discontinued PWK division.

(10) Personnel expenses

Personnel expenses (excluding share-based payments) break down as follows:

EUR thousand % of revenue	Q2 2021		Q2 2020		QoQ in %	H1 2021		H1 2020		HoH in %
Wages and salaries	2,177	16.9%	1,802	18.7%	20.8%	4,136	15.9%	4,018	20.1%	2.9%
Social security contributions	387	3.0%	279	2.9%	38.9%	749	2.9%	667	3.3%	12.2%
Personnel expenses	2,564	20.0%	2,081	21.6%	23.2%	4,885	18.8%	4,685	23.4%	4.3%

Personnel expenses increased by 20.0% in the first quarter of 2021 compared to the previous year.

In the second quarter of 2020, the elumeo Group registered for short-time work for some of the employees of a subsidiary and applied for reimbursement of social security contributions. The short-time allowance paid by the subsidiary in the second quarter of 2020 amounted to EUR 161 thousand. In addition, income from the reimbursement of social security contributions of EUR 128 thousand was recognised in profit or loss as a deduction from personnel expenses.



(11) Earnings per share

Basic earnings per share are basically the shareholders' earnings divided by the weighted average number of shares outstanding during the reporting period.

Basic and diluted earnings per share are as follows:

		Q2 2021	Q2 2020	QoQ in %	H1 2021	H1 2020	HoH in %
Earnings and numbers of shares	Unit						
Earnings of shareholders of elumeo SE	EUR thousand	379	50	658.6%	1,197	-1,269	194.4%
Average number of outstanding shares							
- undiluted		5,500,000	5,500,000	0.0%	5,500,000	5,500,000	0.0%
- diluted		5,542,580	5,500,000	0.8%	5,527,358	5,500,000	0.5%
Earnings per share							
- undiluted		0.07	0.01	658.6%	0.22	-0.23	194.4%
- diluted	EUR	0.07	0.01	652.8%	0.22	-0.23	193.9%

The Executive Board issued option rights to subscribe to shares in elumeo SE in a total of eight tranches from the 2015 Stock Option Programme ("SOP 2015") in financial years 2015 to 2019. The exercise of the option rights of each tranche after the vesting period ("service period") is linked to capital market-based performance targets ("performance target"). As of the balance sheet date, no option rights are exercisable because either the respective service period criterion and/or the respective capital market-based performance target have not been met.

The service criterion is fulfilled as of 30 June 2021 of the first, second and third tranche. The performance target of tranche VI/2015, tranche VII/2015 and tranche VIII/2015 issued in financial years 2018 and 2019 is met as of the balance sheet date, but no option rights are exercisable as the service period criterion is not met. Irrespective of this, according to IAS 33 *Earnings per Share*, potential shares are only to be considered dilutive if their conversion into shares reduces earnings per share or increases the loss per share (IAS 33.41). If, on the other hand, the conversion into shares leads to an increase in earnings per share or a reduction in loss per share, the shares are antidilutive and diluted earnings per share must be adjusted to the amount of basic earnings per share (IAS 33.43).

In determining the notional bonus shares, the average share price for the reporting period was used as the market value.

(12) Intangible assets and property, plant and equipment

In the first half of 2021, the intangible assets acquired for consideration developed as follows:



EUR thousand	
<u>Historical cost</u>	
Balance: 1 Jan 2021	1,438
Additions	0
Balance: 30 Jun 2021	1,438
<u>Amortization</u>	
Balance: 1 Jan 2021	1,008
Additions	47
Balance: 30 Jun 2021	1,056
<u>Carrying amount</u>	
Balance: 1 Jan 2021	429
Balance: 30 Jun 2021	382

The intangible assets acquired for consideration essentially include licenses acquired for consideration as well as application, office and ERP software, which are amortised on a scheduled basis over the expected useful life.

