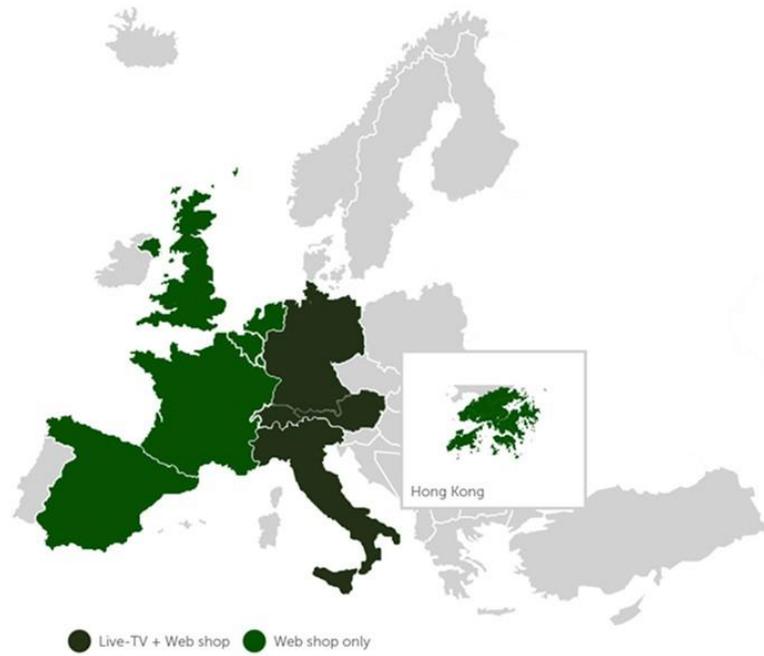




elumeo

Annual Report 2023



Europe-wide distribution of the elumeo Group via live TV and web shop

GROUP KEY FIGURES 2023

TEUR (unless otherwise stated)	2023		2022		YoY in %
Sales revenue	45.388	100,0%	45.844	100,0%	-1,0%
[The following information must be provided: absolute and as % of sales]					
Live	30.834	67,9%	32.416	70,7%	-4,9%
Web	14.503	32,0%	13.383	29,2%	8,4%
Other income	51	0,1%	45	0,1%	14,0%
Gross profit	22.705	50,0%	25.187	54,9%	-9,9%
EBITDA	-1.965	-4,3%	-463	-1,0%	-324,7%
Adjusted-EBITDA	-384	-0,8%	2.203	4,8%	-117,4%
Depreciation and amortisation	889	2,0%	941	2,1%	-5,5%
EBIT	-2.854	-6,3%	-1.404	-3,1%	-103,3%
Consolidated comprehensive income	-3.264	-7,2%	-3.333	-7,3%	2,1%
Selling and administrative expenses	25.850	57,0%	26.744	58,3%	-3,3%
Total assets	22.156		22.746		-2,6%
Total equity	8.069	36,4%	10.634	46,8%	-24,1%
[absolute and as % of total assets]					
Working capital	5.821	26,3%	7.328	32,2%	-20,6%
[absolute and as % of total assets]					
Net cash flow from operating activities	-94		-1.421		93,4%
Net cash flow from investing activities	-15		-60		75,3%
Net cash flow from financing activities	50		131		-61,9%
[The following information must be provided: KPIs of the internal controlling system]					
Sales volume [units]	623.371		568.344		9,7%
Number of active customers	82.911		75.195		10,3%
Average number of units sold					
Units per active customer	7,5		7,6		-0,5%
Average selling price [EUR]	73		81		-9,7%
Sales per active customer [EUR]	547		610		-10,2%
Gross profit per unit sold [EUR]	36		44		-17,8%
Average shopping basket [EUR]¹	174		191		-8,9%
Marketing expenditure as a percentage of sales Web	22%		19%		3.5 p.p.
Customer value after one year²	267		314		-15,0%
Customer value after five years²	873		967		-9,7%
[in % of the channel]					

Organic	22,9%	21,4%	1.5 p.p.
Direct	7,5%	11,4%	-3.9 p.p.
Paid	47,9%	42,0%	5.9 p.p.
Mail	9,8%	7,5%	2.3 p.p.
Other	12,0%	17,7%	-5.7 p.p.
<u>New customers</u>			
TV	7.370	7.545	-2,3%
Web	38.598	30.153	28,0%
Other	95	124	-23,4%

¹ Average shopping basket before cancellations and returns

² Rolling cohort analysis



TABLE OF CONTENTS

07 To our shareholders

08 Letter from the Chairman of the Board of Directors

09 The Executive Board of elumeo SE

14 Capital market information

16 Summarised Group management report 2022

17 Preliminary remark

17 Fundamentals of the Group

20 Economic report

22 Publication of results 2022

29 Economic situation of elumeo SE

32 Risk and opportunity report

41 Forecast report

42 Final declaration on the dependency report

42 Corporate governance declaration

43 Sustainability report / Non-financial Group statement

44 Takeover-related disclosures pursuant to Sections 289a and 315a HGB

46 Overall statement

48 Consolidated financial statements

49 Consolidated income statement and consolidated statement of comprehensive income

51 Consolidated balance sheet

53 Consolidated statement of changes in equity

55 Consolidated cash flow statement

58 Notes to the consolidated financial statements

58 Notes to the consolidated financial statements

113 Insurance of the legal representatives

114 Independent auditor's report

124 Imprint

To our shareholders

Letter from the Chairman of the Board of Directors 08

The Executive Board of elumeo SE 09

Capital market information 14

Letter from the Chairman of the Board of Directors

Dear Shareholders,

The past financial year once again presented elumeo SE with major challenges. For example, the consumer climate index published by market research company GfK remained at a low level throughout the year, dropping to -27.6 points in December 2023 alone. And according to the German E-Commerce and Mail Order Association (Bundesverband E-Commerce und Versandhandel Deutschland), the e-commerce market for the mail order business for watches and jewellery also declined significantly once again in 2023 at -15.4 %.

Nevertheless, our company performed well in this difficult environment :

- We were largely able to maintain the previous year's revenue level. elumeo SE generated revenue of € 45.4 million (2022: € 45.8 million). Revenue from the web sales channel increased by 8.4% year-on-year to € 14.5 million. In the fourth quarter, an additional investment of € 0.9 million was made in online marketing to optimise our marketing channels.
- The company's key performance indicator, earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA), adjusted for special effects, fell significantly due to the inflation-related decline in the gross profit margin to 50.0% (previous year: 54.9%). It fell from € 2.2 million to € -0.4 million, which was unexpectedly strong. We invested € 0.6 million in the development of the platform for the internationalisation of the Juwelo video format and an above-average investment of € 0.9 million in online marketing in Q4 2023.
- The operating cash flow increased from € -1.3 million to € -0.1 million.

We see the reason for the strength of elumeo in the special shopping experience of Juwelo TV, which combines a very emotional, video-based product presentation with attractive pricing across all price points from €29 to €10,000. This results in a high level of customer loyalty and customer retention.

Encouragingly, there are signs of a further recovery in revenue in the first quarter of 2024, meaning that we expect a significant return to growth in 2024. The main driver in 2024 will be the international scaling of Juwelo's video offering in the European market. As part of the #Juwelo100 project, our core brand was able to utilise a variety of technologies developed within the Group. The aim is to significantly accelerate international expansion at very low operating costs and without further investment.

The video shopping platform jooli also continued to develop positively in 2023 and at the beginning of 2024 . Since the launch of Jooli Pay, the number of monthly orders in the Indian market has increased significantly, rising from 202 orders in October 2023 to 1,353 orders in March 2024. Due to a simultaneous disproportionately high increase in average sales prices, customer revenue (gross merchandise value) climbed significantly in the same period .

I would like to thank all employees of the elumeo Group for their outstanding commitment in these challenging times. And I would also like to thank you, our investors, for continuing to place your trust in our company.

I look forward to working with you on the path to a successful future.

In April 2024



The Executive Board of elumeo SE



Wolfgang Boyé, Chairman of the Board of Directors

Term of office from 26 June 2020 until the 2026 Annual General Meeting

Wolfgang Boyé, born on 12 November 1969, is Chairman of the Executive Board of elumeo SE. The business graduate is co-founder of Juwelo Deutschland GmbH, Berlin, one of the current subsidiaries of elumeo SE. The company was founded following a management buy-out from the Scholz & Friends Group. During this time, he was a member of the Executive Board of Scholz & Friends AG (Berlin) and previously Chief Financial Officer of United Visions Entertainment AG (Berlin). At Scholz & Friends, Mr Boyé was responsible for TV activities, while at United Visions he was responsible for the company's successful IPO in 2000 in addition to the finance department. From 1995 to 2000, Wolfgang Boyé was a project manager at The Boston Consulting Group in Moscow, Russia and a consultant in Munich. Prior to this, he studied business administration at the University of St. Gallen, specialising in finance and accounting.



Boris Kirn, Chief Operating Officer

Term of office from 26 June 2020 until the 2026 Annual General Meeting

Boris Kirn, born on 13 October 1969, is Managing Director of elumeo SE, member of the Board of Directors and co-founder of Juwelo Deutschland GmbH, Berlin, which was founded in 2008. Mr Kirn oversees the development of processes and systems and is responsible for the operational areas of the company. Previously, Mr Kirn was Co-Founder and Managing Director of bietbox GmbH (later Gems TV Deutschland GmbH, both in Berlin) from 2005 to 2008. In addition, Mr Kirn has been a member of the Management Board of the online and TV platform K1010 (until 2001 K1010 AG, then K1010 Entertainment GmbH, later K1010 Media GmbH, all in Berlin) since 2000 and Managing Director since 2001. From 1994 to 2000, Mr Kirn worked for Hewlett-Packard as a consultant for business process optimisation and as a project manager for knowledge management, most recently in Mountain View, California/USA. Boris Kirn studied European Business Administration at ESB Reutlingen/London from 1990 to 1994, graduating with a double

degree (BA (Hons) and Dipl.-Betriebswirt) and completing his MBA at Cambridge University in 1997.



Dr Susanne Ries, Deputy Chairwoman of the Board of Directors

Term of office from 23 June 2023 until the 2027 Annual General Meeting

Dr Susanne Ries, born on 21 January 1975 in Saarland, German citizen, resident in Berlin, has been working as a lawyer in the field of corporate finance for over 20 years. She has spent the majority of her career working for major international law firms in London and Frankfurt am Main. From 2015 to 2019, she was responsible for all legal matters at the elumeo Group. She has been working for a major international law firm again since 2019. She specialises in the legal support of capital market transactions, whether equity, equity-linked or debt financing, and advises both issuing companies and investment banks. Before becoming a lawyer, Dr Susanne Ries studied law in Saarbrücken and Liège (Belgium) and obtained her doctorate at Saarland University. She obtained her Master's degree, specialising in international business law, from the London School of Economics/University of London.



Christian Senitz, Member of the Board of Directors

Term of office from 23 June 2023 until the 2027 Annual General Meeting

Christian Senitz, born on 27 January 1978, German citizen, resident in Berlin, has been working in the financial sector since 2001, initially at Arthur Andersen (later merged into EY) as a tax consultant and auditor in Berlin and New York. During this time, Mr Senitz has audited both national and international companies and corporate groups and advised buyers and sellers in the context of transactions. Since 2010, Christian Senitz has worked in various growth companies, after FREO (Real Estate) primarily as SVP Finance International at Rocket Internet, where he was responsible for its IPO and numerous M&A transactions and advised the portfolio companies as a member of the Supervisory Board and Advisory Board. From 2019, this was followed by positions as CFO of EyeEM (digital marketplace for photography) and The Social Chain AG

(social commerce), whose listing in the Prime Standard in Frankfurt am Main he was responsible for. Today, he is CFO of WebID in Berlin and Hamburg. Christian Senitz studied in Lüneburg and Teesside (UK) and holds a degree in business law (FH).



Deepa Gautam-Nigge, Member of the Board of Directors

Term of office from 24 June 2022 to 31.12.2023

Deepa Gautam-Nigge, born on 7 March 1973, lives in Munich and works in Corporate Development at the technology group SAP. As editor of the book #Ecosystem Innovation, she is also a regular guest lecturer at various universities and a start-up mentor. She is also a member of the supervisory boards of various companies and an advisor to the Digital Hub (de:hub) initiative of the Federal Ministry for Economic Affairs and Climate Protection. Ms Gautam-Nigge studied business administration with a focus on technology and innovation management at RWTH Aachen University and began her professional career over 20 years ago in a venture capital-financed spin-off from the university, which established one of the first B2B platform business models in Germany at the time.



Gregor Faßbender, Member of the Board of Directors

Term of office from 12 December 2018 until the 2023 Annual General Meeting

Gregor Faßbender, born on 26 January 1968, is a member of the Board of Directors. Since January 2018, the economics graduate with an MBA in sports management has worked as a freelance communications consultant and owner of FASSBENDER SportsCom | Strategische Kommunikationsberatung für emotionale Sportmarken in Cologne. Prior to this, Mr Faßbender was responsible for corporate communications at large Group companies, most recently at AXA Konzern AG in Cologne from 2016 to 2017. From 2013 to 2016, he was Head of External and Internal Communications at Volkswagen Financial Services AG in Braunschweig. During his time as Director Corporate Communications at the OnVista Group, Mr Faßbender managed corporate, product and service communications for OnVista AG and its three brands OnVista.de,

OnVista Bank and OnVista Media Sales. This also included investor relations for the listed holding company. As a partner, senior consultant and unit manager at ergo Kommunikation (now Edelman), one of Germany's leading communications consultancies, he spent eight years from 2000 onwards advising well-known clients from the service sector, industry and the public sector. Mr Faßbender started his career in corporate communications in 1995 after graduating from Dresdner Bank AG. There he held various positions in communications, including press spokesman at the Group's Frankfurt headquarters, PR manager for the Group's direct banking project in Duisburg and head of communications at the Cologne branch.



Dr Frank Broer, Deputy Chairman of the Board of Directors

Term of office from 12 December 2018 until the 2023 Annual General Meeting

Dr Frank Broer, born on 14 March 1971, is Deputy Chairman of the Board of Directors. Frank Broer is an independent consultant in Berlin. From 2016 to 2018, Mr Broer was the founder and Managing Director of Moneymap GmbH, a fintech start-up. Prior to that, he was CFO at auxmoney, also a fintech company, for 2 years (2014-2016). From 2010 to 2014, he was responsible for finance and strategy of the German business at Diaverum. From January 2005 to October 2010, Frank Broer worked as a project manager at the management consultancy McKinsey&Company, where he focussed on advising banks, IT service providers and telecommunications companies. Prior to this, he was a tax consultant and lawyer at the law firm CliffordChance in Frankfurt. Frank Broer studied law, economics and business administration in Marburg, Hagen and Constance, where he also gained his doctorate.



Claudia Erning, Member of the Board of Directors

Term of office from 25 June 2021 until the 2023 Annual General Meeting.

Claudia Erning, born on 8 August 1973 in Regensburg, Germany, German nationality, was elected to the Executive Board at the virtual Annual General Meeting of elumeo SE on 25 June 2021. After taking her first professional steps at various medium-sized technology companies, Ms Erning became a member of the Executive Board of a medium-sized consulting firm for corporate finance and M&A. This was followed by

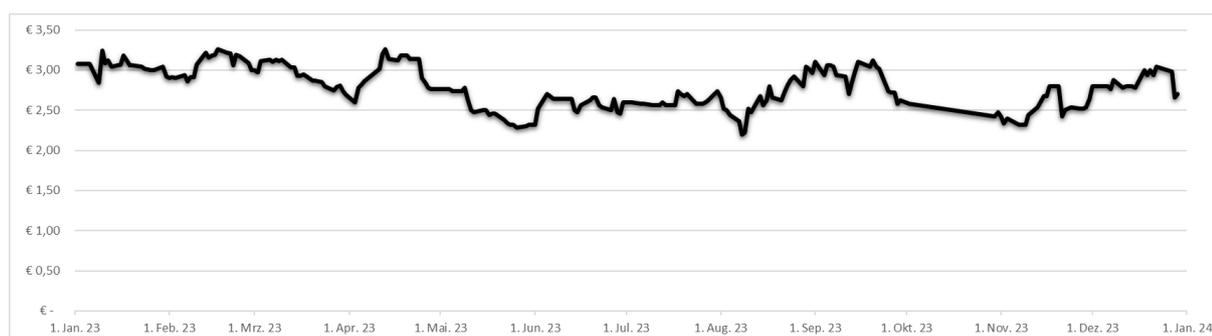
around 8 years in a management position in investment banking at Berenberg Bank, where Ms Erning was involved in numerous capital market transactions such as IPOs, placements and capital increases. In 2013, Ms Erning founded Lakeside Castle GmbH as a mid-sized strategy consultancy for capital market issues and M&A. At the same time, Ms Erning is managing director of a medium-sized group of companies in the fibre optics sector. Mrs Erning holds a degree in Business Administration (FH) and a Bachelor's degree (B.A.) in Economics.

Capital market information

Basic data and key figures on the elumeo SE share (as at 31 December 2023)

WKN	A11Q05/ A2GSYM
ISIN	DE000A11Q059/ DE000A2GSYM8
Earnings per share in 2023 (undiluted)	EUR -0.20
Number of shares outstanding	5.677.420
XETRA closing price on the balance sheet date	EUR 2,70
Market capitalisation	EUR 15.3 million

Share price development



Shareholder structure (as at 31 December 2023)

	Shareholdings
1. blackflint Ltd.	25,83%
2. members of the Board of Directors and Managing Directors	11,77%
3. free float	62,40%

Master data and key figures of the convertible bond of elumeo SE (as of 29 January 2024)

On 14 December 2023, the Executive Board of elumeo SE resolved to issue a convertible bond 2023/28 with a term of five years and an interest rate of 3.8% in a total volume of up to EUR 1,200 thousand. The bond will be issued excluding the subscription rights of existing shareholders to selected individual suppliers of the company, each of whom will acquire at least EUR 25 thousand per investor. If the share price of elumeo SE is above EUR 4.50 in November 2028, the bond will be converted into elumeo shares; if the price is below this level, repayment will be made in cash. The listing took place on 29 January 2024.

WKN

A3826G

ISIN	DE000A3826G9
Issue volume	TEUR 1,200
Coupon	3,8%
Maturity	20.12.2028
Denomination	48 partial debentures of EUR 25 thousand each
Issue price	100%
Liquidity band	4



Summarised Group management report 2023

Preliminary remark	17
Fundamentals of the Group	17
Economic report	20
Publication of results 2023	22
Economic situation of elumeo SE	29
Risk and opportunity report	32
Forecast report	41
Final declaration on the dependency report	42
Corporate governance declaration	43
Sustainability Report / Non-financial Group Statement	43
Takeover-related disclosures pursuant to Sections 289a and 315a HGB	44
Overall statement	46

Preliminary remark

The Consolidated Financial Statements of elumeo SE and its subsidiaries (together "elumeo" or the "elumeo Group") as of 31 December 2023 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Unless otherwise stated, all disclosures in the Group Management Report are based on the accounting policies applied to the Consolidated Financial Statements.

Unless another unit is indicated, the figures in the tables are stated in thousands of euros (EUR thousand). All amounts stated in thousands of euros in this Group management report are rounded in accordance with standard commercial practice. This also applies to derived figures such as percentages. Rounding differences are therefore possible.

A. Foundations of the Group

Origin

The elumeo Group, with elumeo SE as the parent company, was legally formed in October 2014 through the contribution of Juwelo Deutschland GmbH, Berlin, Germany ("Juwelo Deutschland") and its subsidiaries and Silverline Distribution Ltd, Hong Kong, PR China ("Silverline") and its subsidiary.

Group structure

elumeo SE, headquartered in Berlin, is a European company in a monistic system with an Executive Board. The executive bodies of the Company are the Executive Board and the General Meeting. In financial year 2023, elumeo SE held 100% of the shares in the following companies, directly or indirectly via intermediary subsidiaries:

Society	Seat
Juwelo Germany GmbH	Berlin
jooli.com GmbH	Berlin
jooli marketplace India Pvt. Ltd.	Jaipur
Juwelo USA, Inc.	Wilmington
Silverline Distribution Ltd.	Hong Kong
Juwelo Italia s.r.l.	Rome
PWK Jewelry Company Ltd.	Bangkok

As the parent company of the elumeo Group, elumeo SE performs holding functions, controls Group-wide liquidity management and provides other services to Group companies, particularly in administration. The operating business of the elumeo Group is conducted by the subsidiary Juwelo Deutschland GmbH. Research and development activities for the video shopping app are carried out by jooli.com GmbH.

On 22 November 2019, the Executive Board of elumeo SE decided to close the location in Rome and to serve the Italian market from Berlin in the future, in line with the other European markets. Juwelo Italia s.r.l. was liquidated as of 31 December 2023.

On 8 March 2023, 50% of jooli marketplace India Pvt. Ltd. was acquired by elumeo SE and 50% by jooli.com GmbH. The aim of the acquisition is the expansion of business activities in connection with the video shopping app in India. The company is involved in the distribution, operational processes and software development of the video shopping app jooli in India. The Managing Director of the company is Aykut Çevik, CTO and Managing Director of jooli.com GmbH.

Business model

The elumeo Group, based in Berlin, is active in the electronic distribution of high-quality gemstone jewellery, mainly produced in India and Thailand. The aim of the elumeo Group is to make high-quality gemstone jewellery an affordable luxury for everyone.

The jewellery is sold via direct sales. The company offers its customers gemstone jewellery at favourable prices via a variety of electronic sales channels (such as TV, Internet, Smart TV and smartphone app).

Goods are procured in close cooperation with local partners in Bangkok and Jaipur. The products are manufactured by the respective partners based on the specifications of the purchasing management in Berlin. Quality control is carried out at the production site in accordance with specified guidelines. A proportion of the quality control is carried out in Berlin.

At the end of 2023, the elumeo Group's programmes could be received in over 73 million households in Europe (traditional TV and streaming). The elumeo Group also sells its products online via web shops, mainly in Germany, Italy, France, the Netherlands, Spain, Belgium and the United Kingdom, as well as via apps for smartphones and smart TV. Web streams of the TV shows and an online bidding agent (linked to the TV show) are integrated into the web shops and apps.

The video shopping app Jooli is being developed using the Group's own resources with the aim of developing a business in the future technology metaverse via video and feed-based e-commerce. Jooli is a marketplace solution for video shopping that enables customers to buy products through short and entertaining videos at . Users can switch between the channels of different retailers in the app by swiping. The videos are produced by independent partners, controlled and played via the "jooli" affiliate platform and billed using a commission model. The jooli shopping app is available in India and Germany.

Control and key figures

An important building block for future growth is the significantly stronger networking of the various sales channels TV, web and mobile in order to provide our customers with a comprehensive and contemporary shopping experience. In addition, we have centralised the various location functions in Berlin. The business activities of the elumeo Group are bundled into a single segment in accordance with internal reporting structures and management criteria.

With regard to the internal management and external communication of current and future earnings performance, the sustainable profitability of the elumeo Group's operating business is of particular importance. Key financial performance indicators are revenue, gross profit margin and adjusted EBITDA. To calculate adjusted EBITDA, EBITDA pre exceptionals is adjusted for non-recurring and/or non-operating (exceptional) items by type and amount.

In addition to the key financial performance indicators, non-financial performance indicators are also used to manage the company. We do not classify these as significant and use them for management purposes in the context of specific events. Other indicators relate to our customers. For example, we analyse the development of new customers in terms of the sales channel (TV or web). A high proportion of online customers is important for future development. The number of active customers, the composition of web

traffic, the number of pieces of jewellery shipped and the proportion of premieres are also taken into account as non-financial performance indicators.

Management and control

elumeo SE is a monistic European company (Societas Europaea). The Executive Board is its management body. It manages the company's business, sets the general principles for its activities and monitors their implementation. The Board of Directors appoints the Managing Directors. They bear operational responsibility for the company and represent it externally. As at 31 December 2023, the members of the Board of Directors were Mr Wolfgang Boyé, Mr Christian Senitz, Dr Susanne Ries and Mr Boris Kirn. In addition to his role as Chairman of the Board of Directors, Mr Wolfgang Boyé is also Chairman of the Executive Committee of the Board of Directors. As at 31 December 2023, the Managing Directors with sole power of representation were Mr Boris Kirn, Dr Riad Nourallah and Mr Florian Spatz. The former Board of Directors, which existed until the Annual General Meeting on 23 June 2023, consisted of Mr Wolfgang Boyé, Dr Frank Broer, Ms Deepa Gautam-Nigge, Mr Gregor Faßbender, Mr Boris Kirn and Ms Claudia Erning. Dr Frank Broer, Ms Claudia Erning and Mr Gregor Faßbender resigned from office with effect from 23 June 2023 and Ms Deepa Gautam-Nigge with effect from 31 December 2023.

Strategy and objectives of the Group

The elumeo Group's mission is to make high-quality jewellery an affordable luxury for everyone. In its own estimation, elumeo has succeeded in building up one of the broadest product ranges in terms of the number of gemstone variations and price range.

