

# elumeo

Half-year financial report  
H1/2020



## KEY FIGURES

| EUR thousand<br>[unless indicated otherwise]                                  | H1 2020              | H1 2019<br>*restated | QoQ<br>in % | Q2 2020             | Q2 2019<br>*restated | QoQ<br>in % |
|---|----------------------|----------------------|-------------|---------------------|----------------------|-------------|
| <b>Revenue</b>  | <b>19,986</b> 120.3% | <b>23,262</b> 194.5% | -14.1%      | <b>9,656</b> 58.1%  | <b>11,302</b> 94.5%  | -14.6%      |
| <u>Product revenue by regions</u><br>[absolutely and in % of product revenue] |                      |                      |             |                     |                      |             |
| Germany   | <b>19,977</b> 100.0% | <b>19,913</b> 85.6%  | 0.3%        | <b>9,657</b> 100.0% | <b>9,814</b> 86.8%   | -1.6%       |
| Italy   | <b>-9</b> 0.0%       | <b>3,349</b> 14.4%   | -100.3%     | <b>-1</b> 0.0%      | <b>1,488</b> 13.2%   | -100.1%     |
| Other countries   | <b>0</b> 0.0%        | <b>6</b> 0.0%        | -100.0%     | <b>0</b> 0.0%       | <b>6</b> 0.1%        | -100.0%     |
| [The following disclosures represent:<br>absolute values and in % of revenue] |                      |                      |             |                     |                      |             |
| <b>Gross profit</b>   | <b>10,127</b> 50.7%  | <b>10,080</b> 43.3%  | 0.5%        | <b>5,492</b> 56.9%  | <b>5,132</b> 45.4%   | 7.0%        |
| <b>Total Segment EBITDA</b>   | <b>-708</b> -3.5%    | <b>-1,809</b> -7.8%  | 60.9%       | <b>374</b> 3.9%     | <b>-440</b> -3.9%    | 184.8%      |
| Depreciation and amortisation   | 472 2.4%             | 628 2.7%             | -24.8%      | 233 2.4%            | 310 2.7%             | -24.8%      |
| <b>Total segment EBIT</b>   | <b>-1,180</b> -5.9%  | <b>-2,436</b> -10.5% | 51.6%       | <b>140</b> 1.5%     | <b>-750</b> -6.6%    | 118.7%      |
| <b>Total comprehensive income</b>   | <b>-1,269</b> -6.4%  | <b>-2,158</b> -9.3%  | 41.2%       | <b>72</b> 0.7%      | <b>-1,123</b> -9.9%  | 106.4%      |
| <b>Selling and administrative expenses</b>                                    | <b>11,363</b> 56.9%  | <b>12,576</b> 54.1%  | -9.6%       | <b>5,365</b> 55.6%  | <b>5,908</b> 52.3%   | -9.2%       |
| [absolutely and in % of balance sheet total]                                  |                      |                      |             |                     |                      |             |
| <b>Total assets<sup>1</sup></b>   | <b>20,364</b> 100.0% | <b>21,583</b> 100.0% | -5.6%       |                     |                      |             |
| <b>Total equity<sup>1</sup></b>   | <b>2,862</b> 14.1%   | <b>4,118</b> 19.1%   | -30.5%      |                     |                      |             |
| [absolutely and in % of balance sheet total]                                  |                      |                      |             |                     |                      |             |
| <b>Working capital<sup>1</sup></b>  | <b>3,951</b> 19.4%   | <b>5,867</b> 27.2%   | -32.7%      |                     |                      |             |
| [absolutely and in % of balance sheet total]                                  |                      |                      |             |                     |                      |             |
| <sup>1</sup> Prior year disclosure: 31 Dec 2017                               |                      |                      |             |                     |                      |             |
| [The following disclosures represent:<br>absolute values and in % of revenue] |                      |                      |             |                     |                      |             |
| <b>Net cash flow from operating activities</b>                                | <b>1,049</b> 5.2%    | <b>-160</b> -0.7%    | 753.7%      |                     |                      |             |
| <b>Net cash flow from investing activities</b>                                | <b>-114</b> -0.6%    | <b>-106</b> -0.5%    | -7.3%       |                     |                      |             |
| <b>Net cash flow from financing activities</b>                                | <b>-605</b> -3.0%    | <b>-1,541</b> -6.6%  | 60.8%       |                     |                      |             |
| Items sold [pieces]   | <b>255,305</b>       | <b>313,039</b>       | -18.4%      | <b>108,143</b>      | <b>149,520</b>       | -27.7%      |
| Average sales price (ASP) [EUR]   | <b>78</b>            | <b>74</b>            | 5.3%        | <b>89</b>           | <b>76</b>            | 18.1%       |
| Gross profit per item sold [EUR]  | <b>40</b>            | <b>32</b>            | 23.2%       | <b>51</b>           | <b>34</b>            | 48.0%       |
| <u>New customer breakdown (Germany only)</u>                                  |                      |                      |             |                     |                      |             |
| [in % of new customers]   |                      |                      |             |                     |                      |             |
| TV only   | <b>25%</b>           | <b>25%</b>           |             | <b>23%</b>          | <b>21%</b>           |             |
| Web only  | <b>64%</b>           | <b>58%</b>           |             | <b>65%</b>          | <b>64%</b>           |             |
| Others  | <b>12%</b>           | <b>17%</b>           |             | <b>11%</b>          | <b>15%</b>           |             |





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I. TO OUR SHAREHOLDERS

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## Letter from the Chairman of the Executive Board

Dear Shareholders,

Following the difficult first months of 2020 caused by the COVID-19 crisis, the elumeo Group managed to recover significantly in the following second quarter of 2020.

In order to take account of the poorer product supply due to the coronavirus, we shortened the daily live broadcasting time from 18 hours to 12 hours from 1 April 2020 and introduced short-time working throughout the Group in line with this. The cost reductions contributed significantly to the considerably improved earnings in the second quarter of 2020.

In addition, we were able to significantly improve the margin in the second quarter of 2020 as planned. We were thus able to close the quarter with a positive result. This means that we have been able to improve our results significantly compared to both the previous year and the previous quarter.

The web shop also contributed to the significant improvement in earnings by posting high growth rates. In the future as well, we will continue to launch initiatives aimed at boosting our revenue and raising awareness of the elumeo Group's brands in order to enable us to achieve profitable growth. This includes being able to broadcast more show programmes at the same time in different languages and expanding our activities in the areas of social media and mobile commerce.

We would like to thank you for placing your trust in our company and look forward to working with you on the path to a successful future.

In August 2020



Wolfgang Boyé  
(Chairman of the Executive Board)

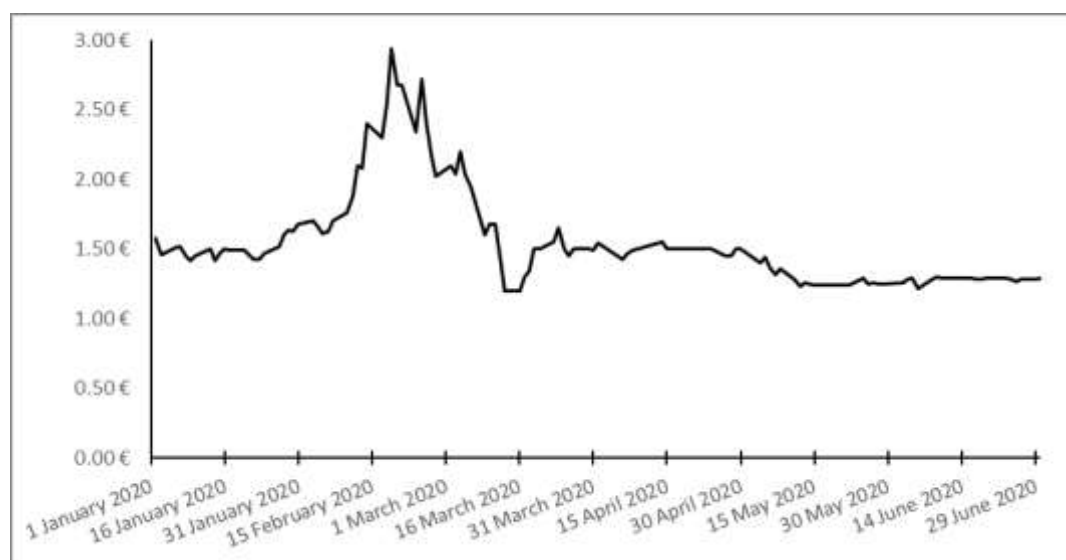


## Capital market information

Basic data and key figures on the share of elumeo SE  
(Status: 30 June 2020)

|  |                  |
|--|------------------|
| WKN  | A11Q05           |
| ISIN   | DE000A11Q059     |
| Earnings per share in the first half of 2020           | EUR -0.23        |
| Number of outstanding shares                           | 5,500,000        |
| Share price at the end of the reporting period (XETRA) | EUR 1.29         |
| Market capitalisation                                  | EUR 7.10 million |

Share price development (1 January to 30 June 2020: XETRA, in EUR)



Shareholder structure (Status: 30 June 2020)

| Shareholders of elumeo SE                 | Shareholding |
|---|--------------|
| 1. Blackflint Ltd.                        | 26.66%       |
| 2. Ottoman Strategy Holdings (Suisse) SA  | 26.43%       |
| 3. Universal-Investment-Luxembourg SA     | 7.93%        |
| 4. Heliad Equity Partners GmbH & Co. KGaA | 7.50%        |
| 5. Sycomore Asset Management SA           | 5.09%        |
| 6. Executive Board members                | 6.74%        |
| 7. Other free float                       | 19.65%       |





## II. INTERIM GROUP MANAGEMENT REPORT

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## Principles

The principles of the elumeo Group described in the Annual Report for financial year 2019 that ended on 31 December ("2019 Annual Report") continue to apply.

## Economic Report

### Macroeconomic environment in the first half of 2020

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

The effects of the COVID-19 pandemic are reflected in the overall economic development. Based on information from Eurostat, the gross domestic product (GDP) in the euro zone fell by 3.6% in the first quarter of 2020 compared to the previous quarter. The decline was 2.2% in Germany, which accounts for a significant share of sales revenues.

The government COVID-19 measures imposed worldwide lead to far-reaching restrictions in most areas of life and economic activity. The effects on trade must be considered in a differentiated manner. The elumeo Group was able to stabilise its business despite supply chain interruptions, particularly in the second quarter.

### Industry-specific conditions

The elumeo Group's most important direct sales channels include TV home shopping channels and online shops and apps for smartphones. A study conducted by the Society for the Promotion of Consumer Electronics in Germany (gfu) shows that smart TVs are becoming increasingly popular. According to the gfu, nearly half of German households now own an Internet-capable TV set. (2018: 46% and 2017: 42%). The use of smart functions is also increasing. After 56% in 2017 and 61% in 2018, around 67% of those surveyed said they would use smart functions in 2019. At 80%, the figure for the younger generation of 16 to 39-year-olds is significantly higher than the figure for those over 60 (56%).

Overall, the economic environment can be classified as at least volatile due to the COVID-19 pandemic.

We also refer to the disclosures in the 2019 Annual Report.

### Business development in the first half of 2020

For the elumeo Group, the first half of 2020 covers the period from 1 January to 30 June 2020 ("first half of 2020" or "the reporting period"). The first half of 2019 refers to the period from 1 January to 30 June 2019 ("first half of 2019" or "prior year period").

In the first half of 2020, the economic development of the elumeo Group was characterised by the following significant events:





While product supply from China initially came to a standstill, supplies from India have also become difficult in the meantime. This led to the first immediate loss of sales for Juwelo's "just-in-time" supply chain, especially in the first quarter of 2020. To take account of the poorer product supply, the daily live broadcasting time was shortened from 18 hours to 12 hours as of 1 April 2020 as a precautionary measure and, in line with this, short-time working was introduced throughout the Group.

Adjusted for the revenue from the closed site in Rome, there was a slight increase in revenue of 0.4%. The classic web shop is the main driver here, with sales in the second quarter of 2020 rising by a total of 53.2% to EUR 2.4 million. Gross profit increased by 70.2% to EUR 1.3 million (based on merchandise data). This strong growth is due to the measures already implemented in 2019, which include the provision of video material as well as optimisations in SEA and SEO marketing.

Adjusted again for the gross profits from the site in Rome that was closed, the margin increased by 20.0% QoQ in the second quarter of 2020. The rapid changeover of the supply chain due to the Coronavirus was a key success factor.

Selling expenses in the second quarter of 2020 fell by 8.3% compared to the previous year. Administrative expenses also decreased QoQ by 10.0%. The reductions are mainly due to the closure of the site in Rome, as well as the reduced airtime and the resulting cost reductions.

Overall, a total Group loss of EUR -1.3 million was achieved in the first half of 2020 after a loss of EUR -2.2 million in the first half of 2019. For the second quarter of 2020, the consolidated net result was positive at EUR 0.1 million.

The key financial indicator, **earnings before interest, taxes, depreciation and amortisation** adjusted for non-operating segment reconciliation items (**total segment EBITDA**), improved to EUR -0,4 million in the second quarter of 2020 after EUR -0.5 million in the second quarter of 2019 (first half of 2020: EUR -0.7 million, first half of 2019: EUR -1.8 million).

A detailed explanation of the various key financial figures can be found in the following sections *[Revenue and earnings position]*, *[Asset position]* and *[Financial position]*.



## Revenue and earnings position

|  | Note | Q2 2020      |              | Q2 2019<br>restated* |               | QoQ<br>in %   | 1 Jan -<br>30 June 2020 |              | 1 Jan -<br>30 June 2019<br>restated* |              | HoH<br>in %  |
|--|------|--------------|--------------|----------------------|---------------|---------------|-------------------------|--------------|--------------------------------------|--------------|--------------|
| EUR thousand   % of revenue                          |      |              |              |                      |               |               |                         |              |                                      |              |              |
| Revenue  | (4)  | 9,656        | 100.0%       | 11,302               | 100.0%        | -14.6%        | 19,986                  | 100.0%       | 23,262                               | 100.0%       | -14.1%       |
| Cost of goods sold                                   | (5)  | 4,164        | 43.1%        | 6,171                | 54.6%         | -32.5%        | 9,859                   | 49.3%        | 13,182                               | 56.7%        | -25.2%       |
| <b>Gross profit</b>                                  |      | <b>5,492</b> | <b>56.9%</b> | <b>5,132</b>         | <b>45.4%</b>  | <b>7.0%</b>   | <b>10,127</b>           | <b>50.7%</b> | <b>10,080</b>                        | <b>43.3%</b> | <b>0.5%</b>  |
| Selling expenses                                     | (6)  | 3,851        | 39.9%        | 4,200                | 37.2%         | -8.3%         | 8,205                   | 41.1%        | 9,121                                | 39.2%        | -10.0%       |
| Administrative expenses                              | (7)  | 1,514        | 15.7%        | 1,708                | 15.1%         | -11.3%        | 3,159                   | 15.8%        | 3,455                                | 14.9%        | -8.6%        |
| Other operating income                               | (8)  | -40          | -0.4%        | -41                  | -0.4%         | 4.6%          | 43                      | 0.2%         | 760                                  | 3.3%         | -94.3%       |
| Other operating expenses                             | (9)  | 4            | 0.0%         | 251                  | 2.2%          | -98.4%        | 4                       | 0.0%         | 275                                  | 1.2%         | -98.5%       |
| <b>Earnings before<br/>interest and taxes (EBIT)</b> |      | <b>83</b>    | <b>0.9%</b>  | <b>-1,068</b>        | <b>-9.4%</b>  | <b>107.8%</b> | <b>-1,197</b>           | <b>-6.0%</b> | <b>-2,011</b>                        | <b>-8.6%</b> | <b>40.5%</b> |
| Interest income                                      |      | 0            | 0.0%         | 0                    | 0.0%          | -96.6%        | 0                       | 0.0%         | 0                                    | 0.0%         | -93.2%       |
| Interest and similar expenses                        |      | -33          | -0.3%        | -67                  | -0.6%         | 50.3%         | -73                     | -0.4%        | -143                                 | -0.6%        | 48.7%        |
| Financial result                                     | (10) | -33          | -0.3%        | -67                  | -0.6%         | 50.3%         | -73                     | -0.4%        | -143                                 | -0.6%        | 48.7%        |
| <b>Earnings before income taxes (EBT)</b>            |      | <b>50</b>    | <b>0.5%</b>  | <b>-1,135</b>        | <b>-10.0%</b> | <b>104.4%</b> | <b>-1,270</b>           | <b>-6.4%</b> | <b>-2,153</b>                        | <b>-9.3%</b> | <b>41.0%</b> |
| Income tax   |      | 0            | 0.0%         | 0                    | 0.0%          | n.a.          | 0                       | 0.0%         | 0                                    | 0.0%         | n.a.         |
| <b>Earnings for the period</b>                       |      | <b>50</b>    | <b>0.5%</b>  | <b>-1,135</b>        | <b>-10.0%</b> | <b>104.4%</b> | <b>-1,270</b>           | <b>-6.4%</b> | <b>-2,153</b>                        | <b>-9.3%</b> | <b>41.0%</b> |

**Selling expenses** decreased considerably to EUR 0.9 million in the first half of 2020 compared to the first half of 2019. While range costs increased slightly year-on-year, other selling expenses were significantly lower. On the one hand, this is due to the discontinuation of the site in Rome. On the other hand, due to the reduction in airtime and the associated cost reductions and short-time working, in the second quarter of 2020 in particular.

