Consolidated Financial Statements 2022

For the financial year ended
31 December 2022

momox Holding SE

Report of the Supervisory Board

Work of the Supervisory Board

In the fiscal year 2022, as the Supervisory Board of momox Holding AG, and as the Supervisory Board of momox Holding SE since its constitution as such on December 5, 2022, the Supervisory Board has performed the duties necessary pursuant to the law, the articles of association and the rules of procedure and monitored the management conducted by the Management Board.

Thanks to the regular, prompt, and comprehensive reporting of the Management Board, the Supervisory Board has been able to engage with the situation and performance of the company in depth. To this end, it has obtained detailed information about the course of business as well as about fundamental issues of business policy from the Management Board in written and oral reports, discussed significant transactions with the Management Board in depth, and made the decisions that have been required. Furthermore, the Supervisory Board has taken note of the Group's risk situation and risk management system, deviations from the planning and targets as well as measures to counteract these. In the process, the Supervisory Board has been able to satisfy itself at all times of the legality, usefulness and propriety of the Management Board's work. The Supervisory Board has been involved in decisions of fundamental importance for the company.

Composition of the Supervisory Board and of the Audit Committee

In the fiscal year 2022, the Supervisory Board of momox Holding SE continued the work of the Supervisory Board of momox Holding AG after its appointment on December 5, 2022, with no changes in regard to personnel. The Supervisory Board currently consists of six members who are elected by the Annual General Meeting of shareholders. Five of the six Supervisory Board members were elected in the course of the change of form of the company into a European Company by resolution on conversion of December 5, 2022. An additional member was appointed by the majority shareholder. The Supervisory Board members are all familiar with the sector in which the company operates and bring the expertise that is required to their work.

The Supervisory Board has also established an Audit Committee. The Audit Committee of momox Holding AG was incompletely staffed in fiscal year 2022 until March 22, 2022. An additional member was appointed to the Audit Committee of momox Holding AG at the Supervisory Board meeting on March 20, 2022. In the context of the conversion of momox Holding AG into a European Company, the Audit Committee of momox Holding SE was established with the same composition by resolution of the Supervisory Board of momox Holding SE.

Annual and Consolidated Financial Statements as of December 31, 2022

The annual financial statement documents and the audit reports, in particular the annual financial statements prepared in accordance with the provisions of German commercial law, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), both as of December 31, 2022, the combined management report of the company and of the Group, and the non-financial Group report in accordance with Sections 315b and 315c German Commercial Code (HGB) in conjunction with Sections 289b through 289e German Commercial Code (HGB) for the fiscal year 2022 were submitted punctually to the Supervisory Board and Audit Committee so that there was sufficient opportunity to review them.

The financial statements and consolidated financial statements for the fiscal year 2022 prepared by the Management Board have been audited by the auditor, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, Berlin branch, which was elected by the Supervisory Board of momox Holding AG and, following the entry into effect of the company's change of form into a European Company (Societas Europaea, "SE"), engaged by the Supervisory Board of momox Holding SE, and it has furnished them with the unqualified auditor's report. The auditor for the fiscal year 2022 was elected on the recommendation of the Audit Committee of momox Holding AG. In the opinion of the auditor, the annual financial statements and the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations as well as of the cash flow of the company and of the Group in accordance with the accounting regulations.

Representatives of the auditor were present during the discussions of the Audit Committee on March 21, 2023, on the annual and consolidated financial statements as well as the balance sheet meeting of the Supervisory Board on March 28, 2023, and they reported on the material findings of the audits and were available to provide the Audit Committee and the Supervisory Board with additional information.

The Audit Committee and the Supervisory Board examined the documents for their part while taking the reporting mentioned above into consideration and approved the results of the audit.

Concluding Remarks

The Audit Committee proposed to the Supervisory Board that the financial statements prepared by the Management Board be adopted. Following its own review of the annual financial statements, the consolidated financial statements, and the combined management report, the Supervisory Board acknowledged and approved the relevant reports of the auditor. Based on the final results of the review by the Audit Committee and the Supervisory Board, no reservations were raised. The Supervisory Board agreed with the assessment of the future development of the company. The Supervisory Board adopted the annual financial statements and the consolidated financial statements at its meeting on March 28, 2023. The annual financial statements of momox Holding SE are thus approved.

The Supervisory Board also reviewed the proposal of the Management Board on the appropriation of the net retained profits and endorsed this proposal in due consideration in particular of the net income, the liquidity, and the financial planning of the company.

The Supervisory Board also acknowledged and approved the report of the Management Board on the related party disclosures in accordance with Section 312 of the German Stock Corporation Act (AktG) as well as the audit opinion pursuant to Section 313 para. 3 of the German Stock Corporation Act (AktG) drawn up on this by the auditor.

“On the basis of our audit and assessment carried out in accordance with our duties, we confirm that

1. The actual disclosures in the report are correct,

2. The performance provided by the company for the legal transactions listed in the report was not inappropriate or disadvantages were compensated,

3. The measures listed in the report contain no circumstances which are conducive to an assessment which differs materially from that of the Management Board.”

Based on the final result of its own review, no objections are to be raised by the Supervisory Board to the declaration of the Management Board on the report pursuant to Section 312 para. 3 of the German Stock Corporation Act (AktG).

The Supervisory Board thanks the Management Board, managers, and all employees of the momox Group for their great personal commitment and their performance in the fiscal year 2022.

Berlin, Germany, March 28, 2023

For the Supervisory Board

signed

Dr. Thomas Tochtermann
Chair of the Supervisory Board

Combined Group Management Report

for Fiscal Year 2022

A. Group profile

The momox Group (in short: “momox”) headquartered in Berlin is a major retailer of used articles from private sellers. The key focus of the momox Group here is articles such as books, media, and fashion. As a trailblazer and pioneer, momox has succeeded in establishing itself as one of the market leaders in re-commerce. Using different sales channels (medimops.de, momox-shop.fr, momoxfashion.com), momox benefits from the general development of the e-commerce market. Because of the very different private individuals who sell used articles and, on the other side, the connection to Amazon, eBay and other partner platforms, momox is very well positioned on the market.

Following the adoption of the shareholder resolution on December 5, 2022 and the entry in the commercial register on December 13, 2022, momox Holding AG as the parent company was converted into momox Holding SE. The conversion of the subsidiary momox AG into momox SE was entered in the commercial register on December 13, 2022. In addition to these two companies, the Group also comprises MOMOX Polska Sp. z o.o. and momox Services GmbH.

The management report and the group management report of momox Holding SE have been combined.

B. Economic report

1. Development of the economy as a whole

The German economy was impacted in 2022 by the Russian invasion of Ukraine, high inflation and supply constraints.[1] German gross domestic product grew by 1.9% in 2022 (previous year: 2.7%[2]) year on year from 2021.[3] The inflation rate rose from 3.1%[4] to 7.9% in the year under review.[5]

GDP in France (+2.6%) and Austria (+4.8%) also grew solidly, even if the pace of growth is likely to remain uneven across the individual countries and sectors.[6] The development of the economy in the euro area was impacted by the energy crisis, great uncertainty among consumers and companies, the global decline in business activities and tighter financing conditions.[7] Economic growth is therefore likely to decrease to 0.9% in 2023.[8]

2. Development of the sector

Re-commerce can be seen as an extension of the conventional value chain. Products that would normally “retire” from the goods cycle are brought back into it and supplied to a new end consumer.

Sales in the e-commerce sector are forecast to reach around EUR 119.40 billion (previous year: EUR 109,561 million) in Germany in 2023. Estimates indicate that a market volume of EUR 163.50 billion (2025: EUR 157.7 billion) can be reached by 2027. The e-commerce sector will thus boast expected annual growth (CAGR 2023-2027) of 8.18% (previous year: 11.32%). [9]

Based on consumers’ growing affinity for online shopping and the increasing awareness of re-commerce models, momox has a very positive outlook on the further development of the sector, which it believes has a high potential.

[1] German Federal Ministry for Economic Affairs and Climate Action (BMWK); January 2023: “Jahreswirtschaftsbericht 2023 – Wohlstand erneuern” (Annual Economic Report 2023 – Restoring prosperity)
[2] German Federal Ministry for Economic Affairs and Climate Action (BMWK); January 2022: “Jahreswirtschaftsbericht 2022: Transformation innovativ gestalten” (Annual Economic Report 2023 – Innovation in transformation)
[3] https://de.statista.com/statistik/daten/studie/2112/umfrage/veraenderung-des-bruttoinlandprodukts-im-vergleich-zum-vorjahr/
[4] https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/01/PD22_025_611.html
[5] https://www.destatis.de/DE/Presse/Pressemitteilungen/2023/01/PD23_022_611.html
[6] European Commission: “Winter 2023 Economic Forecast: EU Economy set to avoid recession, but headwinds persist”; available at: https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2023-economic-forecast-eu-economy-set-avoid-recession-headwinds-persist_en
[7] European Central Bank, Economic Bulletin, Issue 8 / 2022; available at: https://www.bundesbank.de/resource/blob/903052/fa32a4fea4c10247022f9daa5a1e9cb4/mL/2022-08-ezb-wb-data.pdf
[8] European Commission: “Winter 2023 Economic Forecast: EU Economy set to avoid recession, but headwinds persist”; available at: https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/winter-2023-economic-forecast-eu-economy-set-avoid-recession-headwinds-persist_en
[9] https://de.statista.com/outlook/dmo/ecommerce/deutschland

A consolidation of the trend toward using articles in an environmentally friendly way and for longer can also be observed.[10]

3. Sales and order trends

Sales of the momox Group amounted to EUR 336,582 thousand in the fiscal year (previous year: EUR 335,137 thousand). This is an increase of EUR 1,445 thousand from the previous year. The vast majority of the sales are generated in Germany. On the product side, books, CDs, DVDs, video games, software, and clothing are bought and sold. The increase in sales that was projected in the previous year was thus not achieved in the context of the developments in that year. A key reason for this result can be found in the fall in market demand caused by the war in Ukraine and inflation.

4. Operating earnings

Operating earnings after tax amounted to EUR 2,557 thousand (previous year: EUR 1,980 thousand) and thus increased by EUR 577 thousand year on year. The envisaged forecast of earnings comparable to 2021 was thus exceeded, also explained by extraordinary items recognized in the previous year.

5. Procurement

The purchase of merchandise is of major importance for the success of momox. It proved possible to increase the quantity of purchased merchandise during the fiscal year 2022. Because of the demand pressure in sales, the focus in purchasing was placed on higher-quality products. Warehouse capacity and personnel were adjusted to the change in volumes.

6. Investments

The largest investments were made in the fixed assets (including warehouse technology and office equipment) and the increased build-up of jobs. The investments in the expansion of the warehouse in Leipzig (EUR 0.8 million) and Poland (EUR 1.3 million) were especially significant. The warehouse expansion in Leipzig had not yet been fully completed by the end of the fiscal year 2022.

7. Financing measures

The acquisition of the shares in the former momox GmbH by momox Holding SE was financed by the green bond in the amount of EUR 100 million that was issued on July 10, 2020; no new financing activities were carried out in 2022. The operating and investing activities are financed by cash flow from operations.

8. Staff and welfare

Additional personnel were recruited as a result of the planned expansion of the operating activities. The number of employees was reduced following the outbreak of the war in Ukraine, but it rose slightly on average from 2,207 employees as of December 31, 2021 to 2,232 in 2022. The number of temporary workers built up in the previous year was reduced to zero in the first quarter of this year.

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[10] ETC/WMGE Report 2/2021: „Business Models in a Circular Economy“; available at: https://www.eionet.europa.eu/etcs/etc-wmge/products/etc-wmge-reports/business-models-in-a-circular-economy
Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions (March 30, 2022): EU Strategy for Sustainable and Circular Textiles; available at: https://eur-lex.europa.eu/legal-content/DE/TXT/PDF/?uri=CELEX:52022DC0141&from=DE

9. Management Board's summary of the business performance and the economic environment

Overall, the economic environment in which the Group operates has to be regarded as challenging. Nevertheless, the momox Group was able to hold its ground in the fiscal year, and, against the background of the current challenges, momox judges the business performance and the economic situation to be positive overall.

C. Presentation of the company's position

1. Development of the net assets

Total assets of the momox Group increased by EUR 18,802 thousand or 8% to EUR 258,296 thousand.

On the assets side, the non-current assets increased to EUR 195,882 thousand essentially as a result of investments to expand the warehouse capacity in Leipzig and the lease of additional space.

Current assets rose by EUR 5,729 thousand to EUR 62,414 thousand. Cash and cash equivalents increased by EUR 10,956 thousand to EUR 38,056 thousand in particular as a result of the lower tax payments in line with the net income and well as the investments in warehouse capacity that were normalized again in the year under review. This contrasts with the decline in trade receivables by EUR 3,555 thousand (December 31, 2022: EUR 4,677 thousand; previous year: EUR 8,232 thousand), which can be attributed among other things to payment terms on the sales channels. In addition, income tax receivables were lower by EUR 1,101 thousand on account of excess payments to the tax office that were settled and current advance taxes.

On the liabilities side, the equity increased from EUR 75,536 thousand to EUR 77,890 thousand. This increase of EUR 2,354 thousand resulted primarily from the positive net profit for the period (net income for the year from the statement of comprehensive income). In addition, the non-current liabilities rose to EUR 143,177 thousand the result essentially of new and amended leases and the corresponding increase in lease liabilities by EUR 18,318 thousand.

The decline in trade payables (December 31, 2022: EUR 10,847 thousand; previous year: EUR 13,332 thousand) and provisions (December 31, 2022: EUR 4,117 thousand; previous year: EUR 6,253 thousand) as of the reporting date played a significant role in the decline in the current liabilities (December 31, 2022: EUR 37,229 thousand; previous year: EUR 37,955 thousand). The increase in income tax liabilities by EUR 1,999 thousand to EUR 2,188 thousand (see explanation on income tax receivables) and in the other non-financial liabilities by EUR 1,495 thousand to EUR 12,468 thousand resulting among other things from the creation of new jobs and correspondingly higher liabilities from wages and salaries had an opposite effect.

2. Development of the financial position

2.1 Cash flow

momox Holding SE and its subsidiaries were able to meet their payment obligations at all times in 2022. The company's management constantly monitors the liquidity situation and, if necessary, institutes appropriate measures to promptly prevent any liquidity shortages. The funds required for investments in the warehouse expansion and in the sale and marketing of the products were financed from the operating business and from cash liquidity. The interest payments to be made for the liabilities arising from the green bond were financed from the cash funds.

With the exception of the liabilities in connection with the green bond (see Section 10.14 in the notes to the consolidated financial statements) and the lease liabilities (see Section 10.4 in the notes to the consolidated financial statements), the Group's financial liabilities that existed at December 31, 2022 are exclusively short term in nature, meaning they are due within twelve months.

The momox companies are currently financed primarily through the momox Holding SE bond that was issued in July 2020 (green bond). The momox Group additionally finances itself through cash flow from operations.

2.2 Cash flow from operating activities

A positive cash flow of EUR 23,872 thousand (previous year: EUR 9,637 thousand) was generated from operating activities. The performance is based primarily on the lower income tax that was paid (December 31, 2022: EUR -162 thousand; previous year: EUR -10,144 thousand) as a result of advance tax assessment notices and repayments made during the year.

2.3 Cash flow from investing activities

Cash flow from investing activities totaled EUR -2,293 thousand (previous year: EUR -9,995 thousand). The decline is in particular the result of investments in fixed assets completed in the previous year, especially investments in the expansion of the warehouses in Leipzig and Poland. The focus of the investments was accordingly the consistent continuation of the corporate strategy.

The obligations entered into by the balance sheet date of December 31, 2022 for investments that lead in the subsequent reporting periods to cash outflows totaling around EUR 0.4 million (previous year: EUR 3.7 million) will be financed from the existing cash balances and from cash flow from operating activities.

2.4 Cash flow from financing activities

Cash flow from financing activities (EUR -10.046 thousand; previous year: EUR -9,268 thousand), which essentially includes the interest payments from the green bond that was issued as well as the payments in connection with the lease liabilities, developed in the opposite direction.

Within the momox Group, only the green bond that was issued on July 10, 2020 for EUR 100 million with a term of five years has a floating interest rate. The credit facility with a term that runs to December 31, 2023 and a ceiling of EUR 6.5 million was completely unused as of the balance sheet date. It will be reduced by EUR 3 million to EUR 3.5 million with effect from January 1, 2023.

Shares in momox SE have been pledged in order to secure the bond issued in 2020 (see notes to the consolidated financial statements, Section 11.4).

3. Development of the results of operations

Sales for the fiscal year 2022 total EUR 336,582 thousand and can be broken down as follows:

in TEUR	2022	2021
Germany	246,783	244,048
Outside Germany	89,799	91,089
Total	**336,582**	**335,137**

The fall in demand that followed the start of the Russia-Ukraine war had largely been recovered by the fourth quarter. The decline in demand that was triggered as a result had a stronger impact on international sales.

Material usage amounted to EUR 110,925 thousand (previous year: EUR : 107,080 thousand) and the material usage rate comes to 33.0% (previous year: 32.0%). The increase can be attributed in particular to the focus in purchasing on more restrictive, higher-quality products.

Personnel expenses rose from EUR 58,419 thousand (previous year) to EUR 63,774 thousand or, in proportion to revenue, from 17.4% (previous year) to 18.9%. This can primarily be attributed to adjustments to wages and salaries. On the one hand, the minimum wage was raised on two occasions in 2022 and, on the other, the strong competition on the local labor markets was taken into account and the workforce was expanded.