The elumeo Group operates in a vertically integrated manner according to the direct-to-consumer principle (D2C). The company controls the entire value chain from product development through to sale to the end customer. This enables the company to achieve considerable cost benefits and maximise added value. The jewellery developed in-house is produced by a network of specialised contract manufacturers. This contract manufacturing is managed together with strategic partners in Thailand and India. This ensures quality directly on site.

Various collection-based brands that fulfil different criteria enable our customers to make targeted purchases according to their needs. Collaborations with designers and jewellery manufacturers also enable us to offer diverse collections and entertaining offers on TV. They continuously expand the elumeo Group's range.

By focussing on electronic distribution channels, elumeo can exploit economies of scale in a fragmented market and thus achieve considerable cost advantages. The electronic distribution channels live and web include traditional television with its own channels and live shows as well as smart TV (live), the internet, mobile devices and mobile apps and personal shopping (web). The TV shows produced in its own TV studios in German, Italian and partly in English give the elumeo Group significant advantages over pure online retailers in terms of reach and market penetration. The offers and content are customised regionally and linguistically.

In order to continue its growth, the elumeo Group aims to expand vertically by adding new distribution channels or sales formats on the one hand and by expanding its business to other countries on the other. In particular, access via mobile devices is to be improved.

The #Juwelo100 strategy programme was adopted in the 2023 financial year. It includes five major topics - video shopping, augmented & virtual reality, personalisation, artificial intelligence and cross-border e-commerce. The aim is to grow sales to €100 million in the core business by 2030.

Research and development

Research and development activities relate to the video shopping app Jooli and work on the company software used, including web applications and user software such as mobile apps.

B. Economic report

Overall economic environment in 2023

The economy remains very weak due to significant losses in purchasing power caused by the massive rise in energy and food prices, geopolitical crises and weak economic development. Gross domestic product (GDP) fell by 0.3% in 2023. Private consumption in particular has fallen as a result of the uncertainty caused by geopolitical conflicts.¹ Investors sought a safe investment due to the lack of knowledge and the increased financing costs for indebted countries. The trade conflict between the USA and China, as well as the Russian war of aggression and the conflict in the Middle East, are giving rise to fears of a bloc formation in the global economy, which is significantly exacerbating the situation for German companies with an international division of labour.²

GDP in the EU increased slightly in 2023 compared to the previous year, while GDP in Germany declined.

Veröffentlichte Wachstumsraten des BIP – Volumen bis zum 4. Quartal 2023
(auf der Grundlage saisonbereinigter Daten*)

	Prozentuale Veränderung gegenüber dem Vorquartal				Prozentuale Veränderung gegenüber dem gleichen Quartal des Vorjahres			
	2023Q1	2023Q2	2023Q3	2023Q4	2023Q1	2023Q2	2023Q3	2023Q4
Euroraum	0,1	0,1	-0,1	0,0	1,3	0,6	0,0	0,1
EU	0,1	0,1	-0,1	0,0	1,1	0,5	0,0	0,2
Belgien	0,4	0,3	0,4	0,4	1,7	1,3	1,4	1,6
Tschechien	0,1	0,1	-0,6	0,2	-0,3	-0,4	-0,8	-0,2
Deutschland	0,1	0,0	0,0	-0,3	-0,1	0,1	-0,3	-0,2
Irland	-1,9	-0,4	-1,9	-0,7	2,4	-0,4	-5,6	-4,8
Spanien	0,5	0,5	0,4	0,6	4,1	2,0	1,9	2,0
Frankreich	0,0	0,7	0,0	0,0	0,9	1,2	0,6	0,7
Italien	0,6	-0,3	0,1	0,2	2,1	0,3	0,1	0,5
Lettland	-0,5	-0,3	0,2	0,4	-0,4	-0,8	0,0	-0,2
Litauen	-1,9	2,4	0,0	-0,3	-2,3	0,7	0,1	0,3
Österreich	0,1	-1,1	-0,5	0,2	1,7	-1,3	-1,6	-1,3
Portugal	1,5	0,1	-0,2	0,8	2,5	2,6	1,9	2,2
Schweden**	0,7	-0,6	-0,1	0,1	1,5	-0,4	-1,4	0,0

* Die in dieser Tabelle dargestellten Wachstumsraten gegenüber dem Vorquartal und gegenüber dem gleichen Quartal des Vorjahres basieren im Allgemeinen sowohl auf saison- als auch kalenderbereinigten Zahlen, da für die Erstellung von vorläufigen BIP-Schnellschätzungen normalerweise keine unbereinigten Daten übermittelt werden.

** Prozentuale Veränderung gegenüber dem gleichen Quartal des Vorjahres berechnet anhand kalenderbereinigter Daten.

Source: eurostat - euroindicators, GDP unchanged in both the eurozone and the EU, 30.01.2024

The inflation rate in Germany was +3.7% in December 2023 compared to December 2022. This represents a slight increase of 0.5% compared to November 2023.³

¹ Source: BMWK, <https://www.bmwk.de/Redaktion/DE/Dossier/konjunktur-und-wachstum.html>, 26.01.2024

² Source: IDW, IW-Report 65/2023, 13/12/2023

³ Source: Federal Statistical Office, press release no. 020 dated 16 January 2024

The momentum of the German economy weakened significantly at the end of the year. According to the Federal Statistical Office, GDP fell in the fourth quarter of 2023 compared to the previous quarter. GDP stagnated in the first three quarters of 2023 despite difficult global economic conditions.

Sector-specific framework conditions

Sales of goods in e-commerce without adjustment for inflation fell by 11.8% to €79.7 billion in 2023 after €90.4 billion in the previous year. The share of e-commerce with goods in total retail in the narrower sense is expected to fall to 10.2% in 2023 (2022: 11.8%). Sales with teleshopping in Germany stagnated at € 2.3 billion⁴ in 2023. Sales with watches and jewellery in e-commerce fell by 15.4% .⁵

The elumeo Group's most important direct sales channels include TV home shopping channels (live sales channel), online shops and apps for smartphones (web sales channel). According to statista, more than two thirds of German households now own an internet-enabled TV set.⁶ The use of smart functions is also increasing.

Online shopping is no longer limited to shopping on a PC. Mobile devices are also increasingly being used for shopping in Europe. In 2023, over a quarter of respondents made online purchases via their smartphone.⁷

C. Publication of results 2023

Business performance 2023

Business development of the Group

Financial year 2023 of the elumeo Group covers the period from 1 January to 31 December 2023 ("2023" or "reporting period"). Financial year 2022 covers the period from 1 January to 31 December 2022 ("2022", "PY" or "previous year").

Compared to the same period of the previous year, sales fell by 1.0%. In 2023, several macroeconomic developments had a negative impact on our customers' purchasing behaviour, in particular the uncertainty caused by the war in Ukraine and the conflict in the Middle East and the increased inflation . Our customers have adjusted their consumer behaviour in line with inflation. The average number of units sold per active customer remained constant, although the average sales price fell by 9.7%. More new customers were acquired through investments in online marketing, with the number of new customers on the web increasing by 28.0% compared to the previous year. A total of 38,598 new customers were acquired at .

⁴ Source: statista, Development of teleshopping sales in Germany in the years 1997 to 2022 and forecast for 2023 from 2 January 2024

⁵ Source: German E-Commerce and Distance Selling Trade Association (bev), press release from 24 January 2024

⁶ Source: statista, Smart TVs available in 2/3 of German households from 21 November 2022

⁷ Source: <https://www.ing.de/wissen/online-shopping-studie/>

Revenue from product sales in the live (TV) business and in the web business developed as follows:

	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
TEUR			
Live	30,834	32,416	-4.9%
Web	14,503	13,383	8.4%
Revenues from product sales	45,337	45,799	-1.0%

The inflation-related reluctance to buy and the investment in new customers, who are introduced to the Juwelo range via an entry-level segment with a lower margin, led to a reduction in the gross profit margin. The gross profit per unit sold fell from EUR 44 to EUR 36.

Sales costs fell despite higher marketing expenses thanks to lower personnel costs. In 2022, personnel costs were significantly higher due to the share programme launched for employees.

Administrative costs increased due to higher legal advice and IT costs. Legal consulting costs increased due to the legal disputes with Kat Florence LLC, Miami, Florida. IT costs increased due to the acquisition of server licences.

As an independent company, jooli.com GmbH, a wholly owned subsidiary of elumeo SE, launched the "jooli" app in the second quarter of 2021. "jooli" offers a completely new shopping experience with short, entertaining videos. The videos are produced by independent partners, controlled and played via the "jooli" affiliate platform and billed via a commission model. Total expenses of EUR 1,553 thousand were incurred in connection with the video shopping app Jooli in 2023: . The development expenses contained therein were not capitalised.

The significant reduction in the gross profit margin and higher online marketing costs led to a negative result from operating activities (EBIT) and negative adjusted earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA). Adjusted EBITDA amounted to EUR -0.4 million in 2023 after EUR 2.2 million in 2022.

Earnings position of the Group

TEUR % of sales revenue	01.01. - 31.12.2023		01.01. - 31.12.2022	YoY in %
Sales revenue	45.388	100,0%	45.844	-1,0%
Cost of sales	-22.682	-50,0%	-20.657	-9,8%
Gross profit	22.705	50,0%	25.187	-9,9%
Distribution costs	-16.919	-37,3%	-17.953	5,8%
Administrative costs	-8.931	-19,7%	-8.791	-1,6%
Other operating income	854	1,9%	560	52,5%
Other operating expenses	-563	-1,2%	-407	-38,4%
Result from operating activities (EBIT)	-2.854	-6,3%	-1.404	103,3%
Financial result	-102	-0,2%	-65	-56,2%
Earnings before taxes (EBT)	-2.955	-6,5%	-1.468	101,2%
Taxes on income and earnings	-322	-0,7%	-1.926	83,3%
Earnings after taxes from continuing operations	-3.277	-7,2%	-3.394	3,4%
Earnings after taxes from discontinued operations	2.174	4,8%	100	<i>n.a.</i>
Earnings after taxes from continuing and discontinued operations	-1.103	-2,4%	-3.294	66,5%
Other result	-2.161	-4,8%	-39	<i>n.a.</i>
Consolidated comprehensive income	-3.264	-7,2%	-3.333	2,1%

In last year's forecast, the management assumed that sales and adjusted EBITDA would remain stable in 2023. Overall, the management assumed that sales would develop in a corridor between a medium positive and a medium negative single-digit percentage range. For the web shop, sales growth in 2023 was expected to be in the low single-digit percentage range. The gross profit margin should remain stable at > 50% (50% - 60%). Adjusted EBITDA should be in the low single-digit million range.

The forecast for 2023 was achieved with the exception of adjusted EBITDA. At 1.0%, total sales declined in the low single-digit range. The forecast for the web shop was exceeded, with sales growth of 8,4%. The

gross profit margin fell from 54.9% to 50.0% and was just within the forecast range. Adjusted EBITDA amounted to EUR -0.4 million in 2023 after EUR 2.2 million in 2022 and was well outside the forecast, which envisaged adjusted EBITDA in the low single-digit million range. In the months of July 2023 to December 2023, elumeo SE made a significantly increased budget available for online marketing. The aim of this budget was to optimise the marketing mix used by elumeo to market Juwelo and to lay the foundation for sustainably profitable growth in 2024 and subsequent years. Marketing amortisation periods were therefore accepted, which were also well above the average of previous years. Some of the customers generated during this period will not achieve a positive customer lifetime value (gross profit margin achieved minus customer acquisition costs) until 2026.

With regard to the internal management and external communication of current and future earnings performance, the sustainable profitability of the elumeo Group's operating business is of particular importance. Therefore, earnings before interest, taxes, depreciation and amortisation adjusted for non-operating special items (adjusted EBITDA) serves as a key financial indicator for the presentation and management of the operating earnings situation. To calculate adjusted EBITDA, EBITDA before special items is adjusted for non-recurring and/or non-operating (special) items by type and amount. Adjusted EBITDA can be reconciled as follows:

	in TEUR 2023	in TEUR 2022
EBIT	-2.854	-1.404
Depreciation and amortisation	889	941
EBITDA (TEUR)	-1.965	-463
(+/-) Expenses and income from currency translation	23	-20
(+) Expenses for share-based payments - share option programme	148	253
(-/+) Personnel expenses - share programme	-215	1111
(+) Research, development and selling expenses Jooli	1.553	1.251
(+) Expenses Juwelo Italia s.r.l.	24	72
(-) Deconsolidation Juwelo Italia s.r.l.	-259	0
(+) Legal fees for old cases	307	0
Adjusted-EBITDA	-384	2.203

Adjusted for non-operating special items, earnings before interest, taxes, depreciation and amortisation (adjusted EBITDA) fell to EUR -0.4 million in 2023 (2022: EUR +2.2 million). Consolidated comprehensive income totalled EUR -3.3 million after EUR -3.3 million in 2022.

Distribution channels

Product sales in the live (TV) business fell by 4.9%, while sales in the web shop increased by 8.4%. The overall decline in sales was due to higher inflation rates and the persistently gloomy consumer sentiment as well as the impact of the wars in Ukraine and the Middle East on global economic development. In the web business, macroeconomic developments were more than compensated for by investments in online marketing, the acquisition of new customers and technological developments. The number of new customers on the web rose by 28.0%. The successful birthday event in June and the high diversity of the entire product range strengthened the web business.

Financial position of the Group**ACTIVA**

TEUR % of the balance sheet total	31.12.2023		31.12.2022		YoY in %
Non-current assets					
Intangible assets	183	0,8%	256	1,1%	-28,6%
Property, plant and equipment	425	1,9%	778	3,4%	-45,3%
Right-of-use assets	1.637	7,4%	2.085	9,2%	-21,5%
Other financial assets	166	0,8%	57	0,2%	193,2%
Other assets	157	0,7%	162	0,7%	-3,5%
Deferred tax assets	1.598	7,2%	2.155	9,5%	-25,8%
Total non-current assets	4.167	18,8%	5.492	24,1%	-24,1%
Current assets					
Inventories	13.176	59,5%	13.041	57,3%	1,0%
Trade receivables and services	2.338	10,6%	1.710	7,5%	36,7%
Other financial assets	238	1,1%	412	1,8%	-42,3%
Other assets	897	4,0%	681	3,0%	31,7%
Means of payment	1.341	6,1%	1.410	6,2%	-4,9%
Total current assets	17.989	81,2%	17.254	75,9%	4,3%
Total ACTIVA	22.156	100%	22.746	100%	-2,6%

The balance sheet total as at 31 December 2023 decreased slightly. Intangible assets, property, plant and equipment and right-of-use assets decreased due to depreciation and amortisation. Deferred tax assets decreased; the deferred tax assets recognised at elumeo SE in the previous year were partially written down due to adjusted realisation prospects. Inventories remained constant in line with the sales trend.

PASSIVA					
	31.12.2023		31.12.2022		YoY in %
EUR thousand % of balance sheet total					
Equity					
Issued capital	5.677	25,6%	5,500	24,2%	3,2%
Capital reserves	35.342	159,5%	34,821	153,1%	1,5%
Accumulated losses	-32.918	148,6%	-31,815	-139,9%	-3,5%
Foreign currency translation reserve	-32	-0,1%	2,128	9,4%	-101,5%
Total equity	8.069	36,4%	10,634	46,8%	-24,1%
<i>Attributable to shareholders of elumeo SE</i>	<i>8.069</i>	<i>36,4%</i>	<i>10,634</i>	<i>46,8%</i>	<i>-24,1%</i>
	0	0,0%	550	2,4%	-100,0%
Non-current liabilities					
	599	2,7%	0	0,0%	n.a.
Other non-current financial liabilities	1.295	5,8%	1,757	7,7%	-26,3%
Accruals	130	0,6%	130	0,6%	0,0%
Other financial liabilities	0	0,0%	69	0,3%	-100,0%
Other non-financial liabilities	25	0,1%	25	0,1%	0,0%
Deferred tax liabilities	0	0,0%	37	0,2%	-100,0%
Total non-current liabilities	2.049	9,2%	2,017	8,9%	1,6%
Current liabilities					
Financial debt	499	0,0%	0	0,0%	n.a.
Leasing liabilities	462	2,1%	449	2,0%	2,9%
Accruals	403	1,8%	613	2,7%	-34,3%
Trade payables and services	7.955	35,9%	4,944	21,7%	60,9%
Advance payments received	97	0,4%	40	0,2%	146,0%
Tax liabilities	106	0,5%	318	1,4%	-66,8%
Other financial liabilities	606	2,7%	711	3,1%	-14,7%
Other non-financial liabilities	1.911	8,6%	2,470	10,9%	-22,6%
Total current liabilities	12.038	54,3%	9,544	42,0%	26,1%
Total PASSIVA	22.156	100,0%	22,746	100,0%	-2,6%

The Group's equity fell to EUR 8.1 million due to the negative result. The Group's equity ratio fell from 46.8% to 36.4% and was therefore well below the target value of 50%.

The capital increase resolved in 2022 was implemented with the approval of the Board of Directors. The share capital was increased by EUR 177,420.00 from EUR 5,500,000.00 to EUR 5,677,420.00. The capital increase was entered in the commercial register on 17 February 2023.

Non-current financial liabilities relate to the utilisation of loans from a supplier, while current financial liabilities relate to the utilisation of the credit line from UniCredit Bank AG. Current provisions decreased due to the deconsolidation of Juwelo Italia s.r.l. Trade payables increased due to the extended utilisation of payment terms to suppliers .

Financial position

TEUR	01.01 - 31.12.2023	01.01 - 31.12.2022	YoY in %
Earnings before interest and taxes (EBIT)			-
from continuing operations	-2,854	-1,404	103.3%
Earnings before interest and taxes (EBIT)			
from discontinued operations	+2,174	+100	n.a.
Earnings before interest and taxes (EBIT) from continuing and discontinued operations	-680	-1,304	47.9%
+/- Amortisation of intangible assets			
and property, plant and equipment	+442	+512	-13,8%
+/- Amortisation of right-of-use assets	+447	+429	4,2%
+/- Increase/decrease in provisions	-210	-2,133	90,1%
+/- Taxes on income and earnings	-114	-168	31,9%
- Income taxes paid	+197	-235	184,0%
+/- Share-based payments	+148	+253	-41,4%
+/- Non-cash expenses/income	-2,182	0	n.a.
+/- Loss/gain from the disposal of fixed assets	-12	0	n.a.
-/+ Increase/decrease in inventories	-135	+96	240,7%
-/+ Increase/decrease in other operating assets	-877	+1,273	168,9%
+/- Increase/decrease in other operating liabilities	+2,984	-79	n.a.
- Interest paid	-102	-65	-56,9%
= Cash flow from operating activities	-94	-1,421	93,4%
- Payments for the acquisition of intangible assets	0	-1	-
- Payments for the acquisition of property, plant and equipment	-16	-58	72,8%
+ Proceeds from the disposal of property, plant and equipment	+12	0	n.a.
+ Disposal of cash and cash equivalents from the deconsolidation of subsidiaries			
companies	-2	0	n.a.
- Net payments from the initial consolidation of subsidiaries	-9	0	n.a.
= Cash flow from investing activities	-15	-60	75,3%
+ Proceeds from the assumption of financial liabilities	+499	0	n.a.
+ Contributions made to implement the resolved capital increase	0	+550	100,0%
- Payments for the repayment of leasing liabilities	-449	-419	-7,1%
= Cash flow from financing activities	+50	+131	-61,9%
+/- Cash-effective changes in cash and cash equivalents	-59	-1,350	95,6%
+/- Change in cash and cash equivalents due to exchange rates	-10	+0	n.a.
+ Cash and cash equivalents at the beginning of the reporting period	+1,410	+2,759	-48,9%
= Cash and cash equivalents at the end of the reporting period	+1,341	+1,410	-4,9%

Cash flow from operating activities increased significantly in 2023 due to the increase in trade payables. The elumeo Group invested primarily in replacement investments in IT hardware in 2023. Cash flow from financing activities in 2023 resulted from the framework credit line from UniCredit Bank AG and the repayment of financial liabilities from leases.

Significant financial obligations relate to the Group's operating business and existing rental agreements. Liquidity is managed by optimising working capital management and the use of credit facilities. Committed but unutilised credit lines amounted to EUR 751 thousand as at the balance sheet date. There were committed but unutilised credit lines from UniCredit Bank AG of EUR 501 thousand and from a payment service provider of EUR 250 thousand at . The debit interest rate on the credit line from UniCredit Bank AG is 5.75% per annum and is based on the development of the average monthly rate for EURIBOR three-month money. The commitment fee for the credit line is 0.50% of the committed but unutilised credit amount. The payment service provider's credit line provides for various utilisation options. elumeo favours the option of a fixed fee of EUR 11 thousand and a repayment of 10% of the incoming sales proceeds via the platform.

The financial obligations as of 31 December 2023 do not include repayment obligations from an issue of convertible bonds with a term of five years and an interest rate of 3.8% in a total volume of up to EUR 1,200 thousand resolved by the Executive Board of elumeo SE on 14 December 2023. The bond will be issued to individual selected suppliers of the Company, each of whom will acquire at least EUR 25 thousand per investor, excluding the subscription rights of existing shareholders. If the share price of elumeo SE is above EUR 4.50 in November 2028, the bonds will be converted into elumeo shares; if the share price is below this level, repayment will be made in cash. The convertible bonds (WKN A3826G/ ISIN DE000A3826G9) were listed on the open market of the Düsseldorf Stock Exchange on 29 January 2024. Convertible bonds in the amount of EUR 400 thousand were issued on 7 March 2024.

D. Economic situation of elumeo SE

Preliminary remarks

elumeo SE is the parent company of the elumeo Group. Due to its directly and indirectly held subsidiaries, its business development is generally subject to the same risks and opportunities as the Group. These are presented in detail in the Risk and Opportunity Report. Likewise, the expectations with regard to the development of elumeo SE essentially correspond to the Group expectations described in the Forecast Report.

The following statements are based on the Annual Financial Statements of elumeo SE, which were prepared in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act in conjunction with Art. 61 EU Regulation 2157/2001. The Annual Financial Statements and Management Report are published in the Federal Gazette and on the website of elumeo SE.

Earnings situation

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022
Sales revenue	1,326	1,359
Other operating income	400	276
Personnel expenses	1,028	1,203
Depreciation and amortisation	11	11
Other operating expenses and other taxes	-2,930	-1,314
Financial result	1,003	-4,418
Taxes on income and earnings	-116	116
Net loss for the year	-1,355	-5,195

Sales relate to intra-Group services charged on plus profit mark-ups in connection with the provision of intra-Group personnel services for sales subsidiaries in the areas of Group administration and accounting.

Other operating income mainly relates to a lump-sum compensation payment as part of a legal settlement, intragroup recharging of personnel and the cancellation of liabilities.

The personnel costs decreased. There were higher personnel costs in the 2022 financial year due to the share programme. In the 2023 financial year, the company had an average of around 12 employees (full-time equivalents (FTEs)) (previous year: around 12 FTEs). Personnel expenses also include the remuneration of the Managing Directors (2 FTEs, previous year: 2 FTEs).

The other operating expenses increased due to a individual value adjustment of a receivable from recharges to a subsidiary of EUR 625 thousand and an individual value adjustment of a receivable for the distribution of Silverline Ltd. of EUR 773 thousand:

- Remuneration for the non-executive members of the Board of Directors totalling EUR 206 thousand,
- the deferred costs for the preparation and audit of the annual and consolidated financial statements and for the Annual General Meeting of EUR 183 thousand and
- Legal and consulting costs, of TEUR 626
- and expenses relating to other periods. Expenses relating to other accounting periods mainly relate to value added tax from previous years.

Legal fees increased to EUR 626 thousand (previous year: EUR 386 thousand) due to the legal disputes with Kat Florence LLC, Miami, Florida. Other taxes relate to motor vehicle tax.

The financial result is made up of income from investments, write-downs on financial assets and other interest. In financial year 2023, depreciation and amortisation of financial assets amounted to EUR 1,000 thousand (previous year: EUR 5,698 thousand). On 24 July 2023, elumeo SE made an additional payment of EUR 1,000 thousand to the capital reserve of jooli.com GmbH in accordance with Section 272 (2) no. 4 HGB. As a result of the ongoing development of the video shopping app Jooli and the uncertainty of future earnings, the Managing Directors assume a permanent impairment of jooli.com GmbH. For this reason, elumeo SE wrote down the investment in jooli.com GmbH by EUR 1,000 thousand to a value of EUR 25 thousand in the reporting year. In financial year 2022, impairment losses on financial assets amounted to EUR 5,698 thousand; the Managing Directors assumed a permanent impairment of Juwelo Deutschland GmbH due to lower future earnings expectations. For this reason, elumeo SE had written down the investment in Juwelo Deutschland GmbH to a fair value of EUR 33,000 thousand in financial year 2022. As a result of the ongoing development of the video shopping app Jooli and the uncertainty of future earnings, the Managing Directors assumed a permanent impairment of jooli.com GmbH in financial year 2022. For this reason, elumeo SE had written down the investment in jooli.com GmbH by EUR 700 thousand to a value of EUR 25 thousand.