**Administrative expenses** mainly consist of personnel expenses and other material costs. Administrative expenses fell slightly compared to the previous year partly due to reduced expenses for legal and consulting fees.

Due to the specific development of the exchange rates for foreign currencies on the balance sheet date, the income contained in **other operating income** is reversed in full or in part in the second quarter, resulting in negative amounts for net income from currency translation in the second quarters of 2020 and 2019.

**Other operating expenses** in the first half of 2020 mainly include net losses from currency translation. In addition, income of EUR 0.7 million from the derecognition of assets and liabilities of the UK subsidiaries is included in the first half of 2019.

Overall, the **result from operating activities (EBIT)** improved to EUR +0.1 million in the second half of 2020 compared to EUR -1.1 million in the second half of 2019. (first half of 2020: EUR -1.2 million; first half of 2019: EUR -2.0 million).



**Earnings per share** were EUR +0.23 in the first half of 2020 (first half of 2019: EUR -0.39). **Total consolidated income** improved in the first half of 2020 to EUR -1.3 million after EUR -2.2 million in the first half of 2019.

## Asset position

| <b>ASSETS</b>                           |      |               |               |               |               |              |
|---|------|---------------|---------------|---------------|---------------|--------------|
| EUR thousand   % of balance sheet total | Note | 30 Jun 2020   |               | 31 Dec 2019   |               | Change in %  |
| <b>Non-current assets</b>               |      |               |               |               |               |              |
| Intangible assets                       | (13) | 468           | 2.3%          | 480           | 2.2%          | -2.4%        |
| Property, plant and equipment           | (13) | 4,137         | 20.3%         | 4,483         | 20.8%         | -7.7%        |
| Other financial assets                  | (15) | 177           | 0.9%          | 177           | 0.8%          | -0.2%        |
| Other non-financial assets              | (16) | 247           | 1.2%          | 247           | 1.1%          | 0.0%         |
| <b>Total non-current assets</b>         |      | <b>5,028</b>  | <b>24.7%</b>  | <b>5,386</b>  | <b>25.0%</b>  | <b>-6.6%</b> |
| <b>Current assets</b>                   |      |               |               |               |               |              |
| Inventories                             | (14) | 12,040        | 59.1%         | 13,392        | 62.0%         | -10.1%       |
| Trade receivables                       |      | 1,013         | 5.0%          | 1,398         | 6.5%          | -27.6%       |
| Receivables due from related parties    |      | 2             | 0.0%          | 1             | 0.0%          | 102.3%       |
| Other financial assets                  | (15) | 142           | 0.7%          | 198           | 0.9%          | -28.1%       |
| Other non-financial assets              | (16) | 929           | 4.6%          | 328           | 1.5%          | 183.3%       |
| Cash and cash equivalents               |      | 1,211         | 5.9%          | 880           | 4.1%          | 37.6%        |
| <b>Total current assets</b>             |      | <b>15,336</b> | <b>75.3%</b>  | <b>16,197</b> | <b>75.0%</b>  | <b>-5.3%</b> |
| <b>Total assets</b>                     |      | <b>20,364</b> | <b>100.0%</b> | <b>21,583</b> | <b>100.0%</b> | <b>-5.6%</b> |

**Total assets** decreased to EUR 20.4 million as of 30 June 2020 (31 December 2019 EUR 21.6 million)

**Current assets** decreased mainly due to reduced inventories and declining trade receivables.



**EQUITY & LIABILITIES**

| EUR thousand   % of balance sheet total          | Note | 30 Jun 2020   |               | 31 Dec 2019   |               | Change<br>in % |
|--|------|---------------|---------------|---------------|---------------|----------------|
| <b>Equity</b>                                    |      |               |               |               |               |                |
| Issued capital                                   |      | 5,500         | 27.0%         | 5,500         | 25.5%         | 0.0%           |
| Capital reserve                                  |      | 34,436        | 169.1%        | 34,423        | 159.5%        | 0.0%           |
| Accumulated losses                               |      | -39,233       | -192.7%       | -37,963       | -175.9%       | -3.3%          |
| Foreign currency translation reserve             |      | 2,159         | 10.6%         | 2,159         | 10.0%         | 0.0%           |
| <b>Total equity</b>                              | (17) | <b>2,862</b>  | <b>14.1%</b>  | <b>4,118</b>  | <b>19.1%</b>  | <b>-30.5%</b>  |
| <i>Attributable to shareholders of elumeo SE</i> |      |               |               |               |               |                |
|  |      | <i>2,862</i>  | <i>14.1%</i>  | <i>4,118</i>  | <i>19.1%</i>  | <i>-30.5%</i>  |
| <b>Non-current liabilities</b>                   |      |               |               |               |               |                |
| Other financial liabilities                      | (19) | 2,419         | 11.9%         | 2,596         | 12.0%         | -6.8%          |
| Provisions                                       | (20) | 4,545         | 22.3%         | 4,528         | 21.0%         | 0.4%           |
| Other non-financial liabilities                  | (22) | 25            | 0.1%          | 25            | 0.1%          | 0.0%           |
| <b>Total non-current liabilities</b>             |      | <b>6,989</b>  | <b>34.3%</b>  | <b>7,148</b>  | <b>33.1%</b>  | <b>-2.2%</b>   |
| <b>Current liabilities</b>                       |      |               |               |               |               |                |
| Financial debt                                   | (18) | 0             | 0.0%          | 447           | 2.1%          | -100.0%        |
| Other financial liabilities                      | (19) | 338           | 1.7%          | 319           | 1.5%          | 5.8%           |
| Provisions                                       | (20) | 615           | 3.0%          | 1,400         | 6.5%          | -56.1%         |
| Liabilities due to related parties               |      | 0             | 0.0%          | 43            | 0.2%          | -100.0%        |
| Trade payables                                   |      | 6,534         | 32.1%         | 5,639         | 26.1%         | 15.9%          |
| Advance payments received                        |      | 238           | 1.2%          | 248           | 1.1%          | -4.3%          |
| Tax liabilities                                  | (21) | 100           | 0.5%          | 100           | 0.5%          | 0.0%           |
| Other non-financial liabilities                  | (22) | 2,688         | 13.2%         | 2,119         | 9.8%          | 26.8%          |
| <b>Total current liabilities</b>                 |      | <b>10,513</b> | <b>51.6%</b>  | <b>10,316</b> | <b>47.8%</b>  | <b>1.9%</b>    |
| <b>Total equity &amp; liabilities</b>            |      | <b>20,364</b> | <b>100.0%</b> | <b>21,583</b> | <b>100.0%</b> | <b>-5.6%</b>   |

On the liabilities side of the balance sheet, **equity** decreased as of 30 June 2020 due to the negative result after income taxes. The equity ratio as of 30 June 2020 was around 14.1% of total assets, compared to 19.1% as of 31 December 2019.

**Non-current liabilities** essentially remained unchanged.

**Current liabilities** have not changed significantly overall. Compared to 31 December 2019, however, financial liabilities declined due to the repayment of loan liabilities. The lower provisions mainly relate to those in connection with the closure of the site in Rome. Trade payables increased due to higher merchandise purchases in the second quarter of 2020. Other liabilities include deferred social security contributions, among other things, and were also higher as a result of this compared to 31 December 2019. In accordance with the agreement, social security contributions are repaid in approx. 12 instalments of approx. EUR 34 thousand each.



## Financial position

**Net cash flow from operating activities** in the first half of 2020 totalled EUR +1.1 million (first half of 2019: EUR -0.2 million). In addition to an improved result, improved working capital also contributed significantly to this result.

**Net cash flow from investing activities** showed only a low cash outflow due to the low level of investment activities.

**Net cash flow from financing activities** amounted to around EUR -0.6 million in the first half of 2020 (first half of 2019: EUR -1.5 million) and mainly relates to the agreed repayment of Berliner Sparkasse's loan liabilities.

As of 30 June 2020, the elumeo Group had **cash and cash equivalents** (cash in hand and sight deposits with banks) of EUR 1.2 million (31 December 2019: EUR 0.9 million).

## Segment Reporting

With regard to internal management and external communication of current and future earnings trends, the sustained profitability of the elumeo Group's operating business is of particular importance. Therefore, earnings before interest, taxes, depreciation and amortisation (segment EBITDA) adjusted for non-operating special factors serves as the key financial indicator for the presentation and control of the operating earnings situation. To calculate segment EBITDA before special items, EBITDA before special items is adjusted for non-recurring and/or non-operating (special) items by type and amount. Non-operating items are deferred for each item in the Consolidated Statement of Income.

Segment reporting follows the internal reporting structures and internal control criteria and complies with IFRS accounting principles.

### Segment Continuing Operations

The segment Continuing operations consists of the sales division and Group functions & eliminations.

While sales revenues of the sales division were still declining by quarterly comparison (-14.6% QoQ), the gross profit margin has already developed positively (first quarter of 2020: 56.9%, first quarter of 2019: 45.4%).

As a result of the extensive cost reduction measures and the improved margin, total segment EBITDA already showed a clearly positive development in both the second quarter of 2020 and the first half of 2020. Total segment EBITDA improved by EUR +1.1 million to EUR -0.7 million in the first half of 2020 and by EUR +0.8 million to EUR +0.4 million in the second quarter of 2020.



The closure of the site in Rome resulted in the following development:

| IFRS 8: Segment information<br>H1 2020 versus H1 2019 | H1 2020   |   |   | H1 2019   |   |   |
|---|---|---|---|---|---|---|
|   | Segment-<br>information<br>(without<br>branch Rome) | <i>Local<br/>sales<br/>division<br/>Italy<br/>(closure)</i> | Segment-<br>information<br>(Continuing<br>Operations) | Segment-<br>information<br>(without<br>branch Rome) | <i>Local<br/>sales<br/>division<br/>Italy<br/>(closure)</i> | Segment-<br>information<br>(Continuing<br>Operations) |
| <b>In thousand EUR</b>                                |   |   |   |   |   |   |
| Revenue   | 19,995 100.0%                                       | -9  | 19,986 100.0%   | 19,913 100.0%                                       | 3,349   | 23,262 100.0%   |
| Cost of goods sold                                    | 9,874 49.4%   | -16   | 9,859 49.3%   | 11,209 56.3%  | 1,973   | 13,182 56.7%  |
| <b>Gross profit</b>                                   | <b>10,121 50.6%</b>                                 | <b>7</b>  | <b>10,127 50.7%</b>                                   | <b>8,704 43.7%</b>                                  | <b>1,376</b>  | <b>10,080 43.3%</b>                                   |
| Selling expenses                                      | 8,181 40.9%   | 24  | 8,205 41.1%   | 7,034 35.3%   | 2,087   | 9,121 39.2%   |
| Administrative expenses                               | 3,003 15.0%   | 143   | 3,146 15.7%   | 3,002 15.1%   | 424   | 3,425 14.7%   |
| Other operating income                                | 43 0.2%   | 0   | 43 0.2%   | 16 0.1%   | 73  | 29 0.1%   |
| <b>Segment EBIT</b>                                   | <b>-1,020 -5.1%</b>                                 | <b>-159</b>   | <b>-1,180 -5.9%</b>                                   | <b>-1,315 -6.6%</b>                                 | <b>-1,121</b>   | <b>-2,436 -10.5%</b>                                  |
| Financial result                                      | -56 -0.3%   | 0   | -56 -0.3%   | -99 -0.5%   | -79   | -118 -0.5%  |
| <b>Earnings for the period</b>                        | <b>-1,076 -5.4%</b>                                 | <b>-159</b>   | <b>-1,235 -6.2%</b>                                   | <b>-1,414 -7.1%</b>                                 | <b>-1,140</b>   | <b>-2,554 -11.0%</b>                                  |
| Depreciation and amortization                         | 472 2.4%  | 0   | 472 2.4%  | 445 2.2%  | 183   | 628 2.7%  |
| <b>Segment EBITDA</b>                                 | <b>-548 -2.7%</b>                                   | <b>-159</b>   | <b>-708 -3.5%</b>                                     | <b>-870 -4.4%</b>                                   | <b>-939</b>   | <b>-1,809 -7.8%</b>                                   |

Sales in Germany and Other (excluding the site in Rome) increased slightly and gross profit significantly compared to the previous period (margin in the first half of 2020: 50.6%; in the first half of 2019: 43.7%). Total segment EBITDA improved from EUR -0.9 million in the first half of 2019 to EUR -0.5 million in the first half of 2020.

## Supplementary Report

No events of particular significance have occurred since 30 June 2020.

## Opportunity and Risk Report

The elumeo Group presents its risk management system in detail in its 2019 Annual Report. The Executive Board is not currently aware of any significant changes to the risks and opportunities for the elumeo Group that are described in detail in the Annual Report.

## Forecast Report

The effects of the COVID-19 crisis have prevented elumeo from achieving its original targets for the first half of 2020. This was due in particular to delays in delivery in the supply chain managed by elumeo on a just-in-time basis.

As a result, elumeo took extensive countermeasures at the beginning of March. The supply chains were reorganised, home offices were introduced where possible and from 1 April 2020 and the daily live broadcasting time was reduced from 18 to 12 hours. We also introduced short-time working throughout the Group.



This has led to significant cost savings since April. The reduction in airtime was well received by our customers. In the second quarter of 2020, elumeo was able to significantly reduce operating costs and significantly improve its margin, both compared to the previous quarter and to the previous year, thanks to the far-reaching measures taken. The web shop in particular developed well above expectations and made a significant contribution to improving operating performance.

With regard to the forecast compared to the previous year, we refer to the segments Sales Germany and Other as well as Group Functions & Eliminations, **excluding** the closed site in Rome.

elumeo had refined the outlook for the full year in the quarterly announcement for the first quarter of 2020 and had already slightly raised the forecast from the 2019 annual financial statements. Based on the development in the second quarter of 2020, elumeo continues to assume that revenue will grow in the low single-digit percentage range compared to the previous year. At the same time, gross profit is still expected to grow in the low double-digit % range. Despite the positive development in the second quarter of 2020, elumeo is sticking to its previous forecast that earnings will only improve slightly compared to the previous year (total segment EBITDA in 2019: EUR -2.1 million). The targeted break-even result is subject to great forecast uncertainty due to the still volatile economic situation caused by the COVID-19 crisis. In particular, if significant difficulties were to arise for the "just-in-time" supply chain, this could impair the further positive development of margins and earnings

With regard to operating costs, elumeo does not expect any significant change in costs. In total, elumeo now expects that the result will improve significantly compared to the previous year (total segment EBITDA 2019: EUR -2.1 million) and will be around break-even.