The decline in the other operating expenses (EUR 143,681 thousand, previous year: EUR 152,687 thousand) was caused essentially by significantly lower marketing expenses. The expansion of warehouse capacity and increasing energy costs led to higher expenses for premises. The financial result essentially contains the interest payments for the green bond, which – linked to EURIBOR – increased indirectly as a result of the rise in inflation.

The net profit for the period increased as a result of the effects described from EUR 1,980 thousand to EUR 2,557 thousand.

4. Financial and non-financial performance indicators and management parameters

The Group's economic planning and management is carried out centrally using targets set by the management.

Based on these specifications, the business performance is regularly reviewed using constantly updated estimates of the key management and performance indicators, where the implementation of the strategic objectives is pursued and measures to counteract any deviations from planning are initiated. The most important management parameters and financial performance indicators are sales and EBITDA.

The non-financial performance indicators that are important for the Group, such as sustainability, customer satisfaction, environmental issues, and employee issues, are not used directly to manage the Group, but do have an influence on the future orientation of the business activities.

5. Management Board's summary of the net assets, financial position and results of operations

Overall, the Group's net assets, financial position and results of operations are reasonable and have to be considered positive in light of the challenging conditions. The momox Group has sufficient liquidity and adequate financing. A positive net profit for the period is still reported.

6. momox Holding SE – Position of the parent company

As a supplement to the Group reporting, the performance of the parent company momox Holding SE is described separately below in accordance with Section 315 para 5 HGB in conjunction with Section 298 para 2 sentence 2 HGB.

momox Holding SE prepares the annual financial statements in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG) in conjunction with Article 61 of the EU Regulation 2157/2001.

momox Holding SE functions as the holding company for the subsidiaries of the momox Group. For this reason, separate key financial or non-financial performance indicators have not been defined at the level of the single-entity financial statements. The economic situation and the business performance thus depend on the performance of the subsidiaries. The performance of momox Holding SE itself is accordingly characterized primarily by the financing expenses and the profit and loss transfer agreement.

6.1 Development of the financial position of momox Holding SE

Total assets of momox Holding SE increased by EUR 11,434 thousand or 5.08% to EUR 236,695 thousand.

On the assets side, receivables from affiliated companies experienced a positive development, increasing by EUR 16,188 thousand. The background here is the deferment of the profit transfer from the subsidiary (momox SE). Other assets decreased from EUR 3,214 thousand to EUR 2,152 thousand, in particular as a result of tax refunds from the previous year that were settled.

On the liabilities side, the equity increased from EUR 83,365 thousand to EUR 89,296 thousand. This increase of EUR 5,931 thousand resulted primarily from the positive net profit for the period of EUR 5,931 thousand (net income for the year from the statement of comprehensive income).

In addition, the provisions increased by EUR 2,162 thousand in particular on account of the higher tax liabilities to be recognized in the current year (previous year: tax refunds). Trade receivables totaled EUR 52 thousand on the reporting date, increasing slightly year on year (December 31, 2021: EUR 41 thousand). In contrast, liabilities to affiliated companies increased by EUR 3,037 thousand, among other things as a result of interest charges from intercompany loan agreements. The other liabilities increased by EUR 293 thousand, among other things because of the interest rate trend of the bond.

6.2 Development of the result of operations of momox Holding SE

No sales are generated in the holding company. The other operating expenses were reduced from EUR 1,248 thousand to EUR 802 thousand. Key reasons for the decline are overall lower consulting costs and financial statement and auditing expenses. Income from the profit and loss transfer agreement increased in line with the result of the subsidiary (momox SE) from EUR 16,725 thousand to EUR 18,280 thousand.

Other interest and similar income increased from EUR 301 thousand to EUR 1,158 thousand. The reason for this is in particular the adjustment of the interest rate on an intercompany loan with momox SE, Berlin, resulting from the referencing to the EURIBOR rate. Interest and similar expenses increased from EUR 9,084 thousand to EUR 9,660 thousand. They essentially include the liabilities arising from the bond as well as from an intercompany loan with momox SE.

Taxes on income increased in line with the net income for the period from EUR 2,507 thousand to EUR 3,177 thousand.

Net income for the year increased from EUR 4,750 thousand to EUR 5,931 thousand.

6.3 Development of the financial position of momox Holding SE

momox Holding SE was able to meet its payment obligations at all times in 2022. The company’s management constantly monitors the liquidity situation and, if necessary, institutes appropriate measures to promptly prevent any liquidity shortages. The interest payments to be made for the liabilities arising from the green bond were financed from the cash funds, which are provided through intercompany loans.

With the exception of the liabilities in connection with the green bond and the liabilities to affiliated companies from loans, the company’s financial liabilities that existed at December 31, 2022 are exclusively short term in nature, meaning they are due within twelve months.

momox Holding SE is currently financed primarily through the bond that was issued in July 2020 (green bond) as well as through intercompany loans and the profit and loss transfer agreement.

Negative cash flow of EUR -505 thousand (previous year: EUR -13,107 thousand) was generated from the operating activities. This performance is based essentially on the increase of EUR 1,182 thousand in net income for the period as well as the consolidated tax group for income tax purposes (fall of EUR 11,881 thousand in income tax paid) with the subsidiaries momox SE, Berlin, and momox Services GmbH, Berlin, which resulted in payments of back and advance taxes in the previous year.

Cash flow from investing activities as of December 31, 2022 amounts to EUR 1,139 thousand (previous year: EUR 36,225 thousand) and thus shows a decline of EUR 35,086 thousand. The change results in particular from the reduction in the claims for the profit transfer from previous years that has not yet been received due to deferment agreements. Interest received increased by EUR 471 thousand in 2022, in particular on account of the alignment of an intercompany loan with momox SE, Berlin, on the EURIBOR rate.

Cash flow from financing activities (EUR -4,326 thousand; previous year: EUR -21,359 thousand), which essentially includes the interest payments from the green bond that was issued as well as the payments in connection with the intercompany loan to momox SE, Berlin, developed in the opposite direction. The development results in particular from the intercompany loan that was issued in the previous year (EUR 15 million) and partially repaid in the fiscal year (EUR 2 million).

Summary of the position of momox Holding SE

Overall, the Group's net assets, financial position and results of operations can be regarded as positive in consideration of the challenging general conditions. The company has sufficient liquidity and adequate financing. Positive net assets can be presented through the profit and loss transfer agreement with the subsidiaries.

D. Reproduction of the concluding statement of the Management Board on the dependent company report

The Management Board of momox Holding SE submitted the dependent company report required by Section 312 AktG to the Supervisory Board and issued the following concluding statement:

"With respect to the transactions and measures listed in the report on related party disclosures and based on the circumstances known to us at the time in which the legal transactions were carried out or measures performed or refrained from, momox Holding SE received appropriate compensation for every transaction and has therefore not been disadvantaged by any measures performed or refrained from."

E. Opportunity and risk report

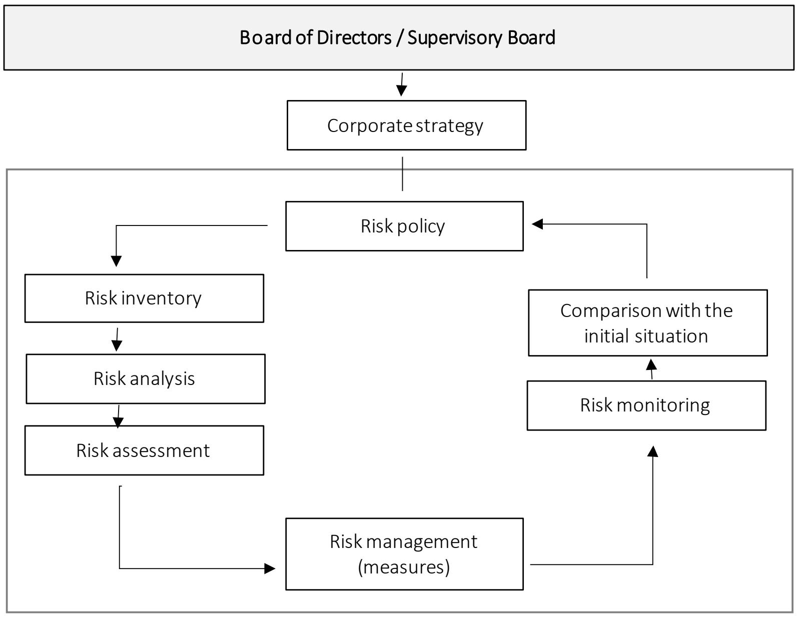
1. Risk management system

Risk management is a key component of the business activities at momox. To protect the momox Group against developments that pose a threat to the company as a going concern, an extensive risk management system is implemented on the basis of the risk policy in accordance with the corporate strategy that has been adopted. The fundamental design of the risk management system is based on the internationally recognized COSO Enterprise Risk Management Framework (COSO: Committee of Sponsoring Organisations of the Treadway Commission). As a result, indications that developments are posing a threat to the company as a going concern are identified at an early stage so that suitable countermeasures can be initiated to protect assets against loss.

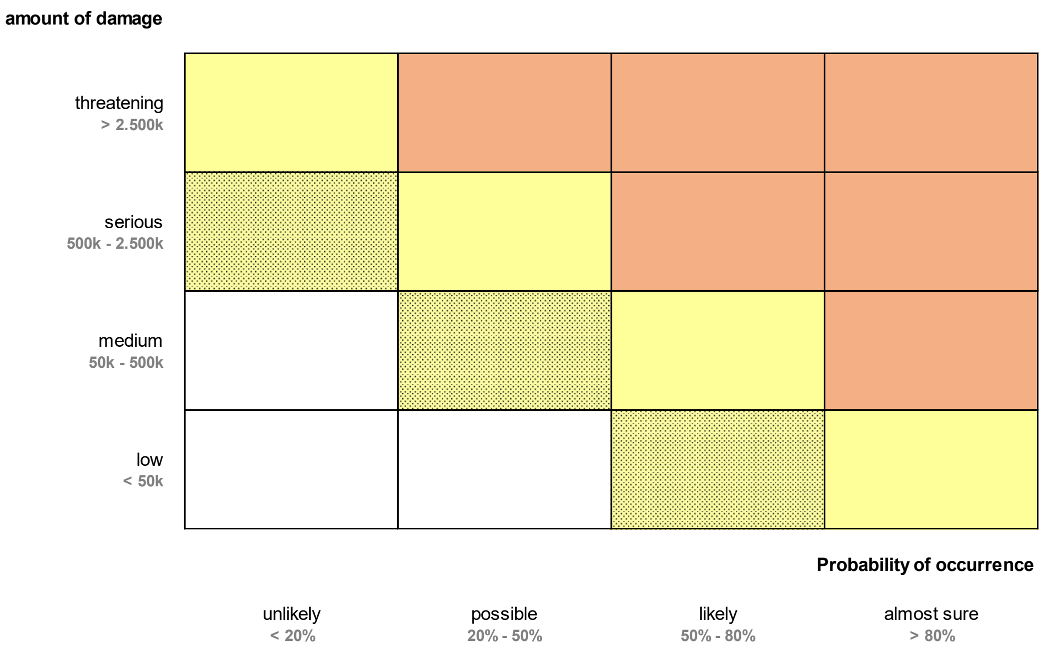
The risk policy adopted by momox can be understood as a key integral component of the company's management for achieving the strategic and operational corporate objectives whereby both the importance and the responsibility are taken into appropriate consideration at Management Board level and also at management level 1. Profitable growth and sustainable positive results in all areas of the company are one of the most important strategic objectives.

The risk management process is a dynamic process in the momox Group and designed to cover all risk fields. It should not be understood as the implementation and coordination of one-off measures at a single point in time, but is integrated as a continual corporate process in all business activities at all levels of the company. The established principles and the process of risk management are derived and adopted by the Management Board in consultation with the Supervisory Board in line with the corporate strategy and are documented with binding effect.

Building on the starting situation outlined above, the process workflows both for momox Holding SE and the subsidiaries included in the consolidated financial statements can be presented as follows:



The risk that has previously been identified by the management is determined together with the related risk potential in the course of the risk assessment. In order to identify risks posing a threat to the company as a going concern, a two-state assessment is carried out based on the parameters "level of damage" and "probability of occurrence". The individual risks are classified systematically into the categories market risks, strategic risks, and operational risks and presented in a risk matrix (risk profile). The risk profile highlights what need for action arises when the identified risks occur depending on the level of damage and probability of occurrence. In order to clearly establish the need for action, a threshold is defined per risk on the basis of a limit system. The limit system defines thresholds for each risk category or individual risk that, when reached, trigger the initiation of additional control instruments. Ultimately, the risks have been categorized into urgent need for action, increased or enhanced monitoring, and annual monitoring.



Characteristics indicating above-average impact / probability of occurrence are significant for all combinations involving urgent need for action (red zone). All risks in the zone have to be reported when they are identified. The zone marked yellow points to a balanced "average risk impact / probability of occurrence combination", i.e. positions that are characterized by an average impact and an average probability of occurrence.

An adjustment during the year is necessary here only when new information that impacts the risk is received. The Management Board and the Supervisory Board keep a critical eye on these risks. The risks in the white fields are reviewed annually as are all risks and do not require a response during the year.

With the help of the risk monitoring, the deviations between the opportunity and risk situation of the company that is intended and based on the risk policy and the actual situation are identified and appropriate measures are instituted.

A risk reporting system is implemented in the momox Group, i.e. the individual risk officers report once a year on the current situation and assessment of the core risks. To provide a better overview, all the risks of the risk owner that are subject to reporting requirements are listed in the up-to-date risk map for them. The risk owner thus has to check only whether something has changed during the reporting period or whether there is a danger that something might change in the near future. Current changes in potential risks then converge in the course of the risk reporting and are checked to see how relevant they are. If there is a reporting requirement, proposals for solving or averting the risk are discussed with the relevant risk owner and the report is forwarded to the Management Board. From there in turn, and in cooperation with the risk owner, the appropriate countermeasures are initiated.

2. Key features of the accounting-related internal control and risk management system

A key integral element of the internal monitoring system of the momox Group is formed by the accounting-related risk management system and the associated internal control system in accordance with Section 315 para. 4 HGB. The objective is to ensure the compliance of the financial reporting. The basis is compliance with the relevant standards and laws for presenting a true and fair view of the Group's net assets, financial position and results of operations.

The foundations for this are the accounting guidelines and the chart of accounts that is uniform throughout the Group and applied consistently and which is defined and controlled by the Finance department. New laws and accounting standards and other official pronouncements are continuously analyzed to see how relevant they are for and what impact they may have on the consolidated financial statements and the group management report.

The consolidated financial statements are prepared in the consolidation system on the basis of the standardized entries and the financial statement information to be reported. Ensuring that the financial statements are presented and published on schedule and that the information in them is correct is reliably taken care of by highly qualified employees with appropriate responsibility at the most varied of levels. The steps to be carried out to prepare the consolidated financial statements are subject at all levels to manual (e.g. dual control principle and approval processes at all levels) as well as technical system controls. Other control mechanisms include target/actual comparisons as well as analyses relating to the composition of the contents and changes to the individual items both of the financial statement information reported by the Group units and of the consolidated financial statements.

The IT systems supporting the accounting-related data are protected among other things by defined permission concepts, access restrictions, firewalls, and contingency concepts.

The responsibility for setting up and effectively maintaining appropriate controls over the financial reporting lies with the Management Board of momox Holding SE (Section 91 para. 3 AktG), which assesses the appropriateness and effectiveness of the control system at the end of each fiscal year. The Supervisory Board additionally monitors the financial reporting process as well as the effectiveness of the risk management and internal control system in accordance with Section 107 para. 3 sentence 2 AktG.

3. Description of the risk

3.1 Market risks

General market trend

The uncertain and rapidly changing geopolitical situation in connection with the war in Ukraine, high inflation and the resulting tightening of monetary policy represent higher risks for the economic outlook compared with the previous year. The accompanying consequences, such as higher energy prices and interest rates, may cause financial losses and lead to fluctuations in the earnings. Moreover, the increase in the cost of living may result in lower consumer spending and a fall in customer activities. In the short term, therefore, addressing geopolitical risk and the increased financial uncertainty is on the agenda of our risk management.

momox counters the resulting risks by swiftly adjusting to the change in circumstances. The diversification of our business model plays a role in mitigating the vulnerability to certain risks. We update our forecasts regularly and, if necessary, adjust investment priorities and costs. By continually optimizing our pricing and also by identifying market prospects on an ongoing basis, e.g. the further internationalization of our purchasing, we reduce the risks to an appropriate minimum. The Management Board and the Supervisory Board keep a critical eye on these risks.

Sector-specific risks

Based on the further growth in re-commerce that has been forecast, the market environment is very advantageous and it is expected that the sales situation will benefit from that. However, the competition overall in the e-commerce environment is fundamentally strong. Other providers such as Rebuy and World of Books have also recorded high growth rates in the past few years and illustrate the dynamism in this market segment. From the perspective of momox, it is rather unlikely and of minor import that a relevant new competitor will enter the market in the near future, because it is difficult to develop adequate price algorithms and logistical capacity. The market penetration and the profile that momox has created has developed in a very positive way over the years. The Management Board and the Supervisory Board keep a critical eye on these risks.

