ABOUT YOU

IFRS CONSOLIDATED FINANCIAL STATEMENTS AS OF FEBRUARY 28, 2021 AND COMBINED GROUP MANAGEMENT REPORT

2020/2021

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Consolidated Income Statement

from March 1, 2020, to February 28, 2021

EUR million	Note [item]	**2020/2021**	2019/2020	Change
Revenue	[VII.1]	1,166.5	743.4	423.1
Cost of materials	[VII.2]	(691.5)	(422.5)	(269.0)
Personnel expenses	[VII.3]	(59.8)	(34.9)	(24.9)
Other operating expenses	[VII.4]	(477.8)	(367.5)	(110.3)
Other operating income	[VII.5]	3.2	2.1	1.2
Own work capitalized		15.4	9.5	5.8
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**(44.0)**	**(69.9)**	**25.8**
Amortization of intangible assets and depreciation of property, plant and equipment	[VII.6]	(7.4)	(6.3)	(1.1)
Depreciation of right-of-use assets	[VII.6]	(4.0)	(3.2)	(0.9)
Earnings before interest and taxes (EBIT)		**(55.5)**	**(79.4)**	**23.9**
Net interest result	[VII.7]	(1.9)	(0.2)	(1.7)
Other financial result	[VII.7]	0.3	(0.7)	0.9
Earnings before taxes (EBT)		**(57.1)**	**(80.2)**	**23.1**
Income taxes	[VII.8]	(2.8)	0.4	(3.2)
Profit/(loss) for the period		**(59.9)**	**(79.8)**	**19.9**
Earnings per share – undiluted [EUR]	[VII.9]	(622.3)	(676.8)	54.4
Earnings per share – diluted [EUR]	[VII.9]	(622.3)	(676.8)	54.4

Consolidated Statement of Comprehensive Income

from March 1, 2020, to February 28, 2021

EUR million	**2020/2021**	2019/2020
Profit/(loss) for the period	(59.9)	(79.8)
Items that will be reclassified to profit/loss in subsequent reporting periods	0.0	0.0
Items that will not be reclassified to profit/loss in subsequent reporting periods	0.0	0.0
Income and expenses recognized directly in equity	0.0	0.0
Profit/(loss) for the period/total comprehensive income	**(59.9)**	**(79.8)**

Consolidated Statement of Financial Position

as of February 28, 2021

Assets

EUR million	Note [item]	Feb. 28, 2021	Feb. 29, 2020	Change
Non-current assets		**48.3**	**39.3**	**9.0**
Intangible assets	[VIII.1]	32.6	23.4	9.2
Right-of-use assets	[VIII.4]	10.3	11.8	(1.6)
Property, plant and equipment	[VIII.2]	3.5	2.6	0.9
Financial assets	[VIII.3]	1.9	0.0	1.9
Other non-current financial assets		0.1	0.1	(0.1)
Deferred tax assets	[VII.8]	0.0	1.3	(1.3)
Current assets		**408.9**	**267.6**	**141.3**
Inventories	[VIII.5]	199.6	94.2	105.5
Trade and other receivables	[VIII.6]	50.9	69.8	(18.9)
Receivables from related parties	[VIII.7]	5.7	4.4	1.3
Other financial assets	[VIII.8]	0.0	0.0	(0.0)
Other non-financial assets	[VIII.8]	44.7	36.8	7.9
Cash and cash equivalents	[VIII.9]	107.9	62.4	45.6
Total assets		**457.2**	**306.9**	**150.3**

Equity & liabilities

EUR million	Note [item]	**Feb. 28, 2021**	Feb. 29, 2020	Change
Equity	**[VIII. 10–12]**	**55.4**	**102.2**	**(46.8)**
Subscribed capital		4.3	4.3	0.0
Share premium		463.0	449.9	13.1
Retained deficit		(411.8)	(351.9)	(59.9)
Non-current provisions and liabilities		**87.6**	**10.2**	**77.4**
Non-current lease liabilities	[VIII.4]	7.6	8.5	(0.9)
Non-current liabilities to related parties	[VIII.13]	76.7	0.0	76.7
Deferred tax liabilities	[VII.8]	3.4	1.7	1.7
Current provisions and liabilities		**314.1**	**194.5**	**119.7**
Other provisions	[VIII.14]	2.5	0.0	2.5
Trade payables	[VIII.15]	142.9	104.3	38.6
Payables to related parties	[VIII.16]	66.9	21.8	45.1
Lease liabilities	[VIII.4]	3.2	3.2	(0.0)
Other financial liabilities	[VIII.17]	52.7	37.8	14.9
Other non-financial liabilities	[VIII.17]	46.0	27.4	18.6
Total equity and liabilities		**457.2**	**306.9**	**150.3**

Consolidated Statement of Changes in Equity

from March 1, 2019, to February 28, 2021

EUR million	Note [item]	Subscribed capital	Share premium	Retained deficit	Total Equity
As of March 1, 2019		**4.2**	**444.9**	**(272.1)**	**177.1**
Profit/(loss) for the period		0.0	0.0	(79.8)	(79.8)
Shareholder investments	[XI]	0.0	18.2	0.0	18.2
Shareholders withdrawals	[XI]	0.0	(13.3)	0.0	(13.3)
Changes in consolidated group		0.0	0.0	0.0	0.0
Successive acquisitions/partial disposals		0.0	0.0	0.0	0.0
Dividends		0.0	0.0	0.0	0.0
Other changes in comprehensive income		0.0	0.0	0.0	0.0
Share-based payments	[VIII.11]	0.0	0.0	0.0	0.0
As of February 29, 2020		**4.3**	**449.9**	**(351.9)**	**102.2**
Profit/(loss) for the period		0.0	0.0	(59.9)	(59.9)
Shareholder investments	[XI]	0.0	19.1	0.0	19.2
Shareholders withdrawals	[XI]	0.0	(14.4)	0.0	(14.4)
Changes in consolidated group		0.0	0.0	0.0	0.0
Successive acquisitions/partial disposals		0.0	0.0	0.0	0.0
Dividends		0.0	0.0	0.0	0.0
Other changes in comprehensive income		0.0	0.0	0.0	0.0
Share-based payments	[VIII.11]	0.0	8.4	0.0	8.4
As of February 28, 2021		**4.3**	**463.0**	**(411.8)**	**55.4**

Consolidated Statement of Cash Flows

from March 1, 2020, to February 28, 2021

	EUR million	Note [item]	**Feb. 28, 2021**	Feb. 29, 2020
	Profit/(loss) for the period		**(59.9)**	**(79.8)**
+	Depreciation, amortization and write-downs	[VII.6]	11.4	9.5
+	Income taxes	[VII.8]	2.8	(0.4)
+	Net interest result	[VII.7]	1.9	0.2
–	Taxes paid	[VII.8]	0.2	(0.2)
–/+	Increase/decrease in inventories	[VIII.5]	(105.5)	(15.2)
–/+	Increase/decrease in trade and other receivables	[VIII.6]	17.6	(25.5)
–/+	Increase/decrease in other assets	[VIII.8]	(7.8)	(10.6)
+/–	Increase/decrease in refund liabilities		14.8	(5.5)
+/–	Increase/decrease in trade payables	[VIII.15]	83.7	62.7
+/–	Increase/decrease in other liabilities	[VIII.13–14&17]	21.2	17.4
+	Non-cash expenses		13.1	4.9
=	**Cash flows from operating activities**		**(6.4)**	**(42.4)**
–	Acquisition of intangible assets and property, plant and equipment	[VIII.1–2]	(16.9)	(10.5)
–	Acquisition of companies	[VIII.3]	(1.9)	(4.2)
–	Payments for other loans	[VIII.8]	(0.1)	(0.5)
+	Interest income	[VII.7]	0.0	0.0
=	**Cash flows from investing activities**		**(18.9)**	**(15.1)**
=	**Free cash flow**		**(25.4)**	**(57.6)**
+	Proceeds from issue of share capital	[VIII.10–12]	0.0	0.0
+	Proceeds from shareholder loans	[VIII.13]	75.0	0.0
+	Proceeds from shareholders	[XI]	14.4	13.3
–	Payments to shareholders	[XI]	(14.4)	(13.3)
–	Payment of lease liabilities	[VIII.4]	(3.9)	(3.3)
+/–	Interest paid	[VII.7]	(0.2)	(0.2)
=	**Cash flows from financing activities**		**70.9**	**(3.4)**
+	Cash and cash equivalents at beginning of the period	[VIII.9]	62.4	123.3
+	Net change in cash and cash equivalents		45.6	(61.0)
=	**Cash and cash equivalents at end of period**	**[VIII.9]**	**107.9**	**62.4**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR 2020/2021

Notes to the Consolidated Financial Statements as of February 28, 2021

ABOUT YOU Holding GmbH

I. Basis of Preparation of Consolidated Financial Statements

ABOUT YOU Holding GmbH (hereafter: "ABOUT YOU Holding'" since March 11, 2021: "ABOUT YOU Holding AG"), registered at the address: Domstraße 10, 20095 Hamburg, Germany (under commercial register file number HRB 143389 at the Hamburg District Court), and its subsidiaries (jointly referred to hereafter as: "ABOUT YOU Group" or "ABOUT YOU") represent a fashion e-commerce and technology group operating in Europe.

ABOUT YOU Holding is the ultimate parent company of the ABOUT YOU Group. Besides the Parent Company, the ABOUT YOU Group encompasses three additional subsidiaries that are included in the consolidated financial statements.

These consolidated financial statements have been prepared for the financial year from March 1, 2020, to February 28, 2021 (hereafter: "2020/2021").

1. BASIS OF ACCOUNTING

The consolidated financial statements for the year ended February 28, 2021, of ABOUT YOU Holding have been prepared by applying the provisions of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, in conjunction with Section 315e (3) of the German Commercial Code [HGB] in accordance with the International Financial Reporting Standards (IFRS) as adopted and issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. The applicable supplementary provisions of Section 315e (3) HGB in conjunction with Section 315e (1) HGB were also taken into account.

All IFRSs adopted and effective in the European Union as of the reporting date have been applied to these consolidated financial statements. The requirements of IFRS were fully satisfied, providing a true and fair view of the financial position, financial performance and cash flows of ABOUT YOU Group.

The consolidated financial statements are prepared on the basis of measuring assets and liabilities at amortized cost. An exception here are certain financial instruments, which are measured at fair value.

Individual items of the consolidated income statement and the statement of financial position have been aggregated to improve the clarity of presentation. These items are explained in the notes to the consolidated financial statements. The consolidated statement of profit or loss and OCI has been prepared in accordance with the nature of total cost method.

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to satisfy its existing liabilities and future obligations. The Group's free cash flow equaled EUR 25.4 million in the 2020/2021 reporting year (PY: EUR −57.6 million). As of that date, current assets (including cash and cash equivalents) exceeded current liabilities by EUR 94.8 million (PY: EUR 73.1 million). Cash and cash equivalents amounted to EUR 107.9 million (PY: EUR 62.4 million). Additional start-up losses are anticipated for the 2021/2022 reporting year in order to scale up business operations. The shareholder loan of EUR 75 million in 2020/2021, maturing on February 28, 2023, provides sufficient financial resources to finance the projected losses in 2021/2022.

2. BASIS OF CONSOLIDATION

The consolidated financial statements of ABOUT YOU Group include all material subsidiaries that are controlled by ABOUT YOU Holding pursuant to IFRS 10. In accordance with IFRS 10, the investor ABOUT YOU Holding controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Any positive difference arising from capital consolidation on the acquisition date is capitalized as derivative goodwill. Any negative differences arising from capital consolidation at the date of acquisition are immediately reclassified from equity to profit or loss. Costs incurred in conjunction with the acquisition of ownership interests are immediately recognized in profit or loss.

Any previously undisclosed reserves and liabilities identified when measuring assets and liabilities at fair value on initial consolidation are carried forward, amortized or reversed in accordance with the movements in assets and liabilities. Goodwill acquired in a business combination is tested for impairment in subsequent periods annually and after a triggering event, and reduced to its recoverable amount if impaired.

Expenses and income as well as receivables and liabilities between consolidated entities are eliminated.

The financial statements of ABOUT YOU Holding and its consolidated subsidiaries are prepared in accordance with uniform accounting policies. The financial statements of consolidated entities are generally prepared as of the reporting date of the ultimate parent company.

For consolidated companies whose reporting date differs from the reporting date of the consolidated financial statements, interim financial statements are prepared as of the reporting date.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial statements are presented in euros, the functional currency of ABOUT YOU Holding and its subsidiaries as well as the presentation currency of the Group. Transactions conducted in other currencies are translated into the functional currency at the exchange rate applicable on the date of the transaction. Foreign currency translation effects from converting transactions are shown in other financial result.

The amounts of the reporting year are reported in million euros (million EUR) unless stated otherwise. Due to rounding, it is possible that individual figures do not exactly add up to the totals shown and the presented percentages do not exactly reflect the absolute figures to which they relate.

4. ACQUISITIONS DURING THE FINANCIAL YEAR

ABOUT YOU Group acquired the following shares in the current reporting year, which were not included in the consolidated financial statements on account of their minor importance. The effects on revenue, earnings after taxes, assets and equity in relation to the ABOUT YOU Group amounted to less than 1%.

Acquisitions in 2020/2021	Registered office, country	Date of acquisition	Ownership interest (Group) as of reporting date
Unconsolidated companies			
ABOUT YOU Beteiligungs GmbH	Hamburg, Germany	January 7, 2021	100.0%
Tusaki Beteiligungsverwaltung GmbH	Vienna, Austria	February 20, 2021	100.0%
Quebo Beteiligungsverwaltung GmbH	Vienna, Austria	February 23, 2021	100.0%
The HAUS Apparel GmbH	Berlin, Germany	September 1, 2020	49.0%
LeGer GmbH	Hamburg, Germany	February 5, 2021	40.0%
Soko München GmbH	Munich, Germany	September 30, 2020	36.0%
Supreme GmbH	Rostock, Germany	February 3, 2021	23.0%

In addition, the operating business of former ABOUT YOU GmbH (now ABOUT YOU Verwaltungs GmbH) was largely spun off to newly founded ABOUT YOU GmbH & Co. KG. ABOUT YOU GmbH & Co. KG is fully consolidated.

The consolidated entities of the ABOUT YOU Group can be broken down as follows:

	Feb. 28, 2021	Feb. 29, 2020
Fully consolidated entities		
thereof in Germany	4	3
thereof outside Germany	0	0
Total	**4**	**3**

There were no entities accounted for using the equity method or proportionate consolidation as of February 28, 2021.

II. Accounting Policies

Intangible Assets

Internally generated intangible assets are recognized at the cost incurred during the development phase after establishing their technological and commercial feasibility until the date of completion. The capitalized costs include those directly attributable to the development phase.

Gains or losses on the disposal of intangible assets are recognized under other operating income or expenses. Purchased intangible assets are recognized at cost.

Impairment testing is conducted annually and in the case of a triggering event for all internally generated intangible assets still in the development phase. All internally generated and purchased intangible assets are amortized on a straight-line basis over their useful life as follows:

	Useful life in years
Software	3–5
Licenses	3–5

Property, Plant and Equipment

Items of property, plant and equipment are measured at cost and depreciated straight-line over their estimated useful lives. Changes in residual values or useful lives during the use of the assets are taken into account when measuring their depreciable amounts. Gains and losses arising from the sale of property, plant and equipment are recognized as other operating income or expenses.