This forecast is based on the following assumptions: Firstly, elumeo assumes that the measures taken by the Federal Government to overcome the COVID-19 crisis, in particular those relating to short-time working, will be maintained in the form currently adopted. Secondly, it is of great importance that elumeo is able to successfully manage its reconfigured supply chain in its current form and that no further deterioration occurs. Thirdly, the forecast is based on the assumption that the good demand from customers will remain stable. We cannot rule out the possibility that the ongoing COVID-19 crisis could lead to further massive bottlenecks in product supply, which would jeopardise a balanced result (total segment EBITDA).

In order to be able to guarantee the solvency of the Group at all times, it will be necessary to reduce the inventories owned by the elumeo Group in 2020, depending on the course of business. With the corresponding options for reducing inventories, the elumeo Group can react flexibly and at short notice to further economic developments. In this context, the Executive Board of the elumeo Group has drawn up various scenarios and has sufficient liquidity in all scenarios to service due liabilities in the financial years 2020 and 2021.





### III. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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## Consolidated Statement of Income (unaudited)

for the period from 1 April to 30 June 2020 (Q2 2020) and for the period from 1 January to 30 June 2020

|  | Note | Q2 2020      |              | Q2 2019<br>restated* |               | QoQ<br>in %   | 1 Jan -<br>30 June 2020 |              | 1 Jan -<br>30 June 2019<br>restated* |              | HoH<br>in %  |
|--|------|--------------|--------------|----------------------|---------------|---------------|-------------------------|--------------|--------------------------------------|--------------|--------------|
| EUR thousand   % of revenue                              |      |              |              |                      |               |               |                         |              |                                      |              |              |
| Revenue  | (4)  | 9,656        | 100.0%       | 11,302               | 100.0%        | -14.6%        | 19,986                  | 100.0%       | 23,262                               | 100.0%       | -14.1%       |
| Cost of goods sold                                       | (5)  | 4,164        | 43.1%        | 6,171                | 54.6%         | -32.5%        | 9,859                   | 49.3%        | 13,182                               | 56.7%        | -25.2%       |
| <b>Gross profit</b>                                      |      | <b>5,492</b> | <b>56.9%</b> | <b>5,132</b>         | <b>45.4%</b>  | <b>7.0%</b>   | <b>10,127</b>           | <b>50.7%</b> | <b>10,080</b>                        | <b>43.3%</b> | <b>0.5%</b>  |
| Selling expenses   | (6)  | 3,851        | 39.9%        | 4,200                | 37.2%         | -8.3%         | 8,205                   | 41.1%        | 9,121                                | 39.2%        | -10.0%       |
| Administrative expenses                                  | (7)  | 1,514        | 15.7%        | 1,708                | 15.1%         | -11.3%        | 3,159                   | 15.8%        | 3,455                                | 14.9%        | -8.6%        |
| Other operating income                                   | (8)  | -40          | -0.4%        | -41                  | -0.4%         | 4.6%          | 43                      | 0.2%         | 760                                  | 3.3%         | -94.3%       |
| Other operating expenses                                 | (9)  | 4            | 0.0%         | 251                  | 2.2%          | -98.4%        | 4                       | 0.0%         | 275                                  | 1.2%         | -98.5%       |
| <b>Earnings before<br/>Interest and taxes (EBIT)</b>     |      | <b>83</b>    | <b>0.9%</b>  | <b>-1,068</b>        | <b>-9.4%</b>  | <b>107.8%</b> | <b>-1,197</b>           | <b>-6.0%</b> | <b>-2,011</b>                        | <b>-8.6%</b> | <b>40.5%</b> |
| Interest income  |      | 0            | 0.0%         | 0                    | 0.0%          | -96.6%        | 0                       | 0.0%         | 0                                    | 0.0%         | -93.2%       |
| Interest and similar expenses                            |      | -33          | -0.3%        | -67                  | -0.6%         | 50.3%         | -73                     | -0.4%        | -143                                 | -0.6%        | 48.7%        |
| Financial result   | (10) | -33          | -0.3%        | -67                  | -0.6%         | 50.3%         | -73                     | -0.4%        | -143                                 | -0.6%        | 48.7%        |
| <b>Earnings before Income taxes (EBT)</b>                |      | <b>50</b>    | <b>0.5%</b>  | <b>-1,135</b>        | <b>-10.0%</b> | <b>104.4%</b> | <b>-1,270</b>           | <b>-6.4%</b> | <b>-2,153</b>                        | <b>-9.3%</b> | <b>41.0%</b> |
| Income tax   |      | 0            | 0.0%         | 0                    | 0.0%          | n.a.          | 0                       | 0.0%         | 0                                    | 0.0%         | n.a.         |
| <b>Earnings for the period</b>                           |      | <b>50</b>    | <b>0.5%</b>  | <b>-1,135</b>        | <b>-10.0%</b> | <b>104.4%</b> | <b>-1,270</b>           | <b>-6.4%</b> | <b>-2,153</b>                        | <b>-9.3%</b> | <b>41.0%</b> |
| <i>Earnings of shareholders of elumeo SE</i>             |      | <i>50</i>    | <i>0.5%</i>  | <i>-1,135</i>        | <i>-10.0%</i> | <i>104.4%</i> | <i>-1,270</i>           | <i>-6.4%</i> | <i>-2,153</i>                        | <i>-9.3%</i> | <i>41.0%</i> |
| <b>Earnings per share in EUR<br/>(basic and diluted)</b> | (12) | <b>0.01</b>  |              | <b>-0.21</b>         |               | <b>104.4%</b> | <b>-0.23</b>            |              | <b>-0.39</b>                         |              | <b>41.0%</b> |

\* Some of the amounts presented differ from the amounts in the Consolidated Interim Financial Statements for the first half of 2019 due to the adjustment of prior-year figures in connection with the discontinued operations PWK and the discontinued operation UK (see Note (1) Principles and methods | Adjustment of prior-year figures).



## Consolidated Statement of Comprehensive Income (unaudited)

for the period from 1 April to 30 June 2020 (Q2 2020) and for the period from 1 January to 30 June 2020

|  | Note | Q2 2020   |             | Q2 2019<br>restated* |               | QoQ<br>in %   | 1 Jan -<br>30 June 2020 |              | 1 Jan -<br>30 June 2019<br>restated* |              | HoH<br>in %   |
|--|------|-----------|-------------|----------------------|---------------|---------------|-------------------------|--------------|--------------------------------------|--------------|---------------|
| EUR thousand   % of revenue  |      |           |             |                      |               |               |                         |              |                                      |              |               |
| <b>Earnings for the period</b>   |      | <b>50</b> | <b>0.5%</b> | <b>-1,135</b>        | <b>-10.0%</b> | <b>104.4%</b> | <b>-1,270</b>           | <b>-6.4%</b> | <b>-2,153</b>                        | <b>-9.3%</b> | <b>41.0%</b>  |
| <i>Items which will be reclassified to the consolidated statement of income in subsequent periods:</i> |      |           |             |                      |               |               |                         |              |                                      |              |               |
| Differences from foreign currency translation of foreign subsidiaries                                  | (1)  | 22        | 0.2%        | 11                   | 0.1%          | 90.4%         | 0                       | 0.0%         | -5                                   | 0.0%         | 108.7%        |
| <b>Other comprehensive income</b>  |      | <b>22</b> | <b>0.2%</b> | <b>11</b>            | <b>0.1%</b>   | <b>90.4%</b>  | <b>0</b>                | <b>0.0%</b>  | <b>-5</b>                            | <b>0.0%</b>  | <b>108.7%</b> |
| <b>Total comprehensive income</b>  |      | <b>72</b> | <b>0.7%</b> | <b>-1,123</b>        | <b>-9.9%</b>  | <b>106.4%</b> | <b>-1,269</b>           | <b>-6.4%</b> | <b>-2,158</b>                        | <b>-9.3%</b> | <b>41.2%</b>  |
| <i>Total comprehensive income of shareholders of elumeo SE</i>   |      | <i>72</i> | <i>0.7%</i> | <i>-1,123</i>        | <i>-9.9%</i>  | <i>106.4%</i> | <i>-1,269</i>           | <i>-6.4%</i> | <i>-2,158</i>                        | <i>-9.3%</i> | <i>41.2%</i>  |

\* Some of the amounts presented differ from the amounts in the Consolidated Interim Financial Statements for the first half of 2019 due to the adjustment of prior-year figures in connection with the discontinued operations PWK and the discontinued operation UK (see Note (1) Principles and methods | Adjustment of prior-year figures).



## Consolidated Statement of Financial Position (unaudited)

as of 30 June 2020

### ASSETS

| EUR thousand   % of balance sheet total | Note | 30 Jun 2020   |               | 31 Dec 2019   |               | Change<br>in % |
|---|------|---------------|---------------|---------------|---------------|----------------|
| <b>Non-current assets</b>               |      |               |               |               |               |                |
| Intangible assets                       | (13) | 468           | 2.3%          | 480           | 2.2%          | -2.4%          |
| Property, plant and equipment           | (13) | 4,137         | 20.3%         | 4,483         | 20.8%         | -7.7%          |
| Other financial assets                  | (15) | 177           | 0.9%          | 177           | 0.8%          | -0.2%          |
| Other non-financial assets              | (16) | 247           | 1.2%          | 247           | 1.1%          | 0.0%           |
| <b>Total non-current assets</b>         |      | <b>5,028</b>  | <b>24.7%</b>  | <b>5,386</b>  | <b>25.0%</b>  | <b>-6.6%</b>   |
| <b>Current assets</b>                   |      |               |               |               |               |                |
| Inventories                             | (14) | 12,040        | 59.1%         | 13,392        | 62.0%         | -10.1%         |
| Trade receivables                       |      | 1,013         | 5.0%          | 1,398         | 6.5%          | -27.6%         |
| Receivables due from related parties    |      | 2             | 0.0%          | 1             | 0.0%          | 102.3%         |
| Other financial assets                  | (15) | 142           | 0.7%          | 198           | 0.9%          | -28.1%         |
| Other non-financial assets              | (16) | 929           | 4.6%          | 328           | 1.5%          | 183.3%         |
| Cash and cash equivalents               |      | 1,211         | 5.9%          | 880           | 4.1%          | 37.6%          |
| <b>Total current assets</b>             |      | <b>15,336</b> | <b>75.3%</b>  | <b>16,197</b> | <b>75.0%</b>  | <b>-5.3%</b>   |
| <b>Total assets</b>                     |      | <b>20,364</b> | <b>100.0%</b> | <b>21,583</b> | <b>100.0%</b> | <b>-5.6%</b>   |



## Consolidated Statement of Financial Position (unaudited)

as of 30 June 2020

| EQUITY & LIABILITIES                             |      |               |               |               |               |               |
|--|------|---------------|---------------|---------------|---------------|---------------|
| EUR thousand   % of balance sheet total          | Note | 30 Jun 2020   |               | 31 Dec 2019   |               | Change in %   |
| <b>Equity</b>                                    |      |               |               |               |               |               |
| Issued capital                                   |      | 5,500         | 27.0%         | 5,500         | 25.5%         | 0.0%          |
| Capital reserve                                  |      | 34,436        | 169.1%        | 34,423        | 159.5%        | 0.0%          |
| Accumulated losses                               |      | -39,233       | -192.7%       | -37,963       | -175.9%       | -3.3%         |
| Foreign currency translation reserve             |      | 2,159         | 10.6%         | 2,159         | 10.0%         | 0.0%          |
| <b>Total equity</b>                              | (17) | <b>2,862</b>  | <b>14.1%</b>  | <b>4,118</b>  | <b>19.1%</b>  | <b>-30.5%</b> |
| <i>Attributable to shareholders of elumeo SE</i> |      |               |               |               |               |               |
|  |      | <i>2,862</i>  | <i>14.1%</i>  | <i>4,118</i>  | <i>19.1%</i>  | <i>-30.5%</i> |
| <b>Non-current liabilities</b>                   |      |               |               |               |               |               |
| Other financial liabilities                      | (19) | 2,419         | 11.9%         | 2,596         | 12.0%         | -6.8%         |
| Provisions                                       | (20) | 4,545         | 22.3%         | 4,528         | 21.0%         | 0.4%          |
| Other non-financial liabilities                  | (22) | 25            | 0.1%          | 25            | 0.1%          | 0.0%          |
| <b>Total non-current liabilities</b>             |      | <b>6,989</b>  | <b>34.3%</b>  | <b>7,148</b>  | <b>33.1%</b>  | <b>-2.2%</b>  |
| <b>Current liabilities</b>                       |      |               |               |               |               |               |
| Financial debt                                   | (18) | 0             | 0.0%          | 447           | 2.1%          | -100.0%       |
| Other financial liabilities                      | (19) | 338           | 1.7%          | 319           | 1.5%          | 5.8%          |
| Provisions                                       | (20) | 615           | 3.0%          | 1,400         | 6.5%          | -56.1%        |
| Liabilities due to related parties               |      | 0             | 0.0%          | 43            | 0.2%          | -100.0%       |
| Trade payables                                   |      | 6,534         | 32.1%         | 5,639         | 26.1%         | 15.9%         |
| Advance payments received                        |      | 238           | 1.2%          | 248           | 1.1%          | -4.3%         |
| Tax liabilities                                  | (21) | 100           | 0.5%          | 100           | 0.5%          | 0.0%          |
| Other non-financial liabilities                  | (22) | 2,688         | 13.2%         | 2,119         | 9.8%          | 26.8%         |
| <b>Total current liabilities</b>                 |      | <b>10,513</b> | <b>51.6%</b>  | <b>10,316</b> | <b>47.8%</b>  | <b>1.9%</b>   |
| <b>Total equity &amp; liabilities</b>            |      | <b>20,364</b> | <b>100.0%</b> | <b>21,583</b> | <b>100.0%</b> | <b>-5.6%</b>  |



## Consolidated Statement of Changes in Equity (unaudited)

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 |
| <b>EUR thousand</b>                     |      |   |                 |                    |                                      |              |
| <b>1 January 2020</b>                   |      | <b>5,500</b>                              | <b>34,423</b>   | <b>-37,963</b>     | <b>2,159</b>                         | <b>4,118</b> |
| 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       |
| <b>30 June 2020</b>                     |      | <b>5,500</b>                              | <b>34,436</b>   | <b>-39,233</b>     | <b>2,159</b>                         | <b>2,862</b> |



## Consolidated Statement of Changes in Equity (unaudited) (continuation)

for the period from 1 January to 30 June 2019

| Reason for change                       | Note | Attributable to shareholders of elumeo SE |                 |                    |                                      |              |
|---|------|---|-----------------|--------------------|--------------------------------------|--------------|
|   |      | Issued capital                            | Capital reserve | Accumulated losses | Foreign currency translation reserve | Total equity |
| <b>EUR thousand   restated*</b>         |      |   |                 |                    |                                      |              |
| <b>1 January 2019</b>                   |      | <b>5,500</b>                              | <b>34,380</b>   | <b>-35,379</b>     | <b>2,175</b>                         | <b>6,677</b> |
| Equity-settled share-based remuneration | (17) |   | 29              |                    |                                      | 29           |
| Other comprehensive income              |      |   |                 |                    | -5                                   | -5           |
| Earnings for the period                 |      |   |                 | -2,153             |                                      | -2,153       |
| Total comprehensive income              |      |   |                 | -2,153             | -5                                   | -2,158       |
| <b>30 June 2019</b>                     |      | <b>5,500</b>                              | <b>34,409</b>   | <b>-37,532</b>     | <b>2,171</b>                         | <b>4,548</b> |

\* Some of the amounts presented differ from the amounts in the Consolidated Interim Financial Statements for the first half of 2019 due to the adjustment of prior-year figures in connection with the discontinued operations PWK and the discontinued operation UK (see Note (1) Principles and methods | Adjustment of prior-year figures).