Earnings-specific risks

There is a direct dependence on the sales channels that are used. momox is endeavoring to counter this dependence on certain sales channels by further diversifying the sales channels, by continuing to expand its own sales structures, and through internationalization. A risk exists in the significant increase in competition among existing providers both on the purchasing and on the sales side. momox counters this risk by enhanced measures to strengthen customer loyalty, by improving the range of products on offer, and by optimizing prices.

We have already anchored in our mission and leadership guidelines that, in addition to high performance and target achievement, the focus for us is on people. In order to be successful here in the long term, the momox Group has implemented various concepts in the area of employees (for more information, see section 4.1 of the non-financial group report). Despite our efforts to create an appropriate life perspective for employees, the momox Group has to consider resulting risks in the continuous cost planning. Among other things, momox counters the risk of a reduced profit margin due to further minimum wage increases by aligning its price and cost structure and relocating costly processes.

The Management Board and the Supervisory Board keep a critical eye on these risks.

3.2 Strategic risks

Strategic risks threaten primarily the achievement of the long-term corporate objectives, especially with regard to profitability and sales growth. There is a risk that the resources necessary to achieve the growth in sales will not be available in an adequate scope or that the planned personnel, material, and financial expenditure will be exceeded. Preventive management measures, such as active and systematic monitoring of the business and market trends, long-term planning, and a concept for establishing and retaining a qualified team at the management level, are implemented to minimize risks. The Management Board and the Supervisory Board keep a critical eye on these risks.

3.3 Operational risks

There are other risks throughout the entire value creation process of the momox Group and in the relevant functions that may exert an influence on the momox Group on account of their impact or probability of occurrence, but that will for the most part probably result in acceptable costs. The material risks have been identified by the Group.

Financial risks arising from the use of financial instruments

Central banks have tightened their monetary policy appreciably in order to combat high inflation. This has led to increased volatility on the financial markets and greater financial vulnerability, putting a brake on markets worldwide. Consequently, the credit risk in the momox portfolio may increase depending on future developments. Moreover, potentially negative risks could arise as a result of the volatility on the financial markets and risk-averse behavior by the banks, which could have an impact on transaction volumes and interest rate trends. momox counters these risks among other things by monitoring the global economic situation on an ongoing basis as well as by using this monitoring to conduct continual analysis of financial hedging opportunities. More information on the financial risks is provided in Section 11.1 of the notes to the consolidated financial statements. Overall, the financial risks are rated as low and reviewed annually.

IT risks

The Group is dependent to a great extent on functioning IT systems, and malfunctions in / sabotage to its IT systems can have a detrimental impact on the business operations, the prospects, the financial position, and the operating result. These IT systems are constantly maintained, upgraded, and supported in order to reduce the IT risks. Contingency concepts that are implemented, early warning systems, firewalls, and adequate anti-virus software continue to protect the Group against the consequences arising from IT risks. The Management Board and the Supervisory Board keep a critical eye on these risks.

Logistics risks

The Group's success depends to a great extent on efficient logistics, including the transport to and from as well as between its warehouse facilities. Disruptions in the transport sector can result in longer delivery times for customers, among other things. Transport costs can also rise on account of the dependency on third-party providers. This risks can have a detrimental impact on the financial position and the results of the Group. Inefficient warehousing can additionally lead to excess capacity or shortages in capacity in the logistics system.

The Group has warehouse facilities in Germany and Poland. Damage to or disruptions in the warehouse facility, including damage to or malfunctions in the equipment, e.g. as a result of fires, natural disasters, or disruptions to operations, can result in considerable direct and indirect losses. This risk has increased in the last few years, especially because of the fact that the use of automated processes and special materials handling systems – and thus also the vulnerability of the processes to technical problems – has also increased. To protect against these risks, insurance policies have been taken out in order to absorb possible negative effects on the operating activities, the prospects, the financial position, and the operating result. The momox Group has continued to introduce effective and optimized logistics and inventory management. Warehouse technology, ventilation, and fire safety measures result in protection against risks arising from disruptions to operations or force majeure. Goods receiving, checking and processing the incoming goods, warehousing, packaging, outgoing shipments, as well as the acceptance, checking and processing of returns are carried out at various Group sites. These risks are critically observed and monitored annually by the Executive Board and Supervisory Board.

Personnel risks

The momox Group is dependent on highly qualified specialists and managers in various functions. Recruiting that is not aligned with the business plan or absences due to strikes could worsen the Group's prospects and have led to a new risk assessment compared with the previous year. Through active human resources work, such as the adjustment of the salary structure, subject-specific development of job descriptions, annual employee surveys and the establishment of a works council, the momox Group strives to motivate and retain employees in the long term. Further information of the various concepts in the area of employees can be found in the non-financial group report under section 4.1. These risks are critically monitored by the management board and supervisory board.

Legal and regulatory risks

The Group is subject to laws and regulations, and amendments to them, in a number of different jurisdictions. Failure to comply with applicable laws and regulations can negatively impact the Group. On account of the close monitoring, managed by qualified employees of the Legal department at momox, any changes in the regulatory environment can be quickly identified and implemented. The Management Board and the Supervisory Board keep a critical eye on these risks.

3.4 Summary of the risks

Overall, the direct dependence on the sales channels that are used and how to cope with the current market trends are seen as the most significant risks. However, this affects all market participants, and the impact is a key element of risk management. Comprehensive weekly and monthly reporting produces the risk analysis. The crucial company KPIs are constantly monitored and analyzed every week. This enables undesirable developments to be quickly identified and necessary countermeasures to be promptly initiated. The Business Intelligence (BI) solution, which is constantly being further developed, enables momox to carry out targeted, detailed analyses and to quickly implement necessary adjustments in line with the relevant market circumstances. This means that the impact on the results of operations is limited.

Opportunities

The opportunities management system at momox aims to enable positive trends in the course of the business activities to be used comprehensively and from an early stage.

The growing e-commerce market represents an opportunity for momox to expand its sales. In addition, the growing awareness around the issue of the sustainability of products is also an opportunity for momox. Opportunities can be seen in further market penetration, internationalization, and the diversification of the business model. Using the expertise that has been developed and the technology behind it, new business and market fields can be established, scaled up and expanded.

Over the last few years, momox has set up an established logistics system in line with the business model that will enable the company to continue to process increasing volumes in the next few years. momox sees an opportunity in the further improvement of the price algorithms to optimize margins. The basis for identifying opportunities are here market and competition monitoring, analyses, as well as regular exchanges with experts.

momox aims to grow constantly and sees opportunities for the growth of the company in acquisitions or mergers. Other opportunities have been identified in the area of the sustainable business model (see the non-financial Group report), increases in efficiency, personnel development, and winning market share.

Overall assessment of the risk and opportunity situation

The overall picture of the situation for the momox Group is composed of the risks and opportunities described above. The overall risk situation has changed from the previous year following the outbreak of the war in Ukraine as well as the increased financial uncertainty. However, no risks are evident that might jeopardize the ability of the momox Group to continue as a going concern or that might exert a significant influence on the net assets, financial position, and results of operations. The opportunity situation for the momox Group has improved in comparison with the previous year, however, with one reason being the change in customers' awareness of sustainable and environmentally conscious lifestyles. Moreover, risk concentrations are reduced through continual diversification of the business model, internationalization, and digitalization.

F. Forecast

1. Objectives and strategies

The momox Group works with annual, medium and long-term planning as well as forecast models during the year.

The consequences of the Russia-Ukraine war for the global financial markets, international supply chains, and economic activity in Germany and for the momox Group cannot be predicted at the moment because of the strong dynamics of the current situation, but they may have an impact on forecasting accuracy.

Nevertheless, the momox Group expects the macroeconomic situation to continue to recover in 2023 and sales to continue to grow in the low single-digit range. The continual price increases of the delivery service providers and the adjustment of the minimum wage in Poland and Germany are expected to continue to weigh on the momox margin in 2023. A slightly higher net result for the period than in 2022 is planned on the basis of an EBITDA margin in the middle single-digit range. Based on the expansion of sales, a further increase in the number of employees is planned.

Sales growth depends essentially on the ability to continue to increase the purchasing of merchandise. In order to achieve this, momox is planning to further internationalize the purchasing in 2023. So that the merchandise that is purchased can also be sold, momox plans to link to other marketplaces in addition to the existing sales channels. momox started on the iteration of the fashion segment in the fourth quarter of 2022. The aim is to improve cost effectiveness and profitability. This will primarily be implemented by optimizing the product range that momox purchases and can subsequently sell. momox will support this iteration throughout 2023. The momox Group estimates that growth levels in the other categories will be slightly higher than the level achieved in 2022.

The influence of the Russian invasion of Ukraine has been incorporated in the planning. The momox Group assumes that the further course of the war and the impact on overall economic growth will not signify material changes in the business performance in comparison with last year. In sum, lower growth is expected in 2023.

2. Overall presentation of the forecast

Starting out from the above-mentioned expansions and forecasts, momox expects a stable basis for generating future income. In the longer term, momox sees itself gaining a stronger and more flexible position, as a result of the optimizations already implemented, to be able to counter possible changes in the economic or competitive situation effectively.

G. Non-financial Group report

In accordance with the requirements of Sections 315b and 315c in conjunction with 289c through 289e HGB, the separate non-financial group report of the momox Group will be available in the annual report on the website of the momox Group at https://momox-holding-client-berhb3gjgq-ew.a.run.app/ after it is published.

H. Other disclosures

A research and development report is omitted, as these activities are not conducted in our Group.

The following key branch was in operation at the end of the year:

- Leipzig warehouse.

The branch is a dependent branch of the momox Group. Investments in office equipment as well as in logistics and materials handling technology were made at the warehouses.

Berlin, March 27, 2023

signed	signed
Heiner Kroke	Christian von Hohnhorst
Management Board (Chairman)	Management Board

Consolidated Financial Statements

for the Year Ended

Dec. 31, 2022

momox Holding SE, Berlin

(formerly: momox Holding AG, Berlin)

Contents

Content

1. Consolidated statement of comprehensive income

Consolidated statement of profit and loss

EUR thousand	Notes	2022	2021
Sales revenue	9.1	**336,582**	**335,137**
Other operating income	9.2	3,935	2,785
Cost of materials	9.3	-110,925	-107,080
Personnel expenses	9.4	-63,774	-58,419
Other operating expenses	9.5	-143,656	-152,687
Write-downs	9.6	-10,530	-9,550
Operating result (EBIT)		**11,632**	**10,186**
Financial income	9.7	146	98
Financial expenses	9.7	-7,708	-7,244
Financial result		**-7,562**	**-7,147**
Earnings before taxes (EBT)		**4,070**	**3,039**
Income taxes	9.8	-1,513	-1,059
Profit or loss		**2,557**	**1,980**
Consolidated statement of comprehensive income			
Profit or loss		**2,557**	**1,980**
Currency translation differences		0	0
Other comprehensive income		0	0
Total comprehensive income		**2,557**	**1,980**

2. Consolidated statement of financial position

EUR thousand	Notes	Dec. 31, 2022	Dec. 31, 2021
Assets		**258,296**	**239,494**
Goodwill	10.1	108,327	108,327
Other intangible assets	10.2	31,033	36,127
Tangible assets	10.3	14,441	14,136
Rights of use	10.4	36,925	18,924
Financial assets	10.7	4,874	4,931
Deferred tax assets	9.8	283	364
Non-current assets		**195,882**	**182,809**
Inventories	10.5	16,906	16,973
Trade receivables	10.6	4,677	8,232
Income tax receivables	9.8	62	1,163
Other financial assets	10.7	1,118	1,586
Other non-financial assets	10.8	1,594	1,631
Cash and cash equivalents	10.9	38,056	27,100
Current assets		**62,414**	**56,685**
Liabilities		**258,296**	**239,495**
Share capital	10.10	120	120
Capital reserves	10.10	61,269	61,269
Retained profits	10.10	13,944	12,167
Total comprehensive income	10.10	2,557	1,980
Equity		**77,890**	**75,536**
Provisions	10.12	523	604
Lease liabilities	10.4	34,230	15,912
Green bond	10.14	98,049	97,381
Deferred tax liabilities	9.8	10,376	12,105
Non-current liabilities		**143,177**	**126,003**
Provisions	10.12	4,117	6,253
Lease liabilities	10.4	3,025	3,163
Trade payables	10.13	10,847	13,332
Income tax liabilities	9.8	2,188	188
Other financial liabilities	10.15	4,584	4,046
Other non-financial liabilities	10.16	12,468	10,973
Current liabilities		**37,229**	**37,955**

3. Consolidated statement of changes in equity

Fiscal year 2022

EUR thousand	Share capital	Capital reserves	Retained profits	Total comprehensive income	Shareholders of momox Holding SE	Consolidated equity
Jan. 1, 2022	**120**	**61,269**	**14,147**		**75,536**	**75,536**
Profit or loss				2,557	2,557	2,557
Other comprehensive income						
Total comprehensive income				**2,557**	**2,557**	**2,557**
Capital increase						
Changes in equity interests						
Reduction						
Increase						
Other changes			-203		-203	-203
Distributions						
Dec. 31, 2022	**120**	**61,269**	**13,944**	**2,557**	**77,890**	**77,890**

Fiscal year 2021

EUR thousand	Share capital	Capital reserves	Retained profits	Total comprehensive income	Shareholders of momox Holding AG	Consolidated equity
Jan. 1, 2021	**30**	**61,359**	**12,013**		**73,402**	**73,402**
Profit or loss				1,980	1,980	1,980
Other comprehensive income						
Total comprehensive income				**1,980**	**1,980**	**1,980**
Capital increase	90	-90				
Changes in equity interests						
Reduction						
Increase						
Other changes			154		154	154
Distributions						
Dec. 31, 2021	**120**	**61,269**	**12,167**	**1,980**	**75,536**	**75,536**

4. Consolidated statement of cash flow

EUR thousand	Notes	2022	2021
Profit or loss		**2,557**	**1,980**
+ Depreciation of property, plant and equipment and amortization of intangible assets		7,039	6,815
-/+ (Gain)/loss on disposal of fixed assets		74	125
+ Amortization on rights of use		3,492	2,735
+ Taxes on income		1,513	1,059
+ Financial result		7,562	7,147
-/+ Other non-cash income / expenses		534	282
Subtotal		**22,771**	**20,144**
-/+ Increase/decrease in inventories		67	-2,334
-/+ Increase in trade receivables		3,555	-3,861
-/+ Increase/decrease in other assets		-20,879	-6,650
+/- Increase in trade payables		-2,485	4,201
+/- Increase/decrease in refund liabilities		245	718
+/- Increase/decrease in contract liabilities		-117	1,225
+/- Increase/decrease in provisions		-2,218	703
+/- Increase/decrease in other liabilities		23,298	5,482
+ Change in deferred taxes in equity		-203	154
- Income tax paid		-162	-10,144
= Cash flow from operating activities		**23,872**	**9,637**
- Acquisition of intangible assets		-36	-14
+ Proceeds from sale of property, plant and equipment		37	90
- Purchase of property, plant and equipment		-2,329	-10,072
+ Interest received		36	0
= Cash flow from investing activities		**-2,293**	**-9,995**

EUR thousand	Notes	2022	2021
- Repayments of lease liabilities		-3,313	-2,674
- Interest paid		-6,733	-6,594
= Cash flow from financing activities		**-10,046**	**-9,268**
Change in cash and cash equivalents		11,533	-9,626
+/- Effect of movements in exchange rates and remeasurements on cash held		-576	-250
+ Cash and cash equivalents at the beginning of the period	10.9	27,100	36,976
= Cash and cash equivalents at the end of the period	10.9	**38,056**	**27,100**

5. General Information

momox Holding SE (formerly momox Holding AG), domiciled in Germany, is the parent company of the momox Group. The company momox Holding GmbH was entered in the commercial register of the Berlin-Charlottenburg Local Court (HRB 210838 B) on October 4, 2019. The registered office and headquarters of the company are at Schreiberhauer Straße 30, 10317 Berlin, Germany. The company was converted into an Aktiengesellschaft (AG – stock corporation) by shareholder resolution of November 17, 2021. The corresponding entry in the commercial register of the Berlin-Charlottenburg Local Court (HRB 236301 B) was made on December 2, 2021. The company was converted into a European Company (Societas Europaea, in short: SE) by shareholder resolution of December 5, 2022. The corresponding entry in the commercial register of the Berlin-Charlottenburg Local Court (HRB 248174 B) was made on December 13, 2022.

The momox Group was created upon the acquisition from Verdane of 59.68% of the shares in the former company momox GmbH (see Section 11.3) by momox Holding GmbH on December 12, 2019.

The momox Group is a major retailer of used articles from private sellers. The key focus of the momox Group here is articles such as books, media, and fashion, which are purchased (“inbound”) through its own purchasing platform (www.momox.de, www.momox.at, www.momox.fr) and sold (“outbound”) through a variety of sales channels such as its own platforms (www.medimops.de, www.momox-shop.fr, www.momoxfashion.com) and third-party platforms such as Amazon and eBay.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards as adopted in the European Union and in accordance with the regulations additionally applicable pursuant to Section 315e para. 1 HGB in conjunction Art. 61 EU CR 2157/2001. The consolidated financial statements have been prepared on a going concern basis and give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

The consolidated financial statements cover the fiscal year 2022, which ends like the calendar year on December 31.

The consolidated financial statements are prepared in euro, the functional currency of momox Holding SE and the Group’s presentation currency.

Unless otherwise indicated, all amounts are rounded up or down to full thousands of euro (EUR thousand) or full millions of euro (EUR m). Rounding may mean that the amounts do not add up exactly to the given total and that percentages are not the exact result of the amounts presented.

