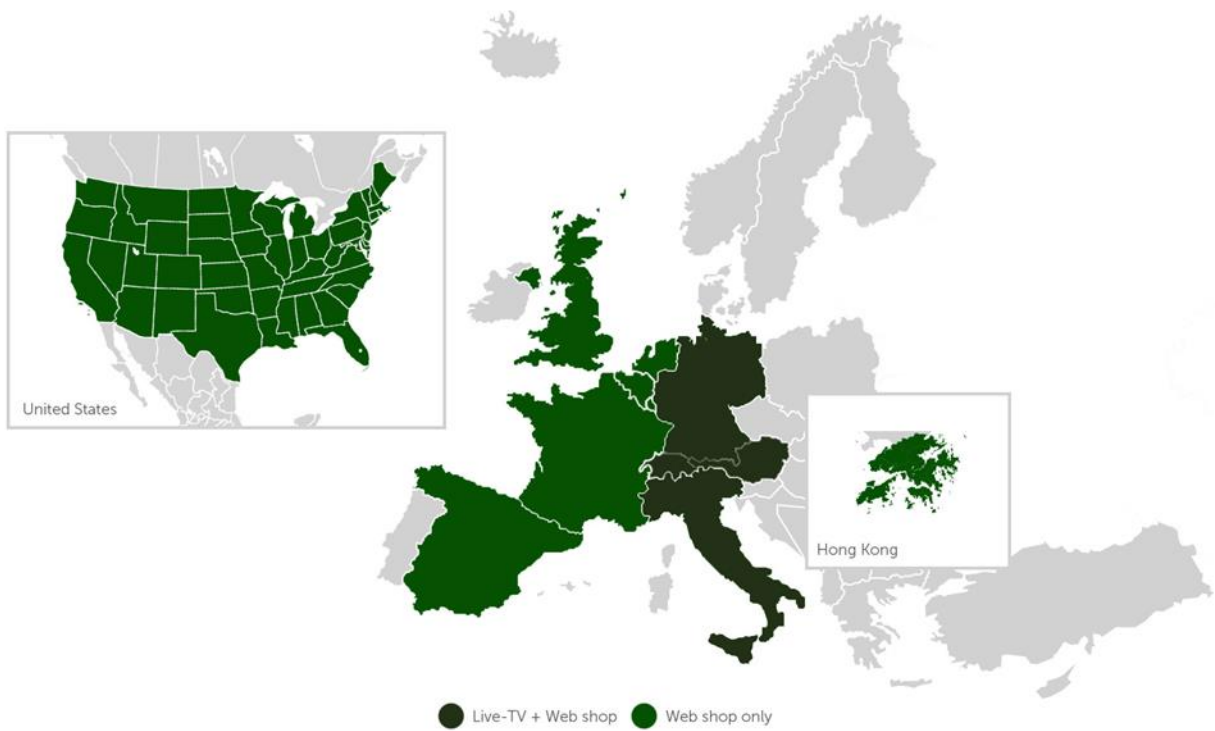




elumeo

Annual Report 2022



Worldwide distribution of the elumeo Group via live TV and webshop

KEY FIGURES 2022

	2022		2021		YoY in %
Revenue	45.844	100,0%	50.677	100,0%	-9,5%
[the following disclosures represent: absolute value and in % of revenue]					
Gross Profit	25.187	54,9%	28.875	57,0%	-12,8%
EBITDA	-463	-1,0%	2.928	5,8%	-115,8%
Adjusted-EBITDA	2.203	4,8%	4.853	9,6%	-54,6%
Depreciation	941	2,1%	951	1,9%	-1,0%
EBIT	-1.404	-3,1%	1.977	3,9%	-171,0%
Group Result	-3.333	-7,3%	9.241	18,2%	-136,1%
Selling and admisitrative expense	26.744	58,3%	27.090	53,5%	-1,3%
Total assets	22.746		27.874		-18,4%
Total equity	10.634	46,8%	13.714	49,2%	-22,5%
[absolutely and in % of balance sheet otal]					
working Capital	7.328	32,2%	6.478	23,2%	13,1%
[absolutely and in % of balance sheet otal]					
Net cash flow from operating activities	-1.421		1.190		-219,4%
Net cash flow from investing activities	-60		-355		83,2%
Net cash flow financing activities	131		-384		134,1%
[the following disclosures represent: KPIs of the internal controlling system]					
Item sold [pieces]	568.344		594.730		-4,4%
Number of a active customer (rounded)	75.195		81.328		-7,5%
Average number of items sold per active customer	7,6		7,3		3,4%
Average sales price	81		85		-5,3%
Gross profit per item sold	44		49		-8,7%
Average basket	191		191		0,2%
Share marketing expense of revenue webshop	19%		16%		3,0 p.p.
Customer Value after one year	314		423		-25,8%
Customer Value after five years	967		1.015		-4,7%
[in % of channel]					
Organic	21,4%		24,7%		-3,3 p.p.
Direct	11,4%		10,4%		1,0 p.p.
Paid	42,0%		36,3%		5,7 p.p.
Mail	7,5%		6,8%		0,7 p.p.
Other	17,7%		21,8%		-4,1 p.p.
New customer breakdown					
TV	7.545		8.723		-13,5%
Webshop	30.153		38.867		-22,4%
Other	124		135		-8,1%



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To our shareholders

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Letter from the Chairman of the Board of Directors

Dear Shareholders,

elumeo SE has had a challenging year. Despite the aftermath of the Covid-19 pandemic and the negative effects of the Ukraine war, including rapidly rising inflation and reluctance to buy on the part of our customers, we were nevertheless able to conclude it satisfactorily:

1. Compared to the same period of the previous year, revenues fell by 9.5% to EUR 45.8 million.
2. As a result, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) were also lower than in the previous year. Our key financial indicator fell to EUR 2.2 million (-54.6%).
3. After generating consolidated net income of over EUR 9 million in the previous year, it was negative in 2022 at EUR -3.3 million.

So much for the hard numbers. Let me put the result in addition. The 2021 financial year was one of the best in the history of our company. This means that the bar for the following year was particularly high. For example, the decline in sales in 2022 can also be partly explained by the exceptionally strong growth of 19.5% in the same period last year, when many European countries were in corona-related lockdown and many customers were shopping from home. In addition, there were the aforementioned macroeconomic developments in 2022, which had a negative impact on our business.

The foreign exchange markets did not play into our hands either. The weaker performance of the euro against the Indian rupee, the US dollar and the Thai baht led to a decline in the gross profit margin.

Against this backdrop, we made the best of the poor conditions in 2022 and are pleased to have still achieved a clearly positive adjusted EBITDA despite these poor conditions.

We are particularly proud of the development of our independent, 100% subsidiary jooli.com GmbH. The app inspires with products that are presented in short videos produced by the product partners themselves. Users can navigate through a wide range of products from various brands with a swipe and receive personalized shopping and gift ideas. From December 2021 to March 2023, the offering grew by an average of 90 channels per month to currently 1,237 channels. In India in particular, there is now a very wide range of videos with 1,074 channels and more than seven million videos played. In total, over eight million videos have already been played since the app's launch in April 2021. Expenses of EUR 1.3 million were incurred in 2022 for the further development of Jooli. These were not capitalized, but adjusted in adjusted EBITDA.

In 2023, we will continue to push ahead with the development of the app. A number of product improvements are planned, such as AI-based real-time control in the second quarter and the start of monetization of the app in the second half of 2023. In addition, a cooperation with the Laboratory for Virtual Studio and Virtual Reality at Düsseldorf University of Applied Sciences was launched to further develop Jooli's metaverse prototype and make it product-ready.

The past financial year and the success of Jooli have also brought changes for me personally. Since May 2022, I have been primarily responsible for the development of the app and have therefore handed over responsibility for the operational business of the elumeo Group to the new CEO Florian Spatz. However, I have remained with the elumeo Board of Directors as Chairman and will continue to hold this position with pleasure in the future.

I would like to thank the employees of the elumeo Group for their outstanding commitment in these challenging times. And I would 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 2023

A handwritten signature in black ink, appearing to read "W. P." followed by a stylized, cursive name that is difficult to decipher. The signature is written in a fluid, connected style.

The Board of Directors of elumeo SE



Wolfgang Boyé, Chairman of the Board of Directors

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

Wolfgang Boyé, born on 12 November 1969, is Chairman of the Board of Directors 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), previously Chief Financial Officer of United Visions Entertainment AG (Berlin). At Scholz & Friends, Mr. Boyé was responsible for TV activities, and 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 project manager at The BostonConsulting Group in Moscow, Russia and consultant in Munich. Prior to that, he studied business administration with a focus on finance and accounting at the University of St. Gallen.



Dr. Frank Broer, Deputy Chairman of the Board of Directors

Term of office from 12 December 2018 until the Annual General Meeting 2027

Dr. Frank Broer, born on March 14, 1971, is Deputy Chairman of the Board of Directors. Frank Broer is an independent consultant based in Berlin. From 2016 to 2018, Mr. Broer was the founder and managing director of Moneymap GmbH, a fintech startup. Previously, he was CFO at auxmoney, also a fintech company, for 2 years (2014-2016). From 2010 to 2014, he was responsible for the finances 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 mainly advised banks, IT service providers and telecommunications companies. Previously, 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 received his doctorate.



Deepa Gautam-Nigge, Member of the Board of Directors

Term of office from June 24, 2022 until the Annual General Meeting 2025.

Deepa Gautam-Nigge, born on 07.03.1973, residing in Munich, 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. In addition, she is a member of supervisory boards of various companies and an advisory board member of the Digital Hub (de:hub) initiative of the Federal Ministry for Economic Affairs and Climate Action. Ms. Gautam-Nigge studied business administration with a focus on technology and innovation management at RWTH Aachen University and began her professional career more than 20 years ago in a spin-off from the university financed with venture capital, 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 Annual General Meeting 2027

Gregor Faßbender, born on 26 January 1968, is a member of the Board of Directors. Since January 2018, the graduate economist with an MBA in sports management has been working as a freelance communications consultant and owner of FASSBENDER SportsCom | Strategic communications consultancy for emotional sports brands in Cologne. Prior to that, 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 of the OnVista Group, Mr. Faßbender managed the 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 shareholder, senior consultant and unit head at ergo Kommunikation (now Edelman), one of Germany's leading communications consultancies, he looked after well-known customers from the service, industrial and public sectors for eight years from 2000 onwards. Mr. Faßbender started his career in corporate communications in 1995 after completing his studies at Dresdner Bank AG. There he held various positions in the communications department, including press spokesman at the Group's Frankfurt headquarters, PR manager in the Group's direct banking project in Duisburg and Head of Communications at the Cologne branch.



Boris Kirn, Chief Operating Officer

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

Boris Kirn, born on 13 October 1969, is Managing Director of elumeo SE, a member of the Board of Directors and co-founder of Juwelo Deutschland GmbH, Berlin, which was founded in 2008. Mr. Kirn supervises the development of processes and systems and is responsible for the operational areas of the company. From 2005 to 2008, Mr. Kirn was co-founder and managing director of bietbox GmbH (later Gems TV Deutschland GmbH, both in Berlin). In addition, since 2000 Mr. Kirn has been a member of the board of directors and since 2001 managing director of the online and TV platform K1010 (until 2001 K1010 AG, then K1010 Entertainment GmbH, later K1010 Media GmbH, all in Berlin). From 1994 to 2000, Mr. Kirn worked for Hewlett-Packard as a consultant for business process optimization and as a project manager for knowledge management, most recently in Mountain View, California/USA. From 1990 to 1994, Boris Kirn studied European Business Administration at ESB Reutlingen/London, where he completed his studies with a double diploma (BA (Hons) and Diploma in Business Administration) and completed his MBA at Cambridge University in 1997.



Claudia Erning, Member of the Board of Directors

Term of office from June 25, 2021 until the Annual General Meeting 2027.

Claudia Erning, born on August 8, 1973 in Regensburg, Germany, citizenship German, was elected to the Board of Directors at the virtual Annual General Meeting of elumeo SE on June 25, 2021.

After taking her first professional steps at various medium-sized technology companies, Ms. Erning became a member of the board of directors of a medium-sized consulting firm for corporate finance and M&A. This was followed by around 8 years in a leading 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 medium-sized strategy consultancy for capital market issues and M&A. At the same time, Ms. Erning is involved in the fiber optic sector as managing director of a medium-sized group of companies.

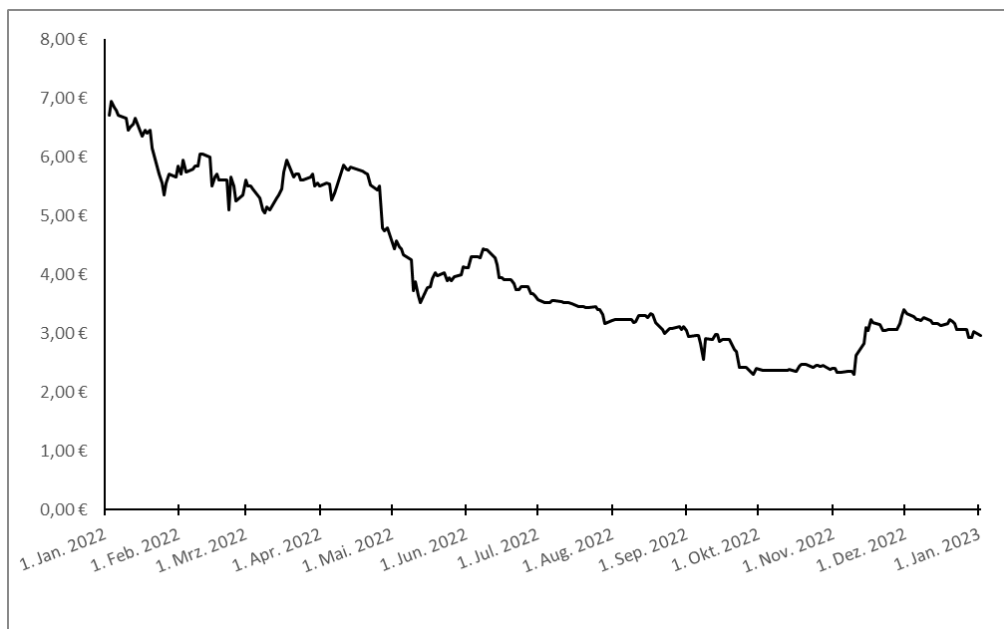
Ms. Erning holds a degree in business administration and a Bachelor's degree (B.A.) in Economics.

Capital market information

Master data and key figures for the elumeo SE share (as of December 31, 2022)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in 2022 (undiluted)	EUR -0,60
Number of shares outstanding	5.500.000
XETRA closing price as of the balance sheet date	EUR 3,03
Market capitalization	EUR 16.7 million

Performance



Shareholder structure (as of 30. December 2022)

	Shareholdings
1. Blackflint Ltd.	26,66%
2. Members of the Board of Directors and Managing Directors	11,18%
3. Public float	62,16%



Aggregated Group Management Report 2022

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Preface

The consolidated financial statements of elumeo SE and its subsidiaries (collectively "elumeo" or the "elumeo Group") as of December 31, 2022 have been 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 principles applied to the consolidated financial statements.

Unless reference is made to another unit, the information in the tables is given in thousands of euros (TEUR). All amounts quoted in thousands of euros in this group management report are commercially rounded. This also applies to the information derived from it, such as percentages. Rounding differences are therefore possible.

1. Fundamentals of the Groups

Origin

The elumeo Group, with elumeo SE as its parent company, was legally established 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.

Structure

elumeo SE, based in Berlin, is a European company in a monistic system with an Executive Board. The governing bodies of the company are the Board of Directors and the Annual General Meeting. In the 2022 financial year, elumeo SE held 100% of the shares in the following companies, directly or indirectly through intermediary subsidiaries:

company	location
Juwelo Deutschland GmbH	Berlin
jooli.com GmbH	Berlin
Juwelo Italia s.r.l.	Rom
Juwelo USA, Inc.	Wilmington
Silverline Distribution Ltd.	Hongkong
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, in particular in administration. The operational business of the elumeo Group is operated by the subsidiary Juwelo Deutschland GmbH. The research and development activities for the video shopping app are carried out by jooli.com GmbH. Juwelo Italia s.r.l and PWK Jewelry Company Ltd. are in the process of liquidation.

Business model

The elumeo Group, headquartered 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 sale is carried out through direct sales. Through a variety of electronic sales channels (such as TV, Internet, Smart TV and smartphone app), the company offers its customers gemstone jewelry at reasonable prices.

Goods are procured in close cooperation with local partners in Bangkok and Jaipur. The products are manufactured by the respective partners on the basis of the specifications of the purchasing management in Berlin. Quality control is carried out according to predefined guidelines at the production site. Part of the quality control was carried out in Berlin.

At the end of 2022, the elumeo Group's programmes were available in over 73 million households in Europe (classic TV and streaming). In addition, the elumeo Group sells its products online via web shops in Germany, Italy, the United Kingdom, France, Spain, the Netherlands and Belgium, as well as via apps for smartphones and smart TVs. Web streams of the TV shows and an online bidding agent (connected to the TV show) are integrated into the webshops and apps.

Management 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 summarized the various location functions in Berlin. The elumeo Group's business activities are bundled in a single segment in accordance with internal reporting structures and management criteria.

With regard to internal management and external communication of current and future earnings development, the sustainable profitability of the elumeo Group's operating business is of particular importance. Key financial performance indicators are sales, gross profit margin and adjusted EBITDA. For the calculation of adjusted EBITDA, EBITDA before special items is adjusted for one-off and/or non-operating (special) items in terms of type and amount.

In addition to the main financial indicators, non-financial performance indicators are also used to manage the company. These are classified by us as not significant and are used in the context of event-related and specific events for control. Other indicators concern our customers. For example, we look at the development of new customers from the point of view of the sales channel (TV or web). A high proportion of online customers is important for future development. Furthermore, the number of active customers, the composition of web traffic as well as the number of pieces of jewellery shipped and the premiere share are taken into account, among other things, as non-financial performance indicators.

Management and control

elumeo SE is a European monistic company (Societas Europaea). The Management Board is its governing body. It manages the company's business, sets the general principles for its activities and supervises their implementation. The Board of Directors shall appoint the Managing Directors. They bear the operational responsibility of the company and represent it externally. As of December 31, 2022, the members of the Board of Directors were Mr. Wolfgang Boyé, Dr. Frank Broer, Ms. Claudia Erning, Mr. Gregor Faßbender, Ms. Deepa Gautam-Nigge and Mr. Boris Kirn and. 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 of December 31, 2022, the managing directors with sole power of representation were Mr. Boris Kirn, Dr. Riad Nourallah and Mr. Florian Spatz.

Strategy and objectives of the Group

The elumeo Group follows the mission of making high-quality jewellery an affordable luxury for everyone. According to elumeo, this means that it has succeeded in building up one of the widest 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 (D2C) principle. The company manages the entire value chain from product development to sales to the end customer. Thus, the company can achieve significant cost advantages and maximum added value. The self-developed pieces of jewelry are produced by a network of specialized contract manufacturers. This contract manufacturing is managed together with strategic partners in Thailand and India. Thus, the quality is ensured directly on site.

Different collection-based brands that meet different criteria enable our customers to make targeted purchases according to their needs. Collaborations with designers and jewellery manufacturers also enable us to offer a wide range of collections and entertaining offers on TV. They are continuously expanding the range of products and services offered by the elumeo Group.

By focusing on electronic distribution channels, elumeo can exploit economies of scale in a fragmented market and thus achieve significant cost advantages. The electronic distribution channels include classic television with its own channels and live shows, smart TV, the Internet, mobile devices and mobile apps as well as personal shopping. 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 regionally and linguistically adapted.

In order to continue its growth, the elumeo Group is striving for vertical expansion 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 through mobile devices is to be improved.

Research and development

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

1. Economic Report

Macroeconomic environment in 2022

During the Corona pandemic, supply bottlenecks slowed down the industry and led to rising prices.¹ After the Corona crisis, the German economy hoped for a quick recovery. However, the next economic crisis followed in 2022 due to the Russian war of aggression in Ukraine. According to the Federal Statistical Office (Destatis), the attack on Ukraine has² had a significant impact on the overall economic situation. The global economy is in a volatile environment, characterized by high inflation and a slowdown in growth in China, in addition to the Russian invasion of Ukraine. The Russian war of aggression caused a destabilization of the world economy. Disruptions in natural gas supplies from Russia triggered an energy crisis and a global rise in inflation up to 8.8%. This led to more restrictive fiscal policies, a decline in demand, and a

¹ <https://www.destatis.de/DE/Methoden/WISTA-Wirtschaft-und-Statistik/2022/01/lieferengpaesse-012022.html>.

² https://www.destatis.de/DE/Im-Fokus/Ukraine/_inhalt.html.

decrease in COVID-19 pandemic-related fiscal support programs. The Chinese government's zero-COVID policy led to renewed supply bottlenecks.³⁴

Global gross domestic product (GDP) increased by around 4.5 trillion US dollars in 2022 compared to the previous year to a total of around 101.56 trillion US dollars. According to the IMF, this is the weakest growth profile since 2001, with the exception of the global financial crisis and the acute phase of the COVID-19 pandemic. In⁵⁶ Europe, GDP rose by 3.5%. In the EU, the⁷economy cooled in Q4 2022. While Spain and France recorded slight quarter-on-quarter increases of 0.2% and 0.1% respectively, price, seasonally and calendar adjusted GDP in Italy fell by 0.1%.