## Consolidated Statement of Cash Flows (unaudited)

for the period from 1 January to 30 June 2020

| EUR thousand  | Note        | 1 Jan -<br>30 Jun 2020 | 1 Jan -<br>30 Jun 2019<br>restated* | HoH<br>in %   |
|---|-------------|------------------------|-------------------------------------|---------------|
| <b>Earnings before taxes (EBT)</b>  |             | <b>-1,270</b>          | <b>-2,153</b>                       | <b>41.0%</b>  |
| +/- Depreciation and amortization<br>on non-current assets  | (13)        | +472                   | +628                                | -24.8%        |
| +/- Increase/decrease in provisions   | (20)        | -731                   | -415                                | -76.1%        |
| +/- Increase/decrease in provisions for<br>in terms of nature, amount and utilization<br>uncertain obligations in connection with the<br>discontinued operation PWK | (20)        | -54                    | 0                                   | n.a.          |
| +/- Equity-settled share-based remuneration   | (17)        | +13                    | +29                                 | -55.7%        |
| +/- Other non-cash expenses/income  |             | +0                     | -727                                | 100.0%        |
| +/- Loss/gain on disposal<br>of non-current assets  |             | 0                      | +0                                  | -100.0%       |
| - Interest expenses paid related to<br>prior accounting periods   |             | -1                     | 0                                   | n.a.          |
| + Non-cash current interest expenses  |             | +19                    | +58                                 | -68.2%        |
| -/+ Increase/decrease in inventories  | (14)        | +1,352                 | +4,271                              | -68.3%        |
| -/+ Increase/decrease in other assets   |             | -160                   | +646                                | -124.8%       |
| +/- Increase/decrease in other liabilities  |             | +1,409                 | -2,498                              | 156.4%        |
| <b>= Cash flow from operating activities</b>  | <b>(23)</b> | <b>+1,049</b>          | <b>-160</b>                         | <b>753.7%</b> |

\* Some of the amounts presented differ from the amounts in the Consolidated Interim Financial Statements for the first half of 2019 due to the adjustment of prior-year figures in connection with the discontinued operations PWK and the discontinued operation UK (see Note (1) Principles and methods | Adjustment of prior-year figures).



## Consolidated Statement of Cash Flows (unaudited) (continuation)

for the period from 1 January to 30 June 2020

| EUR thousand  | Note        | 1 Jan -<br>30 Jun 2020 | 1 Jan -<br>30 Jun 2019<br>restated* | HoH<br>in %   |
|---|-------------|------------------------|-------------------------------------|---------------|
| - Payments for investments in intangible assets   | (13)        | -37                    | -5                                  | -611.4%       |
| - Payments for investments in property, plant and equipment   | (13)        | -77                    | -101                                | 23.7%         |
| <b>= Cash flow from investing activities</b>  | <b>(23)</b> | <b>-114</b>            | <b>-106</b>                         | <b>-7.3%</b>  |
| - Payments for the redemption of financial debt   | (18)        | -446                   | -1,200                              | 62.8%         |
| - Payments (net) for redemption of other financial liabilities  | (19)        | -158                   | -341                                | 53.6%         |
| <b>= Cash flow from financing activities</b>  | <b>(23)</b> | <b>-605</b>            | <b>-1,541</b>                       | <b>-60.8%</b> |
| +/- Net increase/decrease in cash and cash equivalents  |             | +330                   | -1,807                              | 118.3%        |
| +/- Effects of foreign currency translation on cash and cash equivalents  |             | +0                     | +1                                  | -64.9%        |
| +/- Changes in cash and cash equivalents due to changes in scope of consolidation in connection with the discontinued operation UK under IFRS 5 |             | 0                      | -121                                | 100.0%        |
| + Cash and cash equivalents at beginning of period  |             | +880                   | +2,608                              | -66.3%        |
| <b>= Cash and cash equivalents at end of period</b>   |             | <b>+1,211</b>          | <b>+681</b>                         | <b>77.9%</b>  |
| <b>Reconciliation of cash and cash equivalents</b>  |             |                        |                                     |               |
| Cash and cash equivalents   |             | +1,211                 | +681                                | 77.9%         |
| <b>= Cash and cash equivalents at end of period</b>   |             | <b>+1,211</b>          | <b>+681</b>                         | <b>77.9%</b>  |

\* Some of the amounts presented differ from the amounts in the Consolidated Interim Financial Statements for the first half of 2019 due to the adjustment of prior-year figures in connection with the discontinued operations PWK and the discontinued operation UK (see Note (1) Principles and methods | Adjustment of prior-year figures).







## 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 publicly 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 section B of the Commercial Register of Berlin-Charlottenburg under no. 157 001 B and has its headquarters at Erkelenzdamm 59/61, 10999 Berlin, Germany.

### Continuing operations of the elumeo Group

The elumeo Group is active in designing, producing and selling jewelry, jewelry articles, precious gemstones and related products via television and other, primarily electronic distribution channels (Internet) in the main markets of Germany, Italy and the United States of America (“USA”). The main means of distribution are live interactive offerings that enable customers to bid against each other to compete for the pieces of jewelry presented and set the price.

In financial year 2019, the Executive Board of elumeo SE had decided to close the office in Rome and to serve the Italian market from its headquarters in Berlin in the future, analogous to how the elumeo Group serves its other European markets.

### Discontinued operations of the elumeo Group

In financial year 2018, it was decided to discontinue the business activities of the production company PWK Jewelry Company Limited, Bangkok, Thailand (“PWK”), and to liquidate the production company in an orderly manner under its own management by selling the existing assets (“discontinued operation PWK”). The production activities of the company were completely discontinued by the end of 2018.

As a result of several developments in financial year 2019, it is almost certain that an orderly liquidation of PWK under its own management is no longer realisable. PWK was therefore deconsolidated retroactively as of 31 December 2018 in the consolidated financial statements for the financial year ending December 31, 2019.

### Basis of preparation and accounting policies

The Condensed Interim Consolidated Financial Statements as of 30 June 2020 (“Interim Consolidated Financial Statements”) have been prepared for the purpose of half-year financial reporting pursuant to section 115 para. 3 WpHG (German Securities Trading Act) and are consistent with the International Financial Reporting Standards (“IFRSs”), as adopted in the European Union. In the Interim Consolidated Financial Statements that were prepared based on the International Accounting Standard (“IAS”) 34 Interim Financial Reporting, the same accounting and valuation methods are applied as with the audited and published Consolidated Financial Statements of elumeo SE as of 31 December 2019, according to IFRSs (“2019 Consolidated Financial Statements”).



The option of preparing Condensed Interim Consolidated Financial Statements was exercised. All binding interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as of the reporting date were taken into consideration. In addition, interim financial reporting complies with the German Accounting Standard ("GAS") No. 16 *Half-Yearly Financial Reporting* of the German Accounting Standards Committee e.V. ("GASC").

For more information on the accounting policies that were applied, please refer to the 2019 Consolidated Financial Statements.

### General information

The unaudited Interim Consolidated Financial Statements comprise the period from 1 January to 30 June 2020 ("H1 2020"). The quarterly reporting period comprises the period from 1 April to 30 June 2020 ("second quarter of 2020" or "Q2 2020"). The presentation of selected prior-year figures in the Interim Consolidated Financial Statements differs from the presentation in the Interim Consolidated Financial Statements published on 30 September 2019 for the reporting period from 1 January to 30 June 2019 ("Interim Consolidated Financial Statements H1 2019" or "Prior Year") due to the correction of prior-year figures. The comparative figures for the previous year have been adjusted ("restated\*") taking into account the correction of the previous year's figures. The changes in the 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 indicated otherwise, all amounts are rounded to thousands ("EUR thousand") or millions ("EUR million") in accordance with commercial rounding. For computational reasons, rounding differences may occur in tables and text references to the mathematically exact values (monetary units, percentages, etc.).

The Interim Consolidated Financial Statements have been prepared under the premise of continuing operations. The preparation of the Interim Consolidated Financial Statements is in principle based on the recognition of assets and liabilities at amortized cost. The Consolidated Statement of Income has been prepared using the cost of sales method. The Consolidated Statement of Financial Position classifies assets and liabilities to current or non-current according to their maturities. The Consolidated Statement of Comprehensive Income is prepared to reconcile the earnings for the period in the Consolidated Statement of Income to total comprehensive income. As part of the consolidation of intra-group receivables and liabilities and intra-group expenses and income, all intra-group balances and transactions have been eliminated.

The Interim Consolidated Financial Statements contain all information necessary for a fair presentation and assessment of the assets, financial and earnings position of the Group. The results presented in interim reporting periods are not necessarily indicative of the results in future reporting periods or the full financial year.

The Interim Consolidated Financial Statements were not subjected to either an audit or an audit review.

The Executive Board approved the Interim Consolidated Financial Statements on 12 August 2020.



## Adjustment of the previous year's figures

### Deconsolidation of subsidiaries of discontinued operations

In financial year 2018, all assets and liabilities as well as income and expenses of elumeo Group's activities in the United Kingdom and Thailand were allocated to discontinued operations ("discontinued operation UK" and "discontinued operation PWK"). They were deconsolidated, with the exception of the transfer of the foreign currency translation reserve from equity to the result of the discontinued operations as the legal entities of the subsidiaries concerned still existed. The management of the elumeo Group decided, particularly in light of the developments in the discontinued operation PWK in financial year 2019, in which a controlled winding up of the business is no longer possible, to adjust the accounting principle used for deconsolidation in financial year 2018 and to carry out a complete deconsolidation in the Consolidated Financial Statements for 2019, including the recycling of the currency translation reserve, with retrospective effect from 31 December 2018.

The adjustment reduced the foreign currency translation reserve reported in Group equity as of 31 December 2018 by EUR 3,477 thousand from EUR 5,653 thousand to EUR 2,175 thousand. Correspondingly, the cumulative losses reported for financial year 2018 decreased by EUR 3,477 thousand from EUR -38,856 thousand to EUR -35,379 thousand, so that there was no change in Group equity overall.

In the Consolidated Statement of Income for financial year 2018, the result from discontinued operations after income taxes improved by EUR 3,477 thousand from EUR -6,913 thousand to EUR -3,436 thousand.

In addition, the assets (assets held for sale) and liabilities (liabilities in connection with the sales of assets held) as well as expenses and income (result of the discontinued operation UK after income taxes) still allocated to the subsidiaries of the discontinued UK operation in the previous Interim Consolidated Financial Statements for financial year 2019 were thus also adjusted during the course of the year so that they were no longer recognised in the Consolidated Statement of Financial Position and the Consolidated Statement of Comprehensive Income as of 1 January 2019. This also resulted in a reduction in cash and cash equivalents of EUR 121 thousand due to the scope of consolidation.

The prior-year comparative figures presented in these Interim Consolidated Financial Statements have been adjusted accordingly ("restated\*"). As a result of the correction, the adjusted Interim Consolidated Financial Statements H1 2019 no longer include any discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

In the Consolidated Statement of Income, the result after income taxes in the second quarter of 2020 improved by EUR 165 thousand from EUR -1,300 thousand to EUR -1,135 thousand. The improvement in earnings resulted from:

- an improvement in earnings of EUR 195 thousand from effects in connection with the deconsolidation of the discontinued operation PWK (mainly net losses from currency translation and interest expenses) (earnings for the period from discontinued operations).



- deterioration in earnings of EUR -182 thousand from value adjustments of receivables of the continuing operations from deconsolidated subsidiaries of the discontinued operation UK (other operating expenses).
- deterioration in earnings of EUR -13 thousand for interest expenses of the continuing operations resulting from the compounding of long-term provisions for uncertain liabilities in terms of type, amount and utilisation in connection with the discontinued operation PWK. These were previously reported in the result from discontinued operations after income taxes.
- an improvement in earnings of EUR 101 thousand from the correction of the currency translation of intercompany liabilities and receivables in connection with the discontinued operation (other operating income). Instead of net losses from currency translation (other operating expenses), net income is now reported in the result.
- an improvement in results of EUR 64 thousand from various other corrections in connection with the discontinued operation UK (result from discontinued operations after income taxes)

In the Consolidated Statement of Income, the result after income taxes in the first half of 2019 improved by EUR 1,903 thousand from EUR -4,057 thousand to EUR -2,153 thousand. The improvement in earnings mainly consists of:

- an improvement in earnings of EUR 1,351 thousand from effects in connection with the deconsolidation of the discontinued operation PWK (mainly net losses from currency translation and interest expenses) (earnings from discontinued operations after taxes)
- an improvement in earnings of EUR 722 thousand from effects in connection with the deconsolidation of the discontinued operation UK (other operating income)
- deterioration in earnings of EUR -185 thousand from value adjustments of receivables of the continuing operations from deconsolidated subsidiaries of the discontinued operation UK (other operating expenses),
- deterioration in earnings of EUR -25 thousand for interest expenses of the continuing operations from the compounding of long-term provisions for obligations uncertain in terms of type, amount and utilisation in connection with the discontinued operation PWK. These were previously reported in the result from discontinued operations after income taxes.
- an improvement in earnings of EUR 42 thousand from the correction of the currency translation of intercompany liabilities and receivables in connection with the discontinued operations (other operating income). Instead of net losses from currency translation (other operating expenses), net income is now reported in the result.
- deterioration in earnings of EUR -3 thousand from various other corrections in connection with the discontinued operation UK (earnings for the period from discontinued operations)



As a result of the correction as of 31 December 2018, the currency translation reserve reported in Group equity as of 30 June 2019 decreased by EUR 4,840 thousand from EUR 7,011 thousand to EUR 2,171 thousand, of which EUR 3,477 thousand is attributable to recycling in 2018 and EUR 1,363 thousand to the changes in the currency translation reserve previously recognised in other comprehensive income from discontinued operations in the first half of 2019.

As a result, the cumulative losses reported for the first half of 2019 decreased by EUR 5,381 thousand from EUR -42,913 thousand to EUR -37,532 thousand. Of this amount, EUR 3,477 thousand is attributable to the result carried forward from 2018 and EUR 1,903 thousand to the above-mentioned effects on the result after taxes in the first half of 2019.

Due to the deconsolidation of the discontinued operation UK, assets held for sale (previously: EUR 38 thousand) and liabilities in connection with assets held for sale (previously: EUR 579 thousand) are no longer shown in the adjusted Consolidated Statement of Financial Position as of 30 June 2019. The presentation of an adjusted Consolidated Statement of Financial Position as of 30 June 2019 has been waived.

In addition, there were effects on the presentation of the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and segment reporting. The prior-year comparative information has been adjusted accordingly.

#### Change in disclosure of rights of use in accordance with IFRS 16 as of 1 January 2019

In accordance with IFRS 16, the elumeo Group is reporting the rights of use (leasing) under property, plant and equipment retrospectively as of 1 January 2019 in line with the audited 2019 Consolidated Financial Statements. In the previous consolidated interim reporting for financial year 2019, they were reported under intangible assets.

As of 30 June 2019, rights of use in the amount of EUR 3,800 thousand are therefore reported under property, plant and equipment. The development of fixed assets presented in these Interim Consolidated Financial Statements was adjusted accordingly. The presentation of the Consolidated Statement of Income remains unaffected.

#### **Material discretionary decisions, estimates and assumptions**

Preparing the Interim Consolidated Financial Statements in accordance with IFRSs requires that the Executive Board and extended management team make certain discretionary decisions, estimates and assumptions that have an impact on the accounting and valuation methods applied and the asset, financial and earnings position presented as well as the related disclosures. Although these discretionary decisions, estimates and assumptions are made to the best knowledge of the Executive Board and extended management based on current events and measures, actual results may differ from these discretionary decisions, estimates and assumptions. All discretionary decisions, estimates and assumptions are therefore reviewed continuously.