Current and non-current assets and liabilities are presented separately in the statement of financial position. According to this, all matters that are generally realized or fulfilled within a normal business cycle of a maximum of one year are current. All other assets and liabilities are regarded as non-current.

6. Key accounting policies

6.1 Consolidation principles

The consolidated financial statements contain the financial statements of the parent company (momox Holding SE) and of the companies it controls. Control is gained here when:

- power of disposal can be exercised over the investee;
- variable returns result from the equity interest; and
- the power of disposal can be used to influence the amount of the returns.

The consolidated financial statements include momox Holding SE and its subsidiaries over which control is exercised within the meaning of IFRS 10. The number of subsidiaries included in the consolidated group did not change in the fiscal year 2022. momox AG was, however, converted into momox SE upon registration on December 13, 2022 (see Section 7).

A subsidiary is included in the consolidated financial statements from the date that momox Holding SE gains control of the subsidiary until the date that the control ends. The results of the subsidiaries acquired or sold during the year are accordingly recognized in the consolidated statement of profit or loss and in other comprehensive income from the actual acquisition date to the actual disposal date.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the parent and to the non-controlling interests. This applies even if this results in the non-controlling interests having a deficit balance.

If necessary, the annual financial statements of the subsidiaries are adjusted in order to align the accounting policies with the methods that are applied in the Group.

All intragroup assets, liabilities, equity, income, expenses and cash flow relating to transactions between Group companies are eliminated in full on consolidation.

The momox Group reassesses whether or not an investee is controlled if facts and circumstances indicate that one of the three of the above criteria for control has changed.

Acquisitions of subsidiaries

The acquisition of business units is presented using the acquisition method. The consideration transferred in a business combination is measured at fair value. This is calculated as the total of the fair values, as of the acquisition date, of the assets transferred, the liabilities assumed from the former owners of the acquiree and the equity instruments issued by the Group in exchange for the control of the acquiree. Transaction costs associated with the business combination are recognized in profit or loss when incurred.

The identifiable assets acquired and the liabilities assumed are measured at their fair values. The following exceptions apply:

- Deferred tax assets or deferred tax liabilities and assets or liabilities related to employee benefit arrangements are measured and recognized in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits;
- Debt or equity instruments that relate to share-based payments or to the settlement of share-based payments by the Group are measured on the date of acquisition in accordance with IFRS 2 Share-based Payment (see Section 10.11).
- Assets (or disposal groups) classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with this IFRS.

Goodwill is the excess of the sum of the consideration transferred, the amount of all non-controlling interests in the acquiree and the fair value of the equity interest previously held by the acquirer in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date.

Non-controlling interests in companies in the consolidated group are presented separately from the Group's equity. Non-controlling interests of this kind, which currently convey title and grant the holder the right in the event of liquidation to receive a proportionate share of the company's net assets, are measured initially either at the fair value or at the proportionate share of the identifiable net assets. This option can be exercised again during every business combination. Other components of non-controlling interests are measured at their fair value or based on measures arising from other standards. Following the acquisition, the carrying amount of the non-controlling interests is produced from the value of the shares upon initial recognition plus the share of the non-controlling interest in the subsequent changes in equity.

If the consideration transferred is a contingent consideration, it is measured at the fair value applicable at the time of the acquisition. Changes in the fair value of the contingent consideration within the measurement period are corrected retrospectively and accordingly set off against goodwill. Corrections during a measurement periods are adjustments to reflect additional information about facts and circumstances that arose at the time of acquisition. However, the measurement period shall not exceed one year from the acquisition date.

Changes in the fair value of the contingent consideration that do not represent adjustments in the measurement period are accounted for based on how the contingent consideration has to be classified. If the contingent consideration is equity, no subsequent measurement is made on subsequent reporting dates; its fulfillment is accounted for in equity. Where it is not equity, contingent consideration is measured on subsequent reporting dates at fair value and any gain or loss that results is recognized in the consolidated statement of profit and loss.

In the case of a gradual business combination, the equity interest previously held by the company in the acquired enterprise is remeasured at fair value at the acquisition date. A gain or loss resulting from this is recognized in profit or loss.

Changes in value in the equity interests previously held in the acquired enterprise that are recognized in other comprehensive income before the acquisition date are transferred to the consolidated statement of profit and loss when control of the acquired enterprise is gained.

If the initial accounting for a business combination is incomplete by the end of a fiscal year, provisional amounts are reported for the items. If new information becomes available within the measurement period that sheds light on the circumstances at the acquisition date, the amounts that have been provisionally recognized are corrected and additional assets or liability are recognized if necessary.

Changes to the Group's ownership interests in existing subsidiaries

Changes to the Group's ownership interests in a subsidiary that do not result in a loss of control over this subsidiary are reported as equity transactions. The carrying amounts of the controlling interests held by the Group and of the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly recognized in equity and attributed to the shareholders of the parent.

When control over a subsidiary is lost, the deconsolidation gain or loss is recognized in profit or loss. This is calculated from the difference between

I. The total amount of the fair value of the consideration received and the fair value of the interest retained and

II. The carrying amount of the assets (including any goodwill), the liabilities of the subsidiary, and all non-controlling interests.

All amounts recognized in other comprehensive income in connection with the subsidiary are accounted for as would be the case in a sale of the assets, i.e. reclassified to the consolidated statement of profit and loss or transferred directly to the retained earnings.

If investments in the former subsidiary are retained, these are recognized at the fair value established at the time when control is lost. This value represents the acquisition costs of the interests, which are subsequently measured in accordance with IFRS 9 Financial Instruments or in accordance with the regulations governing associate companies or joint ventures depending on the degree of control.

Currency translation

Monetary items in a currency other than the functional currency used by the companies of the momox Group are translated at the applicable closing rate, while non-monetary items in foreign currency are translated at historical rates. Income and expenses of integrated companies are recognized at the rates at the time of the business transactions and translated at average annual rates for the preparation of the consolidated financial statements. Relevant exchange differences are recognized in profit or loss in the other operating expenses or other operating income.

For the preparation of the consolidated financial statements, the assets and liability of foreign independent operations of the momox Group are translated into the Group's functional currency in euro, where the exchange rates applicable on the reporting date are used. Income and expenses are translated at the average rate of the period. The exchange differences arising from the translation of foreign independent business operations to the Group currency are recognized in other comprehensive income, whereas the exchange differences arising from the translation of foreign integrated business operations are recognized in profit or loss.

The exchange rates used for the translation are presented below:

in EUR		Closing rate Dec. 31, 2021	Closing rate Dec. 31, 2022	Annual average price 2021	Annual average price 2022
Pound sterling	GBP	0.84	0.89	0.86	0.85
Polish zloty	PLN	4.60	4.68	4.57	4.69
US dollar	USD	1.13	1.07	1.18	1.05
Swiss franc	CHF	1.03	0.98	1.08	1.00
Swedish krona	SEK	10.25	11.12	10.15	10.63

6.2 Goodwill

Goodwill resulting from a business combination is recognized at acquisition cost less any impairment that may be necessary. This is subsequently subject to an impairment test, which is carried out no less than once a year. If there are concrete indications of an impairment, an additional impairment test has to be carried out.

For the purpose of impairment testing, goodwill is allocated to the cash-generating unit that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired enterprise are assigned to those units or groups of units. Accordingly, the goodwill of the sole cash-generating unit (CGU) resulting from the purchase price allocation is assigned to momox.

If the recoverable amount of the cash-generating unit falls below the carrying amount of this unit, an impairment loss is recognized in the statement of profit and loss that cannot be recovered. The recoverable amount is the higher of value in use and fair value less costs to sell.

Further information on the impairment test can be found in Sections 6.5 and 10.1.

6.3 Other intangible assets

Separately purchased intangible assets

Intangible assets acquired separately, i.e. not as parts of a business combination, are essentially software licenses. These are capitalized at cost and depreciated on a straight-line basis over their scheduled useful life in the subsequent periods. Possible impairments are additionally taken into account.

All intangible assets of the momox Group that have been acquired separately have a finite useful life, which amounts to three to six years.

Intangible assets from business combinations

Intangible assets that have been acquired as part of a business combination are recognized separately from the goodwill and measured at fair value on the acquisition date (acquisition cost). These intangible assets are measured in subsequent periods in the same way as individually acquired intangible assets at cost less accumulated amortization and impairment.

The useful life of the relevant intangible assets amounts to six to fifteen years.

	Years
Customer relationships	10
Brands	10-15
Technology	6

6.4 Tangible assets

Property, plant and equipment are capitalized at acquisition or production cost and depreciated systematically on a straight-line basis over their probable useful lives. Subsequent expenses are capitalized if they lead to a change in the intended purpose or to an increase in the value in use of the property, plant or equipment. The useful life of the property, plant or equipment is between one and fifteen years.

	Years
Logistics fixed assets	1-14
Computer hardware	1-7
Improvements on third-party land	3-15
Other operating and office equipment	5-15

The momox Group assesses at each reporting date whether there are any indications that an asset is impaired. If such indications exist, the momox Group estimates the recoverable amount of the relevant asset. If the carrying amount of the asset is higher than its recoverable amount, it is reduced to this amount in profit or loss.

Gains or losses on the disposal of property, plant and equipment are recognized in other operating income or expenses.

6.5 Impairment of non-financial assets

On each reporting date, the momox Group reviews the carrying amounts of the property, plant and equipment and intangible assets in order to establish whether there are indications of impairment of these assets. If relevant indications are present, the recoverable amount of the asset in question is determined in order to establish the necessary impairment loss. The recoverable amount in this context is the higher of the fair value less costs to sell and the value in use. If the recoverable amount of the asset in question cannot be determined, it is calculated at the level of the cash-generating unit to which the asset is allocated.

If the recoverable amount of an asset or a cash-generating unit is lower than the carrying amount, the carrying amount of the asset or of the cash-generating unit is reduced to the recoverable amount. The resulting impairment loss is recognized immediately in profit or loss. As soon as there are indications that the reasons for the impairment carried out no longer exist, the company examines the need for a complete or partial reversal.

6.6 Leases

A lease is present if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For all leases where the momox Group is the lessee, it recognizes the right to use the underlying asset and also a lease liability at the commencement of the lease. Short-term leases that have a term of a maximum of twelve months and leases for low-value assets are excepted from this. For these leases, the momox Group applies the exemption according to which the payments associated with these leases are recognized as expenses.

Leases are recognized in the amount of the present value of the future lease payments. The lease payments consist of fixed and variable lease payments. The interest rate implicit in the lease has to be used in principle for the measurement. If that interest rate cannot be readily determined, the incremental borrowing rate is used. The lease liability is subsequently measured at amortized cost using the effective interest method.

The amount of the right of use corresponds at the time of initial recognition to the amount of the lease liability plus any initial direct costs of the lessee. Adjustments can additionally be necessary on account of lease incentives received from the lessor, for payments at or before the commencement of the lease, and for reinstatement and comparable obligations. In the subsequent measurement, the rights of use are amortized on a straight-line basis over the underlying lease term.

Changes to the term of the contract or to the expected lease payments lead to a remeasurement of the liability and of the right to use the underlying asset.

Leases can contain extension and termination options. If the exercise of the extension options or the failure to exercise the termination options have been classed as reasonably certain, these have been taken into consideration in the determination of the term of the contract.

Additionally, there are leases that have been entered into for an indefinite period and both the momox Group, as the lessee, and the lessor have been granted the right to terminate the lease where the maximum notice period is up to twelve months. Contract conditions of this kind are used in order to allow the Group the maximum operating flexibility in relation to the assets that are used and have accordingly been classed as short-term leases.

The momox Group acted as a lessor in 2021 only in the case of a contractual relationship of minor importance. There were no more contracts in this regard in the financial year.

6.7 Inventories

The inventories of the momox Group are recognized in principle at acquisition cost and essentially comprise merchandise and, to a smaller extent, packaging materials.

At the momox Group, the acquisition costs of the purchased merchandise are determined individually for each article and are based on the purchase price that is indicated to the customer when they fill in the sales box on the Group's own procurement platform. This purchase price is recalculated several times a day using a pricing algorithm that is also responsible for determining the selling price. In addition to external data such as original and market prices, the algorithm additionally takes into consideration internal data on the actual and forecast stock levels, processing and shipping costs, marketing activities, sales commission, and risk discounts.

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price that can be obtained in the ordinary course of business less the estimated selling costs required. Risks from above-average storage periods and/or reduced usability are taken into account at the momox Group through appropriate write-downs. If the reasons that have led to a write-down on the merchandise have ceased to apply, an appropriate reversal has to be recognized.

No reversals or write-ups arose in fiscal year 2022.

6.8 Financial instruments

A financial instrument is any contract that simultaneously gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized in the consolidated statement of financial position when the momox Group becomes party to the contractual provisions of a financial instrument.

Financial instruments are not netted in principle. They are netted offset only if there is a right to offset and it is intended to settle on a net basis.

6.8.1 Financial assets

The financial assets of the momox Group comprise in particular trade receivables, receivables from factoring, and cash and cash equivalents.

Additional information can be found in Section 10.1.

Measurement

Financial assets are measured initially at fair value. Trade receivables that do not contain a significant financing component and are measured at the transaction price are an exception to this. All directly attributable transaction costs of financial assets that are not measured at fair value through profit or loss have to be taken into consideration in the initial measurement.

In the subsequent measurement, financial assets are measured either

1) At amortized cost (AC),

2) At fair value through other comprehensive income (FVTOCI), or

3) At fair value through profit or loss (FVTPL).

The momox Group has only financial assets that are measured at amortized cost (AC) and at fair value through profit or loss (FVTPL).

Financial assets are measured at amortized cost (AC) if they are held within a business model whose objective is to collect contractual cash flow and if the conditions of contract represent solely payments of principal and interest on the nominal amount outstanding. Subsequent to initial recognition, these financial assets are measured at amortized cost using the effective interest method less impairment.

Financial assets measured at fair value through profit or loss (FVTPL) are held within a business model whose objective is not to hold financial assets in order to collect contractual cash flow and their cash flow do not represent solely payments of principal and interest on the nominal amount outstanding.

Derecognition

Financial assets are derecognized in principle at the time at which the contractual rights to principal and interest payments from financial assets expire or the financial assets are transferred to a third party.

Receivables, including the related impairments losses, are derecognized when they are classified as uncollectible.

Transfer of receivables

As part of a factoring agreement, the momox Group transfers part of its trade receivables in exchange for cash to a factor that assumes the credit risk (del credere risk) of the receivables. Receivables that are transferred are no longer reported in the trade receivables item in the statement of financial position. Instead, a financial asset is recognized that is measured at fair value through profit or loss.

Impairment of financial assets

In accordance with IFRS 9, impairments for financial assets are calculated using the expected credit loss (ECL) model. According to this, a classification into three levels is carried out, which draws a distinction in terms of the assessment period, the risk provision and the recognition of interest. The scope of the necessary impairments depends here on the credit quality of the financial instrument.

The levels of the impairment model are comprised as follows:

- Level 1: For financial instruments for which the credit risk has not increased significantly as of the reporting date since initial recognition, impairments have to be recognized in net profit or loss using the 12-month expected credit loss. The interest is recognized on the basis of the gross carrying amount.
- Level 2: If there is a significant increase in the credit risk as of the reporting date, the risk provision has to be recognized for the remaining term of the asset. The expected loss is a probability-weighted estimate here. Interest is recognized in the same way as in Level 1.
- Level 3: If there is objective evidence for an impairment, financial instruments have to be allocated to Level 3. The risk provision is also determined on the basis of the expected loss over the remaining term. The interest recognition has to be adjusted in the subsequent periods on the basis of the net carrying amount.

For trade receivables, the momox Group applies the simplified impairment model provided for in IFRS 9, where the risk provision is determined over the term. Accordingly, the momox Group derives the expected default ratio of receivables from historical credit loss experience, which is produced from the billing and payment matching of the online trading platforms. No differentiation is made in relation to past due accounts, as defaults on receivables and the related write-downs have been small in size in the past.

For cash and cash equivalents and also other financial assets, which relate essentially to receivables from factoring, deposits, and the receivables from the majority shareholders, the default risk is classed as not significant in principle.

6.8.2 Financial liabilities

The financial liabilities of the momox Group comprise in particular the green bond, lease liabilities, as well as trade payables.

Additional information can be found in Section 11.1.

Measurement

Financial liabilities that are measured either in accordance with the effective interest method at amortized cost (AC) or at fair value through profit or loss (FVTPL).

Financial liabilities are measured at fair value through profit or loss when they are held for trading (e.g. derivatives), represent a contingent consideration of an acquirer in a business combination, or have been voluntarily allocated to this category (fair value option). All other financial liabilities are measured at amortized cost after initial recognition.

Effective interest method

In accordance with IFRS 9, the effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expenses to the relevant period. The effective interest rate is the rate at which the estimated future cash payments (including all fees, charges, and transaction costs) are discounted to the net carrying amount over the expected life of the financial instrument or, when appropriate, a shorter period. With a change in the market interest rate, the effective interest rate of a floating rate financial instrument must be redetermined.

Derecognition

Financial liabilities are derecognized once the obligation specified in the contract is discharged or canceled or expires. The difference between the carrying amount of the derecognized financial liability and the consideration received or to be received is recognized in profit or loss.

6.9 Measurement of fair value

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

All financial assets and liabilities for which the fair value is calculated or reported are assigned to the levels of the fair value hierarchy described below. Observable input factors are preferable to non-observable input factors here in principle.