Overview: Quarterly changes in seasonally adjusted economic figures

Real GDB in % on previous quarter	1Q2022	2Q2022	3Q2022	4Q2022
Euro area	0,6	0,9	0,4	0,0
Germany	0,8	0,1	0,5	-0,4
France	-0,2	0,5	0,2	0,1
Italy	0,1	1,0	0,4	-0,1
Spain	0,0	2,2	0,2	0,2
Netherlands	0,4	2,5	-0,2	0,6
Belgium	0,6	0,5	0,2	0,1
Austria	0,8	2,1	0,1	0,0
Switzerland	0,3	0,3	0,2	0,0
UK	-0,4	-0,1	0,8	0,7

Source: Eurostat

The momentum of the German economy weakened significantly towards the end of the year. According to the Federal Statistical Office, GDP fell by 0.4% in the 4th quarter of 2022 compared with the previous quarter. In the first three quarters of 2022, GDP had still been able to increase (+0.8%, +0.1% and +0.5%) despite difficult global economic conditions. On a year-on-year basis, GDP in Q4 2022 was 0.3% higher in price-adjusted terms than in Q4 2021. Private consumption expenditure in the German economy in 2022 increased moderately by 0.4% year-on-year in price-adjusted terms, almost⁸reaching the pre-crisis level of 2019. This was due to catch-up effects in the wake of the lifting of almost all corona protection measures in spring 2022.⁹

Industry-specific framework conditions

Sales of goods in e-commerce without adjusting for inflation fell by 8.8% to 90.4 billion euros in 2022 from 99.1 billion euros in the previous year.

³ <https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>.

⁴ <https://www.wirtschaftsdienst.eu/inhalt/jahr/2023/heft/1/beitrag/china-nach-dem-ende-der-null-covid-politik.html>.

⁵ <https://de.statista.com/statistik/daten/studie/159798/umfrage/entwicklung-des-bip-bruttoinlandsprodukt-weltweit/>.

⁶ <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>.

⁷ Eurostat: 29/2023 – 8 March 2023 <https://ec.europa.eu/eurostat/documents/2995521/16249744/2-08032023-AP-DE.pdf/cdfef2f9-fe94-044d-a4b6-8ef3011fc7ec?t=1678261035453&download=true#:~:text=Insgesamt%20stieg%20das%20BIP%20im,%25%20im%20dritten%20Quartal%202022>.

⁸ Federal Statistical Office (Destatis): Press release No. 070 of 24 February 2023.

⁹ Federal Statistical Office (Destatis): Press release No. 070 of 24 February 2023.

The elumeo Group's most important direct sales channels include TV home shopping channels, online shops and apps for smartphones. A study by the Society for the Promotion of Consumer Electronics in Germany (gfu) shows that smart TVs are becoming increasingly established. According to gfu, almost half of German households now own an Internet-enabled TV set. The use of smart features is also increasing.

Online shopping is no longer limited to shopping on a PC. Shopping is also increasingly taking place in Europe via mobile devices. In 2022, according to Statista, two-thirds of respondents shopped online via their smartphone.

1. Earnings release 2022

Business development 2022

Business development of the Group

The elumeo Group's 2022 financial year covers the period from January 1 to December 31, 2022 ("2022" or "Reporting Period"). The 2021 financial year covers the period from January 1 to December 31, 2021 ("2021", "PY" or "Prior Year").

In the 2022 financial year, we recorded a decline in business compared to the high growth rates in the previous year. Compared to the same period last year, sales revenues fell by 9.5%. Of this, the decline in revenues caused by the Italian TV business accounts for 35% of this, but is accompanied by disproportionately high savings in range costs. The decline in sales can be partly explained by the exceptionally strong growth of 19.5% in the same year 2021, when many European countries were in corona-related lockdown. In addition, several macroeconomic developments had a negative impact on the purchasing behavior of our customers in 2022, in particular the uncertainties caused by the war in Ukraine and the intensified high inflation. Fewer new customers were acquired, the number of new customers in the live business fell by 13.5% and on the web by 22.4%. The average number of units sold per active customer increased by 3.4% from 7.3 to 7.6, but the average selling price fell by 5.3%.

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

EUR thousand % of revenues from product sales	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Germany	32,416	36,378	71.9%	-10.9%
Italy	13,383	14,239	28.1%	-6.0%
Revenue from product sales	45,799	50,617	100.0%	-9.5%

Gross profit per unit sold fell from EUR 49 to EUR 44 and led to a decline in the gross profit margin due to the weaker performance of the euro against the Indian rupee, the US dollar and the Thai baht.

Personnel costs increased as a result of the share program and share-based payments launched in the 2022 financial year.

On the basis of the authorized capital in accordance with the Articles of Association, the Board of Directors resolved on November 23, 2022 to increase the capital by issuing up to 200,000 new no-par value shares with a pro rata amount of EUR 1.00 each of the Company's share capital for employee participation. The new shares with dividend rights from 1 January 2023 were offered to the employees of elumeo SE at a price of EUR 3.10 in the form. For this purpose, a special payment was made to the participating employees, recognized in profit or loss, in the amount of the total issue price of the shares subscribed by each of them.

The aim of this measure was to increase employee loyalty and contribute to the private wealth accumulation of employees. The employees subscribed to 177,420 shares. The capital increase was entered in the commercial register on February 17, 2023. Personnel costs due to the cash payout of the share program launched in the 2022 financial year amounted to EUR 1,111 thousand.

For further information on the share program launched in 2022, please refer to the comments under item H.(8) "Personnel expenses and expenses from share-based payments" in the Notes to the Consolidated Financial Statements.

Reach costs were significantly reduced thanks to the optimisation of the TV business in Italy and the fact that the previous year was burdened by EUR 1,250 thousand due to the creation of a provision for obligations arising from the change of an Italian reach provider.

Selling expenses decreased thanks to lower reach costs, although marketing and personnel costs increased due to the share program launched in 2022 and expenses for the video shopping app Jooli.

Administrative expenses increased due to the share program launched in 2022 and expenses for the video shopping app Jooli.

As an independent company, jooli.com GmbH, a 100% 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 out via the affiliate platform of "jooli" and billed via a commission model. Total expenses of EUR 1.3 million were incurred in 2022 in connection with the video shopping app Jooli. The development expenses included in this figure were not capitalized.

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) amounted to EUR 2.2 million in 2022 compared to EUR 4.9 million in 2021.

Income from the discontinued PWK division includes the reversal of provisions in the amount of EUR 100 thousand (previous year: EUR 3,849 thousand).

Results of operations of the Group

EUR thousand % of revenue	01.01. - 31.12.2022		01.01. - 31.12.2021	YoY in %
Revenue	45.844	100,0%	50.677	-9,5%
Cost of goods sold	20.657	45,1%	21.802	-5,3%
Gross profit	25.187	54,9%	28.875	-12,8%
Selling expenses	17.953	39,2%	18.742	-4,2%
Administrative expenses	8.791	19,2%	8.348	5,3%
Other operating income	560	1,2%	460	21,7%
Other operating expenses	407	0,9%	268	51,7%
Earnings before interest and taxes (EBIT)	-1.404	-3,1%	1.977	-171,0%
Interest and similar expenses	65	0,1%	58	11,1%
Financial result	-65	-0,1%	-58	-11,8%
Earnings before income taxes (EBT)	-1.469	-3,2%	1.919	-176,5%
Income tax	-1.926	-4,2%	3.520	-154,7%
Total comprehensive income	-3.333	-7,3%	9.241	-136,1%

Note. In the presentation for 2021, administrative costs were reclassified from EUR 147 thousand to other operating expenses. Reference is made to the explanations under section G. Adjustments to the consolidated financial statements in the notes to the consolidated financial statements.

In last year's guidance, management expected a single-digit percentage decline in sales for 2022 due to the development of the first quarter. In the second half of the first quarter of 2022, Juwelo recorded an above-average decline in revenues in the TV business Italy. Therefore, the management had decided to reduce the 24-hour distribution of Juwelo in Italy to a broadcast window of four to seven hours. Management assumed that the resulting additional decline in sales would account for between two and four percentage points of the projected decline in sales and would be accompanied by disproportionately high savings in reach costs. For the webshop, it was expected that the recent very strong growth would weaken in 2022 and end up in the low single-digit percentage range. The gross profit margin should remain stable at > 50%. Adjusted EBITDA is expected to be in the low single-digit million range.

The forecast for 2022 has been achieved except for the growth of the webshop. Total sales declined at a single-digit rate of 9.5%. The additional decline in revenues caused by the reduction of the Italian broadcast window accounts for about one third of this. Reach costs were significantly reduced thanks to the optimisation of the TV business in Italy and the fact that the previous year was burdened by EUR 1,250 thousand due to the creation of a provision for obligations arising from the change of an Italian reach provider. The turnover of the webshop has decreased by 6.0%. The reason for this was the decline in new customers compared to 2021, when many European countries were in corona-related lockdown and many customers were shopping from home. Gross profit margin fell from 57.0% to 54.9% and remained well above 50%. Adjusted EBITDA of EUR 2.2 was in the low single-digit million range.

With regard to internal management and external communication of current and future earnings development, the sustainable profitability of the elumeo Group's operating business is of particular importance. For this reason, earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) adjusted for non-operating special items serve as a key financial indicator for mapping and managing the operating earnings situation. Adjusted EBITDA is calculated by adjusting EBITDA before special items for one-off and/or non-operating (special) items in terms of type and amount. Adjusted EBITDA can be reconciled as follows:

	in TEUR	in TEUR
	2022	2021
EBITDA (TEUR)	-463	2.928
(+/-) Currency translation expenses and income	-20	-54
(+) Share-based payment expenses – stock option program	253	126
(+) Personnel expenses - share program	1.111	0
(+) Research, development and sales expenses Jooli	1.251	467
(+) Expenses for termination of Italian range contract	0	1.250
(+) Expenses Juwelo Italia s.r.l.	72	136
Adjusted EBITDA	2.203	4.853

Earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), adjusted for non-operating special items, decreased to EUR +2.2 million in 2022 (2021: EUR +4.9 million). Consolidated net income amounted to EUR -3.3 million compared to EUR 9.2 million in 2021.

Distribution channels

The turnover of the TV business DACH fell by 5.9%, while the turnover of the webshop fell by 6.0%. This was due to the decline in new customers and active customers compared to 2021, when many European countries were in corona-related lockdown and many customers were shopping from home. In addition, the strategic focus was on a gross profit margin of over 50%. The successful birthday event in June, the high diversity of the entire product range as well as technological developments of the webshop and the app strengthened the web business. The Italian TV business fell by 48% due to the reduction of the broadcast window from 24 to 7h. Reach costs were significantly reduced thanks to the optimisation of the TV business in Italy and the fact that the previous year was burdened by EUR 1,250 thousand due to the creation of a provision for obligations arising from the change of an Italian reach provider.

Assets of the Group

ASSETS						
EUR thousand % of balance sheet total						
		31.12.2022		31.12.2021		YoY in %
Non-current assets						
Intangible assets	(11)	256	1,1%	336	1,2%	-23,8%
Property, plant and equipment	(12)	778	3,4%	1.150	4,1%	-32,4%
Assets from rights of use	(13)	2.085	9,2%	2.148	7,7%	-2,9%
Other financial assets	(16)	57	0,2%	72	0,3%	-20,9%
Other non-financial assets	(17)	162	0,7%	221	0,8%	-26,7%
Deferred tax assets	(28)	2.155	9,5%	4.162	14,9%	-48,2%
Total non-current assets		5.492	24,1%	8.090	29,0%	-32,1%
Current assets						
Inventories	(14)	13.041	57,3%	13.137	47,1%	-0,7%
Trade receivables and services	(15)	1.710	7,5%	2.266	8,1%	-24,6%
Other financial assets	(16)	412	1,8%	728	2,6%	-43,4%
Other non-financial assets	(17)	681	3,0%	895	3,2%	-23,9%
Cash and cash equivalents	(18)	1.410	6,2%	2.759	9,9%	-48,9%
Total current assets		17.254	75,9%	19.785	71,0%	-12,8%
Total assets		22.746	100%	27.874	100%	-18,4%

Total assets as of December 31, 2022 decreased by 18.4%. Property, plant and equipment declined due to depreciation and amortization. Deferred tax assets declined mainly due to the lower probability of using capitalizable tax loss carryforwards. Inventories remained constant. Receivables fell as of the reporting date. Other current financial assets were reduced due to a decline in accounts receivable. Cash and cash equivalents decreased due to the negative cash flow from operating activities.

EQUITY & LIABILITIES

		31.12.2022		31.12.2021		YoY in %
EUR thousand % of balance sheet total						
Equity						
Issued capital		5.500	24,2%	5.500	19,7%	0,0%
Capital reserves		34.821	153,1%	34.567	124,0%	0,7%
Accumulated losses		-31.815	-139,9%	-28.521	-102,3%	-11,5%
Foreign currency translation reserve		2.128	9,4%	2.167	7,8%	-1,8%
Total equity	(19)	10.634	46,8%	13.714	49,2%	-22,5%
<i>Attributable to shareholders of elumeo SE</i>		<i>10.634</i>	<i>46,8%</i>	<i>13.714</i>	<i>49,2%</i>	<i>-22,5%</i>
	(21)	550	2,4%	0	0,0%	n.a.
Non-current liabilities						
Other non-current financial liabilities	(13)	1.757	7,7%	1.887	6,8%	-6,9%
Accruals	(24)	130	0,6%	474	1,7%	-72,6%
Other financial liabilities	(22)	69	0,3%	0	0,0%	n.a.
Other non-financial liabilities	(26)	25	0,1%	25	0,1%	0,0%
Deferred tax liabilities	(28)	37	0,2%	0	0,0%	n.a.
Total non-current liabilities		2.017	8,9%	2.386	8,6%	-15,4%
Current liabilities						
Leasing liabilities	(13)	449	2,0%	373	1,3%	20,5%
Accruals	(24)	613	2,7%	2.402	8,6%	-74,5%
Trade payables and services		4.944	21,7%	5.945	21,3%	-16,8%
Advance payments received	(23)	40	0,2%	138	0,5%	-71,4%
Tax liabilities	(25)	318	1,4%	742	2,7%	-57,1%
Other financial liabilities	(22)	711	3,1%	486	1,7%	46,3%
Other non-financial liabilities	(26)	2.470	10,9%	1.690	6,1%	46,2%
Total current liabilities		9.544	42,0%	11.775	42,2%	-18,9%
Total equity & liabilities		22.746	100,0%	27.874	100,0%	-18,4%

The Group's equity fell to EUR 10.6 million due to the decline in earnings. The Group's equity ratio fell from 49.2% to 46.8%, falling below the target of 50%. On the basis of the share program, the special item Contributions made for the implementation of the resolved capital increase was recognized. Non-current and short-term provisions as well as trade payables decreased due to the optimization of the Italian TV business in connection with the change of reach provider and the fact that the previous year was burdened by EUR 1,250 thousand due to the creation of a provision for obligations arising from the change of an Italian reach provider. Tax liabilities were reduced by paying income taxes for the 2021 and 2020 financial years. Other liabilities increased due to the central processing of all VAT reporting and payment obligations through the one-stop-shop procedure and the wage tax to be paid as well as the social security contributions from the share program.

Financial situation

EUR thousand	Number	01.01 - 31.12.2022	01.01 - 31.12.2021	YoY in %
Earnings before taxes (EBT) from continuing operations		-1.404	+1.977	-171,0%
Earnings before taxes (EBT) from discontinuing operations		+100	+3.850	-97,4%
Earnings before interest and taxes (EBIT) from continuing and discontinuing operations		-1.304	+5.827	122,4%
+/- Depreciation and amortisation on non-current assets	(11), (12)	+941	+951	-1,0%
+/- Increase/decrease in provisions	(24)	-2.133	-2.438	12,5%
		-403	-1	n.a.
+/- Equity-settled share-based remuneration	(20)	+253	+126	100,6%
+/- Other non-cash expenses/income		0	+22	-100,0%
-/+ Increase/decrease in inventories	(14)	+96	-981	109,8%
-/+ Increase/decrease in other assets		+1.273	-1.618	178,6%
+/- Increase/decrease in other liabilities		-79	-638	87,6%
- Interest paid	(7)	-65	-58	-11,1%
= Cash flow from operating activities	(27)	-1.421	+1.190	219,4%
- Payments for investments in intangible assets	(11)	-1	0	n.a.
- Payments for investments in property, plant and equipment	(12)	-58	-355	83,6%
= Cash flow from investing activities	(27)	-60	-355	83,2%
+ Contributions made to implement the resolved capital increase	(21)	+550	0	n.a.
- Payments for the redemption of leasing liabilities	(13)	-419	-384	-9,2%
= Cash flow from financing activities	(27)	+131	-384	134,1%
+/- Net increase/decrease in cash and cash equivalents		-1.350	+452	398,9%
+/- Effects of foreign currency translation on cash and cash equivalents		+0	+1	-44,9%
+ Cash and cash equivalents on beginning of reporting period		+2.759	+2.307	19,6%
= Cash and cash equivalents on end of reporting period	(18)	+1.410	+2.759	-48,9%

Cash flow from operating activities declined in 2022 due to weaker sales. In addition, operating cash flow was reduced due to the reduction of provisions and trade payables. In 2022, the elumeo Group invested mainly in replacement investments. The cash flow from financing activities in 2022 results from the payments made under the share program to carry out the planned capital increase and the repayment of financial liabilities from leases. Major obligations relate to the Group's operating business and existing leases. Liquidity management is achieved by optimising working capital management. Committed but unused credit lines did not exist as of the balance sheet date, we refer to the events after the balance sheet date (J). Fehler! Verweisquelle konnte nicht gefunden werden.

1. Economic situation of elumeo SE

Preliminary remarks

elumeo SE is the parent company of the elumeo Group. Due to the subsidiaries it holds directly and indirectly, 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 are essentially in line with the Group expectations described in the Outlook Report.

The following statements are based on the annual financial statements of elumeo SE, which are 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 published on the elumeo SE website.

Earnings

Revenues relate to intra-group recharged services 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. In the 2022 financial year, sales amounted to EUR 1,359 thousand (previous year: EUR 2,766 thousand). In financial year 2021, non-periodic income of EUR 1,305 thousand was generated by the passing on and apportionment of intra-group personnel services from 2020.

The personnel costs increased as a result of the share program launched in the 2022 financial year and the cash salary payment made in this context and amounted to EUR 1,203 thousand (previous year: EUR 963 thousand). In the 2022 financial year, the company employed an average of around 12 people (full-time equivalents (FTE)) (previous year: around 11 FTEs). Personnel expenses also include the remuneration of the managing directors (2 FTE, previous year: 3.5 FTE).

Other operating expenses in the amount of EUR 1,314 thousand (previous year: EUR 1,424 thousand) include the remuneration of the non-executive members of the Board of Directors, the costs set aside for the preparation and audit of the annual and consolidated financial statements and for the Annual General Meeting for the 2022 financial year, as well as ongoing legal, consulting and marketing costs, recruitment and personnel provision costs as well as travel expenses. Other taxes relate to motor vehicle tax.

The financial result consists of depreciation and amortization of financial assets and other interest. In the 2022 financial year, depreciation and amortization of financial assets amounted to EUR 5,698 thousand (previous year: EUR 0 thousand). The Board of Directors expects a permanent impairment of Juwelo Deutschland GmbH due to lower future earnings expectations. For this reason, elumeo SE wrote down its investment in Juwelo Deutschland GmbH to a fair value of EUR 33,000k in the year under review (carrying amount as of December 31, 2021: EUR 3k 7. 998). On February 24, 2022, elumeo SE purchased shares in jooli.com GmbH from Juwelo Deutschland GmbH. The purchase price amounted to EUR 25 thousand. On December 19, 2022, elumeo SE made another additional payment in the amount of EUR 700,000 in accordance with Section 272 (2) No. 4 HGB into the company's capital reserves. As a result of the ongoing development of the video shopping app Jooli and the uncertainty of future earnings, the Board of Directors expects a permanent impairment of jooli.com GmbH. For this reason, elumeo SE wrote down its stake in jooli.com GmbH by EUR 700 thousand to a value of EUR 25k in the year under review. In the amount of EUR 1,280 thousand (previous year: EUR 756 thousand), other interest relates exclusively to interest-bearing loans to a subsidiary.

Income from investments amounted to EUR 0 thousand (previous year: EUR 37,500 thousand). In the previous year, the distribution of Silverline Ltd. resulted in non-cash income from investments of EUR 37,500 thousand.

Net assets and financial position

Financial assets in non-current assets relate to shares and loans to affiliated companies. The shares in affiliated companies concern Juwelo Deutschland GmbH and jooli.com GmbH. The loans to affiliated companies in the amount of EUR 19,489 thousand (previous year: EUR 22,339 thousand) include interest-bearing financial receivables from the subsidiary Juwelo Deutschland GmbH from the loan of funds. On the one hand, the funds disbursed come from the proceeds received in the course of the IPO in the 2015 financial year. As of the balance sheet date, the reported loans have remaining maturities until December 31, 2023. The term of the loan is automatically extended by a further year if the loan agreement is not terminated in writing by one of the two contracting parties with a notice period of three months on 31.12. The interest rate is currently 5.75 per cent per annum (previous year: 3.00 per annum). Current assets include receivables from affiliated companies in the amount of EUR 7,774 thousand (previous year: EUR 4,064 thousand) from the interest on the loan and from current clearing transactions. Equity declined due to the net loss for the year. Contributions made for the implementation of the resolved capital increase are referred to in the Notes to the Consolidated Financial Statements (21). The liabilities mainly include liabilities from sales tax and from wage and church tax from the share program. Fehler! Verweisquelle konnte nicht gefunden werden.