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

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

There have been no material changes compared to the figures as of 31 December 2019. For further information, please refer to section [F. Significant discretionary decisions, estimates and assumptions] of the Notes to the 2019 Consolidated Financial Statements.

### Adoption of the accounting standards of the IAS

The following new standards, interpretations and amendments to IAS/IFRSs that have been issued for elumeo SE but have no significant practical relevance, were applied on a mandatory basis during the reporting period:

| Standard/Interpretation   | Publication by the IASB | Application date IASB | Expected effects on the elumeo Group |
|---|-------------------------|-----------------------|--------------------------------------|
| IFRS 3<br>Amendments to IFRS 3 – Definition of a Business                         | 22 October 2018         | 1 January 2020        | insignificant                        |
| IAS 8<br>Amendments to IAS 8 – Definition of Materiality                          | 22 October 2018         | 1 January 2020        | insignificant                        |
| IFRSs<br>Amendments to IAS 39, IFRS 9 and IFRS 7 – Interest Rate Benchmark Reform | 26 September 2019       | 1 January 2020        | insignificant                        |
| IFRSs<br>Amendments to IFRSs/IASs - Revision of the Framework in the IFRSs        | 29 March 2018           | 1 January 2020        | insignificant                        |
| IAS 1<br>Amendments to IAS 1 – Classification of Liabilities                      | 23 January 2020         | 1 January 2022        | insignificant                        |

No material effects on the Consolidated Financial Statements are expected from further accounting standards or revisions of standards issued by the ISAB but not yet applied.

### Explanations of alternative performance indicators

The elumeo Group uses alternative performance measures (“APMs”) in its regulatory and mandatory publications that are not regulated in the applicable IFRSs. For further information on the definition, use and limitations of the usability of the alternative performance measures, the accounting methods used and reconciliations, please refer to <https://www.elumeo.com/ir/publications/explanation-alternative-performance-measures>.



## (2) Scope of consolidation

### Comparability of disclosures

The parent company elumeo SE and its directly or indirectly controlled subsidiaries (collectively "the elumeo Group") are included in the Interim Consolidated Financial Statements.

As a result of developments in financial year 2019, the previous year's figures have been corrected. This led to the following retrospective change in the group of consolidated companies of the elumeo Group in the first half of 2019 (restated\*):

- The production company PWK Jewelry Company Limited was deconsolidated retroactively as of 31 December 2018, including the recycling of the currency translation reserve (discontinued operation PWK).
- The subsidiaries Rocks and Co Productions Ltd., Leamington Spa, United Kingdom, and Rocks & Co UK Limited, Leamington Spa, United Kingdom, were deconsolidated retroactively as of 31 December 2018/1 January 2019, including the recycling of the currency translation reserve (discontinued operation UK).

Compared to the first half of 2019, the number of consolidated companies in the elumeo Group also changed as follows:

- The assets and liabilities of Juwelo France SAS, Paris, France, were transferred to Juwelo Deutschland GmbH, Berlin, Germany, by way of universal succession on 20 November 2019.

The scope of consolidation thus comprised seven companies (restated\*) as of 30 June 2019 (previously: ten companies) and a total of six companies as of 30 June 2020.

### Deconsolidation of associated companies

The consolidation of an associated company ends when elumeo SE loses control over the investee. The assets, liabilities, income and expenses of an investee sold in the course of a financial year are included in the Consolidated Financial Statements until the date on which elumeo SE ceases to exercise control over the investee.

If elumeo SE loses control of an associated company, the respective assets (including goodwill), liabilities, minority interests and other equity components are deconsolidated and any resulting gain or loss is recognised in the Consolidated Statement of Income. The disposal value must be adjusted for the assets and liabilities from the relationship with the associated company neutralised in the course of debt consolidation. Any minority interest remaining with the elumeo Group is re-measured at fair value.





### (3) Foreign currency translation

The significant exchange rates for foreign currencies with an impact on the Interim Consolidated Financial Statements are as follows:

| Currency            | Exchange rate on reporting date |             |                | Average exchange rate  |                        |             |
|---------------------|---------------------------------|-------------|----------------|------------------------|------------------------|-------------|
|                     | 30 Jun 2020                     | 31 Dec 2019 | Change<br>in % | 1 Jan -<br>30 Jun 2020 | 1 Jan -<br>30 Jun 2019 | HoH<br>in % |
| <b>EUR</b>          |                                 |             |                |                        |                        |             |
| British pound (GBP) | 1.0949                          | 1.1754      | -6.9%          | 1.1446                 | 1.1458                 | -0.1%       |
| US dollar (USD)     | 0.8915                          | 0.8912      | 0.0%           | 0.9081                 | 0.8857                 | 2.5%        |
| Thai baht (THB)     | 0.0288                          | 0.0299      | -3.6%          | 0.0288                 | 0.0280                 | 2.7%        |



#### (4) Revenue

The elumeo Group was unable to increase its revenues in the first half of 2020 compared to the previous year. This was mainly due to significantly lower revenues in the Italian market, which has been managed exclusively from the Berlin headquarters since financial year 2020.

| EUR thousand   % of revenue | Q2 2020      |               | Q2 2019       |               | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |               | 1 Jan -<br>30 Jun 2019 |               | HoH<br>in %   |
|-----------------------------|--------------|---------------|---------------|---------------|---------------|------------------------|---------------|------------------------|---------------|---------------|
| Revenue from product sales  | 9,648        | 99.9%         | 11,317        | 100.1%        | -14.7%        | 19,964                 | 99.9%         | 23,236                 | 99.9%         | -14.1%        |
| Other revenue               | 8            | 0.1%          | -14           | -0.1%         | 159.1%        | 23                     | 0.1%          | 27                     | 0.1%          | -15.4%        |
| <b>Revenue</b>              | <b>9,656</b> | <b>100.0%</b> | <b>11,302</b> | <b>100.0%</b> | <b>-14.6%</b> | <b>19,986</b>          | <b>100.0%</b> | <b>23,262</b>          | <b>100.0%</b> | <b>-14.1%</b> |

#### Revenue from product sales by region (by registered office of the selling company)

| EUR thousand   % of revenue from<br>product sales | Q2 2020      |               | Q2 2019       |               | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |               | 1 Jan -<br>30 Jun 2019 |               | HoH<br>in %   |
|---|--------------|---------------|---------------|---------------|---------------|------------------------|---------------|------------------------|---------------|---------------|
| Germany   | 9,645        | 100.0%        | 9,822         | 86.8%         | -1.8%         | 20,017                 | 100.3%        | 19,874                 | 85.5%         | 0.7%          |
| Italy   | -1           | 0.0%          | 1,488         | 13.2%         | -100.1%       | -9                     | 0.0%          | 3,349                  | 14.4%         | -100.3%       |
| Other countries                                   | 4            | 0.0%          | 6             | 0.1%          | -33.1%        | -44                    | -0.2%         | 12                     | 0.1%          | -462.7%       |
| <b>Revenue from product sales</b>                 | <b>9,648</b> | <b>100.0%</b> | <b>11,317</b> | <b>100.0%</b> | <b>-14.7%</b> | <b>19,964</b>          | <b>100.0%</b> | <b>23,236</b>          | <b>100.0%</b> | <b>-14.1%</b> |

#### Revenue from product sales by distribution channel

| EUR thousand   % of revenue from<br>product sales | Q2 2020      |               | Q2 2019       |               | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |               | 1 Jan -<br>30 Jun 2019 |               | HoH<br>in %   |
|---|--------------|---------------|---------------|---------------|---------------|------------------------|---------------|------------------------|---------------|---------------|
| Television and other channel revenue              | 4,995        | 51.8%         | 6,700         | 59.2%         | -25.4%        | 10,346                 | 51.8%         | 14,101                 | 60.7%         | -26.6%        |
| eCommerce revenue                                 | 4,652        | 48.2%         | 4,616         | 40.8%         | 0.8%          | 9,669                  | 48.4%         | 9,132                  | 39.3%         | 5.9%          |
| B2B revenue                                       | 0            | 0.0%          | 0             | 0.0%          | -100.0%       | -52                    | -0.3%         | 2                      | 0.0%          | n.a.          |
| <b>Revenue from product sales</b>                 | <b>9,648</b> | <b>100.0%</b> | <b>11,317</b> | <b>100.0%</b> | <b>-14.7%</b> | <b>19,964</b>          | <b>100.0%</b> | <b>23,236</b>          | <b>100.0%</b> | <b>-14.1%</b> |

While eCommerce revenues in total rose slightly by 0.8% (QoQ) in the second quarter of 2020, the revenues from the European web shop business included in this figure increased significantly. The TV business as well as the other eCommerce sales channels declined significantly by more than 25.0% by both quarterly (QoQ) and half-yearly (HoH) comparison, also due to the decline in revenues in the Italian market.



**(5) Cost of goods sold**

| EUR thousand   % of revenue  | Q2 2020      |              | Q2 2019      |              | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |              | 1 Jan -<br>30 Jun 2019 |              | HoH<br>in %   |
|--|--------------|--------------|--------------|--------------|---------------|------------------------|--------------|------------------------|--------------|---------------|
| Material costs   | 5,413        | 56.1%        | 3,909        | 34.6%        | 38.5%         | 8,567                  | 42.9%        | 8,972                  | 38.6%        | -4.5%         |
| Change in inventory of finished goods,<br>work in progress and merchandise | -1,249       | -12.9%       | 2,261        | 20.0%        | -155.2%       | 1,292                  | 6.5%         | 4,210                  | 18.1%        | -69.3%        |
| <b>Cost of goods sold</b>  | <b>4,164</b> | <b>43.1%</b> | <b>6,171</b> | <b>54.6%</b> | <b>-32.5%</b> | <b>9,859</b>           | <b>49.3%</b> | <b>13,182</b>          | <b>56.7%</b> | <b>-25.2%</b> |

**(6) Selling expenses**

| EUR thousand   % of revenue              | Q2 2020      |              | Q2 2019      |              | QoQ<br>in %  | 1 Jan -<br>30 Jun 2020 |              | 1 Jan -<br>30 Jun 2019 |              | HoH<br>in %   |
|--|--------------|--------------|--------------|--------------|--------------|------------------------|--------------|------------------------|--------------|---------------|
| Broadcasting and channel rental costs    | 1,488        | 15.4%        | 1,046        | 9.3%         | 42.3%        | 2,935                  | 14.7%        | 2,682                  | 11.5%        | 9.5%          |
| Personnel expenses                       | 1,431        | 14.8%        | 1,618        | 14.3%        | -11.6%       | 3,217                  | 16.1%        | 3,222                  | 13.9%        | -0.2%         |
| Expenses for external personnel services | 0            | 0.0%         | 268          | 2.4%         | -100.0%      | 0                      | 0.0%         | 578                    | 2.5%         | -100.0%       |
| Sales and marketing expenses             | 359          | 3.7%         | 336          | 3.0%         | 7.1%         | 765                    | 3.8%         | 694                    | 3.0%         | 10.2%         |
| Depreciation and amortization            | 73           | 0.8%         | 88           | 0.8%         | -16.4%       | 141                    | 0.7%         | 182                    | 0.8%         | -22.5%        |
| Other selling expenses                   | 499          | 5.2%         | 845          | 7.5%         | -40.9%       | 1,147                  | 5.7%         | 1,763                  | 7.6%         | -35.0%        |
| <b>Selling expenses</b>                  | <b>3,851</b> | <b>39.9%</b> | <b>4,200</b> | <b>37.2%</b> | <b>-8.3%</b> | <b>8,205</b>           | <b>41.1%</b> | <b>9,121</b>           | <b>39.2%</b> | <b>-10.0%</b> |

Selling expenses were lower than in the same period of the previous year, which is also due to the closure of the site in Rome. In the first half of 2019, the item TV transmission costs also includes the release of provisions for (non-periodic) coverage costs.

With regard to the effects of the economic short-time working allowance of the German government on personnel costs in the second quarter of 2020, please refer to Note (11).

**(7) Administrative expenses**

| EUR thousand   % of revenue             | Q2 2020      |              | Q2 2019<br>restated* |              | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |              | 1 Jan -<br>30 Jun 2019<br>restated* |              | HoH<br>in %  |
|---|--------------|--------------|----------------------|--------------|---------------|------------------------|--------------|-------------------------------------|--------------|--------------|
| Personnel expenses                      | 650          | 6.7%         | 734                  | 6.5%         | -11.5%        | 1,468                  | 7.3%         | 1,477                               | 6.3%         | -0.6%        |
| Depreciation and amortization           | 160          | 1.7%         | 222                  | 2.0%         | -28.0%        | 331                    | 1.7%         | 446                                 | 1.9%         | -25.8%       |
| Equity-settled share-based remuneration | 5            | 0.1%         | 15                   | 0.1%         | -65.9%        | 13                     | 0.1%         | 29                                  | 0.1%         | -55.7%       |
| Other administrative expenses           | 699          | 7.2%         | 736                  | 6.5%         | -5.0%         | 1,347                  | 6.7%         | 1,503                               | 6.5%         | -10.4%       |
| <b>Administrative expenses</b>          | <b>1,514</b> | <b>15.7%</b> | <b>1,708</b>         | <b>15.1%</b> | <b>-11.3%</b> | <b>3,159</b>           | <b>15.8%</b> | <b>3,455</b>                        | <b>14.9%</b> | <b>-8.6%</b> |

Administrative expenses were down on the same period of the previous year, partly due to the closure of the site in Rome.



Please refer to Note (11) for information on the effects of the economic short-time working allowance of the German government on personnel costs in the second quarter of 2020.

## (8) Other operating income

|  | Q2 2020    |              | Q2 2019<br>restated* |              | QoQ<br>in % | 1 Jan -<br>30 Jun 2020 |             | 1 Jan -<br>30 Jun 2019<br>restated* |             | HoH<br>in %   |
|--|------------|--------------|----------------------|--------------|-------------|------------------------|-------------|-------------------------------------|-------------|---------------|
| EUR thousand   % of revenue                                  |            |              |                      |              |             |                        |             |                                     |             |               |
| Net gains from foreign currency translation                  | -48        | -0.5%        | -52                  | -0.5%        | 8.0%        | 0                      | 0.0%        | 9                                   | 0.0%        | -100.0%       |
| Other income resulting from past reporting periods           | 2          | 0.0%         | 4                    | 0.0%         | -57.6%      | 20                     | 0.1%        | 3                                   | 0.0%        | 618.8%        |
| Income from deconsolidations                                 | 0          | 0.0%         | 0                    | 0.0%         | n.a.        | 0                      | 0.0%        | 722                                 | 3.1%        | -100.0%       |
| Income from the reversal of allowances for doubtful accounts | 0          | 0.0%         | 0                    | 0.0%         | n.a.        | 0                      | 0.0%        | 1                                   | 0.0%        | -83.4%        |
| Miscellaneous other operating income                         | 7          | 0.1%         | 7                    | 0.1%         | -3.0%       | 24                     | 0.1%        | 26                                  | 0.1%        | -9.8%         |
| <b>Other operating income</b>                                | <b>-40</b> | <b>-0.4%</b> | <b>-41</b>           | <b>-0.4%</b> | <b>4.6%</b> | <b>43</b>              | <b>0.2%</b> | <b>760</b>                          | <b>3.3%</b> | <b>-94.3%</b> |

Other operating income in the first quarters of 2020 and 2019 included net gains from foreign currency translation. Due to the specific development of the exchange rates for foreign currencies as of the reporting dates, this gain was reversed in full or in part in the second quarter, as a result of which net gains from foreign currency translation comprise negative amounts in the second quarters of 2020 and 2019.