At EUR 1,219 thousand (previous year: EUR 1,280 thousand), other interest relates exclusively to income from interest-bearing loans to a subsidiary.

Income from investments totalled EUR 825 thousand (previous year: EUR 0 thousand) and relates to the distribution from Silverline Ltd, the receivable was written down by EUR 773 thousand.

elumeo SE reported a net loss for the year of EUR -1,355 thousand in 2023 (previous year: EUR -5,195 thousand).

Net assets and financial position

A C T I V A		
TEUR	31.12.2023	31.12.2022
Fixed assets	52,543	52,554
Current assets	6,807	8,060
Prepaid expenses and deferred charges	28	32
Deferred tax assets	0	116
	59,377	60,762
P A S S I V A		
TEUR	31.12.2023	31.12.2022
Equity capital	57,713	58,518
Contributions made to implement the resolved capital increase	0	550
Provisions	345	434
Liabilities	1,320	1,260
	59,377	60,762

The financial assets in fixed assets relate to shares in and loans to affiliated companies. The shares in affiliated companies mainly relate to Juwelo Deutschland GmbH and jooli.com GmbH. Loans to affiliated companies totalling EUR 19,489 thousand (previous year: EUR 19,489 thousand) include interest-bearing financial receivables from the subsidiary Juwelo Deutschland GmbH from the loan of funds. The funds lent stem from the proceeds received in the course of the IPO in the 2015 financial year. As at the balance sheet date, the loans reported have remaining terms until 31 December 2025. The term of the loan is automatically extended by a further year in each case if the loan agreement is not terminated in writing by one of the two contracting parties with a notice period of three months to 31 December of each year. The total credit line amounts to EUR 35,000 thousand and the current interest rate is 6.25 per cent per annum (previous year: 5.75 per cent per annum). In current assets, receivables from affiliated companies include receivables from interest on the loan and from current clearing transactions. Equity decreased due to the net loss for the year. The capital increase resolved in 2022 was carried out with the approval of the Board of Directors. The

share capital was increased by EUR 177,420.00 from EUR 5,500,000.00 to EUR 5,677,420.00. The capital increase was entered in the commercial register on 17 February 2023. Amounts from the capital increase of EUR 373 thousand (previous year: EUR 0 thousand) were added to the capital reserve. Liabilities mainly include the utilisation of the credit line from UniCredit Bank AG and VAT liabilities.

Overall, the economic and financial development of elumeo SE is largely dependent on the development of the operating subsidiaries of the elumeo Group.

E. Risk and opportunity report

Risk management system

elumeo SE is regularly exposed to a variety of risks and opportunities. These can have both positive and negative effects on the Group's net assets, financial position and results of operations. The risk management system applies to all areas of the elumeo Group. A risk management system based on the Enterprise Risk Management Standard of the Committee of Sponsoring Organisations of the Treadway Commission (COSO) and Auditing Standard 981 of the Institute of Public Auditors in Germany (IDW) was implemented as a specific instrument of the Executive Board and the Executive Board. Risks are considered to be strategic and operational events and measures that have a significant impact on the existence and economic situation of the company. The main opportunities and risks are listed below.

The objectives are to standardise risk and opportunity assessment across the Group, actively foster a risk and opportunity culture and create a shared understanding of risks and opportunities within the company. The risk and opportunity management approach is designed to support decision-making by providing consistent, comparable and transparent information through a standardised process for identifying, assessing, monitoring, documenting and reporting strategic, operational and financial risks and opportunities as well as compliance risks. Opportunities should be utilised to increase earnings and improve the financial position. Risks should only be taken to the extent that they are not expected to have a particularly negative impact on the company's development.

Internal control system

With reference to Section 315 (4) HGB, an explanation of the structure of the internal control and risk management system as part of the accounting process follows.

The internal control and risk management system has an appropriate structure and processes that are defined accordingly. The aim of the system is to identify, assess and manage all risks that could have a significant impact on the proper content and appropriate presentation of the single-entity and consolidated financial statements. As an integral part of the accounting and reporting process, the accounting-related internal control system comprises preventive, monitoring and detective control measures and thus ensures the proper preparation of the financial statements. The internal control system is implemented in the company's various processes that have a significant impact on financial reporting.

These processes, the risks relevant to financial reporting and the controls are analysed and documented. Relevant controls are defined in a cross-process risk control matrix, including description and type of control, frequency of control execution and area of responsibility. The implemented control mechanisms have a cross-process effect and are therefore often interlinked. These mechanisms include the establishment of principles and procedures, the definition of process flows and controls, the introduction of approval and testing concepts and the formulation of guidelines.

It is organised in such a way as to ensure that all business processes and transactions are recorded promptly, uniformly and correctly in the accounts. To consolidate the subsidiaries included in the consolidated financial statements, the internal control system ensures that legal standards, accounting regulations and internal accounting instructions are complied with. Changes therein are continuously analysed with regard to their relevance and impact on the Consolidated Financial Statements and taken into account accordingly. The elumeo Group's finance department actively supports all divisions and Group companies

in this endeavour. Both in the development of standardised guidelines and work instructions for accounting-related processes and in the monitoring of operational and strategic objectives. In addition to defined controls, system-based and manual reconciliation processes, the separation of executive and controlling functions and compliance with guidelines and work instructions are key components of the internal control system.

The Group companies are responsible for compliance with the applicable guidelines and accounting-related processes as well as for the proper and timely preparation of the financial statements. The Group companies are supported in the accounting process by central contact persons.

Appropriate measures have been implemented in the accounting process to ensure that the consolidated financial statements comply with the regulations. In particular, the measures serve to identify and assess risks as well as to limit and review recognised risks.

Basic methodology

When assessing individual risks, both gross and net risks were taken into account. The gross risk represents the inherent risk before taking risk-mitigating measures into account. The net risk is the residual risk remaining after all risk-minimising measures have been taken into account. The risks presented in this report only reflect the net risk. Risks are assessed on the basis of the probability of occurrence and the potential financial loss risk within one year. The arithmetic mean of the sum of the probability of occurrence and the risk of loss then results in a relevance of the overall risk between 1=very low and 4=high. There have been no changes to the previous year's risk classification.

Risk assessment - classes of probability of occurrence

Class	Probability of occurrence	
1	Very low	(0%-25%)
2	low	(25%-50%)
3	medium	(50%-75%)
4	high	(75%-100%)

Risk assessment - damage classes

Class	Impact	
1	EUR 0.05 million - EUR 0.1 million	insignificant
2	>EUR 0.1 million - EUR 0.5 million	low
3	>EUR 0.5 million - EUR 1.0 million	medium
4	>EUR 1.0 million	serious

No risks or risk clusters that could jeopardise the continued existence of elumeo SE had been identified by the time the 2023 Annual and Consolidated Financial Statements were prepared. The following table shows the risk clusters of elumeo SE and compares them with 2022.

The loss amount for competition risks was increased from insignificant to medium due to the impact of the entry of a new competitor into the live (TV) jewellery market in Germany.

Due to the appreciation of the euro against the US dollar, the Indian rupee and the Thai baht and the reduction of margin risks through increased acquisition costs, the probability of occurrence of the currency risk was reduced from medium to low.

The probability of occurrence of reputational risk (quality and ethics) was reduced from medium to low, as increased inspections of suppliers took place in order to guarantee the contractually agreed quality standards for production under fair and sustainable social, environmental and economic conditions.

The probability of occurrence of the liquidity risk was increased from low to medium. Trade payables and financial liabilities increased compared to the previous year.

Risk overview - extract of significant risks

		2023		2022	
		Probability of occurrence	Amount of damage	Probability of occurrence	Amount of damage
1.	Economic and strategic risks				
1.1.	Macroeconomic risks	medium	serious	medium	serious
1.2.	Competitive risks	medium	medium	medium	insignificant
1.3.	Growth risks	low	serious	low	serious
2.	Operational risks				
2.1.	Reputational risk (quality and ethics)	low	medium	medium	medium
2.2.	Procurement risks	medium	medium	medium	medium
2.3.	Inventory risks	medium	medium	medium	medium
2.4.	Range contracts	Very low	medium	Very low	medium
2.5.	Personnel risks	Very low	medium	Very low	medium
2.6.	IT and information risks	low	serious	low	serious
2.7.	Returns	low	low	low	low
3.	Financial and liquidity risks				
3.1.	Default risk	Very low	low	Very low	low
3.2.	Liquidity risk	medium	serious	low	serious
3.3.	Currency risk	low	medium	medium	medium
4.	Tax, regulatory and legal risks				
4.1.	Data protection	low	medium	low	medium
4.2.	Money laundering prevention	low	medium	low	medium
4.3.	Tax risks	low	medium	low	medium
4.4.	Legal risks	low	serious	low	serious

It cannot be ruled out that previously unidentified risks or risks of minor relevance to the overall risk may have a negative impact on the Group's financial position and financial performance in the future despite all measures taken.

Explanation of the material risks

1. economic and strategic risks

1.1 Macroeconomic risks

Initial signals from the markets and central banks point to a slowdown in inflation in the regions relevant to us. However, the development of the global economy continues to be determined by Russia's war of aggression against Ukraine, the conflict in the Middle East, the crisis situation in the Red Sea and high levels of debt. The negative impact on our customers' purchasing power and on commodity, wage and energy prices should decrease slightly in 2024.

1.2 Competitive risks

The competitive environment is changing. On the one hand, this is accelerating the shift in customer demand towards digital offerings; on the other hand, this shift is also prompting international companies and local competitors to further improve their digital offering and penetrate new markets. This could jeopardise future business growth or at least make it more expensive, as the jewellery market will become more competitive. The jewellery industry and the electronic retail industry are already highly competitive. The elumeo Group could be exposed to further competition if existing or new competitors enter into similar business models by launching an internet-based or TV-based offering for real jewellery. Consequently, there is a risk that the elumeo Group will not be able to react appropriately to the changed competitive environment.

The loss amount for competition risks was increased from insignificant to medium due to the impact of the entry of a new competitor into the live (TV) jewellery market in Germany.

The management of the elumeo Group regularly monitors and analyses the existing competitive situation and defines countermeasures where necessary. In view of this competitive environment, we are convinced that our strategy, which is based on the three pillars "Vertically integrated and scalable value chain", "Multiple electronic distribution channels" and "Live and interactive sales features", is the right response to the future in order to expand our active customer base and deepen our customer relationships.

1.3 Growth risks

There is a risk that the elumeo Group will not be able to organise further growth efficiently. This could slow down or even prevent growth and have a negative impact on the net assets, financial position and results of operations of the elumeo Group.

When expanding the range of products and services and adopting and applying technological advances, particularly with regard to changing usage behaviour in relation to mobile phones and smart TVs, there is a risk that there will not be a sufficient response to adapted customer needs and changes in demand behaviour. The current coronavirus crisis has shown that a pandemic can lead to delivery cancellations and/or delays due to restrictions in production and the supply chain. This could restrict the elumeo Group's growth and prevent further profitable development.

The management of the elumeo Group uses various instruments to monitor the acceptance of its product and service offering as well as customer satisfaction. The company is therefore able to react appropriately to changes in customer behaviour.

2. operational risks

2.1 Reputational risk (quality and ethics)

Our jewellery is manufactured by local partners and producers with whom our buyers have many years of experience. Extensive quality controls after each work step ensure a high level of craftsmanship. Defective or faulty products affect customer satisfaction and can have a negative impact on the repurchase rate.

The elumeo Group has taken various measures to ensure that suppliers only deliver products that are produced and sold under fair and sustainable social, ecological and economic conditions. Should elumeo nevertheless be associated with dubious or dodgy sources, this could have a negative impact on our reputation and that of our brands. To this end, we have defined clear contractual agreements and endeavour to ensure compliance with these requirements by maintaining a local presence.

The probability of occurrence of the reputational risk was reduced from medium to low, as increased inspections of suppliers took place to ensure the contractually agreed quality standards for production under fair and sustainable social, environmental and economic conditions.

2.2 Procurement risks

The long-term stability of our supply chain largely depends on our central purchasing team in Berlin working together with local experts. Supply bottlenecks for certain gemstones that are in demand or mines that are no longer producing stones could have a negative impact on sales development. We counter this with a large number of gemstone varieties and from manufacturers with flexible order volumes. The elumeo Group is exposed to price fluctuations and the limited availability of raw materials and production materials (such as gemstones, precious metals, energy and components). An increase in prices or a lack of availability of such raw materials and materials could have a negative effect on the net assets, financial position and results of operations of the elumeo Group.

2.3 Portfolio risks

By integrating the value chain, we have to adjust the order quantities to the sales expectations. This is done by means of daily sales planning in conjunction with forecasts and projections of the expected consumption of our merchandise. At the same time, the inventory risk is relativised by the high proportion of precious metals and gemstones.

2.4 Range contracts

The TV business made a significant contribution to overall performance in the 2023 financial year. Through appropriate contracts, we secure the necessary bandwidth to broadcast our TV programme. The elumeo Group is exposed to the complexity of forecasting the development of product sales and margins from the reach contracts. The forecast is based on historical data in order to develop alternative courses of action in the context of contract negotiations; at the same time, we endeavour to establish alternative access channels to our customers via new distribution channels, such as mobile apps.

2.5 Personnel risks

The elumeo Group's employees are the key driver of the Group's future success. Finding qualified and motivated employees, especially for future expansion, will be a key success factor. Recruiting is of central importance in order to ensure the quality and creativity of our products and services.

2.6 IT and information risks

Cyber threats from internal or external attacks and weaknesses in internal controls can affect key aspects of the elumeo domains, including our applications, warehouse IT systems, payment systems and internal IT systems. These threats could affect the availability of data or information systems (data loss), integrity (incorrect data) and confidentiality (data breach). If a cyber attack is successful (especially on a large scale), elumeo could suffer severe damage that could result in loss of revenue, compensation payments to partners, extortion payments, reputational damage or recovery costs. elumeo is a potential target due to its valuable data and its dependence on IT systems.

Comprehensive technological security solutions, defined prevention approaches and specialised internal resources support the early detection, targeted management of measures and fundamental prevention of cyber threats and cyber incidents. Key components of our IT structure are managed by our own development team. The consistent focus on the specific needs of our Group ensures a high degree of efficiency. In particular, the scalability of the systems for future expansion will play a key role.

2.7 Returns

An increase in returns by customers that significantly exceed the Company's expectations could increase expenses and harm the business and earnings situation. The elumeo Group's warehouse logistics are organised in such a way that even a high number of returns can be processed quickly. The company maintains appropriate liquidity reserves for refunds.

3. financial and liquidity risks

The elumeo Group prevents significant payment defaults through the payment methods prepayment, credit card, cash on delivery and purchase on account with outsourced risk.

3.1 Default risk

The default risk is the risk that customers or other contractual parties will not fulfil their contractual obligations and receivables will default. This can result from the payment behaviour or economic situation of customers and other contractual parties or from cases of fraud. Default risks arise primarily with regard to receivables from customers and receivables from related parties.

The default risk for trade receivables is low, as goods are delivered either against prepayment, credit card payment or cash on delivery. Purchase on account and direct debit are managed by payment service providers via factoring. The default risk is taken into account by means of a generalised specific bad debt allowance based on past experience and taking into account the age structure. Uncollectible receivables are fully written down individually. There is no significant concentration of credit risk for trade receivables.

In addition, there is a default risk for cash and cash equivalents in that financial institutions may no longer be able to fulfil their obligations. This default risk is limited by the fact that investments are made with various banks with good credit ratings.

The maximum risk position corresponds to the carrying amounts of these financial assets on the respective reporting date.

3.2 Liquidity risk

The probability of occurrence of the liquidity risk was increased from low to medium. Trade payables and financial liabilities increased compared to the previous year.

Liquidity risk is the risk that the elumeo Group will not be able to settle its financial liabilities when they fall due. For this reason, the main objective of liquidity management is to ensure solvency at all times.

In the area of operational business development, the focus of liquidity control is on monitoring market developments, particularly in the various sales channels and customer groups, as well as ongoing monitoring of the cost reduction and quality improvement measures introduced at jewellery suppliers.

The Board of Directors has carried out sensitivity analyses, which include in particular negative deviations from plan in the operating business. In the opinion of the Board of Directors, there is currently no planning scenario that can be classified as probable that could lead to liquidity bottlenecks in the event of negative deviations from the plan in the operating area that could not be compensated for by countermeasures. However, if profitability deteriorates in the medium to long term, further liquidity can be generated in the short term through aggressive sales measures.

On 14 December 2023, the Executive Board of elumeo SE resolved to issue a convertible bond 2023/28 with a term of five years and an interest rate of 3.8% in a total volume of up to EUR 1,200 thousand. By issuing the bond, elumeo will optimise its balance sheet structure by converting current liabilities into non-current liabilities.

3.3 Currency risk

Due to the appreciation of the euro against the US dollar, the Indian rupee and the Thai baht and the reduction of margin risks through increased acquisition costs, the probability of occurrence of the currency risk was reduced from medium to low compared to the 2022 financial year. Currency risks in GBP have a low impact due to the low volume of business.

Supply agreements and sales are predominantly concluded and processed in euros. Nevertheless, there are margin risks due to currency devaluations in the sales territories. These arise from the increased acquisition costs in the sales territories due to the currency situation.

4. tax, regulatory and legal risks

The business of the elumeo Group is subject to regulatory requirements and risks and involves uncertainties with regard to the legal and regulatory framework in the countries in which the elumeo Group operates. The elumeo Group continues to be exposed to tax risks.

4.1 Data protection

Customers entrust us with their personal data. Accordingly, elumeo is subject to numerous laws and regulations at EU and national level with regard to data protection and privacy. These include in particular the General Data Protection Regulation (GDPR), but also local legal frameworks as well as amendments to the Telemedia Act, the ePrivacy Directive and the proposed ePrivacy Regulation or the GDPR-related fines guidelines jointly published by the national data protection authorities.

It is our duty to handle this data responsibly and protect it from unauthorised access. To minimise the risk of potential breaches, our data protection officers continuously monitor data protection requirements, provide support in the development and implementation of appropriate measures and processes, and offer advice, expertise and training. This supervision includes close cooperation and coordination, particularly with the IT and development teams, in order to help implement suitable technical and organisational measures to protect data.

4.2 Prevention of money laundering

The business processes in the elumeo Group are structured in such a way that the risk of money laundering is minimised. The elumeo Group's money laundering officer continuously monitors any necessary measures. Changes in the Money Laundering Act and in the requirements for goods traders are taken into account as part of internal training programmes.

4.3 Tax risks

The elumeo Group is exposed to tax risks. Tax risks result in particular from differing legal opinions and interpretations of facts on the part of the tax authorities and the Company and its tax advisors. Previous tax audits or audits whose conclusion is imminent are always carried out with the involvement of tax advisors in order to prevent risks. Furthermore, elumeo's tax burden may increase as a result of changes in tax law or the application or interpretation of standards as a result of future tax audits by tax authorities.

4.4 Legal risks

elumeo endeavours to minimise its legal risks. Nevertheless, elumeo is exposed to risks from legal disputes, in particular from trademark law, data protection law or tax law. In addition, legal disputes from former shareholders can also influence the development of the Group.

On 26 September 2023, elumeo SE was informed by the Kreuzberg District Court of the intention to formally serve a new lawsuit filed by Kat Florence LLC, Miami, Florida. The lawsuit essentially corresponds to the lawsuit already filed and finally dismissed in Florida. The lawsuit was filed with the District Court in Atlanta, Georgia. From elumeo SE's perspective, this lawsuit does not present any new facts and should be dismissed in the same way as the first lawsuit. elumeo SE has filed an objection to the intended formal service of process and will defend itself against both the service of process before the Court of Appeals in Berlin and the action before the District Court in Atlanta, Georgia.

There is currently a risk of a legal dispute regarding the claims asserted by a service provider (approx. EUR 0.7 million) for services in previous financial years, which are disputed by the elumeo Group. The risk of a claim is considered unlikely.

On 9 August 2021, the audit of the 2020 Consolidated Financial Statements of elumeo SE began as part of a random audit by the German Financial Reporting Enforcement Panel, the result is still pending.

On 20 June 2022, the Düsseldorf Regional Court issued an interim injunction at the request of Juwelo Deutschland GmbH and prohibited Shop LC GmbH from using the "Juwelo" sign in advertising for jewellery and jewellery goods. The Higher Regional Court confirmed this decision on 23 May 2023. Shop LC GmbH is challenging this decision in separate proceedings on the merits, arguing that Juwelo Deutschland GmbH is not using the Juwelo brand at all. In the opinion of elumeo SE, this action has no prospect of success.

Opportunities

Development of the e-commerce market

Despite the tense economic situation and the challenging political environment, bevh expects the downward trend to end in 2024 and nominal sales growth of 2.0% in the overall market.⁸ According to Statista, the number of users in the e-commerce market in Germany is forecast to rise continuously by a total of

⁸ Source: bevh, <https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsole, 24.01.2024>

12.4 million users (+29.89%) between 2024 and 2029. According to forecasts, the number of users is expected to reach an estimated 53.85 million in 2029, a new high.⁹

Growth market online jewellery trade

According to statista, global sales will rise to 285 billion euros by 2026. The trend towards online and mobile business will become increasingly important. With an expected increase in total sales of 241 billion euros from 2022 to 2026, this represents a potential of 44 billion euros. The jewellery market for brands is expected to grow by 18% by 2026.¹⁰

The elumeo Group sees itself in a very good starting position with its constantly evolving app and the optimised presentation of its web shops for smartphones. There are also good opportunities for the elumeo Group to benefit from the development of the jewellery market for brands through its own brands.

Employees and expertise potential

The Executive Board assumes that the elumeo Group's key employees are loyal to the company overall. Nevertheless, it expects that they can be adequately replaced in the medium term in the event of the loss of certain executives. The creation of a positive working environment and company training and development opportunities as well as an incentive-based remuneration system will further promote employee loyalty to the company.

The expertise of the highly qualified employees, some of whom have been with the Group for many years, enables the reliable and swift implementation of the Group's strategies. The company management also has extensive, long-standing and detailed knowledge of the market and industry.

Jooli" project

Jooli is a video shopping app that presents products in short videos. Users swipe to navigate through a product portfolio of various brands and receive personalised shopping and gift ideas. The aim of the start-up, founded in 2021 by a team led by Wolfgang Boyé in Berlin, is to tap into new target groups. The Jooli app is available for iOS and Android. Expenses for Jooli in 2023 totalled EUR 1,533 thousand (previous year: EUR 1,251 thousand).

Claims for damages

On 16 December 2022, the Berlin Regional Court ordered Mr Don Rene Kogen to pay damages in the amount of EUR 800 thousand in a lawsuit filed by elumeo SE. The defendant appealed against the default judgement, the appeal was upheld on 27 July 2023 and the action was dismissed in the first instance. On 25 August 2023, elumeo SE filed an appeal against this decision with the Berlin Court of Appeal.

On 21 February 2023, the Berlin Court of Appeal found that the agreement concluded with Kat Florence LLC on 15 January 2016 under the Exclusive Distribution Agreement had not been terminated by the defendant's termination on 3 September 2018 and that it continued to exist without termination beyond 3 September 2018 until 15 January 2021. A claim for damages for the loss of profit for 2020 of EUR 1,066 thousand was filed against Kat Florence Design Limited.

F. Forecast report

⁹ Source: <https://de.statista.com/prognosen/488012/prognose-der-e-commerce-nutzer-in-deutschland>, 28.03.2024

¹⁰ Source: statista, <https://de.statista.com/statistik/daten/studie/1347456/umfrage/umsatz-mit-schmuck-weltweit/#:~:text=Turnover%20with%20jewellery%20worldwide%20to%202022&text=ln%20year%202022%20the%20growth%20will%20be%20around%20285%20billion%20euros%20,02.01.2024>.

Macroeconomic and sector-specific situation

The development of the global economy continues to be largely determined by Russia's war of aggression against Ukraine, the conflict in the Middle East, the crisis situation in the Red Sea and the associated increase in transport and freight costs, persistent inflation with the risk of a credit crunch due to monetary policy tightening, high levels of debt and rising financial market risks, as well as ongoing supply chain bottlenecks.

The geopolitical conflicts have made forecasting much more difficult. The fragmentation of value and supply chains and deglobalisation are potentially increasing.¹¹

Despite the positive GDP forecast for 2024 (+0.3%)¹², according to the Federal Ministry for Economic Affairs and Climate Protection (BMWK), there are still high uncertainties for the German economy.¹³

In their joint assessment, the German E-Commerce and Distance Selling Trade Association (bevh) and the EHI Retail Institute assume that the downward trend will come to an end in the course of 2024 and expect nominal sales growth of 2% in the market for e-commerce with goods and services in 2024.¹⁴

Development of the Group

Management also expects a high level of volatility in 2024 due to geopolitical conflicts. As a result, the forecast is based on a cautious approach to future development and takes into account possible further negative influences from a slump in demand. Slumps in demand may result from our customers' reluctance to buy as a result of the selling prices resulting from the increased purchase prices.