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

1. Risk and Opportunity Report**Risk management system**

elumeo SE is regularly exposed to a wide range 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 Organizations of the Treadway Commission (COSO) and the Auditing Standard 981 of the Institute of Public Auditors (IDW) was implemented as a specific instrument of the management and the board of directors. Risks are 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 a Group-wide standardization of risk and opportunity assessment, the active living of a risk and opportunity culture and a common understanding of risks and opportunities within the company. The risk and opportunity management approach is designed to support decision-making through consistent, comparable and transparent information through a standardized process for identifying, assessing, monitoring, documenting and reporting strategic, operational and financial risks and opportunities as well as compliance risks. Opportunities are to be exploited to increase earnings and improve the financial situation. Risks should only be taken to the extent that they do not foreseeably have any particular negative influences on the company's development.

Internal control system

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

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 those risks that could have a material impact on the proper content and appropriate presentation of the individual and consolidated financial statements. As an integral part of the accounting and reporting process, the accounting-related internal control system includes preventive, monitoring and revealing control measures, thus ensuring a proper financial statement preparation process. 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 analyzed and documented. In a cross-process risk control matrix, relevant controls are defined, including the description and type of control, frequency of control execution and executing area of responsibility. The implemented control mechanisms work across processes and are therefore often interlinked. These mechanisms include, among other things, the definition of principles and procedures, the definition of processes and controls, the introduction of release and testing concepts, and the formulation of guidelines.

It is set up in such a way as to ensure timely, uniform and correct accounting of all business processes and transactions. In order to consolidate the subsidiaries included in the consolidated financial statements, the internal control system ensures compliance with legal standards, accounting standards and internal accounting instructions. Changes therein are continuously analyzed with regard to their relevance and impact on the consolidated financial statements and taken into account accordingly. The finance department of the elumeo Group actively supports all business units and Group companies. Both in the development of uniform guidelines and work instructions for accounting-relevant processes and in the monitoring of operational and strategic goals. In addition to defined controls, system-technical and manual coordination processes, the separation between executive and controlling functions, and compliance with guidelines and work instructions are essential 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 financial statements. In the accounting process, the Group companies are supported 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 evaluate risks as well as to limit and review identified risks.

Basic methodology

When assessing individual risks, both gross and net risks were taken into account. Gross risk represents the inherent risk before consideration of risk-mitigating measures. The net risk is the residual risk that remains after all risk-mitigating measures have been considered. The risks presented in this report reflect only the net risk. Risks are evaluated on the basis of the probability of occurrence and the possible 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 were no changes in the risk classification in the previous year.

Risk Assessment – Classes of Probabilities of Occurrence

Class	Probability	
1	very low	(0%-25%)
2	Small	(25%-50%)
3	medium	(50%-75%)
4	high	(75%-100%)

Risk Assessment – Damage Classes

Class	Effect	
1	EUR 0.05 million – EUR 0.1 million	insignificant
2	EUR >0.1 million – EUR 0.5 million	Small
3	EUR >0.5 million – EUR 1.0 million	medium

million		
4	EUR >1.0 million	serious

Upto the date of preparation of the 2022 annual and consolidated financial statements, no risks or risk clusters have been identified that could jeopardize the continued existence of elumeo SE. The following table shows elumeo SE's risk clusters and compares them with 2021.

The amount of damage caused by macroeconomic risks was increased from moderate to severe due to the negative experience with regard to the effects of the Ukraine war and rising inflation, including the reluctance to buy. However, the probability of occurrence has been reduced from high to medium, as the risk of a further escalation of the Ukraine war and the current inflation trends is estimated to be lower than in the previous year.

Due to the depreciation of the euro against the USD, the rupee and the Thai baht and the emergence of margin risks due to increased acquisition costs, the probability of occurrence of the currency risk was increased from low to medium compared to the 2021 financial year.

In operational risks, the term "broadcasting" has been replaced by coverage contracts under 2.4.

Risk Overview – Excerpt of Significant Risks

		2022		2021	
	Probability	Amount of dam- age	Probability	Amount of damage	
1. Economic and strategic risks					
1.1. Macroeconomic risks	medium	Serious	high	Mittel	
1.2. Competitive risks	medium	insignificant	medium	insignificant	
1.3. Growth risks	Small	Serious	Small	Serious	
2. Operational risks					
2.1. Reputational risk (quality and ethics)	medium	medium	medium	Mittel	
2.2. Procurement risks	medium	medium	medium	Mittel	
2.3. Inventory risks	medium	medium	medium	Mittel	
2.4. Reach Contracts	very low	medium	very low	Mittel	
2.5. Personnel risks	very low	medium	very low	medium	
2.6. IT and information risks	Small	Serious	Small	Serious	
2.7. Returns	Small	Small	Small	Small	
3. Financial and liquidity risks					
3.1. Risk	very low	Small	very low	Small	
3.2. Liquidity risk	Small	Serious	Small	Serious	
3.3. Currency risk	medium	medium	Small	medium	

4. Tax, regulatory and legal risks

4.1.	Privacy	Small	medium	Small	medium
4.2.	Prevention of money laundering	Small	medium	Small	medium
4.3.	Tax risks	Small	medium	Small	medium
4.4.	Legal risks	Small	Serious	Small	Serious

It cannot be ruled out that, despite all measures, previously unidentified risks or those with low relevance to the overall risk will have a negative impact on the Group's results of operations and net assets in the future.

Explanation of the main risks

1. Economic and strategic risks

1.1. Macroeconomic risks

Due to the Corona crisis, it was hardly possible to make valid forecasts. Russia's war of aggression on Ukraine has once again made forecasting much more difficult. The experts at the IMF have not yet been able to quantify the extent to which the economy will slump as a result, neither with regard to Asia and Europe nor with regard to the rest of the world.¹⁰

In its annual economic report, the German government expects slight economic growth of 0.2% for 2023. Despite the positive forecast for 2023, according to the Federal Ministry for Economic Affairs and Climate Action (BMWK), there are still high uncertainties for the German economy: Russia's war of aggression against Ukraine and its economic consequences. In its annual projection for 2022, the German government expected a noticeable economic recovery following the consequences of the coronavirus pandemic and its impact on economic development.¹¹

The development of the global economy continues to be largely determined by Russia's war of aggression against Ukraine, monetary policy curbing in the wake of high inflation, high debt and rising financial market risks, as well as ongoing supply chain bottlenecks. As a result, significantly higher inflation rates can also be expected in 2023. The International Monetary Fund expects a further slowdown in economic momentum to +2.7% in 2023.

1.2. Competitive risks

The competitive environment has changed as a result of the coronavirus pandemic. On the one hand, this is accelerating the shift in customer demand towards digital offerings, and on the other hand, this shift is also prompting international companies and local competition to further improve their digital offerings and penetrate new markets. This could jeopardize future business growth or at least make it more expensive as the jewelry market will be more competitive. The jewelry 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 similar business models by launching an Internet-based or TV-based offering for real

¹⁰ <https://de.statista.com/statistik/daten/studie/159507/umfrage/prognose-zur-entwicklung-des-bip-in-den-laendern-der-euro-zone/>.

¹¹ <https://www.bundesregierung.de/breg-de/aktuelles/jahreswirtschaftsbericht-2023-2160264>

jewelry. As a result, there is a risk that the elumeo Group will not be able to react appropriately to the changed competitive environment.

The management of the elumeo Group regularly observes and analyses the existing competitive situation and, if necessary, defines the current competitive situation. Retaliatory action. In view of this competitive environment, we believe that our strategy, which is based on the three pillars of "Vertically Integrated and Scalable Value Chain", "Multiple Electronic Distribution Channels" and "Live and Interactive Sales Features", is the right answer to the future to grow 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 efficiently manage further growth. 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.

The expansion of the product and service offering and the adoption and application of technological progress, in particular with regard to changing usage patterns with regard to mobile phones and smart TVs, run the risk of not responding adequately to adapted customer needs and changing demand patterns. The current corona crisis has shown that in the event of a pandemic, delivery failures and/or delays can occur as a result of restrictions in production and the supply chain. This could limit the growth of the elumeo Group and prevent further profitable development.

The management of the elumeo Group uses various tools to monitor the acceptance of its product and service offerings as well as customer satisfaction. As a result, the company is able to respond appropriately to changes in customer behavior.

2. Operational risks

2.1. Reputational risk (quality and ethics)

Our jewelry is made by local partners and producers with whom our buyers have many years of experience. Detailed quality controls after each work step ensure a high level of craftsmanship. Defective or defective products affect customer satisfaction and can negatively affect the repurchase rate.

The elumeo Group has taken various measures to ensure that suppliers only supply products that are produced and sold under fair and sustainable social, ecological and economic conditions. Should elumeo nevertheless be associated with dubious or shady 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 try to ensure compliance with the requirements by being present on site.

2.2. Procurement risks

The long-term stability of our supply chain essentially depends on our central purchasing team in Berlin in cooperation with local experts. Supply bottlenecks for certain in-demand gemstones or mines that no longer produce stones could have a negative impact on sales development. We counter this with a high 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 manufacturing 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. Inventory risks

By integrating the value chain, we have to adapt the order quantities to 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 put into perspective by the high material content of precious metals and gemstones.

2.4. Reach contracts

The TV business made a significant contribution to overall performance in the 2022 financial year. Through appropriate contracts, we secure the necessary bandwidth to broadcast our TV program. The elumeo Group is exposed to the complexity of forecasting, the development of product sales and margin from the reach contracts. The forecast is based on the history of data in order to develop alternative courses of action in the context of contract negotiations, while at the same time we try to establish alternative access routes to our customers via new distribution channels, such as mobile apps.

2.5. Personnel risks

The employees of the elumeo Group are the main drivers for the future success of the Group. Finding qualified and motivated employees, especially for future expansion, will be a key success factor. Recruiting is central to ensuring the quality and creativity of our products and our services.

2.6. IT and information risks

Cyber threats from internal or external attacks as well as vulnerabilities in internal controls can affect essential aspects of elumeo domains, including our applications, warehouse IT systems, payment systems and internal IT systems. These threats could impact the availability of data or information systems (data loss), integrity (erroneous data), and confidentiality (data breach). If a cyber attack is successful (especially on a large scale), elumeo could suffer serious damage, which could lead to 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 specialized internal resources support early detection, targeted action management and the fundamental prevention of cyber threats and cyber incidents. Essential components of our IT structure are managed by our own team of developers. 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 an essential role.

2.7. Returns

An increase in customer returns that significantly exceed the company's expectations could increase expenses and hurt the business and profitability. The elumeo Group's warehouse logistics are structured in such a way that fast processing is possible even with a high number of returns. The company has appropriate liquidity reserves available for refunds.

3. Financial and liquidity risks

With the payment methods prepayment, credit card, cash on delivery and purchase on account, with out-sourced risk, the elumeo Group prevents significant payment defaults.

3.1. Default risk

The default risk represents the risk that customers or other contracting parties will not meet their contractual obligations and receivables will default. This may result from the payment behaviour or the economic

situation of customers and other contracting parties or from cases of fraud. Default risks arise primarily with regard to receivables from customers as well as receivables from related parties.

The risk of default for trade receivables is low, and the goods are delivered either against advance payment, 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 lump-sum individual valuation allowance based on empirical values and taking into account the age structure. Bad receivables are fully impaired. In the case of trade receivables, there is no significant concentration of credit risk.

In addition, there is a risk of default on cash and cash equivalents in that financial institutions will no longer be able to meet their obligations. This default risk is limited by the fact that the investment is made with various credit institutions with a good credit rating.

The maximum exposure corresponds to the carrying amounts of these financial assets as of the respective reporting date.

3.2. Liquidity risk

Liquidity risk includes the risk that the elumeo Group will not be able to settle its financial liabilities at maturity. 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, especially in the various sales channels and customer groups, as well as on ongoing monitoring of the cost-cutting and quality improvement measures initiated by jewelry suppliers.

The Board of Directors has made sensitivity considerations, which include, in particular, negative deviations from the 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 that could not be compensated for by countermeasures in the event of negative deviations from the plan in the operational area. However, in the event of a deterioration in profitability in the medium to long term, further liquidity can be generated in the short term through aggressive sell-off measures.

3.3. Currency risk

Due to the depreciation of the euro against the USD, the rupee and the Thai baht during the year and the emergence of margin risks due to increased acquisition costs, the probability of occurrence of the currency risk was increased from low to medium compared to the 2021 financial year. Currency risks in GBP are low in impact due to the small scale of business.

Supply agreements and sales are predominantly made and processed on a EURO basis. Nevertheless, there are margin risks due to devaluations of currencies in the sales territories. These arise from the then increased acquisition costs in the sales territories due to the exchange rate conditions.

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 is active. 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 fine directives published jointly by the national data protection authorities.

It is our duty to handle this data responsibly and to protect it from unauthorized access. In order to minimize the risk of potential violations, our data protection officers continuously monitor data protection requirements, support the development and implementation of appropriate measures and processes, and offer advice, expertise and training. This supervision includes close cooperation and coordination, in particular with the IT and development teams, in order to contribute to the implementation of appropriate technical and organizational measures to protect the 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 minimized. The money laundering officer of the elumeo Group continuously monitors any necessary measures. Changes in the Anti-Money Laundering Act and in the requirements for goods dealers are taken into account within the framework of internal training programmes.

4.3. Tax risks

The elumeo Group is exposed to tax risks. Tax audits that have already been carried out or audits that are due to be completed in the near future are classified with the involvement of tax advisors in such a way that there is no realisation of any remaining tax risks. Furthermore, elumeo's tax burden may increase due to changes in tax law or due to the application or interpretation of the standards as a result of future tax audits by tax authorities.

4.4 Legal risks

Elumeo Tries to keep its legal risks low. Nevertheless, elumeo is exposed to risks arising 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.

There is currently a risk of a legal dispute with regard to 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 August 9, 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.

Odds

Development of the e-commerce market

Sales of goods in e-commerce without adjusting for inflation fell by 8.8% to 90.4 billion euros in 2022 from 99.1 billion euros in the previous year. bevh expects that the advantages of digital shopping, such as service, transparency and availability, will help e-commerce to grow somewhat faster than the market as a whole. Currently, the association expects growth of 4.8% to 94.7 billion euros for e-commerce with goods in 2023. ¹² According to Statista¹³, a market volume of EUR 167.39 billion will be reached in 2027; this corresponds to an expected annual revenue growth of 8.1% (CAGR 2023-2027).

¹² <https://www.internetworld.de/e-commerce-strategien/online-handel/e-commerce-umsatz-geht-2022-zurueck-liegt-2019-2834346.html>.

¹³ <https://de.statista.com/outlook/dmo/ecommerce/deutschland>.

Growth market: online jewellery retail

According to the study by McKinsey, the international jewelry market is expected to be in a continuous growth phase. By 2025, the total global jewelry market is expected to be worth between \$340 billion and \$360 billion. The trend towards online and mobile business will become increasingly important. With online sales expected to increase to 18 to 21% of total sales by 2025, this is about a potential of USD 60 to 80 billion¹⁴. The jewelry market for brands is expected to grow between 7 and 12% by 2025.

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

Employees and know-how potential

The Board of Directors assumes that the key employees of the elumeo Group are loyal to the company as a whole. Nevertheless, he expects that these 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 in-company training and further education opportunities as well as an incentive-oriented remuneration system further promote employee loyalty to the company.

The expertise of the highly qualified employees, some of whom have been employed by the Group for a long time, enables a reliable and rapid implementation of the Group's strategies. The company's management also has extensive, long-standing and detailed market and industry knowledge.

Project "Jooli"

Jooli is a video shopping app that showcases products in short videos. Users navigate through a product portfolio of various brands with a swipe and receive personalized shopping and gift ideas. The aim of the startup, which was founded in Berlin in 2021 by a team led by Wolfgang Boyé, is to tap into new target groups. The Jooli app is available for iOS and Android. Expenses for Jooli in 2022 amounted to EUR 1,251 thousand (previous year: EUR 467 thousand).

Claims

On 16.12.2022, the Berlin Regional Court sentenced Mr. Don René Kogen to damages in the amount of EUR 800 thousand in the course of a lawsuit filed by elumeo SE. The defendant has appealed against the default judgment.

F. Outlook**Macroeconomic and sectoral situation**

The development of the global economy continues to be largely determined by Russia's war of aggression against Ukraine, monetary policy tapering in the wake of high inflation, high debt and rising financial market risks, as well as continuing supply chain bottlenecks.

Russia's war of aggression on Ukraine has made forecasting much more difficult. The experts at the IMF have not yet been able to quantify the extent to which the economy will slump as a result, neither with regard to Asia and Europe nor with regard to the rest of the world. Despite the positive GDP forecast for 2023 (annual projection 0.2%), there are still high uncertainties for the German economy, according to the Federal Ministry for Economic Affairs and Climate Action (BMWK). In its annual projection for 2022, the

¹⁴ <https://www.mckinsey.com/industries/retail/our-insights/state-of-fashion-watches-and-jewellery>.

German government expected a noticeable economic recovery following the consequences of the coronavirus pandemic and its impact on economic development.¹⁵¹⁶

The German E-Commerce and Mail Order Association (bevh) previously expected e-commerce with goods and services to increase by a further 4.8% in 2023.¹⁷

Development of the Group

Management also expects high volatility in 2023 due to the war in Ukraine and intensified high inflation. As a result, the forecast refers to a cautious approach to future development and takes into account possible further negative influences from slumps in demand. Slumps in demand may arise from the reluctance of our customers to buy as a result of the sales prices resulting from the increased purchase prices.

For 2023, management expects revenue and adjusted EBITDA to remain stable in 2023. In the previous year, the first two months of the year were still marked by the last Corona months with higher sales before the outbreak of the war in Ukraine. All in all, management expects sales to develop in a corridor between a mid-positive and mid-negative single-digit percentage range. For the webshop, sales growth in 2023 is expected to be in the low single-digit percentage range. The gross profit margin is expected to remain stable at > 50% (50% - 60%). Adjusted EBITDA is expected to be in the low single-digit million range.

G. Declaration of Closure to the Dependency Report

Pursuant to Section 312 (3) of the German Stock Corporation Act, we, as managing directors of elumeo SE, declare that, in the case of the legal transactions carried out and measures taken or omitted in the above report on relationships with affiliated companies, the Company shall act in accordance with the circumstances known to us at the time when the legal transaction was carried out or the measure was taken or omitted, received appropriate consideration for each legal transaction and was not disadvantaged by the fact that the measure was taken or omitted.

H. Corporate Governance Declaration pursuant to Sections 289f and 315d of the German Commercial Code (HGB)

The Corporate Governance Declaration pursuant to §§ 289f and § 315d of the German Commercial Code (HGB) as well as the Corporate Governance Declaration can be viewed on the Company's homepage under <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 jewelry an affordable luxury for everyone.

We see it as a great opportunity to be able to offer end customers high-quality jewelry at reasonable prices by focusing on electronic distribution channels. We are convinced that through the long-standing cooperation of our buyers with manufacturers and local partners at every stage of the value chain, we offer fair

¹⁵ <https://www.rnd.de/wirtschaft/russlands-krieg-in-der-ukraine-bremst-weltwirtschaft-duestere-iwf-prognose-veroeffentlicht-YHQ7BCRRU5AKHCZNHSNIQJ5UAY.html>

¹⁶ <https://www.bundesregierung.de/breg-de/aktuelles/jahreswirtschaftsbericht-2023-2160264>

¹⁷ bevh: Press release of 26 January 2023.

and family-friendly working conditions to a particularly high degree and thus live up to our social responsibility as an employer. The topic of sustainability concerns us at all levels of the value chain.

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

Sustainability management

The strategic responsibility for sustainability at elumeo lies with the Board of Directors, which is supported by the Corporate Legal Department. Due to the flat hierarchies, all employees can proactively propose measures on the subject of sustainability at any time.

In view of the relatively small size of the company, the restriction to one business unit, we have decided, after careful consideration, to prepare the sustainability report on the basis of our own considerations, but without applying a recognized standard.

We have identified the following three topics as the main topics for management and thus the Sustainability Report: Employees, Supply Chain and Raw Materials, and Integrity. Environmental concerns, on the other hand, play only a subordinate role in view of the business model, so that no separate concept is pursued.

Our employees

Without committed and creative employees, the elumeo Group could not be successful. 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 flexibility as far as possible. An exchange of employees from different locations strengthens our inclusive corporate culture and promotes cooperation as a team.

Inclusion and diversity are not just keywords in the elumeo Group, but are lived. A large proportion of our employees are female. The diversity of nationalities, religions, family constellations or sexual orientations is not recorded, but can be felt positively.

Supply chain and raw materials

A major sustainability risk in the jewellery and jewellery sector is the unethical extraction of the processed raw materials, in particular through violations of human rights, such as child labour or labour exploitation. One of our advantages is that we sometimes produce our jewelry in close cooperation with local partners. In addition, our buyers maintain long-term relationships with the manufacturers. In this way, we repeatedly convince ourselves of 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 appropriate contractual agreements with our suppliers, our purchasing department ensures that they work seriously and, in turn, source raw materials, especially gold and silver as well as gemstones, exclusively from conflict-free regions in compliance with current ethical standards. In addition, we regularly check that our contractual partners are not accused of violating nationally and internationally applicable sanctions. With the help of a whistleblowing hotline, among other things, our compliance management system ensures that any doubts about the seriousness of suppliers are brought directly 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 Board of Directors.