In the first half of 2021, property, plant and equipment, including the rights of use from real estate contracts accounted for in accordance with IFRS 16, developed as follows:

EUR thousand	Own land and buildings, leasehold improvements	Right of use from (leases)	Plant and machinery	Furniture and fixtures	Plant and machinery (leases) Lease)	Total
<u>Historical cost</u>						
Balance: 1 Jan 2021	1,052	3,425	1,666	2,375	1,229	9,747
Additions	0	0	78	99	0	177
Balance: 30 Jun 2021	1,092	3,425	0	1,738	1,229	9,925
<u>Depreciation</u>						
Balance: 1 Jan 2021	765	739	1,379	2,071	829	5,782
Additions	199	0	54	84	69	435
Balance: 30 Jun 2021	794	938	0	1,433	898	6,217
<u>Carrying amount</u>						
Balance: 31 Dec 2020	287	2,686	287	304	400	3,965
Balance: 30 Jun 2021	298	2,487	0	305	331	3,707



(13) Inventories

Inventories comprise the following items:

EUR thousand % of revenue	30 Jun 2021		31 Dec 2020		Delta in %
Raw materials, consumables and supplies	231	1.0%	285	1.3%	-19.1%
Unfinished goods	789	3.6%	918	4.3%	-14.1%
Finished goods and merchandise	11,214	50.9%	10,935	51.7%	2.5%
Advance payments	12	0.1%	9	0.0%	30.5%
Inventories	12,245	55.5%	12,147	57.4%	0.8%

(14) Other financial assets

Other financial assets comprise the following items:

EUR thousand % of revenue	30 Jun 2021		31 Dec 2020		Delta in %
Security deposits and other warranties	178	0.8%	233	1.1%	-23.5%
Receivables due from employees	46	0.2%	43	0.2%	6.1%
Current other financial assets	224	1.0%	276	1.3%	-18.8%
Security deposits and other warranties	19	0.1%	19	0.1%	0.0%
Receivables due from employees	50	0.2%	58	0.3%	-13.0%
Non-current other financial assets	69	0.3%	77	0.4%	-9.8%
Other financial assets	293	1.3%	353	1.7%	-16.9%

(15) Other assets

Other assets comprise the following items:

EUR thousand % of revenue	30 Jun 2021		31 Dec 2020		Delta in %
Receivables from taxes	422	1.9%	298	1.4%	41.5%
Creditors with debit balances	198	0.9%	169	0.8%	17.4%
Miscellaneous other receivables	125	0.6%	40	0.2%	211.1%
Current other non-financial assets	745	3.4%	507	2.4%	46.9%
Receivables from taxes	233	1.1%	225	1.1%	3.3%
Non-current other non-financial assets	233	1.1%	225	1.1%	3.3%
Other non-financial assets	978	4.4%	733	3.5%	33.5%



Current tax receivables mainly relate to input tax receivables. These mainly result from import sales taxes on goods imports.

(16) Equity

Issued capital

The issued capital of elumeo SE as of 30 June 2021 totalled EUR 5,500,000 (31 December 2019: EUR 5,500,000) and is divided into 5,500,000 no-par value shares with a notional interest in the issued capital of EUR 1.00 per share.

There have been no changes compared to the information as of 31 December 2020.

Capital reserve

The capital reserve of elumeo SE as of 30 June 2021 amounts to EUR 34,446 thousand and has increased compared to 31 December 2020 (EUR 34,441 thousand) due to share-based payment pledges in accordance with IFRS 2 *Share-based Payment*.

Authorised capital, conditional capital, convertible bonds and bonds with warrants

By resolution of the Annual General Meeting on 25 June 2021, the Executive Board of elumeo SE was authorised to increase the share capital on one or more occasions by 24 June 2026, in whole or in part, by up to a total of EUR 2,000,000 by issuing up to 2,000,000 new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2021). In principle, the shareholders are to be granted a subscription right.

By resolution of the Annual General Meeting on 25 June 2021, the Executive Board was authorised to issue bearer convertible bonds or bonds with warrants (hereinafter collectively "Bonds") with or without a limited term in a total nominal amount of up to EUR 150,000,000 on one or more occasions by 24 June 2026 (inclusive) and to grant the holders or creditors of bonds conversion and/or option rights and/or conversion obligations or option obligations to subscribe to a total of up to EUR 2,000,000 new no-par value bearer shares of the Company to grant to the holders or creditors of bonds conversion and/or option rights and/or conversion obligations or option obligations to subscribe to a total of up to EUR 2,000,000 new no-par value bearer shares of the Company with a pro rata amount of the share capital of up to EUR 2,000,000 in total in accordance with the more detailed provisions of the terms and conditions of the bonds. The share capital of the Company shall be conditionally increased by up to EUR 1,600,000 by issuing up to 1,600,000 new no-par value bearer shares (Conditional Capital 2021/I). The conditional capital increase serves to grant shares to holders or creditors of convertible bonds and/or bonds with warrants issued as of 24 June 2026 (inclusive) by the Company or a domestic or foreign company in which the Company directly or indirectly holds a majority of the votes and capital.