- Level 1: Measurements are produced from quoted (unadjusted) prices on active markets for identical assets or liabilities.
- Level 2: Measurements are produced from input factors that can either be directly observed for the asset or liability or indirectly derived from other prices.
- Level 3: Measurements are produced from measurement models that do not use input factors observable on the market.

The momox Group does not exercise either for financial assets or for financial liabilities the fair value option, which provides that financial instruments may be measured voluntarily at fair value with recognition of the change in value in the net profit/loss for the period (FVTPL).

6.10 Share-based payment

Every transaction in which a company (or a company of the Group) receives goods or services from a supplier (including an employee), either as consideration for its equity instruments or by raising debt for amounts that are based on the price of shares or other equity instruments of the company, is defined as a share-based payment.

The momox Group has entered into agreements for cash-settled share-based payments. An assessment is therefore made on the reporting date of whether and in what amount a liability has to be recognized. In principle, cash-settled share-based payments are measured at fair value initially and as of the grant date. Until the liability is settled, the fair value is recalculated at each reporting date and at the date of settlement. Changes in fair value are recognized in profit or loss.

More information on share-based remuneration can be found in Section 10.11.

6.11 Provisions

The momox Group creates provisions when the Group has a current legal or constructive obligation that results from a past event, it is more likely than not that the settlement of the obligation will lead to an outflow of assets, and the amount of the provision could be reliably determined.

Provisions are estimated in due consideration of all recognizable risks related to the assumed settlement amount. This amount represents the best estimate of the settlement amount that is required to settle the present obligation at the balance sheet date.

Long-term provisions are discounted on the basis of an adequate interest rate.

Dismantling obligations

The provision is recognized in the amount of the present value of the estimated future dismantling obligations. These currently exist in the momox Group exclusively for property leases.

6.12 Recognition of revenue

Sales revenue is recognized in principle at the time when the power of disposal over the promised merchandise, including the service of the delivery, is passed to a customer and the momox Group has thus fulfilled its performance obligation. This normally takes place upon the delivery of the merchandise ordered.

The merchandise is dispatched in accordance with general terms and conditions of business only after the purchase price, including delivery costs, has been paid in full. The momox Group offers its customers various (standard market) payment methods for this, where these do not contain any significant financing components. The payment types are shown in the accounts as debtor accounts on which the receivables from advance payments already made by customers to the payment service providers are shown, subdivided according to the relevant marketplaces.

The momox Group identifies the goods and services promised in the contract with the customer as its performance obligations. These are normally the products ordered by the customer and their shipping. The products and the shipping are combined in a bundle, i.e. an independently identifiable performance obligation, for accounting purposes.

The carrying amount of sales revenue is recognized less price discounts granted, taxes, and charges. Furthermore, rights of return (returns) that are granted are deducted from revenues. The level of the projected returns is based on historical return rates. The momox Group recognizes a refund liability in the amount of the estimated amounts that have to be paid back to the customers in the statement of financial position. At the same time, the cost of materials is corrected by the acquisition costs of the purchased goods that are expected to be returned and an asset is recognized for the right to receive returned products in the other non-financial assets.

Refund liabilities relate to the right of customers to return products after buying them. In principle, customers have the option to cancel purchase agreements within the statutory period of 14 days. In addition, the momox Group grants customers an extended right of return of 30 days for fashion products.

For coupons and payments received in advance, the transaction prices received from the customers are recognized as contract liabilities. In these cases, sales revenues are recognized only at the time of use or of the delivery of goods. Coupons are normally used within twelve months after they are issued. Performance obligations that have been paid for in advance are generally fulfilled within a few days.

6.13 Income taxes

The income tax expense consists of the current and deferred tax expense. The current and deferred tax expense is presented in the net profit/loss for the period, unless the expenses is connected with items that are recognized either in the other comprehensive income or directly in equity.

The current tax expense is calculated on the basis of the taxable income and in application of the tax regulations applicable on the reporting date. The taxable income is distinguished from the net income for the year in the consolidated statement of profit and loss on the basis of income and expenses that are tax deductible.

The deferred taxes are determined on the basis of temporary differences between the consolidated financial statements and the relevant tax carrying amounts in the calculation of the taxable income. While deferred tax liabilities are recognized for all temporary differences, the recognition of tax assets depends on how probable it is that taxable profits will be available in the future.

The carrying amount of deferred tax is assessed at the end of each reporting period and reduced in value if it is no longer probable that sufficient taxable income will be available in order to realize the asset in full or in part.

The deferred taxes are calculated on the basis of the expected tax rates and the tax laws that are expected to apply at the time of the liability is fulfilled or the asset is realized.

Deferred tax liabilities and deferred tax assets can be offset against each other if there is a legally enforceable right to offset current tax refund claims against tax liabilities or when these related to income taxes that are collected by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

6.14 Use of assumptions and estimates

When the consolidated financial statements are drawn up, assumptions and estimates are made in accordance with the IFRS that have an impact on the amounts presented and the related disclosures. Although these assumptions and estimates are based on the best knowledge available and on current events and circumstances, deviations can arise in the amounts that are actually produced. Key assumptions and estimates are made in particular for the following matters:

- Goodwill impairment testing; see Section 10.1
- Calculating write-downs on merchandise and receivables; see Section 10.6
- Defining the expected return rates; see Section 6.12
- Calculating the discount rate for leases; see Section 6.6
- Recognizing and measuring provisions; see Section 6.11

The assumptions and estimates are based on assessments on the reporting date of the Group’s expected future business performance and take into consideration the expected development of the economic environment. Should the general conditions change, the assumptions and estimates as well as the carrying amounts of the recognized assets and liabilities are adjusted accordingly.

6.15 Changes in reporting standards

The momox Group applies all IFRS that have been adopted as of December 31, 2022 and that have to be applied as mandatory in the European Union.

Momox Holding SE applied the following accounting standards for the first time in the financial year 2022:

Amendments to IFRS 3 – Business Combinations – Reference to the Conceptual Framework (May 2020): With the amendments to IFRS 3, the standard now refers to the Conceptual Framework 2018 and results in additions concerning the identification of liabilities that have been assumed in a business combination. These have to be applied when determining transactions and similar events within the scope of IAS 37 or IFRIC 21. In addition, the statement that contingent assets acquired in a business combination do not have to be recognized has to be included. EU endorsement was issued on June 28, 2021. The amendment is not relevant for the consolidated financial statements of momox Holding SE, as no business combinations took place at momox Holding SE in the fiscal year.

Amendments to IAS 16 – Property, plant and equipment — Proceeds before intended use (May 2020): The amendment means that proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the cost of producing those items are recognized in profit or loss. Deducting the costs is thus no longer permitted. EU endorsement was issued on June 28, 2021. The amendment has no material impacts on the consolidated financial statements of momox Holding SE.

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – Scope of Costs of Fulfilling Onerous Contracts (May 2020): The composition of the costs of fulfilling a contract is defined by the amendments. These include “costs that relate directly to the contract”. These can either be incremental costs of fulfilling that contract (e.g. direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments involve in particular costs that a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. EU endorsement was issued on June 28, 2021. The amendment has no material impacts on the consolidated financial statements of momox Holding SE, as it involves only a clarification of the scope of the costs of fulfilling onerous contracts that is intended to harmonize accepted accounting practice.

Annual Improvements – Improvements to IFRS 1, IFRS 9, IFRS 16, and IAS 41 – 2018-2020 cycle (May 2020): All instances involve clarifications or corrections that did not have to be part of a major IASB project or the object of a separate project. EU endorsement was issued on June 28, 2021. The amendment has no material impacts on the consolidated financial statements of momox Holding SE.

The following new and amended standards have already been adopted by the IASB, but have not yet entered into effect on a compulsory basis. The momox Group has not adopted the regulations early.

Standards		IASB effective date*	Adoption by EU
Amendments to IFRS 16	Lease liability for sale-and-leaseback	Jan. 1, 2024	No
Amendments to IAS 1	Non-current liabilities with ancillary conditions and classification as current and non-current	Jan. 1, 2024	No
IFRS 17	Insurance Contracts	Jan. 1, 2023	Yes
Changes to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Initial application deferred indefinitely	No
IAS 12	Deferred Tax arising from a Single Transaction	Jan. 1, 2023	Yes
Amendments to IAS 1	Disclosure of Accounting Policies	Jan. 1, 2023	Yes
Amendments to IAS 8	Definition of Accounting Estimates	Jan. 1, 2023	Yes

*Applicable for financial years beginning on or after the relevant date

The first-time application of the new and amended standards is not expected to have an impact or any material impact on the consolidated financial statements of the momox Group.

7. Scope of consolidation

The following overview shows the direct and indirect shareholdings of momox Holding SE in subsidiaries as of December 31, 2022 (list of shareholdings in accordance with Section 313 para. 2 HGB):

No.	companies	Registered office	Currency	Shareholding of	Shareholding in 2022	Shareholding in 2021	Shareholding in 2020
1	momox SE*	Berlin	EUR	direct	100.00%	100.00%	100.00%
2	momox Services GmbH*	Berlin	EUR	No. 1	100.00%	100.00%	100.00%
3	MOMOX Polska Sp.z o.o.	Szczecin	Polish zloty	No. 1	100.00%	100.00%	100.00%

* Use of the exemption in accordance with Section 264 para. 3 HGB

The list of shareholdings shows all the subsidiaries included in the consolidated financial statements. There are no subsidiaries that are not included in the consolidated financial statements, joint ventures accounted for using the equity method, associated companies, or other equity investments.

Details of the composition of the Group as of the balance sheet date are set out below:

	Germany	Outside Germany	Total
Included on December 31, 2021	3	1	4
First-time consolidation	0	0	0
Included on December 31, 2022	**3**	**1**	**4**

momox GmbH was converted into momox AG on December 1, 2021 by shareholder resolution of November 17, 2021 and entry in the commercial register of the Berlin-Charlottenburg Local Court (HRB 236261 B). momox AG was converted into momox SE by shareholder resolution of December 5, 2022 and entry in the commercial register of the Berlin-Charlottenburg Local Court (HRB 248162 B) on December 13, 2022.

No business combinations within the meaning of IFRS 3 were conducted in the fiscal year 2022. There were also no changes to the consolidated group.

8. Segment information

The momox Group is managed as a business unit in the area of the purchase and sale of used articles from private sellers. The internal reporting is accordingly carried out on a regular basis to the management of momox Holding SE, which essentially allocates resources in view of the operating activities as a re-commerce company and acts with overall responsibility for the momox Group.

The breakdown of the sales into the main product categories can be found in Section 9.1.

Taking into consideration the relevant sales channels, the external sales revenues are distributed across the following countries:

in TEUR	2022	2021
Germany	246,783	244,048
France	48,173	51,651
Austria	15,614	14,231
UK	6,180	7,396
USA	3,830	1,199
Switzerland	3,486	3,651
Belgium	3,115	3,508
Other*	9,400	9,454
Total	**336,582**	**335,137**

*Further countries with respective sales of less than EUR 3 million are listed under "Other"

On account of the large number of smaller individual customers, sales of 10% are not transacted with any customer.

The non-current assets (excluding financial instruments and deferred tax assets) are allocated to geographical regions on the basis of the country of residence of the relevant Group company:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Germany	185,519	173,189
Poland	5,207	4,324
Total	**190,726**	**177,513**

The intangible assets disclosed in the course of the purchase price allocation as well as the goodwill are allocated in full to the Group companies resident in Germany.

9. Notes to the consolidated statement of comprehensive income

9.1 Sales revenue

The sales of the momox Group can be broken down as follows:

In TEUR	2022	2021
Books	206,004	209,546
Other*	130,578	125,591
Total	**336,582**	**335,137**

*Sales in the media and fashion areas each accounting for a share of sales of less than 20% are listed under the item "Others"

All sales revenues are recognized at a point in time.

9.2 Other income

Other income of the momox Group breaks down as follows:

In TEUR	2022	2021
Income from currency translation	855	487
Income from returns	344	373
Reimbursements arising from the AufwendungsausgleichsG (German Expenditure Compensation Act)	208	286
Remuneration in kind	201	191
Insurance recoveries	122	119
Income from unused coupons	1,164	197
Other	1,040	1,133
Total	**3,935**	**2,785**

The item “Income from returns” concerns income that the Group receives for the return of articles that do not satisfy the quality requirements and that the customer would like to get back. The “Other” item essentially contains income from the increased number of vouchers issued in the previous year that were derecognized in the financial year as well as income from the reversal of provisions (EUR 444 thousand; previous year, in particular income from liquidated damages from a tenancy agreement in Poland: EUR 890 thousand).

9.3 Cost of materials

The cost of materials in the fiscal year 2022 breaks down as follows:

In TEUR	2022	2021
Cost of purchased merchandise	104,625	98,616
Cost of purchased services	6,300	8,463
Total	**110,925**	**107,080**

The cost of purchased services results essentially from temporary staffing.

9.4 Personnel expenses

Staff costs break down as follows:

In TEUR	2022	2021
Wages and salaries	52,736	48,612
Social security, post-employment and other employee benefit costs	11,037	9,807
Total	**63,774**	**58,419**

The contributions to the statutory pension insurance scheme amount to EUR 4,620 thousand (previous year: EUR 4,148 thousand).

9.5 Other expenses

Other expenses in fiscal year 2022 comprised the following:

in TEUR	2022	2021
Costs for the purchase and sale of merchandise	68,022	80,151
Shipping costs	54,926	55,756
Purchased services and work	3,687	3,623
Overhead costs	4,646	2,732
Administrative, legal, and consulting fees	3,092	1,286
Costs of IT, telecommunications, and media	1,342	1,225
Other	7,941	7,913
Total	**143,656**	**152,687**

The costs for the purchase and sale of goods result mainly from marketing expenses and sales commissions.

The item “Others” includes expenses for short-term leases and leases of low-value assets (2022: EUR 595 thousand; previous year: EUR 1,300 thousand; see Section 10.4), expenses from currency translation (2022: EUR 895 thousand; previous year: EUR 519 thousand), and other expenses necessary for the business operations, each of an individual value of under EUR 1 million.

9.6 Write-downs

The write-downs are composed as follows:

In TEUR	2022	2021
Tangible assets	1,908	1,686
Intangible assets	5,130	5,128
Rights of use	3,492	2,735
Total	**10,530**	**9,550**

Please see Sections 10.2 to 10.4 for more information.

9.7 Financial result

The financial result consisted of the following:

In TEUR	2022	2021
Interest income	146	98
Interest expenses	7,708	7,244
Financial result	**7,562**	**7,147**

The Interest expenses result essentially from the green bond (2022: EUR 6,625 thousand; previous year: EUR 6,337 thousand) and from leases (2022: EUR 357 thousand; previous year: EUR 141 thousand).

9.8 Income taxes

The taxes on income paid or accrued in Germany and Poland, plus deferred taxes, are recognized as income taxes. The taxes on income include here the trade tax, corporation tax, solidarity surcharge, and the relevant Polish taxes on income.

A tax group for income tax purposes has been in place at momox Holding SE with momox SE and momox Services GmbH since January 1, 2020.

Current and deferred taxes assets are shown in the following overview:

In TEUR	2022	2021
Current taxes		
Tax expense of the current period	3,387	2,805
Adjustments recognized in the current period for current taxes of previous years	-29	0
Deferred taxes		
Income from the addition / reversal of deferred taxes	-1,872	-1,780
Expenses from the addition / reversal of deferred taxes	28	34
Total	**1,513**	**1,059**

The determination of the expected income taxes (current and deferred) is based on the application of the German total tax rate of 31.44% (December 31, 2021: 30.82%). This rate is produced from the corporation tax rate for the 2022 assessment period, taking into account the solidarity surcharge (15.82%, December 31, 2021: 15.82%), and the relevant trade tax rate (15.62%; December 31, 2021: 14.99%). The change results in particular from the closure of the warehouse in Neuenhagen and the relocation to Leipzig. No material effect results from the adjustment of the total tax rate.

The expected tax expense can be reconciled to the recognized income taxes as follows:

In TEUR	2022	2021
Earnings before tax	4,070	3,039
Group's income tax rate	31.44%	30.82%
Expected tax expense	1,280	937
Non-deductible expenses and trade tax additions	325	304
Unrecognized loss carry forwards	0	0
Prior-period tax expense (-) / tax income (+)	0	0
Changes in tax rates	-104	-186
Other	12	4
Income tax expense according to consolidated statement of comprehensive income	**1,513**	**1,059**
Effective tax rate	37.17%	34.85%

The material deferred tax assets and liabilities recognized by the Group and the changes to them are listed below:

in TEUR	Deferred tax assets		Deferred tax liabilities		Total	
	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022
Intangible assets	18	15	11,138	9,733	11,120	9,718
Other financial assets	0	0	160	30	160	30
Provisions	219	164	0	0	-219	-164
Leasing	47	104	0	0	-47	-104
Other financial liabilities	15	0	0	0	-15	0
Other non-financial liabilities	65	0	0	0	-65	0
Financial instruments	0	0	807	614	807	614
Total	**364**	**283**	**12,105**	**10,377**	**11,741**	**10,094**

Deferred tax liabilities that are connected with the intangible assets result essentially from the purchase price allocation.

Deferred tax assets and liabilities are netted and recognized for lease liabilities and right of use assets and relate to deferred tax assets totaling EUR 10,437 thousand (previous year: EUR 4,715 thousand) and deferred tax liabilities totaling EUR 10,333 thousand (previous year: EUR 4,668 thousand).