Integrity

Ethically impeccable conduct 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 characterized by responsibility, respect and trust. Lawful behavior is the basis of

our daily work and thus of our success. For this reason, the Board of Directors has adopted a Code of Conduct. It describes our ethics and compliance standards as a global company and serves as a guide 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 unlawful behavior.

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 Board of Directors to managers and employees. The Code of Conduct is a minimum requirement. If legal provisions, ordinances or regulations, be they local, national or international, take a stricter position compared to 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, and social media guidelines. In order to ensure compliance within the elumeo Group, the Board of Directors has introduced compliance guidelines and a compliance management system and established a compliance organisation. Part of this is also an internal system for anonymous reporting of possible violations (whistleblowing). All managers and employees are encouraged to participate in our ongoing efforts to analyze our compliance risks and improve our compliance management system.

J. Disclosures under takeover law pursuant to Sections 289a and 315a of the German Commercial Code (HGB)

As a listed company whose voting shares are listed on an organised market within the meaning of Section 2 (7) of the German Securities Acquisition and Takeover Act (WpÜG), elumeo SE is obliged to disclose the information specified in Section 289a of the German Commercial Code (HGB) and Section 315a of the German Commercial Code (HGB) in its management report or group management report. This information is intended to enable third parties interested in acquiring a listed company to get an idea of the company, its structure and potential obstacles to takeover.

Composition of the subscribed capital

As of December 31, 2022, the subscribed capital of elumeo SE totaled EUR 5,500,000 (December 31, 2021: EUR 5,500,000) and was divided into 5,500,000 no-par value shares with a notional interest in the subscribed capital of EUR 1.00 per share. All shares are associated with the same rights and obligations. Each share entitles the holder to one vote at the Company's Annual General Meeting. The shares are fully entitled to dividends for financial years starting January 1, 2015.

Restrictions on voting rights or the transfer of shares

The Board of Directors does not have any information on any restrictions on the exercise of voting rights or restrictions on the transferability of shares that go beyond the statutory provisions.

Participations in the capital exceeding 10.0% of the voting rights

As of December 31, 2022, the following direct and indirect holdings in the capital of elumeo SE that exceeded the threshold of 10.0% of the voting rights existed: 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) of the WpHG, please refer to section [J. Other information: Notifications of voting rights pursuant to Section 33 (1) WpHG] of the Notes to the Consolidated Financial Statements.

Shares with special rights conferring control powers

No shares were issued with special rights conferring control powers.

Control of voting rights in the case of employee involvement

There is no control of voting rights in the event that employees participate 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 Board of Directors, reference is made to the applicable statutory provisions of §§ 28, 29 SEAG. In addition, Section 9 (2) of the Articles of Association of elumeo SE stipulates that the members of the Board of Directors 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 § 40 SEAG. In addition, Section 16 (1) of the Articles of Association of elumeo SE stipulates that the Board of Directors shall appoint one or more Managing Directors. He may appoint one of these executive directors as chief executive officer and one or two as deputy chief executive officers. Pursuant to Section 16 (4) of the Articles of Association of elumeo SE, Managing Directors may be dismissed at any time by resolution of the Board of Directors by simple majority.

The provisions for the amendment of the Articles of Association are in accordance with Art. 9 para. 1 lit. c) (ii) SE Regulation in §§ 133, 179 AktG. The Board of Directors is authorized to adopt amendments to the

Articles of Association that only affect the wording (Section 11 (4) of the Articles of Association of elumeo SE).

Material agreements subject to a change of control as a result of a takeover bid

As of the balance sheet date, elumeo SE did not conclude any agreements that contain provisions in the event of a change of control.

Compensation agreements concluded with the board of directors or employees in the event of a takeover bid

There are no compensation agreements concluded by elumeo SE with the members of the Board of Directors or the employees in the event of a takeover bid.

K. Overall assessment

Overall, the Managing Directors assess the course of the 2022 financial year as positive. Overall, a satisfactory business development was recorded. After a challenging year with the negative effects of the Ukraine war, including rapidly rising inflation and reluctance to buy on the part of our customers, the sales development of -9.5% in 2022 is within the forecast. The expansion of the supplier network in close cooperation with local partners in Bangkok and Jaipur is increasingly unfolding its potential. The video shopping app Jooli has been successfully developed. With a continuously positive development and the consistent expansion of the product range and sales channels, the managing directors are looking forward to 2023 and the following years with confidence.

Berlin, 27 April 2023

elumeo SE

The Managing Directors



Florian Spatz



Boris Kirn



Dr. Riad Nourallah



elumeo

Annual report 2022



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Consolidated Income Statement and Consolidated Statement of Comprehensive Income

for the financial years from 1 January to 31 December 2022 and 2021

EUR thousand % of revenue	01.01. - 31.12.2022		01.01. - 31.12.2021		YoY in %
Revenue	45.844	100,0%	50.677		-9,5%
Cost of goods sold	20.657	45,1%	21.802		-5,3%
Gross profit	25.187	54,9%	28.875		-12,8%
Selling expenses	17.953	39,2%	18.742		-4,2%
Administrative expenses	8.791	19,2%	8.348		5,3%
Other operating income	560	1,2%	460		21,7%
Other operating expenses	407	0,9%	268		51,7%
Earnings before interest and taxes (EBIT)	-1.404	-3,1%	1.977		-171,0%
Interest income	0	0,0%	0		n.a.
Interest and similar expenses	65	0,1%	58		11,1%
Financial result	-65	-0,1%	-58		-11,8%
Earnings before income taxes (EBT)	-1.469	-3,2%	1.919		-176,5%
Income tax	-1.926	-4,2%	3.520		-154,7%
Earnings after income tax from continuing operations	-3.394	-7,4%	5.439		-162,4%
<i>Earnings of shareholders of elumeo SE</i>					
Earnings per share in EUR (basis and diluted) applied to earnings of shareholders total					
- undiluted	-0,62		0,99		-162,4%
- diluted	-0,62		0,98		-162,8%
Earnings after tax from discontinuing operations	100	0,2%	3.850		-97,4%
Earnings per share in EUR (basis and diluted) applied to earnings of shareholders total					
- undiluted	0,02		0,70		-97,4%
- diluted	0,02		0,70		-97,4%
<i>Average number of shares outstanding</i>					
- basic	5.500.000		5.500.000		0,0%
- diluted	5.500.000		5.535.390		-0,6%
Earnings after tax from continuing and discontinuing operations	-3.294	-7,2%	9.288		-135,5%
<i>Earnings of shareholders of elumeo SE</i>					
Earnings per share in EUR (basis and diluted) applied to earnings of shareholders total					
- undiluted	-0,60		1,69		-135,5%
- diluted	-0,60		1,68		-135,7%
Other comprehensive income that may be reclassified to profit or loss in subsequent periods					
Differences from foreign currency translation of foreign subsidiaries	-39	-0,1%	-47		16,5%
Other comprehensive income	-39	-0,1%	-47		16,5%
Total comprehensive income	-3.333	-7,3%	9.241		-136,1%

Consolidated Balance Sheet

as of December 31, 2022 and 2021

ASSETS

EUR thousand % of balance sheet total		31.12.2022		31.12.2021		YoY in %
Non-current assets						
Intangible assets	(11)	256	1,1%	336	1,2%	-23,8%
Property, plant and equipment	(12)	778	3,4%	1.150	4,1%	-32,4%
Assets from rights of use	(13)	2.085	9,2%	2.148	7,7%	-2,9%
Other financial assets	(16)	57	0,2%	72	0,3%	-20,9%
Other non-financial assets	(17)	162	0,7%	221	0,8%	-26,7%
Deferred tax assets	(28)	2.155	9,5%	4.162	14,9%	-48,2%
Total non-current assets		5.492	24,1%	8.090	29,0%	-32,1%
Current assets						
Inventories	(14)	13.041	57,3%	13.137	47,1%	-0,7%
Trade receivables and services	(15)	1.710	7,5%	2.266	8,1%	-24,6%
Other financial assets	(16)	412	1,8%	728	2,6%	-43,4%
Other non-financial assets	(17)	681	3,0%	895	3,2%	-23,9%
Cash and cash equivalents	(18)	1.410	6,2%	2.759	9,9%	-48,9%
Total current assets		17.254	75,9%	19.785	71,0%	-12,8%
Total assets		22.746	100%	27.874	100%	-18,4%

Consolidated Balance Sheet

as of December 31, 2022 and 2021

EQUITY & LIABILITIES						
EUR thousand % of balance sheet total		31.12.2022		31.12.2021		YoY in %
Equity						
Issued capital		5.500	24,2%	5.500	19,7%	0,0%
Capital reserves		34.821	153,1%	34.567	124,0%	0,7%
Accumulated losses		-31.815	-139,9%	-28.521	-102,3%	-11,5%
Foreign currency translation reserve		2.128	9,4%	2.167	7,8%	-1,8%
Total equity	(19)	10.634	46,8%	13.714	49,2%	-22,5%
<i>Attributable to shareholders of elumeo SE</i>		<i>10.634</i>	<i>46,8%</i>	<i>13.714</i>	<i>49,2%</i>	<i>-22,5%</i>
	(21)	550	2,4%	0	0,0%	n.a.
Non-current liabilities						
Other non-current financial liabilities	(13)	1.757	7,7%	1.887	6,8%	-6,9%
Accruals	(24)	130	0,6%	474	1,7%	-72,6%
Other financial liabilities	(22)	69	0,3%	0	0,0%	n.a.
Other non-financial liabilities	(26)	25	0,1%	25	0,1%	0,0%
Deferred tax liabilities	(28)	37	0,2%	0	0,0%	n.a.
Total non-current liabilities		2.017	8,9%	2.386	8,6%	-15,4%
Current liabilities						
Leasing liabilities	(13)	449	2,0%	373	1,3%	20,5%
Accruals	(24)	613	2,7%	2.402	8,6%	-74,5%
Trade payables and services		4.944	21,7%	5.945	21,3%	-16,8%
Advance payments received	(23)	40	0,2%	138	0,5%	-71,4%
Tax liabilities	(25)	318	1,4%	742	2,7%	-57,1%
Other financial liabilities	(22)	711	3,1%	486	1,7%	46,3%
Other non-financial liabilities	(26)	2.470	10,9%	1.690	6,1%	46,2%
Total current liabilities		9.544	42,0%	11.775	42,2%	-18,9%
Total equity & liabilities		22.746	100,0%	27.874	100,0%	-18,4%

Consolidated statement of changes in equity

for the financial year from 1 January to 31 December 2022

Reason for change	Note	Attributable to shareholders of elumeo SE				
		Issued capital	Capital Reserve	Retained losses	Foreign currency translation reserve	Total equity
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

for the financial year from 1 January to 31 December 2021

Reason for change	Note	Attributable to shareholders of elumeo SE				
		Issued capital	Capital Reserve	Retained losses	Foreign currency translation reserve	Total equity
EUR thousand						
01.01.2021	(19).	5.500	34.441	-37.809	2.214	4.346
Equity-settled share-based remuneration	(20).		126			126
Earnings after tax from continuing and discontinuing operations				9.288		9.288
Other comprehensive income					-47	-47
Total comprehensive income				9.288	-47	9.241
31.12.2021		5.500	34.567	-28.521	2.167	13.714

Consolidated Statement of Cash Flows

for the financial years from 1 January to 31 December 2022 and 2021

EUR thousand	Number	01.01 - 31.12.2022	01.01 - 31.12.2021	YoY in %
Earnings before taxes (EBT) from continuing operations		-1.404	+1.977	-171,0%
Earnings before taxes (EBT) from discontinuing operations		+100	+3.850	-97,4%
Earnings before interest and taxes (EBIT) from continuing and discontinuing operations		-1.304	+5.827	122,4%
+/- Depreciation and amortisation on non-current assets	(11), (12)	+941	+951	-1,0%
+/- Increase/decrease in provisions	(24)	-2.133	-2.438	12,5%
+/- Equity-settled share-based remuneration	(20)	-403	-1	n.a.
+/- Other non-cash expenses/income		+253	+126	100,6%
+/- Other non-cash expenses/income		0	+22	-100,0%
-/+ Increase/decrease in inventories	(14)	+96	-981	109,8%
-/+ Increase/decrease in other assets		+1.273	-1.618	178,6%
+/- Increase/decrease in other liabilities		-79	-638	87,6%
- Interest paid	(7)	-65	-58	-11,1%
= Cash flow from operating activities	(27)	-1.421	+1.190	219,4%
- Payments for investments in intangible assets	(11)	-1	0	n.a.
- Payments for investments in property, plant and equipment	(12)	-58	-355	83,6%
= Cash flow from investing activities	(27)	-60	-355	83,2%
+ Contributions made to implement the resolved capital increase	(21)	+550	0	n.a.
- Payments for the redemption of leasing liabilities	(13)	-419	-384	-9,2%
= Cash flow from financing activities	(27)	+131	-384	134,1%
+/- Net increase/decrease in cash and cash equivalents		-1.350	+452	398,9%
+/- Effects of foreign currency translation on cash and cash equivalents		+0	+1	-44,9%
+ Cash and cash equivalents on beginning of reporting period		+2.759	+2.307	19,6%
= Cash and cash equivalents on end of reporting period	(18)	+1.410	+2.759	-48,9%

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A. Information about the elumeo Group

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

elumeo SE (hereinafter also referred to as "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 Board of Directors as the management and control body.

The consolidated financial statements were prepared on the premise of going as a going concern for the continuation of business activities.

Business activities of the elumeo Group

The elumeo Group is active in the design, procurement and distribution of jewellery, jewellery, gemstones and related products via television and other, in particular electronic, distribution channels (Internet) in the main markets of Germany and Italy. The main type of distribution is interactive live offers, which enable customers to compete against each other for the pieces of jewellery presented and to have a say in the price.

Approval of the consolidated financial statements

The Board of Directors adopted the consolidated financial statements on 27. April 2023 approved for publication.

Notes

B. Basis of the Consolidated Financial Statements

Application of IFRSs

The consolidated financial statements of elumeo SE for the financial year ending December 31, 2022 (hereinafter also referred to as "Consolidated Financial Statements 2022") have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). In addition, the provisions of Section 315a (1) of the German Commercial Code (HGB) were taken into account.

The consolidated financial statements take into account all IFRSs that were adopted on 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 statement of cash flows. The consolidated financial statements are generally prepared on the basis of accounting for assets and liabilities at amortized cost or production cost. The consolidated income statement is prepared in accordance

with the cost of sales method. The consolidated balance sheet divides the assets and liabilities into short-term or long-term components according to their maturity.

The consolidated financial statements are prepared in euros ("EUR"). The figures are expressed in thousands of euros ("TEUR") or million euros ("EUR million"). For computational reasons, rounding differences can occur in tables and text references to the mathematically exact values (monetary units, percentages, etc.).

Discontinued operations of the elumeo Group

In the 2018 financial year, it was decided to terminate all business activities of the production company PWK Jewelry Company Limited, Bangkok, Thailand ("PWK") and to carry out an ordered liquidation of the production company under self-administration through the realisation of the existing assets ("discontinued PWK division"). All of the company's business activities were completely discontinued by the end of 2018, and the company was deconsolidated as of December 31, 2018.

As part of the discontinuation of the division, a provision was made for possible costs arising from the further winding-up of PWK. This amounted to EUR 305 thousand as of December 31, 2021 and was reduced to EUR 155 thousand as of December 31, 2022 after partial utilization due to a reassessment of the remaining risks. The reversal of the provision is reported under the result from discontinued operations.

C. Amended IASB Standards and Interpretations

Applicable rules and regulations

IFRS accounting is based on the requirements of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London (United Kingdom), the IFRICs of the IFRS Interpretations Committee (IFRS IC) and the interpretations issued by the Standing Interpretations Committee (SIC) as of the reporting date and recognized by the European Union (EU).

IASB Issued Applicable Accounting Standards

Standards, interpretations and amendments to the IAS/IFRS that are to be applied for the first time in the 2022 financial year are presented below with their effects on the elumeo Group.

IFRS Standard	Topic	Effective date under the IASB	Endorsement by the EU Commission	Impact on the elumeo Group
Amendments to IFRS 16	Leases - COVID 19-related leases after June 30, 2021 (Posted on March 31, 2021)	01/04/2021	30 August 2021	Insignificant
Changes to IFRS 3	Business Combinations - Reference to the Conceptual Framework (published on 14 May 2020)	01/01/2022	28 June 2021	Insignificant
Changes to IAS 16	Property, plant and equipment - Revenue before intended use (published May 14, 2020)	01/01/2022	28 June 2021	Insignificant

Changes to IAS 37	Provisions, contingent liabilities and contingent assets – Imminent losses from pending contracts – Costs of performance of the contract (published on 14 May 2020)	01/01/2022	28 June 2021	Insignificant
Annual improvements to IFRSs Cycle 2018-2020	Annual improvement of various standards (IFRS 1, IFRS 9, IFRS 16, IAS 41) (published on 14 May 2020)	01/01/2022	28 June 2021	Insignificant

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

IFRS Standard	Topic	Effective date under the IASB	Endorsement 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 the Financial Statements and IFRS Practice Statement 2 - Guidance for the Application of the Materiality Criterion in Relation to the Disclosure of Accounting Policies (published on 12 February 2021)	01/01/2023	2nd March 2022
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Estimates (published on February 12, 2021)	01/01/2023	2nd March 2022
Amendments to IAS 12	Income taxes - Deferred taxes related to assets and liabilities derived from a single transaction (published on May 7, 2021)	01/01/2023	11 August 2022
Amendments to IFRS 17	Insurance contracts – presentation of comparative information on first-time application of IFRS 17 and IFRS 9 (published on 9 December 2021)	01/01/2023	8 September 2022

Changes to IAS 1	Presentation of financial statements - Statement of debt as short-term or non-current (published on 23 January 2020), postponement of effective date (published on 15 July 2020) and Long-term liabilities with covenants (published on October 31, 2022)	01/01/2024	Awaiting endorsement by the EU
Amendments to IFRS 16	Leases - Lease liability under a sale-and-leaseback agreement (published on September 22, 2022)	01/01/2024	Awaiting endorsement by the EU

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

D. Principles of consolidation

Consolidation

The consolidated financial statements as of December 31, 2022 generally comprise the financial statements of the parent company elumeo SE and the subsidiaries directly or indirectly controlled by the Company. In accordance with IFRS 10 *Consolidated Financial Statements*, elumeo SE only controls an investee if it has all of the following characteristics:

- the power of disposal over the investee (i.e. the company has existing rights that allow it to determine the relevant activities of the investee);
- a risk burden in the form of, or entitlement to, fluctuating return(s) from its exposure to the investee, and
- the ability to use its power of disposal over the investee in such a way that the amount of the investee's earnings is affected.

As a rule, control is to be assumed if there is a majority of voting rights. In support of this assumption or if elumeo SE owns less than a majority of the voting rights or comparable rights of an investee, the company takes into account all relevant facts and circumstances to assess whether it controls an investee, including:

- the voting rights and potential voting rights of the company,
- the contractual arrangements with the other voting rights holders of 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 features of control, the company will reassess whether or not it exercises control over the investee. The consolidation of an investee begins when elumeo SE acquires control of the investee and ends when elumeo SE loses control of the investee. Assets, liabilities, income and expenses of an investee that has been acquired or disposed of in the course of a financial year are included in the consolidated financial statements from the date on which elumeo SE acquired control of the investee until the date on which control of the investee ended.

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

In the event that the Company loses control of an investee, the corresponding assets (including goodwill), liabilities, minority interests and other items of equity (including reserves for currency translation differences attributable to the investee) are deconsolidated, with any resulting gain or loss being recognized as a deconsolidation gain in the consolidated income statement. is recorded. Any (minority) stake remaining in the elumeo Group is revalued at fair value. Intra-group receivables and liabilities from the relationship to an investee company that were previously eliminated as part of debt consolidation are recognized in the consolidated balance sheet.

The number of consolidated companies in the elumeo Group has not changed compared to the previous year (6 companies). In addition to elumeo SE as a holding company, the following companies are included in the scope of consolidation in which elumeo SE held 100% of the shares in the 2022 financial year, directly or indirectly via intermediary subsidiaries:

company	location
Juwelo Deutschland GmbH	Berlin
jooli.com GmbH	Berlin
Juwelo Italia s.r.l.	Rom
Juwelo USA, Inc.	Wilmington
Silverline Distribution Ltd.	Hongkong
PWK Jewelry Company Ltd.	Bangkok

We also refer to the information on shareholdings "Supplementary explanations in accordance with the German Commercial Code (HGB)" under point I.

Record date of the consolidated financial statements

The consolidated financial statements for the 2022 financial year cover the reporting period from January 1 to December 31, 2022 ("Fiscal Year", "Reporting Year" or "Reporting Period"). Year-over-year changes are referred to as year-over-year ("YoY"). All companies included in the consolidated financial statements have a financial year identical to the calendar year.

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

As part of debt consolidation, intra-group receivables and intra-group liabilities are offset. Offsetting differences, insofar as they occurred in the reporting period, are recognized in the consolidated income statement.