Items of property, plant and equipment are depreciated using the following useful lives applicable across the Group:

	Useful life in years
Leasehold improvements	1–4
Technical equipment and machinery	4–30
Operating and office equipment	5–19

Impairment of Intangible Assets and Property, Plant and Equipment and Right-of-use Assets

All intangible assets are tested for impairment if there is any indication that an intangible asset may be impaired.

For impairment testing pursuant to IAS 36, the carrying amount of the intangible asset must be compared against the corresponding recoverable amount. An asset is impaired when its recoverable amount falls below its carrying amount. The value of the asset must be reduced to that amount through profit or loss. Otherwise, the carrying amount must be retained. The recoverable amount is the higher of an asset's fair value (pursuant to IFRS 13) less costs to sell and its value in use.

There were no indications in 2020/2021 that an asset may be impaired. Annual impairment testing of goodwill did not reveal any indications of impairment.

Inventories

Inventories are measured at the lower of cost and net realizable value as of the reporting date. Net realizable value is the estimated selling price less the estimated costs necessary to make the sale. Should the net realizable value be below the amortized cost, then a corresponding write-down is recognized, which is recognized as cost of materials. Besides the impairment losses derived from the sales market, write-downs are taken into consideration, especially due to qualitative reasons or reduced usability.

Financial Assets

After initial recognition, financial assets are classified into the following categories:

- at amortized cost
- at fair value through profit or loss (FVTPL)

A financial asset is recognized initially according to both of the IFRS 9 categories at amortized cost (AC) and at fair value through profit or loss (FVTPL)

The subsequent valuation of financial assets measured at amortized cost is carried out using the effective interest method.

Financial assets are measured at amortized cost if they are held under a business model with the objective of holding financial assets for the collection of contractual cash flows, and when the contractual terms of the financial asset generate cash flows that are solely payments of principal and interest on specified dates. Trade receivables, other receivables and other financial assets are allocated to this measurement category.

All other financial assets not falling within the above categories are measured at fair value through profit or loss. These are therefore held as part of a business model whose objective is not to hold financial assets to collect contractual cash flows, as their cash flows do not represent solely payments of principal and interest.

All financial instruments that are recognized in the financial statements at fair value are assigned to the following hierarchy levels pursuant to IFRS 13:

Level 1: quoted prices on active markets accessible for the Company for the same assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (that is unobservable inputs). Reclassifications between different hierarchy levels are recognized at the end of the reporting period in which the change occurs.

The financial instruments in the "recognized at fair value through profit or loss" category also include investments not listed on a stock exchange for which there are no market prices listed on an active market. Since there is insufficient current information to determine the fair value and the companies are still in the startup phase, the costs derived from the purchase prices for the shares acquired only as of the 2020 reporting year represent the best estimate of fair value. There are currently no plans to sell these investments (Level 3).

Receivables from private end-customers are sold at fair value as part of factoring in return for payment of a consideration. In this regard, payment service providers assume the entire credit risk while ABOUT YOU retains the risk of returns. The receivables sold to the payment service providers are shown as other receivables. Other receivables from the payment service provider are derecognized after receiving payment from the payment service provider.

Impairment of Financial Assets

The calculation of impairment losses of financial assets is based on an expected credit loss model according to IFRS 9. This requires considerable judgments regarding assessing the extent to which expected credit losses are influenced by changes in economic factors. The lifetime expected credit loss approach is to be applied to trade receivables and if the credit risk of a financial asset on the reporting date has increased significantly since initial recognition. The financial assets (cash and cash equivalents as well as other financial assets) in the general impairment model (General Approach) are subject to an expected significant increase in credit exposure in the case of more than 30 days overdue. Insofar as a material credit risk can be assumed, a credit standing-based impairment loss is recognized in consideration of forward-looking macroeconomic factors.

For trade receivables and assets, ABOUT YOU applies the simplified model to recognize risks provisioning, according to which the loss allowance is measured at an amount equal to the lifetime expected credit losses since initial recognition of the receivable. The general provision for bad debt for expected credit losses (ECL) is generally determined in this case according to the method of "dunning level migration", which can assign each dunning level an explicit probability of default. The logic here is that before receivables can be passed on to debt collection agencies, specific and clearly-defined credit management process steps have to be carried out first. It can be empirically verified that passing on to a debt collection agency is the last resort and only occurs in the case of receivables that are at least 90 days overdue. Nevertheless, not every receivable with a delay in pay of 90 days is automatically passed on for collection (e.g. in the case of granted deferments). The value adjustment rates used in this model are generally based on the rolling average of the past 5 years (historical values) and also include a forecast based on future macroeconomic and political conditions/individual risk assessments.

In addition, individual allowances are recognized for a financial asset if there are indications that a borrower presumably cannot fully satisfy the corresponding obligations or the financial asset is passed on to a debt collection agency. Impairment losses on receivables and other financial assets are considered using an allowance account.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and cash in bank. They are recognized at nominal value.

Provisions

Provisions take account of all legal and constructive obligations of the ABOUT YOU Group to third parties arising from past events as of the reporting date that are likely to be settled and can be reliably estimated. Provisions are measured at the amount required to settle the obligation, taking into account all identifiable risks. This amount is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Liabilities from Refunds from Expected Returns

ABOUT YOU grants the customer the right to return ordered goods free-of-charge within 100 days after receipt Refund liabilities (returned goods) reflect in this regard the risk of items being returned as per the contract. Refund liabilities are recognized on the date the products are sold. At the same time, on the date of sale a restitution claim is recognized for the expected returns in other assets in the amount of the goods sold less handling charges for the expected returns and losses arising from reuse or resale. The liability recognized as of the reporting date mainly refers to the sale of goods in February, which may be expected to be returned after the reporting date. This liability is disclosed under other financial liabilities.

Financial Liabilities

Financial liabilities are initially measured at fair value taking into account premiums, discounts and transaction costs. Subsequent measurement of financial liabilities is carried out at amortized cost using the effective interest method.

Leases – Group as Lessee

At the inception of a lease, ABOUT YOU records a right-of-use asset and a lease liability for all leases, except short-term leases and leases where the underlying asset is of low value. For these leases, ABOUT YOU makes use of the exemption according to which the lease payments relating to these leases are recognized as an expense on a straight-line basis over the lease term.

At the inception of a lease, the lease payments included in the measurement of the lease liability are primarily fixed payments (net of any lease incentives received) and variable lease payments linked to an index or interest rate, which are initially measured using the index or interest rate in effect at the inception date. A change in the variable payments in conjunction with a change in the underlying index or interest rate results in a remeasurement of the lease liability at the effective date of that change. If the interest rate implicit in the lease cannot easily be determined, the present value of the lease payments is determined using the term and risk-equivalent incremental borrowing rate. The lease term is based on the non-cancellable period of a lease. Periods with amendment or termination options are taken into account if the option to exercise or not to exercise is reasonably certain.

Right-of-use assets are initially recognized in the amount of the corresponding lease liability plus initial direct costs less any lease incentives received. Costs for dismantling and removal are taken into account if they refer to the right-of-use. In subsequent reporting periods, right-of-use assets are written down on a straight-line basis over the underlying lease term of one to eight years.

Interest expenses for lease liabilities are recorded as interest and similar expenses. They are also included in cash flows from financing activities, while payments for the repayment of lease liabilities are shown as a separate item in cash flows from financing activities.

Income Taxes

Income taxes for the period comprises current and deferred taxes. Taxes are recognized in profit or loss, except to the extent that they relate to items recognized directly in equity or in other comprehensive income. In this case, the corresponding taxes are also recognized in equity or in other comprehensive income.

The current tax expense is calculated using the tax regulations applicable as of the reporting date in the countries in which the companies operate and generate taxable income. The amount of the current tax assets and liabilities provides the best estimate for the expected tax amount and takes into account uncertainties relating to current income taxes, to the extent such exist.

Deferred tax assets and liabilities are recognized to take account of future tax effects arising from temporary differences between the tax base used for assets and liabilities and the amounts stated in the IFRS financial statements and for tax loss carryforwards. Deferred tax assets and liabilities are measured based on regulations issued by the legislator at the end of the respective financial year for the financial years in which the temporary differences are expected to reverse or the loss carryforwards are expected to be utilized. Deferred tax assets arising from temporary differences and loss or interest carryforwards are only recognized when it is reasonably certain that they can be realized in the near future. Deferred tax assets are reviewed at each reporting date as to whether reductions are necessary if it is no longer probable that the related tax benefit will continue to be realized, or an impairment is to be reversed should the probability of future taxable profits improve. To the extent that deferred tax assets are unrecognized, they are reassessed at each reporting date and the tax claim is recognized to the extent that it has become probable that future earnings will allow the deferred tax asset to be recovered.

The valuation of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets and liabilities are netted if they relate to taxes on income that are levied by the same tax authority, and there is entitlement to offset a current tax asset against a current tax liability.

III. Recognition of Income and Expenses

Revenue from the sale of merchandise includes the amount that is recognized as consideration for transferring the promised goods to the customer. Revenue is recognized when goods and services have been transferred, if the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company on the date of service performance. Thus, revenue is recognized in accordance with IFRS 15 when (or as) the performance obligation has been satisfied by transferring control of the good or service to the customer. The invoices are prepared at this point in time, which – depending on the selected payment method – is based on different due dates. Invoices are separated from these where the underlying merchandise is not yet under the customer's control as of period-end (see Section IV and VII.1).

The transaction price contains variable components in the form of granted rights of returns and rebates. The forecast returns are determined based on the expectations for individual customers and countries (see the explanations in IV.). Repurchase obligations shown under other liabilities.

Other assets are recognized in the amount of cost of the supplied goods taking into account the cost incurred for processing returns and potential loss on resale.

ABOUT YOU provides B2B services both in the advertising sectors as well as in the area of Software as a Service. Tech, Media and Enabling largely include Software as a Service, Brand and Advertising Solutions and Bricks and Mortar Retail. Revenue is recognized in Tech, Media and Enabling largely over a specific, contractually agreed period. The customer receives the benefits provided by the entity's performance as the entity performs. Thus, revenue recognition is based on service performance. The transaction price includes the contractually defined price less any discounts granted.

Operating expenses are recognized in profit or loss as incurred or when services are rendered.

Advertising and promotion expenses are recognized in profit or loss as incurred when ABOUT YOU Group obtains control of the related goods and/or services used.

IV. Use of Estimates and Assumptions

In preparing these IFRS consolidated financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities, contingent liabilities as well as income and expenses as of the reporting date. The actual figures may differ from the amounts based on the assumptions and estimates.

Significant estimates and assumptions relate in particular to:

- the useful lives of assets, see SectionVIII.1–2)
- impairment losses on merchandise and receivables, see Section VIII.5 & VIII. 6)
- the determination of unrealized revenue; see below and Section VII.1
- adjusting the measurement of share-based payment, see Section VIII.11 and
- determination of the rates of return for measuring refund liabilities and restitution claims from expected returns (see explanatory notes below and Section VIII.17)

The right granted by ABOUT YOU to customers to return goods within 100 days after ordering means there is the risk with respect to quantifying the expected returns for orders that are made within the last 100 days of the reporting year. The key variable when determining the expected returns is the expected return rate. ABOUT YOU also uses customer and country-specific empirical values to estimate the rate of return for determining refund liabilities with regard to the relative frequency of the returns as well as the timeframe between the order and return. These empirical values are regularly updated.

The Company recognized revenue, cost of materials and fulfillment expenses as of the reporting date for those goods and services that were already realized prior to the reporting date, but for which the customer in all probability obtained control until after the reporting date. This was based on average delivery times, differentiated by order date, distribution channel and country of delivery.

V. New Financial Reporting Standards Issued by the IASB

All IFRSs adopted and effective in the European Union as of the reporting date have been applied to these consolidated financial statements. The following table lists the new, currently valid requirements that were published by the IASB:

Standard/Interpretation	Contents	IASB effective date	Effects
Amendments to References to the Conceptual Framework in IFRS Standards	References to the Conceptual Framework in IFRS Standards	January 1, 2020	No material effect on assets, liabilities, financial position and financial performance
Amendments to IFRS 3	Definition of a “Business”	January 1, 2020	No material effect on assets, liabilities, financial position and financial performance
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform (IBOR reform)	January 1, 2020	No material effect on assets, liabilities, financial position and financial performance
Amendments to IAS 1 and IAS 8	Definition of “material”	January 1, 2020	No material effect on assets, liabilities, financial position and financial performance

VI. New or Amended IFRS Not Yet Applied

The following financial reporting standards and amendments were already adopted by the IASB on the date of release of the financial statements for publication. They are however not yet effective for the reporting year and were also not yet applied by ABOUT YOU.

Standard/Interpretation	Contents	IASB effective date	Effects
Amendments to IFRS 16	COVID-19-Related Rent Concessions	June 1, 2020	No material effect on assets, liabilities, financial position and financial performance
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	January 1, 2021	No material effect on assets, liabilities, financial position and financial performance
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	IBOR Reform – Phase 2	January 1, 2021	No material effect on assets, liabilities, financial position and financial performance
Amendments to IFRS 3	Reference to the Conceptual Framework	January 1, 2022	No material effect on assets, liabilities, financial position and financial performance
Amendments to IAS 16	Property, plant and equipment – Proceeds before Intended Use	January 1, 2022	No material effect on assets, liabilities, financial position and financial performance
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022	No material effect on assets, liabilities, financial position and financial performance
Improvements to IFRS 2018–2020	Changes to IFRS 1, IFRS 9, IFRS 16 and IAS 41	January 1, 2022	No material effect on assets, liabilities, financial position and financial performance
IFRS 17 (including amendments to IFRS 17)	Insurance policies	January 1, 2023	ABOUT YOU did not conduct any transactions falling within the scope of the new standard. Consequently, ABOUT YOU is not required to adopt IFRS 17.
Amendments to IAS 1 (including Deferral of Effective Date)	Classification of Liabilities as Current or Non-current	January 1, 2023	No material effect on assets, liabilities, financial position and financial performance
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Still open	No material effect on assets, liabilities, financial position and financial performance

VII. Notes to the Consolidated Statement of Profit or Loss and Other Comprehensive Income

1. REVENUE

Revenue is broken down as follows:

EUR million	**2020/2021**	2019/2020
ABOUT YOU revenues from the sale of merchandise	1,099.4	699.5
Services and other related businesses	67.1	43.9
Revenue	**1,166.5**	**743.4**
Growth rate	56.9%	61.2%

The item entitled ABOUT YOU revenue from merchandise includes all revenues that the ABOUT YOU online shops generate from the sale of merchandise. The revenue from services and other related business segments is generated especially from using ABOUT YOU's media services, Software as a Service solutions (SaaS) and enabling services in the area of fulfillment and shop management. ABOUT YOU's revenue from merchandise is time-related revenue. The revenue from services and other associated business segments is mainly time-related revenue.

2. COST OF MATERIALS

The cost of materials largely consists of the cost of sales, other purchased services, such as customs and cost of transportation, the costs for packaging and shipping materials and the effect of writing down inventories.