By resolution of the Annual General Meeting on 25 June 2021, the conditional capital resolved by the Annual General Meeting on 7 April 2015 (Conditional Capital 2015/II) was cancelled when it exceeded an amount of EUR 350,000. By resolution of the Annual General Meeting on 25 June 2021, the Executive Board was authorised to conditionally increase the share capital of the Company by up to EUR 350,000 by issuing up to 350,000 new no-par value ordinary bearer shares (no-par value shares) (Conditional Capital 2015/II). The Conditional Capital 2015/II serves exclusively to grant new



shares to the holders of option rights issued by the Company in accordance with the authorisation resolution of the Annual General Meeting of 7 April 2015.

The Executive Board was authorised by resolution of the Annual General Meeting on 25 June 2021 to grant share option rights (Stock Option Programme 2021). The Executive Board (excluding the participation of members of the Executive Board who are also Managing Directors, insofar as option rights are granted to Managing Directors) is authorised until 24 June 2026, once, several times or – insofar as issued option rights expire or otherwise lapse – repeatedly, to grant option rights for the subscription of a total of up to 200,200 new no-par value bearer shares of the Company to Managing Directors of the Company, to employees of the Company and to employees and members of the management of companies affiliated with the Company in accordance with the following provisions (Contingent Capital 2021/II).

By resolution of the Annual General Meeting on 25 June 2021, the Company was authorised to acquire treasury shares in a volume of up to 10% of the share capital existing at the time of the resolution until the end of 24 June 2026.

Share-based payments

The number of outstanding option rights under the 2015 SOP as of 30 June 2021 is 272,227 (30 June 2020: 272,602):

Reason for change	Number of option rights	Weighted average exercise price in EUR
Number of option rights outstanding on 1 January 2021	272,602	13.48
Option rights granted during the reporting period	0	0.00
Option rights forfeited during the reporting period	-375	7.72
Option rights exercised during the reporting period	0	0.00
Option rights expired during the reporting period	0	0.00
Number of option rights outstanding on 30 June 2021	272,227	13.49
Number of option rights outstanding on 1 January 2020	272,602	13.48
Option rights granted during the reporting period	0	0.00
Option rights forfeited during the reporting period	0	0.00
Option rights exercised during the reporting period	0	0.00
Option rights expired during the reporting period	0	0.00
Number of option rights outstanding on 30 June 2020	272,602	13.48



The weighted average remaining term of the outstanding option rights until the expiry date is approximately 5.10 years as of 30 June 2021 (30 June 2020: approximately 6.10 years). The fair value of the option rights is composed of the intrinsic value and the fair value multiplied by the probability of the expected achievement of the service condition. The fair value of the option rights of the eight tranches outstanding at the balance sheet date totalled EUR 1,414 thousand at the time of granting (30 June 2020: EUR 1,415 thousand).

As of the balance sheet date, no option rights are exercisable, as either the service criterion and/or the capital market-based performance target of the respective tranche were not met.

Expenses totalling EUR 5 thousand (H1 2020: EUR 13 thousand) were recognised in the first half of 2021 for the share-based payment pledges of the total of eight tranches from the SOP 2015.

The issuance of option rights under the SOP 2015 is terminated by the expiry of the authorisation of the Executive Board on 6 April 2020.

(17) Other financial liabilities

Other financial liabilities are as follows:

EUR thousand % of revenue	30 Jun 2021		31 Dec 2020		Delta in %
Current portion of non-current lease liabilities (finance lease)					
Credit card liabilities	368	1.7%	389	1.8%	-5.5%
Current other financial liabilities	368	1.7%	389	1.8%	-5.5%
Lease liabilities (operating lease)					
Non-current other financial liabilities	2,217	10.1%	2,413	11.4%	-8.1%
Other financial liabilities	2,585	11.7%	2,802	13.2%	-7.7%

The lease liabilities recognised in accordance with IFRS 16 relate to leased premises (real estate contracts). The lease liabilities result from the rights of use under real estate contracts at the elumeo Group's headquarters. The lease liabilities have a remaining term of approx. 6.50 years as of the balance sheet date.