Income tax liabilities totaling EUR 2,188 thousand (December 31, 2021: EUR 188 thousand) existed on December 31, 2022; these relate to trade taxes (EUR 1,057 thousand; December 31, 2021: EUR 0 thousand) and corporation taxes (EUR 1,130 thousand; December 31, 2021: EUR 188 thousand). In addition, income tax receivables totaling EUR 62 thousand (December 31, 2021: EUR 1,163 thousand), which result primarily from trade taxes (EUR 0 thousand; December 31, 2021: EUR 424 thousand) and excess corporation taxes (EUR 62 thousand; December 31, 2021: EUR 739 thousand) were present on the reporting date.

10. Notes to the consolidated statement of financial position

10.1 Goodwill

The goodwill of the momox Group in the amount of EUR 108,327 thousand results from the acquisition of momox SE (formerly momox AG) in December 2019 and was allocated in full to the momox cash-generating unit.

The annual impairment test of the cash-generating unit was carried out on the balance sheet date. The value in use of the cash-generating unit is calculated as the recoverable amount. The plans approved by the company management and the relevant cash flow for the next five years, which reflect the performance of the momox Group as well as the best estimate of the management in relation to the future development, are used here. A terminal value is calculated for the period of the detailed planning phase in continuation of the last detailed planning year. A growth rate of 1% is assumed here.

The weighted average cost of capital used for discounting the net cash flow is calculated using the capital asset pricing model (CAPM) on the basis of a risk-free interest rate, a market risk premium, and an allowance for the credit risk (spread) as well as of the capital structure, the average tax rate, and the beta factor. A peer group of listed companies is used to determine the systematic risk of the cash-generating unit. The weighted average cost of capital after tax for the impairment test as of December 31, 2022 is 11.48%.

No need for impairment resulted from the impairment test. Indications that possible changes to the key assumptions could mean that the carrying amount of the momox cash-generating unit will exceed the recoverable amount were not present as of December 31, 2022.

The assumptions underlying the following calculations contain estimation uncertainties:

- Growth rates: The estimated growth rates are based on past experience as well as on product and country-specific growth assumptions of the target markets. Estimated growth also takes the internationalization strategy of the momox Group into consideration.
- EBITDA margins: The EBITDA margins are based on past values and give greater weight to current values. Adjustments that take management's better understanding especially of cost drivers and increases in efficiency into account are made for the detailed planning period.
- Discount rates: The discount rates represent the market forecasts concerning the specific risks to be assigned to the cash-generating unit. The calculation of the discount rate takes into consideration the specific circumstances of the business model here.

We conducted a sensitivity analysis in which we separately assumed a 10% reduction in the future cash flow in the last planning year, a 10% increase in the weighted cost of capital, or a reduction in the long-term growth rate of half a percentage point. The result on this basis was, in the previous year, that the carrying amount of the assets exceeds the recoverable amount of the reporting unit.

10.2 Other intangible assets

The development of the other intangible assets can be represented as follows:

In TEUR	Customer relationships	Brands	Technology	Total
Acquisition and production costs				
As of the beginning of the 2021 period	8,098	23,770	14,502	**46,370**
Additions	0	0	14	14
Disposals	0	0	-1	-1
As of Dec. 31, 2021 / Jan. 1, 2022	8,098	23,770	14,515	**46,383**
Additions	0	0	36	36
Disposals	0	0	0	0
As of Dec. 31, 2022	8,098	23,770	14,551	**46,419**
Write-downs				
As of Dec. 31, 2020 / Jan. 1, 2021	810	1,892	2,425	**5,127**
Additions	810	1,893	2,427	5,130
Disposals	0	0	-1	-1
As of Dec. 31, 2021 / Jan. 1, 2022	1,620	3,785	4,851	**10,256**
Additions	810	1,893	2,427	5,130
Disposals	0	0	0	0
As of Dec. 31, 2022	2,430	5,678	7,278	**15,386**
Carrying amounts				
As of Dec. 31, 2020	**7,288**	**21,878**	**12,077**	**41,243**
As of Dec. 31, 2021	**6,478**	**19,985**	**9,664**	**36,127**
As of Dec. 31, 2022	**5,668**	**18,092**	**7,273**	**31,033**

The brands essentially include the brands momox (EUR 11,628 thousand; December 31, 2021: EUR 12,597 thousand) and medimops (EUR 5,548 thousand; December 31, 2021: EUR 6,237 thousand) with a remaining useful life of 12 and 7 years respectively.

10.3 Property, plant and equipment

The property, plant and equipment of the momox Group developed as follows:

In TEUR	Other fixtures, fittings, and equipment	Advance payments and construction in progress	Total
Acquisition and production costs			
As of the beginning of the 2021 period	3,096	3,785	6,882
Additions	2,759	7,312	10,071
Disposals	-448	0	-448
Reclassifications	8,765	-8,765	0
As of Dec. 31, 2021 / Jan. 1, 2022	14,172	2,332	**16,504**
Additions	1,003	1,328	2,331
Disposals	-186	0	-186
Reclassifications	3,648	-3,648	0
As of Dec. 31, 2022	18,637	12	**18,649**
Write-downs			
As of Dec. 31, 2020 / Jan. 1, 2021	919	0	**920**
Additions	1,685	0	1,685
Disposals	-236	0	-236
As of Dec. 31, 2021 / Jan. 1, 2022	2,368	0	**2,368**
Additions	1,908	0	1,908
Disposals	-69	0	-69
As of Dec. 31, 2022	4,207	0	**4,207**
Carrying amounts			
As of Dec. 31, 2020	**2,177**	**3,785**	**5,963**
As of Dec. 31, 2021	**11,804**	**2,332**	**14,137**
As of Dec. 31, 2022	**14,430**	**12**	**14,442**

The “Other equipment, operating and office equipment” item primarily comprises logistics fixed assets and, to a smaller extent, computer hardware, installations, and office equipment. The “Payments on account and assets under construction” involve in particular reclassifications for the logistics site in Leipzig, at which new warehouse space has been rented and a new high-bay racking system has been established. In this connection, other financial obligations totaling EUR 0.4 million (December 31, 2021: EUR 3.7 million) existed as of December 31, 2022.

10.4 Leases

The leases of the momox Group, for which rights of use and lease liabilities are recognized, relate exclusively to buildings (office and warehouse premises as well as logistics centers). There are currently no options to extend. These contracts include extension options and, in some cases, options to terminate the contract. In addition, some of these contracts include variable payments that depend on the development of consumer price indices.

The rights of use amounted to EUR 36,925 thousand in total as of December 31, 2022 (previous year: EUR 18,924 thousand). The additions in the fiscal year 2022 primarily concern the amendments to existing leases (EUR 17,814 thousand) and the renting of additional space at the logistics centers in Leipzig and Stettin (EUR 3,805 thousand).

The development of the rights of use can be presented as follows:

In TEUR	
Acquisition and production costs	
As of the beginning of the 2021 period	19,032
Additions	4,920
Disposals	0
As of Dec. 31, 2021 / Jan. 1, 2022	**23,953**
Additions	21,619
Disposals	-126
As of Dec. 31, 2022	45,446
Write-downs	
As of Dec. 31, 2020 / Jan. 1, 2021	**2,294**
Additions	2,735
Disposals	0
As of Dec. 31, 2021 / Jan. 1, 2022	**5,029**
Additions	3,492
Disposals	0
As of Dec. 31, 2022	8,521
Carrying amounts	
As of Dec. 31, 2020	**16,739**
As of Dec. 31, 2021	**18,924**
As of Dec. 31, 2022	**36,925**

The contractually agreed undiscounted lease liabilities are broken down by their maturity as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Due in less than 1 year	4,011	3,276
Due in 1 to 5 years	15,297	12,688
Due in more than 5 years	26,543	3,523
Total	**45,851**	**19,487**

The interest expenses for lease liabilities amounted in the fiscal year 2022 to EUR 357 thousand (previous year: EUR 141 thousand) and are reported in cash flow from operating activities. The repayments of lease liabilities totaled EUR 3,670 thousand (previous year: EUR 2,815 thousand) and are presented in cash flow from financing activities.

Variable payments relate to rent payments that depend on the development of consumer price indices. In principle, adjustments have been made once a year since the 2022 financial year as necessary. In the 2022 financial year, the rent payable changed by approximately 6.6% due to the underlying index. The additional payments for these index-based rent adjustments thus totalled EUR 0.1 million (previous year: EUR 0 million).

There are currently renewal options for the warehouse space in Poland. These options to extend leases are material from the Group's perspective and range from 1 to 5 years. Exercising all of these options could lead to an additional cash outflow totalling EUR 5.5 million (previous year: EUR 4.1 million).

In addition, momox has entered into a lease agreement in which additional rental space in Germany is still currently unused. The lease agreement begins in April 2023 and leads to additional payments (including all options to extend) totalling up to EUR 0.8 million (four comparable items in the previous year: EUR 3.1 million).

In fiscal year 2022, the expenses for short-term leases amounted to EUR 487 thousand (previous year: EUR 1,224 thousand) and the expenses for leases for low-value assets amounted to EUR 108 thousand (previous year: EUR 76 thousand). No material changes in the portfolio of short-term leases arose in the fiscal year.

Cash outflows from leases (including payments for short-term leases and leases for low-value assets) comprised a total of EUR 4,265 thousand in the fiscal year (previous year: EUR 4,104 thousand).

In the reporting period, there were changes to existing leases due to the above-mentioned variable interest payments and extension of rental agreements in Germany, which resulted in a revaluation of the rights of use by EUR 17.8 million or lease liabilities by EUR 17.4 million.

10.5 Inventories

Inventories are composed as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Raw materials, consumables, and supplies	511	354
Finished goods and merchandise	16,386	16,620
Advance payments made	9	0
Total	**16,906**	**16,973**

The write-down of the goods to the net realizable value amounts to EUR 7,935 thousand (previous year: EUR 4,994 thousand) and the changes from the previous year were recognized as an expense of EUR 2,941 thousand in the fiscal year 2022 and are included in the item Cost of materials.

No write-downs resulted on the two reporting dates in relation to the raw materials, consumables, and supplies and the payments on account.

10.6 Trade receivables

The trade receivables totaled EUR 4,677 thousand as of December 31, 2022 (previous year: EUR 8,232 thousand) and resulted essentially from receivables from the online trading platforms on which the Books & Media as well as Fashion products are sold to the end customers.

The net inventory of the trade receivables can be presented as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Gross amount of trade receivables	4,764	8,370
Write-downs implemented	-87	-138
Net amount of trade receivables	**4,677**	**8,232**

The momox Group applies the simplified approach in accordance with IFRS 9 in order to measure the expected credit losses. The expected default rate amounts here to 2% on an assessment base modified for this calculation and is based on historical empirical data adjusted by forward-looking expectations. The proportionately low default rate can be attributed among other things to the terms of payment that are offered as well as the assignment of receivables as part of a factoring agreement.

An assessment continues to be made on each reporting date of whether there are objective indications for write-downs of individual receivables. A Level-3 write-down is made if there are objective indications of a credit default. This was not the case either as of December 31, 2021 or as of December 31, 2022

Write-downs on trade receivables totaled EUR 87 thousand as of the reporting date (previous year: EUR 138 thousand). The decline in the write-down is based on the fact that, as of December 31, 2022, the outstanding receivables were significantly lower than the previous year's level – while the risk assessment remained the same.

The trade receivables are essentially not past due (EUR 4,749 thousand; previous year: EUR 8,362 thousand).

10.7 Other financial assets

The non-current financial assets of the momox Group break down as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Deposits	2,726	2,886
Receivables from shareholders	2,147	2,045
Total	**4,874**	**4,931**

The decrease is mainly due to the decrease in deposits.

The receivables from shareholders, which result from the SARs (Stock Appreciation Rights) agreements that momox Holding SE acquired, but the rights of which it has assigned by contract to the shareholders (see Section 10.11), include interest of EUR 102 thousand (previous year: EUR 97 thousand).

As of December 31, 2022, the other non-current financial assets totaled EUR 1,118 thousand (previous year: EUR 1,586 thousand) and included among others receivables from factoring at EUR 306 thousand (previous year: EUR 465 thousand) and receivables from liquidated damages at EUR 0 thousand (previous year: EUR 840 thousand).

10.8 Other non-financial assets

The other current non-financial assets break down as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Right to receive returned products	949	910
Prepaid expenses	343	268
Value added tax receivables	279	411
Other	24	41
Total	**1,594**	**1,630**

10.9 Cash and cash equivalents

Cash and cash equivalents of the momox Group include cash on hand, account balances at banks that are available on call, and other current highly liquid financial assets that have a maximum term of three months at the time of acquisition.

Cash and cash equivalents break down as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Cash on hand	5	11
Money in transit	0	1,500
Cash in bank	38,051	25,589
Total	**38,056**	**27,100**

10.10 Equity

The share capital totaled EUR 120,168.00 as of December 31, 2022 (December 31, 2021: EUR 120,168.00). The share capital of EUR 120,168.00 is divided into 19,288 A-class shares and 100,880 B-class shares. The shares have a nominal value of EUR 1.00 each and the share capital is fully paid up.

Class of shares	Number of shares	Nominal amount in EUR
Ordinary shares Class A	19,288	19,288
Preference shares Class B	100,880	100,880
Total	**120,168**	**120,168**

The A-class shares are ordinary shares with full voting rights. The B-class shares are preference shares with a specific preferred return and also full voting rights.

The A-class shares do not in principle give their holders any right to the distribution of profits, other distributions, payments as part of a distribution of assets following the dissolution of the company or any other payments from the company until the holders of the B-class shares have received in full the preferred returns that they are entitled to.

The performance in the fiscal year 2022 is presented against the background of the conversion of momox Holding AG into momox Holding SE by conversion resolution of December 5, 2022 and entry in the commercial register on December 13, 2022 as follows:

	Number of shares	Share capital in EUR
As of January 1, 2022	**120,168**	**120,168**
Disposals	0	0
Additions	0	0
Issuance of new shares	0	0
Share repurchases	0	0
As of December 31, 2022	**120,168**	**120,168**

Capital reserves totaling EUR 61,269 thousand (December 31, 2021: EUR 61,269 thousand) result from shares contributed by the shareholders of momox SE (formerly momox AG) and other contributions.

The retained profits increased from EUR 12,167 thousand of December 31, 2021 to EUR 13,944 thousand as of December 31, 2022. A capital adjustment was made in the retained profits in the fiscal year as a result of the recognition of deferred taxes totaling EUR 203 thousand directly in equity of the change in the tax rate at group level as part of the calculation of the PPA and other adjustments in the individual financial statements of MOMOX Polska Sp.z o.o..

The total comprehensive income of the momox Group amounted to EUR 2,557 thousand for the fiscal year 2022.

10.11 Share-based payment

momox SE (formerly momox AG) entered into agreements on stock appreciation rights (SARs) with certain members of the management between 2013 and 2019. These agreements provided that compensation payments will be paid in cash to the managers when certain maturity events occur provided the beneficiaries fulfill the contractually agreed conditions stipulating they serve four or five years.

In the course of successive business combinations, momox Holding SE (formerly momox Holding AG) bought from the SAR beneficiaries all or parts (50% in most cases) of their SARs with effect from January 20, 2020 at a price of EUR 1,924 thousand in total, which remain in force as of the balance sheet date.

No liability for these SAR agreements was recognized as of December 31, 2022, as the probability that a maturity event will occur before the SARs lapse in 2032 cannot be assessed.

Please see Section 11.3 for more information.

10.12 Provisions

The development of the provisions can be presented as follows:

in TEUR	Dec. 31, 2021 Jan. 1, 2022	Utilization / reclassification	Addition / reclassification	Reversal	Interest expense	Dec. 31, 2022
Provisions for administrative, legal and consulting costs	567	-346	0	-16	0	205
Dismantling provisions	432	0	59	0	-11	479
Provisions for marketing and sales	2,438	-2,184	0	0	0	254
Provisions for financial statements and audit	655	-383	656	-131	0	797
Personnel-related provisions	446	-307	391	-152	0	378
Provision for expected losses	0	0	28	0	0	28
Other provisions	2,319	-1,180	1,505	-146	0	2,498
Total	**6,857**	**-4,400**	**2,638**	**-444**	**-11**	**4,639**

The provisions developed as follows in the previous year:

In TEUR	Dec. 31, 2020 Jan. 1, 2021	Utilization	Addition	Reversal	Interest expense	Dec. 31, 2022
Provisions for administrative, legal and consulting costs	2,026	-2,014	555	0	0	567
Dismantling provisions	629	-629	428	0	4	432
Provisions for marketing and sales	236	-236	2,438	0	0	2,438
Provisions for financial statements and audit	801	-632	486	0	0	655
Personnel-related provisions	433	-411	424	0	0	446
Other provisions	2,022	-1,978	2,272	0	3	2,319
Total	**6,147**	**-5,901**	**6,604**	**0**	**7**	**6,857**

The provisions for dismantling obligations concern existing property leases exclusively. The personnel-related provisions include EUR 17 thousand (previous year: EUR 146 thousand) for pensions for employees of MOMOX Poland, which are of minor significance for the momox Group, however. The other provisions essentially include provisions for invoices where the amount and due date is not certain (EUR 2,168 thousand; previous year: EUR 1,743 thousand), indirect purchasing expenses (EUR 303 thousand; previous year: EUR 549 thousand) and record-keeping requirements (EUR 27 thousand; previous year: EUR 27 thousand).