Consolidation of success

Consolidation of expenses and income

As part of the consolidation of profits, intra-group income and expenses are offset and interim results are eliminated. Offsetting differences, insofar as they occurred in the reporting period, are recognized in the consolidated income statement.

Elimination of intermediate profits

According to IFRS 10, intra-group profits in the group are only to be taken into account in profit or loss if the recipients of the delivery are third parties outside the group (end customers). As a result, the unrealized intermediate profits from intra-group deliveries must be eliminated.

Functional Currency, Reporting Currency, and Currency Translation

Currency translation is carried out on the basis of the functional currency concept in accordance with IAS 21 *Effects of Exchange Rate Changes* using the modified reporting date method. The currency of the primary economic environment in which a company operates and in which it mainly generates or uses means of payment 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 converted into their functional currency by the Group companies at the spot exchange rate applicable on the day of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at each reporting date using the spot rate on the balance sheet date. All translation differences are recognized in profit or loss in the consolidated income statement. Income and expenses are generally reported on a net basis 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 EUR are translated into EUR at the exchange rate on the reporting date as of the reporting date. Income and expenses in the income statement are translated at the weighted average exchange rate of the reporting period as of the reporting date. The equity of the subsidiaries is translated at the current historical exchange rate. The currency translation differences from the translation of the financial statements prepared in foreign currency are recognized in other comprehensive income, and a reclassification to the profit and loss account is carried out in the event of the disposal or partial disposal of the foreign operation in question.

E. Accounting policies

Classification into current and non-current assets and liabilities

The elumeo Group divides its assets and liabilities into current and non-current assets and liabilities in the consolidated balance sheet.

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

A liability is classified as short-term if the debt is expected to be settled within twelve months of the reporting date or if the elumeo Group does not have an unrestricted right to postpone the settlement of the liability by at least twelve months after the balance sheet date.

Deferred tax assets and liabilities are reported as non-current assets and liabilities, respectively.

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

Intangible assets

Intangible assets acquired for consideration with a useful life for a limited period of time are measured at cost less scheduled straight-line depreciation. Depreciation and amortisation are carried out over the expected useful life.

Fixed assets

Technical plant and machinery as well as operating and office equipment are measured at acquisition or production cost less scheduled straight-line depreciation. Depreciation and amortisation are carried out over the expected useful life.

Fixtures in leased buildings are capitalized at cost and depreciated over the remaining terms of the underlying leases, taking into account renewal options or, if applicable, over the shorter operational useful life.

Depreciation and amortization of intangible assets, property, plant and equipment

Depreciation periods and methods

Depreciation and amortization are generally carried out on a straight-line basis over the following normal useful lives, based on the company-specific estimates:

Service life	years
Intangible assets	1-15
Fixtures in rented buildings	10
Technical installations and machines	5-15
Fixtures and fittings	3-10

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

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

Depreciation test

On each reporting date, the elumeo Group checks whether there are indications of impairment (impairment indicators) for non-financial assets or individual cash-generating units reported in the consolidated balance sheet. If such impairment indicators are identified or if an annual review is required, an impairment test shall be carried out. If an asset or a cash-generating unit is impaired, impairment losses are recognized as expenses. As a matter of principle, all legally independent Group companies are considered to be 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 determined. The recoverable amount is the higher of the fair value less costs to sell and the value in use of an asset or cash-generating unit.

Fair value less costs to sell is the amount that could be obtained from the sale of an asset in a transaction on market terms between expert parties willing to negotiate. The value in use is determined

on the basis of the expected discounted future cash inflows. This is based on a pre-tax interest rate in line with market conditions, which 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 depreciated to the recoverable amount. The impairment loss is recognized immediately in profit or loss. In the event of a reversal of impairment losses in a subsequent period, the carrying amount of the asset is adjusted in accordance with the recoverable amount determined. The reversal of impairment loss limit is determined by the amount of amortized cost that would have resulted if no impairment had been recognized in the previous periods. The reversal of impairment losses is recognized immediately in profit or loss.

Leases – Group as lessee

Leases are recognized by the lessee as a right-of-use asset and lease liability from the time a leased asset is available for use. This does not apply to 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 acquisition cost of a right-of-use asset is determined by the present value of future lease payments, the initial direct contract costs, and the estimated cost of dismantling or restoring the leased asset. The right-of-use asset is amortized on a straight-line basis over the shorter period of the useful life and the expected term of the leasing contract.

When the lease is recognised for the first time, the lease liability is recognised at the present value of future lease payments; the subsequent measurement is carried out at amortized cost, taking into account the effective interest method. The right-of-use asset is recognised at the time of initial recognition in the amount of the lease liability, possibly increased by initial direct costs, and then depreciated over the period of the leasing contract. The lease term is based on the non-terminable basic term of a lease, including extension and termination options of the lessee, provided that it is reasonably certain that these options will be exercised in the future. Interest expense on lease liabilities is recognized in the financial result. They are also included in cash flow from operating activities, while payments for the repayment of lease liabilities are presented as a separate item of cash flow from financing activities.

Current and deferred income taxes

Income taxes in the reporting period consisted of current and deferred taxes. Taxes are recognized in the consolidated income statement, unless they relate to items that were directly recognized in equity or other comprehensive income. Income taxes relating to items that are recorded directly in equity are recognized directly in equity or other comprehensive income within the consolidated statement of comprehensive income.

Deferred taxes

Deferred taxes are determined using the liability method on the basis of the provisions of IAS 12 *Income Taxes*. Deferred taxes are recognized on the basis of temporary differences (temporary concept) between the carrying amounts recognized in the IFRS consolidated financial statements and the valuations in the tax balance sheet, provided that these differences lead to tax relief or tax charges in the future. The valuation of deferred taxes is carried out taking into account 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 arising from the initial recognition of goodwill or an asset or liability arising from a transaction that is not a business combination and that does not affect the profit or loss for the period under IFRS or taxable profit or loss at the time of the transaction;
- deferred tax liabilities arising from taxable temporary differences related to participations in subsidiaries, if the timing of the reversal of the temporary differences can be managed and it is likely that the temporary differences will not be reversed 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 reasonably probable that taxable income will be available against which the deductible temporary differences and unused tax loss carryforwards and tax credits can be used, with the exception of:

- deferred tax assets arising from deductible temporary differences arising from the initial recognition of an asset or liability arising from a transaction that is not a business combination and that does not affect IFRS profit or loss for the period at the time of the transaction;
- deferred tax assets arising from deductible temporary differences related to investments in subsidiaries where it is probable that the temporary differences will not be reversed in the foreseeable future or that there will not be sufficient taxable profit against which the temporary differences can be offset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer likely that there will be sufficient taxable profit available in the future against which the deferred tax asset can be used. Unrecognized deferred tax assets are reviewed at each reporting date and recognized to the extent that it has become probable that a future taxable profit will enable the deferred tax asset to be realized with sufficient probability.

Deferred tax assets and deferred tax liabilities are offset against each other if the elumeo Group has an enforceable claim to offset the actual tax refund claims against actual tax liabilities and these relate to income taxes of the same taxpayer levied by the same tax authority.

Supplies

Inventories are generally recognized at the lower of the cost and net realisable value. Costs incurred to bring the product to its current location and restore it to its current state are accounted for as follows:

- Raw materials, consumables and supplies: acquisition costs based on the first-in-first-out principle,
- Work in progress and finished goods: Cost of goods sold includes directly attributable material and personnel costs as well as a proportion of manufacturing overhead costs determined on the basis of normal capacity utilization, excluding borrowing costs.
- Merchandise: Acquisition costs based on the first-in, first-out principle.

The net realisable value represents the expected achievable sales proceeds less the costs incurred until the sale. Impairments on net realisable value, where applicable, are made for stocks with a low turnover rate or on the basis of the expected outlets of the products concerned.

Financial instruments

General Information

A financial instrument is a contract that simultaneously results in a financial asset for one company and a financial liability or equity instrument for another. Financial assets and liabilities are recognised in the consolidated balance sheet when the elumeo Group becomes a party to a financial instrument.

Financial assets are derecognized when the contractual rights to payments from those financial assets expire or when the financial assets are transferred with all significant risks and rewards. Financial liabilities are derecognized when the contractual obligations have been settled, canceled or expired.

Financial assets

All financial assets of the elumeo Group are assigned to the classification category "Measured at amortized cost". They are non-derivative financial assets with fixed or determinable payments that are not listed on an active market. At initial recognition, measurement is carried out at fair value. The transaction costs incurred are included in the access assessment. Subsequently, they are accounted for at amortized cost using the effective interest method. Trade receivables, receivables from related parties, other financial assets and cash and cash equivalents are assigned to this measurement category.

Impairment of financial assets

The elumeo Group recognises impairments for expected credit losses on financial assets, which are measured at amortised cost. An impairment loss or gain should be recognised in the consolidated income statement if the asset is impaired.

Value adjustments for trade receivables are always measured in accordance with a simplified approach in the amount of the expected credit loss over the term at the balance sheet date, which are determined with the help of sales channel and country-specific value adjustment rates on the basis of historical default rates and other value-influencing factors. For all other financial assets for which credit risk has not increased significantly since initial recognition, the expected credit loss expected within the next 12 months is recognised. For financial instruments for which there has been a significant increase in credit risk, risk protection is determined in the amount of the loan defaults expected over the remaining term.

Financial assets will continue to be depreciated in whole or in part in the context of individual valuation allowances if, after reasonable assessment, it can no longer be assumed that full realisation is possible. To this end, the Group carries out an individual assessment of the timing and amount of the depreciation, based on whether there is a reasonable expectation of the redemption.

At each reporting date, elumeo assesses whether the creditworthiness of financial assets at amortised cost is impaired. A financial asset is impaired in creditworthiness if one or more events occur with an adverse impact on the expected future cash flows of the financial asset.

Indicators that a financial asset's creditworthiness is impaired include, but are not limited to, the following observable data:

1. a debtor's default or indications that a debtor will file for bankruptcy, or
2. Significant negative changes in the debtor's payment history

The determination of the impaired creditworthiness does not take place automatically in the event of an overdue period of more than 90 days, but always on the basis of the individual assessment by the credit management.

Receivables, including the associated impairment, are derecognized if, on the one hand, they are classified as irrecoverable and, on the other hand, all collateral has been drawn down and realised. If the amount of an estimated impairment loss increases or decreases in a subsequent period due to an event that occurred after the impairment was recognized, the previously recognized impairment loss is increased or decreased through profit or loss by adjusting the impairment account. If a

receivable that has been written off is later classified as recoverable due to an event that occurred after the write-off, the corresponding amount is recognised directly in other operating income.

Financial liabilities

The financial liabilities in the elumeo Group are exclusively those in the classification category "Measured at amortized cost". These are measured at fair value at initial recognition plus directly attributable transaction costs and subsequently at amortised cost using the effective interest method. In the elumeo Group, this category includes financial liabilities, trade payables, accounts receivable, related party liabilities and other financial liabilities.

Financial liabilities are derecognized if the obligation on which the respective liability is based is either extinguished, cancelled or already fulfilled.

Balancing of financial instruments

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

- there is a legal right at the present time to offset the amounts recorded against each other, and
- the intention is to bring about the compensation on a net basis or at the same time as the realisation of the asset in question.

Measurement of fair value

When measuring fair value, the elumeo Group generally assumes that a transaction in the context of which the sale of an asset or the transfer of a liability takes place takes place either on which:

- the main market for the asset or debt, or
- the most advantageous market for the asset or debt, if there is no main market.

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. This is based on the assumption that market participants are acting in their best economic interests. In the consolidated financial statements, the fair value for the measurement or 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 non-observable input parameters.

Fair value is not always available as a market price. It must be determined regularly on the basis of various evaluation parameters. All assets and liabilities for which fair value is determined are classified in the measurement hierarchy described below, depending on the availability and importance of observable input parameters. The classification is based on the observable parameter of the lowest level, which is material for the overall measurement at fair value:

- Level 1: Input parameters are prices quoted on active markets (unchanged) for identical assets and liabilities.
- Level 2: Evaluation procedure in which the lowest input parameter that has a significant impact on the evaluation is either directly or indirectly observable.
- Level 3: Evaluation procedure in which the lowest input parameter, which has a significant effect on the evaluation, is not observable.

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 deviates materially from their carrying amount.

Subscribed capital

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

Employee benefits

Short-term employee benefits

Obligations arising from short-term benefits to employees are recognised as an expense provided that the associated work is performed. A liability is recognised for the expected amount to be paid if the elumeo Group currently has a legal or de facto obligation to pay this amount on the basis of work performed by the employee and the obligation can be reliably estimated.

Share-based payments

Share-based payments compensated by equity instruments of 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 date of grant using a suitable valuation 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 entitlement to the remuneration commitment (vesting period). The amount to be recognised as an expense shall subsequently be adjusted to reflect the number of commitments for which the relevant service and non-market performance conditions are expected to be met. As a result, the amount recognized 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 exercise conditions that are market conditions (e.g., the increase in the share price), the fair value on the date of grant is determined taking into account those conditions.

Benefits on the occasion of termination of employment

Benefits on the occasion of the termination of the employment relationship are recognized as expenses if the elumeo Group recognizes costs for restructuring or can no longer withdraw the offer of such services.

Contributions made for the implementation of the resolved capital increase

Payments made for capital increases resolved in the year under review but not carried out until the following year and registered for entry in the commercial register are not included in equity. No shareholder rights are established, but creditors' rights. Such contributions are therefore shown as liabilities under a separate item entitled 'Contributions made to carry out the resolved capital increase'.

Accruals

Provisions are recognized in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Receivables* if the elumeo Group has a present (legal and/or factual) obligation due to a past event, the outflow of resources with economic benefits to meet the obligation is probable and, in addition, the amount of the obligation can be reliably estimated.

The amount of the provision is estimated in the best possible way, taking into account all risks identified from the obligation. In principle, the settlement amount with the highest probability of occurrence is assumed. Long-term provisions with a maturity of more than one year are discounted to the reporting date, if material.

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

Contingent liabilities, liabilities and other financial obligations

Contingent liabilities are, on the one hand, 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, it includes existing obligations for which there is no predominant probability of an outflow of assets at the balance sheet date or for which the amount of the outflow of assets cannot be determined with sufficient reliability.

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

Segment reporting

The strategic and operational location functions are combined in Berlin. Accordingly, the intangible assets, property, plant and equipment and right-of-use assets are located in Germany. In accordance with internal management, the elumeo Group bundles its business activities in a segment that corresponds to the continuing operations of the consolidated financial statements.

Recognition 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. The recognition is made in the amount of the consideration that the Group is expected to receive in exchange for these goods or services. In principle, the Group has come to the conclusion that it acts as principal in its sales transactions, as it has control over the goods or services before they are transferred to the customer. Revenue will be reduced by revenue reductions.

Earnings recognition also requires the fulfillment of the following recognition criteria:

- In the case of the sale of goods to customers, the provision of services is generally present at the time when the goods have become the economic property of the customer. The elumeo Group recognises sales on the assumption that the average postal delivery time for the goods to be delivered is an estimated two days. The transfer of beneficial ownership, including the associated significant risks and opportunities, is not linked to the transfer of legal ownership.
- If return rights have been agreed for product sales, the turnover will only be realized if corresponding empirical values are available. On the basis of this experience from the past, the expected returns are estimated in terms of amount and accrued in order to reduce sales.

Expected returns

elumeo shows the expected return of goods gross in the income statement and reduces the proceeds by the estimated returned turnover in full. The outgoing goods recorded as an expense during

shipping is corrected in the amount of the estimated returns. elumeo also reflects the expected return of goods in the gross balance sheet. In this case, a claim for the surrender of goods from expected returns is capitalized in the other assets. The amount of the asset corresponds to the cost of the delivered goods for which a return delivery is expected. In addition, a provision will be recognized and thus the previously recorded sales will be corrected 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 business software used, including web applications, as well as user software such as mobile apps. The costs incurred for development activities, which mainly comprise personnel costs, were not capitalized, but recognized as an expense in the consolidated income statement, as the capitalization requirements were not met overall.

F. Significant judgements, estimates and assumptions

The preparation of the consolidated financial statements in accordance with IFRSs requires the Board of Directors and extended management to make judgments, estimates and assumptions that have an impact on the accounting policies used in the consolidated financial statements and the assets, liabilities, financial position and results of operations presented and related disclosures. Although these judgments, estimates and assumptions are made to the best of the knowledge of the Board of Directors and extended management based on current events and actions, actual results may differ from these judgments, estimates and assumptions.

Assumptions, estimates and the exercise of discretion are applied in particular in the following areas:

1. recognition and measurement of provisions, in particular measurement of expected return rates;
 2. Determination of recoverability and determination of asset tax deferrals on loss carryforwards;
- Please refer to the explanatory notes to the consolidated balance sheet.
 - All assumptions and estimates are based on the circumstances and estimates as of the reporting date and the expected future business development of the Group, taking into account the expected development of its economic environment. To the extent that these conditions develop differently, the assumptions and carrying amounts of the recognised assets and liabilities are adjusted accordingly.

G. Adjustments in the consolidated financial statements

- Within the consolidated income statement, adjustments were made to the financial statements that did not have a material impact on the presentation of the Group's net assets, financial position and results of operations. For the previous year, non-periodic administrative costs of EUR 147 thousand were reclassified to other operating expenses.

H. Explanatory notes to the consolidated statement of comprehensive income

(1) Revenues

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Revenue from product sales	45,799	50,617	99.9%	-9.5%
Other revenue	45	60	0.1%	-25.1%
Revenue	45,844	50,677	100.0%	-9.5%

The following table shows the composition of proceeds from product sales by geographical region of customers:

EUR thousand % of revenues from product sales	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Germany	36,674	39,542	78.1%	-7.3%
Italy	2,738	4,589	9.1%	-40.3%
Italy	2,047	2,247	4.4%	-8.9%
Other countries	4,340	4,239	8.4%	2.4%
Revenue from product sales	45,799	50,617	100.0%	-9.5%

(2) Cost of sales

The cost of sales is as follows:

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Material costs	20,557	22,822	45.0%	-9.9%
Change in inventory of finished goods, work in progress and merchandise	-100	-1,020	-2.0%	90.2%
Cost of goods sold	20,657	21,802	43.0%	-5.3%

(3) Marketing costs

Selling/distribution expenses include the following expenses:

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Broadcasting and channel rental costs	5,502	7,601	15.0%	-27.6%
Personnel expenses	5,809	5,391	10.6%	7.8%
Payment costs	624	582	1.1%	7.2%
Sales and marketing expenses	3,644	2,803	5.5%	30.0%
Expenses from share-based remuneration	56	27	0.1%	110.2%
Depreciation, amortization and impairment loss	340	411	0.8%	-17.3%
Other selling expenses	1,978	1,928	3.8%	2.6%
Selling expenses	17,953	18,742	37.0%	-4.2%

Selling expenses decreased in 2022 compared to the previous year. This was mainly due to the lower costs of TV broadcasting as a result of the optimisation of the Italian TV business and the fact that the previous year was burdened by EUR 1,250 thousand due to the creation of a provision for obligations arising from the change of an Italian reach provider. Personnel costs increased by EUR 449 thousand as a result of the share program launched in the 2022 financial year. For further information on the share program launched in 2022, please refer to the explanations under item H.(9) "Personnel expenses and expenses from share-based payments".

(4) Administrative costs

The administrative costs are as follows:

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Personnel expenses	4,586	3,786	7.5%	21.1%
Depreciation, amortization and impairment loss	601	540	1.1%	11.4%
Equity-settled share-based remuneration	197	100	0.2%	98.1%
Legal advice costs	648	889	1.8%	-27.2%
Postal, telecommunication, IT costs	470	412	0.8%	14.2%
Rent and lease expenses	26	68	0.1%	-61.2%
Repairs and maintenance	135	179	0.4%	-24.5%
Expenses for third-party services and fees	430	593	1.2%	-27.6%
Recruiting costs	92	179	0.4%	-48.7%
Reporting, bookkeeping and audit fees	243	178	0.4%	36.7%
Travel expenses	155	98	0.2%	58.6%
Other administrative expenses	1,208	1,326	2.6%	-8.9%
Administrative expenses	8,791	8,348	16.5%	5.3%

Personnel costs include expenses for employees, for the maintenance and development of the company's software consisting of in-house web applications and user software such as mobile apps and smart TV apps. Personnel costs increased by EUR 651 thousand due to the share program launched in the 2022 financial year and the increased development costs for the video shopping app Jooli. For further information on the share program launched in 2022, please refer to the explanations under item H.(9) "Personnel expenses and expenses from share-based payments".

(5) Other operating income

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
VAT clearing vehicle benefit	22	19	0.0%	15.3%
Operating income from related parties	11	11	0.0%	0.0%
Gains from foreign currency translation	20	54	0.1%	-63.6%
Income resulting from past reporting periods	300	19	0.0%	>1.000%
Reimbursements from Expenditure Compensation Act	1	54	0.1%	-98.2%
Proceeds from the sale of depreciated assets	0	58	0.1%	-100.0%
Miscellaneous other operating income	206	245	0.5%	-15.8%
Other operating income	560	460	0.9%	21.7%

Non-period income includes, among other things, the reversal of impairments on receivables (EUR 122 thousand). Other operating income mainly relates to income from the reduction of liabilities (EUR 67 thousand), investment promotion for digital projects (EUR 50 thousand) and fringe tax benefits (EUR 22 thousand).