Despite the challenging market environment and geopolitical conflicts, the management expects consumer sentiment to slowly improve in 2024. Inflation has fallen year-on-year so far and customers' willingness to save has been exhausted, according to the German E-Commerce and Mail Order Association (Bundesverband E-Commerce und Versandhandel Deutschland e.V.).

In the context of this expected market recovery, the management assumes that elumeo will also benefit from this. The first quarter of 2024 is already showing a positive trend.

The management's forecast for sales growth in 2024 is in the mid-single-digit percentage range. We expect a disproportionately high improvement in adjusted EBITDA, which is expected to be between € 1.5 million and € 3.5 million. The management expects the gross profit margin to remain stable at between 49.0% and 51.0% compared to 2023.

G. Final declaration on the dependency report

In accordance with Section 312 (3) AktG, we, as Managing Directors of elumeo SE, declare that the company received appropriate consideration for the legal transactions and measures taken or omitted in the above report on relationships with affiliated companies according to the circumstances known to us at the

¹¹ Source: Bafin, https://www.bafin.de/DE/Aufsicht/Fokusrisiken/Fokusrisiken_2024/RIF_Trend_3_Geopolitik/RIF_Trend_3_Geopolitik_node.html#:~:text=Consequences%20for%C3%BCr%20the%20financial%20sector%20increased%20significantly%20due%20to%20geopolitical%20conflicts%20,21.02.2024

¹² Source: statista, <https://de.statista.com/statistik/daten/studie/73769/umfrage/prognosen-zur-entwicklung-des-deutschen-bip/#:~:text=forecasts%20on%20the%20development%20of%20German%20GDP%20to%202024&text=in%20which%20in%20January%202024,%20increase%20against%20the%20previous%20year%20,30.01.2024>

¹³ Source: BMWK, <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/Wirtschaftliche-Lage/2024/20240115-die-wirtschaftliche-lage-in-deutschland-im-januar-2024.html,15.01.2024>

¹⁴ Source: bevh, <https://bevh.org/detail/umsaetze-im-e-commerce-erreichen-talsohle,24.01.2024>

time the legal transaction was carried out or the measure was taken or omitted and that the company was not disadvantaged by the fact that the measure was taken or omitted.

H. Corporate governance declaration in accordance with Sections 289f and 315d HGB

The corporate governance declaration in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and the corporate governance declaration can be viewed on the company's website at <https://www.elumeo.com/investor-relations/corporate-governance> .

I. Sustainability Report / Non-financial Group Statement

Our mission and our key stakeholders

Our mission is to make high-quality jewellery an affordable luxury for everyone.

We see it as a great opportunity to be able to offer end customers high-quality jewellery at affordable prices by focusing on electronic sales channels. We are convinced that the long-standing cooperation between our buyers and manufacturers and local partners at every stage of the value chain enables us to offer particularly fair and family-friendly working conditions and thus fulfil our social responsibility as an employer. The issue of sustainability concerns us at all levels of the value chain.

As a listed company, our shareholders are naturally particularly interested in the sustainability of our business activities alongside our employees. The third important stakeholder group is our customers, who follow our communication on sustainability issues with keen interest.

Sustainability management

Strategic responsibility for sustainability at elumeo lies with the Executive Board, which is supported by the Group Legal department. Thanks to the flat hierarchies, all employees can proactively propose measures relating to sustainability at any time.

In view of the relatively small size of the company and the fact that it is limited to one business area, we decided after careful consideration to prepare the sustainability report on the basis of our own considerations, but without applying a recognised standard.

We have identified the following three topics as the main areas for management and therefore for the sustainability report: Employees, supply chain and raw materials, and integrity. Environmental issues, on the other hand, only play a subordinate role in view of the business model, meaning that no separate concept is pursued in this area.

Our employees

The elumeo Group could not be successful without committed and creative employees. Therefore, fair working conditions for all employees and the promotion of a safe working environment are particularly important to us. We have retained the familiar and open way of working from our start-up days and give our employees the greatest possible flexibility. An exchange of employees from different locations strengthens our integrative corporate culture and promotes teamwork.

Inclusion and diversity are not just buzzwords at the elumeo Group, they are a way of life. A large proportion of our employees are female. The diversity of nationalities, religions, family constellations or sexual orientations is not recognised, but is positively perceptible.

Supply chain and raw materials

A major sustainability risk in the jewellery and jewellery goods sector is the unethical extraction of processed raw materials, particularly through human rights violations such as child labour or the exploitation of workers. One of our advantages is that we produce some of our jewellery in close cooperation with local partners. In addition, our buyers have long-standing relationships with the manufacturers. This means that we are always able to see for ourselves the working conditions under which our jewellery is manufactured through random visits and can ensure compliance with our high internal standards. In addition, through close cooperation and corresponding contractual agreements with our suppliers, our purchasing department ensures that they work in a reputable manner and source their raw materials, in particular gold, silver and gemstones, exclusively from conflict-free regions in compliance with common ethical standards. We also regularly check with our contractual partners to ensure that they have not been accused of violating

any nationally or internationally applicable sanctions. Our compliance management system includes a whistleblowing hotline to ensure that any doubts about the integrity of suppliers are immediately brought to the attention of the elumeo Group's compliance officer, the head of the Audit Committee and the person responsible for environmental, social and governance issues on the Executive Board.

Integrity

Ethical behaviour and business conduct with integrity are of paramount importance to us. The elumeo Group not only complies with legal requirements, but also applies the highest ethical standards. Our corporate culture is characterised by responsibility, respect and trust. Lawful behaviour is the basis of our daily work and thus of our success. The Board of Directors has therefore adopted a Code of Conduct. It describes our ethical and compliance standards as a globally active company and serves as a guideline for managers and employees. We expect all managers and employees of the elumeo Group worldwide to act in accordance with the principles of the Code of Conduct at all times. We do not tolerate unethical or illegal behaviour.

The purpose of the Code of Conduct is to help everyone in the elumeo Group to clearly understand their personal responsibility. It applies to all members of the elumeo Group: from members of the Executive Board to managers and employees. The Code of Conduct represents a minimum requirement. If legal provisions, ordinances or regulations, whether local, national or international, take a stricter position than the content mentioned in the Code of Conduct, these must be observed and complied with. In the event of a conflict between the Code of Conduct and a mandatory local regulation, the regulation shall prevail.

With regard to our integrity, the Code of Conduct also deals in particular with the topics of money laundering prevention, anti-corruption measures, competition and antitrust law, our relationships with business partners and suppliers as well as guidelines for social media. To ensure compliance within the elumeo Group, the Executive Board has introduced compliance guidelines and a compliance management system and established a compliance organisation. This also includes an internal system for anonymous reporting of possible violations (whistleblowing). All managers and employees are encouraged to participate in our ongoing efforts to analyse our compliance risks and improve our compliance management system.

J. Takeover-related disclosures in accordance with Sections 289a and 315a HGB

As a listed company whose voting shares are listed on an organised market within the meaning of Section 2 (7) WpÜG, elumeo SE is obliged to disclose the information specified in Section 289a HGB and Section 315a HGB in the Management Report and Group Management Report. This information is intended to enable third parties interested in taking over a listed company to gain an impression of the company, its structure and potential obstacles to a takeover.

Composition of the subscribed capital

As of 31 December 2023, the subscribed capital of elumeo SE totalled EUR 5,667,420 (31 December 2022: EUR 5,500,000) and was divided into 5,677,420 no-par value shares with a notional interest in the subscribed capital of EUR 1.00 per share. All shares carry the same rights and obligations. Each share entitles the holder to one vote at the company's Annual General Meeting.

Restrictions relating to voting rights or the transfer of shares

The Board of Directors has no information on any restrictions on the exercise of voting rights or restrictions on the transferability of shares that go beyond the statutory provisions.

Shareholdings exceeding 10.0% of the voting rights

As of 31 December 2023, the following direct and indirect shareholdings in the capital of elumeo SE exceeded the threshold of 10.0% of the voting rights: Blackflint Ltd, Paphos, Cyprus (direct), UV Interactive Services GmbH, Berlin (indirect) and Mr Wolfgang Boyé, Berlin (indirect).

For further information on notifications pursuant to Section 33 (1) WpHG, please refer to section [J. Other disclosures: Voting rights notifications pursuant to Section 33 (1) WpHG] of the notes to the consolidated financial statements.

Shares with special rights that confer powers of control

No shares with special rights conferring powers of control were issued.

Control of voting rights in the case of employee participation

There is no control of voting rights in the event that employees hold shares in the capital of elumeo SE.

Appointment and dismissal of members of the Board of Directors and Managing Directors; amendments to the Articles of Association

With regard to the appointment and dismissal of members of the Executive Board, reference is made to the applicable statutory provisions of Sections 28 and 29 SEAG. In addition, Section 9 (2) of the Articles of Association of elumeo SE stipulates that the members of the Executive Board are elected by the Annual General Meeting with a simple majority of votes. With regard to the appointment and dismissal of Managing Directors, reference is made to the applicable statutory provisions of Section 40 SEAG. In addition, Section 16 (1) of the Articles of Association of elumeo SE stipulates that the Executive Board appoints one or more Managing Directors. It may appoint one of these Managing Directors as Chief Executive Officer and one or two as Deputy Chief Executive Officers. In accordance with Section 16 (4) of the Articles of Association of elumeo SE, Managing Directors may be dismissed at any time by resolution of the Executive Board with a simple majority.

The provisions for amending the Articles of Association are regulated in accordance with Art. 9 para. 1 lit. c) (ii) SE Regulation in Sections 133, 179 AktG. The Executive Board is authorised to adopt amendments to the Articles of Association that only affect the wording (Section 11 (4) of the Articles of Association of elumeo SE).

Significant agreements that are subject to the condition of a change of control following a takeover bid

As of the balance sheet date, elumeo SE had not concluded any agreements containing provisions for the event of a change of control.

Compensation agreements concluded with the Board of Directors or employees in the event of a takeover bid

elumeo SE has not entered into any compensation agreements with the members of the Executive Board or employees in the event of a takeover bid.

K. Overall statement

Overall, the Managing Directors assess the course of the 2023 financial year as slightly positive. After a challenging year with the negative effects of the war in Ukraine and the conflict in the Middle East, including rapidly rising inflation and our customers' reluctance to spend, the sales trend and gross profit margin in 2023 are in line with the forecast. The web shop developed very positively with sales growth of +8.4%. The

forecast for adjusted EBITDA was not met due to the increased online marketing costs for acquiring new customers, among other things. The video shopping app Jooli was successfully developed further. The issue of the bond should lead to an optimisation of the balance sheet structure in the following year. With #Juwelo100, the programme to increase operating performance with the sales target of EUR 100 million in the core business by 2030, the Managing Directors are looking to 2024 and the following years with confidence.

Berlin, 30 April 2024

elumeo SE

The Managing Directors



Florian Spatz



Boris Kirn



Dr Riad Nourallah



elumeo

Annual Report 2023



Consolidated financial statements

Consolidated income statement and consolidated statement of comprehensive income	49
Consolidated balance sheet	51
Consolidated statement of changes in equity	53
Consolidated cash flow statement	55

Consolidated income statement and consolidated statement of comprehensive income

for the financial years from 1 January to 31 December 2023 and 2022

	Figure	01.01. - 31.12.2023		01.01. - 31.12.2022	YoY in %
TEUR % of sales revenue					
Sales revenue	(1)	45.388	100,0%	45.844	-1,0%
Cost of sales	(2)	-22.682	-50,0%	-20.657	-9,8%
Gross profit		22.705	50,0%	25.187	-9,9%
Distribution costs	(3)	-16.919	-37,3%	-17.953	5,8%
Administrative costs	(4)	-8.931	-19,7%	-8.791	-1,6%
Other operating income	(5)	854	1,9%	560	52,5%
Other operating expenses	(6)	-563	-1,2%	-407	-38,4%
Result from operating activities (EBIT)		-2.854	-6,3%	-1.404	103,3%
Interest and similar expenses		-102	-0,2%	-65	-56,9%
Financial result	(7)	-102	-0,2%	-65	-56,2%
Earnings before taxes (EBT)		-2.955	-6,5%	-1.468	101,2%
Taxes on income and earnings	(8)	-322	-0,7%	-1.926	83,3%
Earnings after taxes from continuing operations		-3.277	-7,2%	-3.394	3,4%
<i>Profit attributable to the shareholders of elu- meo SE</i>		-3.277	-7,2%	-3.394	3,4%
Earnings per share in EUR (undiluted and diluted) in relation to the share of profit of total shareholders	(10)				
- undiluted		-0,58		-0,62	6,1%
- watered down		-0,58		-0,62	6,1%
<i>Average number of shares outstanding</i>					
- undiluted		5.654.574		5.500.000	2,8%
- watered down		5.654.574		5.500.000	2,8%
Earnings after taxes from discontinued operations		2.174	4,8%	100	<i>n.a.</i>

Earnings per share in EUR (undiluted and diluted) in relation to the share of profit of total shareholders	(10)				
- undiluted		0,38		0,02	n.a.
- watered down		0,38		0,02	n.a.
<i>Average number of shares outstanding</i>					
- undiluted		5.654.574		5.500.000	2,8%
- watered down		5.654.574		5.500.000	2,8%
Earnings after taxes from continuing and discontinued operations		-1.103	-2,4%	-3.294	66,5%
<i>Profit attributable to the shareholders of elu- meo SE</i>		-1.103	-2,4%	-3.294	66,5%
Earnings per share in EUR (undiluted and diluted) in relation to the share of profit of total shareholders	(10)				
- undiluted		-0,20		-0,60	67,4%
- watered down		-0,20		-0,60	67,4%
<i>Average number of shares outstanding</i>					
- undiluted		5.654.574		5.500.000	2,8%
- watered down		5.654.574		5.500.000	2,8%
Other comprehensive income that can be rec- lassified to the income statement in subsequent periods					
Differences from currency translation foreign subsidiaries		13	0,0%	-39	133,2%
Other comprehensive income that cannot be reclassified to the income statement in subse- quent periods					
Differences from currency translation foreign subsidiaries (Reclassification to profit/loss)		-2.174	-4,8%	0	n.a.
Other result		-2.161	-4,8%	-39	n.a.
Consolidated comprehensive income		-3.264	-7,2%	-3.333	2,1%

Consolidated balance sheet

as at 31 December 2023 and 2022

ACTIVA						
		31.12.2023		31.12.2022		YoY in %
TEUR % of balance sheet total						
Non-current assets						
Intangible assets	(11)	183	0.8%	256	1,1%	-28,6%
Property, plant and equipment	(12)	425	1.9%	778	3,4%	-45,3%
Assets from rights of use	(13)	1,637	7.4%	2,085	9,2%	-21,5%
Other financial assets	(16)	166	0.8%	57	0,2%	193,2%
Other non-financial assets	(17)	157	0.7%	162	0,7%	-3,5%
Deferred tax assets	(29)	1,598	7.2%	2,155	9,5%	-25,8%
Total non-current assets		4,167	18.8%	5,492	24,1%	-24,1%
Current assets						
Inventories	(14)	13,176	59.5%	13,041	57,3%	1,0%
Trade receivables and services	(15)	2,338	10.6%	1,710	7,5%	36,7%
Other financial assets	(16)	238	1.1%	412	1,8%	-42,3%
Other non-financial assets	(17)	897	4.0%	681	3,0%	31,7%
Cash and cash equivalents	(18)	1,341	6.1%	1,410	6,2%	-4,9%
Total current assets		17,989	81.2%	17,254	75,9%	4,3%
Total ACTIVA		22,156	100%	22,746	100%	-2,6%

Consolidated balance sheet

as at 31 December 2023 and 2022

PASSIVA		31.12.2023		31.12.2022		YoY in %
EUR thousand % of balance sheet total						
Equity						
Issued capital		5,677	25.6%	5,500	24,2%	3,2%
Capital reserves		35,342	159.5%	34,821	153,1%	1,5%
Accumulated losses		-32,918	148.6%	-31,815	-139,9%	-3,5%
Foreign currency translation reserve		-32	-0.1%	2,128	9,4%	-101,5%
Total equity	(19)	8,069	36.4%	10,634	46,8%	-24,1%
<i>Attributable to shareholders of elumeo SE</i>						
Contributions made to implement the capital increase	(21)	0	0.0%	550	2,4%	-100,0%
Non-current liabilities						
	(22)	599	2.7%	0	0,0%	n.a.
Other non-current financial liabilities	(13)	1,295	5.8%	1,757	7,7%	-26,3%
Accruals	(25)	130	0.6%	130	0,6%	0,0%
Other financial liabilities	(23)	0	0.0%	69	0,3%	-100,0%
Other non-financial liabilities	(26)	25	0.1%	25	0,1%	0,0%
Deferred tax liabilities	(29)	0	0.0%	37	0,2%	-100,0%
Total non-current liabilities		2,049	9.2%	2,017	8,9%	1,6%
Current liabilities						
Financial debt	(22)	499	0.0%	0	0,0%	n.a.
Leasing liabilities	(13)	462	2.1%	449	2,0%	2,9%
Accruals	(25)	403	1.8%	613	2,7%	-34,3%
Trade payables and services		7,955	35.9%	4,944	21,7%	60,9%
Advance payments received	(24)	97	0.4%	40	0,2%	146,0%
Tax liabilities	(26)	106	0.5%	318	1,4%	-66,8%
Other financial liabilities	(23)	606	2.7%	711	3,1%	-14,7%
Other non-financial liabilities	(27)	1,911	8.6%	2,470	10,9%	-22,6%
Total current liabilities		12,038	54.3%	9,544	42,0%	26,1%
Total PASSIVA		22,156	100.0%	22,746	100,0%	-2,6%

Consolidated statement of changes in equity

for the financial year from 1 January to 31 December 2023

Reason for change	Figure	Attributable to the shareholders of elumeo SE				
		Sub-scri-bed capital	Capital reserve	Accumulated losses	Reserve for currency trans-lation	Total Equity capital
EUR thousand						
01.01.2023	(19.)	5.500	34.821	-31.815	2.128	10.634
Capital increase		177	373			550
Equity-settled share-based remuneration	(20.)		148			148
Earnings after tax from continuing and discontinuing operations				-1.103		-1.103
Other comprehensive income					-2.161	-2.161
Total comprehensive income				-1.103	-2.161	-3.264
31.12.2023		5.677	35.342	-32.918	-32	8.069

for the financial year from 1 January to 31 December 2022

Reason for change	Figure	Attributable to the shareholders of elumeo SE				
		Subscribed capital	Capital reserve	Accumulated losses	Reserve for currency translation	Total Equity capital
EUR thousand						
01.01.2022	(19.)	5.500	34.567	-28.521	2.167	13.714
Equity-settled share-based remuneration	(20.)		253			253
Earnings after tax from continuing and discontinuing operations				-3.294		-3.294
Other comprehensive income					-39	-39
Total comprehensive income				-3.294	-39	-3.333
31.12.2022		5.500	34.821	-31.815	2.128	10.634

Consolidated cash flow statement

for the financial years from 1 January to 31 December 2023 and 2022

	Fi- gure	01.01 - 31.12.2023	01.01 - 31.12.2022	YoY in %
TEUR				
Earnings before interest and taxes (EBIT) from continuing operations		-2.854	-1.404	- 103,3%
Earnings before interest and taxes (EBIT) from discontinued operations		+2.174	+100	n.a.
Earnings before interest and taxes (EBIT) from continuing and discontinued operations		-680	-1.304	47,9%
+/- Amortisation of intangible assets and property, plant and equipment	(11,12)	+442	+512	-13,8%
+/- Amortisation of right-of-use assets		+447	+429	4,2%
+/- Increase/decrease in provisions	(25)	-210	-2.133	90,1%
+/- Taxes on income and earnings		-114	-168	31,9%
- Income taxes paid		+197	-235	184,0%
+/- Share-based payments	(20)	+148	+253	-41,4%
+/- Non-cash expenses/income		-2.182	0	n.a.
+/- Loss/gain from the disposal of fixed assets		-12	0	n.a.
-/+ Increase/decrease in inventories	(14)	-135	+96	240,7%
-/+ Increase/decrease in other operating assets		-877	+1.273	168,9%
+/- Increase/decrease in other operating liabilities		+2.984	-79	n.a.
- Interest paid	(7)	-102	-65	-56,9%
= Cash flow from operating activities	(28)	-94	-1.421	93,4%
- Payments for the acquisition of intangible assets	(11)	0	-1	- 100,0%
- Payments for the acquisition of property, plant and equipment	(12)	-16	-58	72,8%
+ Proceeds from the disposal of property, plant and equipment		+12	0	n.a.
+ Disposal of cash and cash equivalents from the deconsoli- dation of subsidiaries		-2	0	n.a.
- Net payments from the initial consolidation of subsidiaries		-9	0	n.a.
= Cash flow from investing activities	(28)	-15	-60	75,3%
+ Einzahlungen aus der Aufnahme von Finanzverbindlichkei- ten	(22)	+499	0	n.a.
+ Zur Durchführung der beschlossenen Kapitalerhöhung ge- leistete Einlagen	(21)	0	+550	100,0%
- Auszahlung für die Tilgung von Leasingverbindlichkeiten	(13)	-449	-419	-7,1%
= Cashflow aus der Finanzierungstätigkeit	(28)	+50	+131	-61,9%
+/- Proceeds from the assumption of financial liabilities Contributions made to implement the resolved capital in- crease		-59	-1.350	95,6%
+/- Payments for the repayment of leasing liabilities		-10	+0	n.a.
Cash and cash equivalents at the end of the reporting pe- riod	(18)	+1.341	+1.410	-4,9%

Table of contents

A. Information on the elumeo Group.....	58
B. Basis of preparation of the consolidated financial statements	58
C. Amended standards and interpretations of the IASB	59
Applicable regulations.....	59
Published, applicable accounting standards of the IASB.....	59
D. Principles of consolidation.....	61
Scope of consolidation.....	61
Reporting date of the consolidated financial statements	62
Accounting and valuation principles.....	63
Debt consolidation	63
Profit consolidation.....	63
Functional currency, reporting currency and currency translation	63
E. Accounting and valuation methods.....	63
Classification into current and non-current assets and liabilities.....	63
Intangible assets.....	64
Property, plant and equipment	64
Amortisation, depreciation and impairment of intangible assets, property, plant and equipment.....	64
Leases - Group as lessee.....	65
Current and deferred income taxes	65
Global minimum taxation.....	65
Deferred taxes	66
Inventories.....	67
Financial instruments.....	67
Subscribed capital.....	69
Employee benefits.....	69
Contributions made to implement the resolved capital increase	70
Provisions	70
Contingent liabilities, contingencies and other financial obligations	70
Segment reporting.....	70
Realisation of income and expenses.....	70
Expected returns.....	71
Research and development costs	71
F. Significant judgements, estimates and assumptions	72
G. Notes to the consolidated statement of comprehensive income.....	73
(1) Sales revenue.....	73
(2) Cost of sales	73
(3) Distribution costs.....	74
(4) Administrative expenses	74
(5) Other operating income.....	75
(6) Other operating expenses.....	75
(7) Financial result.....	76
(8) Taxes on income and earnings	76
(9) Personnel expenses and expenses from share-based payments.....	78

(10) Earnings per share	79
H. Notes to the consolidated balance sheet	81
(11) Intangible assets.....	81
(12) Property, plant and equipment	82
(13) Assets from right-of-use assets and lease liabilities.....	83
(14) Inventories	84
(15) Receivables from goods and services.....	85
(16) Other financial assets.....	85
(17) Other assets.....	86
(18) Means of payment.....	86
(19) Equity	87
(20) Share-based payments settled with own equity instruments	92
(21) Contributions made to implement the resolved capital increase	95
(22) Financial liabilities	95
(23) Other financial liabilities	96
(24) Advance payments received.....	96
(25) Provisions	97
(26) Tax liabilities.....	99
(27) Other liabilities.....	99
(28) Supplementary information on the consolidated cash flow statement.....	100
(29) Deferred taxes	100
(30) Additional disclosures on financial instruments.....	101
I. Other information.....	103
Management of financial risks.....	103
Transactions with related parties.....	105
Other financial obligations and contingent liabilities.....	106
Supplementary notes in accordance with HGB.....	107
Events after the balance sheet date	110

Notes to the consolidated financial statements

A. Information on the elumeo Group

Company name, registered office, foundation and commercial register of the reporting parent company

elumeo SE (hereinafter also referred to as the "Company") is the parent company of the elumeo Group, the registered office of elumeo SE is Erkelenzdamm 59/61 in 10999 Berlin, Germany.

The company is listed in the Berlin-Charlottenburg commercial register in section B under no. 157 001 B.

elumeo SE is a listed company in the legal form of a European Company (Societas Europaea). The Company has a monistic management structure with the Executive Board as the management and supervisory body.