The provisions are composed as follows:

In TEUR	Dec. 31, 2022		Dec. 31, 2021	
	Current	Non-current	Current	Non-current
Other provisions	4,117	43	6,253	172
Dismantling obligations	0	479	0	432
Total	**4,117**	**522**	**6,253**	**604**

10.13 Trade payables

Trade receivables are due within one year. As of December 31, 2022, they totaled EUR 10,847 thousand (previous year: EUR 13,332 thousand) and include among others trade payables that had not yet been invoiced by the reporting date.

10.14 Green bond

momox Holding SE (formerly momox Holding AG) issued a green bond for EUR 100 million with a term of five years on July 10, 2020. This green bond serves primarily to finance the purchase price for the acquisition of shares by momox Holding SE (formerly momox Holding AG) in momox SE (formerly momox AG). The amount is furthermore intended to serve the distribution and redemption of capital reserves. The green bond was listed on the Oslo Stock Exchange on July 8, 2021.

Transaction costs totaling EUR 3,528 thousand were incurred in 2020 in connection with the green bond, which are deferred in due consideration of the effective interest method and amortized over the term of the bond.

The interest on the green bond is variable and linked to the 3-month EURIBOR. In accordance with the interest rate calculation, the effective interest rate is determined on an ongoing basis based on the volatility of the 3-month EURIBOR.

The liabilities from the issuance of the green bond are secured by the pledging of all shares in momox SE (formerly momox AG) and momox Services GmbH (by agreement of July 30, 2021), all receivables, as well as German bank accounts (see Section 11.4).

10.15 Other financial liabilities

The other current financial liabilities break down as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Refund liabilities from returns	2,855	2,610
Green bond interest liabilities	1,729	1,424
Other	0	12
Total	**4,584**	**4,046**

10.16 Other non-financial liabilities

The other current non-financial liabilities break down as follows:

In TEUR	Dec. 31, 2022	Dec. 31, 2021
Contract liabilities	6,677	6,794
Liabilities from wages and salaries	2,643	2,188
Value added tax liabilities	2,129	973
Other	1,019	1,018
Total	**12,468**	**10,973**

The "Other" item primarily includes liabilities from payroll and church taxes (EUR 423 thousand; previous year: EUR 362 thousand) and social security liabilities (EUR 510 thousand; previous year: EUR 382 thousand).

The contract liabilities of the momox Group include as of December 31, 2022 liabilities from coupons totaling EUR 6,314 thousand (previous year: EUR 6,679 thousand) and payments received on account totaling EUR 363 thousand (previous year: EUR 115 thousand).

The development of the contract liabilities is presented in the overview below:

In TEUR		
As of Dec. 31, 2021 / Jan. 1, 2022	**6,794**	**5,569**
Addition	4,792	2,871
Sales revenue recognized in the reporting period	-3,745	-1,477
Income from unused gift coupons	-1,164	-169
As of Dec. 31, 2022	**6,677**	**6,794**

No sales revenue from performance obligations that were fulfilled in the previous year have been recognized in the current fiscal year.

11. Other disclosures

11.1 Additional disclosures on financial instruments

11.1.1 Financial risk management

The momox Group is exposed to credit risks, liquidity risks, and market risks (interest and currency risks) in the course of its normal operating activities. The aim of the financial risk management is to minimize the potentially negative impact on the Group's financial position so that the ability to repay debts and the financial strength of the Group will also be maintained in the future. The risks resulting for the momox Group in the course of the operating activities are therefore constantly monitored and actively managed by the management.

Credit risk

The momox Group faces the risk that business partners will be unable to meet their obligations and this will result in the loss of a financial asset. For this reason, the default risk of financial assets is continually monitored by the management, which concerns the trade receivables in particular.

The maximum credit and default risk of financial assets is the same as the amounts recognized in the statement of financial position. There is furthermore no notable concentration of default risks.

The default risk relating to receivables is reduced by a factoring agreement. Moreover, terms and conditions of payment where the customer pays for the goods before they are dispatched are offered in the main. More information on the development of the write-downs as well as on the maturity structure is provided in Section 10.6.

Liquidity risk

Liquidity risk describes the risk that the Group is unable to meet its financial obligations or can meet them only to a limited extent. The management of the momox Group therefore constantly monitors the risk of a liquidity bottleneck by means of the liquidity planning. The aim is to maintain a balance between continually covering the funding requirements and ensuring flexibility by utilizing an overdraft facility where interest is charged at 2.5% (plus the euro short-term rate starting from December 1, 2022). The credit facility of EUR 6.5 million was completely unused as of December 31, 2021 and as of December 31, 2022.

With the exception of the liabilities in connection with the green bond (see section 10.14) and the lease liabilities (see section 10.4), the Group's financial liabilities that existed at December 31, 2022 are exclusively short term in nature, meaning they are due within 12 months.

The tables below analyze the financial (undiscounted) liabilities of the Group in the relevant maturity ranges based on their contractual terms.

Contractual maturities of the financial liabilities in EUR thousand	Up to 12 months	Between 1–5 years	more than five years	Total	Carrying amount of liabilities
31.12.2021					
Trade payables	13,332	0	0	13,332	13,332
Other current financial liabilities					
of which others	4,046	0	0	4,046	4,046
Green bond	0	100,000	0	100,000	97,381
Lease liabilities	3,276	12,688	3,523	19,487	19,075
TOTAL	**20,654**	**112,688**	**3,523**	**136,864**	**133,834**

Contractual maturities of the financial liabilities in EUR thousand	Up to 12 months	Between 1–5 years	more than five years	Total	Carrying amount of liabilities
31.12.2022					
Trade payables	10,847	0	0	10,847	10,847
Other current financial liabilities					
of which others	4,584	0	0	4,584	4,584
Green bond	0	100,000	0	100,000	98,049
Lease liabilities	4,011	15,297	26,543	45,851	37,255
TOTAL	**19,442**	**115,297**	**26,543**	**161,282**	**150,735**

Currency risk

As the momox Group operates internationally, risks arise from receipts and payments in foreign currencies. This concerns transactions in pound sterling, US dollars, Canadian dollars, and Polish zloty in particular. Currency risks from the operating business have been classed as not material in the Group up to now, as all of the purchasing and the majority of the sales are settled in euros. In the period under review, the proportion of the sales revenue not generated in euros amounted to less than 5% of total revenue.

Interest rate risk

Within the momox Group, only the green bond that was issued on July 10, 2020 for EUR 100 million with a term of five years has a floating interest rate.

Hedging against potential interest rate changes was not undertaken in the fiscal year. The background to this is the agreed minimum interest rate, which it is not possible to fall below. An increase in interest expenses has to be recorded only when the reference interest rate (EURIBOR) is positive. Because of the settlement system of our bond, this rate rose above 0 percentage points only from October 10, 2022. An analysis of the interest rate sensitivity shows that a 0.5 percentage point increase in the variable interest rate would have led to higher interest payments of EUR 115 thousand. A 0.5 percentage point decline in the interest rates would accordingly have reduced the interest payments by EUR 115 thousand. This accounts for 1.74% of the interest expenses for the bond, which is why the impacts for the fiscal year have been regarded as immaterial. Future potential interest rate risks are countered by acontinual analysis of financial hedging possibilities.

11.1.2 Additional information on financial instruments

Financial assets and liabilities are classified and recognized on the acquisition date in accordance with the categories in IFRS 9. A financial instrument is recognized for the first time at fair value, including any transaction costs, in principle.

Because of the short term of cash and cash equivalents, trade receivables and trade payables, and the other current financial assets and liabilities, it is assumed that the relevant fair value is approximately equivalent to the carrying amount.

The relevant fair value is also approximately equivalent to the carrying amount in the case of the non-current financial assets, lease liabilities, and the green bond.

The table below shows the reconciliation of the balance sheet items and the measurement categories in accordance with IFRS 9:

in TEUR	Measurement category	Carrying amount		Fair value	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Financial assets					
Cash and cash equivalents	AC	38,056	27,100	38,056	27,100
Trade receivables	AC	4,677	8,232	4,677	8,232
Other current financial assets					
of which receivables from factoring	FVTPL	306	465	306	465
of which others	AC	812	1,121	812	1,121
Non-current financial assets	AC	4,874	4,931	4,874	4,931
Financial liabilities					
Trade payables	AC	10,847	13,332	10,847	13,332
Other current financial liabilities					
of which call/put option	AC	0	0	0	0
of which shareholder loans	AC	0	0	0	0
of which others	AC	4,584	4,046	4,584	4,046
Green bond	AC	98,049	97,381	98,049	97,381
Other non-current financial liabilities	AC	0	0	0	0
Lease liabilities	N/A	37,255	19,075	37,255	19,075

AC: amortized cost, FVTPL: fair value through profit or loss

Receivables from factoring are measured both in the initial and in the follow-up measurement at fair value through profit or loss (FVTPL) and allocated to Level 1 within the fair value hierarchy. In principle, the fair value of the receivables is equivalent to the carrying amount or the value of the transaction, which is why no significant changes in value are recognized in the net income for the period.

The net gains / losses from financial instruments are shown in the table below:

In TEUR	2022	2021
Impairments of financial assets (AC)	-51	-47
Exchange rate effects on financial assets (AC)	1	-4
Net interest income from financial assets (AC)	102	97
Exchange rate effects on financial liabilities (AC)	-112	-19
Net interest income from financial liabilities (AC)	-7,649	-7,103
of which from effective interest method	-1,025	-766
Fair value adjustment to financial assets (FVTPL)	0	0
Total	**-7,597**	**-7,053**

11.2 Additional disclosures on the cash flow statement

The financial liabilities developed as follows:

In TEUR	Dec. 31, 2020	Cash movements	Non-cash movements		Dec. 31, 2021
			New leases	Interest effects	
Green bond	96,756	0	0	625	97,381
Shareholder loans	1	-1	0	0	0
Lease liabilities	16,829	-2,815	4,920	141	19,075
Total	**113,586**	**-2,816**	**4,920**	**766**	**116,456**

In TEUR	Dec. 31, 2021	Cash movements	Non-cash movements		Dec. 31, 2022
			New leases	Interest effects	
Green bond	97,381	0	0	668	98,049
Shareholder loans	0	0	0	0	0
Lease liabilities	19,075	-3,670	21,493	357	37,255
Total	**116,456**	**-3,670**	**21,493**	**1,025**	**135,304**

11.3 Other financial obligations

There are other financial obligations of EUR 0.4 million (Dec. 31, 2021: EUR 3.7 million) from the warehouse expansion in Leipzig (see section 10.3). There is also a financial obligation from a rental agreement in Leipzig for the payment of a rental deposit in the amount of EUR 0.5 million.

11.4 Related party disclosures

Companies and persons related to momox Holding SE (formerly momox Holding AG) are identified in accordance with IAS 24 and include the majority shareholders, Verdane Capital X (E) AB and Verdane Capital X (D) AB, as well as the members of the management, the Management Board, the Supervisory Board, the Audit Committee, and other key employees.

As of December 31, 2022, there were receivables from the shareholders of momox Holding SE totaling EUR 2,147 thousand (previous year: EUR 2,045 thousand) resulting from the acquisition of SARs by eligible employees. Verdane will reimburse momox Holding SE these expenses and pay 5% interest until the receivables are settled (see Section 10.11). In this context, interest income of EUR 102 thousand (previous year: EUR 97 thousand) was recognized in the fiscal year.

Stromboli ManCo GmbH & Co. KG (MEP KG), which was founded on May 12, 2020, enables the managing directors and selected senior executives to acquire limited partner's shares in MEP KG through a *management equity program* and thus to receive an indirect equity interest in momox Holding SE. All eligible members of the management board and selected senior executives have acquired limited partner's shares in the company and thus obtained an indirect equity interest in momox Holding SE.

Expenses totaling EUR 1,818 thousand (previous year: EUR 1,966 thousand) were recognized for the management and members of the Management Board as well as other key employees in fiscal year 2022, while expenses totaling EUR 184 thousand (previous year: EUR 133 thousand) were recognized for the members of the Supervisory Board. Of this figure, EUR 0 thousand thousand (previous year: EUR 0 thousand) relates to short-term benefits and EUR 0 thousand (previous year: EUR 0 thousand) relates to share-based payments.

The management within the momox Group comprised the following in fiscal year 2022:

- Christian von Hohnhorst, businessman, member of the Management Board of momox SE and momox Holding SE, managing director of MOMOX Polska Sp.z o.o. and also of momox Services GmbH (up to January 14, 2022, from July 4, 2022)
- Heiner Kroke, businessman, member of the Management Board of momox SE and momox Holding SE, managing director of MOMOX Polska Sp.z o.o. and also of momox Services GmbH (up to January 14, 2022)
- Peter Buse, businessman, managing director of momox Services GmbH (up to August 2, 2022)
- Tim Kellermann, businessman, managing director of momox Services GmbH (entry commercial register January 19, 2023)

In the course of the change of legal form of momox Holding AG to momox Holding SE and also of momox AG to momox SE, the Management Board was reappointed and then confirmed at the constituent meeting of the Supervisory Board on December 5, 2022.

The managing directors performed their work as their main occupations.

In fiscal year 2022, the Supervisory Board of momox Holding AG and momox AG and later of momox Holding SE momox SE and momox SE following its constitution as such on December 5, 2022 comprised the following members:

- Dr. Thomas Tochtermann, consultant, chair of the Supervisory Board
- Staffan Mörndal, professional investment consultant, deputy chair of the Supervisory Board
- Morwenna White, CEO of Hyperwild Associates Consulting, member of the Supervisory Board
- Eric Daniel Bowman, CTO at Tom Tom, member of the Supervisory Board
- Victor del Pozo, COO of the Veepee Group, member of the Supervisory Board (from January 14, 2022)
- Ursula Radeke-Pietsch, Global Senior Vice President Finance at Siemens AG, member of the Supervisory Board (from March 16, 2022)

In the course of the conversion into a European Company, the Audit Committee of momox Holding SE was established by resolution of the Supervisory Board of momox Holding SE with the same composition as the Audit Committee of momox Holding AG. The Audit Committee for the fiscal year 2022 is thus composed as follows:

- Ursula Radeke-Pietsch, Global Senior Vice President Finance at Siemens AG, member of the Audit Committee (from March 20, 2022), chair of the Audit Committee (from March 22, 2022)
- Staffan Mörndal, professional investment consultant, deputy chair of the Audit Committee
- Dr. Thomas Tochtermann, consultant, chair of the Audit Committee (up to March 22, 2022), member of the Audit Committee

By resolution of December 18, 2021, the Supervisory Board of momox Services GmbH consists of the following members:

- Heiner Kroke, CEO of momox, chair of the Supervisory Board
- Christian von Hohnhorst, CFO of momox, deputy chair of the Supervisory Board (up to June 28, 2022)
- Dr. Thomas Tochtermann, consultant, deputy chair of the Supervisory Board (from June 28, 2022)
- Chris Herber, momox employee, member of the Supervisory Board

Other key employees are:

- Dr. Dimitrios Tritaris, CMO: Marketing & Sales, Pricing, Business Intelligence, Customer Support (up to July 31, 2022)
- Lenia Karallus, Chief Fashion Officer
- Bastian Salewsky, Interim Chief Fashion Officer (up to March 31, 2022)
- Stefan Klostermann, Chief Books & Media Officer (from July 1, 2022)
- Marco Trettin, CTO: Technology and Product-Division
- Alexandra Schulz, Human Resources

11.5 Contingent liabilities

The liabilities from the green bond issued on July 10, 2020, for EUR 100 million were secured under the framework of a global assignment which entailed the pledge of the entirety of shareholder shares, including all ancillary rights, in momox SE (formerly: momox AG) (Share Pledge Agreement of July 9, 2020) as well as the pledge of all existing and future trade receivables (Global Assignment Agreement of October 5, 2020) and bank accounts held with German banks (Account Pledge Agreement of October 5, 2020).

The carrying amounts of the assets pledged as security for the green bond are as follows:

	2022	2021
Shares	120	120
Trade receivables	4,371	7,753
Bank accounts at German banks	18,273	13,229
Total	**22,764**	**21,102**

In addition, it was agreed by means of the guarantee agreement concluded on October 5, 2020 (Guarantee Agreement) that momox SE (formerly: momox AG) would provide a guarantee of EUR 195 million which would serve to secure the obligations and liabilities of momox Holding SE (formerly: momox Holding GmbH) in regard to the green bond.

By agreement of July 30, 2021 (Accession Letter), momox Services GmbH acceded to the guarantee agreement entered into, the Global Assignment Agreement and Account Pledge Agreement of October 5, 2020, as an additional guarantor.

With regard to the development of the momox Group, the risk of utilization is assessed to be low.

Moreover, all guarantees for rent deposits were canceled in 2022 (previous year: EUR 155.1 thousand).

11.6 Employees

The average number of employees breaks down as follows:

	2022	2021
Women	762	1,019
Men	1,470	1,188
Total	**2,232**	**2,207**

11.7 Auditor's fee

momox Holding SE is required under German commercial law to disclose the total fee of the auditor of the consolidated financial statements, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, charged for the fiscal year.

The following fees have been incurred for the services performed by the auditor:

in TEUR	2022	2021
Auditing services	392	405
Other assurance services	56	8
Tax advisory services	0	94
Other services	2	1
Total	**450**	**508**

The auditing services are primarily attributed to the audit of the consolidated financial statements of momox Holding SE and of the annual financial statements of the German Group companies as well as to the assessment of the design of the internal control system of the German Group companies in the previous year. Other assurance services included the packaging audit stipulated by law and the audit of the non-financial Group report. The tax advisory services of the auditor in the previous year included tax consulting as well as support services for the preparation of tax returns. The other services relate to the technical support of the disclosures. With the entry into force of the "Gesetz zur Stärkung der Finanzintegrität" on January 1, 2021 and the associated abolition of Section 319a of the HGB as of January 1, 2022, no prohibited non-audit services were provided.