## (9) Other operating expenses

|   | Q2 2020  |             | Q2 2019<br>restated* |             | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |             | 1 Jan -<br>30 Jun 2019<br>restated* |             | HoH<br>in %   |
|---|----------|-------------|----------------------|-------------|---------------|------------------------|-------------|-------------------------------------|-------------|---------------|
| EUR thousand   % of revenue   |          |             |                      |             |               |                        |             |                                     |             |               |
| Net losses from foreign currency translation                            | 4        | 0.0%        | 0                    | 0.0%        | n.a.          | 4                      | 0.0%        | 0                                   | 0.0%        | n.a.          |
| Impairment of intra-Group receivables due from deconsolidated companies | 0        | 0.0%        | 182                  | 1.6%        | -100.0%       | 0                      | 0.0%        | 185                                 | 0.8%        | -100.0%       |
| Legal and consulting fees in connection with the deconsolidation of PWK | 0        | 0.0%        | 69                   | 0.6%        | -100.0%       | 0                      | 0.0%        | 90                                  | 0.4%        | -100.0%       |
| <b>Other operating expenses</b>   | <b>4</b> | <b>0.0%</b> | <b>251</b>           | <b>2.2%</b> | <b>-98.4%</b> | <b>4</b>               | <b>0.0%</b> | <b>275</b>                          | <b>1.2%</b> | <b>-98.5%</b> |

Legal and consulting fees incurred in connection with the legal dispute regarding the closed manufacturing facility in Thailand are reported in the first half of 2019. The value adjustments on intra-group receivables from deconsolidated companies relate to receivables of the consolidated Group from the deconsolidated subsidiaries in the United Kingdom (discontinued operation UK).



**(10) Financial result**

| EUR thousand   % of revenue   | Q2 2020    |              | Q2 2019<br>restated* |              | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |              | 1 Jan -<br>30 Jun 2019<br>restated* |              | HoH<br>in %   |
|---|------------|--------------|----------------------|--------------|---------------|------------------------|--------------|-------------------------------------|--------------|---------------|
| Interest income from bank balances                                  | 0          | 0.0%         | 0                    | 0.0%         | -96.6%        | 0                      | 0.0%         | 0                                   | 0.0%         | -93.2%        |
| <b>Interest income</b>  | <b>0</b>   | <b>0.0%</b>  | <b>0</b>             | <b>0.0%</b>  | <b>-96.6%</b> | <b>0</b>               | <b>0.0%</b>  | <b>0</b>                            | <b>0.0%</b>  | <b>-93.2%</b> |
| Interest expenses from financial debt<br>(bank loans)               | 0          | 0.0%         | -14                  | -0.1%        | 96.7%         | -4                     | 0.0%         | -33                                 | -0.1%        | 88.9%         |
| Interest expenses from lease liabilities<br>(plant and machinery)   | 0          | 0.0%         | -2                   | 0.0%         | 128.9%        | 0                      | 0.0%         | -4                                  | 0.0%         | 111.9%        |
| Interest expenses from lease liabilities<br>(rights of use)         | -24        | -0.3%        | -37                  | -0.3%        | 32.9%         | -50                    | -0.2%        | -74                                 | -0.3%        | 32.5%         |
| Interest expenses from the compounding<br>of non-current provisions | -8         | -0.1%        | -13                  | -0.1%        | 40.0%         | -18                    | -0.1%        | -25                                 | -0.1%        | 30.0%         |
| Other interest and similar expenses                                 | -1         | 0.0%         | -2                   | 0.0%         | 48.8%         | -3                     | 0.0%         | -7                                  | 0.0%         | 60.6%         |
| <b>Interest and similar expenses</b>                                | <b>-33</b> | <b>-0.3%</b> | <b>-67</b>           | <b>-0.6%</b> | <b>50.3%</b>  | <b>-73</b>             | <b>-0.4%</b> | <b>-143</b>                         | <b>-0.6%</b> | <b>48.7%</b>  |
| <b>Financial result</b>   | <b>-33</b> | <b>-0.3%</b> | <b>-67</b>           | <b>-0.6%</b> | <b>50.3%</b>  | <b>-73</b>             | <b>-0.4%</b> | <b>-143</b>                         | <b>-0.6%</b> | <b>48.7%</b>  |

Interest and similar expenses include interest expenses from lease liabilities from rights of use (operate lease of real estate contracts) in accordance with IFRS 16. Interest expenses in the previous year still included interest for the lease liabilities (rights of use) of the site in Rome that were derecognised as of 31 December 2019.

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

**(11) Personnel expenses**

Personnel expenses (excluding share-based compensation) consist of the following:

| EUR thousand   % of revenue   | Q2 2020      |              | Q2 2019      |              | QoQ<br>in %   | 1 Jan -<br>30 Jun 2020 |              | 1 Jan -<br>30 Jun 2019 |              | HoH<br>in %  |
|-------------------------------|--------------|--------------|--------------|--------------|---------------|------------------------|--------------|------------------------|--------------|--------------|
| Wages and salaries            | 1,802        | 18.7%        | 1,975        | 17.5%        | -8.8%         | 4,018                  | 20.1%        | 3,940                  | 16.9%        | 2.0%         |
| Social security contributions | 279          | 2.9%         | 378          | 3.3%         | -26.2%        | 667                    | 3.3%         | 759                    | 3.3%         | -12.0%       |
| <b>Personnel expenses</b>     | <b>2,081</b> | <b>21.5%</b> | <b>2,353</b> | <b>20.8%</b> | <b>-11.6%</b> | <b>4,685</b>           | <b>23.4%</b> | <b>4,699</b>           | <b>20.2%</b> | <b>-0.3%</b> |

In response to the spread of the coronavirus SARS-CoV-2 and the related effects on the economy and the labour market, the German federal government adopted the Regulation on Facilitating Short-Time Work on 25 March 2020, which came into force retroactively as of 1 March 2020, providing for certain temporary facilitations for access to short-time work benefits and, upon application, for reimbursement by the Federal Labour Agency of social security contributions to be borne by the employer.



In the second quarter of 2020, the elumeo Group applied for short-time working for some of the employees of a subsidiary and applied for reimbursement of social security contributions.

The short-time working allowance paid by the subsidiary in the second quarter of 2020 amounted to EUR 161 thousand (sales: EUR 110 thousand, administrative area: EUR 51 thousand) and was recorded as a transitory item with no effect on income. The claim for reimbursement of the short-time working allowance was capitalised on the assumption that the personal and operational requirements were met. In addition, income from the reimbursement of social security contributions of EUR 128 thousand (sales: EUR 83 thousand, administrative area: EUR 45 thousand) was recognized in profit and loss as a deduction from personnel expenses. As of 30 June 2020, the elumeo Group reported refund claims against the Federal Employment Agency totalling EUR 114 thousand under the item Other non-financial assets.

## (12) Earnings per share

Basic earnings per share are in general equivalent to the earnings attributable to shareholders divided by the weighted average number of shares outstanding during the reporting period.

Basic and diluted earnings per share are as follows:

|   | Unit         | Q2 2020     | Q2 2019<br>restated* | QoQ<br>in %  | 1 Jan -<br>30 Jun 2020 | 1 Jan -<br>30 Jun 2019<br>restated* | HoH<br>in %  |
|---|--------------|-------------|----------------------|--------------|------------------------|-------------------------------------|--------------|
| <b>Earnings and number of Shares</b>              |              |             |                      |              |                        |                                     |              |
| Earnings of shareholders of elumeo SE             | EUR thousand | 50          | -1,135               | 41.0%        | -1,270                 | -2,153                              | 41.0%        |
| Average number of outstanding shares              | thousands    | 5,500       | 5,500                | 0.0%         | 5,500                  | 5,500                               | 0.0%         |
| <b>Earnings per share<br/>(basic and diluted)</b> | EUR          | <b>0.01</b> | <b>-0.21</b>         | <b>41.0%</b> | <b>-0.23</b>           | <b>-0.39</b>                        | <b>41.0%</b> |

In the financial years 2015 to 2019, the Executive Board issued option rights to purchase shares of elumeo SE in a total of eight tranches under the Stock Option Programme 2015 ("SOP 2015"). As of the reporting date, in total 116,160 option rights were exercisable as the service period criterion is met. An additional 102,942 option rights will become exercisable on 18 July 2020. However, the exercise of the option rights of each tranche after the vesting period is linked to capital market-based performance targets.

The performance targets of all tranches issued were not met as of 30 June 2020 and 2019. The potential shares are therefore not included in the calculation of diluted earnings per share, regardless of whether they have already been fully or proportionately vested. Irrespectively, 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, however, the conversion into shares results in an increase in earnings per share or a reduction in the loss per share, dilution protection is applied and the diluted earnings per share are to be adjusted to the amount of basic earnings per share (IAS 33.43). In conclusion, the diluted earnings per share correspond to the basic earnings per share.



**(13) Intangible assets and property, plant and equipment**

Intangible assets developed as follows in the first half of 2020:

| EUR thousand                | Intangible<br>assets |
|-----------------------------|----------------------|
| <u>Historical cost</u>      |                      |
| Balance: 1 Jan 2020         | 1,390                |
| Additions                   | 37                   |
| <b>Balance: 30 Jun 2020</b> | <b>1,427</b>         |
| <u>Amortization</u>         |                      |
| Balance: 1 Jan 2020         | 910                  |
| Additions                   | 49                   |
| <b>Balance: 30 Jun 2020</b> | <b>959</b>           |
| <u>Carrying amount</u>      |                      |
| Balance: 31 Dec 2019        | 480                  |
| <b>Balance: 30 Jun 2020</b> | <b>468</b>           |

The rights of use (leasing) recognized in accordance with IFRS 16 originally reported under intangible assets in the Interim Consolidated Financial Statements for the first half of 2019 are reported under property, plant and equipment with retroactive effect as of 1 January 2019 (first-time application) in accordance with the audited 2019 Consolidated Financial Statements.



Property, plant and equipment including rights of use from real estate contracts recognised in accordance with IFRS 16 developed as follows in the first half of 2020:

| EUR thousand                | Own land and buildings, leaseholdments | Rights of use (leases) | Plant and machinery | Other equipment, furniture fixtures | Plant and machinery (leases) | Total property, plant and equipment |
|-----------------------------|--|------------------------|---------------------|-------------------------------------|------------------------------|-------------------------------------|
| <u>Historical cost</u>      |  |                        |                     |                                     |                              |                                     |
| Balance: 1 Jan 2020         | 1,052                                  | 3,210                  | 1,757               | 2,317                               | 1,091                        | 9,427                               |
| Additions                   | 0                                      | 0                      | 41                  | 36                                  | 0                            | 77                                  |
| Disposals                   | 0                                      | 0                      | 0                   | 0                                   | 0                            | 0                                   |
| <b>Balance: 31 Jun 2020</b> | <b>1,052</b>                           | <b>3,210</b>           | <b>1,798</b>        | <b>2,353</b>                        | <b>1,091</b>                 | <b>9,504</b>                        |
| <u>Depreciation</u>         |  |                        |                     |                                     |                              |                                     |
| Stand zum 01.01.2020        | 707                                    | 363                    | 1,443               | 1,878                               | 554                          | 4,944                               |
| Additions                   | 29                                     | 182                    | 39                  | 104                                 | 69                           | 423                                 |
| Disposals                   | 0                                      | 0                      | 0                   | 0                                   | 0                            | 0                                   |
| <b>Balance: 31 Jun 2020</b> | <b>736</b>                             | <b>545</b>             | <b>1,482</b>        | <b>1,982</b>                        | <b>623</b>                   | <b>5,367</b>                        |
| <u>Carrying amount</u>      |  |                        |                     |                                     |                              |                                     |
| Balance: 31 Dec 2018        | 345                                    | 2,847                  | 314                 | 439                                 | 538                          | 4,483                               |
| <b>Balance: 31 Jun 2020</b> | <b>316</b>                             | <b>2,665</b>           | <b>316</b>          | <b>370</b>                          | <b>469</b>                   | <b>4,137</b>                        |

#### (14) Inventories

Inventories comprise the following items:

| EUR thousand   % of balance sheet total | 30 Jun 2020   |              | 31 Dec 2019   |              | Change in %   |
|---|---------------|--------------|---------------|--------------|---------------|
| Raw materials, consumables and supplies | 320           | 1.6%         | 382           | 1.8%         | -16.1%        |
| Unfinished goods                        | 760           | 3.7%         | 800           | 3.7%         | -5.0%         |
| Finished goods and merchandise          | 10,951        | 53.8%        | 12,202        | 56.5%        | -10.3%        |
| Advance payments                        | 9             | 0.0%         | 9             | 0.0%         | 7.4%          |
| <b>Inventories</b>                      | <b>12,040</b> | <b>59.1%</b> | <b>13,392</b> | <b>62.0%</b> | <b>-10.1%</b> |





**(15) Other financial assets**

Other financial assets comprise the following items:

| EUR thousand   % of balance sheet total   | 30 Jun 2020 |             | 31 Dec 2019 |             | Change in %   |
|---|-------------|-------------|-------------|-------------|---------------|
| Security deposits and other warranties    | 91          | 0.4%        | 153         | 0.7%        | -40.3%        |
| Receivables due from employees            | 51          | 0.2%        | 45          | 0.2%        | 13.5%         |
| <b>Current other financial assets</b>     | <b>142</b>  | <b>0.7%</b> | <b>198</b>  | <b>0.9%</b> | <b>-28.1%</b> |
| Security deposits and other warranties    | 162         | 0.8%        | 162         | 0.8%        | -0.2%         |
| Receivables due from employees            | 15          | 0.1%        | 15          | 0.1%        | 0.0%          |
| <b>Non-current other financial assets</b> | <b>177</b>  | <b>0.9%</b> | <b>177</b>  | <b>0.8%</b> | <b>-0.2%</b>  |
| <b>Other financial assets</b>             | <b>319</b>  | <b>1.6%</b> | <b>375</b>  | <b>1.7%</b> | <b>-14.9%</b> |

**(16) Other non-financial assets**

Other non-financial assets comprise the following items:

| EUR thousand   % of balance sheet total       | 30 Jun 2020  |             | 31 Dec 2019 |             | Change in %   |
|---|--------------|-------------|-------------|-------------|---------------|
| Receivables from taxes                        | 497          | 2.4%        | 93          | 0.4%        | 435.7%        |
| Deferred expenses                             | 128          | 0.6%        | 85          | 0.4%        | 49.7%         |
| Other advance payments                        | 80           | 0.4%        | 122         | 0.6%        | -34.4%        |
| Creditors with debit balances                 | 101          | 0.5%        | 24          | 0.1%        | 327.2%        |
| Miscellaneous other receivables               | 124          | 0.6%        | 4           | 0.0%        | n.a.          |
| <b>Current other non-financial assets</b>     | <b>929</b>   | <b>4.6%</b> | <b>328</b>  | <b>1.5%</b> | <b>183.3%</b> |
| Receivables from taxes                        | 247          | 1.2%        | 247         | 1.1%        | 0.0%          |
| <b>Non-current other non-financial assets</b> | <b>247</b>   | <b>1.2%</b> | <b>247</b>  | <b>1.1%</b> | <b>0.0%</b>   |
| <b>Other non-financial assets</b>             | <b>1,176</b> | <b>5.8%</b> | <b>574</b>  | <b>2.7%</b> | <b>104.6%</b> |

Current tax receivables mainly relate to input tax receivables. These also result from high import sales taxes on imported goods as of the balance sheet date.

As of 30 June 2020, current other assets include refund claims of EUR 114 thousand against the Federal Employment Agency.



## (17) Equity

### Issued capital

The issued capital of elumeo SE as of 30 June 2020 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 theoretical share in the issued capital of EUR 1.00 per share.

There were no changes compared the disclosures as of 31 December 2019.

### Capital reserve

The capital reserve of elumeo SE as of 30 June 2020 amounts to EUR 34,436 thousand and increased by EUR 13 thousand compared to 31 December 2019, (EUR 34,423 thousand) due to share-based remuneration in accordance with IFRS 2 *Share-based Payment*.