The consolidated financial statements were prepared on a going concern basis.

Business activities of the elumeo Group

The elumeo Group is active in the design, procurement and distribution of jewellery, jewellery goods, gemstones and related products via television and other, particularly electronic, distribution channels (Internet) in the main markets of Germany and Italy. The main sales channels are interactive live offers that enable customers to compete against each other for the jewellery presented and to help determine the price.

Approval of the consolidated financial statements

The Board of Directors approved the consolidated financial statements for publication on 30 April 2024.

B. Basis of preparation of the consolidated financial statements

Application of IFRS

The Consolidated Financial Statements of elumeo SE for the financial year ending 31 December 2023 (hereinafter also referred to as the "Consolidated Financial Statements 2023") were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS"). In addition, the provisions of Section 315a (1) HGB were taken into account.

The consolidated financial statements take into account all IFRS that have been adopted as at the reporting date and whose application is mandatory in the European Union.

General information

The consolidated financial statements comprise the consolidated income statement and the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity and the consolidated cash flow statement. The consolidated financial statements are generally prepared on the basis of assets and liabilities recognised at amortised cost. The consolidated income statement is prepared using the cost of sales method. The consolidated balance sheet categorises assets and liabilities according to their maturities as current or non-current components.

The consolidated financial statements are prepared in euros ("EUR"). The figures are stated in thousands of euros ("EUR thousand") or millions of euros ("EUR million"). For computational reasons, rounding differences to the mathematically exact values (monetary units, per cent, etc.) may occur in tables and text references.

Acquired divisions of the elumeo Group

On 8 March 2023, 50% of jooli marketplace India Pvt. Ltd. was acquired by elumeo SE and 50% by jooli.com GmbH. The aim of the acquisition is to expand business activities in connection with the video shopping app in India. The company is involved in the distribution, operational processes and software development of the video shopping app jooli in India. The Managing Director of the company is Aykut Çevik, CTO and Managing Director of jooli.com GmbH. Due to immateriality, the acquired assets and liabilities are not recognised separately.

Discontinued operations of the elumeo Group

In the 2018 financial year, it was decided to discontinue all business activities of the production company PWK Jewelry Company Limited, Bangkok, Thailand ("PWK"), and to carry out an orderly liquidation of the production company under self-administration by realising the existing assets ("discontinued operation PWK"). All of the company's business activities were completely discontinued by the end of 2018 and the company was deconsolidated as at 31 December 2018. The former intermediate holding company still existing in this context, Silverline Distribution Ltd., distributed essentially all of its capital to elumeo SE in financial year 2023. Accordingly, Silverline's currency reserve was recycled to profit or loss in the consolidated financial statements. This resulted in income of EUR 2,174 thousand, which is recognised in the statement of comprehensive income under earnings after income taxes from discontinued operations and a corresponding negative other comprehensive income of EUR 2,174 thousand.

As part of the discontinuation of the business division, a provision was recognised for possible costs from the further liquidation of PWK. This amounted to EUR 155 thousand as at 31 December 2023 (previous year: EUR 155 thousand).

Deconsolidated companies of the elumeo Group

On 22 November 2019, the Executive Board of elumeo SE decided to close the location in Rome and to serve the Italian market from Berlin in the future, in line with the other European markets. Juwelo Italia s.r.l. was liquidated as of 31 December 2023 and it was decided to deconsolidate the company.

C. Amended standards and interpretations of the IASB

Applicable regulations

Accounting in accordance with IFRS is based on the provisions of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London (United Kingdom), the interpretations (IFRIC) of the IFRS Interpretations Committee (IFRS IC) and the interpretations published by the Standing Interpretations Committee (SIC) in force on the reporting date and recognised by the European Union (EU).

Published, applicable accounting standards of the IASB

Standards, interpretations and amendments to IAS/IFRS that are to be applied for the first time in financial year 2023 are presented below with their effects on the elumeo Group.

IFRS standard	Topic	Effective date according to the IASB	Takeover by the EU Commission
IFRS 17 and its amendments	Insurance contracts (published on 18 May 2017) including amendments (published on 25 June 2020)	01/01/2023	19 November 2021
Changes to IAS 1	Presentation of financial statements and IFRS Practice Statement 2 - Guidance on the application of the materiality criterion in relation to the disclosure of accounting policies (published on 12 February 2021)	01/01/2023	2 March 2022
Amendments to IAS 8	Accounting policies, changes in accounting estimates and errors - Definition of accounting estimates (published on 12 February 2021)	01/01/2023	2 March 2022
Amendments to IAS 12	Income taxes - Deferred taxes in connection with assets and liabilities arising from a single transaction (published on 7 May 2021)	01/01/2023	11 August 2022
Amendments to IFRS 17	Insurance Contracts - Presentation of Comparative Information on First-time Adoption of IFRS 17 and IFRS 9 (published on 9 December 2021)	01/01/2023	8 September 2022
Changes to IAS 12	Income taxes - International tax reform - Pillar Two model rules (published on 23 May 2023)	immediately and 01/01/2023 ¹	8 November 2023
Amendments to IFRS 16	Leases - lease liability under a sale and leaseback agreement (published on 22 September 2022)	01/01/2024	20 November 2023

Standards, interpretations and amendments to IAS/IFRS that have been announced but are not yet mandatory at the time of publication of these consolidated financial statements and are of practical relevance to elumeo SE are presented below. Unless otherwise stated, they are to be applied for financial years beginning on or after the indicated date of application.

IFRS standard	Topic	Effective date according to the IASB	Takeover by the EU Commission
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Changes to IAS 1	Presentation of the financial statements - Recognition of debt as current or non-current (published on 23 January 2020), deferral of entry into force (published on 15 July 2020) and Non-current liabilities with covenants (published on 31 October 2022)	01/01/2024	Pending endorsement by the EU
Amendments to IAS 7 and IFRS 7	Cash flow statements and financial instruments: Disclosures - Supplier financing agreements (published on 25 May 2023)	01/01/2024	Pending endorsement by the EU
Amendments to IAS 21	Effects of exchange rate changes - shortage the exchangeability (published on 15 August 2023)	01/01/2025	Pending endorsement by the EU

At the present time, we do not expect the amendments to these standards to have a material impact on accounting in the elumeo Group.

D. Principles of consolidation

Scope of consolidation

The Consolidated Financial Statements as of 31 December 2023 generally include the financial statements of the parent company elumeo SE and the subsidiaries directly or indirectly controlled by the Company. elumeo SE only controls an investee in accordance with IFRS 10 *Consolidated Financial Statements* if it has all of the following characteristics:

- control over the investee (i.e. the company has existing rights that give it the power to direct the relevant activities of the investee),
- a risk exposure in the form of or a right to fluctuating returns from their involvement with the investee and
- the ability to use its power over the investee in such a way as to affect the amount of the investee's profit or loss.

Control is generally assumed if a majority of voting rights is held. In order to support this assumption or if elumeo SE holds less than a majority of the voting rights or comparable rights of an investee, the Company takes into account all relevant facts and circumstances in order to assess whether it controls an investee, including the following

- the voting rights and potential voting rights of the company,
- the contractual agreements with the other holders of voting rights in the investee and
- Rights arising from other contractual agreements.

If new facts and circumstances indicate that changes have occurred with regard to one or more characteristics of control, the Company reassesses whether or not it exercises control over the investee. Consolidation of an investee begins when elumeo SE obtains control over the investee and ends when elumeo SE loses control over the investee. Assets, liabilities, income and expenses of an investee acquired or disposed of during a financial year are included in the Consolidated Financial Statements from the date on which elumeo SE obtained control over the investee until the date on which control over the investee ended.

A change in the ownership interest in an investee without loss of control is recognised as an equity transaction.

If the company loses control over an investee, the corresponding assets (including goodwill), liabilities, minority interests and other equity components (including the reserves from currency translation differences attributable to the investee) are deconsolidated, with any resulting gain or loss recognised as a deconsolidation gain or loss in the consolidated income statement. Any (minority) interest remaining in the elumeo Group is remeasured at fair value. Intragroup receivables and liabilities from the relationship with an associated company previously eliminated as part of debt consolidation are recognised in the consolidated statement of financial position.

In addition to elumeo SE as the holding company, the scope of consolidation as of 31 December 2023 includes the following companies in which elumeo SE held 100% of the shares in financial year 2023, either directly or indirectly via intermediary subsidiaries:

Society	Seat
Juwelo Germany GmbH	Berlin
jooli.com GmbH	Berlin
jooli marketplace India Pvt. Ltd.	Jaipur
Juwelo USA, Inc.	Wilmington
Silverline Distribution Ltd.	Hong Kong

Compared to the previous year, Juwelo Italia s.r.l. was deconsolidated due to liquidation. jooli marketplace Pvt. Ltd. was included in the scope of consolidation from March 2023. The company was acquired as a shelf company without active business operations. Please also refer to the comments on shareholdings in "Supplementary notes in accordance with HGB" under I.

Reporting date of the consolidated financial statements

The consolidated financial statements for the 2023 financial year cover the reporting period from 1 January to 31 December 2023 ("financial year", "reporting year" or "reporting period"). The year-on-year changes are referred to as year-on-year ("YoY"). With the exception of jooli marketplace Pvt. Ltd. all companies included in the consolidated financial statements have a financial year identical to the calendar year. The financial year of jooli marketplace Pvt. Ltd. begins on 1 April and ends on 31 March. Interim financial statements were prepared for jooli marketplace Pvt. Ltd as at 31 December 2023.

Accounting and valuation principles

The financial statements of the companies included in the consolidated financial statements are prepared in accordance with the uniform accounting policies of the parent company.

Debt consolidation

Intra-group receivables and intra-group liabilities are offset as part of debt consolidation. Any offsetting differences arising in the reporting period are recognised in the consolidated income statement.

Profit consolidation

Consolidation of income and expenses

Intragroup income and expenses are offset and intercompany profits and losses eliminated as part of the consolidation of profit or loss. Any offsetting differences arising in the reporting period are recognised in the consolidated income statement.

Elimination of intercompany profits

According to IFRS 10, profits generated within the Group are only recognised in the income statement if the recipient of the delivery is a third party outside the Group (end customer). As a result, unrealised intercompany profits from intragroup deliveries must be eliminated.

Functional currency, reporting currency and currency translation

Currency translation is based on the functional currency concept in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* using the modified reporting date method. The currency of the primary economic environment in which a company operates and in which it primarily generates or uses cash is referred to as its functional currency. The functional currency of the parent company elumeo SE is the euro (EUR). The consolidated financial statements are prepared in EUR as the reporting currency.

Foreign currency transactions are initially translated by the Group companies into their functional currency at the spot rate applicable on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into the functional currency on each reporting date using the spot rate on the reporting date. All translation differences are recognised in the consolidated income statement. Expenses and income are generally recognised in net form under other operating income or other operating expenses.

The assets and liabilities of subsidiaries whose financial statements are prepared in a functional currency other than the EUR are translated into EUR at the exchange rate on the reporting date. Income and expenses in the income statement are translated as at the reporting date using the weighted average exchange rate for the reporting period. The equity of subsidiaries is translated at the respective historical exchange rate. Currency translation differences from the translation of financial statements prepared in foreign currencies are recognised in other comprehensive income; they are reclassified to the income statement upon disposal or partial disposal of the relevant foreign operation and recognised in the currency translation reserve in equity.

E. Accounting and valuation methods

Classification into current and non-current assets and liabilities

The elumeo Group categorises its assets and liabilities in the consolidated statement of financial position into current and non-current assets and liabilities.

An asset is classified as current if it is held primarily for trading or is expected to be realised within twelve months of the reporting date or within the normal operating cycle.

A liability is classified as current if it is expected to be settled within twelve months of the reporting date or if the elumeo Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are generally recognised as non-current assets or liabilities.

Intangible assets

Purchased intangible assets with a finite useful life are measured at cost less amortisation on a straight-line basis. Amortisation is carried out over the expected useful life of the asset.

Property, plant and equipment

Technical equipment and machinery as well as operating and office equipment are recognised at acquisition or production cost less scheduled straight-line depreciation. Depreciation is recognised over the expected useful life of the asset.

Leasehold improvements are capitalised at acquisition or production cost and depreciated over the remaining term of the underlying lease agreements, taking into account renewal options or, if applicable, over the shorter useful life.

Amortisation, depreciation and impairment of intangible assets, property, plant and equipment

Amortisation periods and methods

Depreciation is generally recognised on a straight-line basis over the following standard useful lives, based on company-specific estimates:

Useful life	years
Intangible assets	1-15
Installations in rented buildings	10
Technical equipment and machinery	5-15
Operating and office equipment	3-10

The amortisation period/method for assets with a specific useful life is reviewed at least at the end of each reporting period and adjusted prospectively if necessary.

Property, plant and equipment and intangible assets are derecognised either as a result of disposal or when no economic benefit is expected from the continued use or sale of the asset. A gain or loss from the disposal of an asset is calculated as the difference between the net disposal proceeds and the residual carrying amount of the asset and is recognised in the consolidated income statement in the reporting period in which the asset is derecognised.

Impairment test

At each reporting date, the elumeo Group reviews whether there are any indications of impairment (impairment indicators) for non-financial assets or individual cash-generating units recognised in the consolidated statement of financial position. If such impairment indicators are recognisable or an annual review is required, an impairment test is carried out. If an asset or cash-generating unit is

impaired, impairment losses are recognised in profit or loss. In principle, all legally independent Group companies are considered cash-generating units of the elumeo Group.

In order to determine the amount of the corresponding impairment loss, the recoverable amount of the asset is calculated. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

Fair value less costs to sell is the amount that could be realised from the sale of an asset in an arm's length transaction between knowledgeable, willing parties. The value in use is determined on the basis of the expected discounted future cash inflows. This is based on a pre-tax market interest rate that reflects the risks of the asset that are not yet reflected in the estimated future cash inflows.

If the recoverable amount of an asset or cash-generating unit is estimated to be lower than its carrying amount, it is written down to the recoverable amount. The impairment loss is recognised immediately in profit or loss. If the impairment loss is reversed in a subsequent period, the carrying amount of the asset is adjusted to the recoverable amount determined. The upper limit for the reversal of impairment losses is determined by the amount of amortised cost that would have resulted if no impairment loss had been recognised in previous periods. The reversal of impairment losses is recognised immediately in profit or loss.

Leases - Group as lessee

Leases are recognised by the lessee as a right-of-use asset and a lease liability from the date on which the leased asset is available for use. Exceptions to this are short-term leases (i.e. leases with a lease term of up to twelve months) and leases where the underlying asset is of low value.

The cost of a right-of-use asset is calculated as the present value of the future lease payments, the initial direct contract costs and the estimated costs of dismantling or restoring the leased asset. The right-of-use asset is amortised on a straight-line basis over the shorter of its useful life and the expected term of the lease.

On initial recognition, the lease liability is recognised at the present value of the future lease payments; subsequent measurement is at amortised cost using the effective interest method. The right-of-use asset is initially recognised in the amount of the lease liability, increased by any initial direct costs, and subsequently amortised over the term of the lease. The lease term is based on the non-cancellable basic term of a lease, taking into account extension and cancellation options of the lessee, provided that it is reasonably certain that these options will be exercised in the future. Interest expenses for lease liabilities are recognised in the financial result. They are also included in the cash flow from operating activities, while payments for the repayment of lease liabilities are recognised as a separate item under cash flow from financing activities.

Current and deferred income taxes

Income taxes for the reporting period comprise current and deferred taxes. Taxes are recognised in the consolidated income statement unless they relate to items that are recognised directly in equity or in other comprehensive income. Income taxes relating to items recognised directly in equity are recognised directly in equity or in other comprehensive income in the consolidated statement of comprehensive income.

Global minimum taxation

The Group operates in the following countries that have enacted new legislation to implement the global supplementary tax: Germany and Italy, Luxembourg.

However, as the new tax laws in these countries will not come into force until 1 January 2024, there will be no current tax effects for the year ending 31 December 2023.

If the law on the global supplementary tax had come into force in 2023, no profits from the Group's business activities in all relevant countries would be subject to supplementary tax for the financial year ending 31 December 2023.

Temporary mandatory exemption

Should the global surtax be triggered, the Group would apply a temporary mandatory exemption from recognising deferred taxes for the effects of the surtax and recognise it as a current tax when it arises.

Deferred taxes

Deferred taxes are calculated using the liability method on the basis of the provisions of IAS 12 *Income Taxes*. Deferred taxes are recognised due to temporary differences (temporary concept) between the carrying amounts recognised in the IFRS consolidated financial statements and the carrying amounts in the tax accounts if these differences will lead to tax relief or tax charges in the future. Deferred taxes are measured using the tax rates and tax regulations that are expected to apply at the time the differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences, with the exception of:

- Deferred tax liabilities from the initial recognition of goodwill or an asset or liability from a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss for the period in accordance with IFRS nor taxable profit or loss,
- Deferred tax liabilities from taxable temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, unused tax loss carryforwards and unused tax credits to the extent that it is sufficiently probable that taxable income will be available against which the deductible temporary differences and the unused tax loss carryforwards and tax credits can be utilised, with the exception of the following items

- Deferred tax assets from deductible temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss for the period under IFRS nor taxable profit or loss,
- deferred tax assets from deductible temporary differences associated with investments in subsidiaries if it is probable that the temporary differences will not reverse in the foreseeable future or there will not be sufficient taxable profit against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset can be utilised. Unrecognised deferred tax assets are reviewed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The period under review for recognising deferred taxes on loss carryforwards was 3 years (previous year: 5 years).

Deferred tax assets and deferred tax liabilities are offset against each other if the elumeo Group has a legally enforceable right to offset current tax assets against current tax liabilities and these relate to income taxes of the same taxable entity levied by the same tax authority.

Inventories

Inventories are generally recognised at the lower of acquisition or production cost and net realisable value. Costs incurred to bring the product to its present location and condition are recognised as follows:

- Raw materials and supplies: Acquisition costs based on the first-in, first-out principle,
- Work in progress and finished goods: Production costs include directly attributable material and personnel costs as well as a share of production overheads calculated on the basis of normal capacity utilisation without taking borrowing costs into account.
- Merchandise: Acquisition costs based on the first-in-first-out principle.

The net realisable value represents the expected realisable sales proceeds less the costs incurred until the sale. Impairment losses on the net realisable value are recognised, where applicable, for inventories with a low turnover rate or on the basis of the expected sales potential of the products concerned.

Financial instruments

General information

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised in the consolidated statement of financial position when the elumeo Group becomes a party to a financial instrument. Financial assets are derecognised when the contractual rights to payments from these financial assets expire or the financial assets are transferred with all material risks and rewards. Financial liabilities are derecognised when the contractual obligations are settled, cancelled or expire.

Financial assets

All financial assets of the elumeo Group are allocated to the classification category "measured at amortised cost". These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value. The transaction costs incurred are included in the initial measurement. Subsequently, they are recognised at amortised cost using the effective interest method. Trade receivables, receivables from related parties, other financial assets and cash and cash equivalents are allocated to this measurement category.

Impairment of financial assets

The elumeo Group recognises allowances for expected credit losses for financial assets measured at amortised cost. An impairment loss or gain is recognised in the consolidated income statement when the asset is impaired.

In accordance with a simplified approach, valuation allowances for trade receivables are always recognised in the amount of the expected credit loss over the term on the balance sheet date, which is determined using sales channel and country-specific valuation allowance rates based on historical default rates and other factors affecting value. For all other financial assets for which the credit risk has not increased significantly since initial recognition, the expected credit loss to be expected within the next 12 months is recognised. For financial instruments for which there has been a significant increase in credit risk, the risk provision is calculated in the amount of the expected credit losses over the remaining term.

Financial assets continue to be written off in full or in part as part of specific valuation allowances if it can no longer be reasonably assumed that full realisation is possible. The Group carries out an individual assessment of the timing and amount of the write-down based on whether there is a reasonable expectation of recovery.

elumeo assesses at each reporting date whether financial assets at amortised cost are credit-impaired. A financial asset is credit-impaired if one or more events with an unfavourable impact on the expected future cash flows of the financial asset occur.

Indicators that a financial asset is credit-impaired include the following observable data:

- Default by a debtor or indications that a debtor will file for insolvency, or
- Significant negative changes in the debtor's payment behaviour

Impaired creditworthiness is not automatically determined when a payment is more than 90 days overdue, but always on the basis of an individual assessment by credit management.

Receivables, including the associated impairment, are derecognised if they are classified as uncollectible and all collateral has been utilised and realised. If the amount of an estimated impairment loss increases or decreases in a subsequent period due to an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or decreased through profit or loss by adjusting the allowance account. If a derecognised receivable is later reclassified as recoverable due to an event that occurred after derecognition, the corresponding amount is recognised directly in other operating income.

Financial liabilities

Financial liabilities in the elumeo Group are exclusively those in the classification category "measured at amortised cost". These are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. In the elumeo Group, financial liabilities, trade payables, debtors with credit balances, liabilities to related parties and other financial liabilities are allocated to this category.

Financial liabilities are derecognised if the obligation underlying the respective liability has either expired, been cancelled or has already been fulfilled.

Offsetting of financial instruments

Financial assets and liabilities are only offset and thus the net amount recognised in the consolidated balance sheet if:

- there is currently a legal right to offset the recognised amounts against each other and
- the intention is to settle on a net basis or simultaneously with the realisation of the asset in question.

Measurement of the fair value

When measuring fair value, the elumeo Group generally assumes that a transaction involving the sale of an asset or the transfer of a liability takes place either on the balance sheet date or on the balance sheet date:

- The principal market for the asset or liability, or
- most favourable market for the asset or liability if no principal market exists.

The fair value of an asset or liability is measured on the basis of the assumptions that market participants would make when pricing the asset or liability. It is assumed that market participants act in their best economic interest. In the consolidated financial statements, the fair value for measurement and disclosure requirements is generally determined on this basis.

The elumeo Group uses valuation methods that are appropriate under the respective circumstances and for which sufficient data is available to measure fair value. Observable input parameters are preferable to unobservable input parameters.

The fair value is not always available as a market price. As a rule, it must be determined on the basis of various measurement parameters. All assets and liabilities for which the fair value is determined are categorised in the measurement hierarchy described below depending on the availability and significance of observable input parameters. Classification is based on the lowest level observable input that is significant to the fair value measurement as a whole:

- Level 1: Input parameters are prices quoted on active markets (taken over unchanged) for identical assets and liabilities.
- Level 2: Valuation techniques in which the lowest level input parameter that has a significant effect on the valuation is observable either directly or indirectly.
- Level 3: Valuation techniques for which the lowest level input parameter that has a significant effect on the valuation is unobservable.

If assets and liabilities are recognised at fair value in the consolidated financial statements on a recurring basis, the elumeo Group determines whether reclassifications have taken place between the levels of the hierarchy.

As of the reporting dates, the elumeo Group does not measure any assets or liabilities falling within the scope of IFRS 13 *Fair Value Measurement* at a fair value that differs significantly from their carrying amount.

Subscribed capital

The costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Employee benefits

Short-term employee benefits

Obligations from short-term employee benefits are recognised as an expense if the related work is performed. A liability is recognised for the amount expected to be paid if the elumeo Group currently has a legal or constructive obligation to pay this amount as a result of work performed by the employee and the obligation can be reliably estimated.

Share-based payments

Equity-settled share-based payments by elumeo SE to employees of the Group and to others who provide comparable services are measured at the fair value of the equity instrument on the grant date using an appropriate measurement model in accordance with IFRS 2. The fair value is recognised as an expense with a corresponding increase in equity over the period in which the beneficiaries acquire an unrestricted claim to the remuneration commitment (vesting period). The amount to be recognised as an expense is subsequently adjusted to reflect the number of commitments for which the corresponding service and non-market performance conditions are expected to be met. As a result, the amount recognised as an expense is based on the number of commitments that meet the relevant conditions at the end of the vesting period. For share-based payments with vesting

conditions that are market conditions (e.g. the increase in the share price), the fair value on the grant date is determined taking these conditions into account.

Benefits due to termination of the employment relationship

Termination benefits are recognised as an expense if the elumeo Group recognises costs for restructuring or can no longer withdraw the offer of such benefits.

Contributions made to implement the resolved capital increase

Payments made for capital increases resolved in the reporting year but not implemented until the following year and filed for entry in the commercial register are not recognised in equity. They do not establish shareholder rights but creditor rights. Such contributions are therefore recognised as liabilities under a separate item entitled "Contributions made to implement the resolved capital increase".

Provisions

Provisions are recognised in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* if the elumeo Group has a present obligation (legal and/or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount of the provision is estimated as best as possible, taking into account all recognisable risks arising from the obligation. The fulfilment amount with the highest probability of occurrence is generally assumed. Non-current provisions with a term of more than one year are discounted to the reporting date if material.

Obligations to employees resulting from the termination of an employment relationship by the employer (notice of termination) due to restructuring or other measures are recognised if they have already been contractually specified on the balance sheet date or are already foreseeable in the case of severance payments not yet made or commitments to continue to pay remuneration as a result of a leave of absence.