3. PERSONNEL EXPENSES

Personnel expenses are broken down as follows:

EUR million	**2020/2021**	2019/2020
Wages and salaries	43.4	29.5
Share-based payment	8.4	0.0
Social security	8.0	5.4
Post-employment benefits	0.0	0.0
Personnel expenses	**59.8**	**34.9**

ABOUT YOU Group employed an average of 885 staff on a full-time equivalent basis in the 2020/2021 reporting year (PY: 638).

Employees were categorized as follows in the financial year:

	2020/2021	2019/2020
Full-time employees	732	537
Temporary staff/trainees/placement students	153	101
Total employees	**885**	**638**

4. OTHER OPERATING EXPENSES

Other operating expenses break down as follows:

EUR million	**2020/2021**	2019/2020
Advertising expenses	140.4	127.7
Shipping costs	112.5	78.3
Warehouse and picking costs	89.1	60.7
Payment provider fees	17.1	13.7
Temporary staff expenses	12.7	9.0
Other expenses	106.0	78.2
Other operating expenses	**477.8**	**367.5**

The remaining expenses mainly include service costs, costs for creating shop content, IT services and all types of other operating expenses.

5. OTHER OPERATING INCOME

Other operating income amounted to EUR 3.2 million in the reporting year (PY: EUR 2.1 million) and largely includes bonus and SLA agreements with service providers and integration cost allowances.

6. AMORTIZATION OF INTANGIBLE ASSETS AND DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Amortization and depreciation relate to:

EUR million	**2020/2021**	2019/2020
Amortization of internally generated intangible assets	6.5	5.3
Depreciation of right-of-use assets	4.0	3.2
Depreciation of property, plant and equipment	0.9	0.7
Amortization of other intangible assets	0.0	0.1
Amortization and depreciation	**11.4**	**9.3**
Impairment losses	0.0	0.2
Depreciation, amortization and write-downs	**11.4**	**9.5**

7. NET FINANCIAL RESULT

Net financial result is broken down as follows:

EUR million	**2020/2021**	2019/2020
Interest and similar income	0.0	0.0
Interest and similar expenses	(1.9)	(0.2)
Net interest result	**(1.9)**	**(0.2)**
Foreign exchange gains (+) and losses (–)	0.3	(0.7)
Other financial result	**0.3**	**(0.7)**
Net financial result	**(1.6)**	**(0.8)**

The increase in interest and similar expenses to EUR 1.9 million (PY: EUR 0.2 million) was mainly on account of a newly extended shareholder loan.

8. INCOME TAXES

The income taxes include the current income taxes paid or owed in individual countries as well as deferred tax assets and liabilities. Current income taxes comprise trade tax, corporate income tax and the solidarity surcharge. As a corporation, the group parent ABOUT YOU Holding is liable for trade tax in Germany. The income tax rate is 16.4% (PY: 16.5%). Other taxes include corporate income tax at a rate of 15.0% (PY: 15.0%) and the solidarity surcharge of 5.5% (PY: 5.5%) on the owed corporate income tax. The combined total income tax rate equaled 32.2% in the current year (PY: 32.3%). The income tax incurred abroad is immaterial.

The income taxes is broken down as follows:

EUR million	**2020/2021**	2019/2020
Current taxes	**0.2**	**(0.8)**
Current year	0.0	(0.8)
Adjustment for prior years	0.2	0.0
Deferred taxes	**(3.0)**	**1.2**
Deferred taxes from temporary differences	(4.2)	(0.5)
Deferred taxes from loss carryforwards	1.2	1.7
Income taxes	**(2.8)**	**0.4**

The notional income tax expense that would have arisen by applying the income tax rate for group parent ABOUT YOU Holding of 32.2% (PY: 32.3%) to the Group's IFRS profit before tax from continuing operations can be reconciled to the income taxes as follows:

EUR million	**2020/2021**	2019/2020
Earnings before taxes (EBT)	(57.1)	(80.2)
Income tax rate for ABOUT YOU Holding	32.2%	32.3%
Anticipated tax expense (–)/tax income (+)	**18.4**	**25.9**
Effect of current year losses for which no deferred tax asset was recognized	(20.6)	(24.7)
Tax increase due to expenses not deductible for tax purposes	(0.7)	0.0
Current tax expense/income for prior years	0.2	(0.8)
Deferred tax expense/income for prior years	(0.1)	0.0
Income taxes	**(2.8)**	**0.4**

Corporate income and trade tax loss carryforwards can be used at domestic entities without any restrictions for a positive tax base of up to EUR 1 million per calendar year.

Any positive tax bases in excess of this amount can only be reduced by any existing loss carryforwards up to a maximum of 60%. The deduction of interest expenses for tax purposes is prohibited in Germany if the interest expense exceeds EUR 3 million, net interest paid exceeds 30% of taxable profit before interest, depreciation and amortization, and certain exemptions do not apply. The non-deductible interest expense for tax purposes can be carried forward to an unlimited extent and can be offset against tax income for tax purposes in future periods.

Deferred tax assets and liabilities arise from temporary differences and tax loss carryforwards as follows:

	Feb. 28, 2021	
EUR million	Deferred tax assets	Deferred tax liabilities
Intangible assets, right-of-use assets and property, plant and equipment	0.0	8.5
Receivables and other assets	0.0	0.8
Provisions	0.2	0.0
Liabilities	0.1	0.0
Loss carryforwards	5.7	0.0
Subtotal	**6.0**	**9.4**
Offset	(6.0)	(6.0)
Total	**0.0**	**3.4**

	Feb. 29, 2020	
EUR million	Deferred tax assets	Deferred tax liabilities
Intangible assets, right-of-use assets and property, plant and equipment	0.0	5.7
Receivables and other assets	0.1	0.0
Provisions	0.4	0.0
Liabilities	0.3	0.0
Loss carryforwards	4.4	0.0
Subtotal	**5.3**	**5.7**
Offset	(4.0)	(4.0)
Total	**1.3**	**1.7**

Deferred tax assets are recognized for (unused) tax loss carryforwards when it is considered probable that there will be sufficient future taxable profit against which the loss carryforward can be offset. These loss carryforwards can be carried forward in the full amount. Due to the loss history, only deferred tax liabilities were recognized, taking into account the minimum taxation.

Deferred tax assets for corporation and trade tax loss carryforwards amounting to EUR 392.3 million and EUR 390.0 million, respectively (PY: EUR 270 million and EUR 268.8 million, respectively), were not recognized as it is unlikely that future taxable profits will be available against which the Group can offset the tax loss carryforwards. Deferred tax assets amounting to EUR 7.8 million (PY: EUR 5.9 million) were also not recognized. The tax loss and interest carryforwards are available for an indefinite period.

The balance of deferred tax assets and liabilities developed as follows during the reporting year:

EUR million	**2020/2021**	2019/2020
As of March 1	**(0.4)**	**(1.6)**
Gain (+)/expenses (–) in the income statement	(3.1)	1.2
Deferred taxes recognized in other comprehensive income	0.0	0.0
Deferred tax expenses/income for previous years	0.1	0.0
Deferred taxes recognized directly in equity:	0.0	0.0
As of Feb. 28/29	**(3.4)**	**(0.4)**

9. EARNINGS PER SHARE

Undiluted earnings per share (EPS) are calculated by dividing the income for the period attributable to the shareholders of ABOUT YOU Holding GmbH by the undiluted average weighted number of A shares. The B shares are characterized by the fact that, besides voting rights, they include annual interest on the respective contributions plus accrued interest of 10%. As preferred shares, these are not included in the determination of ordinary shares, which is relevant for EPS. The advance dividends to be paid to the preference shareholders lead to corresponding diminished income for the period, which is used to calculate EPS.

The plan to raise equity on the capital market is intended to dissolve the current A/B share structure in advance and convert the B shares into A shares of equal value.

Earnings per share (EPS) – undiluted

	Feb. 28, 2021	Feb. 29, 2020
Profit/loss attributable to the shareholders of ABOUT YOU Holding GmbH (in EUR million)	(151.1)	(163.7)
Undiluted weighted average number of shares (units)	242,711	241,927
Total (in EUR)	**(622.3)**	**(676.8)**

The calculation of diluted earnings per share is based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, as shown below:

Allocation of profit (loss) to the Ordinary Shareholders – undiluted

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Profit/(loss) for the period	(59.9)	(79.8)
Dividends on preferred shares	(91.1)	(83.9)
Profit (loss) attributable to bearers of ordinary shares	**(151.1)**	**(163.7)**

Weighted Average of Ordinary Shares – undiluted

EUR	Note [item]	**Feb. 28, 2021**	Feb. 29, 2020
Issued ordinary shares as of March 1	[VIII.10]	242,654	241,685
Impact on the shares issued as part of the Media4Equity program	[VIII.12]	57	242
Weighted average of the ordinary shares as of February 28/29		**242,711**	**241,927**

Diluted earnings per share (EPS) are calculated by dividing the income for the period attributable to the shareholders of the Company by the diluted average weighted number of shares. The diluted earnings per share correspond to the undiluted earnings per share, as the potential ordinary shares from share-based compensation provide dilution protection.

VIII. Notes to the Consolidated Statement of Financial Position

1. INTANGIBLE ASSETS

As of February 28, 2021, intangible assets comprised the following:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Internally generated intangible assets	25.9	17.1
Purchased intangible assets	2.6	2.3
Derived goodwill	4.1	4.1
Intangible assets	**32.6**	**23.4**

Intangible assets include internally generated intangible assets in the amount of EUR 6.5 million (PY: EUR 5.3 million), which are still under development. The internally generated intangible assets are tested annually for impairment during the development phase, subsequently only in the case of a triggering event.

Internally generated intangible assets were recognized in the amount of EUR 15.4 million in the reporting year (PY: EUR 9.5 million). This mainly included production costs for internally developed software and resulted in own work capitalized in the same amount. Research costs were incurred only in an insignificant amount.

Please see the attached movements in non-current assets for further information.

ABOUT YOU reported a goodwill in the total amount of EUR 4.1 million as of February 28, 2021 (PY: EUR 4.1 million).

Goodwill arising from the acquisition of Adference GmbH can be allocated to the TME segment. Since ABOUT YOU does not report goodwill internally, goodwill is tested for impairment on the level of the TME segment as the relevant CGU. Based on this cash-generating unit, the annual impairment test was carried out at the year-end. The recoverable amount was calculated by applying the value in use concept, which provided the basis for deriving the approved 3-year planning. The discount rate before taxes is 12.9%.

Annual impairment testing did not reveal any impairment of goodwill. Going beyond the impairment test, it was tested whether potential changes to key assumptions could lead to the carrying amount of the units exceeding their respective recoverable amount. This was not the case as of February 28, 2021.

Movement in Intangible Assets as of February 28, 2021

EUR million	Capitalized develop-ment costs	Concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets	Goodwill	Intangible assets under construction	Intangible assets
Cost					
Mar. 1, 2020	**28.3**	**5.6**	**4.1**	**5.3**	**43.3**
Additions	2.5	0.3	0.0	12.8	15.7
Reclassifications	11.7	0.0	0.0	(11.7)	0.0
Feb. 28, 2021	**42.5**	**5.9**	**4.1**	**6.5**	**59.0**
Amortization, depreciation and write-downs					
Mar. 1, 2020	**16.6**	**3.4**	**0.0**	**0.0**	**23.1**
Amortization & depreciation during the financial year	6.5	0.0	0.0	0.0	6.5
Feb. 28, 2021	**23.1**	**3.4**	**0.0**	**0.0**	**26.4**
Carrying amounts					
Mar. 1, 2020	**11.7**	**2.3**	**4.1**	**5.3**	**23.4**
Feb. 28, 2021	**19.4**	**2.6**	**4.1**	**6.5**	**32.6**

Movement in Intangible Assets as of February 29, 2020

EUR million	Capitalized develop-ment costs	Concessions, industrial property rights and similar rights and assets as well as licenses for such rights and assets	Goodwill	Intangible assets under construction	Intangible assets
Cost					
Mar. 1, 2019	**20.8**	**5.6**	**0.0**	**3.3**	**29.7**
Additions	4.2	0.0	4.1	5.3	13.6
Reclassifications	3.3	0.0	0.0	(3.3)	0.0
Feb. 29, 2020	**28.3**	**5.6**	**4.1**	**5.3**	**43.3**
Amortization, depreciation and write-downs					
Mar. 1, 2019	**11.3**	**3.3**	**0.0**	**0.0**	**23.1**
Amortization & depreciation during the financial year	5.3	0.1	0.0	0.0	5.4
Feb. 29, 2020	**16.6**	**3.4**	**0.0**	**0.0**	**19.9**
Carrying amounts					
Mar. 1, 2019	**9.5**	**2.4**	**0.0**	**3.3**	**15.2**
Feb. 29, 2020	**11.7**	**2.3**	**4.1**	**5.3**	**23.4**

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment were composed of the following as of February 28, 2021:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Other land and buildings	0.0	0.1
Technical equipment and machinery	0.0	0.0
Other equipment, operating and office equipment	3.5	2.5
Property, plant and equipment	**3.5**	**2.6**

Changes in Property, Plant and Equipment as of February 28, 2021

EUR million	Land, leasehold rights and buildings, including buildings on third-party land	Technical equipment and machinery	Operating and office equipment	Property, plant and equipment
Cost				
Mar. 1, 2020	**0.2**	**0.0**	**4.1**	**4.4**
Additions	0.0	0.0	1.7	1.8
Disposals	0.0	0.0	0.1	0.1
Feb. 28, 2021	**0.2**	**0.0**	**5.8**	**6.1**
Amortization, depreciation and write-downs				
Mar. 1, 2020	**0.2**	**0.0**	**1.6**	**1.8**
Amortization & depreciation during the financial year	0.0	0.0	0.9	0.9
Disposals	0.0	0.0	0.1	0.1
Feb. 28, 2021	**0.2**	**0.0**	**2.4**	**2.6**
Carrying amounts				
Mar. 1, 2020	**0.1**	**0.0**	**2.5**	**2.6**
Feb. 28, 2021	**0.0**	**0.0**	**3.5**	**3.5**

Changes in Property, Plant and Equipment as of February 29, 2020

EUR million	Land, leasehold rights and buildings, including buildings on third-party land	Technical equipment and machinery	Operating and office equipment	Advance payments and low-value assets	Property, plant and equipment
Cost					
Mar. 1, 2019	**0.3**	**0.0**	**3.4**	**0.1**	**3.8**
Additions	0.0	0.0	1.0	0.0	1.1
Disposals	0.1	0.0	0.3	0.1	0.4
Feb. 29, 2020	**0.2**	**0.0**	**4.1**	**0.0**	**4.4**
Amortization, depreciation and write-downs					
Mar. 1, 2019	**0.2**	**0.0**	**1.0**	**0.1**	**1.3**
Amortization & depreciation during the financial year	0.0	0.0	0.7	0.0	0.7
Impairment losses during the financial year	0.0	0.0	0.2	0.0	0.2
Disposals	0.1	0.0	0.3	0.1	0.4
Feb. 29, 2020	**0.2**	**0.0**	**1.6**	**0.0**	**1.8**
Carrying amounts					
Mar. 1, 2019	**0.1**	**0.0**	**2.4**	**0.0**	**2.5**
Feb. 29, 2020	**0.1**	**0.0**	**2.5**	**0.0**	**2.6**

3. FINANCIAL ASSETS

ABOUT YOU held investments in various companies as of February 28, 2021. The names of the companies and the relative amount of ABOUT YOU's investment are shown in the list of shareholdings found in Section XIV.