11.8 Events after the balance sheet date of December 31, 2022

No events which could have had a material influence on the presentation of the net assets, financial position and results of operations of the Group occurred after the balance sheet date.

11.9 Exemption from disclosure

The companies momox SE and momox Services GmbH are exempt pursuant to the provisions of Section 264 para. 3 HGB from disclosing their annual financial statements and from preparing notes to the annual financial statements and a management report in accordance with the resolutions of the general meeting of October 21/22, 2022.

11.10 Proposal on the appropriation of profits

The Management Board of momox Holding SE proposes that the net retained profits of momox Holding SE of EUR 27,907 thousand be carried forward to new account.

12. Approval of the financial statements

The financial statements will be approved by the Management Board on March 27, 2023.

The approval of the consolidated financial statements of momox Holding SE for the financial year 2022 by the Supervisory Board of momox Holding SE is scheduled to take place on March 28, 2023. After the documents have been released for publication, they will be disclosed in a timely manner.

Berlin, March 27, 2023

The Management Board

signed	signed
Heiner Kroke (chair)	Christian von Hohnhorst

Other Information

Responsibility Statement by the Legal Representatives of the Group of momox Holding SE, Berlin

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the group management report, which is combined with the management report of momox Holding SE, includes a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Berlin, March 27, 2023

The Management Board

signed

Heiner Kroke

Management Board (Chairman)

signed

Christian von Hohnhorst

Management Board

REPORT OF THE INDEPENDENT AUDITOR

To momox Holding SE:

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

Audit Opinions

We have audited the consolidated financial statements of momox Holding SE and its subsidiaries (the Group) – consisting of the consolidated balance sheet as of December 31, 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flow for the fiscal year from January 1 to December 31, 2022 and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of momox Holding SE for the fiscal year from January 1 to December 31, 2022, which is combined with the management report of the company and referred to hereinafter as the "group management report". In compliance with German law, we did not audit the contents of the components specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of knowledge obtained in the audit,

- the accompanying consolidated financial statements comply in all material respects with the regulations of the International Financial Reporting Standards (IFRS), as applicable in the EU, and the additional German legal regulations to be applied in accordance with Section 315e para. 1 HGB and give a true and fair view of the asset and financial position of the Group as of December 31, 2022 and its results of operations for the fiscal year from January 1 to December 31, 2022 in accordance with these regulations and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

Our audit opinion on the group management report does not extend to the content of the elements of the group management report set out in the “Other information” section.

Pursuant to Section 322 para. 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the compliance of the consolidated financial statements and the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; hereinafter), taking into account the generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (German Institute of Public Auditors - IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent from the consolidated companies in accordance with the European and German regulations of commercial and professional law and have met our other German professional obligations in accordance with these requirements. In addition, we declare pursuant to Article 10 para. 2 letter f) EU-AR that we have provided no prohibited non-audit services referred to in Article 5 para. 1 EU-AR. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those that, based on our professional judgment, were most significant in our audit of the consolidated financial statements for the fiscal year January 1 to December 31, 2022. These matters were considered in connection with our audit of the consolidated financial statements as a whole and for forming our audit opinion; we do not provide a separate audit opinion on these matters.

In our opinion, the following matters were the most significant in our audit:

- Impairment of goodwill and
- Existence and measurement of the sales revenue from the shipment of merchandise while taking expected returns into consideration.

Our presentation of these key audit matters is structured as follows:

1. Matter and problem;
2. Audit approach and findings;
3. Reference to further information.

We present the key audit matters below:

Impairment of goodwill

1. In the consolidated financial statements of momox Holding SE, a value totaling EUR 108.3 million is reported under the financial position item “Goodwill”. The company allocates the goodwill to the relevant group of cash-generating units. The company subjects the goodwill to an impairment test annually on the balance sheet date or on an ad hoc basis. This is done in principle by comparing the calculated value in use to the carrying amount of the corresponding group of cash-generating units. This value is usually based on the present value of the future cash flow of the cash-generating unit to which the goodwill has to be allocated. The value is calculated using forecasts of the cash-generating units that are based on the financial planning approved by management. Discounting is performed using the weighted average cost of capital of the cash-generating unit. The result of this is largely dependent on the estimate of future cash inflows by the company’s officers and the discount rate used, and is therefore subject to considerable uncertainty, hence this is a key audit matter.
2. To address this risk, we subjected the assumptions and estimates of management to a critical examination and performed audit procedures including the following:
    - In the course of our audit procedures, we both achieved an understanding of the company’s process and verified the methodological procedure for performing the impairment test.

- We satisfied ourselves that the future cash flow underlying the value and the discount rates used provide an appropriate basis for the impairment testing of the cash-generating units.
- In our assessment, we used comparisons against general and industry-specific market expectations and extensive information from management on the key value drivers in planning, and we compared this information against the current budget in the planning approved by the Supervisory Board.
- Knowing that even relatively small changes in the discount rate can have a material impact on the value in use calculated in this way, we examined the parameters used to determine the discount rate applied, including the weighted average cost of capital, and verified the company's calculation scheme.
- Furthermore, we conducted our own additional sensitivity analysis to be able to estimate a possible impairment risk in the event of a possible change in a key measurement assumption. The selection was based on qualitative aspects, in particular with regard to the continuation of the growth path.

We found that the goodwill and, in general, the carrying amount of the relevant group of cash-generating units is covered on the balance sheet date by the discounted future cash flow.

3. The company's disclosures on goodwill can be found in notes 6.2. and 10.1 to the consolidated financial statements.

Existence and measurement of the sales revenue from the shipment of merchandise while taking expected returns into consideration

1. The Group's operating activities essentially cover the sale of merchandise. Revenue recognition in accordance with IFRS 15 is dependent on the fulfillment of the performance obligation, which is satisfied in principle only when the merchandise is delivered, i.e. upon transfer of control of the goods. The customers of the momox Group have the option of sending back goods free of charge within the statutory cancellation period or the return shipping periods that are granted. The expected returns that are not to be recognized as revenue are charged by the momox Group. Assumptions and judgments, especially expected return rates specific to the period and to the article groups, form the basis for this charge. Credit notes issued on account of returns as well

as other sales allowances have a material influence on the revenue that is recognized. The sales revenue has a major influence on the Group's net income for the year and constitutes one of the key performance indicators for the Group.

On account of the large transaction volume in the sale of merchandise in due consideration of the sales allowances as well as the estimate of the expected returns, which is subject to uncertainty, we consider the existence and the measurement of sales revenue from the delivery of merchandise to be a key audit matter.

2. To address this risk, we subjected the revenue recognition process and the assumptions and estimates of management to a critical examination and performed audit procedures including the following:

- In the course of our audit, we reviewed the internal methods, procedures, and control mechanisms in the sales process that are defined within the Group, focusing on the returns and other sales allowances from the order through to the receipt of payment and the returns process. We also assessed the design and effectiveness of accounting-related internal controls by tracking specific business transactions from the time they arise to their presentation in the consolidated financial statements and by testing controls. This procedure involves in particular the functioning of the IT-supported and internal company controls and analysis of the development of the sales allowances and their presentation in the consolidated financial statements.
- In addition, we evaluated compliance with the requirements laid down in IFRS 15 for the recognition of revenue.
- In the course of substantive audit procedures, and on the basis of samples of sales and returns selected in view of risk, we obtained proof (invoices, payments and receipts) on the existence of the sales revenue in order to assess whether there was a corresponding dispatch of goods underlying the sales revenue recognized. Furthermore, we conducted an analysis of historical data to verify the estimates and assumptions made by the legal representatives to determine the expected returns in due consideration of the return rates specific to the period and to the article groups.
- The existence and completeness of the sales revenue was subsequently reviewed using analytical audit procedures and also by auditing the deferred sales.
- We examined the presentation of the sales plus sales allowances in the income statement and related balance sheet items to see whether they have been taken over correctly from the sub-ledger accounting to the main ledger accounting.

- Furthermore, we questioned the management and the employees in the controlling department on the development of the sales and related sales allowances and of the contribution margins of the various areas as well as estimates by the legal representatives on possible sales and measurement risks. No reservations concerning the existence of sales were produced from our audit procedures or arose from the measurement of the sales revenues from the dispatch of merchandise in due consideration of expected returns.

3. The company's disclosures on the accounting methods used for recognizing sales revenue can be found in notes 6.12 and 9.1 to the financial statements.

Other Information

The legal representatives respectively the Supervisory board are responsible for the other information. The other information includes:

- the non-financial group report in accordance with Section 315b HGB in conjunction with Section 289b HGB,
- the other parts of the annual report (in particular the report of the Supervisory board), with the exception of the audited consolidated financial statements and group management report and our auditor's report, and
- the responsibility statement issued by the legal representatives.

Our audit opinions on the consolidated financial statements and on the group management report do not extend to the other information, and accordingly we provide neither an audit opinion nor any other form of audit conclusion in this regard.

As part of our audit, we have a responsibility to read the other information and to evaluate whether it

- exhibits material discrepancies with the consolidated financial statements, with the group management report or our knowledge obtained during the audit, or
- otherwise seems significantly incorrect.

Responsibilities of the Legal Representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with the regulations of the International Financial Reporting Standards (IFRS), as applicable in the EU, and the additional regulations of German commercial law to be applied in accordance with Section 315e para. 1 HGB in all material respects, and that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the above regulations. In addition, the legal representatives are responsible for the internal controls that they have determined as necessary to enable the preparation of consolidated financial statements that are free of material misstatements whether due to fraud (i.e. fraudulent financial reporting or misappropriation of assets) or error.

When preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group’s ability to continue as a going concern. In addition, they have a responsibility to disclose matters related to the status as a going concern, if relevant. They are also responsible for accounting on the basis of the going concern principle, unless prevented by actual or legal circumstances.

Furthermore, the legal representatives are responsible for the preparation of the group management report, which as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report in compliance with the applicable German legal regulations and to allow sufficient, suitable evidence to be provided for the statements in the group management report.

The Supervisory Board is responsible for monitoring the Group’s financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objective is to obtain reasonable assurance that the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and that, on the whole, the group management report provides a true and fair view of the position of the Group and is consistent with the consolidated financial statements, the findings obtained in the course of our audit, and German statutory provisions and accurately presents the risks and opportunities of future development in all material respects, and to issue an auditor’s report containing our audit opinions on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance but not a guarantee that an audit carried out in compliance with Section 317 HGB, the EU-AR and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements can result from transgressions or inaccuracies and are deemed material if it could be reasonably expected that they would individually or together influence the financial economic decisions made by users on the basis of the consolidated financial statements and group management report.

We exercise due discretion during the audit and maintain a critical attitude. In addition, we

- identify and assess the risks of material misstatements, whether due to fraud or error, in the consolidated financial statements and the group management report, plan and perform our audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements resulting from fraud are not uncovered is higher that the risk that material misstatements arising from error are not uncovered, as fraud can involve collusion, falsifications, deliberate omissions, misleading depictions or the suspension of internal controls.
- obtain an understanding of internal control system relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to plan audit procedures

that are appropriate given the circumstances, but not with the aim of providing an audit opinion regarding the effectiveness of these systems.

- evaluate the appropriateness of the accounting policies used by the legal representatives and the appropriateness of the estimated values presented by the legal representatives and the associated disclosures.
- conclude on the appropriateness of the use by the legal representatives of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inappropriate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the presentation, structure and contents of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in such a way that the consolidated financial statements prepared in compliance with the regulations of the IFRS, as applicable in the EU, and the additional regulations of German commercial law in accordance with Section 315e para. 1 HGB give a true and fair view of the net assets, financial position and results of operations of the Group.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- conduct audit procedures regarding the forward-looking disclosures made by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence, we examine the significant assumptions underlying the legal representatives' forward-looking disclosures in particular and evaluate the

appropriateness of the derivation of the forward-looking disclosures from these assumptions. We do not provide a separate audit opinion regarding the forward-looking disclosures or the underlying assumptions. There is a considerable, unavoidable risk that future events will differ significantly from the forward-looking disclosures.

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

We issue a statement to those charged with governance to the effect that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be assumed to affect our independence and the safeguards put in place to protect against this.

From among the matters which we have discussed with those charged with governance, we determine those matters which were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in the auditor's report, unless laws or other legal provisions preclude their public disclosure.

OTHER STATUTORY AND LEGAL REQUIREMENTS

Report on the audit of the electronic rendering of the consolidated financial statements and combined group management report prepared for disclosure purposes in accordance with Section 317 para. 3a HGB

Audit Opinion

In accordance with Section 317 para. 3a HGB, we have conducted an audit with reasonable assurance as to whether the rendering of the consolidated financial statements and of the group management report prepared for disclosure purposes contained in the enclosed file 2022_momoxholdinggroup_IFRS.zip (also referred to hereinafter as the "ESEF documents") fulfill the requirements of Section 328 para. 1 HGB for the electronic reporting format ("ESEF format") in all material respects. In compliance with the German legal requirements, this audit covers only the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither the information contained in these rendering nor other information contained in the above-mentioned file.

According to our assessment, the rendering of the consolidated financial statements and the group management report prepared for disclosure purposes contained in the file specified above fulfill the requirements of Section 328 para. 1 HGB for the electronic reporting format in all material respects. Beyond this audit opinion and our opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from January 1 to December 31, 2022 contained in the preceding “Report on the Audit of the Consolidated Financial Statements and the Group Management Report”, we provide no audit opinion whatsoever on the information contained in these rendering or on the other information contained in the file specified above..

Basis for the Audit Opinion

We conducted our audit of the rendering of the consolidated financial statements and of the group management report contained in the enclosed file specified above in accordance with Section 317 para. 3a HGB and the IDW auditing standard: Audit of the electronic rendering of annual financial statements and management reports created for disclosure purposes in accordance with Section 317 para. 3a HGB (IDW PS 410 (06.2022)). Our responsibility under this standard is described in greater detail in the “Responsibility of the Group Auditor for the Audit of the ESEF Documents” section. Our audit practice has applied the requirements for quality assurance systems set out in the IDW quality assurance standard: Requirements for quality assurance in auditing practice (IDW QS 1).

Legal uncertainty concerning conformity of the interpretation of the relevant European regulations

The consolidated financial statements converted into the ESEF format cannot be effectively analyzed automatically in full on account of the conversion process selected by the company for the disclosures in the notes in the iXBRL format (block tagging). The legal conformity of management's interpretation that the ability to effectively analyze the structured disclosures in the notes is not explicitly required by Commission Delegated Regulation (EU) 2019/815 when the notes are block tagged is subject to significant legal uncertainty, which thus also represents an inherent uncertainty in our audit.

Responsibility of the Legal Representatives and the Supervisory Board for the ESEF Documents

The legal representatives of the company are responsible for drawing up the ESEF documents with the electronic rendering of the consolidated financial statements and of the group management report pursuant to Section 328 para. 1 sentence 4 no. 1 HGB and for marking up the consolidated financial statements pursuant to Section 328 para. 1 sentence 4 no. 2 HGB.

The legal representatives of the company are also responsible for the internal controls they consider necessary to enable the preparation of ESEF documents which are free of material violations of the provisions of Section 328 para. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for monitoring the process for preparing the ESEF documents as part of the accounting process.

Responsibility of the Group Auditor for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free of material violations of the requirements under Section 328 para. 1 HGB, whether due to fraud or error. We exercise due discretion during the audit and maintain a critical attitude. In addition, we

- identify and evaluate the risks of material violations of the requirements of Section 328 para. 1 HGB, whether due to fraud or error, plan and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion;
- obtain an understanding of internal control 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 providing an audit opinion regarding the effectiveness of these controls;

- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents fulfills the provisions on the technical specifications for this file under Delegated Regulation (EU) 2019/815 as amended as of the reporting date.
- assess whether the ESEF documents enable the audited consolidated financial statements and the audited group management report to be reproduced in XHTML with the same contents.
- assess whether the mark-up of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Commission Delegated Regulation (EU) 2019/815 as amended as of the reporting date enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction to be made.

Other Disclosures Pursuant to Article 10 EU-AR

We were appointed as the auditor of the consolidated financial statements by resolution of the parent company's Annual General Meeting on June 22, 2022. Our engagement was confirmed on July 3, 2022 by the supervisory board represented by the chair of the Audit Committee. We have served as the auditor for the Group since fiscal year 2019, of which the second fiscal year the Group fulfilled the definition of a public interest entity as defined under Section 316a sentence 1 HGB.

We declare that the audit opinions contained in this auditor's report are consistent with the additional report to the Supervisory Board according to Article 11 EU-AR (audit report).

Other Matters – Use of the Auditor's Report

Our auditor's report must always be read in connection with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents. The consolidated financial statements converted into the ESEF format – and also the versions to be filed in the Company Register – are only electronic renderings of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the auditor's report on the ESEF documents and our audit opinion contained therein may be used only in conjunction with the audited ESEF documents prepared in electronic form.

Responsible Auditor

The auditor responsible for the audit is Dr. Stefan Grabs.

Berlin, March 28, 2023

Seal

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Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

signed	signed
....	....
Hanxleden German Public Auditor	Dr. Grabs German Public Auditor

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