Contingent liabilities, contingencies and other financial obligations

On the one hand, contingent liabilities represent obligations whose existence depends on the occurrence of one or more future events that cannot be fully influenced by the elumeo Group. On the other hand, they include existing obligations for which an outflow of assets is not expected with a high degree of probability as of the balance sheet date or for which the amount of the outflow of assets cannot be determined with sufficient reliability.

Contingent liabilities, contingencies and other financial obligations are not recognised in the consolidated balance sheet, but are explained separately in the notes to the consolidated financial statements.

Segment reporting

The strategic and operational site functions are summarised in Berlin. Accordingly, intangible assets, property, plant and equipment and rights of use are located in Germany. In accordance with its internal management, the elumeo Group bundles its business activities in one segment, , which corresponds to the continuing operations of the consolidated financial statements .

Realisation of income and expenses

Revenue from contracts with customers is recognised in accordance with IFRS 15 when control of the goods or services is transferred to the customer. Revenue is recognised in the amount of the

consideration that the Group expects to receive in exchange for these goods or services. The Group has generally come to the conclusion that it acts as headmaster in its sales transactions, as it has control over the goods or services before they are transferred to the customer. Sales are reduced by sales deductions.

Revenue recognition also requires the following recognition criteria to be met:

- When goods are sold to customers, the service is generally rendered at the time the goods become the economic property of the customer. The elumeo Group recognises revenue on the assumption that the average postal delivery time until delivery of the goods is an estimated two days. The transfer of economic ownership, including the associated significant risks and rewards, is not linked to the transfer of legal ownership.
- If rights of return are agreed for product sales, revenue is only recognised if corresponding empirical values are available. Based on this past experience, the expected returns are estimated in terms of amount and recognised as a reduction in revenue.

Expected returns

elumeo recognises the expected return of goods on a gross basis in the income statement and reduces revenue by the full amount of the estimated returned revenue. The disposal of goods recognised as an expense upon dispatch is corrected in the amount of the estimated returns. elumeo also recognises the expected return of goods on a gross basis in the balance sheet. A claim to the return of goods from expected returns is capitalised under other assets. The amount of the asset corresponds to the acquisition cost of the delivered goods for which a return is expected. In addition, a provision is recognised to correct the previously recognised sales in the amount of the expected returns.

Research and development costs

The research and development activities relate to the video shopping app Jooli and work on the company software used, including web applications and user software such as mobile apps. The costs incurred for the development activities, which mainly include personnel costs, were not capitalised but recognised as an expense in the consolidated income statement, as the conditions for capitalisation were not met overall.

F. Significant judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRS requires the Board of Directors and the extended management to make judgements, estimates and assumptions that affect the accounting policies applied in the consolidated financial statements and the net assets, financial position and results of operations presented, as well as the related disclosures. Although these judgements, estimates and assumptions are made to the best of the knowledge of the Board of Directors and extended management based on current events and measures, actual results may differ from these judgements, estimates and assumptions.

Assumptions, estimates and the exercise of judgement are used in the following areas in particular:

- Recognition and measurement of provisions, in particular measurement of expected return rates;
- Determination of recoverability and calculation of deferred tax assets on loss carryforwards;

Please refer to the notes to the consolidated balance sheet.

All assumptions and estimates are based on the circumstances and estimates on the reporting date and the expected future business development of the Group, taking into account the expected development of its economic environment. If these conditions develop differently, the assumptions and the carrying amounts of the recognised assets and liabilities are adjusted accordingly.

G. Notes to the consolidated statement of comprehensive income

(1) Sales revenue

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Revenues	45.337	45.799	-1,0%
Other Revenues	51	45	14,0%
Sales revenue	45.388	45.844	-1,0%

The following table shows the composition of revenue from product sales by customer geographical region:

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Germany	36.678	36.674	0,0%
Italy	2.507	2.738	-8,4%
Austria	2.049	2.047	0,1%
Other Countries	4.102	4.340	-5,5%
Revenues	45.337	45.799	-1,0%

(2) Cost of sales

The cost of sales breaks down as follows:

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Material costs	22.860	20.557	11,2%
Cost of goods sold / Cost of raw materials, consumables and supplies	-178	100	-278,6%
Cost of goods sold	22.682	20.657	9,8%

(3) Distribution costs

Distribution costs include the following expenses:

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Cost of reach	5.464	5.502	-0,7%
Personalkosten	4.301	5.809	-26,0%
Payment cost	652	624	4,5%
Sales and marketing	4.335	3.644	18,9%
Share-based payments [IFRS 2] - Selling	33	56	-41,1%
Abschreibungen und Wertminderungen	298	340	-12,3%
Other selling expenses	1.836	1.978	-7,2%
Selling expenses	16.919	17.953	-5,8%

Sales costs fell in 2023 compared to the previous year, although marketing costs increased due to investments in new customer acquisition. The reason for the lower sales costs was the lower number of employees and the higher personnel costs in the 2022 financial year due to the share programme launched.

(4) Administrative costs

The administrative costs are made up as follows:

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Personnel costs	4.458	4.586	0,4%
Depreciation, amortisation and impairment	143	601	-76,2%
Share-based payments	115	197	-41,5%
Legal counselling costs	786	648	21,4%
Postal, telecommunications and IT costs	574	470	22,0%
Rental expenses	68	26	158,4%
Maintenance work	95	135	-29,7%
Expenses for external services and fees	545	430	26,8%
Recruiting costs	46	92	-49,8%
Audit and accounting costs	246	243	1,4%
Travelling expenses	188	155	21,0%
Other material costs	1.667	1.208	37,9%
Administrative costs	8.931	8.791	3,3%

Personnel costs include expenses for employees, for the maintenance and development of company software consisting of internal web applications and user software such as mobile apps and smart TV apps.

(5) Other operating income

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
VAT clearing vehicle benefit	13	22	-39,6%
Operating income from related parties	1	11	-91,7%
Foreign exchange gains including effects of currency derivative	23	20	17,6%
Income resulting from past accounting periods	383	300	27,6%
Reimbursements from the Equalisation of Expenses Act	0	1	-66,7%
Result from discontinued Operations & Non-Current Assets held for Sale [IFRS 5]	259	0	n.a
Miscellaneous other operating income	174	206	-15,7%
Other operating income	854	560	52,5%

The income from the deconsolidation relates to Juwelo Italia s.r.l. The miscellaneous other operating income mainly relates to income from the reduction of liabilities and a lump-sum compensation payment as part of a legal settlement. In the 2023 financial year, prior-period income related to the derecognition of liabilities from previous years

(6) Other operating expenses

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Expenses resulting from past accounting periods	563	385	46,3%
Other operating taxes	0	21	100,0%
	0	387	n.a
Other operating expenses	563	407	38,3%

Other operating expenses include back payments for health insurance premiums from previous years, logistics costs relating to other periods, VAT from previous years and insurance premiums .

(7) Financial result

	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
TEUR			
Interest expenses cash financing	46	0	n.a
Interest expenses non cash	56	65	-13,9%
Interest expenses and other financial result	102	65	56,6%
Financial result	-101	-65	-55,9%

The interest expenses mainly relate to interest expenses from the utilisation of the credit line from UniCredit Bank AG. The debit interest rate for the credit line is 5.75% per annum and is based on the development of the average monthly EURIBOR rate for three-month money. The commitment fee for the credit line is 0.50% of the committed but unutilised credit amount.

(8) Taxes on income and earnings

Current income taxes paid or owed in the individual countries as well as deferred taxes are recognised as income taxes. Income taxes comprise trade tax and corporation tax plus the solidarity surcharge in Germany and the corresponding foreign income taxes.

For financial years 2023 and 2022, the total tax rate of the parent company elumeo SE - including the statutory corporate income tax rate (15.00%) plus solidarity surcharge (5.50%) and trade tax (14.35%) - totals 30.175%.

The expected income taxes that would have resulted from applying the overall tax rate of elumeo SE of 30.175% to the earnings before taxes (EBT) of the elumeo Group can be reconciled to the actual income taxes as follows:

	01.01. - 31.12.2023	01.01. - 31.12.2022
TEUR		
Earnings before income taxes from continuing operations	-2.955	-1.469
Earnings before income taxes from discontinued operations	2.174	100
Earnings before income taxes from continuing and discontinued operations	-781	-1.369
Total tax rate of elumeo SE	30,175%	30,175%
Expected tax expense (-) / income (+)	236	413
Utilisation of non-capitalised tax loss carryforwards	0	201
Value adjustment of deferred tax assets on loss carryforwards	-395	-1.950
Non-recognition of deferred tax assets on current losses	-1.072	-703
Reversal or recognition of temporary differences for which no deferred taxes were recognised	0	191
Tax rate differences	771	-95
Non-deductible expenses and tax-free income	-45	-76
Share-based payments [IFRS 2]	201	119
Aperiodic tax expense/income	-16	-29
Actual taxes on income and earnings	-322	-1.926
-/+ Income tax expense/income	197	119
-/+ Expense/income from deferred taxes	-520	-2.045
Taxes on income and earnings	-322	-1.926

The provisional amount of tax loss carryforwards in Germany as of 31 December 2023 is around EUR 66.9 million (31 December 2022: EUR 63.6 million) for corporate tax purposes and around EUR 65.9 million (31 December 2022: EUR 62.3 million) for trade tax purposes. The elumeo Group has not capitalised deferred taxes on unused tax loss carryforwards of EUR 62.3 million (previous year: EUR 57.4 million) for corporate income tax purposes and EUR 61.2 million (previous year: EUR 56.1 million) for trade tax purposes.

Based on its analysis of compliance with country-specific tax regulations and transfer prices, the elumeo Group comes to the conclusion that an adjustment of loss carryforwards for selected reporting periods is not probable in principle, but cannot be completely ruled out. As a result, this could lead to an adjustment of the unused tax loss carryforward.

The tax loss carryforwards can generally only be utilised by the company at which the tax losses were incurred and have not expired under applicable tax law. Due to corresponding domestic and foreign legal regulations, the tax loss carryforwards in the elumeo Group can generally be offset against the future taxable profits of the respective companies for an unlimited period of time.

The elumeo Group has recognised deferred tax assets on deductible temporary differences in inventories (elimination of included intercompany profits), in the accounting of leases in accordance with IFRS 16 (accounting of right-of-use assets and lease liabilities) and on tax loss carryforwards.

The period under review for recognising deferred taxes on loss carryforwards was 3 years (previous year: 5 years).

(9) Personnel expenses and expenses from share-based payments

The personnel expenses of the elumeo Group are made up as follows:

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Summe Wages and salaries	7.578	8.342	-9,2%
Summe Social Expenses	1.181	2.054	-42,5%
Expenses from share-based payments	148	253	-41,4%
Personnel expenses	8.907	10.649	-16,4%

Personnel expenses decreased significantly due to the share programme launched in financial year 2022 in the amount of EUR 1,111 thousand. The elumeo Group received short-time work compensation and the reimbursement of social security contributions for some of the employees of a subsidiary from June to September 2023. The short-time working allowance paid was recognised as a transitory item with no effect on income. Income from the reimbursement of social security contributions of EUR 66 thousand (sales: EUR 44 thousand, administration: EUR 22 thousand) was recognised in profit or loss as a deduction from personnel expenses.

Pension costs totalled EUR 688 thousand at (previous year: EUR 650 thousand).

(10) Earnings per share

Basic earnings per share generally correspond 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 calculated as follows

	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Profit share and number of shares			
Earnings after taxes from continuing operations	-3.277	-3.394	3,4%
<i>Profit attributable to the shareholders of elumeo SE</i>	-3.277	-3.394	3,4%
Earnings per share in EUR (undiluted and diluted) in relation to the share of profit of total shareholders			
- undiluted	-0,58	-0,62	6,1%
- watered down	-0,58	-0,62	6,1%
<u>Average number of shares outstanding</u>			
- undiluted	5.654.574	5.500.000	2,8%
- watered down	5.654.574	5.500.000	2,8%
Earnings after taxes from discontinued operations	2.174	100	n.a.
Earnings per share in EUR (undiluted and diluted) in relation to the share of profit of total shareholders			
- undiluted	0,38	0,02	n.a.
- watered down	0,38	0,02	n.a.
<u>Average number of shares outstanding</u>			
- undiluted	5.654.574	5.500.000	2,8%
- watered down	5.654.574	5.500.000	2,8%
Earnings after taxes from continuing and discontinued operations	-1.103	-3.294	66,5%
<i>Profit attributable to the shareholders of elumeo SE</i>	-1.103	-3.294	66,5%
Earnings per share in EUR (undiluted and diluted) in relation to the share of profit of total shareholders			
- undiluted	-0,20	-0,60	67,4%
- watered down	-0,20	-0,60	67,4%
<u>Average number of shares outstanding</u>			
- undiluted	5.654.574	5.500.000	2,8%
- watered down	5.654.574	5.500.000	2,8%

As at the reporting date, there were 423,852 (previous year: 425,102) potentially dilutive options from equity-settled share-based payments (see item I. (20)). From the capital increase resolved in 2022 and implemented in 2023, there were 177,420 potentially dilutive shares as of the previous year's reporting date. Since the share of earnings attributable to the shareholders of elumeo SE is negative, recognising potentially dilutive instruments would result in an increase in earnings per share from continuing operations. Therefore, these instruments will be treated as non-dilutive in financial year 2023 in accordance with IAS 33 (Earnings per Share). As a result, diluted earnings per share correspond to basic earnings per share.

H. Notes to the consolidated balance sheet

(11) Intangible assets

The development of intangible assets in the reporting year is shown below:

TEUR	
<hr/>	
<u>Historical cost</u>	
Status as at 01/01/2023	1.439
Additions	0
Status as at 31 December 2023	1.439
<hr/>	
<u>Depreciation</u>	
Status as at 01/01/2023	1.183
Additions	73
Status as at 31 December 2023	1.256
<hr/>	
<u>Carrying amounts</u>	
Status as at 31 December 2022	256
Status as at 31 December 2023	183
<hr/> <hr/>	

Purchased intangible assets mainly include purchased licences as well as application, office and ERP software, which are amortised over their expected useful life. Total expenses for research and development amounted to EUR 1,223 thousand (previous year: EUR 708 thousand).

In 2022, intangible assets developed as follows

TEUR	
<u>Historical cost</u>	
Status as at 01/01/2022	1.438
Additions	1
Status as at 31 December 2022	1.439
<u>Depreciation</u>	
Status as at 01/01/2022	1.101
Additions	82
Status as at 31 December 2022	1.183
<u>Carrying amounts</u>	
Status as at 31 December 2021	336
Status as at 31 December 2022	256

(12) Property, plant and equipment

The following table shows the development of property, plant and equipment in the 2023 financial year

TEUR	Own land and buildings, leasehold improvements	Plant and machinery	Other equipment, furniture and fixtures	Total
<u>Historical cost</u>				
Balance: 01.01.2022	1.092	3.026	2.618	6.735
Additions	0	0	16	16
Change in scope of consolidation	-533	-527	-193	-1.253
Balance: 31.12.2022	559	2.499	2.441	5.498
<u>Depreciation</u>				
Balance: 01.01.2022	881	2.700	2.377	5.958
Additions	58	201	110	368
Change in scope of consolidation	-533	-527	-193	-1.253
Balance: 31.12.2022	405	2.374	2.294	5.073
<u>Carrying amount</u>				
Balance: 31.12.2021	211	326	241	778
Balance: 31.12.2022	153	125	147	425

The following table shows the development of property, plant and equipment in the 2022 financial year

	Fixtures	Technical Systems and Machines	Operating and business equipment	Total
TEUR				
<u>Historical cost</u>				
Status as at 01/01/2022	1.092	3.024	2.561	6.677
Additions	0	2	57	58
Status as at 31 December 2022	1.092	3.026	2.618	6.735
<u>Depreciation</u>				
Status as at 01/01/2022	823	2.469	2.236	5.527
Additions	58	231	141	430
Status as at 31 December 2022	881	2.700	2.377	5.958
<u>Carrying amounts</u>				
Status as at 31 December 2021	269	555	325	1.150
Status as at 31 December 2022	211	326	241	778

(13) Right-of-use assets and lease liabilities

elumeo's leases relate in particular to buildings (e.g. logistics and office buildings). These contracts include renewal options and, in some cases, options to terminate the contract. In addition, the contracts provide for variable payments that depend on the development of the consumer price index as well as payments in connection with non-lease components (e.g. service costs). Other leases recognised under right-of-use assets relate to .

General information on leases

TEUR	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Interest Expenses	56	65	-13,7%
Total cash outflows for leases	505	484	4,3%

Right-of-use assets

The following table shows the development of the carrying amount of right-of-use assets in the 2023 financial year and 2022 .

TEUR	Rights of use (land and buildings)	
	2023	2022
Carrying amount as at 01.01.	2.085	2.148
Additions	0	366
Depreciation and amortisation	-447	-429
Carrying amount as at 31.12.	1.637	2.085

Leasing liabilities

The lease liabilities are made up as follows:

TEUR	31.12.2023	31.12.2022	YoY in %
Non-current lease liabilities	1.295	1.757	-26,3%
Current lease liabilities	462	449	2,9%
Total	1.757	2.206	-20,4%

Future potential outflows of funds from extension and termination options that are not recognised in the measurement of lease liabilities amount to EUR 2,350 thousand as at 31 December 2023.

For the maturity analysis of lease liabilities, please refer to the explanations on financing and liquidity risk in section I.

(14) Inventories

Inventories break down as follows as at the respective balance sheet dates:

TEUR	31.12.2023	31.12.2022	YoY in %
Raw materials and supplies	249	277	-10,2%
Work in progress	1.756	1.574	11,5%
Finished products and merchandise	11.171	11.189	-0,2%
Inventories	13.176	13.041	1,0%

An impairment loss of EUR 46 thousand (previous year: EUR 0 thousand) was recognised in the financial year.

(15) Receivables from goods and services

Trade receivables are due in the short term.

The following table provides information on trade receivables:

TEUR	31.12.2023	31.12.2022	YoY in %
Trade receivables (gross)	2.381	1.754	35,7%
Value adjustments	-43	-44	2,9%
Total	2.338	1.710	36,7%

The changes in the value adjustment in relation to trade receivables were as follows:

TEUR	31.12.2023	31.12.2022	YoY in %
Status 01.01.	-44	-107	58,6%
Value adjustments recognised	1	63	-98,4%
Feed	0	-59	100,0%
Resolution / consumption	1	122	-99,2%
Total	-43	-44	2,9%

(16) Other financial assets

Other financial assets are made up as follows:

TEUR	31.12.2023	31.12.2022	YoY in %
Deposits and other security deposits	19	19	0,0%
Receivables from employees (thereof related parties: 2023: TEUR 0, 2022: TEUR 28)	0	28	-100,0%
Receivables from third parties	13	10	30,0%
Non-current other financial assets	32	57	-43,2%
Security deposits & other warranties	9	143	-93,6%
Creditors with debit value	184	262	-29,7%
Misc. other financial assets	11	5	134,8%
Financial receivables from employees (thereof related parties: 2023: TEUR 13, 2022: TEUR 0)	33	2	n.a.
Other current financial assets	238	412	-42,3%
Other financial assets	270	469	-42,4%

(17) Other assets

The other assets are made up as follows:

TEUR	31.12.2023	31.12.2022	YoY in %
Receivable For Recovery Of Import Duties	157	162	-3,5%
Non-current other financial assets	157	162	-3,5%
Deferred charges & prepaid expenses: others	51	24	111,4%
Receivables from operating taxes	659	346	90,1%
Income tax receivables	1	98	-99,5%
Goods from returns provisions	162	156	4,1%
Other non-financial assets	25	53	-53,0%
Other current financial assets	897	677	32,5%
Other financial assets	1.054	839	25,5%

(18) Means of payment

Cash and cash equivalents comprise bank balances and cash equivalents.

(19) Equity capital

Subscribed capital

The subscribed capital of elumeo SE as of 31 December 2023 totals EUR 5,677,420 (31 December 2022: EUR 5,500,000) and is divided into 5,677,420 no-par value bearer shares with a notional interest in the subscribed capital of EUR 1.00 per share. The capital increase resolved in 2022 was carried out with the approval of the Board of Directors. The share capital was increased by EUR 177,420.00 from EUR 5,500,000.00 to EUR 5,677,420.00. 177,420 shares were subscribed in connection with the share programme for employees and managing directors launched in the 2022 financial year. The capital increase was entered in the commercial register on 17 February 2023.

Authorisation to acquire treasury shares

In accordance with Section 71 para. 1 no. 8 AktG, the company is authorised to acquire treasury shares in a volume of up to 10.0% of the subscribed capital existing at the time of the resolution until 24 June 2025. As at 31 December 2023, no treasury shares were held, as in the previous year.

Capital reserve

The capital reserve as at 31 December 2023 amounted to kEUR 35,342 (31 December 2022: kEUR 34,821). In the 2023 financial year, amounts from the capital increase of EUR 373 thousand (previous year: EUR 0 thousand) and share-based payment commitments in accordance with IFRS 2 of EUR 148 thousand (previous year: EUR 253 thousand) were added to the capital reserve.

Authorised capital

The Executive Board of elumeo SE was authorised by resolution of the Annual General Meeting on 25 June 2021 to increase the share capital on one or more occasions until 24 June 2026, in whole or in part, by up to a total of EUR 2,000,000 by issuing up to 2,000,000 new no-par value bearer shares against cash and/or non-cash contributions (**Authorised Capital 2021/I**). In principle, shareholders are to be granted subscription rights. The Board of Directors is authorised to exclude shareholders' statutory subscription rights in order to issue shares to employees of the company or one of its affiliated companies in return for cash and/or non-cash contributions as part of share participation or other share-based programmes, whereby the employment relationship with the company or one of its affiliated companies must exist at the time the shares are issued.

In connection with the share programme for employees and managing directors launched in 2022, the Board of Directors resolved on 23 November 2022 to increase the company's share capital from EUR 5,500,000 by up to EUR 200,000 to up to EUR 5,700,000 against cash contributions on the basis of this authorisation.

Conditional capital

Conditional capital 2021/I

By resolution of the Annual General Meeting on 25 June 2021, the Board of Directors was authorised to issue bearer convertible bonds or bonds with warrants (hereinafter collectively referred to as "bonds") with or without a limited term in a total nominal amount of up to EUR 150,000,000 on one or more occasions until 24 June 2026 (inclusive) and to grant the holders or creditors of bonds conversion and/or option rights and/or conversion obligations or option obligations to subscribe to a total of up to The company's share capital is to be increased by up to EUR 2,000,000 in accordance with the terms and conditions of the bonds and to grant the holders or creditors of bonds conversion and/or option rights and/or conversion obligations or option obligations to subscribe to a total of up to EUR 2,000,000 new no-par value bearer shares in the company with a pro rata amount of the share capital totalling up to EUR 2,000,000. The company's share capital will be conditionally

increased by up to EUR 1,600,000 by issuing up to 1,600,000 new no-par value bearer shares (**Conditional Capital 2021/I**). The conditional capital increase serves to grant shares to holders or creditors of convertible bonds and/or bonds with warrants issued on 24 June 2026 (inclusive) by the company or a domestic or foreign company in which the company directly or indirectly holds the majority of votes and capital.

Conditional capital 2021/II

The Board of Directors was authorised by resolution of the Annual General Meeting on 25 June 2021 to grant share option rights (2021 share option programme). The Board of Directors (without the involvement of members of the Board of Directors who are also Managing Directors, insofar as option rights are granted to Managing Directors) was authorised to grant option rights for the subscription of a total of up to 200,000 new no-par value bearer shares in the company to Managing Directors on one or more occasions until 24 June 2026 or - insofar as issued option rights expire or otherwise lapse - repeatedly.000 new no-par value bearer shares in the company to managing directors of the company, to employees of the company and to employees and members of the management of companies affiliated with the company in accordance with the following provisions (**Conditional Capital 2021/II**).

In order to grant new shares to the holders of such option rights, the share capital of the company was conditionally increased by up to EUR 200,000 by issuing up to 200,000 new no-par value ordinary bearer shares ("Conditional Capital 2021/II") by resolution of the Annual General Meeting on 25 June 2021. The conditional capital increase will only be implemented to the extent that the holders of option rights issued until 24 June 2026 in accordance with the authorisation resolution of the Annual General Meeting on 25 June 2021 (agenda item 10 b)) exercise their subscription rights to no-par value shares in the company.

Of the 200,000 option rights

- 75 ,000 option rights to managing directors of the company (Group A),
- No option rights to employees of the company (Group B),
- 25 ,000 Option rights to members of the management of companies affiliated with the company (Group C) and
- 100 ,000 Option rights to employees of companies affiliated with the company (Group D)

be issued. The Board of Directors of the company was authorised to determine the further details of the option conditions and the issue of the subscription shares for Group A without the involvement of members of the Board of Directors who are also managing directors and for Groups C and D with the legally required approval of bodies at the respective affiliated companies.