(6) Other operating expenses

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Expenses relating to other periods	385	268	0.5%	43.5%
Net losses from foreign currency translation	21	0	0.0%	n.a
Other operating expenses	407	268	0.5%	51.7%

Other operating expenses relate to cost of sales and insurance premiums from other periods.

(7) Financial

Interest and similar expenses relate to interest expense on lease liabilities related to leased property in accordance with IFRS 16.

(8) Taxes on income and earnings

Taxes on income and earnings include current taxes paid or owed in the individual countries on income and deferred taxes. The taxes on income and earnings are made up of trade tax and corporation tax plus solidarity surcharge in Germany and the corresponding foreign taxes on income and earnings.

For financial years 2022 and 2021, the total tax rate of the parent company elumeo SE – including the statutory corporate tax rate (15.00%) plus solidarity surcharge (5.50%) and trade tax (14.35%) – amounts to a total of 30.175%.

The expected taxes on income and earnings that would have resulted from applying elumeo SE's total tax rate of 30.175% to earnings before taxes (EBT) of the elumeo Group can be transferred to the actual taxes on income and earnings as follows:

	01.01. - 31.12.2022	01.01. - 31.12.2021
kEUR		
Earnings before income taxes from continuing operations	-1.469	1.919
Earnings before income taxes from discontinued operations	100	3.850
Earnings before income taxes from continuing and discontinued operations	-1.369	5.768
Total tax rate of elumeo SE	30,175%	30,175%
Expected tax expense (-) / income (+)	413	-1.740
Use of non-capitalized tax loss carryforwards	201	1.317
Reversal or recognition of deferred tax assets on loss carryforwards	-1.950	3.549
Non-recognition of deferred tax assets on current losses	-703	-202
Reversal or recognition of temporary differences for the none deferred taxes have been recognized	191	1.559
tax rate differences	4	-19
Non-deductible expenses and tax-free income	-95	-627
Commercial tax modifications		
Share-based payment [IFRS 2]	-76	-38
Aperiodic tax expense/income	119	-166
Miscellaneous	-29	-111
Actual taxes on income and earnings	-1.926	3.520
-/+ Income tax expense/income	119	-642
-/+ Expense/income from deferred taxes	-2.045	4.162
Taxes on income and earnings	-1.926	3.520

As of December 31, 2022, the preliminary amount of tax loss carryforwards in Germany amounts to approximately EUR 63.6 million (December 31, 2021: EUR 61.3 million) for corporate income tax purposes and approximately EUR 62.3 million (December 31, 2021: EUR 60.0 million) for trade tax purposes. The elumeo Group did not capitalize any deferred taxes on unused tax loss carryforwards for corporate income tax purposes of EUR 57.4 million (previous year: EUR 49.5 million) and EUR 56.1 million (previous year: EUR 48.2 million) for trade tax purposes.

On the basis of its analysis of compliance with country-specific tax regulations and transfer pricing, the elumeo Group comes to the conclusion that, although an adjustment of loss carryforwards for selected reporting periods is generally not likely, it cannot be completely ruled out. As a result, this could result in an adjustment of the unused tax loss carryforward.

In principle, the tax loss carryforwards can only be used by the company where 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 in principle be offset against the future taxable profits of the respective companies for an unlimited period of time.

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

(9) Personnel expenses and share-based payment expenses

The personnel expenses of the elumeo Group are as follows:

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021	YoY in %
Wages and salaries	8,342	7,664	8.8%
Social security contributions	2,054	1,514	35.7%
Expense from AOP	253	126	100.6%
Personnel expenses	10,649	9,304	14.5%

Personnel costs increased due to the share program launched in the 2022 financial year.

With the employee share program launched in 2022, employees and managing directors were granted the opportunity to subscribe for a limited number of shares in elumeo SE at a takeover price of EUR 3.10 per share. The aim of this measure was to increase employee loyalty and contribute to the private wealth accumulation of employees.

For this purpose, a special payment was made to the participating employees, recognized in profit or loss, in the amount of the total issue price of the shares subscribed by each of them.

The cash contributions to be made by employees in the amount of the issue price for the subscription of the new shares were up to 23 September, December 2022. There are no ancillary obligations within the meaning of Section 185 (1) sentence 3 no. 2 AktG. The employees made use of this offer in the amount of 177,420 new shares and paid the issue price of a total of EUR 550,002 in full in cash to the company's capital increase account (see also item I.(20) "Contributions made for the implementation of the resolved capital increase").

In order to implement this program, the Board of Directors of elumeo SE resolved on November 23, 2022 to increase the share capital from the current EUR 5,500 thousand to up to EUR 5,700 thousand. The issue price of EUR 3.10 per share was determined on the basis of the volume-weighted average XETRA closing price of the last five days prior to the capital increase resolution. For further explanations regarding the capital increase resolved in 2022 and carried out after the reporting date, please refer to item I.(18) "Equity" and item J. "Events after the balance sheet date".

Personnel costs due to the cash payout of the share program launched in the 2022 financial year amounted to EUR 1,111 thousand.

The cost of old-age provision amounted to EUR 650 thousand (previous year: EUR 643 thousand).

(10) Earnings per share

Basic and diluted earnings per share are calculated as follows:

Earnings per share and number of shares	01.01. - 31.12.2022	01.01. - 31.12.2021	YoY in %
Earnings for the period from continuing operations	-3,394	5,439	-162.4%
<i>Earnings of shareholders of elumeo SE</i>	-3,394	5,439	-162.4%
Earnings per share in EUR (basis and diluted) applied to earnings of shareholders total			
- undiluted	-0.62	0.99	-162.4%
- diluted	-0.62	0.98	-162.8%
<u>Average number of shares outstanding</u>			
- basic	5,500,000	5,500,000	0.0%
- diluted	5,500,000	5,535,390	-0.6%
Earnings for the period from discontinuing operations	100	3,850	-97.4%
Earnings per share in EUR (basis and diluted) applied to earnings of shareholders total			
- undiluted	0.02	0.70	-97.4%
- diluted	0.02	0.70	-97.4%
<u>Average number of shares outstanding</u>			
- basic	5,500,000	5,500,000	0.0%
- diluted	5,500,000	5,535,390	-0.6%
Earnings after tax from continuing and discontinuing operations	-3,294	9,288	-135.5%
<i>Earnings of shareholders of elumeo SE</i>	-3,294	9,288	-135.5%
Earnings per share in EUR (basis and diluted) applied to earnings of shareholders total			
- undiluted	-0.60	1.69	-135.5%
- diluted	-0.60	1.68	-135.7%
<u>Average number of shares outstanding</u>			
- basic	5,500,000	5,500,000	0.0%
- diluted	5,500,000	5,535,390	-0.6%

As of the reporting date, 425,102 (previous year: 425,102) of share-based payments offset by equity instruments (see item I. (20)) had potential dilutive options, of which 425,102 (previous year: 380,582) were not taken into account in the calculation of diluted earnings per share, as they did not result in a dilution effect. From the decision adopted in 2022 and in 2023 executed capital increase As of the

reporting date, there were 177,420 potentially dilutive shares. Since the share of earnings attributable to the shareholders of elumeo SE in 2022 is negative, the inclusion of 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 the 2022 financial year in accordance with IAS 33 (earnings per share).

I. Notes to the consolidated balance sheet

(11) Intangible assets

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

EUR thousand	assets
<u>Historical cost</u>	
Balance: 01.01.2022	1,438
Additions	1
Balance: 31.12.2022	<u>1,439</u>
<u>Amortization</u>	
Balance: 01.01.2022	1,101
Additions	82
Balance: 31.12.2022	<u>1,183</u>
<u>Carrying amount</u>	
Balance: 31.12.2022	336
Balance: 31.12.2022	<u>256</u>

The intangible assets acquired for consideration mainly comprise licenses purchased for a fee as well as application, office and ERP software, which are depreciated as planned over the expected useful life of the company. Total research and development expenses amounted to EUR 582 thousand (previous year: EUR 467 thousand).

In 2021, intangible assets developed as follows:

EUR thousand	assets
<u>Historical cost</u>	
Balance: 01.01.2021	1,438
Balance: 31.12.2021	1,438
<u>Amortization</u>	
Balance: 01.01.2021	1,008
Additions	93
Balance: 31.12.2021	1,101
<u>Carrying amount</u>	
Balance: 31.12.2020	429
Balance: 31.12.2021	336

(12) Fixed assets

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

EUR thousand	Own land and buil- dings, leasehold improve- ments	Plant and machi- nery	Other equip- ment, furniture and fixtures	Total
<u>Historical cost</u>				
Balance: 01.01.2022	1.092	3.024	2.561	6.677
Additions	0	2	57	58
Balance: 31.12.2022	1.092	3.026	2.618	6.735
<u>Depreciation</u>				
Balance: 01.01.2022	823	2.469	2.236	5.527
Additions	58	231	141	430
Balance: 31.12.2022	881	2.700	2.377	5.958
<u>Carrying amount</u>				
Balance: 31.12.2021	269	555	325	1.150
Balance: 31.12.2022	211	326	241	778

The following table shows the development of property, plant and equipment in the 2021 financial year:

EUR thousand	Own land and buil- dings, leasehold improve- ments	Plant and machi- nery	Other equip- ment, furniture and fixtures	Total
<u>Historical cost</u>				
Balance: 01.01.2021	1,052	2,895	2,375	6,323
Additions	0	135	219	355
Rebooking	40	-6	-33	0
Balance: 31.12.2021	1,092	3,024	2,561	6,677
<u>Depreciation</u>				
Balance: 01.01.2021	765	2,208	2,071	5,044
Additions	58	261	165	484
Balance: 31.12.2021	823	2,469	2,236	5,527
<u>Carrying amount</u>				
Balance: 31.12.2020	287	687	304	1,278
Balance: 31.12.2021	269	555	325	1,150

(13) Assets from 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 depending on the evolution of the consumer price index, as well as payments related to non-leasing components (e.g. service costs). Other leases recognized under right-of-use assets relate to storage locations.

General information on leases

EUR thousand % of revenue	01.01. - 31.12.2022	01.01. - 31.12.2021		YoY in %
Wages and salaries	65	58	0.1%	11.1%
Social security contributions	0	21	0.0%	-100.0%
Total cash outflows for leases	484	442	0.9%	9.4%

Right-of-use assets

The following table shows the development of the carrying amount of right-of-use assets in the 2022 and 2021 financial years.

TEUR	Rights of use (land and buildings)	
	2022	2021
Book value as of 01.01.	2,148	2,686
Avenues	366	0
Depreciation	-429	-374
Other changes/departures	0	-164
Book value as of 31.12.	2,085	2,148

Lease liabilities

Lease liabilities are broken down as follows:

	31.12.2022	31.12.2021	YoY in %
EUR thousand % of balance sheet total			
Non-current lease liabilities	1,757	1,887	-6.9%
Current lease liabilities	449	373	20.5%
Total	2,206	2,259	-2.4%

Future potential outflows of cash from extension and termination options that are not included in the measurement of lease liabilities amount to EUR 2,799 thousand as of December 31, 2022.

For the maturity analysis of lease liabilities, please refer to the explanations of financing and liquidity risk under Item I.

(14) Supplies

The inventories at the respective balance sheet dates are composed as follows:

	31.12.2022	31.12.2021	YoY in %
EUR thousand % of balance sheet total			
Raw materials, consumables and supplies	277	265	4.4%
Unfinished goods	1,574	1,080	45.8%
Finished goods and merchandise	11,189	11,791	-5.1%
Inventories	13,041	13,137	-0.7%

The elumeo Group reviewed inventories for possible impairment. As a result, it was found that the net realisable value of inventories exceeded the acquisition and production costs of the elumeo Group. As in the previous year, there was therefore no need for impairment as of the balance sheet date.

(15) Trade receivables

Trade receivables are due at short notice.

The following table provides information on trade receivables:

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Receivables due from end customers and payment merchants	1,710	2,266	32.5%
Receivables from B2B business	0	0	0.0%
Trade receivables	1,710	2,266	32.5%

The developments in the impairment of trade receivables were as follows:

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Status 01.01.	-107	-39	-174.1%
Impairment losses recognized	63	-67	194.0%
Allocation	-59	-67	11.9%
Dissolution / excise	122	0	n.a.
Total	-44	-107	58.6%

(16) Other financial assets

Other financial assets comprise the following:

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Security deposits and other warranties	19	19	0.0%
Receivables due from employees (there of related: 2021: 43k€, 2020: 58k€)	28	43	-35.3%
Receivables from third parties	10	10	0.0%
Non-current other financial assets	57	72	-20.9%
Security deposits and other warranties	143	162	-11.4%
Creditors with debit balances	262	558	-53.1%
Prepayments made	5	5	8.2%
Receivables due from employees	2	3	-40.6%
Current other financial assets	412	728	-43.4%
Other financial assets	469	799	-41.4%

(17) Other assets

The other assets are composed as follows:

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Receivables from taxes	162	221	-26.7%
Non-current other non-financial assets	162	221	-26.7%
Deferred expenses	24	75	-67.6%
Receivables from taxes	346	298	16.4%
	98	0	n.a.
Receivables from goods returns	156	400	-61.1%
Miscellaneous other receivables	53	122	-56.9%
Current other non-financial assets	677	895	-24.3%
Other non-financial assets	839	1,116	-24.8%

(18) Currency

Cash and cash equivalents include bank balances and cash equivalents.

(19) EquitySubscribed capital

The subscribed capital of elumeo SE as of December 31, 2022 amounts to a total of EUR 5,500,000 (December 31, 2021: EUR 5,500,000) and is divided into 5,500,000 no-par value bearer shares with a notional interest in the subscribed capital of EUR 1.00 per share.

Authorization to acquire treasury shares

Pursuant to Section 71 (1) No. 8 of the German Stock Corporation Act, the Company is authorized to acquire treasury shares in a volume of up to 10.0% of the subscribed capital existing at the time of the resolution until June 24, 2025. As of December 31, 2022, no treasury shares were held, unchanged from the previous year.

Capital reserves

The capital reserves as of December 31, 2022 amounted to EUR 34,821 thousand (December 31, 2021: EUR 34,567 thousand). In the 2022 financial year, only amounts from share-based compensation commitments in accordance with IFRS 2 of EUR 253 thousand (previous year: EUR 126 thousand) were allocated to the capital reserve.

Authorized Capital

By resolution of the Annual General Meeting on June 25, 2021, the Board of Directors of elumeo SE was authorized to increase the share capital once or several times, 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 until June 24, 2026 (**Authorized Capital 2021/I**). In principle, shareholders must be granted subscription rights. The Board of Directors is authorized to exclude the statutory subscription rights of shareholders to issue shares under shareholding or other share-based programs against cash and/or non-cash contributions to employees of the Company or an

affiliated company, whereby the employment relationship with the Company or an affiliated company must exist at the time of the commitment to issue shares.

In connection with the share plan for employees and managing directors launched in 2022 (see point H.(9) "Personnel expenses and expenses from share-based payments"), the Board of Directors resolved on the basis of this authorization on November 23, 2022 to increase the Company's share capital from currently EUR 5,500,000 by up to EUR 200,000 to up to EUR 5,700,000 against cash contributions. With regard to the capital increase carried out on this basis in the following year, please refer to item J. "Events after the reporting date".

Contingent capital

Contingent capital 2021/I

By resolution of the Annual General Meeting on June 25, 2021, the Board of Directors was authorized to issue until June 24, 2026 (inclusive) one-time or multiple bearer convertible bonds or bonds with warrants (hereinafter collectively referred to as "Bonds") with or without a term limit with a total nominal amount of up to EUR 150,000,000 and to issue conversion and/or option rights and/or conversion obligations to the holders or creditors of bonds or to grant or determine option obligations to subscribe for a total of up to EUR 2,000,000 new no-par value bearer shares of the Company with a pro rata amount of the share capital totalling up to EUR 2,000,000 in accordance with the terms and conditions of the bonds. 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 purpose of the conditional capital increase is to grant shares to holders or creditors of convertible bonds and/or bonds with warrants issued as of June 24, 2026 (inclusive) by the Company or a domestic or foreign company in which the Company holds a direct or indirect majority of the votes and capital.

Contingent capital 2021/II

By resolution of the Annual General Meeting on June 25, 2021, the Board of Directors was authorized to grant stock option rights (2021 stock option program). The Board of Directors (without the involvement of members of the Board of Directors who are also Managing Directors, to the extent that option rights are granted to Managing Directors) was authorized to grant option rights to Managing Directors until June 24, 2026, once or repeatedly – to the extent that issued option rights expire or otherwise expire – to subscribe for a total of up to 200,000 new no-par value bearer shares of the Company to Managing Directors of the Company, to employees of the Company as well as 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 Company's share capital 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 June 25, 2021. The conditional capital increase will only be carried out to the extent that the holders of option rights issued by June 24, 2026 in accordance with the authorization resolution of the Annual General Meeting of June 25, 2021 (agenda item 10 lit. b)) make use of their subscription rights to no-par value shares of the Company.

Of the 200,000 warrants,

- 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)

can be output. The Board of Directors of the Company has been authorized to determine the further details of the option conditions and the issue of subscription shares with regard to Group A without the participation of members of the Board of Directors who are also Managing Directors and with the approvals of committees at the respective affiliated companies, if applicable, and with the approvals of committees at the respective affiliated companies.

Taking into account the requirements contained in the resolution of the Annual General Meeting of the Company on June 25, 2021 regarding the key features of the 2021 Stock Option Plan, the Board of Directors of the Company has determined the following option conditions of the 2021 Stock Option Plan regarding the issuance of option rights to employees of companies affiliated with the Company ("AOP 2021 AN VU").

The stock options will be issued subject to the following conditions:

GROUP OF BENEFICIARIES

The Board of Directors of the Company determines the individual beneficiaries and the number of stock options to which they are to be invited. The persons invited by the Board of Directors are referred to as "beneficiaries".

If, in the case of an affiliated company, there is a mandatory legal or contractual competence of a body of this affiliated company with regard to the remuneration of a beneficiary, the invitation to purchase option rights vis-à-vis this beneficiary is subject to the consent of this beneficiary.

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

At the time the options are granted, the beneficiaries must be in an unterminated employment relationship with a company affiliated with the company. Shareholders do not have subscription rights.

TRANCHES, DURATION, DATE OF ISSUE

The Board of Directors of the Company decides – to the extent absolutely required by law or contractually, with the consent of the competent body of the affiliated company – on the number of stock options to be issued to the respective beneficiaries.

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

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

In accordance with the authorization resolution of the Annual General Meeting, option rights may be granted in several tranches – if option rights issued expire or otherwise expire repeatedly – by 24

June 2026, but at the earliest after the entry of the Conditional Capital 2021/II in the Commercial Register. The registration took place on 09 July 2021.

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

1. a consolidated half-yearly financial report pursuant to Sections 115 and 117 No. 2 of the German Securities Trading Act or
2. a voluntary consolidated quarterly financial report for the third quarter in accordance with the requirements of §§ 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 § 53 (1) of the Exchange Rules for the Frankfurt Stock Exchange for the third quarter, or
3. a consolidated annual financial report pursuant to Sections 114 and 117 No. 1 of the German Securities Trading Act

Lie.

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

CONTENTS OF THE OPTIONS

Each option right entitles the beneficiary to subscribe for a no-par value bearer share of 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 will participate in the profits from the beginning of the previous financial year, otherwise from the beginning of the financial year in which they are created, provided they are created by the beginning of the Annual General Meeting of the Company.

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

EXERCISING THE OPTIONS

Latency

Beneficiaries can exercise the option rights at the earliest after a waiting period of four years, starting on the date of issue.

Forfeiture upon termination of employment

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, there is a forfeiture of 1/16 of the option rights for every three months or part thereof that the end of the employment relationship is before the end of the waiting period; Fractions of remaining option rights are rounded up to the nearest full number. There is no forfeiture of option rights in the event that a beneficiary commences an employment or employment relationship with another company participating in the 2021 stock option program immediately after the end of the employment relationship with the company affiliated with the company; this does not

apply – and there is a forfeiture of the option rights – in the event that the beneficiary receives option rights on the basis of the stock option program of the other company.

Strike Price/Success Target

1. The strike price to be paid when exercising the right to subscribe for a share ("Strike Price") corresponds to the unweighted average of the closing prices of the Company's shares on the five trading days prior to the date of issue of the respective option right.
2. In any case, however, at least the lowest issue amount within the meaning of Art. 5 of Council Regulation (EC) No. 2157/2001 on the Statute for a European Company (SE) ("SE-VO") in conjunction with Section 9 (1) of the German Stock Corporation Act as an exercise price.
3. The prerequisite for exercising any 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 requirement is met for a specific exercise period, it can be exercised during this exercise period regardless of the further development of the Company's share.
4. The strike price will be determined immediately after the date of issue and communicated to the beneficiary.
5. The beneficiary is obliged to pay the Company the exercise price for the option rights exercised by him immediately after filing the subscription declaration for the new shares to the Company's bank account specified in the subscription declaration.
6. The Company is entitled to reject the subscription declaration regarding the exercise of option rights and the issuance of shares if the Beneficiary of the Company does not pay the exercise price on time.

As of December 31, 2022, the Board of Directors has issued the following tranches from the AOP 2021:

- October 27, 2021: 154,500 option rights to subscribe for 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 of the share to be paid after the end of the vesting period upon exercise of the option rights.