4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The leases of ABOUT YOU relate exclusively to building rental agreements (e.g. office buildings). The right-of-use assets totaled EUR 10.3 million at the end of the reporting period (PY: EUR 11.8 million). Depreciation and write-downs amounting to EUR 4.0 million were recognized in the reporting year (PY: EUR 3.2 million). Total lease liabilities amounted to EUR 10.8 million as of February 28, 2021 (PY: EUR 11.7 million).

The movement of the right-of-use assets per asset category is shown in the consolidated statement of movements in fixed assets.

The payments in connection with lease liabilities have the following due dates:

	Remaining term			
EUR million	Up to 1 year	1–5 years	More than 5 years	Lease liabilities
Lease liabilities as of Feb. 29, 2020	3.2	8.5	0.0	11.7
Lease liabilities as of Feb. 28, 2021	**3.2**	**7.6**	**0.0**	**10.8**

These leases include term extension options and in some cases termination options. The contracts also provide for payments in connection with non-lease components (e.g. utilities and common charges), which ABOUT YOU separates. There are no variable payments that depend, for example, on the development of the consumer price index.

The options for extending leases are between 3 and 10 years. Exercising these options within the next 10 years could lead to an additional cash outflow of EUR 15.1 million.

ABOUT YOU signed a lease agreement as of the reporting date, which has not yet started. This concerned newly rented office space at the headquarters in Hamburg and commences in the 2021/2022 reporting year.

ABOUT YOU also leases apartments for employees as well as rental cars. The corresponding leases are generally either short-term leases or leases for low-value assets. In accordance with the accounting policies explained, ABOUT YOU makes use of the exemption provided in IFRS 16.5 for these agreements and records lease payments in accordance with IFRS 16.6 on a straight-line basis over the respective lease term. In the financial year 2020/2021, the expenses for such leases amounted to EUR 0.2 million. There were no significant changes in the portfolio from short-term leases in the financial year.

The interest expense for lease liabilities totaled EUR 0.2 million in 2020/2021 (PY: EUR 0.1 million) and is reported in cash flows from financing activities. Repayment of lease liabilities totaled EUR 3.5 million and is reported in cash flows from financing activities. The total payments made in the reporting year in connection with leases amounted to EUR 3.9 million (PY: EUR 3.3 million).

Changes in Right-of-use Assets as of February 28, 2021

EUR million	Right-of-use assets
Cost	
Mar. 1, 2020	**15.0**
Additions	2.9
Disposals	1.2
Feb. 28, 2021	**16.8**
Amortization, depreciation and write-downs	
Mar. 1, 2020	**3.2**
Amortization and depreciation during the reporting year	4.0
Disposals	0.7
Feb. 28, 2021	**6.5**
Carrying amount	
01,03,2020	**11.8**
28,02,2021	**10.3**

Changes in Right-of-use Assets as of February 29, 2020

EUR million	Right-of-use assets
Cost	
Mar. 1, 2019	**0.0**
Additions	15.0
Feb. 29, 2020	**15.0**
Amortization, depreciation and write-downs	
Mar. 1, 2019	**0.0**
Amortization and depreciation during the reporting year	3.2
Feb. 29, 2020	**3.2**
Carrying amount	
Mar. 1, 2020	**0.0**
Feb. 29, 2020	**11.8**

5. INVENTORIES

Inventories are broken down as follows:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Merchandise	198.5	93.3
Raw materials and supplies	1.1	0.9
Inventories	**199.6**	**94.2**

The increase in inventories is due to reporting date effects and to the continuous expansion of the range of goods offered. In addition, the growth in inventories reflects the expected revenue performance.

Inventories included write-downs of EUR 22.3 million due to obsolescence (PY: EUR 14.2 million).

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables break down as follows:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Trade receivables	12.7	7.4
Allowances for trade receivables	(1.0)	(0.5)
Other receivables	39.3	62.9
Trade and other receivables	**50.9**	**69.8**

The increase in trade receivables is the result of strong growth in B2B revenues, in particular from technology services, and the increase in end-customer revenue.

Other receivables amounting to EUR 39.3 million mainly consists of receivables from payment service providers resulting from the sale of receivables from customers purchased on account and similar payment types as well as payments in transit. Receivables from private end-customers were sold at fair value as part of factoring in return for payment of a consideration. In this regard, payment service providers assume the entire credit risk while ABOUT YOU retains the risk of returns.

In total, the Group sold receivables worth EUR 587.2 million to payment service providers in the reporting year (PY: EUR 447.7 million). The receivables from customers were derecognized during the course of this because substantially all the risks and rewards of ownership, primarily the credit risk, were transferred to the payment service provider. It has been agreed that customers settle their liabilities through payment directly to the payment service provider. Other receivables are derecognized only upon receiving the payment provider's payment on the individually agreed-upon payment due dates.

Other receivables dropped considerably in 2020/2021 despite the strong growth in revenues. This is partly due to the reporting date and partly to improved factoring conditions, which lead to earlier payments of the receivables to ABOUT YOU.

The impairment losses on trade receivables are as follows:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Accumulated loss allowance as of March 1	**(0.5)**	**(1.1)**
Addition	0.5	0.0
Used	0.0	0.6
Accumulated loss allowances as of February 28/29	**(1.0)**	**(0.5)**

Trade and other receivables fall due within one year.

7. RECEIVABLES FROM RELATED PARTIES

Receivables from related parties amount to EUR 5.7 million in the 2020/2021 financial year (PY: EUR 4.4 million). All receivables from related parties refer to trade receivables and are due within one year.

8. OTHER ASSETS

Other assets break down as follows:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Security deposits	0.0	0.0
Other financial assets	**0.0**	**0.0**
Claim for restitution of expected returns	29.9	23.3
Prepaid expenses	3.3	0.8
Other tax receivables	7.3	11.4
Miscellaneous other assets	4.1	1.3
Other non-financial assets	**44.7**	**36.8**
Other assets	**44.7**	**36.8**

The claim for restitution of expected returns corresponds to the cost of the goods supplied which are expected to be returned less costs incurred for handling returns and losses arising from reuse or resale. Prepaid expenses include the costs for a planned capital market transaction.

The receivables from other taxes are mainly VAT receivables.

Other assets have a remaining term of up to one year. Impairment losses in the amount of EUR 0.5 million (PY: EUR 0.5 million) were recognized for other financial assets.

9. CASH AND CASH EQUIVALENTS

ABOUT YOU's cash and cash equivalents comprise the categories shown below.

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Cash in bank	107.9	62.3
Cash on hand	0.0	0.0
Cash and cash equivalents	**107.9**	**62.4**

10. EQUITY

Movements in the Group's equity are presented in the consolidated statement of changes in equity.

ABOUT YOU HOLDING has ordinary ("A shares") and preferred shares ("B shares"). The nominal amount of each share equals EUR 1. The share capital consists of 243,343 A shares (PY: 242,654) and 4,033,160 B shares (PY: 4,019,380). The B shares are characterized by the fact that, besides voting rights, they include annual interest on the contribution plus accrued interest of 10%. This interest yield is due for payment when the shareholders' meeting resolves to pay out a corresponding dividend from the retained earnings. Any dividend remaining after paying the interest is paid out to the owners of the A shares. Insofar, the A shares participate in the Company's profit and loss. Furthermore, the B shares have precedence over A shares in the case of liquidation, but are subordinate to the Company's creditors. In the case of liquidation, the entitlement of the B shareholders is limited to a maximum of the contribution made plus accrued but not yet paid out interest.

As part of the Media4Equity program, AY Holding's subscribed capital was in increased in the amount of EUR 14,469 by issuing 689 A shares and 13,780 B shares in the financial year 2020/2021. Likewise, the share premium was increased by EUR 4.7 million through profit or loss pursuant to IFRS 2.

11. SHARE-BASED PAYMENT

ABOUT YOU has granted its staff virtual shares. The virtual shares entitle the holder to receive a bonus according to whether there is an IPO or other sale. The purpose of virtual shares is to reward long-standing and highly valued staff for their individual performance by granting them the option of benefiting from the Company's performance by providing shares in ABOUT YOU or cash compensation.

In the case of a private sale, the bonus is provided by means of cash compensation. Insofar as there is an IPO, the bonus is then provided as shares in ABOUT YOU, which are then subject to a lock-up period typical for the market. A strong increase in the probability of the bonus event occurring meant this was recognized for the first time in 2020/2021. The low probability of an aforementioned event meant there was no recognition pursuant to IFRS 2 in the prior years. Given the fact that share-based payments were offered already in prior years, first-time recognition in 2020/2021 caused a corresponding catch-up effect for these previous years, as the tranches from the prior years in 2020/2021 were now initially recognized. Initial measurement means there are no shares that have been forfeited. More information can be found as a supplement to the determination of the grant date fair value.

Since a bonus event in the form of an IPO is viewed as being more probable and, thus, it is expected that this will be satisfied by shares in ABOUT YOU, all virtual shares granted in the context of the various tranches were classified pursuant to IFRS 2 as equity-settled share-based payments.

The current enterprise value as of the grant date was used as a basis for measuring the virtual shares of each tranche.

The total amount of the virtual shares from the agreement developed as shown below during 2020/2021:

Tranche (EUR million) (Grant date)	2020/2021 (Mar. 1, 2020)	2019/2020 (Mar. 1, 2019)	2018/2019 (Mar. 1, 2018)	2017/2018 (Mar. 1, 2017)
Sum of virtual shares	**4.2**	**3.5**	**2.5**	**2.2**
Sum of outstanding virtual shares at the beginning of reporting period 2020/2021 (Mar. 1, 2020)	0.0	3.5	2.5	2.2
Sum of virtual shares granted in reporting period 2020/2021	4.2	0.0	0.0	0.0
Sum of virtual shares forfeited in reporting period 2020/2021	0.0	0.0	0.0	0.0
Sum of virtual shares exercised in reporting period 2020/2021	0.0	0.0	0.0	0.0
Sum of virtual shares expired in reporting period 2020/2021	0.0	0.0	0.0	0.0
Sum of virtual shares at the end of reporting period 2020/2021 (Feb. 28, 2021)	4.2	3.5	2.5	2.2
Sum of virtual shares that can be exercised at the end of reporting period 2020/2021 (Feb. 28, 2021)	0.0	0.0	0.0	0.0

The grant date fair value of each tranche is determined retroactively using a Monte Carlo simulation. For this purpose, the enterprise value is simulated in consideration of peer group volatility and the risk-free yield curve on the expected exit date. Subsequently, the fair value of the virtual investment was calculated for each path and in consideration of the payment preferences, value-added factor and dilution factor. The average pay-off is then discounted down to the present value using the risk-free rate.

Tranche (EUR million) (Grant date)	2020/2021 (Mar. 1, 2020)	2019/2020 (Mar. 1, 2019)	2018/2019 (Mar. 1, 2018)	2017/2018 (Mar. 1, 2017)
Volatility of peer group	42.6%	38.9%	34.7%	37.3%
Risk-free interest rate (ECB)	−0.74%	−0.53%	−0.40%	−0.61%
Remaining term (in years)	1.33	2.33	3.33	4.33
Total grant date fair value (in EUR)	3.4	2.8	1.5	2.2
Value-adding factor	1.00	1.08	1.49	2.86
Dilution factor	1.0000	0.9998	0.9950	0.7086

The expenses for the share-based payment arrangements were recognized proportionately over the vesting period and led to a corresponding increase in equity.

As of February 28, 2021, ABOUT YOU recognized a EUR 8.4 million (PY: EUR 0.0 million) increase in equity for share-based payments. The expense equaled EUR 8.4 million for the period from March 1, 2020, to February 28, 2021 (PY: EUR 0.0 million). Thus, the residual amount of the total grand date fair value of EUR 1.6 million is attributable to the 2021/2022 period, in which a bonus event is expected.

Expenses from share-based payments with compensation through equity mechanisms are eliminated when determining the adjusted EBITDA.

12. MEDIA4EQUITY PROGRAM

As part of the Media4Equity program, ABOUT YOU granted investments for media services instead of money in the amount of EUR 4.7 million (PY: EUR 4.9 million). This represents a share-based payment within the meaning of IFRS 2 with compensation through equity-settled share-based payments. The program did not lead to any non-cash expenses. The amount of the investment is determined according to the net media volume. The basis for determining the net media volume and, thus, the amount of the investments granted is the gross medial volume. This is determined according to the partner's list price for the provided media services. The net media volume is calculated using the gross media volume less a reduction typical for the market. More information on the shares in the ordinary capital from this transaction can be found in Section VIII.10.

The Media4Equity agreements will be continued also in 2021/2022. The terms stipulated in the Media Service Agreements apply until February 28, 2022, (German Media Pool GmbH, Fashion Media Pool GmbH) and at least February 28, 2022 (SevenVentures GmbH), respectively. It has also been agreed that all Media4Equity agreements will be terminated should an IPO be prepared. This takes place on the last day of the month preceding that month in which the A and B shares are converted into a class of ordinary shares.

13. NON-CURRENT FINANCIAL LIABILITIES

Non-current liabilities included leases amounting to EUR 7.6 million (PY: EUR 8.5 million) as well as non-current, subordinate loan liabilities payable to related parties equaling EUR 76.7 million (PY: EUR 0 million), which are subject to 10% interest.

The movement in non-current liabilities is shown in the consolidated statement of liabilities.

14. CURRENT PROVISIONS

Other provisions included provisions for costs relating to the preparation of equity-raising measures amounting to EUR 2.5 million (PY: EUR 0.0 million).

Movements in current provisions:

EUR million	**2020/2021**	2019/2020
Provisions as of March 1	**0.0**	**0.1**
Addition	2.5	0.0
Reversal	0.0	(0.1)
Provisions as of Feb. 28/29	**2.5**	**0.0**

15. TRADE PAYABLES

Trade payables amounted to EUR 142.9 million (PY: EUR 104.3 million). The trade payables as of the reporting date included liabilities denominated in foreign currency of EUR 5.5 million. Please see the attached consolidated statement of liabilities for further information.

The increase in trade payables was due to reporting date effects and the general increase in business volume. Furthermore, new payment terms were agreed on with a number of suppliers in order to improve net working capital.

16. PAYABLES TO RELATED PARTIES

Liabilities to related parties include non-current liabilities from loans amounting to EUR 76.7 million (PY: EUR 0.0 million) as well as non-current liabilities equaling EUR 44.8 million (PY: EUR 16.2 million). There are current liabilities payable to shareholders in the amount of EUR 22.1 million (PY: EUR 5.7 million).

All current liabilities to related parties are trade payables, especially for merchandise and logistics services. The increase of these liabilities was due both to reporting date effects as well as the sharp rise in business volume. In addition, new payment periods were also agreed on with various related parties.

17. OTHER LIABILITIES

Other liabilities are broken down as follows:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Miscellaneous financial liabilities	0.2	0.1
Liabilities from refunds from expected returns	52.5	37.7
Other financial liabilities	**52.7**	**37.8**
Liabilities to employees	2.4	0.8
Other tax liabilities	24.1	18.1
Deferred income	10.3	5.7
Miscellaneous liabilities	9.2	2.8
Other non-financial liabilities	**46.0**	**27.4**
Other liabilities	**98.7**	**65.2**

The liabilities to employees mainly comprise wages and salaries and outstanding leave. The liabilities from other taxes mainly relate to VAT liabilities from taxable revenue in the rest of the Community. Deferred income mainly includes deferred revenue for merchandise already invoiced, but which – based on empirical values – will reach the customer only after the reporting date (see Section IV).