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

The Executive Board of elumeo SE was authorised by resolution of the Extraordinary General Meeting on 7 April 2015 to increase the subscribed capital of the company until 6 April 2020 (Authorised Capital 2015), to issue bearer convertible bonds and bonds with warrants (Authorised Capital 2015/II) and to grant option rights to subscribe to new, no-par-value bearer shares in elumeo SE (Stock Option Programme 2015).

All authorisations expired on 6 April 2020 due to the expiry of time.

### Share-based remuneration

The number of outstanding option rights under the SOP 2015 amounted to 272,602 option rights on 30 June 2020 (30 June 2019: 249,507 option rights) and did not change compared to 31 December 2019:

| Reason for change  | Number of option rights | Weighted average exercise price in EUR |
|--|-------------------------|--|
| <b>Number of option rights outstanding on 1 January 2020</b> | <b>272,602</b>          | <b>13.48</b>                           |
| Option rights granted during the reporting period            | 0                       | 0.00                                   |
| Option rights forfeited during the reporting period          | 0                       | 0.00                                   |
| <b>Number of option rights outstanding on 30 June 2020</b>   | <b>272,602</b>          | <b>13.48</b>                           |
| <b>Number of option rights outstanding on 1 January 2019</b> | <b>263,819</b>          | <b>14.31</b>                           |
| Option rights granted during the reporting period            | 0                       | 0.00                                   |
| Option rights forfeited during the reporting period          | -14,312                 | 7.63                                   |
| <b>Number of option rights outstanding on 30 June 2019</b>   | <b>249,507</b>          | <b>14.70</b>                           |



As of 30 June 2020, the weighted average remaining term of the outstanding option rights up to the expiry date is approximately 6.10 years (30 June 2019: approx. 6.80 years). The average exercise price of an (outstanding) option right at the issue date is EUR 5.19 (30 June 2019: EUR 5.76). No option rights can be exercised as of the reporting date, as either the service period criterion and/or the capital market-based performance target of the respective tranche were not met. As of the reporting date, a total of 116,160 option rights could in principle be exercised, as the service period criterion was met. A further 102,942 option rights will become exercisable in principle on 18 July 2020.

A total of EUR 13 thousand was recognised in the first half of 2020 (first half of 2019: EUR 29 thousand) for the share-based remuneration commitments of the eight tranches from the SOP 2015.

The issue of option rights under the SOP 2015 was terminated by the expiration of the authorisation of the Executive Board on 6 April 2020.

### (18) Financial debt

| EUR thousand   % of balance sheet total                   | 30 Jun 2020 |             | 31 Dec 2019 |             | Change<br>in % |
|---|-------------|-------------|-------------|-------------|----------------|
| Bank liabilities:   |             |             |             |             |                |
| Interest liabilities                                      | 0           | 0.0%        | 1           | 0.0%        | -100.0%        |
| Current loans and current portion<br>of non-current loans | 0           | 0.0%        | 446         | 2.1%        | -100.0%        |
| <b>Current financial debt</b>                             | <b>0</b>    | <b>0.0%</b> | <b>447</b>  | <b>2.1%</b> | <b>-100.0%</b> |
| <b>Financial debt</b>                                     | <b>0</b>    | <b>0.0%</b> | <b>447</b>  | <b>2.1%</b> | <b>-100.0%</b> |

The current loans of elumeo SE existing as of 31 December 2019 were repaid in the first quarter of 2020 as agreed.



**(19) Other financial liabilities**

Other financial liabilities are as follows:

| EUR thousand   % of balance sheet total                             | 30 Jun 2020  |              | 31 Dec 2019  |              | Change<br>in % |
|---|--------------|--------------|--------------|--------------|----------------|
| Current portion of non-current<br>lease liabilities (finance lease) | 337          | 1.7%         | 316          | 1.5%         | 6.6%           |
| Credit card liabilities   | 1            | 0.0%         | 4            | 0.0%         | -72.2%         |
| <b>Current other financial liabilities</b>                          | <b>338</b>   | <b>1.7%</b>  | <b>319</b>   | <b>1.5%</b>  | <b>5.8%</b>    |
| Lease liabilities (operating lease)                                 | 2,419        | 11.9%        | 2,596        | 12.0%        | -6.8%          |
| <b>Non-current other financial liabilities</b>                      | <b>2,419</b> | <b>11.9%</b> | <b>2,596</b> | <b>12.0%</b> | <b>-6.8%</b>   |
| <b>Other financial liabilities</b>                                  | <b>2,757</b> | <b>13.5%</b> | <b>2,915</b> | <b>13.5%</b> | <b>-5.4%</b>   |

The leasing liabilities recognised in accordance with IFRS 16 relate to leased premises (real estate contracts). The leasing liabilities result from the rights of use under property contracts at the headquarters of the elumeo Group. The leasing liabilities have a remaining term of approximately 7.50 years as of the balance sheet date.



**(20) Provisions**

Provisions developed as follows in the first half of 2020:

| EUR thousand   | Carrying amount<br>1 Jan<br>2020 | Addi-<br>tions | Effects<br>from<br>interest | Reversal | Usage         | Carrying<br>amount<br>30 Jun<br>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                                  |
| <b>Current provisions</b>  | <b>1,400</b>                     | <b>263</b>     | <b>0</b>                    | <b>0</b> | <b>-1,047</b> | <b>615</b>                           |
| In terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK   | 4,528                            | 0              | 18                          | 0        | 0             | 4,545                                |
| <b>Non-current provisions</b>  | <b>4,528</b>                     | <b>0</b>       | <b>18</b>                   | <b>0</b> | <b>0</b>      | <b>4,545</b>                         |
| <b>Provisions</b>  | <b>5,928</b>                     | <b>263</b>     | <b>18</b>                   | <b>0</b> | <b>-1,047</b> | <b>5,160</b>                         |

Expected customer returns

The elumeo Group records obligations resulting from the right of its customers to return delivered products within a period of 14 days after receipt of the delivery. The amount of the provision was estimated as of 30 June 2020, taking into account an extended right of return for the months April to June 2020.

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 site

In November 2019, the Executive Board decided to close the sales office in Rome. In connection with this move, provisions for obligations arising from non-cancellable contracts and severance payments as well as other obligations totalling EUR 792 thousand were recognised as of 31 December 2019. Of this amount, a total of EUR 560 thousand was cash-effective in the first half of 2020. All provisions have a term of less than one year. The Italian subsidiary no longer had any operating business of its own as of the balance sheet date. The elumeo Group therefore assumes that the financial resources required to meet the obligations will continue to be provided by other companies in the elumeo Group.



Obligations uncertain in terms of nature, amount and utilisation in connection with the discontinued operation PWK

As of 31 December 2019, the elumeo Group reports long-term provisions amounting to EUR 4.5 million for the risk of future payments by Group companies of the elumeo Group to PWK or third parties. With the exception of the accrual of interest on provisions, there have been no changes to the assessment of the amount and timing of the estimated maximum pay-outs compared to the figures as of 31 December 2019.

EUR 54 thousand of the current provisions of EUR 175 thousand recognised as of 31 December 2019 for legal consulting and litigation costs were utilised in the first half of 2020.

For further information, please refer to sections [A.: Discontinued operations of the elumeo Group] and [F. Significant discretionary decisions, estimates and assumptions] of the 2019 Notes to the Consolidated Financial Statements.

## (21) Tax liabilities

Since 31 December 2017, the elumeo Group has reported deferred tax liabilities for potential income tax risks relating to the financial years 2014 and 2015 in connection with an external tax audit at the subsidiary in Italy. A dispute settlement procedure (EU Arbitration Convention) was initiated on the results of the external audit. The elumeo Group assumes that the tax liabilities will continue to be due within one year.

## (22) Other non-financial liabilities

Other non-financial liabilities as of the respective reporting date are as follows:

| EUR thousand   % of balance sheet total            | 30 Jun 2020  |              | 31 Dec 2019  |             | Change in %  |
|--|--------------|--------------|--------------|-------------|--------------|
| Debtors with credit balances                       | 474          | 2.3%         | 460          | 2.1%        | 3.2%         |
| Other accrued liabilities                          | 654          | 3.2%         | 825          | 3.8%        | -20.7%       |
| Liabilities from value added tax                   | 523          | 2.6%         | 532          | 2.5%        | -1.6%        |
| Liabilities from other taxes                       | 62           | 0.3%         | 126          | 0.6%        | -50.4%       |
| Liabilities to employees                           | 521          | 2.6%         | 147          | 0.7%        | 255.0%       |
| Miscellaneous other liabilities                    | 452          | 2.2%         | 30           | 0.1%        | n.a.         |
| <b>Current other non-financial liabilities</b>     | <b>2,688</b> | <b>13.2%</b> | <b>2,119</b> | <b>9.8%</b> | <b>26.8%</b> |
| Other accrued liabilities                          | 25           | 0.1%         | 25           | 0.1%        | 0.0%         |
| <b>Non-current other non-financial liabilities</b> | <b>25</b>    | <b>0.1%</b>  | <b>25</b>    | <b>0.1%</b> | <b>0.0%</b>  |
| <b>Other non-financial liabilities</b>             | <b>2,713</b> | <b>13.3%</b> | <b>2,144</b> | <b>9.9%</b> | <b>26.5%</b> |



Liabilities to employees as of 30 June 2020 mainly comprise the annual holiday entitlements.

The other current liabilities as of 30 June 2020 mainly relate to social security liabilities. In connection with the potential impact of the coronavirus on the elumeo Group, individual repayment agreements with terms of up to 12 months have been concluded with the relevant health insurance companies for the main amounts as a precautionary measure.

## (23) Notes to the Consolidated Statement of Cash Flows

### General information

The Consolidated Statement of Cash Flows was prepared in accordance with IAS 7 *Statement of Cash Flows* and shows the change in unrestricted cash and cash equivalents of the elumeo Group through cash inflows and outflows in the course of the reporting period.

In accordance with IAS 7, cash flows are reported separately according to their origin and use from operating, 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 comprise freely available cash on hand, cheques and bank balances.

The positive cash flow from operating activities in the first half of 2020 includes an outflow of funds due to improved but still negative earnings before taxes (EBT) (H1 2020: EUR -1,270 thousand, H1 2019: EUR -2,153 thousand), which was caused by a reduction in inventories (H1 2020: EUR +1,352 thousand, H1 2019: EUR +4,721 thousand) or a balance sheet date related increase in other liabilities (H1 2020: EUR +1,409 thousand, H1 2019: decrease of EUR -2,498 thousand) (mainly trade payables and other liabilities). The cash inflow was offset by a decrease in provisions (H1 2020: EUR -731 thousand, H1 2019: EUR -415 thousand). Overall, the cash flow from operating activities in the first half of 2020 was EUR +1,049 thousand compared to EUR -160 thousand in the first half of 2019.

In the first half of 2019, the cash outflow was only compensated for by a significant reduction in inventories due to the significantly lower earnings before taxes (EBT), the decrease in provisions and the decrease in other liabilities. In the first half of 2019, earnings before taxes (EBT) also included significant non-cash income (EUR -727 thousand, mainly income from deconsolidations).

Cash flow from operating activities thus improved significantly compared to the same period of the previous year.

Cash flow from investing activities in the first half of 2020 totalled EUR -114 thousand (H1 2019: EUR -106 thousand).

Cash flow from financing activities comprises payments for the repayment of financial liabilities of EUR -446 thousand (H1 2019: EUR -1,200 thousand) (working capital loans) and other financial liabilities of EUR -158 thousand (H1 2019: EUR -341 thousand) (mainly leasing liabilities). Of the lease payments, EUR -156 thousand (H1 2019: EUR -203 thousand, including the site in Rome) relates to lease obligations from rights of use under real estate agreements and EUR 0 thousand (previous year: EUR -137 thousand) to lease obligations for technical equipment.



The change in cash and cash equivalents of EUR -121 thousand in the first half of 2019 due to changes in the consolidated Group relates exclusively to the subsidiaries of the discontinued operations UK.

Cash and cash equivalents as of 30 June 2020 result from the active inventory items of unrestricted cash and cash equivalents. As of the balance sheet date, there are no negative components such as short-term overdrafts.

#### Changes in liabilities from financing activities

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

The item *Reclassifications and Other* includes the effects of the reclassification of non-current other financial liabilities (lease liabilities) to current liabilities as well as accrued and unpaid interest on interest-bearing loans (interest liabilities). The elumeo Group classifies interest paid as cash flows from operating activities.





| EUR thousand   restated*   | Carrying amount<br>1 Jan<br>2019 | Cash flow<br>from<br>financing<br>activities | Additions<br>(non-cash) | Reclassi-<br>fications<br>and<br>Others | Carrying amount<br>30 Jun<br>2019 |
|--|----------------------------------|--|-------------------------|---|-----------------------------------|
| Current other financial liabilities (excluding following item)         | 7                                | 0  | 0                       | 0                                       | 7                                 |
| Current portion of non-current lease liabilities (plant and machinery) | 253                              | -137   | 0                       | 0                                       | 116                               |
| Current portion of non-current lease liabilities (right of use)        | 0                                | -203   | 521                     | 108                                     | 425                               |
| Non-current lease liabilities (right of use)                           | 0                                | 0  | 3,528                   | -108                                    | 3,420                             |
| Current financial debt (excluding following item)                      | 0                                | 0  | 0                       | 33                                      | 33                                |
| Current loans and current portion of non-current loans                 | 2,000                            | -1,200                                       | 0                       | 0                                       | 800                               |
| <b>Total liabilities from financing activities</b>                     | <b>2,260</b>                     | <b>-1,541</b>                                | <b>4,049</b>            | <b>33</b>                               | <b>4,802</b>                      |

The item *Additions (non-cash)* in the first half of 2019 includes the recognition of lease liabilities at the present value of future lease payments from the first-time application of IFRS 16.

#### (24) Further disclosures on financial instruments

##### Disclosure of the fair values of financial instruments in accordance with IFRS 9

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

##### Measurement hierarchy in accordance with IFRS 13

With regard to the determination of the fair values of the financial instruments of the elumeo Group 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 measurement hierarchies in accordance with IFRS 13 in the first half of 2020.



## (25) Segment reporting

### Presentation of segments

Segment reporting is in accordance with internal reporting and control criteria.

In the Consolidated Financial Statements for 2019, the complete deconsolidation of PWK (discontinued operation PWK) took place as of 31 December 2018 by way of adjustment of prior-year figures. The segment *Discontinued operation Manufactory* was also deconsolidated retroactively as of 31 December 2018. The segment *Continuing operations* represented the only remaining operating segment.

As of 30 June 2020, the segment information exclusively includes the *Sales division* and *Group functions & eliminations* of the *Continuing operations* segment.

The segment *Discontinued operations Manufactory* was still reported in the Interim Consolidated Financial Statements for the first half of the previous year 2019. It was no longer operationally active, but the costs of under-utilisation and opportunity costs of sales were allocated to it. Due to later developments in financial year 2019, the retrospective deconsolidation of the segment was only carried out in the 2019 Consolidated Financial Statements. The prior-year comparative information presented in these Interim Consolidated Financial Statements for the first half of 2020 was therefore adjusted accordingly.

Furthermore, starting in financial year 2020, the (historical) costs of the under-utilisation of PWK and the opportunity costs of sales are no longer determined, as these are no longer considered to be material. For the purposes of comparison, these costs were likewise not included in the comparative information for the previous year.

### Definition of the segment result

The Executive Board assesses the success of a segment and establishes performance targets for the future based on the revenue, gross profit and segment EBITDA (adjusted earnings figure). The adjusted earnings figure Segment EBITDA is basically defined as earnings before interest, taxes and depreciation and amortisation (EBITDA) after adjustment for segment reconciliation items.

In assessing operating performance, the segment reconciliation items presented in section [I.: Segment reporting | Primary decision-maker and definition of the segment result] of the Notes to the 2019 Consolidated Financial Statements are generally identified as non-operating items.

For internal information purposes, the Executive Board had decided, as a result of the first-time application of IFRS 16 as of 1 January 2019, to supplement the internal reporting in such a way that the amount of lease payments made in each reporting period (as the sum of principal and interest) is to be disclosed as a separate financial indicator.