Contingent capital 2015/II

By resolution of the Annual General Meeting on June 25, 2021, the conditional capital resolved by the Annual General Meeting on April 7, 2015 (**Conditional Capital 2015/II**) was canceled when it exceeds an amount of EUR 350,000. By resolution of the Annual General Meeting on June 25, 2021, the Board of Directors was authorized 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). The Contingent Capital 2015/ II is intended exclusively for the granting of new shares to the holders of option rights issued by the Company in accordance with the authorization resolution of the Annual General Meeting of April 7, 2015 (AOP 2015).

As of December 31, 2022, the Board of Directors issued the following tranches from the AOP 2015:

- July 1, 2015: 151,000 option rights to subscribe for 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 of the share to be paid after the end of the vesting period upon exercise of the option rights,

- December 23, 2015: 10,000 option rights to subscribe for 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,
- July 18, 2016: 128,500 option rights to subscribe for 128,500 shares with a pro rata amount of the subscribed capital of EUR 128,500 ("Tranche III/2015") and an exercise price to be paid of EUR 6.39 per share,
- August 30, 2017: 8,000 option rights to subscribe for 8,000 shares with a pro rata amount of the subscribed capital of EUR 8,000 ("Tranche IV/2015") and an exercise price to be paid of EUR 7.72 per share,
- November 20, 2017: 10,000 option rights to subscribe for 10,000 shares with a pro rata amount of EUR 10,000 of the subscribed capital ("Tranche V/2015") and an exercise price to be paid of EUR 9.95 per share,
- October 8, 2018: 2,000 option rights to subscribe for 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,
- November 22, 2018: 20,000 option rights to subscribe for 20,000 shares with a pro rata amount of EUR 20,000 of the subscribed capital ("Tranche VII/2015") and an exercise price of EUR 1.73 per share.
- November 18, 2019: 40,000 option rights to subscribe for 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.

The number of option rights outstanding as of December 31, 2022 differs from the number of option rights originally issued due to the early departure of employees.

(20) Share-based payments offset by own equity instruments

Stock Option Plan 2015 (AOP 2015)

The outstanding option rights from the AOP 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 of elumeo SE on the balance sheet date (December 31, 2021: 272,602 shares). The option rights become exercisable provided that, firstly, the beneficiaries complete the intended period of service of a partial tranche, secondly, the capital market-based performance target set out in the AOP 2015 is met, thirdly, the standstill period has expired and, fourthly, a fixed total profit from the exercise of the option rights is not exceeded (exercise block). Each option right entitles the holder to subscribe for 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 AOP 2015 developed as follows:

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

Key terms and conditions of the issued tranches of the AOP 2015:

Reason for change	Number of option rights	Weighted average exercise price in EUR
Number of option rights outstanding on 1 January 2022	272.602	13,48
Option rights granted during the reporting period	0	0,00
Option rights forfeited during the reporting period	0	0,00
Option rights exercised during the reporting period	0	0,00
Option rights expired during the reporting period	0	0,00
Number of option rights outstanding on 31 December 2022	272.602	13,47
Number of option rights outstanding on 1 January 2021	272.602	13,48
Option rights granted during the reporting period	0	0,00
Option rights forfeited during the reporting period	0	0,00
Option rights exercised during the reporting period	0	0,00
Option rights expired during the reporting period	0	0,00
Number of option rights outstanding on 31 December 2021	272.602	13,48

	<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
Maturity 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)	2,5	2,9	3,5	4,6
Exercise Price	25,00	19,64	6,39	7,72
Hurdle	32,50	25,53	8,31	10,04
Number of option rights outstanding on 31.12.2021	113.660	2.500	102.942	6.125
Number of option rights outstanding on 31.12.2022	113.660	2.500	102.942	6.125

	<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
Maturity 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)	4,8	5,8	5,8	6,8
Exercise Price	9,95	1,95	1,73	1,00
Hurdle	12,94	2,54	2,25	1,30
Number of option rights outstanding on 31.12.2021	3.125	500	3.750	40.000
Number of option rights outstanding on 31.12.2022	3.125	500	3.750	40.000

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

The input parameters incorporated into the valuation model were derived as follows:

- The share value used was determined on a transactional basis on the basis of historical share purchases.
- The expected volatility is based on historical data from listed peer companies.

- The expected option maturities and the probability of occurrence of the maturity-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 2022 financial year, expenses of EUR 2 thousand (previous year: EUR 7 thousand) were recognized for the share-based compensation commitments from the AOP 2015.

Stock Option Plan 2021

The option rights issued under the AOP 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 152,500 shares of elumeo SE on the balance sheet date. The option rights become exercisable provided that, firstly, the beneficiaries complete the intended period of service of a partial tranche, secondly, the capital market-based performance target set out in the AOP 2021 is met, thirdly, the standstill period has expired and, fourthly, a fixed total profit from the exercise of the option rights is not exceeded (exercise block). Each option right entitles the holder to subscribe for 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 AOP 2021 has developed as follows:

Number of option rights outstanding on 01.01.2022	154.500	0,00
Option rights granted during the reporting period	0	0,00
Option rights forfeited during the reporting period	0	0,00
Option rights exercised during the reporting period	0	0,00
Option rights expired during the reporting period	0	0,00
Number of option rights outstanding on 31.12.2022	154.500	0,00

Beneficiaries may exercise vested option rights for a limited period of ten years (starting from the date of grant). The option rights are exercisable against payment of the strike price. As of the balance sheet date, no options from Tranche 1 of the AOP 2021 can be exercised.

In the 2022 financial year, expenses of EUR 251 thousand (previous year: EUR 119 thousand) were recognized for the share-based compensation commitments from the AOP 2021.

Key terms and conditions of the issued tranche of the AOP 2021:

	<u>I/2021</u>
Issue Date	27.10.2021
Maturity Date	27.11.2025
Expiry Date	26.10.2031
Remaining Term (in years)	8,8
Exercise Price	6,17
Hurdle	8,02
Number of option rights outstanding on 31.12.2021	152.500
Number of option rights outstanding on 31.12.2022	152.500

The weighted average fair value of the stock options granted in the previous year at the grant date was EUR 4.10.

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

The scenario-weighted input parameters used in detail for the valuation of the Tranche I option rights granted in 2021 are summarised below:

Parameters AOP 2022	Tranche
for the option rights granted in fiscal year 2022	I/2022
Weighted average share price in EUR	6,85
Weighted average exercise price in EUR	6,17
Expected volatility in %	62,21%
Expected option term in years	7,05
Expected dividend in %	0,00%
<u>Risk-free interest rate with equivalent term incl. risk-premium in %</u>	<u>-0,28%</u>

The input parameters incorporated into the valuation model were derived as follows:

- The unit value used was determined on a transaction-by-transaction basis on the basis of the closing price.
- The estimate of the expected volatility is based on the historical volatility of the elumeo SE share over a period of time that generally corresponds to the expected term of the options. If there was not sufficient information about a corresponding period to determine 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 that employees tend to prefer early exercise.
- The term-equivalent, risk-free interest rate is based on the interest rate structure published by the Deutsche Bundesbank for listed German government securities.

(21) Contributions made for the implementation of the resolved capital increase

The contributions made to carry out the resolved capital increase relate to payments for the capital increase resolved on November 23, 2022 and carried out in 2023 in connection with the share program for employees and managing directors launched in 2022. For further explanations, please refer to points H.(9) "Personnel expenses and expenses from share-based payments", I.(19) "Authorized capital" and J. "Events after the reporting date.

(22) Other financial liabilities

Other financial liabilities are as follows:

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Credit card liabilities	275	0	n.a.
Credit card liabilities	0	5	-105.2%
Debitors with credit value	436	481	-9.4%
Current other financial liabilities	711	486	46.3%
Debitors with credit value	69	0	n.a.
Current other financial liabilities	69	0	n.a.
Other financial liabilities	779	486	60.5%

(23) Advances from demand

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %	01.01.2021
Advance payments received	40	138	-71.4%	133
Total	40	138	249.9%	133

The advance payments received relate to advance payments from customers for the delivery of goods. The amount of EUR 138 thousand (previous year: EUR 13 thousand 3) included in the advance payments received as of December 31, 2021 was recognized as revenue in the 2022 financial year.

(24) Accruals

The development of provisions was as follows:

EUR thousand	Carrying amount 01.01.2022	Additions	Re- classification	Reversal	Usage	Carrying amount 31.12.2021
Expected customer returns	1,089	383	0	0	-1,089	383
Obligations arising from the change of Italian reach provider	906	0	-906	0		
Obligations arising from non-cancelable contracts, severance payments as well as other obligations in connection with the closure of the location in Rome	233	0	0	-4	-24	205
In terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK	175	0	0	-100	-50	25
Current provisions	2,402	383	-906	-104	-1,163	613
In terms of nature, amount and utilization uncertain obligations in connection with the discontinued operation PWK	130	0	0	0	0	130
Obligations arising from the change of Italian reach provider	344		-344	0	0	0
Non-current provisions	474	0	-344	0	0	130
Provisions	2,876	383	-1,250	-104	-1,163	743

The reclassifications relate to the adjustment of the presentation between provisions and other financial liabilities.

In the previous year, provisions developed as follows:

	Carrying amount 01.01.2021	Additions	Re- classification	Reversal	Usage	Carrying amount 31.12.2021
TEUR						
Expected customer returns	855	1,089	0	-855	0	1,089
According to type, amount & claim- Taking uncertain obligations Payments in the PWK Division	175	0	0	0	0	175
Short-term provisions	1,343	1,995	-80	-855	0	2,403
According to type, amount & claim- Taking uncertain obligations In connection with the PWK Division Obligations arising from the change Italian reach provider	3,972	0	-3,842	0	0	130
	0	344	0	0		344
long-term provisions	3,972	344	-3,842	0	16	474
provisions	5,315	2,339	-3,922	-855	16	2,876

Expected customer returns

The elumeo Group records obligations arising from the right of its customers to return delivered products after receipt of the delivery of 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 arising from the change of Italian range provider

The provision in 2021 was based on management's decision to reduce Juwelo's 24-hour distribution in Italy to a 7-hour broadcast window. The amount of the provision was determined on the basis of the expected payments to the Italian reach provider for the years 2023 and 2024. In 2022, the remaining amount of the provision was reclassified to other financial liabilities.

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

In November 2019, the Board of Directors decided to close the sales office in Rome. The use of the provision relates to severance payments to employees. The provision as of December 31, 2022 is mainly made up of uncertain obligations from additional payments for waste disposal and back tax payments.

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

On the basis of updated information, the probability of a claim is seen as reduced. The amount of provisions was reduced to EUR 155 thousand. In addition, reference is made to the sections Discontinued operations of the elumeo Group and Other financial obligations and contingent liabilities.

(25) Tax liabilities

Tax liabilities relate to income taxes and are composed as follows as of the respective balance sheet date:

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Tax liabilities of Juwelo Italia s.r.l.	30	100	-69.6%
Tax liabilities of Juwelo Deutschland GmbH	0	354	-100.0%
Tax liabilities of elumeo SE	288	288	0.0%
Tax liabilities	318	742	-57.1%

elumeo SE has tax liabilities for the years 2021 and 2020 due to positive taxable income. Since 31 December 2017, the elumeo Group has been reporting tax liabilities for potential income tax risks relating to the 2014 and 2015 financial years in connection with an external tax audit at the subsidiary in Italy. A dispute settlement procedure (EU Arbitration Convention) has been initiated on the results of the external audit.

The elumeo Group assumes that tax liabilities will continue to be due within one year.

(26) Other liabilities

The other liabilities as of the respective balance sheet date are composed as follows:

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Liabilities from value added tax	1,442	1,176	22.7%
Liabilities to employees	192	189	1.4%
Liabilities from wage and church tax	420	94	348.6%
Miscellaneous other liabilities	226	0	n.a.
Liabilities from audit fees	164	207	-21.0%
Other accrued liabilities	26	24	11.3%
Current other non-financial liabilities	2,470	1,690	46.2%
Other accrued liabilities	25	25	0.0%
Non-current other non-financial liabilities	25	25	0.0%
Other non-financial liabilities	2,495	1,715	45.5%

Other liabilities increased due to the central processing of all VAT reporting and payment obligations through the one-stop-shop procedure and the wage tax and social security contributions from the share program.

(27) Additional Information on the Consolidated Statement of Cash FlowsGeneral Information

The consolidated statement of cash flows has been prepared in accordance with IAS 7 *Statement of Cash Flows* and shows the change in the elumeo Group's cash and cash equivalents over the course of the reporting period due to cash inflows and outflows.

In accordance with IAS 7, cash flows are reported separately according to origin and use from operating activities and from investing and financing activities. Cash inflows and outflows from operating activities are derived indirectly on the basis of earnings before taxes (EBT). The cash inflows and outflows from investing and financing activities are determined directly. Cash and cash equivalents comprise freely available cash on hand, cheques and credit balances at credit institutions.

As of the balance sheet date, the cash and cash equivalents consisted exclusively of freely available cash and cash equivalents of EUR 1,410 thousand (previous year: EUR 2,759 thousand). As of the balance sheet date, there were no negative components of the cash and cash equivalents in the form of short-term overdrafts.

Changes in liabilities arising from financing activities

In the 2022 and 2021 financial years, the changes in liabilities from financing activities only relate to the cash-effective repayment of lease liabilities in the amount of EUR 419 thousand (previous year: EUR 384 thousand) and non-cash additions to lease liabilities in the amount of EUR 366 thousand (previous year: EUR 0 thousand).

Exchange rate changes (other comprehensive income) includes currency translation differences resulting from the translation of financial statements prepared in foreign currency. In the 2022 and 2021 financial years, the changes in liabilities from financing activities do not include any amounts from exchange rate changes recognized in the consolidated income statement.

(28) Deferred taxes

Deferred taxes are recognized on differences between the carrying amount recognized in the IFRS consolidated financial statements and the carrying amount for tax purposes as well as on unused tax loss carryforwards to the extent that there is a reasonable likelihood of future drawdown.

The elumeo Group has recognized deferred tax assets on deductible temporary differences in inventories (elimination of intermediate profits included), in the accounting for leases in accordance with IFRS 16 (accounting for right-of-use assets and lease liabilities) and on unused tax loss carryforwards. The tax rate used as a basis includes trade tax, corporate income tax and the solidarity surcharge. The corporate tax rate for the 2022 assessment period, taking into account the solidarity surcharge, was 15.8%. The relevant trade tax rate was 14.8%.

As of the reporting dates of the reporting period and the comparative period, the deferred tax assets shown below are shown.

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Deferred taxes on right-of-use assets and lease liabilities	37	34	10.2%
Deferred taxes on provisions from the change of the Italian TV provider	0	377	-100.0%
Deferred taxes on intercompany eliminations	142	203	-29.9%
Capitalized tax loss carryforwards	1,976	3,549	-44.3%
Payables due to related parties	2,155	4,162	-48.2%

In the 2022 financial year, deferred tax liabilities of EUR 37 thousand (previous year: EUR 0 thousand) were recognized on temporary differences in the recognition of trade receivables.

(29) Additional information on financial instruments

Composition of financial instruments included in the balance sheet

EUR thousand % of balance sheet total	31.12.2022	31.12.2021	YoY in %
Other current financial assets	57	72	-20.9%
Other non-current financial assets	412	728	-43.4%
Trade receivables	1,710	2,266	-24.6%
Cash and cash equivalents	1,410	2,759	-48.9%
Current other financial assets	3,588	5,825	-38.4%
Other non-current financial liabilities	69	0	n.a.
Other non-current financial liabilities	711	486	46.3%
Non-current lease liabilities	1,757	1,887	-6.9%
Current lease liabilities	449	373	20.5%
Trade payables	4,944	5,945	-16.8%
Non-current other financial assets	7,929	8,690	-8.7%

All financial assets and financial liabilities, with the exception of lease liabilities, are classified in amortized cost. The carrying amounts correspond approximately to the fair values.

Net income from financial instruments

Due to the repayment of loan liabilities and the low volume of business in foreign currencies, there are no significant net results from financial instruments. With regard to value adjustments, we refer to trade receivables.

J. Other disclosures

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 negative effects on the earnings position 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 processed on a EURO basis. Thus, there is only a medium risk due to currency fluctuations. Nevertheless, there are margin risks due to devaluations of currencies in the sales territories. These are caused by the increased acquisition costs in USD, the rupee and the Thai baht. .

Risk

Default risk refers to the risk of default by a customer or other contractual partner of a financial instrument that results in assets, financial assets or receivables reported in the consolidated balance sheet having to be subject to a value adjustment. The maximum default risk corresponds to the carrying amounts of these assets.

The default risk for trade receivables is low, as the deliveries of goods are usually made against advance payment, credit card payment or cash on delivery or assignment to intermediary payment processing service providers who bear the default risk. In addition, the risk of default is limited by the large number and regional distribution of customers. The default risk is taken into account by a lump-sum impairment based on experience and taking into account the age structure. Uncollectible receivables are written down in full or, in the event of default, recognized in profit or loss as an expense in the consolidated income statement.

For the development of value adjustments on trade receivables, please refer to the explanations under point H. (15).

In the case of trade receivables, there is no significant concentration of default risk overall.

In principle, default risks also exist in respect of receivables from related parties and other financial assets.

In addition, there is a risk of default on cash and cash equivalents in that financial institutions will not be able to meet their obligations. The maximum exposure corresponds to the carrying amounts of the relevant financial assets as of the respective reporting date. This default risk is limited by the fact that the investment is made with various large credit institutions with a high credit rating.

Despite continuous monitoring, the elumeo Group cannot fully rule out the possibility of a loss from a default by one of the contracting parties. The maximum default risk for all classes of financial assets, without taking into account any additional collateral, is equal to 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 pay its financial liabilities when they fall due. Therefore, the primary goal of liquidity management is to ensure solvency at all times. Through the ongoing planning of liquidity requirements and the monitoring of liquidity, the risk is reduced. The elumeo Group manages liquidity by maintaining sufficient cash and cash equivalents in addition to the cash inflow from the operating business.

The following table shows the maturity structure of financial liabilities and the associated future cash outflows as of the reporting date. The table shows the contractually agreed (non-discounted) interest

and principal payments of the original financial liabilities at their negative fair value. All financial instruments recognised in the balance sheet were included that were in the portfolio of the elumeo Group as of 31 December 2022 and for which payments had already been contractually agreed or cash outflows were sufficiently certain. Any amounts in foreign currencies are generally translated at the closing rate on the balance sheet date. The amounts for floating rate financial instruments have been determined using the interest rates of the last interest rate determination before or at the balance sheet date. Financial liabilities that can be repaid at any time are always assigned to the period at which the earliest repayment is possible. Target figures for future new financial liabilities were not taken into account.

EUR thousand	Carrying amount	Contractual cash flows			
	31.12.2021	2023		2024-2027	
		Interest	Repay-ments	Interest	Repay-ments
Trade payables	4,944	0	-4,944	0	0
Other financial liabilities	779	0	-779	0	0
Lease liabilities	2,206	-53	-449	-89	-1,757
Summe	7,929	-53	-6,173	-89	-1,757

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

Capital management

The objectives of the elumeo Group's capital management are to ensure short-term solvency as well as to secure the capital base for the ongoing financing of the growth project 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 monitored on an ongoing basis on the basis of various performance indicators and financial indicators, including the equity ratio on a consolidated basis. The equity determined in accordance with the IFRSs for the elumeo Group should not be less than 50.0% of total assets. The Group's equity ratio was 46.8% as of the reporting date (December 31, 2021: 49.2%) and thus fell below the target value of 50%.

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

Related party transactions

The elumeo Group identifies the group of related parties in accordance with IAS 24 *Disclosures on related party relationships*.

Key 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 shareholdings in related parties of elumeo SE, in particular:
 1. UV Interactive Services GmbH, Berlin, Germany ("UVIS"), of which 100.0% of the shares are held by Mr. Boyé,
 2. the shareholder Blackflint Ltd., Paphos, Cyprus ("BFL"), whose shares are 100.0% held by UVIS,
 3. Spreekanal Berlin GmbH, Berlin, Germany ("Spreekanal GmbH"), 100.0% of whose shares are held by UVIS,
- the members of the Board of Directors of elumeo SE, including members who have resigned, been dismissed and newly appointed during the year, as well as managing directors who are not members of the Board of Directors.
- the shareholder Mr. Wolfgang Boyé, Berlin, Germany, as well as holding companies directly or indirectly controlled by him, which in turn hold shareholdings in related parties of elumeo SE, in particular:
 1. UV Interactive Services GmbH, Berlin, Germany ("UVIS"), of which 100.0% of the shares are held by Mr. Boyé,
 2. the shareholder Blackflint Ltd., Paphos, Cyprus ("BFL"), whose shares are 100.0% held by UVIS,
 3. Spreekanal Berlin GmbH, Berlin, Germany ("Spreekanal GmbH"), 100.0% of whose shares are held by UVIS,
- the members of the Board of Directors of elumeo SE, including members who have resigned, been dismissed and newly appointed during the year, as well as managing directors who are not members of the Board of Directors.