The maturities of other liabilities are shown in the consolidated statement of liabilities.

18. FINANCIAL INSTRUMENTS

Financial liabilities and financial assets can be categorized as follows in accordance with the provisions of IFRS 9, in which case the carrying amount approximately correspond to the fair values:

EUR million	Category according to IFRS 9**	**Feb. 28, 2021**	Feb. 29, 2020
Assets			
Cash and cash equivalents	AC	107.9	62.4
Trade and other receivables	AC	50.9	69.8
Receivables from related parties	AC	5.7	4.4
Financial assets	FVTPL	1.9	0.0
Other financial assets	AC	0.0	0.0
Equity & liabilities			
Trade payables	AC	142.9	104.3
Non-current liabilities to related parties	AC	76.7	0.0
Payables to related parties	AC	66.9	21.8
Non-current lease liabilities	AC	7.6	8.5
Lease liabilities	AC	3.2	3.2
Other financial liabilities	AC	52.7	37.8

** AC – Amortized Costs
FVTPL – Fair Value Through Profit and Loss

Non-current liabilities to related parties include loans granted by shareholders in the reporting year with a nominal value of EUR 75.0 million. The fair value of the item corresponds approximately to the carrying amount due to initial issuance being so close to the reporting date.

The following table shows the breakdown of net gains from financial instruments and includes the effects from impairments and interest:

	Gains (+)/losses (–) through profit or loss			
EUR million	Interest	Impairment losses	Gain (+)/loss (–) from measurement	Net income (loss)
Financial assets and liabilities at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial assets at amortized cost	0.0	(1.0)	0.0	(1.0)
Financial liabilities measured at amortized cost	(1.7)	0.0	0.0	(1.7)
Lease liabilities	(0.2)	0.0	0.0	(0.2)
Total	**(1.8)**	**(1.0)**	**0.0**	**(2.9)**

IX. Notes to the Consolidated Statement of Cash Flows

The statement of cash flows shows the movements in cash and cash equivalents at the Group during the reporting period as a result of cash inflows and outflows. Cash flows are presented in accordance with their origin and use as cash flows from operating activities, investing activities or financing activities.

Changes in cash flows from operating activities are derived indirectly based on the consolidated profit or loss for the year. Cash inflows and outflows from investing and financing activities are determined directly.

Significant non-cash transactions in 2020/2021 related to Media4Equity transactions (see Section VIII.12) with a total volume of EUR 4.7 million (PY: EUR 4.9 million). In addition, non-cash events included share-based compensation amounting to EUR 8.4 million (see Section VIII.11).

The following table shows the reconciliation of liabilities from financing activities:

EUR million	As of Mar. 1, 2020	Cash change	Cash change consolidation	**As of Feb. 28, 2021**
Lease liabilities	11.7	(3.9)	2.9	10.8
Non-current payables to related parties	0.0	75.0	1.7	76.7

X. Other Disclosures

1. FINANCIAL RISK MANAGEMENTT

ABOUT YOU is exposed to credit risk, liquidity risk and market risk in the course of its operating activities. The objective of financial risk management is to mitigate the risks arising from operating activities using selected hedging instruments. Group management is responsible for managing these risks. This function is in charge of setting up and monitoring risk management; to do so, policies were introduced for identifying and analyzing group risks. There were no outstanding hedges as of the reporting date.

2. CREDIT RISK

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations. Any default on payment leads to impairment losses on assets, financial assets or receivables.

A financial asset is considered to be in default if the customer presumably cannot fulfill the corresponding obligations. Credit assessments are carried out to avoid the default risk, whose maximum amount for the respective financial assets corresponds to the recognized carrying amounts.

For identifiable risks of default, especially in the case of trade receivables, appropriate allowances for receivables are recognized using the applicable concept of expected credit losses pursuant to IFRS 9.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9; however, the identified impairment loss was immaterial.

As a reaction to the COVID-19 pandemic, the receivables portfolio and credit risk were constantly monitored. ABOUT YOU is not exposed to a major default risk from an individual counterparty. The concentration of the creditworthiness risk is limited due to the broad and heterogeneous customer base.

Other receivables as part of the purchase on account and similar types of payment do not constitute any noteworthy concentration of default risks. This is because ABOUT YOU transfers all default risks to its factoring partners.

3. LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. This risk can result from inadequate availability of funds where necessary, inaccurate liquidity forecasts or a unilateral investment strategy for the cash reserves of the Company.

ABOUT YOU manages the liquidity risk by regularly reviewing liquidity requirements using an integrated platform for forecasting funds required in the short, medium and long term.

Financial management makes sure liquidity is maintained at all times. Furthermore, it ensures that sufficient funds are always available for operations and capital expenditures. In this regard, minimizing financing costs is a key secondary condition for efficient financial management. The general rule is to refinance open positions with matching maturities. The necessary basic data is determined on a rolling basis using monthly liquidity planning with a planning horizon of twelve months as well as daily planning with a horizon of at least four weeks. Both budgets are subject to regular variance analysis. There is no concentration risk with regard to the presented liquidity risks.

As a reaction to the COVID-19 pandemic, the liquidity risk was constantly monitored. ABOUT YOU is not exposed to any major liquidity risks.

The following tables present the contractually agreed (undiscounted) interest and principal payments for non-derivative financial liabilities.

Figures budgeted for new, future liabilities were excluded. Financial liabilities repayable at any time are always allocated to the earliest maturity date.

As of **February 28, 2021**, contractual cash flows from financial liabilities were as follows:

	Remaining term			
EUR million	Up to 1 year	1–5 years	More than 5 years	**Total**
Trade payables	142.9	0.0	0.0	142.9
Lease liabilities	3.2	7.6	0.0	10.8
Payables to related parties	74.4	84.2	0.0	158.6
Other financial liabilities	52.7	0.0	0.0	52.7

As of **February 29, 2020**, contractual cash flows from financial liabilities were as follows:

	Remaining term			
EUR million	Up to 1 year	1–5 years	More than 5 years	**Total**
Trade payables	104.3	0.0	0.0	104.3
Lease liabilities	3.2	8.5	0.0	11.7
Payables to related parties	21.8	0.0	0.0	21.8
Other financial liabilities	37.8	0.0	0.0	37.8

4. MARKET RISK

Market risk as defined by IFRS 7 is largely limited to currency risk at ABOUT YOU Group. The interest rate risk is of minor significance at ABOUT YOU Group due to its capital structure.

Currency risk arises from proceeds in foreign currency from transactions with customers as well as financial obligations to suppliers payable in foreign currency. The latter predominantly result from purchases of goods in US dollars or British pounds and subsequent sale of goods in the respective currency of the sales region.

Currency risk is hedged through refinancing with matching currencies. Any remaining risks from open currency positions are assessed using adequate risk methods. If necessary, risk is reduced further, primarily through forward exchange contracts.

As of February 28, 2021, outstanding liabilities in foreign currency amounted to EUR 5.5 million (PY: EUR 4.3 million). Even significant changes in exchange rates would therefore only have a minor effect on ABOUT YOU Group's financial position, financial performance and cash flows.

5. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure its ability to meet all financial obligations in the short term and to maintain a strong capital base for continuous financing of growth as well as to increase the Company's value over the long term. It also ensures that all group entities are able to operate under the going concern principle.

Capital management as well as the associated objectives and definition are based on performance indicators determined on the basis of the IFRS consolidated financial statements. ABOUT YOU defines the indicator "equity ratio" as the ratio of equity to total assets, and the indicator "net current assets" as the sum total of inventories and trade and other receivables as well as receivables and financial receivables from affiliates and related parties and other liabilities less trade and other payables. The equity ratio equaled 12.1% as of the reporting date. Net current assets amounted to EUR −13.2 million as of the reporting date (PY: EUR 10.8 million).

The calculation of net working capital is shown in the following table:

	EUR million	**2020/2021**	2019/2020
+	Inventories	199.6	94.2
+	Trade and other receivables	50.9	69.8
+	Receivables from related parties	5.7	4.4
+	Other assets	44.7	36.8
=	**Current assets excl. cash and cash equivalents**	**301.0**	**205.2**
–	Other provisions	2.5	0.0
–	Trade payables	142.9	104.3
–	Payables to related parties	66.9	21.8
–	Lease Liabilities	3.2	3.2
–	Other liabilities	98.7	65.2
=	**Current provisions and liabilities**	**314.1**	**194.5**
=	**Net working capital**	**(13.2)**	**10.8**

XI. Related Party Disclosures

At ABOUT YOU Group, related parties as defined by IAS 24 are persons or entities that control or have significant influence over ABOUT YOU Group or are controlled or significantly influenced by ABOUT YOU Group.

The shareholder structure means there was no controlling influence by one shareholder as of the reporting date.

Accordingly, the members of the Otto family and the Michael Otto Foundation, entities controlled or significantly influenced by this family and the foundation, the members of management of Otto (GmbH & Co KG) as well as the subsidiaries, associates and joint ventures of Otto Group are defined as related parties.

Furthermore, the management entities of the managing directors Tarek Müller, Sebastian Betz and Hannes Wiese with an ownership interest in ABOUT YOU Holding are classified as related parties.

In addition, Aktieselskabet af 5.5.2010 and the subsidiary and joint venture of Bestseller A/S are defined as related parties.

In the reporting period, ABOUT YOU conducted transactions with related parties in the ordinary course of business. These transactions were conducted on an arm's length basis.

The total remuneration of ABOUT YOU Group's management equaled EUR 0.8 in the reporting year, all of which are current payables.

ABOUT YOU sold goods worth EUR 113.1 million (PY: EUR 87.2 million) from related parties. These goods were largely merchandise that was produced for resale. In addition, services valued at EUR 125.6 million (PY: EUR 81.5 million) were purchased from related parties. These purchased services especially included logistics and support services. Furthermore, revenue of EUR 9.8 million (PY: EUR 8.9 million) and other income of EUR 0.2 million (PY: EUR 0.7 million) was generated with related entities. Revenue was generated especially by ABOUT YOU's media services, the Company's Software as a Service solutions (SaaS) as well as from individual enabling services in the area of fulfillment and shop management. Other income was largely generated from the SLA agreements with logistic providers. There were current receivables from related parties in the amount of EUR 5.3 million (PY: EUR 4.5 million). Simultaneously, there were liabilities to related parties in the amount of EUR 44.8 million (PY: EUR 16.2 million).

Related parties that are controlled by ABOUT YOU Holding are listed in the list of subsidiaries.

ABOUT YOU has set up a stock ownership plan for management under which ordinary shares are awarded to management. In this regard, ordinary shares are awarded to management. The shares are tied to a contractually stipulated vesting period of 5 years and are non-forfeitable over this period; accelerated vesting is applicable in the case of an IPO. The shares were acquired by management at fair value as of the granting date; accordingly, the expenses are recognized proportionally.

In 2020/2021, transactions with shareholders with a total volume of EUR 4.7 million (PY: EUR 4.9 million) were conducted under the Media4Equity program, which increased the Group's share premium by this amount.

In addition, ABOUT YOU purchased EUR 21.0 million (PY: EUR 23.0 million) in goods from shareholders, although this largely involved goods for resale. Furthermore, services valued at EUR 22.7 million (PY: EUR 30.4 million) were purchased from shareholders. In the case of purchased services, these were mainly logistics services. Revenue amounting to EUR 12.8 million (PY: EUR 2.0 million) was generated with shareholders, which was in particular due to using ABOUT YOU Software as a Service (SaaS) solutions, related implementation services as well as the Company's additional enabling services. There was no other income with shareholders in the reporting year (PY: EUR 0.6 million). There were lending relationships with the shareholders of ABOUT YOU Holding in the amount of EUR 75.0 million as of February 28, 2021, which included arm's length interest charges of 10% p.a. The loan matures on February 28, 2023. The loan is not collateralized. There were current receivables from shareholders amounting to EUR 0.4 million (PY: EUR 0.0 million). Simultaneously, there were current liabilities in the amount of EUR 22.1 million (PY: EUR 5.7 million).

At the instigation of a shareholder, ABOUT YOU concluded an agreement in 2018/2019 for obtaining payment services. The advantageous amount for the Company – which was derived from a competitive offer – equaling EUR 14.4 million (PY: EUR 13.3 million) was recognized as a withdrawal by the shareholder; simultaneously, the payment made by the shareholder equaling EUR 14.4 million (PY: EUR 13.3 million) was classified as a payment to the share premium account. This had no effect on the income statement: This contract was terminated effective December 31, 2020.

XII. Contingent Liabilities

ABOUT YOU did not disclose any contingent liabilities as of the reporting

XIII. Auditor's Fees

The total fee charged by the auditor of ABOUT YOU Group breaks down as follows:

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Fee for auditing financial statements	0.2	0.1
Fee for other assurance services	0.0	0.0
Fee for tax advisory services	1.7	0.4
Fee for other services	0.2	0.0
Auditor's fees	**2.1**	**0.5**

The tax advisory services were mainly for ongoing income tax and VAT advice. Other services included primarily advisory services.

XIV. List of Subsidiaries

The following presentation provides a list of ABOUT YOU Group's subsidiaries as of February 28, 2021:

	Registered office, country	Ownership interest (Group) as of reporting date	Equity of last financial year in EUR million	Profit/(loss) of last financial year in EUR million
Fully consolidated entities				
ABOUT YOU Verwaltungs GmbH [1]	Hamburg, Germany	100.0%	79.5	1.1
Adference GmbH [2]	Lüneburg, Germany	100.0%	1.5	0.0
ABOUT YOU GmbH & Co, KG [3]	Hamburg, Germany	100.0%	26.4	(54.1)
Unconsolidated companies:				
ABOUT YOU Beteiligungs GmbH [4]	Hamburg, Germany	100.0%	0.0	0.0
Tusaki Beteiligungsverwaltung GmbH [5]	Vienna, Austria	100.0%	n/a	n/a
Quebo Beteiligungsverwaltung GmbH [6]	Vienna, Austria	100.0%	n/a	n/a
The HAUS Apparel GmbH [7]	Berlin, Germany	49.0%	(0.0)	(0.0)
LeGer GmbH [8]	Hamburg, Germany	36.0%	n/a	n/a
Soko München GmbH [9]	Munich, Germany	36.0%	n/a	n/a
Supreme GmbH [10]	Rostock, Germany	23.0%	0.1	0.0

1 Information on equity and earnings as of February 28, 2021, pursuant to the German Commercial Code [HGB]
2 Information on equity after the profit and loss transfer agreement and earnings as of December 31, 2020, pursuant to the German Commercial Code [HGB]
3 Information on equity and earnings as of February 28, 2021, pursuant to the German Commercial Code [HGB]
4 Information on equity and earnings as of February 28, 2021, pursuant to the German Commercial Code [HGB]
5 Figures not yet available on account of newly establishing the company
6 Figures not yet available on account of newly establishing the company
7 Information on the equity and earnings as of December 31, 2019 (the company reported a deficit not covered by equity), pursuant to the German Commercial Code [HGB]
8 Figures not yet available on account of newly establishing the company
9 Figures not yet available on account of newly establishing the company
10 Information on equity and earnings as of December 31, 2020, pursuant to the German Commercial Code [HGB]

XV. Segment Reporting

1. BASIC INFORMATION

Segment information is presented pursuant to the provisions of IFRS 8 according to the management approach. Accordingly, segment reporting is guided by internal reporting to the respective main decision-makers. Furthermore, this includes information presented to these decision-makers as part of regular reporting and is used by them for allocating resources to the Group's individual areas. In compliance with the Group's internal management, segment reporting is broken down by the Group's business segments. Segment reporting was conducted internally over the past 3 reporting years and is being communicated externally for the first time in this reporting year.