Segment information

*Detailed statement of income of the segments for the period from 1 April to 30 June 2020 (Q2 2020) and the prior-year comparative period*

| Q2 2020   | Sales<br>division | Group<br>functions<br>& elimi-<br>nations | Segment<br>information<br>(continuing<br>operations) |              |
|---|-------------------|---|--|--------------|
| EUR thousand   % of revenue   |                   |   |  |              |
| Revenue   | 9,656             | 0   | 9,656  | 100.0%       |
| Cost of goods sold  | 4,165             | -1  | 4,164  | 43.1%        |
| <b>Gross profit</b>   | <b>5,491</b>      | <b>1</b>                                  | <b>5,492</b>   | <b>56.9%</b> |
| Selling expenses  | 3,851             | 0   | 3,851  | 39.9%        |
| Administrative expenses   | 951               | 558                                       | 1,509  | 15.6%        |
| Other operating income  | 6                 | 2   | 8  | 0.1%         |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>695</b>        | <b>-555</b>                               | <b>140</b>   | <b>1.5%</b>  |
| Interest income   | 0                 | 0   | 0  | 0.0%         |
| Interest and similar expenses   | -26               | 0   | -26  | -0.3%        |
| Financial result  | -26               | 0   | -26  | -0.3%        |
| <b>Earnings before income taxes (EBT)</b>   | <b>669</b>        | <b>-555</b>                               | <b>115</b>   | <b>1.2%</b>  |
| <b>Earnings for the period</b>  | <b>669</b>        | <b>-555</b>                               | <b>115</b>   | <b>1.2%</b>  |
| <i>Earnings of shareholders of elumeo SE</i>  | 669               | -555                                      | 115  | 1.2%         |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>695</b>        | <b>-555</b>                               | <b>140</b>   | <b>1.5%</b>  |
| Depreciation and amortization on property,<br>plant and equipment and intangible assets | 231               | 2   | 233  | 2.4%         |
| <b>Segment EBITDA</b>   | <b>926</b>        | <b>-553</b>                               | <b>374</b>   | <b>3.9%</b>  |



| Q2 2019<br>restated*  | <i>Sales<br/>division</i> | <i>Group<br/>functions<br/>&amp; elimi-<br/>nations</i> | <b>Segment<br/>information</b><br>(continuing<br>operations) |              |
|---|---------------------------|---|--|--------------|
| EUR thousand   % of revenue   |                           |   |  |              |
| Revenue   | 11,302                    | 0   | 11,302   | 100.0%       |
| Cost of goods sold  | 6,173                     | -2  | 6,171  | 54.6%        |
| <b>Gross profit</b>   | <b>5,130</b>              | <b>2</b>  | <b>5,132</b>   | <b>45.4%</b> |
| Selling expenses  | 4,449                     | -249  | 4,200  | 37.2%        |
| Administrative expenses   | 929                       | 763   | 1,692  | 15.0%        |
| Other operating income  | 8                         | 2   | 11   | 0.1%         |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>-240</b>               | <b>-510</b>   | <b>-750</b>  | <b>-6.6%</b> |
| Interest income   | 0                         | 0   | 0  | 0.0%         |
| Interest and similar expenses   | -40                       | -14   | -54  | -0.5%        |
| Financial result  | -40                       | -14   | -54  | -0.5%        |
| <b>Earnings before income taxes (EBT)</b>   | <b>-280</b>               | <b>-524</b>   | <b>-804</b>  | <b>-7.1%</b> |
| <b>Earnings for the period</b>  | <b>-280</b>               | <b>-524</b>   | <b>-804</b>  | <b>-7.1%</b> |
| <i>Earnings of shareholders of elumeo SE</i>  | <i>-280</i>               | <i>-524</i>   | <i>-804</i>  | <i>-7.1%</i> |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>-240</b>               | <b>-510</b>   | <b>-750</b>  | <b>-6.6%</b> |
| Depreciation and amortization on property,<br>plant and equipment and intangible assets | 306                       | 4   | 310  | 2.7%         |
| <b>Segment EBITDA</b>   | <b>65</b>                 | <b>-506</b>   | <b>-440</b>  | <b>-3.9%</b> |

In the second quarter of 2020, lease payments were attributable to the *Sales division* in accordance with IFRS 16 for rights of use from property agreements in the amount of EUR 103 thousand (H2 2019: EUR 139 thousand).



*Detailed statement of income of the segments for the period from 1 January to 30 June 2020 and the prior-year comparative period*

| 1 Jan - 30 Jun 2020   | <i>Sales<br/>division</i> | <i>Group<br/>functions<br/>&amp; elimi-<br/>nations</i> | <b>Segment<br/>information</b><br>(continuing<br>operations) |              |
|---|---------------------------|---|--|--------------|
| EUR thousand   % of revenue   |                           |   |  |              |
| Revenue   | 19,986                    | 0   | 19,986   | 100.0%       |
| Cost of goods sold  | 9,879                     | -20   | 9,859  | 49.3%        |
| <b>Gross profit</b>   | <b>10,108</b>             | <b>20</b>   | <b>10,127</b>  | <b>50.7%</b> |
| Selling expenses  | 8,205                     | 0   | 8,205  | 41.1%        |
| Administrative expenses   | 2,062                     | 1,083   | 3,146  | 15.7%        |
| Other operating income  | 39                        | 5   | 43   | 0.2%         |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>-121</b>               | <b>-1,059</b>   | <b>-1,180</b>  | <b>-5.9%</b> |
| Interest income   | 0                         | 0   | 0  | 0.0%         |
| Interest and similar expenses   | -51                       | -4  | -56  | -0.3%        |
| Financial result  | -51                       | -4  | -56  | -0.3%        |
| <b>Earnings before income taxes (EBT)</b>   | <b>-172</b>               | <b>-1,063</b>   | <b>-1,235</b>  | <b>-6.2%</b> |
| <b>Earnings for the period</b>  | <b>-172</b>               | <b>-1,063</b>   | <b>-1,235</b>  | <b>-6.2%</b> |
| <i>Earnings of shareholders of elumeo SE</i>  | -172                      | -1,063  | -1,235   | -6.2%        |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>-121</b>               | <b>-1,059</b>   | <b>-1,180</b>  | <b>-5.9%</b> |
| Depreciation and amortization on property,<br>plant and equipment and intangible assets | 468                       | 4   | 472  | 2.4%         |
| <b>Segment EBITDA</b>   | <b>348</b>                | <b>-1,055</b>   | <b>-708</b>  | <b>-3.5%</b> |



| 1 Jan - 30 Jun 2019<br>restated*  | <i>Sales<br/>division</i> | <i>Group<br/>functions<br/>&amp; elimi-<br/>nations</i> | <b>Segment<br/>information</b><br>(continuing<br>operations) |               |
|---|---------------------------|---|--|---------------|
| EUR thousand   % of revenue   |                           |   |  |               |
| Revenue   | 23,262                    | 0   | 23,262   | 100.0%        |
| Cost of goods sold  | 13,199                    | -17   | 13,182   | 56.7%         |
| <b>Gross profit</b>   | <b>10,064</b>             | <b>17</b>   | <b>10,080</b>  | <b>43.3%</b>  |
| Selling expenses  | 9,370                     | -249  | 9,121  | 39.2%         |
| Administrative expenses   | 2,129                     | 1,296   | 3,425  | 14.7%         |
| Other operating income  | 25                        | 4   | 29   | 0.1%          |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>-1,410</b>             | <b>-1,026</b>   | <b>-2,436</b>  | <b>-10.5%</b> |
| Interest income   | 0                         | 0   | 0  | 0.0%          |
| Interest and similar expenses   | -84                       | -33   | -118   | -0.5%         |
| Financial result  | -84                       | -33   | -118   | -0.5%         |
| <b>Earnings before income taxes (EBT)</b>   | <b>-1,495</b>             | <b>-1,060</b>   | <b>-2,554</b>  | <b>-11.0%</b> |
| <b>Earnings for the period</b>  | <b>-1,495</b>             | <b>-1,060</b>   | <b>-2,554</b>  | <b>-11.0%</b> |
| <i>Earnings of shareholders of elumeo SE</i>  | <i>-1,495</i>             | <i>-1,060</i>   | <i>-2,554</i>  | <i>-11.0%</i> |
| <b>Earnings before interest and taxes (EBIT)</b>  | <b>-1,410</b>             | <b>-1,026</b>   | <b>-2,436</b>  | <b>-10.5%</b> |
| Depreciation and amortization on property,<br>plant and equipment and intangible assets | 618                       | 10  | 628  | 2.7%          |
| <b>Segment EBITDA</b>   | <b>-793</b>               | <b>-1,016</b>   | <b>-1,809</b>  | <b>-7.8%</b>  |

In the first half of 2020, lease payments of EUR 205 thousand (H1 2019: EUR 277 thousand) were attributable to the *Sales division* in accordance with IFRS 16 for rights of use under real estate contracts.



### Segment reconciliation to Group earnings

Due to the deconsolidation of the discontinued operations, a detailed reconciliation of results is not necessary from financial year 2019 onwards, as the elumeo Group only has one operating segment with the *Sales division* as the main component. An adjustment of effects in connection with the discontinued operations is no longer necessary.

*Segment reconciliation for the period from 1 April to 30 June 2020 (Q2 2020) and for the period from 1 January to 30 June 2020*

Segment EBITDA can be reconciled to EBITDA derived from the Consolidated Statement of Income by taking the segment reconciliation items presented in the Notes to the 2019 Consolidated Financial Statements into account.

The segment EBITDA in the second quarter of 2020 amounted to EUR +374 thousand and can be reconciled to the EBITDA by adding:

- net losses from currency translation totalling EUR -52 thousand (EUR 48 thousand reported under other operating income (reversal to expense items in the second quarter of 2020) and EUR 4 thousand under other operating expenses) and
- share-based payments with compensation through equity instruments of EUR -5 thousand (administrative costs)

to the EBITDA of EUR +316 thousand derived from the Consolidated Statement of Income.

The segment EBITDA in the first half of 2020 was EUR -708 thousand and can be calculated by adding:

- net losses from currency translation of EUR -4 thousand (other operating expenses) and
- share-based payments with compensation through equity instruments of EUR -13 thousand (administrative costs)

to the EBITDA of EUR -725 thousand derived from the Consolidated Statement of Income.

All other reconciliations of EBITDA or EBIT to the consolidated result are derived from the Consolidated Statement of Income or the Consolidated Statement of Cash Flows.



*Segment reconciliation for the period from 1 April to 30 June 2019 (Q2 2019) and for the period from 1 January to 30 June 2019*

The segment EBITDA in the second quarter of 2019 amounted to EUR -440 thousand and can be calculated by adding:

- net losses from currency translation of EUR -52 thousand in total (reported under other operating income of EUR -52 thousand (reversal in the second quarter of 2020))
- share-based payments with compensation through equity instruments of EUR -15 thousand (administrative costs),
- reconciliation effects of EUR -182 thousand from value adjustments on intragroup receivables from deconsolidated companies due to the scope of consolidation, and
- legal and consulting fees in connection with the liquidation of the Group's own manufacturing facility PWK of EUR -69 thousand

to the EBITDA of EUR -758 thousand derived from the Consolidated Statement of Income.

The segment EBITDA in the first half of 2019 amounted to EUR -1,809 thousand and can be calculated by adding the:

- net income from currency translation of EUR +9 thousand (other operating income),
- share-based payments with compensation through equity instruments of EUR -29 thousand (administrative costs),
- reconciliation effects from the deconsolidation of subsidiaries of EUR +722 thousand (other operating income) and value adjustments on intragroup receivables from deconsolidated companies of EUR -185 thousand, and
- legal and consulting fees in connection with the liquidation of the Group's own manufacturing facility PWK of EUR -90 thousand

to the EBITDA of EUR -1,383 thousand derived from the Consolidated Statement of Income.

All other reconciliations of EBITDA or EBIT to the consolidated result are derived from the Consolidated Statement of Income or the Consolidated Statement of Cash Flows.





## (26) Related party disclosures

The elumeo Group identifies 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 2019 Consolidated Financial Statements.

The following significant transactions with related parties were carried out in the first half of 2020:

- Under selling expenses, the elumeo Group reports expenses of EUR 55 thousand (H1 2019: EUR 24 thousand) for services in the field of TV broadcasting from Spreekanal Berlin GmbH, Berlin, Germany ("Spreekanal GmbH"). 100% of the shares in Spreekanal GmbH are held by UV Interactive Services GmbH, Berlin, Germany ("UVIS"). Mr. Wolfgang Boyé in turn holds 100.0% of the shares in UVIS.

Income of EUR 5 thousand was also generated from the provision of supporting broadcast processing services for Spreekanal GmbH (H1 2019: EUR 6 thousand).

As of 30 June 2020, the elumeo Group reported receivables from Spreekanal GmbH of EUR 2 thousand (31 December 2019: EUR 1 thousand).

- On 27 April 2020, the Executive Board of elumeo SE appointed Mr. Florian Spatz a Managing Director of elumeo SE. Thomas Jarmuske is moving on from his position as Managing Director of elumeo SE to serve as Managing Director of Juwelo Deutschland GmbH, Berlin.
- In financial years 2015, 2016, 2018 and 2019, a total of 98,000 option rights (30 June 2019: 57,000 option rights) from the SOP 2015 were granted to Managing Directors, some of whom left in financial year 2019 or were newly appointed in the first half of 2020. The fair value of the 81,750 option rights outstanding as of 30 June 2020 is EUR 249 thousand (30 June 2019: 57,000 option rights at a fair value of EUR 266 thousand). Of this amount, EUR 8 thousand (H1 2019: EUR 18 thousand) was recognised as an expense in the Consolidated Statement of Income under administrative expenses in the first half of 2020.
- In connection with the legal disputes in connection with the discontinued operation PWK, certain members of the Executive Board and Managing Directors incurred additional legal costs in the first half of 2020. 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 2019 up to the publication of the Interim Consolidated Financial Statements:

- On 27 April 2020, the Executive Board of elumeo SE appointed Mr. Florian Spatz a Managing Director of elumeo SE. Thomas Jarmuske is moving on from his position as Managing Director of elumeo SE to serve as Managing Director of Juwelo Deutschland GmbH, Berlin.



### Reportable securities transactions pursuant to Article 19 MAR

The members of the Executive Board and Managing Directors that are not members of the Executive Board at the same time and persons closely associated with them pursuant to Article 19 MAR are obliged to disclose transactions involving shares of elumeo SE (so-called Managers' Transactions) to the German Federal Financial Supervisory Authority (BaFin) and elumeo SE. elumeo SE is obliged to publish these transactions immediately after notification.

For further information on Managers' Transactions, please refer to the publications on the Company's website at <https://www.elumeo.com/ir/latest-notifications/directors-dealings>.

### (27) Other financial obligations

The elumeo Group has payment obligations arising from non-cancellable contractual agreements for the distribution and broadcasting of its television programmes or the management of programme slots. These contracts have remaining terms of less than one year to slightly more than 6.50 years as of 30 June 2020 (previous year: less than one year to slightly more than 7.50 years). Some of them contain extension options, termination rights and price adjustment clauses.

Other financial obligations have not changed significantly compared to 31 December 2019, taking into account the extrapolation (i.e. pro rata temporis reduction) of contractual obligations to the reporting date. In the first half of 2020, no new contractual agreements were concluded that have a significant impact on other financial obligations.

### (28) Events after the reporting date

No events of special significance have occurred since the reporting date that would have a material impact on the net assets, financial position and results of operations of the elumeo Group.





## V. ASSURANCE OF THE LEGAL REPRESENTATIVES

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### Statement in accordance with Section 115 para. 2 no. 3 WpHG

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

Berlin, 12 August 2020

elumeo SE

The Executive Managing Directors

Bernd Fischer

Boris Kirn

Florian Spatz