In the 2022 financial year, the following significant transactions were made with related parties:

- Managing Directors
 - In the 2022 financial year, the managing directors received remuneration of EUR 683 thousand (previous year: EUR 463 thousand). This includes expenses for payments in connection with the share program launched in 2022 in the amount of EUR 290 thousand. For further information on the share program, please refer to item H. (9) "Personnel expenses and expenses from share-based payments".
 - In this context, the Managing Directors subscribed for 49,779 new no-par value bearer shares against cash contributions in the 2022 financial year at a total issue price of EUR 154 thousand with dividend rights as of January 1, 2023. The issue price of EUR 3.10 per share was determined on the basis of the volume-weighted average XETRA closing price of the last five days prior to the capital increase resolution.
 - As of December 31, 2022, the total number of outstanding option rights of the Managing Directors amounts to 102,500 option rights (December 31, 2021: 102,500 option rights). The fair value of the total of 60,000 option rights issued and outstanding to Managing Directors in the 2021 financial year amounted to EUR 246 thousand at the time of grant.

Other financial obligations and contingent liabilities

The elumeo Group has payment obligations arising from non-terminable contractual agreements on the distribution and broadcasting of its television programmes and the management of Program slots. In some cases, they include renewal options, termination rights and price adjustment clauses.

The future minimum gross payments as of 31 December 2022 and 2021 due to non-cancellable TV broadcast and programme slot management contracts are shown in the following table:

TEUR	Restlaufzeit			Summe
	< 1 Jahr	1-5 Jahre	> 5 Jahre	
31.12.2022	5.814	7.365	478	13.657
31.12.2021	6.306	7.522	478	14.306

The calculation of the future gross minimum payments was based on the earliest possible termination date of the contracts.

In connection with the disorderly winding-up of PWK, there are contingent liabilities of EUR 3,842 thousand, unchanged from the previous year.

Additional explanations in accordance with the German Commercial Code (HGB)

Shareholdings

In the 2022 financial year, elumeo SE held 100% of the shares in the following companies, directly or indirectly via intermediary subsidiaries. With the exception of PWK, which is currently being wound up, the companies will be fully consolidated.

company	location	functional currency	equity		annual results	foot- note
			31.12.2021	31.12.2021		
		EUR thousand	31.12.2021	31.12.2021	01.01.- 31.12.2021	
Juwelo Deutschland GmbH	Berlin	EUR	-13,683	227	-3,399	1
jooli.com GmbH	Berlin	EUR	-501	25	-1,251	1
Juwelo Italia s.r.l.	Rom	EUR	-663	10	-72	12
Juwelo USA, Inc.	Wilmington	USD	-717	0	0	13
Silverline Distribution Ltd.	Hongkong	EUR	861	1	64	1
PWK Jewelry Company Ltd.	Bangkok	THB		- in process -		

1. The disclosures correspond to those in the annual financial statements prepared for consolidated financial statement purposes (consolidated accounting). The possible effects of IFRS 16 Leases have been taken into account.

2. The information on shareholders' equity is based on translation at the spot rate on the balance sheet date without consideration of the allocation to the reserve for currency translation from the translation of the foreign currency financial statements.

Application of exemptions

Pursuant to Section 291 (2) of the German Commercial Code (HGB), Juwelo Deutschland GmbH makes use of the option of exemption from the obligation to prepare consolidated financial statements and a group management report.

Employees

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

	01.01. - 31.12.2022	01.01. - 31.12.2021	YoY in %
full-time equivalents			
	223	223	0.1%

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 Declaration.

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

Notifications of voting rights

In the 2022 financial year, elumeo SE received notifications pursuant to Section 33 et seq. of the German Securities Trading Act (WpHG), which can be accessed on the Company's website under <http://www.elumeo.com/investor-relations/aktuelle-mitteilungen/stimmrechtsmitteilungen>.

The Board of Directors

The company has a monistic management structure with the Board of Directors as the central management and control body. The Board of Directors of elumeo SE consists of the Managing Directors and the Non-Executive Members.

During the 2022 financial year, the following persons were managing directors and members of the Board of Directors, respectively:

Managing directors	Profession	End of appointment
Florian Spatz (sole powers of representation since 27 Apr 2020)	Merchant	
Boris Kirn (sole powers of representation since 13 Feb 2015)	Merchant	30 June 2026
Dr. Riad Nourallah (sole powers of representation since 01 Nov 2020)	Merchant	

Executive Board	Profession	Latest end of appointment
Wolfgang Boyé (Chairman of the Board) (since 21 July 2014)	Merchant	30 June 2026
Dr. Frank Broer (Vice-Chairman of the Board) (since 12 December 2018)	Merchant	30 June 2027
Gregor Faßbender-Menzel (since 29 May 2015)	Merchant	30 June 2027
Claudia Erning (since 25 June 2021)	Merchant	30 June 2027
Boris Kirn (since 13 February 2015: Member of the Executive Board, since 13 February 2015: Appointment as Managing director)	Merchant	30 June 2026
Claudia Erning (since 25 June 2021)	Merchant	0 January 1900

In the 2022 financial year, no member of the Board of Directors was a member of supervisory boards and other supervisory bodies within the meaning of Section 125 (1) sentence 5 AktG.

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

Fees for auditing and consulting services pursuant to Section 314 (1) No. 9 of the German Commercial Code (HGB)

The fees recognized as expenses for the auditor, Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Berlin, in the year under review, amount to the following without usual expenses:

- for audit services EUR 195 thousand (of which EUR 55 thousand for the previous year).

The auditor's fees recognized as expenses in the previous year amounted to EUR 120 thousand for audit services.

Events after the balance sheet date

With the approval of the Board of Directors, the capital increase resolved in 2022 has been carried out. The share capital was increased by EUR 177,420.00 from EUR 5,500,000.00 to EUR 5,677,420.00. The entry in the commercial register took place on February 17, 2023. For further explanations of the capital increase resolved in 2022, please refer to point H. (18) "Equity".

UniCredit Bank AG granted a framework credit line of EUR 1,000 thousand as of March 25, 2023. The borrowing rate is 5.75% per annum and is based on the development of the monthly average rate for EURIBOR – three-month money. The commission for the credit line is 0.50% on the loan amount committed but not used.

In the report for the third quarter of 2022, elumeo SE reported on a defamation lawsuit filed by Kat Florence Design Ltd, Miami, USA against elumeo SE. On February 7, 2023, as expected, this lawsuit was dismissed by the Federal Court of the United States of America, based in Miami, Florida, USA.

On 21 February 2023, the Berlin Court of Appeal found that the contract concluded between the parties on 15 January 2016 under the name Exclusive Distribution Agreement had not been terminated on 3 September 2018 by the defendant's termination of 3 September 2018 and continued to

exist beyond 3 September 2018 without notice until 15 January 2021. The law firm Hahn und Partner Rechtsanwälte mbB was instructed to file an action for damages for the loss of profit for the year 2020 of up to EUR 1,066 thousand against Kat Florence Design Limited.

Berlin, 27 April 2023

elumeo SE

The Managing Directors



Florian Spatz



Boris Kirn



Dr. Riad Nourallah



INSURANCE OF LEGAL REPRESENTATIVES

Declaration pursuant to Section 37v (2) No. 3 of the German Securities Trading Act (WpHG)

"To the best of our knowledge, we affirm that, in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the elumeo Group, taking into account the principles of proper accounting, and that the management report presents the course of business, including the results of operations, and the position of the elumeo Group in such a way that a true and fair view is given as well as the main opportunities and risks of the expected development of the elumeo Group are described."

Berlin, den 27. April 2023

elumeo SE

The Managing Directors

Florian Spatz, Boris Kirn, Dr. Riad Nourallah

INDEPENDENT AUDITOR'S REPORT

To elumeo SE, Berlin

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED GROUP REPORT

Audit opinions

We have prepared the consolidated financial statements of elumeo SE, Berlin, and its subsidiaries (the Group) – consisting of the consolidated balance sheet as of December 31, 2022, the consolidated income statement and consolidated statement of 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 January 1, 2022 to December 31, 2022, including a summary of significant accounting policies. In addition, we have audited the combined group management report of elumeo SE for the financial year from 1 January 2022 to 31 December 2022. We have not audited the content of the components of the combined group management report mentioned in the "Other Information" section of our auditor's report in accordance with German legal requirements.

In our opinion, based on the findings of the audit,

- the attached consolidated financial statements comply in all material respects with IFRSs as adopted in the EU and with the additional German legal requirements applicable pursuant to Section 315e (1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the net assets and financial position of the Group as of December 31, 2022 and its results of operations for the financial year from January 1, 2022 to December 31, 2022, and
- the attached combined group management report provides an accurate overall view of the Group's position. In all material respects, this combined group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined group management report does not extend to the content of the elements of the combined group management report mentioned in the "Other information" section.

Pursuant to Section 322 (3) sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the combined group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the combined group management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Auditor Regulation (No. 537/2014; hereinafter referred to as "EU-APrVO") in compliance with the German Generally Accepted Standards for the Audit of Financial Statements promulgated by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these rules and principles are described in more detail in the section "Auditor's Responsibility for the Audit of the Consolidated Financial Statements and the Combined Group Management Report" of our Report. We are independent of the Group companies in accordance with European law, German commercial law and professional law regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with Art. 10 para. 2 letter f) EU-APrVO that we have not provided any prohibited non-audit services pursuant to Art. 5 para. 1 EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as the basis for our audit opinions on the consolidated financial statements and the combined group management report.

Particularly important audit matters in the audit of the consolidated financial statements

Particularly important audit matters are those matters which, in our dutiful judgment, were most significant in our audit of the consolidated financial statements for the financial year from January 1, 2022 to December 31, 2022. These matters were taken into account in connection with our audit of the consolidated financial statements as a whole and in the formation of our opinion on them; we do not give a separate opinion on these matters.

Revenue recognition and revenue accrual

Related information in the Consolidated Financial Statements and Combined Group 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 deferred income in the Notes to the Consolidated Financial Statements. The sales markets and sales strategy are described in the combined group management report in section A. "Fundamentals of the Group – Business model and – Strategy and objectives of the Group".

Facts and risk for the audit

In the 2022 financial year, the elumeo SE Group generated revenues of € 45.8 million. The elumeo SE Group generates its revenues mainly from the sale of gemstone jewellery via electronic sales channels. In the consolidated financial statements of elumeo SE, revenues are generally recognised when the performance obligation is fulfilled by transferring the promised product to the customer. An asset is deemed to have been transferred when the customer acquires control over that asset. The recognition of sales revenues is based on the assumption that the goods have been received by the customer two days after shipment. In accordance with the transfer of power of disposal, revenue in accordance with the provisions of IFRS 15 in the elumeo SE Group is recognised at the amount to which the Group is expected to be entitled. Expected returns of merchandise are estimated on the basis of empirical values and reduce sales to the full extent of the proceeds from the sale. Due to the materiality of revenue for the consolidated financial statements and the existing discretion in determining the date of receipt and deferred revenue, we have identified the recognition of revenue and deferred revenue as a particularly important audit matter.

Audit procedure and findings

As part of our audit, we assessed the accounting and valuation requirements applied in the consolidated financial statements for the recognition of revenue on the basis of the criteria defined in IFRS 15. In addition to analytical audit procedures, we carried out an assessment of the control environment and the controls in place to record sales revenues and expected returns on an accrual basis. In random samples, we have traced the existence of associated trade receivables.

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

We were able to satisfy ourselves that the systems and processes put in place as well as the accounting and valuation requirements applied are appropriate and that the estimates and assumptions made by the executive directors are sufficiently substantiated to ensure the proper accounting of revenues.

Valuation of inventories

Related information in the Consolidated Financial Statements and Combined Group Management Report

Information on the valuation of inventories can be found in Section E. "Accounting policies" and Section I "Explanation of the consolidated balance sheet – inventories" in the Notes to the Consolidated Financial Statements.

Facts and risk for the audit

Inventories are almost unchanged from the previous year at € 13.0 million. This corresponds to around 57% of total assets and thus represents a significant part 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. Within the framework of the valuation routines, there is also room for discretion in assessing the mobility of certain inventories. Against this backdrop, inventories were a particularly important audit issue in the context of our audit.

Audit procedure and findings

As part of our audit, we analyzed the processes implemented by the executive directors as well as the accounting and valuation requirements for valuing inventories for possible risk of error and gained an understanding of the process steps. In addition, we evaluated the basic effectiveness of the controls implemented by the legal representatives to evaluate inventories, and we also tested certain particularly important controls for their operational implementation. We also interviewed the legal representatives of elumeo SE and other employees of the Group regarding the scope of discretion in determining valuation discounts. In order to identify anomalies, we have analyzed the current valuation compared to the previous year. We also examined the valuation of inventories and the data basis used for this purpose in random samples. In doing so, we have included both the historical sales prices and current offer prices of the merchandise in our analysis.

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

Additional Information

The legal representatives or the board of directors are responsible for the other information. Other information includes the following unaudited items of the combined group management report:

- the Corporate Governance Declaration pursuant to Sections 289f of the German Commercial Code (HGB) and 315d of the German Commercial Code (HGB), to which reference is made in the combined group management report.
- the disclosures not included in the management report under Section I. "Sustainability Report / Non-Financial Group Statement"; Disclosures not included in the management report are disclosures that are not required by Sections 315 et seq. of the German Commercial Code (HGB).

Other information also includes:

- the insurance companies pursuant to Section 297 (2) sentence 4 of the German Commercial Code (HGB) and Section 315 (1) sentence 5 of the German Commercial Code (HGB) to the consolidated financial statements and the combined group management report,
- the report of the Board of Directors, and
- the remaining parts of the Annual Report – without further cross-references to external information – with the exception of the audited consolidated financial statements and the combined group management report as well as our auditor's report.

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

Our opinions on the consolidated financial statements and the combined group management report do not extend to other information, and accordingly we do not express an opinion or any other form of audit conclusion thereon.

In connection with our audit, we have a responsibility to read the Other Information and to assess whether the Other Information:

- have material inconsistencies with the consolidated financial statements, the combined group management report or our knowledge gained during the audit, or
- otherwise appear to be materially misrepresented.

Responsibility of the executive directors and the Board of Directors for the consolidated financial statements and the combined group management report

The executive directors are responsible for the preparation of the consolidated financial statements, which in all material respects comply with IFRSs as adopted by the EU and, in addition, applicable German legal requirements pursuant to Section 315e (1) of the German Commercial Code (HGB), and for ensuring that the consolidated financial statements give a true and fair view of the net assets, liabilities, financial position and results of operations of the Group in compliance with these requirements. In addition, the executive directors are responsible for the internal controls they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements due to fraudulent acts (i.e., accounting manipulation and financial loss) or error.

When preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they have the responsibility to disclose facts related to the continuation of the business activities, if relevant. In addition, they are responsible for accounting on the basis of the going concern accounting principle, unless there is an intention to liquidate the group or to cease operations or there is no realistic alternative to it.

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

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

Responsibility of the auditor for the audit of the consolidated financial statements and the combined group management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatements due to fraudulent acts or errors, and whether the combined group management report as a whole gives an accurate view of the position of the Group and is consistent in all material respects with the consolidated financial statements and with the findings of the audit. complies with German legal requirements and accurately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and the combined group management report.

Reasonable assurance is a high degree of assurance, but not a guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation in compliance with the German Generally Accepted Standards for the Audit of Financial Statements (IDW) will always reveal material misrepresentation. Misstatements may result from fraudulent acts or errors and are considered material if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions of users made on the basis of these consolidated financial statements and the combined group management report.

During the audit, we exercise dutiful discretion and maintain a critical attitude. In addition

- identify and assess the risks of material misstatements in the consolidated financial statements and the combined group management report due to fraudulent acts or errors, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our opinions. The risk that material misrepresentations resulting from fraudulent actions will not be detected is higher than the risk that material misrepresentations resulting from errors will not be detected, as fraudulent acts may involve collusion, falsification, intentional incompleteness, misrepresentation, or override of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the combined group management report in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of these systems.
- we assess the adequacy of the accounting policies used by the executive directors and the defensibility of the estimated values and related disclosures presented by the executive directors.
- we draw conclusions about the appropriateness of the going concern accounting policy applied by the executive directors and, based on the audit evidence obtained, whether there is material uncertainty related to events or circumstances that may raise significant doubts about the Group's ability to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention to the related disclosures in the consolidated financial statements and the combined group management report in the auditor's report or, if such disclosures are inappropriate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit report. However, future events or circumstances may mean that the Group will no longer be able to continue its business activities.
- we assess the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in

compliance with IFRS as adopted by the EU and the additional German legal requirements applicable in accordance with Section 315e (1) of the German Commercial Code (HGB), give a true and fair view of the assets, liabilities, financial position and results of operations of the Group.

- we obtain sufficient appropriate audit evidence for the accounting information of the companies or business activities within the group to express audit opinions on the consolidated financial statements and the combined group management report. We are responsible for guiding, supervising and conducting the audit of the consolidated financial statements. We are solely responsible for our opinions.
- we assess the consistency of the combined group management report with the consolidated financial statements, its compliance with the law and the view of the Group's position that it conveys.
- we perform audit procedures on the forward-looking disclosures presented by the executive directors in the combined group management report. In particular, on the basis of sufficient suitable audit evidence, we reproduce the significant assumptions on which the forward-looking disclosures are based by the executive directors and assess the appropriate derivation of the forward-looking disclosures from these assumptions. We do not express an independent opinion on the forward-looking disclosures or the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss, among other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control system, that we identify during our audit.

We make a statement to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be expected to affect our independence and, where relevant, the actions taken or taken to eliminate threats to independence Protective measures.

Of the matters that we have discussed with those responsible for monitoring, we determine those matters that were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the most important audit matters. We describe these facts in the auditor's report, unless laws or other regulations preclude the public disclosure of the facts.

OTHER LEGAL AND OTHER LEGAL REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and the combined group management report prepared for disclosure purposes in accordance with Section 317 (3a) of the German Commercial Code (HGB)

Audit

In accordance with Section 317 (3a) of the German Commercial Code (HGB), we have carried out an audit with reasonable certainty as to whether the reproductions of the consolidated financial statements and the combined group management report (hereinafter also referred to as "ESEF documents") contained in the file 391200KOQF8RGMZ3XK74-2022-12-31-de.zip (MD5 hash value: 5dd567cfa29830f7de1cc1dbb2823f86) and prepared for disclosure purposes comply with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format ("ESEF format") in all material concerns. In accordance with German law, this audit covers only the conversion of the information in the consolidated financial statements and the combined group management report into ESEF format and therefore does not cover the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproductions of the consolidated financial statements and the combined group management report contained in the above-mentioned file and prepared for disclosure purposes

comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format. In addition to this opinion and our opinions on the accompanying consolidated financial statements and the accompanying combined group management report for the financial year from January 1, 2022 to December 31, 2022, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Group Management Report" above, we do not express any opinion on the information contained in these reproductions or on the others contained in the above-mentioned file information.

Basis for the opinion

We conducted our audit of the reproductions of the consolidated financial statements and the combined group management report contained in the above-mentioned file in accordance with Section 317 (3a) of the German Commercial Code (HGB) in compliance with the IDW Auditing Standard: Audit of electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 (3a) of the German Commercial Code (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised) is carried out. Our responsibilities are described in more detail in the section "Responsibility of the Auditor of the Consolidated Financial Statements for the Audit of the ESEF Documents". Our auditing practice has applied the requirements for the quality assurance system of the IDW Quality Assurance Standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1).

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

The Company's executive directors are responsible for the preparation of the ESEF documents with the electronic reproductions of the consolidated financial statements and the combined group management report in accordance with Section 328 (1) sentence 4 no. 1 of the German Commercial Code (HGB) and for the marking of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 of the German Commercial Code (HGB).

Furthermore, the Company's executive directors are responsible for the internal controls they deem necessary to enable the preparation of ESEF documents that are free from material – intentional or unintentional – violations of the requirements of Section 328 (1) of the German Commercial Code (HGB) for the electronic reporting format.

The Management Board is responsible for overseeing the preparation of the ESEF documentation as part of the accounting process.

Responsibility of the auditor of the consolidated financial statements for the audit of the ESEF documents

Our objective is to obtain sufficient certainty as to whether the ESEF documents are free from material – intentional or unintentional – violations of the requirements of Section 328 (1) of the German Commercial Code (HGB). During the audit, we exercise dutiful discretion and maintain a critical attitude. In addition

- identify and assess the risks of material breaches of the requirements of Section 328 (1) of the German Commercial Code (HGB), whether intentional or unintentional, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our opinion.
- we gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an opinion on the effectiveness of those controls.
- we assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815 as in force on the balance sheet date for the technical specification for this file.

- we assess whether the ESEF documents allow for an identical XHTML reproduction of the audited consolidated financial statements and the audited combined group management report.
- assess whether the mark-up of the ESEF documents using Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as in force on the balance sheet date, allows for an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Other information pursuant to Art. 10 EU-APrVO

We were elected as auditors of the consolidated financial statements by the Annual General Meeting on June 28, 2022. We were appointed by the Board of Directors on January 19, 2023. We have been acting as auditors of elumeo SE since the 2021 financial year.

We declare that the opinions contained in this audit report are consistent with the additional report to the Board of Directors pursuant to Art. 11 EU-APrVO (audit report).

OTHER FACTS – USE OF THE AUDITOR'S REPORT

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

RESPONSIBLE AUDITOR

The auditor responsible for the audit is Frank Pannewitz.

Berlin, 27 April 2023

Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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The annual report is also available in English. In case of differences, the German version shall prevail.

The digital version of this Annual Report of elumeo SE as well as the interim reports are available in the Internet is available at www.elumeo.com in the section "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 should not be construed as guarantees of future developments and results referred to 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.