(18) Provisions

Provisions developed as follows in the first half of 2021:

EUR thousand	Carrying amount 01 Jan 2021	Additions	Effects from interests	Reversal	Usage	Carrying amount 30 Jun 2021
Expected customer returns	625	653	0	0	-625	653
Obligations arising from non-cancelable contracts, severance payments as well as other obligations in connection with the closure of the location in Rome	312	6	0	-80	-6	233
In terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK	175	0	0	0	0	175
Current provisions	1,113	658	0	-80	-631	1,060
In terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK	3,972	0	15	0	0	3,987
Non-current provisions	3,972	0	15	0	0	3,987
Provisions	5,085	658	15	-80	-631	5,047

Expected customer returns

The elumeo Group recognises obligations resulting from the right of its customers to return delivered products within a period of 14 days after receipt of the goods.

Obligations of the Italian subsidiary from non-cancellable contracts and severance payments as well as other obligations in connection with the closure of the sales office

In November 2019, the Executive Board decided to close the distribution site in Rome. The reversal of the provision relates to the agreement with employees regarding their severance payments. The provision as of 30 June 2021 is mainly composed of uncertain obligations from back payments for waste disposal, back tax payments and severance payments to employees.

Uncertain obligations in terms of type, amount and utilisation in connection with the discontinued PWK division

As of 31 December 2020, the elumeo Group recognised non-current provisions of EUR 4.0 million for the risk of future payments by elumeo Group companies to PWK or third parties. With the exception of the accrued interest on the provisions, there have been no changes in the assessment of the amount and timing of the estimated maximum payments compared to the disclosures as of 31 December 2020.



With regard to the current provisions of EUR 175 thousand for legal costs recognised as of 31 December 2020, there have been no changes compared to the disclosures as of 31 December 2020.

Provisions developed as follows in the first half of 2020:

EUR thousand	Carrying amount 1 Jan 2020	Addi- tions	Effects from interest	Reversal	Usage	Carrying amount 30 Jun 2020
Expected customer returns	433	263	0	0	-433	263
Obligations arising from non-cancellable contracts, severance payments as well as other obligations in connection with the closure of the location in Rome	792	0	0	0	-560	232
In terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK	175	0	0	0	-54	121
Current provisions	1,400	263	0	0	-1,047	615
In terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK	4,528	0	18	0	0	4,545
Non-current provisions	4,528	0	18	0	0	4,545
Provisions	5,928	263	18	0	-1,047	5,160

For further information, please refer to sections [A.: Discontinued operations of the elumeo Group] and [F. Significant discretionary decisions, estimates and assumptions] of the Notes to the 2020 Consolidated Financial Statements.

(19) Tax liabilities

Since 31 December 2017, the elumeo Group has reported accrued tax liabilities for potential income tax risks relating to financial years 2014 and 2015 in connection with an external tax audit at the subsidiary in Italy. A dispute resolution procedure (EU Arbitration Convention) was initiated regarding the results of the external audit. The outcome remains unclear. The elumeo Group assumes that the tax liabilities are still generally due within one year.

(20) Other liabilities

Other liabilities as of the respective reporting date are as follows:



EUR thousand % of revenue	30 Jun 2021		31 Dec 2020		Delta in %
Liabilities from value added tax	650	2.9%	742	3.5%	-12.4%
Liabilities to employees	506	2.3%	165	0.8%	207.3%
Debtors with credit balances	497	2.3%	501	2.4%	-0.7%
Other accrued liabilities	172	0.8%	491	2.3%	-64.9%
Current other non-financial liabilities	1,825	8.3%	1,899	9.0%	-3.9%
Other accrued liabilities	25	0.1%	25	0.1%	0.0%
Non-current other non-financial liabilities	25	0.1%	25	0.1%	0.0%
Other non-financial liabilities	1,850	8.4%	1,924	9.1%	-3.8%

Liabilities to employees as of 30 June 2021 mainly include annual leave entitlements.

(21) Notes to the Consolidated Statement of Cash Flows

General information

The Consolidated Statement of Cash Flows was prepared in accordance with IAS 7 *Cash Flow Statement* and shows the change in the elumeo Group's cash and cash equivalents over the course of the reporting period as a result of cash inflows and outflows.