2. BUSINESS SEGMENTS

The ABOUT YOU Group has the following business segments:

- **ABOUT YOU DACH:** The DACH segment includes the ABOUT YOU online shops in Germany, Austria and Switzerland.
- **ABOUT YOU RoE (Rest of Europe):** The RoE segment includes the ABOUT YOU online shops in Belgium, the Netherlands, Poland, Czech Republic, Slovakia, Hungary, Romania, Estonia, Latvia, Lithuania, Slovenia, Croatia, Bulgaria, France, Spain, Italy, Denmark, Sweden, Finland and Ireland.
- **TME ((Tech, Media, Enabling):** The TME segment includes essentially three service businesses – Software as a Service resp- SaaS (Tech), Brand and Advertising Solutions (Media) and 360° Services along the E-commerce value change of the company as well as revenue-generating services and business segments (Enabling).

3. SEGMENT INFORMATION

Segment data are generally determined using the accounting policies applied in the consolidated financial statements. However, the revenue of the ABOUT YOU online shops is not recognized in the segment data upon fulfillment of performance, but rather according to the ordering date. This is important in the internal reporting and management of ABOUT YOU DACH and RoE in order to clearly capture the effectiveness of the various marketing and product line measures on customer behavior in the shops. Likewise, returns are calculated back to the associated order date. This is also important for internal management in order to precisely capture the effectiveness of measures on a net level (after returns).

Management measures the success of the segments by the revenue recognized as of the order date and the adjusted EBITDA derived as of the order date.

The presented indicators represent in each case a contribution to the earnings of the segments.

The calculated revenue primarily includes the revenue of the online shops and service business. Of the revenue, a share of 53.7% was attributable to Germany in the current reporting year, which represents the largest share.

In this regard, adjusted EBITDA corresponds to the earnings adjusted for non-recurring items before taking into account finance income/costs, income taxes as well as before amortization/depreciation and impairment losses and the reversal of impairment losses. The adjustments totaling EUR 8.5 million (PY: EUR 0.0 million) included expenses for share-based payments amounting to EUR 8.4 million (PY: EUR 0.0 million). Furthermore, the adjustments in 2020/2021 contained EUR 0.2 million (PY: EUR 0.0 million) in transaction costs. These costs were deducted when calculating the adjusted EBITDA. No adjustments were made to EBITDA in 2018/2019 and 2019/2020.

The **revenue** of the segments as well as reconciliation are shown in the following table.

EUR million	**2020/2021**	2019/2020	2018/2019
ABOUT YOU DACH (Germany, Austria, Switzerland)	660.0	509.9	375.6
ABOUT YOU RoE	463.5	188.9	69.7
TME	83.5	52.0	26.5
Reconciliation	(40.6)	(7.4)	(10.5)
Revenue	**1,166.5**	**743.4**	**461.2**

The **adjusted EBITDA** of the segments as well as reconciliation and adjustments are shown in the following table.

EUR million	**2020/2021**	2019/2020	2018/2019
ABOUT YOU DACH (Germany, Austria, Switzerland)	36.8	0.4	(43.7)
ABOUT YOU RoE	(83.3)	(55.2)	(39.2)
TME	10.1	(17.4)	(15.4)
Reconciliation	0.8	2.4	(8.2)
Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA)	**(35.5)**	**(69.9)**	**(106.5)**
Adjustments	(8.5)	0.0	0.0
Earnings before interest, taxes and depreciation and amortization (EBITDA)	**(44.0)**	**(69.9)**	**(106.5)**

The figures on segment level show that all three segments have experienced strong growth and, thus, helped drive the dynamic development of group revenue. However, the segments differ by their level of maturity and profitability structure. Both already profitable segments (ABOUT YOU DACH and TME) are financing the strong growth in the international markets (RoE) from a Group perspective. This also explains the considerable improvement in adjusted EBITDA on group level combined with ongoing strong protracted growth of the group revenue.

Since the segment values for ABOUT YOU DACH and RoE were recognized according to order date and not performance fulfillment, there is a reconciliation of segment figures to the IFRS Group values. Furthermore, pursuant to IFRS 8, revenue generated with external business partners as well as the earnings from ABOUT YOU Group's inter-segment transactions per segment are reported to the chief operating decision-maker. Inter-segment transactions concern the exchange of goods and services between the segments. Reconciliation of segment revenue to IFRS consolidated revenue is explained by presenting the end-customer transactions as of the order date. Depending on the reporting date, this deviation can be positive or negative. There was a EUR −14.5 million deviation for 2020/2021 (PY: EUR 7.0 million and EUR −1.9 million in the year before that). The reconciliation also includes revenue between the segments, which was deconsolidated on group level. This inter-segment revenue equaled EUR 26.1 million in 2020/2021 (PY: EUR 14.3 million and EUR 8.6 million in the year before that). The external revenue of the individual segments equaled EUR 652.7 million in the ABOUT YOU DACH segment, EUR 461.8 million in the ABOUT YOU RoE segment and EUR 66.5 million in the TME segment in the reporting year.

Non-current assets are largely located in Germany.

The ABOUT YOU DACH segment reported non-cash transactions as part of the Media4Equity transactions amounting to EUR 4.5 million in the reporting year (PY: EUR 4.5 million; in 2018/2019: EUR 6.3 million). There were inter-segment transactions within DACH (Germany, Austria, Switzerland) revenue amounting to EUR 7.3 million (PY: EUR 5.7 million; 2018/2019: EUR 4.2 million). These transactions largely involved providing advertising/marketing space in the ABOUT YOU online shops for the media business of the TME segment.

The ABOUT YOU RoE segment reported non-cash transactions as part of the Media4Equity transactions amounting to EUR 0.2 million in the reporting year (PY: EUR 0.5 million; in 2018/2019: EUR 2.2 million). There were inter-segment transactions within RoE revenue amounting to EUR 1.7 million (PY: EUR 0.7 million; 2018/2019: EUR 0.3 million). These transactions largely involved providing advertising/marketing space for the media business of the TME segment, which increasingly includes the international ABOUT YOU shops in the marketing activities for B2B advertising customers.

There were no material non-cash expenses in the TME segment in the reporting year or prior year (2018/2019: EUR 0.3 million). There were inter-segment transactions within TME revenue amounting to EUR 17.0 million (PY: EUR 8.0 million; 2018/2019: EUR 4.2 million). These transactions mainly included content production in the media segment for the marketing activities of ABOUT YOU DACH and RoE, the internal use of Software as a Service products and implementation services by the technology segment as well as further internal services by the enabling segment.

XVI. Events after the Reporting Period

It was resolved on March 11, 2021, to convert ABOUT YOU Verwaltungs GmbH into ABOUT YOU Verwaltungs AG and ABOUT YOU Holding GmbH into ABOUT YOU Holding AG. The resolutions of transformation were submitted to the commercial register at the end of March 2021.

Hamburg, April 9, 2021

Tarek Müller   Hannes Wiese   Sebastian Betz

Statement of Liabilities (consolidated) as of February 28, 2021

	Remaining term				
EUR million	Up to 1 year	1–5 years	More than 5 years	**Total**	thereof secured by liens or similar rights
1. Trade payables	142.9	0.0	0.0	142.9	0.0
2. Payables to related parties	66.9	76.7	0.0	143.5	0.0
3. Lease liabilities	3.2	7.6	0.0	10.8	0.0
4. Other liabilities	98.7	0.0	0.0	98.7	0.0
thereof other financial liabilities	52.7	0.0	0.0	52.7	0.0
thereof other non-financial liabilities	46.0	0.0	0.0	46.0	0.0
thereof for taxes	24.1	0.0	0.0	24.1	0.0
Total	**311.6**	**84.3**	**0.0**	**395.9**	**0.0**

Statement of Liabilities (consolidated) as of February 29, 2020

	Remaining term				
EUR million	Up to 1 year	1–5 years	More than 5 years	**Total**	thereof secured by liens or similar rights
1. Trade payables	104.3	0.0	0.0	104.3	0.0
2. Payables to related parties	21.8	0.0	0.0	21.8	0.0
3. Lease liabilities	3.2	8.5	0.0	11.7	0.0
4. Other liabilities	65.2	0.0	0.0	65.2	0.0
thereof other financial liabilities	37.8	0.0	0.0	37.8	0.0
thereof other non-financial liabilities	27.4	0.0	0.0	27.4	0.0
thereof for taxes	18.1	0.0	0.0	18.1	0.0
Total	**194.4**	**8.5**	**0.0**	**203.0**	**0.0**

COMBINED GROUP MANAGEMENT REPORT

FOR THE FINANCIAL YEAR 2020/2021

Combined Group Management Report for Financial Year 2020/2021

ABOUT YOU Holding GmbH

This combined management report includes both the group management report as well as the management report of ABOUT YOU Holding GmbH (since March 11, 2021: ABOUT YOU Holding AG). We report in this combined management report on the business performance and situation and expected development of the ABOUT YOU Group and ABOUT YOU Holding GmbH (also referred to as "Company" or "ABOUT YOU").

The comments on ABOUT YOU Holding GmbH are included in a separate section of the economic report with information pursuant to the German Commercial Code [HGB]. Applying Section 315e of the German Commercial Code (HGB), the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. With the exception of the HGB information in the "Supplementary information on ABOUT YOU Holding GmbH" section, all financial figures in this combined management report – including the comparative figures for the prior year – are shown in accordance with IFRS. German Accounting Standard 20 (GAS 20) "Group management report" was applied. The "Significant accounting policies" section in the notes to the consolidated financial statements include additional information on the underlying accounting provisions.

Group Profile

BUSINESS MODEL

The ABOUT YOU Group (hereinafter: "ABOUT YOU") is a fashion and technology company with its registered office in Hamburg. The fashion online shop digitalizes the traditional shopping experience for customers and enables personalized purchasing via smartphone. The target group includes women and men between the ages of 18 and 40, who can find a range of more than 400,000 items from over 2,000 brands on aboutyou.com and in the ABOUT YOU mobile app, including the own brand "EDITED the label", with over 31 million [11] active monthly users, ABOUT YOU is one of the largest fashion and lifestyle platforms in Europe.

The fashion online shop in currently represented in 23 European markets. In addition, the Company offers a number of primarily technology-based B2B services, including software as a service (SaaS) products.

ABOUT YOU had 855 full-time employees as of February 28, 2021.

MANAGEMENT AND CONTROL

By shareholder resolution dated February 22, 2021, the business operations of ABOUT YOU GmbH were spun off to the newly founded (per entry in the commercial register dated January 26, 2021) ABOUT YOU Operations GmbH & Co. KG as legal successor with retroactive effect from March 1, 2020, according to the provisions of the German Transformation Act [UmwG]. The spin-off took effect on March 5, 2021, with entry in the commercial register. ABOUT YOU GmbH's name was changed to ABOUT YOU Verwaltungs GmbH and ABOUT YOU Operations GmbH & Co. KG's to ABOUT YOU GmbH & Co. KG as part of the spin-off. The spin-off was due to intra-group strategic realignment of the legal structure. The operational business of the ABOUT YOU Group was transferred to ABOUT YOU GmbH & Co. KG following the spin-off.

11 As of November 2020

In addition, all shares in Blitz H21-881 GmbH were acquired on January 15, 2021, resulting in the company being renamed ABOUT YOU Beteiligungs GmbH following entry in the commercial register on January 21, 2021. Furthermore, on December 30, 2020, all shares in Quebo Beteiligungsverwaltung GmbH, Vienna, were acquired from (at the time still) ABOUT YOU GmbH and, as of the same date, all shares in Tusaki Beteiligungsverwaltung GmbH, Vienna, were acquired from ABOUT YOU Holding GmbH. Due to immateriality, the three companies are not included in the consolidated financial statements of ABOUT YOU Holding GmbH.

The management of the ABOUT YOU Group is carried out by ABOUT YOU Holding GmbH as the parent company, which bundles all management functions. Group revenue is generated by ABOUT YOU GmbH & Co. KG and Adference GmbH.

Management of ABOUT YOU Holding GmbH is composed of three members: Tarek Müller, Hannes Wiese and Sebastian Betz; they have joint responsibility for the strategy and operational management of the Group.

THE GROUP'S OBJECTIVES AND STRATEGY

ABOUT YOU's vision is to become a leading global fashion platform. This vision is based on three cornerstones:

1. Digitalization of bricks-and-mortar shopping
2. Collaboration with brands in order to realize additional revenue potential
3. Provision of the ABOUT YOU technology platform and services to enable partners to successfully expand their online business

ABOUT YOU pursues a clear strategy in order to implement its vision based on these cornerstones and create a complete ecosystem.

On the demand side, ABOUT YOU has been set up since its establishment to create an inspiring shopping experience for generations Y&Z. This includes a strong focus on collaboration on campaigns and exclusive collections with national and international influencers (e.g. Lena Gercke, Dan Fox, Kendall Jenner), as well as the option of creating media content with our own production teams (e.g. own TV shows; organizing own fashion shows). In this regard, content is seamlessly linked to the shopping experience in our own app and other shops as well as directed in a personalized manner. This contributes to a high degree of loyalty among existing customers and steady growth of the customer base, which is reflected in the high recognition of the young ABOUT YOU brand (best-known online fashion brand in Eastern Europe, second most well-known brand in Germany, Austria, Switzerland, Belgium and the Netherlands). The penetration of existing markets and categories as well as the tapping of new ones offer considerable potential.

On the supply side, ABOUT YOU is working closely with well-known brands in the fashion industry. Given continuous growth, currently more than 400,000 items from over 2,000 brands are offered in the ABOUT YOU shop. Brand partners appreciate that their collections in the ABOUT YOU shops are presented and offered in a manner geared specifically to the target group. Since its establishment, ABOUT YOU has thus become as significant sales channel for many brands and aims to continue to provide an attractive environment for big and small brands. In addition, the offering is being expanded to include the ABOUT YOU and EDITED private labels as well as joint exclusive collections with influencers, and high-margin additional sales are being generated., The business model's success depends not least on ABOUT YOU's proprietary AI-supported technology platform. ABOUT YOU has been providing this technology platform as a modular software as a service (SaaS) offer together with additional e-commerce services (e.g. fulfillment services, marketing services) to business customers since 2018. In this regard, the long-standing collaboration with brand partners helps to precisely address the partners' requirements with the right tech and service modules, and ABOUT YOU is planning to further scale up this B2B business segment as well.

MANAGING THE GROUP

The key performance indicators of ABOUT YOU are revenue and adjusted EBITDA (annual earnings before adjustments, interest, taxes, depreciation and amortization).

Adjusted EBITDA is not a financial ratio recognized under IFRS. The main decision-makers of the ABOUT YOU Group are of the opinion that adjusted EBITDA makes it possible to compare performance on a consistent basis excluding non-recurring items. Adjusted EBITDA is defined as EBITDA (earnings before interest, taxes, depreciation and amortization) plus expenses for equity-settled share-based payments, restructuring costs and non-operating non-recurring items. The margin of adjusted EBITDA is the ratio of adjusted EBITDA to revenue.