Taking into account the requirements contained in the resolution of the company's Annual General Meeting on 25 June 2021 regarding the main features of the 2021 share option programme, the company's Board of Directors has defined the following option conditions for the 2021 share option programme regarding the issue of option rights to employees of companies affiliated with the company ("SOP 2021 AN VU").

The share options are issued in accordance with the following conditions:

CIRCLE OF BENEFICIARIES

The Board of Directors of the company determines the individual beneficiaries and the number of share options they are to be invited to subscribe to. The persons invited by the Board of Directors are referred to as "beneficiaries".

If an affiliated company has a mandatory statutory or contractual responsibility of a body of this affiliated company regarding the remuneration of a beneficiary, the invitation to this beneficiary to subscribe to option rights is subject to the approval of this body.

Under the SOP 2021 AN VU, a maximum of 100,000 option rights will be issued to employees of companies affiliated with the company.

The beneficiaries must be in a non-terminated employment relationship with a company affiliated with the company at the time the options are granted. Shareholders do not have a subscription right.

TRANCHES, MATURITY, ISSUE DATE

The Board of Directors of the company decides on the number of share options to be issued to the respective beneficiaries - where required by law or contract, with the approval of the responsible body of the affiliated company.

Unless otherwise stipulated in the employment contract between the affiliated company and the beneficiary, the option rights are granted as a voluntary payment by the company to the beneficiaries. Therefore, even if option rights are granted repeatedly (even without an expressly declared reservation of voluntariness), no claims arise - neither against the company nor against the affiliated company - for the renewed granting of option rights or for similar or equivalent benefits.

The option rights each have a term of ten years from the date on which the respective option right arises as a result of the resolution of the Board of Directors of the company with which the respective option rights are issued ("issue date").

In accordance with the authorisation resolution of the Annual General Meeting, option rights can be issued in several tranches - to the extent that issued option rights expire or otherwise lapse, also repeatedly - until 24 June 2026, but at the earliest after entry of the Conditional Capital 2021/II in the commercial register. The entry was made on 9 July 2021.

The issue date must also be within 60 days of publication.

- a consolidated half-year financial report in accordance with Sections 115, 117 No. 2 of the German Securities Trading Act or
- a voluntary consolidated quarterly financial report for the third quarter in accordance with the requirements of sections 115 (2) nos. 1 and 2, (3) and (4), 117 no. 2 of the German Securities Trading Act or a consolidated quarterly statement within the meaning of section 53 (1) of the Exchange Rules for the Frankfurt Stock Exchange for the third quarter or
- of a consolidated annual financial report in accordance with Sections 114, 117 No. 1 of the German Securities Trading Act (WpHG)

lie.

The option rights expire without compensation at the end of the ten-year term.

CONTENT OF THE OPTIONS

Each option right entitles the beneficiary to subscribe to one no-par value bearer share in the company with a pro rata amount of the share capital of EUR 1.00.

The new no-par value shares issued by the company after exercising the option rights participate in profits from the beginning of the previous financial year - provided they are created by the beginning of the company's Annual General Meeting - or otherwise from the beginning of the financial year in which they are created.

Until these no-par value shares are issued, the beneficiary is not entitled to subscription rights to new no-par value shares in the company from capital increases or rights to dividends or other distributions or other share rights on the basis of the option rights.

EXERCISE OF OPTIONS

Waiting time

The beneficiaries may exercise the option rights at the earliest after a waiting period of four years, beginning on the issue date.

Forfeiture upon termination of the employment relationship

The beneficiaries can only exercise the option rights in full if their employment relationship with the company affiliated with the company does not end before the end of the waiting period - for whatever reason. If the employment relationship with the company affiliated with the company ends before the end of the waiting period, 1/16 of the option rights are forfeited for every three months or part thereof that the employment relationship ends before the end of the waiting period; fractions of option rights that continue to exist are rounded up to the next full number. Option rights are not forfeited in the event that a beneficiary commences employment with another company that participates in the 2021 share option programme immediately after the end of the employment relationship with the company affiliated with the company; this does not apply - and option rights are forfeited - in the event that the beneficiary receives option rights on the basis of the share option programme of the other company.

Exercise price/success target

- (a) The exercise price to be paid when exercising the option right to subscribe to a share ("exercise price") corresponds to the unweighted average closing price of the company's shares on the five trading days prior to the issue date of the respective option right.
- (b) In any case, however, at least the lowest issue price within the meaning of Article 5 of Council Regulation (EC) No. 2157/2001 on the Statute for a European company (SE) ("SE Regulation") in conjunction with Section 9 (1) of the German Stock Corporation Act (AktG) shall be paid as the exercise price. § Section 9 (1) of the German Stock Corporation Act as the exercise price.
- (c) The prerequisite for exercising each option right is that the unweighted average of the closing prices of the company's shares on the five trading days prior to the first day of the respective exercise period in which the option is exercised is at least 130% of the exercise price (so-called performance target). If this condition is met for a specific exercise period, the option can be exercised during this exercise period regardless of the further performance of the company's share price.

- (d) The exercise price is determined immediately after the issue date and communicated to the beneficiary.
- (e) The beneficiary is obliged to pay the exercise price for the option rights exercised by him to the company's bank account specified in the subscription declaration immediately after submitting the subscription declaration for the new shares.
- (f) The company is authorised to reject the subscription declaration regarding the exercise of option rights and the issue of shares if the beneficiary does not pay the exercise price to the company on time.

The Board of Directors has issued the following tranches from the 2021 SOP until 31 December 2023:

- 27 October 2021: 154,500 option rights to subscribe to 154,500 shares with a pro rata amount of the subscribed capital of EUR 154,500 (Tranche I/2021) and an exercise price of EUR 6.17 per share to be paid after the end of the vesting period when the option rights are exercised.

Conditional Capital 2015/II

By resolution of the Annual General Meeting on 25 June 2021, the conditional capital resolved by the Annual General Meeting on 7 April 2015 (**Conditional Capital 2015/II**) was cancelled when it exceeded an amount of EUR 350,000. By resolution of the Annual General Meeting on 25 June 2021, the Board of Directors was authorised to conditionally increase the company's share capital by up to EUR 350,000 by issuing up to 350,000 new no-par value ordinary bearer shares (no-par value shares) (Conditional Capital 2015/II). Contingent Capital 2015/II serves exclusively to grant new shares to the holders of option rights issued by the company in accordance with the authorisation resolution of the Annual General Meeting on 7 April 2015 (SOP 2015).

The Board of Directors has issued the following tranches from the 2015 SOP until 31 December 2023:

- 1 July 2015: 151,000 option rights to subscribe to 151,000 shares with a pro rata amount of the subscribed capital of EUR 151,000 (Tranche I/2015) and an exercise price of EUR 25.00 per share to be paid after the end of the vesting period when the option rights are exercised,
- 23 December 2015: 10,000 option rights to subscribe to 10,000 shares with a pro rata amount of the subscribed capital of EUR 10,000 ("Tranche II/2015") and an exercise price of EUR 19.64 per share to be paid,
- 18 July 2016: 128,500 option rights to subscribe to 128,500 shares with a pro rata amount of the subscribed capital of EUR 128,500 ("Tranche III/2015") and an exercise price of EUR 6.39 per share to be paid,
- 30 August 2017: 8,000 option rights to subscribe to 8,000 shares with a pro rata amount of the subscribed capital of EUR 8,000 ("Tranche IV/2015") and an exercise price of EUR 7.72 per share to be paid,
- 20 November 2017: 10,000 option rights to subscribe to 10,000 shares with a pro rata amount of the subscribed capital of EUR 10,000 ("Tranche V/2015") and an exercise price of EUR 9.95 per share to be paid,
- 8 October 2018: 2,000 option rights to subscribe to 2,000 shares with a pro rata amount of the subscribed capital of EUR 2,000 ("Tranche VI/2015") and an exercise price of EUR 1.95 per share to be paid,

- 22 November 2018: 20,000 option rights to subscribe to 20,000 shares with a pro rata amount of the subscribed capital of EUR 20,000 ("Tranche VII/2015") and an exercise price of EUR 1.73 per share to be paid.
- 18 November 2019: 40,000 option rights to subscribe to 40,000 shares with a pro rata amount of the subscribed capital of EUR 40,000 (Tranche VIII/2015) and an exercise price of EUR 1.00 per share to be paid.

(20) Share-based payments settled with own equity instruments

Share option programme 2015 (SOP 2015)

The outstanding option rights from the SOP 2015 entitle the Managing Directors and employees of elumeo SE as well as managing directors and selected employees of subsidiaries of elumeo SE to acquire a total of 272,602 shares in elumeo SE as of the balance sheet date (31 December 2022: 272,602 shares). The option rights can be exercised provided that the beneficiaries firstly complete the planned service period of a partial tranche, secondly the capital market-based performance target defined in the SOP 2015 is met, thirdly the standstill period has expired and fourthly a defined total profit from the exercise of the option rights is not exceeded (exercise block). Each option right entitles the holder to subscribe to one share with a pro rata amount of the subscribed capital of EUR 1.00 per share.

The number of outstanding option rights from the 2015 SOP developed as follows:

Reason for the change	Quantity the Option right	Weighted through- average Exercise price in EUR
Number of outstanding option rights as at 1 January 2023	272.602	13,48
Option rights granted in the reporting period	0	0,00
Option rights forfeited in the reporting period	0	0,00
Option rights exercised in the reporting period	0	0,00
Option rights expired in the reporting period	0	0,00
Number of outstanding option rights as at 31 December 2023	272.602	13,48
Number of outstanding option rights as at 1 January 2022	272.602	13,48
Option rights granted in the reporting period	0	0,00
Option rights forfeited in the reporting period	0	0,00
Option rights exercised in the reporting period	0	0,00
Option rights expired in the reporting period	0	0,00
Number of outstanding option rights as at 31 December 2022	272.602	13,48

The remuneration commitments granted by elumeo SE were issued at various times. The beneficiaries can exercise vested option rights for a limited period of ten years (starting from the date of grant). The option rights can be exercised against payment of the exercise price. No option rights were exercisable as at the balance sheet date.

Key contractual terms and conditions of the 2015 SOP tranches issued:

Tranche	<u>I/2015</u>	<u>II/2015</u>	<u>III/2015</u>	<u>IV/2015</u>
Issue date	1.7.2015	23.12.2015	18.7.2016	30.8.2017
Due date	1.7.2019	23.12.2019	18.7.2020	30.8.2021
Expiry date	30.6.2025	22.12.2025	17.7.2026	29.8.2027
Remaining term (in years)	1,5	1,9	2,5	3,6
Exercise price in EUR	25,00	19,64	6,39	7,72
Performance target/share price in EUR	32,50	25,53	8,31	10,04
Number of outstanding option rights as at 31 December 2022	113.660	2.500	102.942	6.125
Number of outstanding option rights as at 31 December 2023	113.660	2.500	102.942	5.875

Tranche	<u>V/2015</u>	<u>VI/2015</u>	<u>VII/2015</u>	<u>VIII/2015</u>
Issue date	20.11.2017	8.10.2018	22.11.2018	18.11.2019
Due date	20.11.2021	8.10.2022	22.11.2022	18.11.2023
Expiry date	19.11.2027	7.10.2028	21.11.2028	17.11.2029
Remaining term (in years)	3,8	4,8	4,8	5,8
Exercise price in EUR	9,95	1,95	1,73	1,00
Performance target/share price in EUR	12,94	2,54	2,25	1,30
Number of outstanding option rights as at 31 December 2022	3.125	500	3.750	40.000
Number of outstanding option rights as at 31 December 2023	3.125	500	3.750	40.000

The fair value of the option rights at the time they were granted was calculated using a Black-Scholes option pricing model.

The input parameters used in the valuation model were derived as follows:

- The share value used was determined on the basis of historical share purchases.
- The expected volatility is based on historical data from listed peer companies.
- The expected option terms and the probability of occurrence of the term-dependent scenario calculations were estimated.
- The term-equivalent, risk-free interest rate was calculated on the basis of the Svensson method and increased by a risk premium due to the generally low interest rate level and the current capital market situation.

In the 2023 financial year, expenses of EUR 1 thousand (previous year: EUR 2 thousand) were recognised for the share-based payment commitments from the 2015 SOP.

Share option programme 2021

The option rights issued under the SOP 2021 entitle the Managing Directors and employees of elumeo SE as well as managing directors and selected employees of subsidiaries of elumeo SE to acquire a total of 151,250 shares in elumeo SE as of the balance sheet date. The option rights can be exercised provided that the beneficiaries firstly complete the planned service period of a partial tranche, secondly the capital market-based performance target defined in the SOP 2021 is met, thirdly the standstill period has expired and fourthly a defined total profit from the exercise of the option rights is not exceeded (exercise block). Each option right entitles the holder to subscribe to one share with a pro rata amount of the subscribed capital of EUR 1.00 per share.

The number of outstanding option rights from tranche 1 of the SOP 2021 developed as follows

Reason for the change	Quantity the Option right	Weighted through- average Exercise price in EUR
Number of outstanding option rights as at 1 January 2023	152.500	6,17
Option rights granted in the reporting period	0	0,00
Option rights forfeited in the reporting period	-1.250	6,17
Option rights exercised in the reporting period	0	0,00
Option rights expired in the reporting period	0	0,00
Number of outstanding option rights as at 31 December 2023	151.250	6,17
Reason for the change	Quantity the Option right	Weighted through- average Exercise price in EUR
Number of outstanding option rights as at 1 January 2022	152.500	6,17
Option rights granted in the reporting period	0	0,00
Option rights forfeited in the reporting period	0	0,00
Option rights exercised in the reporting period	0	0,00
Option rights expired in the reporting period	0	0,00
Number of outstanding option rights as at 31 December 2022	152.500	6,17

The beneficiaries can exercise vested option rights for a limited period of ten years (starting from the date of grant). The option rights can be exercised against payment of the exercise price. No options from tranche 1 of the SOP 2021 were exercisable as at the balance sheet date.

In the 2023 financial year, expenses of EUR 148 thousand (previous year: EUR 251 thousand) were recognised for the share-based payment commitments from the 2021 SOP.

Key contractual terms of the issued tranche of the SOP 2021:

Tranche	<u>I/2021</u>
Issue date	27.10.2021
Due date	27.10.2025
Expiry date	26.10.2031
Remaining term (in years)	7,8
Exercise price in EUR	6,17
Performance target/share price in EUR	8,02
Number of outstanding option rights as at 31 December 2022	152.500
Number of outstanding option rights as at 31 December 2023	151.250

The fair value of the SOP 2021 option rights at the grant date was calculated using a Black-Scholes option pricing model.

The input parameters used in the valuation model were derived as follows:

- The unit value used was determined on the basis of the closing market price.
- The estimate of the expected volatility is based on the historical volatility of the elumeo SE share over a period that generally corresponds to the expected term of the options. If there was insufficient information on a corresponding period to determine the volatility, the longest period for which trading data is available was used.
- The expected option terms were estimated on the basis of the contractual exercise conditions, assuming a preference on the part of employees for early exercise.
- The term-equivalent, risk-free interest rate is based on the interest rate structure for listed German government securities published by the Deutsche Bundesbank.

(21) Contributions made to implement the resolved capital increase

The contributions made to implement the resolved capital increase in the previous year related to payments for the capital increase resolved on 23 November 2022 and carried out in 2023 in connection with the share programme for employees and managing directors launched in 2022. The capital increase was entered in the commercial register on 17 February 2023.

(22) Financial liabilities

TEUR	31.12.2023	31.12.2022	YoY in %
Non-current financial liabilities	599	0	n.a.
Current financial liabilities	499	0	n.a.
Total financial liabilities	1.098	0	n.a.

The non-current financial liabilities relate to supplier liabilities converted into supplier loans. The loans are due to expire on 15 January 2025. The interest rate is 6.2 % per year. No collateral is provided by the borrower.

The current financial liabilities relate to the partial utilisation of a credit line of EUR 1,000 thousand granted by UniCredit Bank AG on 25 March 2023. The borrowing rate is 5.75% p.a. and is based on the development of the monthly average rate for EURIBOR three-month money. The commitment fee for the credit line is 0.50% of the committed but unutilised credit amount.

(23) Other financial liabilities

Other financial liabilities are made up as follows:

TEUR	31.12.2023	31.12.2022	YoY in %
Liabilities from reach	172	275	-37,4%
Debtors with credit value	417	436	-4,3%
Other financial liabilities	17	0	n.a.
Other current financial liabilities	606	711	-14,7%
Liabilities from reach	0	69	-100,0%
Non-current other financial liabilities	0	69	-100,0%
Other financial liabilities	606	779	-22,2%

(24) Advance payments received

TEUR	31.12.2023	31.12.2022	YoY in %	01.01.2022
Advance payments received	97	40	146,0%	138
Total	97	40	146,0%	138

The advance payments received relate to advance payments from customers for deliveries of goods. The advance payments of EUR 40 thousand received as at 31 December 2022 (previous year: EUR 138 thousand) were recognised as revenue in the 2023 financial year.

(25) R provisions

Provisions developed as follows:

	Carrying amount as at 1 January 2023	Feeding	Change in the scope of consolidation	Utilisation	Carrying amount as at 31 December 2023
TEUR					
Expected customer returns	383	378	0	-383	378
Obligations from non-cancellable contracts and severance payments as well as other obligations in connection with the closure of the location in Rome	205	0	-205	0	0
Uncertain liabilities by type, amount and utilisation in connection with the discontinued operation PWK	25	0	0	0	25
Current provisions	613	378	-205	-383	403
Uncertain liabilities by type, amount and utilisation in connection with the discontinued operation PWK	130	0	0	0	130
Non-current provisions	130	0	0	0	130
Provisions	743	378	-205	-383	533

Provisions developed as follows in the previous year:

	Carrying amount as at 01.01.2022	Feeding	Change in the scope of consolidation	liquidation	Utilisation	Carrying amount as at 31.12.2022
TEUR						
Expected customer returns	1089	383	0	0	-1089	383
Obligations arising from the change of the Italian coverage provider	906	0	-906	0	0	0
Obligations from non-cancellable contracts and severance payments as well as other obligations in connection with the closure of the location in Rome	233	0	0	-4	-24	205
Uncertain liabilities by type, amount and utilisation in connection with the discontinued operation PWK	175	0	0	-100	-50	25
Current provisions	2402	383	-906	-104	-1163	613
Uncertain liabilities by type, amount and utilisation in connection with the discontinued operation PWK	130	0	0	0	0	130
Obligations arising from the change of the Italian coverage provider	344	0	-344	0	0	0
Non-current provisions	474	0	-344	0	0	130
Provisions	2.876	383	-1.250	-104	-1163	743

Expected customer returns

The elumeo Group recognises obligations resulting from the right of its customers to return delivered products after receipt of the goods. The amount of the provision was estimated on the basis of historical experience, taking into account the returns actually made up to the preparation of the financial statements.

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 location

In November 2019, the Board of Directors decided to close the sales location in Rome. The provision as at 31 December 2022 mainly consisted of uncertain obligations from back payments for waste

disposal and back tax payments. The provision was deconsolidated as at 31 December 2023 due to the liquidation of Juwelo Italia s.r.l.

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

The amount of the provisions is EUR 155 thousand. Please also refer to the sections Discontinued operations of the elumeo Group and Contingent liabilities.

(26) Tax liabilities

The tax liabilities relate to income taxes and break down as follows as at the respective balance sheet date:

TEUR	31.12.2023	31.12.2022	YoY in %
Tax liabilities of Juwelo Italia s.r.l.	0	30	-100,0%
Tax liabilities of elumeo SE	106	288	-63,3%
Tax liabilities	106	318	-66,8%

elumeo SE has tax liabilities for the years 2021 and 2020 due to positive taxable income. As at 31 December 2023, the tax liabilities of Juwelo Italia s.r.l are no longer included due to deconsolidation.

(27) Other liabilities

Other liabilities break down as follows as at the respective balance sheet date:

TEUR	31.12.2023	31.12.2022	YoY in %
Liabilities from value added tax	1.335	1.442	-7,4%
Liabilities to employees	180	192	-6,0%
Liabilities from wage and church tax	168	420	-60,0%
Liabilities from social security contributions	1	226	-99,4%
Liabilities from audit fees	198	164	21,0%
Other accrued liabilities	27	26	3,8%
Other current liabilities	1.911	2.470	-22,7%
Other accrued liabilities	25	25	0,0%
Other non-current liabilities	25	25	0,0%
Other liabilities	1.936	2.495	-22,4%

The reason for the lower other liabilities was the higher liabilities from wage and church tax and social security contributions in the 2022 financial year due to the share programme launched.

(28) Supplementary information on the consolidated cash flow statementGeneral information

The consolidated cash flow statement was prepared in accordance with IAS 7 *Statement of Cash Flows* and shows the change in cash and cash equivalents of the elumeo Group during the reporting period due to cash inflows and outflows.

In accordance with IAS 7, cash flows are recognised separately according to 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 calculated directly. Cash and cash equivalents comprise freely available cash in hand, cheques and bank balances.

Cash and cash equivalents as at the balance sheet date consist exclusively of freely available cash and cash equivalents totalling EUR 1,341 thousand (previous year: EUR 1,410 thousand).

Changes in liabilities from financing activities

The changes in liabilities from financing activities are as follows :

TEUR	Carrying amount as at 31.12.2023	Change 2023	Carrying amount as at 31.12.2022	Change 2022	Carrying amount as at 31.12.2021
Contributions made to implement the resolved capital increase	0	-550	550	550	0
of which cash additions	0	0	0	550	0
of which other non-cash changes	0	-550	0	0	0
Financial liabilities	1.082	1.082	0	0	0
of which cash additions	0	499	0	0	0
of which other non-cash changes	0	583	0	0	0
Leasing liabilities	1.757	-449	2.206	-54	2.260
of which cash repayments	0	-449	0	-419	0
of which non-cash additions	0	0	0	365	0

Currency translation differences from the translation of financial statements prepared in foreign currencies are recognised under *exchange rate changes (other comprehensive income)*. The changes in liabilities from financing activities in the 2023 and 2022 financial years do not include any amounts from exchange rate changes recognised in profit or loss in the consolidated income statement.

(29) Deferred taxes

Deferred taxes are recognised for differences between the carrying amount recognised in the IFRS consolidated financial statements and the tax carrying amount as well as for unused tax loss carry-forwards to the extent that future utilisation is sufficiently probable.

The elumeo Group has recognised deferred tax assets on deductible temporary differences in inventories (elimination of included intercompany profits), in the accounting of leases in accordance with IFRS 16 (accounting of right-of-use assets and lease liabilities) and on unused tax loss carryforwards. The underlying tax rate comprises trade tax, corporation tax and the solidarity surcharge. The corporation tax rate for the assessment period, taking into account the solidarity surcharge, was 15.8%. The applicable trade tax rate was 14.8%. The deferred tax assets recognised on loss carryforwards are based on the tax result of the current corporate planning. The period under review for recognising deferred taxes on loss carryforwards was 3 years (previous year: 5 years).

The following deferred tax assets were recognised as at the reporting and comparative dates.

	31.12.2023	31.12.2022	YoY
TEUR			in %
Deferred taxes on right-of-use assets and lease liabilities	36	37	-2,7%
Deferred taxes on the elimination of intercompany profits	82	142	-42,3%
Capitalised tax loss carryforwards	1.480	1.976	-25,1%
Deferred taxes	1.598	2.155	-25,8%

As at 31 December 2023, the deferred tax liabilities (EUR 37 thousand) reported in the previous year are no longer reported due to the liquidation and deconsolidation of Jewelo Italia s.r.l.

(30) Additional disclosures on financial instruments

Composition of the financial instruments recognised in the balance sheet

	31.12.2023	31.12.2022	YoY
TEUR			in %
Other non-current financial assets	166	57	193,2%
Other current financial assets	238	412	-42,3%
Receivables from goods and services	2.338	1.710	36,7%
Means of payment	1.341	1.410	-4,9%
Total financial assets	4.083	3.588	13,8%
Non-current financial liabilities	599	69	768,3%
Current financial liabilities	499	0	n.a.
Other current financial liabilities	606	711	-14,7%
Non-current lease liabilities	1.295	1.757	-26,3%
Current lease liabilities	462	449	2,9%
Liabilities from deliveries and services	7.955	4.944	60,9%
Total financial liabilities	11.416	7.930	44,0%

All financial assets and financial liabilities, with the exception of lease liabilities, are allocated to the "at amortised cost" category. The carrying amounts correspond approximately to the fair values.