In accordance with IAS 7, cash flows are reported separately according to origin and use from operating activities as well as from investing and financing activities. Cash inflows and outflows from operating activities are derived indirectly from earnings before taxes (EBT). Cash inflows and outflows from investing and financing activities are determined directly. Cash and cash equivalents include bank balances.

Cash flow from investing activities in the first half of 2021 totalled EUR 1,617 thousand (H1 2020: EUR 1,049 thousand). The positive cash flow from operating activities in the first half of 2021 includes a cash inflow from improved earnings before taxes (EBT) and depreciation and amortisation of EUR 482 thousand.

Cash flow from investing activities amounted to EUR -177 thousand in the first half of 2021 (H1 2020: EUR -114 thousand).

Cash flow from financing activities is made up of other financial liabilities of EUR -196 thousand (H1 2020: EUR -158 thousand) (mainly leasing liabilities). The payments for leasing liabilities relate to leasing liabilities from rights of use from real estate contracts in the amount of EUR -197 thousand (H1 2020: EUR -203 thousand including the site in Rome) and leasing liabilities for technical equipment in the amount of EUR 0 thousand (previous year: EUR -137 thousand).

Cash and cash equivalents as of 30 June 2021 result from the active inventory items of freely available cash and cash equivalents. As of the balance sheet date, there are no negative components of cash and cash equivalents in the form of short-term overdrafts.



Changes in liabilities from financing activities

	Carrying amount 01 Jan 2021	Cashflow from financing activities	Re- classification	Carrying amount 30 Jun 2021
EUR thousand				
Current other financial liabilities	389	-191	170	368
Non-current operating lease liabilities	2,413	-5	-191	2,217
Total liabilities from financing activities	2,802	-196	-21	2,585

Changes in liabilities from financing activities developed as follows in the first half of 2020:

	Carrying amount 1 Jan 2020	Cash flow from financing activities	Additions (non-cash)	Reclassi- fications and Others	Carrying amount 30 Jun 2020
EUR thousand					
Current other financial liabilities (excluding following item)	4	-3	0	0	1
Current portion of non-current lease liabilities (right of use)	316	-156	0	177	337
Non-current lease liabilities (right of use)	2,596	0	0	-177	2,419
Current financial debt (excluding following item)	1	0	0	-1	0
Current loans and current portion of non-current loans	446	-446	0	0	0
Total liabilities from financing activities	3,362	-605	0	-1	2,757

Currency translation differences from the translation of financial statements prepared in foreign currencies are recognised under the item *exchange rate changes (other comprehensive income)*. The changes in liabilities from financing activities do not include any amounts from exchange rate changes recognised in profit or loss in the Consolidated Statement of Income.



The item *Reclassifications and other* includes the effects from the reclassification of non-current components of other financial liabilities (lease liabilities) to current liabilities.

(22) Further disclosures on financial instruments

Disclosure of fair values of financial instruments according to IFRS 9

All financial assets and financial liabilities are allocated to the category "At amortised cost." The carrying amounts correspond to the fair values.

Measurement hierarchy according to IFRS 13

With regard to the determination of the fair values of the elumeo Group's financial instruments that are not measured at fair value in the Consolidated Statement of Financial Position but whose fair value is disclosed in the notes, there were no reclassifications between the IFRS 13 measurement hierarchies in the first half of 2021.

(23) Segment Reporting

Presentation of segments

Segment reporting is basically in accordance with internal reporting and internal management criteria. The previous segments have now been bundled into one segment.

Definition of the segment result

To achieve further future growth, the symbiosis of the different distribution channels TV, web and mobile is a crucial strategic building block. These are managed as one unit due to their interdependence. In November 2019, the Executive Board decided to close the site in Rome; since then, the Italian subsidiary has had no operational business. The strategic and operational site functions are thus combined in Berlin, and the previous segments have been bundled into one segment.

With regard to the internal management and external communication of the current and future development of earnings, the sustainable earning power of the elumeo Group's operating business is of particular importance. For this reason, earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA – previously segment EBITDA) serves as the main financial indicator for mapping and managing the operating earnings situation. To calculate adjusted EBITDA, EBITDA before special items is adjusted for non-recurring and/or non-operating (special) items by type and amount. Adjusted EBITDA is calculated by adjusting EBITDA before special items for non-recurring and/or non-operating (special) items of a non-recurring nature and amount. Adjusted EBITDA improved from EUR -0.7 million in the first half of 2020 to EUR 1.8 million in the first half of 2021. Adjusted EBITDA improved from EUR 0.4 million in the first quarter of 2020 to EUR 0.8 million in the first quarter of 2021, mainly taking into account out-of-period expenses for marketing costs in the second quarter 2021.