PRESENTATION OF THE GROUP'S PERFORMANCE

Revenue in financial year 2020/2021 amounted to EUR 1,166.5 million. Revenue amounted to EUR 743.4 million in the prior-year period. The Group thus achieved year-on-year revenue growth of 56.9%. This favorable revenue performance was especially driven by the growth of Europe's e-commerce business.

Further market entries in the e-commerce business segment were made in Estonia, Lithuania, Latvia, Slovenia, Croatia, Bulgaria, France, Spain, Italy, Denmark, Sweden, Finland and Ireland in the reporting year.

The customer range in the core ABOUT YOU online shops (hereinafter: ABOUT YOU shops) was further expanded. The favorable development of the key strategic growth and business segments continued in financial year 2020/2021.

ABOUT YOU GROWTH AREA E-COMMERCE

The development of the ABOUT YOU DACH and ABOUT YOU RoE (AY Commerce) segments was influenced in the reporting year by the further expansion of ABOUT YOU shops, especially in the area of mobile applications (app). A number of new functions, such as size guides, optimized category navigation and sustainability classifications, were developed and integrated.

The ABOUT YOU shops also expanded considerably in terms of their product lines. For instance, the number of available items rose significantly to more than 400,000 items and more than 2,000 brands. Besides expanding the product range with new brands and items, the focus here was especially on relatively new and pandemic-related high-demand categories, such as children's fashion, sports and functional wear.

Furthermore, with the opening of the online shops “aboutyou.ee”, “aboutyou.lv”, “aboutyou.lt”, “aboutyou.si”, “aboutyou.hr”, “aboutyou.bg”, “aboutyou.es”, “aboutyou.it”, “aboutyou.fi”, “aboutyou.ie”, “aboutyou.ro” as well as “aboutyou.com” in Denmark, France and Sweden, 13 additional countries were included in the sales territory of ABOUT YOU in the 2020/2021 reporting year.

ABOUT YOU's growth area of e-commerce includes both the ABOUT YOU DACH and ABOUT YOU RoE segments.

SOFTWARE AS A SERVICE (SAAS) BUSINESS SEGMENT

The SaaS business segment is allocated to the TME segment. ABOUT YOU develops business-critical IT front-end and back-end systems as well as interfaces to standard systems largely autonomously.

ABOUT YOU offers technical products for handling e-commerce business processes. The first product – "Backbone" – was successfully launched on the market. In the meantime, the Company is successfully offering a number of such SaaS products on the market. Customers for these products include fashion labels and dealers, which use ABOUT YOU SaaS technologies to operate or enhance their own online presence.

Software as a service contributed significantly in the reporting year to the strong revenue growth of the ABOUT YOU Group's service segment and helped make a positive contribution to group earnings.

ECONOMIC REPORT

The year 2020 was heavily affected by the Covid-19 pandemic. This also had a major impact on customer behavior in fashion purchasing. For instance, the European fashion market reported a total volume of EUR 398 billon in 2019.[12] This volume fell to EUR 328 billon in 2020. This decline was driven by the lockdown, which led to protracted closures of brick-and-mortar businesses in many countries. Furthermore, the needs of consumers shifted between certain fashion categories. This was due to the pandemic, which meant there were fewer occasions for purchasing clothes, such as parties, office needs or other cultural activities; however, by contrast, there was keen interest in athleisure & homewear.

Accordingly, online fashion retail reported both positive and negative effects on account of the pandemic. Although the European online fashion market increased to a volume of EUR 87 billon in 2020 (PY: EUR 75 billon), this growth was nevertheless only marginally higher than the growth in previous years. In contrast to many other categories, the online fashion market did not experience any explosive growth in absolute terms on account of the temporary closures of bricks-and-mortar retail. It is assumed that this was especially due to a lack of occasions for purchasing fashion products. From the perspective of online fashion retail, the strong concentration of purchasing through online channels could only partially compensate for the decline in the overall market.

However, the decline of the overall market meant that online fashion retail achieved its highest share of the total fashion market to date. This online share rose to 27% in 2020 (PY: 19%). The online fashion market is expected to experience further sharp growth as soon as there are occasions to buy clothes once again and the overall market returns to its pre-Covid-19 size. Customers increasingly gained a greater appreciation for online channels during the pandemic and used these more frequently, and it is expected that the rising demand for fashion items in the future will be satisfied to a greater extent online.

12 The Euromonitor is the source of the information in the economic report

The Group's Assets, Liabilities, Financial Position and Financial Performance

The key performance indicators of ABOUT YOU are revenue and adjusted EBITDA (annual earnings before adjustments, interest, taxes, depreciation and amortization). Revenue amounted to EUR 1,166.5 million (PY: EUR 743.4 million) and was thus in line with expectations of a significant increase in the mid-double-digit percentage range for financial year 2020/2021. Adjusted EBITDA also developed as expected, rising from EUR −69.9 million to EUR −35.5 million.

The adjusted EBITDA margin increased from −9.4% in the prior year to −3.0% in the current reporting year due to achieving economies of scale; the expectations of significant improvement were thus met.

Assets, liabilities, financial position and financial performance were as follows in financial year 2020/2021:

Condensed Consolidated Statement of Financial Position as of February 28, 2021

EUR million	**Feb. 28, 2021**	Feb. 29, 2020	Change
Assets			
Non-current assets	48.3	39.3	9.0
Current assets	408.9	267.6	141.3
Total assets	**457.2**	**306.9**	**150.3**
Equity and liabilities			
Equity	55.4	102.2	(46.8)
Non-current provisions and liabilities	87.6	10.2	77.4
Current provisions and liabilities	314.1	194.5	119.7
Total equity and liabilities	**457.2**	**306.9**	**150.3**

Non-current assets mainly include intangible assets, right-of-use assets pursuant to IFRS 16 and property, plant and equipment. Amortization of intangible assets amounted to EUR 6.5 million in the Group's financial year (PY: EUR 5.4 million). The increase in non-current assets was due to investments in IT systems and furniture, fixtures and office equipment.

Current assets mainly comprise merchandise inventories, trade and other receivables, other assets as well as cash and cash equivalents. The increase was largely due to the rise in merchandise inventories, which rose by EUR 105.5 million, as well as the increase in cash and cash equivalents, which went up by EUR 45.6 million. The increase in inventories is due to reporting date effects and to the continuous expansion of the range of goods offered. Due to reporting date effects and improved payment conditions with factoring providers, other receivables rose by 44.8% over the prior year.

Equity decreased by EUR 46.8 million in the reporting year, which was mainly due to the loss incurred as well as opposing effects from the Media4Equity capital increase and share-based compensation.

Non-current provisions and liabilities included leases amounting to EUR 7.6 million as well as non-current loan liabilities to related parties granted in 2020/2021 and equaling EUR 76.7 million.

The Company's non-current provisions and liabilities consist primarily of trade payables, liabilities to related parties and other non-current liabilities. The increase in trade payables and liabilities to related parties is due to reporting date effects and the increased purchasing volume in financial year 2020/2021. Other liabilities increased at a lower rate relative to revenue. The rise in other liabilities was mainly due to the increase in expected returns and deferred revenues.

Condensed Consolidated Statements of Cash Flows from March 1, 2020, to February 28, 2021

EUR million	**Feb. 28, 2021**	Feb. 29, 2020
Cash flows from operating activities	(6.4)	(42.4)
Cash flows from investing activities	(18.9)	(15.1)
Cash flows from financing activities	**70.9**	(3.4)
Cash and cash equivalents at beginning of the period	62.4	123.3
Net change in cash and cash equivalents	45.6	(61.0)
Cash and cash equivalents at end of period	**107.9**	**62.4**

ABOUT YOU reported negative cash flows from operating activities of EUR −6.4 million in the reporting year (PY: EUR −42.4 million). Improved cash flow was mainly due to improved payment terms vis-à-vis business partners. The main reason for the net cash used in operating activities were the start-up losses incurred for developing the company.

The negative cash flows from investing activities equaling EUR −18.9 million (PY: EUR −15.1 million) were mainly caused by investments in internally generated software. Payments for investments in intangible assets and property, plant and equipment amounted to EUR 16.9 million (PY: EUR 10.5 million). Payments for the acquisition of companies amounted to EUR 1.9 million (PY: EUR 4.2 million).

Consequently, free cash flow amounted to EUR −25.4 million in the reporting year (PY: EUR −57.6 million).

In accordance with the provisions of IFRS 16 "Leases", the cash flows from financing activities show the repayment portion of the lease payments equaling EUR 3.9 million (PY: EUR 3.3 million) and the interest payments associated with lease liabilities amounting to EUR 0.2 million (PY: EUR 0.1 million). Furthermore, the interest paid includes guarantee commissions of EUR 0.0 million (PY: EUR 0.0 million). In addition, a EUR 75.0 million loan was raised in the current reporting year. Cash flows from financing activities amounted to EUR 70.9 million in the reporting year (PY: EUR −3.4 million).

Overall, ABOUT YOU had cash and cash equivalents in the amount of EUR 107.9 million as of February 28, 2021 (PY: EUR 62.4 million).

ABOUT YOU was able to meet its payment commitments at all times in 2020/2021.

Condensed Consolidated Income Statement from March 1, 2020, to February 28, 2021

EUR million	**2020/2021**	2019/2020	Change
Revenue	1,166.5	743.4	423.1
Cost of materials	(691.5)	(422.5)	(269.0)
Personnel expenses	(59.8)	(34.9)	(24.9)
Other operating expenses	(477.8)	(367.5)	(110.3)
Other operating income	3.2	2.1	1.2
Own work capitalized	15.4	9.5	5.8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**(44.0)**	**(69.9)**	**25.8**
Adjustments	8.5	0.0	8.5
Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA)	**(35.5)**	**(69.9)**	**34.4**

The 56.9% increase in revenue was mainly due to the acquisition of new customers combined with an increase in orders among existing customers.

The reason for significant growth in these revenue drivers is the continuous market penetration of existing markets and development of new markets. Markets were entered in Estonia, Lithuania, Latvia, Slovenia, Croatia, Bulgaria, France, Spain, Italy, Denmark, Sweden, Finland and Ireland in the 2020/2021 reporting year.

In addition, the positive development of B2B sales helped drive revenue growth. In this regard, growth in technology services with software as a service (SaaS) is especially noteworthy.

The cost of materials increased at a slightly higher pace relative to revenue to EUR 691.5 million in the reporting year (PY: EUR 422.5 million). The reasons for the slightly disproportionate increase in the cost of materials included the effects of the Covid-19 pandemic on consumer behavior (increased price elasticity of demand) and competitive intensity (increased price reductions due to excess stock, particularly in bricks-and-mortar retail). Furthermore, market entry campaigns in new markets had a temporary negative impact on the cost of materials in relation to revenue, as price incentives were used intensively to acquire new customers.

The slightly disproportionate increase in personnel expenses was mainly due to first-time recognition of share-based payments amounting to EUR 8.4 million. The initial recognition of share-based payments for the tranches issued in the prior year led to corresponding catch-up effects on account of increased event probability; see VIII.11 in the notes to the consolidated financial statements for more information. At 47.3%, personnel expenses adjusted for the share-based payments equaling EUR 51.4 million (PY: EUR 34.9 million) grew at a lower rate relative to revenue development (revenue growth rate in 2020/2021: 56.9%).

Other operating expenses were impacted by the volume-driven increase in logistics, contract, warehousing and order picking costs. Furthermore, the Company reported a rise in marketing costs for brand-building and new customer acquisition. In addition, earnings in 2020/2021 were negatively affected by a series of non-recurring items. These included, for example, (a) market entries in Estonia, Latvia, Lithuania, Slovenia, Croatia, Bulgaria, France, Spain, Italy, Denmark, Sweden, Finland and Ireland as well as the preparation for additional market entries in 2021/2022, (b) the ongoing ramp-up costs in infrastructure and personnel for new B2B products in the services segment along with marketing these. Despite these non-recurring items, other operating expenses rose at a lower rate relative to revenue, which, in turn, was due to an increase in scaling and efficiency effects.

The increase in own work capitalized was caused by the capitalization of self-constructed assets in 2020/2021 and is reported in an amount of EUR 15.4 million (PY: EUR 9.5 million).

The rise in interest expenses was due to a newly granted shareholder loan.

DEVELOPMENT OF ADJUSTED EBITDA

The sharp rise in revenue as well as the previously described relative cost improvements led to adjusted EBITDA increasing once again in both absolute terms as well as in relation to revenue in 2020/2021. The reporting year closed out with EUR −35.5 million in adjusted EBITDA, which corresponds to an EBITDA margin of −3.0%. In light of the continuing very strong growth and ongoing high start-up costs in the new markets and business models, this result shows the high profitability potential that is possible in the business model when in a steady state. EBITDA adjustments equaled EUR 8.5 million in 2020/2021 (PY: EUR 0.0 million), of which EUR 8.4 million (PY: EUR 0.0 million) was attributable to share-based payments. Furthermore, 2020/2021 EBITDA contains EUR 0.2 million (PY: EUR 0.0 million) in transaction costs. These costs were deducted when calculating the adjusted EBITDA. No adjustments were made to EBITDA in the prior years 2018/2019 and 2019/2020.

SUPPLEMENTARY EXPLANATORY NOTES ON SEGMENT REPORTING

The following three paragraphs provide additional information on segment reporting. In this regard, the information is from internal reporting, which includes both the inter-segment relationships as well as revenue recognition according to internal management.

ABOUT YOU DACH (GERMANY, AUSTRIA, SWITZERLAND)

The ABOUT YOU DACH segment grew by 29.4% to EUR 660.0 million in the 2020/2021 reporting year. At the same time, it was possible to increase profitability once more after achieving break-even in 2019/2020. The segment achieved an adjusted EBITDA margin of 5.6% in 2020/2021 (PY: 0.1%).

ABOUT YOU ROE (REST OF EUROPE)

The international business reported massive growth once again in 2020/2021. Sales revenue rose here by 145.3% to EUR 463.5 million. The high start-up and growth investments (especially in the area of marketing) meant the RoE segment still reported negative adjusted EBITDA of EUR −83.3 million (PY: EUR −55.2 million).

TME (TECH, MEDIA, ENABLING)

The services segment grew by 60.6% to EUR 83.5 million in 2020/2021 and, in doing so, reported an adjusted EBITDA margin of 12.0% (PY: −33.5%). After reporting negative adjusted EBITDA in prior years, TME managed to break even in 2020/2021 and also produced significant profit contributions. This is due to very high-margin B2B service revenue particularly in the media and technology division. If the relatively high fixed cost base for product and organizational development is covered, profitability can increase quickly and sustainably due to rising revenue. Key growth and profit drivers within TME included the many new software as a service (SaaS) customers in the B2B segment. The media business meanwhile suffered significant losses particularly in the first half of the year due to the negative impact of the coronavirus pandemic on the budgets of B2B advertising customers in this segment.

ADDITIONAL DISCLOSURES ON ABOUT YOU HOLDING GMBH

Assets, Liabilities, Financial Position and Financial Performance of ABOUT YOU Holding GmbH

As ABOUT YOU Holding GmbH only assumes the function of a holding company within the Group and does not manifest any additional business operations, there are no performance indicators at the level of ABOUT YOU Holding GmbH. ABOUT YOU Holding GmbH's key performance indicator is the valuation of financial assets, which reflects the Group's operating business and is determined by the key performance indicators of the entire group.