Net results from financial instruments

The net gains or losses realised from financial assets and financial liabilities relate to effects from interest payments, value adjustments and exchange rate changes recognised in the consolidated income statement. With regard to value adjustments, please refer to trade receivables. Due to the low volume of business in foreign currencies, there are no significant net results from exchange rate changes from financial instruments. The net results from financial instruments can be summarised as follows:

TEUR	Net gains/losses	
	Net interest Yield	Value as- sessment Correction
Financial assets		
Balance sheet as at 31 December 2023		
Receivables from goods and services	0	-43
Total		
	0	-43

TEUR	Net gains/losses	
	Net interest expendi- ture	Value as- sessment Correction
Financial liabilities		
Balance sheet as at 31 December 2023		
Financial liabilities	-23	0
Total		
	-23	0

I. Other information

Management of financial risks

The elumeo Group is exposed to financial risks in the course of its ordinary business activities: Market, default and liquidity risks. Financial risk management aims to limit the risks arising from the operating business and the resulting potential negative effects on the earnings and liquidity situation through monitoring and appropriate measures.

Market risk

Market risk is defined as the risk that the fair value or future cash flow of a financial instrument may fluctuate due to changes in market prices. Market risks include currency risk, interest rate risk and other price risks.

Currency risk

Supply agreements and sales are predominantly made and settled in euros. This means that there is only a medium risk from currency fluctuations. Nevertheless, there are margin risks due to currency devaluations in the sales regions. These arise from the increased acquisition costs in USD, the Indian rupee and the Thai baht.

Default risk

Default risk is the risk of default by a customer or other counterparty to a financial instrument that results in assets, financial assets or receivables recognised in the consolidated balance sheet having to be written down. The maximum default risk corresponds to the carrying amounts of these assets.

The default risk for trade receivables is low, as goods are generally delivered against prepayment, credit card payment or cash on delivery or assigned to intermediary payment processing service providers who bear the default risk. In addition, the default risk is limited due to the large number and regional distribution of customers. The default risk is taken into account by means of a lump-sum value adjustment based on past experience and taking into account the age structure. Uncollectible receivables are written down in full or recognised as an expense in the consolidated income statement in the event of default.

Please refer to the explanations under H. (15) for the development of value adjustments on trade receivables.

Default risks also exist for receivables from related parties and other financial assets.

In addition, there is a default risk for cash and cash equivalents to the extent that financial institutions are unable to fulfil their obligations. The maximum risk position corresponds to the carrying amounts of the relevant financial assets on the respective reporting date. This default risk is limited by the fact that investments are made with various major banks with high credit ratings.

Despite continuous monitoring, the elumeo Group cannot fully exclude the possibility of a loss from a default by a contracting party. The maximum default risk for all classes of financial assets, without taking into account any additional collateral, is the sum of the respective carrying amounts.

Financing and liquidity risk

The financing and liquidity risk includes the risk that the elumeo Group may not be able to settle its financial liabilities when they fall due. Therefore, the primary objective of liquidity management is to ensure solvency at all times. The risk is reduced by continuously planning liquidity requirements and

monitoring liquidity. The elumeo Group manages liquidity by maintaining sufficient cash and cash equivalents in addition to the cash inflow from operating activities.

The following table shows the maturity structure of the financial liabilities and the associated future cash outflows as at the reporting date. The table shows the contractually agreed (undiscounted) interest and principal payments of the primary financial liabilities with their negative fair value. All recognised financial instruments held by the elumeo Group as of 31 December 2023 and for which payments had already been contractually agreed or cash outflows were sufficiently certain were included. Any amounts in foreign currency are generally translated at the closing rate on the reporting date. The amounts for variable interest-bearing financial instruments were calculated using the interest rates of the last interest rate fixing before or on the balance sheet date. Financial liabilities that can be repaid at any time are always allocated to the period in which the earliest repayment is possible. Planned figures for future new financial liabilities were not taken into account.

TEUR	Carrying amount	Contractual cash flows			
	31.12.2023	2024	2025-2028		
		Interests	Repayment	Interests	Repayment
Liabilities from					
Trade accounts payable	7.955	0	7.955	0	0
Financial liabilities	1.098	31	499	74	599
Other financial liabilities					
Other financial liabilities	606	0	606	0	0
Leasing liabilities	1.757	43	462	47	1.295
Total	11.416	74	9.522	121	1.894

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. With regard to changes in market interest rates, the Group's risk primarily related to UniCredit Bank AG's credit line, where an interest margin is applied to the variable EURIBOR base rate. Due to the expected stable development of the key interest rate of the European Central Bank (ECB), the interest rate risk is not considered to be significant. In our opinion, there is no significant interest rate risk for interest expenses in accordance with IFRS 16, as any change in the incremental borrowing rate used for the leases has a direct impact on the corresponding lease liability and the right-of-use asset in the same amount

elumeo is currently not exposed to any significant interest rate and price risk that could result from interest rate and price fluctuations on earnings, equity or cash flow in the current or future reporting period.

Capital management

The objectives of the elumeo Group's capital management are to ensure short-term solvency and to secure the capital base for the ongoing financing of the growth plan and the long-term increase in

the value of the Company. This ensures that all companies of the elumeo Group can operate under the going concern premise. In addition, an appropriate credit rating and a good equity ratio are to be ensured.

Capital management is continuously monitored on the basis of various performance indicators and financial ratios, including the equity ratio on a consolidated basis. The equity calculated for the elumeo Group in accordance with IFRS regulations should not fall below 50.0% of total assets. As of the reporting date, the Group's equity ratio was 36.4% (31 December 2022: 46.8%) and was thus significantly below the target value of 50%.

The aim of future capital management is to ensure an equity ratio of 50.0% of total assets again in the medium to long term by improving the earnings situation.

Transactions with related companies and persons

The elumeo Group identifies the group of related parties in accordance with IAS 24 *Related Party Disclosures*.

Significant related parties of elumeo SE are

- all subsidiaries not included in the consolidated financial statements of elumeo SE ,
- the shareholder Mr Wolfgang Boyé, Berlin, Germany, as well as holding companies directly or indirectly controlled by him, which in turn hold investments in related companies of elumeo SE, in particular
 - UV Interactive Services GmbH, Berlin, Germany ("UVIS"), 100.0% of whose shares are held by Mr Boyé,
 - the shareholder Blackflint Ltd, Paphos, Cyprus ("BFL"), 100.0% of whose shares are held by UVIS,
 - Spreekanal Berlin GmbH, Berlin, Germany ("Spreekanal GmbH"), 100.0% of whose shares are held by UVIS,
- the members of the Executive Board of elumeo SE, including members who resigned, were dismissed or newly appointed during the year, as well as Managing Directors who are not members of the Executive Board.

The following significant transactions were carried out with related parties in the 2023 financial year

- The elumeo Group recognised expenses of EUR 110 thousand for TV broadcasting services from Spreekanal GmbH (previous year: EUR 110 thousand) under selling expenses. Income of EUR 1 thousand was also generated from the provision of supporting broadcasting processing services for Spreekanal GmbH (previous year: EUR 11 thousand). On 31 May 2019, the contract for the provision of supporting broadcast processing services was terminated on 30 June 2019 and a chargeback of EUR 39 thousand was made in the 2023 financial year for accounting services not provided for the period from July 2019 to January 2023.
- A loan agreement was concluded between Spreekanal GmbH and elumeo on 1 August 2023. The lender, elumeo, grants the lender, Spreekanal GmbH, a total credit line of EUR 20 thousand, within which individual loans in varying amounts can be utilised without the agreement of individual maximum amounts. The loan is limited until 31 December 2024. The term of the loan is automatically extended by a further year in each case if the loan agreement is not terminated in writing by one of the two contracting parties with a notice period of three months to 31 December of each year. The interest rate set in each case is payable for the loan amount utilised. The interest rate is currently 6.00% per annum and is made up of a reference interest rate of 2.50% per annum plus a premium of 3.50% per annum. Changes to the interest rate can be made in

steps of a maximum of 0.5% per year and must be notified by the lender 45 days before the contract adjustment comes into effect (the date of receipt of the notification is an "interest rate adjustment date"). No collateral is provided by the borrower. On 18 August 2023, the payment of EUR 20 thousand was made to the borrower. The loan, including interest, was repaid in full on 22 December 2023.

- A loan agreement was concluded between Spreekanal GmbH and Juwelo on 1 August 2023. The lender, Juwelo, grants the lender, Spreekanal GmbH, a total credit line of EUR 70 thousand, within which individual loans in varying amounts can be utilised without the agreement of individual maximum amounts. The loan is limited until 31 December 2024. The term of the loan is automatically extended by a further year in each case if the loan agreement is not terminated in writing by one of the two contracting parties with a notice period of three months to 31 December of each year. The interest rate set in each case is payable for the loan amount utilised. The interest rate is currently 6.00% per annum and is made up of a reference interest rate of 2.50% per annum plus a premium of 3.50% per annum. Changes to the interest rate can be made in steps of a maximum of 0.50% per year and must be notified by the lender 45 days before the contract adjustment comes into effect (the date of receipt of the notification is an "interest rate adjustment date"). No collateral is provided by the borrower. A payment of EUR 20 thousand was made to the borrower on 14 August 2023, EUR 30 thousand on 13 September 2023 and EUR 30 thousand on 19 December 2023. The loan, including interest, was repaid in full on 22 December 2023. As of 31 December 2023, the elumeo Group reported receivables from Spreekanal GmbH of EUR 16 thousand.
- Liabilities to related parties and companies Liabilities to related parties from a temporary salary waiver in the amount of EUR 32 thousand (31 December 2022: EUR 0 thousand).
- Receivables from related parties also include receivables from related parties from the granting of a loan in the amount of EUR 13 thousand (31 December 2022: EUR 28 thousand).

Board of Directors

In the 2023 financial year, the non-executive members of the Board of Directors received total remuneration of EUR 206 thousand (previous year: EUR 208 thousand) exclusively for their activities as members of the company's executive bodies in accordance with Section 285 No. 9a HGB. The expense allowances totalled EUR 0 thousand (previous year: EUR 0 thousand).

The number of outstanding option rights of non-executive members of the Board of Directors totalled 2,875 option rights as at 31 December 2023 (31 December 2022: 4,000 option rights).

Managing Directors

The Managing Directors received remuneration of EUR 359 thousand in the 2023 financial year (previous year: EUR 683 thousand).

As at 31 December 2023, the number of outstanding option rights of the Managing Directors totalled 102,500 option rights (31 December 2022: 102,500 option rights).

Other financial obligations and contingent liabilities

The elumeo Group has payment obligations from non-cancellable contractual agreements for the distribution and broadcasting of its television programmes and the management of programme slots. Some of these include renewal options, cancellation rights and price adjustment clauses.

The future gross minimum payments as at 31 December 2023 and 2022 due to non-cancellable TV broadcasting and programme position management contracts are shown in the following table:

EUR thousand	Remaining term			Total
	< 1 year	1-5 years	> 5 years	
31.12.2023	5.814	6.409	0	12.223
31.12.2022	5.814	7.365	478	13.657

The earliest possible cancellation date of the contracts was used as the basis for determining the future gross minimum payments.

In connection with the disorganised liquidation of PWK, there is a contingent liability of EUR 3.8 million, unchanged from the previous year.

Supplementary notes in accordance with HGB

Shareholdings

In financial year 2023, elumeo SE held 100% of the shares in the following companies, either directly or indirectly via intermediary subsidiaries. The companies are fully consolidated with the exception of PWK, which is in liquidation, and Juwelo Italia, which has been liquidated. The Juwelo Italia s.r.l. division was liquidated as at 31 December 2023.

company	location	functional currency	equity			annual results	foot-note
			EUR thousand	31.12.2021	31.12.2021		
Juwelo Deutschland GmbH	Berlin	EUR	-16.438	227	-2.755	1	
jooli.com GmbH	Berlin	EUR	-1.054	25	-1.553	1	
jooli marketplace India Pvt. Ltd.	Jaipur	INR	-335	4.400	-4.735	1.2	
Silverline Distribution Ltd.	Hongkong	EUR	15	1	-20	1	
Juwelo USA, Inc.	Wilmington	USD	-717	0	0	1.2	
Juwelo Italia s.r.l.	Rom	EUR	0	0	-24	1	
PWK Jewelry Company Ltd.	Bangkok	THB	- in Abwicklung -				

1. The disclosures correspond to those in the annual financial statements prepared for consolidated financial statement purposes (consolidated accounting).

2. The information on shareholders' equity is based on translation at the spot rate on the balance sheet date

Application of exemption regulations

Juwelo Deutschland GmbH utilises the option of exemption from the obligation to prepare consolidated financial statements and a Group management report in accordance with Section 291 (2) HGB.

Number of employees

The average number of employees developed as follows in the reporting period:

	01.01. - 31.12.2023	01.01. - 31.12.2022	YoY in %
Full-time equivalents (FTE)			
Sales	130	145	-10,3%
Administration	71	78	-9,6%
Total	201	223	-10,1%

In accordance with Principle 22 of the German Corporate Governance Code, the Board of Directors and the Managing Directors report on the company's corporate governance in the Corporate Governance Statement.

The full text of the Corporate Governance Statement of the Executive Board and the Managing Directors of elumeo SE is permanently available on the company's website at <https://www.elumeo.com/investor-relations/corporate-governance>.

Voting rights notifications

In financial year 2023, elumeo SE received notifications in accordance with Section 33 et seqq. WpHG, which are available on the company's website at <http://www.elumeo.com/investor-relations/aktuelle-mitteilungen/stimmrechtsmitteilungen>.

The Board of Directors

The Company has a monistic management structure with the Executive Board as the central management and control body. The Executive Board of elumeo SE is composed of the Executive Directors and the non-executive members.

During the 2023 financial year, the following persons were Managing Directors or members of the Board of Directors

Managing Directors	Profession	End of the order
Florian Spatz (sole power of representation since 27 April 2020)	Overall responsible Managing Director	
Boris Kirn (sole power of representation since 13 February 2015)	Operational Managing Director	30 June 2026
Dr Riad Nourallah (sole power of representation since 01 November 2020)	Commercial Managing Director	

Members of the Board of Directors	Profession	End of term of office
Wolfgang Boyé (since 21 July 2014)	Chairman of the Board of Directors	30 June 2026
Christian Senitz (since 23 June 2023)	Member of the Board of Directors, Chairman of the Audit Committee CFO WebID Solution GmbH	31 December 2026

Susanne Ries (since 23 June 2023)	Member of the Board of Directors, Of Counsel Corporate and Financial Law Hogan Lovells International LLP	31 December 2026
Boris Kirn (since 13 February 2015: Member of the Board of Directors, since 13 February 2015: appointment as Ma- naging Director)	Member of the Board of Directors Operational Managing Director, elumeo SE	30 June 2026
Members of the Board of Directors who left during the year		
Deepa Gautam-Nigge (since 24 June 2022)	Member of the Board of Directors Senior Director Corporate Development - Mergers & Acquisitions and Strategic Investments, SAP SE	31 December 2023
Dr Frank Broer (since 12 December 2018)	Deputy Chairman of the Board of Di- rectors Chairman, independent consultant	23 June 2023
Gregor Faßbender-Menzel (since 12 December 2018)	Member of the Board of Directors, Freelance communications consultant	23 June 2023
Claudia Erning (since 25 June 2021)	Member of the Board of Directors, Managing Director with overall respon- sibility Lakeside Castle GmbH	23 June 2023

In the 2023 financial year, Mrs Deepa Gautam-Nigge held the following additional Supervisory Board mandates in accordance with Section 100 (1) AktG

Gesellschaft	Mandat
Aleph Alpha GmbH Schmitz Cargobull AG RWTH Aachen University-Stiftung	Aufsichtsratsmitglied Mitglied des Digital Advisory Board Vorsitz des Stiftungsrats

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

Group affiliation in accordance with Section 312 (2) HGB

As the German parent company of the elumeo Group, elumeo SE prepares the highest-ranking Consolidated Financial Statements for the largest group of companies. The Consolidated Financial Statements of elumeo SE are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU (Section 315e of the German Commercial Code (HGB)). The Consolidated Financial Statements are published in the electronic Federal Gazette.

Fees for auditing and consulting services in accordance with Section 314 (1) No. 9 HGB

The fees for the auditor, Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Berlin, recognised as expenses in the reporting year, excluding customary expenses, amount to

- EUR 201 thousand for auditing services.
- The auditor's fees for auditing services recognised as expenses in the previous year amounted to EUR 146 thousand.

Events after the balance sheet date

- The convertible bond 2023/28 (WKN A3826G/ ISIN DE000A3826G9) with a term of five years and a total volume of up to EUR 1,200 thousand was listed on 29 January 2024. The convertible bond in the amount of EUR 400 thousand was subscribed on 7 March 2024.
- On 12 March 2024, the European Union Intellectual Property Office found that the JUWELO trademark for jewellery and the sale of jewellery via the Internet, teleshopping, online and catalogue mail order had been used to preserve rights and rejected Shop LC GmbH's application for revocation. Both parties have until the end of 12 May 2024 to appeal against the decision.

Berlin, 30 April 2024

elumeo SE

The Managing Directors



Florian Spatz



Boris Kirn



Dr. Riad Nourallah



INSURANCE OF THE LEGAL REPRESENTATIVES

Declaration pursuant to Section 37v (2) No. 3 WpHG

"To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the elumeo Group, and the management report includes a fair review of the development and performance of the business and the position of the elumeo Group, together with a description of the principal opportunities and risks associated with the expected development of the elumeo Group."

Berlin, 30 April 2024

elumeo SE

The Managing Directors

Florian Spatz

Boris Kirn

Dr Riad Nourallah

OPINION OF THE INDEPENDENT AUDITOR

To elumeo SE, Berlin

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE SUMMARISED MANAGEMENT REPORT

Audit judgements

We have audited the consolidated financial statements of elumeo SE, Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the notes to the consolidated financial statements for the financial year from 1 January 2023 to 31 December 2023, including a summary of significant accounting policies. In addition, we have audited the combined management report of elumeo SE for the financial year from 1 January 2023 until 31 December 2023 audited. In accordance with the German legal requirements, we have not audited the content of those parts of the combined management report listed in the "Other Information" section of our auditor's report

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2023 and its earnings position for the financial year from 1 January 2023 to 31 December 2023 and
- the accompanying summarised management report as a whole provides a suitable view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the "Other information" section.

Pursuant to § 322 Abs. 3 S. 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the audit judgements

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2023. 2023 to 31 December 2023 were significant. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition and revenue deferral

Related information in the consolidated financial statements and summarised management report

Section E. "Accounting policies - Recognition of income and expenses" in the notes to the consolidated financial statements contains information on revenue recognition and revenue deferral in the consolidated financial statements. The sales markets and sales strategy are described in the summarised management report in section A. "Basis of the Group - Business model and strategy and objectives of the Group".

Facts and risk for the audit

In the financial year 2023 the elumeo SE Group realised revenue in the amount of € 45.4 million. The elumeo SE Group generates its revenue primarily from the sale of gemstone jewellery via electronic distribution channels. In the consolidated financial statements of elumeo SE, revenue is generally recognised upon fulfilment of the performance obligation by transferring the promised product to the customer. An asset is considered transferred when the customer obtains control over this asset. Revenue is recognised on the assumption that the goods are received by the customer two days after dispatch. In accordance with the transfer of control, revenue is recognised in the elumeo SE Group in accordance with the provisions of IFRS 15 at the amount to which the Group expects to be entitled. Expected returns of merchandise are estimated on the basis of past experience and reduce revenue in the full amount of the disposal proceeds. Due to the materiality of revenue for the consolidated financial statements and the scope for judgement in determining the date of acquisition and revenue recognition, we determined the recognition of revenue and deferred revenue to be a key audit matter.

Audit approach and findings

As part of our audit, we assessed the accounting policies applied in the consolidated financial statements for the recognition of revenue based on the criteria defined in IFRS 15. In addition to analytical audit procedures, we assessed the control environment and the controls in place to recognise revenue and expected returns in the appropriate period. We examined the existence of related trade receivables on a test basis.

With the help of the transit times and delivery statistics provided by the shipping service providers, we have validated the average shipping time of customer shipments used for revenue recognition. We also compared the returns rates used in the Group for revenue recognition with the Group's internal returns statistics.

We were able to satisfy ourselves that the systems and processes in place and the accounting policies applied are appropriate and that the estimates and assumptions made by the executive directors are sufficiently substantiated to ensure the proper recognition of revenue.

Valuation of inventories

Related information in the consolidated financial statements and summarised management report

Information on the measurement of inventories can be found in section E. "Accounting policies - Inventories" and section H "Notes to the consolidated balance sheet - Inventories" in the notes to the consolidated financial statements.

Facts and risk for the audit

Inventories are recognised at € 13.2 million, almost unchanged from the previous year. This corresponds to around 59% of total assets and thus represents a significant portion of the assets of the elumeo SE Group. Due to the current general economic uncertainties, there may be increased price risks on procurement and sales markets. There is also room for discretion in the assessment of the marketability of certain inventories as part of the valuation routines. Against this background, inventories were a key audit matter in the context of our audit.

Audit approach and findings

As part of our audit, we analysed the processes implemented by the executive directors and the accounting policies for the measurement of inventories for potential risks of error and obtained an understanding of the process steps. In addition, we assessed the design of the controls implemented by the executive directors for the valuation of inventories for their fundamental effectiveness. We also tested certain particularly significant controls for their operational implementation. We also asked the legal representatives of elumeo SE and other employees of the Group about the scope for judgement in determining valuation discounts. In order to identify anomalies, we analysed the current valuation compared to the previous year. We also analysed the measurement of inventories and the data used for this purpose on a sample basis. In doing so, we analysed both the historical sales prices and the current offer prices of the merchandise.

We were able to satisfy ourselves that the systems and processes in place and the accounting policies applied are appropriate and that the estimates and assumptions made by the executive directors are sufficiently substantiated to ensure an appropriate valuation of the inventories.

Other information

The legal representatives or the Board of Directors are responsible for the other information. The other information comprises the following non-audited components of the summarised management report:

- the declaration on corporate governance pursuant to Section 289f HGB and 315d HGB, to which reference is made in the summarised management report.
- the non-management report disclosures under Section I. "Sustainability Report / Non-financial Group Declaration"; non-management report disclosures are disclosures that are not required under Sections 289 et seq. and 315 et seq. of the German Commercial Code (HGB).

The other information also includes

- the assurances pursuant to Section 297 (2) sentence 4 HGB and Section 315 (1) sentence 5 HGB on the consolidated financial statements and summarised management report,
- the report of the Board of Directors and
- the remaining parts of the annual report - excluding cross-references to external information - with the exception of the audited consolidated financial statements and the summarised management report and our auditor's report.

The Board of Directors is responsible for the report of the Board of Directors. Otherwise, the legal representatives are responsible for the other information.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information:

- are materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

Responsibility of the legal representatives and the Board of Directors for the consolidated financial statements and the summarised management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or error) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Board of Directors is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and summarised management report.

During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group

in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to address independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproduction of the consolidated financial statements and the summarised management report prepared for publication purposes in accordance with Section 317 (3a) HGB

Declaration of non-issuance of an audit opinion

We were engaged to perform a reasonable assurance engagement in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the summarised management report (hereinafter also referred to as "ESEF documents") prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format").

We do not express an opinion on the ESEF documents. Due to the significance of the matter described in the "Basis for not expressing an opinion" section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on the ESEF documents.

Basis for the declaration of non-issuance of an audit opinion

As the legal representatives have not submitted any ESEF documents to us for audit up to the date of the auditor's report, we do not express an opinion on the ESEF documents.

Responsibility of the legal representatives and the Board of Directors for the ESEF documents

The executive directors of the company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for labelling the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the company's management is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Board of Directors is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our responsibility is to perform an assurance engagement on the ESEF documents in accordance with Section 317 (3a) HGB and IDW Auditing Standard: Assurance in Accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW PS 410 (06.2022)) and Internati-

onal Standard on Assurance Engagements 3000 (Revised). As a result of the matter described in the section "Basis for our opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on the ESEF documents.

Other information in accordance with Art. 10 EU-APrVO

We were elected as group auditor by the annual general meeting on 23 June 2023. We were engaged by the Executive Board on 15 January 2024. We have been the auditor of elumeo SE since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the Board of Directors pursuant to Article 11 of the EU Audit Regulation (audit report).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited combined management report as well as the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format - including the versions to be filed in the company register - are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

RESPONSIBLE AUDITOR

The German Public Auditor responsible for the engagement is Frank Pannewitz.

Berlin, 30 April 2024

Mazars GmbH & Co KG
Auditing company
Tax consulting company

Udo HeckelerFrank
Certified Public Accountant

Pannewitz
Certified Public Accountant

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The annual report is also available in English. In the event of differences, the German version shall prevail. A digital version of this Annual Report of elumeo SE and the interim reports are available on the Internet at www.elumeo.com under "Investor Relations / Publications / Financial Reports".

Forward-looking statements and forecasts

This report contains forward-looking statements. These statements are based on the current experience, assumptions and forecasts of the Board of Directors and the information currently available to it. The forward-looking statements are not to be understood as guarantees of the future developments and results mentioned therein. Rather, future developments and results depend on a variety of factors. They involve various risks and uncertainties and are based on assumptions that may prove to be incorrect. These risk factors include, in particular, the factors mentioned in the risk report. We assume no obligation to update the forward-looking statements made in this report.