(24) Related party disclosures

The elumeo Group identifies the group of related parties in accordance with IAS 24 *Related Party Disclosures*. For further information on the identified group of significant related parties, please refer to the Notes to the 2020 Consolidated Financial Statements.

The following material transactions were conducted with related parties in the first half of 2021:

- The elumeo Group reports expenses of EUR 55 thousand (H1 2020: EUR 55 thousand) for TV broadcasting services from Spreekanal Berlin GmbH, Berlin, Germany ("Spreekanal GmbH") under selling expenses. 100.0% of the shares in Spreekanal GmbH are held by UV Interactive Services GmbH, Berlin, Germany ("UVIS"). In turn, 100.0% of the shares in UVIS are held by Mr. Wolfgang Boyé.

Income of EUR 5 thousand was also generated from the provision of supporting broadcasting processing services for Spreekanal GmbH (H1 2020: EUR 5 thousand).

As of 30 June 2021, the elumeo Group has receivables from Spreekanal GmbH of EUR 0 (31 December 2020: EUR 2 thousand).

- In financial years 2015 to 2019, a total of 99,000 option rights (30 June 2020: 97,000 option rights) from the 2015 SOP were granted to Managing Directors. The fair value of the 82,750 option rights outstanding as of 30 June 2021 amounts to EUR 250 thousand (30 June 2020: 82,250 option rights at a fair value of EUR 249 thousand). Of this amount, EUR 5 thousand (H1 2020: EUR 8 thousand) was recognised as an expense in the Consolidated Statement of Income under administrative expenses in the first half of 2021.
- As part of the legal disputes in connection with the discontinued PWK business division, selected members of the Executive Board and Managing Directors incurred further legal fees in the first half of 2021. These were borne by elumeo SE.

Executive Board and Managing Directors

The following changes have taken place in the Executive Board or the Managing Directors who are not also members of the Executive Board since 31 December 2020 up to the publication of the Interim Consolidated Financial Statements:

- Effective 25 June 2021, Mrs. Claudia Erning was elected a member of the Executive Board at the Annual General Meeting in Berlin.



Reportable securities transactions pursuant to Article 19 MAR

The members of the Executive Board and Managing Directors who are not also members of the Executive Board, as well as persons closely associated with them pursuant to Article 19 MAR, are obliged to send notification on transactions involving shares in elumeo SE (so-called Managers' Transactions) to the Federal Financial Supervisory Authority and elumeo SE. elumeo SE is obliged to publish these transactions immediately after notification.

For information on Managers' Transactions, please refer to the publications on the Company's website at <http://www.elumeo.com/investor-relations/aktuelle-mitteilungen/directors-dealings>.

(25) Other financial obligations

The elumeo Group has payment obligations from non-cancellable contractual agreements for the distribution and broadcasting of its television programmes or the management of programme slots. As of 30 June 2021, the contracts have remaining terms of less than one year to slightly more than 5.80 years (previous year: less than one year to slightly more than 6.50 years). They partly include extension options, termination rights as well as price adjustment clauses.

The other financial obligations have not changed significantly compared to 31 December 2020, taking into account the extrapolation (i.e. pro rata reduction) of the contractual obligations to the reporting date. In the first half of 2021, no new contractual agreements were made that have a material impact on the other financial obligations.

(26) Events after the balance sheet date

There were no events of particular significance after the reporting date that have a material impact on the elumeo Group's net assets, financial position and results of operations.





V. ASSURANCE OF THE LEGAL REPRESENTATIVES

Declaration pursuant to §37v para. 2 no. 3 WpHG

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the Interim Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the elumeo Group in accordance with German accepted accounting principles, and the Interim Management Report of the Group includes a fair review of the development and performance of the business and the position of the elumeo Group, together with a description of the principal opportunities and risks associated with the expected development of the elumeo Group for the remaining months of the financial year."

Berlin, 13 August 2021

elumeo SE

The Executive Managing Directors

Dr. Riad Nourallah

Boris Kirn

Florian Spatz