Assets, liabilities, financial position and financial performance according to HGB developed as follows in financial year 2020/2021:

Balance Sheet of ABOUT YOU Holding GmbH Pursuant to HGB as of February 28, 2021

EUR million	**Feb. 28, 2021**	Feb. 29, 2020	Change
Assets			
Non-current assets	**874.6**	**869.6**	**5.0**
Financial assets	874.6	869.6	5.0
Current assets	**4.7**	**5.1**	**(0.4)**
Other non-financial assets	0.0	0.0	(0.0)
Cash and cash equivalents	4.7	5.1	(0.4)
Total assets	**879.2**	**874.7**	**4.5**
Equity & liabilities			
Equity	**874.3**	**874.7**	**(0.3)**
Subscribed capital	4.3	4.3	0.0
Share premium	435.2	870.4	(435.3)
Retained profit/deficit	434.9	(0.0)	434.9
Provisions	**1.4**	**0.0**	**1.4**
Other provisions	1.4	0.0	1.4
Current provisions and liabilities	**0.0**	**0.0**	**(0.0)**
Trade payables	0.0	0.0	(0.0)
Deferred tax liabilities	**3.5**	**0.0**	**3.5**
Total equity and liabilities	**879.2**	**874.7**	**4.5**

Income Statement of ABOUT YOU Holding GmbH Pursuant to HGB
from March 1, 2020, to February 28, 2021

EUR million	**2020/2021**	2019/2020	Change
Other operating income	0.0	0.0	0.0
Other operating expenses	(1.8)	(0.0)	(1.8)
Earnings before interest and taxes (EBIT)	**(1.8)**	**(0.0)**	**(1.8)**
Net interest income/loss	(0.0)	0.0	0.0
Earnings before taxes (EBT)	**(1.8)**	**(0.0)**	**(1.8)**
Income taxes	(3.5)	0.0	(3.5)
Profit/(loss) for the period	**(5.3)**	**(0.0)**	**(5.3)**
Retained loss carried forward	(0.0)	(0.0)	(0.0)
Reversal of share premium	440.2	0.0	440.2
Retained profit/deficit	**434.9**	**(0.0)**	**434.9**

The rise in financial assets and reserves is due to the capital increase as part of the Media4Equity program. Provisions increased due to a year-on-year rise in accruals for outstanding invoices. The increase in other operating expenses was primarily due to the rise in advisory and audit fees.

Alternative Performance Measures (APM)

The key performance indicators of the ABOUT YOU Group are revenue and adjusted EBITDA. For the purposes of being able to better control individual cost items and increasing comparability with competitors, the Company works with additional performance indicators known as alternative performance measures (APMs). These APMs classify the Company’s costs based on the question of whether and where these costs for generating revenue are incurred. Costs with highly variable portions can thus be distinguished more easily from those with a high proportion of fixed costs, making the Company’s income statement more easily controllable in the phase of significant growth. ABOUT YOU works with the four cost APMs: cost of sales, fulfillment costs, marketing costs and administrative expenses.

EUR million	**2020/2021**	2019/2020
EUR million	1,166.5	743.4
Growth rate	56.9%	61.2%
Cost of sales	693.3	425.0
Ratio	59.4%	57.2%
Gross profit	**473.1**	**318.4**
Margin	40.6%	42.8%
Fulfillment costs	233.7	157.0
Ratio	20.0%	21.1%
Marketing costs	190.3	166.7
Ratio	16.3%	22.4%
Administrative expenses	84.6	64.6
Ratio	7.3%	8.7%
Adjusted EBITDA	**(35.5)**	**(69.9)**
Margin	–3.0%	–9.4%

DEFINITION OF COST OF SALES

The cost of sales mainly includes the cost of goods sold, expenses for inbound logistics, write-downs on inventories and other costs in connection with sales. The cost of goods sold is equal to the expenses for goods sold less discounts, rebates and bonuses granted by suppliers. Expenses for inbound logistics include all expenses incurred before the inventories are stored in the fulfillment centers and consist mainly of customs and incoming goods transport expenses (including the associated personnel expenses). Write-downs of inventories reflect write-downs of inventories to the net realizable value to account for risks from reduced demand or quality of the goods. Other cost of sales mainly includes IT costs for B2B services as well as the associated personnel expenses. Other cost of sales also covers personnel, IT and infrastructure expenses in connection with the procurement of inventories. The cost of services performed are reduced by the estimated cost of goods sold expected to be returned by customers. The cost of sales ratio is calculated as the ratio of cost of sales to revenue.

DEFINITION OF GROSS PROFIT

Gross profit is defined as the difference between revenue and cost of sales. The gross profit margin is calculated as the ratio of gross profit to revenue.

DEFINITION OF FULFILLMENT COSTS

Fulfillment costs mainly consist of expenses for outbound and return logistics, expenses for payment transactions and service costs. Outbound logistics includes expenses for warehousing, packaging, pick and pack and delivery costs as well as the personnel and IT infrastructure expenses associated with these processes. Expenses for return logistics mainly comprise expenses for inbound logistics for returns and costs for the return centers. Expenses for payment transactions include all expenses in connection with the payment process, including expenses for external payment providers, banking fees for transactions and the associated personnel and IT infrastructure costs. Service costs concern the expenses for call centers and service-related IT and personnel costs (B2C and B2B). Fulfillment costs thus cover the distribution expenses with the exception of marketing costs. The fulfillment costs ratio is calculated as the ratio of fulfillment costs to revenue.

DEFINITION OF MARKETING COSTS

Marketing costs largely consist of external expenses for online and offline advertising, cooperation and production costs as well as the personnel and IT infrastructure expenses associated with these processes. The online advertising expenses mainly relate to social media channels, CRM, search engine advertising and affiliate marketing. Offline advertising primarily includes cost from TV, radio and billboard campaigns as well as offline shows and events. Cooperation costs concern various costs that arise from partnerships with third parties such as influencers or brands. Production costs include expenses for editorial content, video productions, product and model photography. The marketing costs ratio is calculated as the ratio of marketing costs to revenue.

DEFINITION OF ADMINISTRATIVE EXPENSES

Administrative expenses mainly consist of personnel expenses, office infrastructure and legal and advisory fees. Administrative expenses arise from departments working across the entire Company such as HR and Recruiting, Finance, Business Intelligence and Legal as well as departments with in-house functions (such as facility, IT security, infrastructure or office management). This also includes cost centers with strategic, planning, management or control functions as well as other operating expenses and other operating income that are not related to the aforementioned cost items. The administrative expenses ratio is calculated as the ratio of administrative expenses to revenue.

DEVELOPMENT OF COST OF SALES

The cost of sales amounted to EUR 693.3 million in the financial year (PY: EUR 425.0 million). After declining steadily in relation to revenue in previous years, the cost of sales rose slightly in relation to revenue in 2020/2021. This is in part due to the impact of the Covid-19 pandemic. Changes in consumer behavior (increased price elasticity of demand) and competitive intensity (increased price reductions due to excess stock particularly in bricks-and-mortar retail) led to a slight decline in end customer prices. With purchase prices remaining largely unchanged, the cost of goods sold increased in relation to revenue. Market entry campaigns in new markets had a temporary negative impact of the cost of goods sold in relation to revenue, as price incentives and vouchers were used intensively to acquire new customers. This was mitigated by the sharp rise in service revenue, which structurally has a significantly lower cost of sales and improved on an already high level in 2020/2021 (mainly driven by increased revenue from software as a service).

DEVELOPMENT OF GROSS PROFIT

Gross profit rose to EUR 473.1 million in the financial year (PY: EUR 318.4 million). The gross profit margin declined slightly to 40.6% (PY: 42.8%).

DEVELOPMENT OF FULFILLMENT COSTS

Fulfillment costs of EUR 233.7 million (PY: EUR 157.0 million) have been on a steady decline in relation to revenue in recent years, a trend which continued in 2020/2021. The fulfillment cost ratio equaled 20.0% in the reporting year (PY: 21.1%). The long-term trend is based on multiple effects, including:

- Declining return rates due to technological measures to reduce returns as well as a change in the revenue mix towards countries and categories with structurally lower return rates
- Improved conditions of logistics, payment and service providers due to increased scales
- Data-based optimization of routes and delivery routes and increased automation at the order processing units

In 2020/2021, the positive returns trend was further reinforced due to the pandemic-related changes in customers' return behavior (slight decline in return rates in lockdown phases to avoid personal contact). This was contrasted by the higher costs at the order processing units from implementing and complying with safety and hygiene concepts (productivity losses).

DEVELOPMENT OF MARKETING COSTS

Similar to fulfillment costs, marketing costs of EUR 190.3 million (PY: EUR 166.7 million) have been on a steady decline in relation to revenue in recent years. Accordingly, distribution expenses also declined overall in relation to revenue. The marketing cost ratio equaled 16.3% in the reporting year (PY: 22.4%). This positive trend in marketing costs can be attributed to a variety of factors, including:

- Rising share of existing customers, for which the reactivation costs are significantly lower than the costs of acquiring new customers
- Greater use of proprietary technologies and data analysis methods to improve marketing efficiency in the individual channels
- Improved conditions for purchasing advertising inventory through increased scale and a stronger ABOUT YOU brand
- Overall improvement in the value promise to customers, particularly in terms of the shop and app design, product range, delivery processes – these improvements are reflected in increased organic traffic, which results in a reduction in marketing costs

There were also both positive and negative effects on marketing costs in 2020/2021 due to the Covid-19 pandemic. One positive effect was the increased willingness of customers to shop online. Meanwhile, a series of non-recurring effects from the cancellation of events, shows and festivals due to the pandemic had a negative impact on costs.

DEVELOPMENT OF ADMINISTRATIVE EXPENSES

As in prior years, administrative expenses rose in absolute terms to EUR 84.6 million (PY: EUR 64.6 million), but declined in relation to revenue. The administrative expense ratio equaled 7.3% in the reporting year (PY: 8.7%). This is due to scaling effects from disproportionate growth in revenue and efficiency effects from the streamlining and automation of administrative processes.

Reconciliation of the Income Statement Prepared in Accordance with the Nature of Expense (NoE) Method with the Alternative Performance Measures

2020/2021

EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. Expenses	Adjusted EBITDA
Revenue	**1,166.5**	**693.3**	**233.7**	**190.3**	**84.6**	**–35.5**
Cost of materials	691.5	691.5	0.0	0.0	0.0	0.0
Personnel expenses	51.4	5.1	5.7	18.3	22.4	0.0
Other operating expenses	477.7	1.5	232.0	176.2	68.0	0.0
Revenue	–3.2	0.0	–1.1	0.0	–2.2	0.0
Cost of materials	–15.4	–4.7	–3.0	–4.1	–3.6	0.0
Personnel expenses	**–35.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Other operating expenses						

Reconciliation of the Income Statement Prepared in Accordance with the Nature of Expense (NoE) Method with the Alternative Performance Measures

2019/2020

EUR million	NoE/ APM	Cost of sales	Fulfillment costs	Marketing costs	Admin. Expenses	Adjusted EBITDA
Revenue	**743.4**	**425.0**	**157.0**	**166.7**	**64.6**	**−69.9**
Cost of materials	422.5	422.5	0.0	0.0	0.0	0.0
Personnel expenses	34.9	4.1	1.5	12.3	17.1	0.0
Other operating expenses	367.5	0.9	157.9	159.2	49.5	0.0
Other operating income	−2.1	0.0	−1.9	0.0	−0.2	0.0
Own work capitalized	−9.5	−2.4	−0.5	−4.8	−1.8	0.0
Adjusted EBITDA	**−69.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Risk Management and Forecast

OPPORTUNITIES AND RISKS OF FUTURE DEVELOPMENT

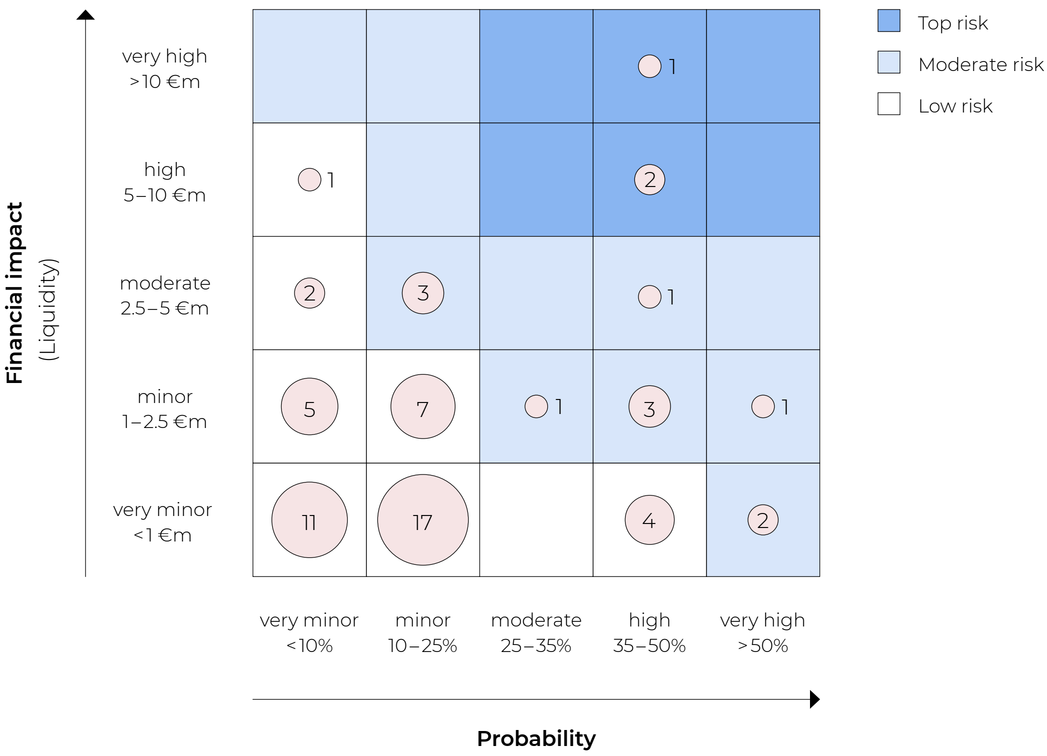
ABOUT YOU has implemented a risk management system (RMS) based on the Committee of Sponsoring Organizations of the Treadway Commission Enterprise Risk Management (COSO ERM) Standards. The objective of the RMS is to promote active risk awareness, create transparency about risks and to be able to recognize and manage risks through a periodic and systematic process and take appropriate risk measures. ABOUT YOU uses this structured approach to address regulatory requirements such as the auditing standards 340/981 of the German Institute of Public Auditors (IDW).

Risks and opportunities are identified and monitored on an ongoing basis. In addition, overarching risks are recorded centrally in a semi-annual risk process, while other function-specific risks are identified, measured and documented on a decentralized basis. A structured, overarching assessment is then conducted by those responsible for the risks, as well as a discussion of other risk measures with the responsible managing director Hannes Wiese.

Risks are assessed in terms of their probability of occurrence and potential financial and qualitative impact within a time span of 12 months over three scenarios (pessimistic scenario, realistic scenario, optimistic scenario). Every risk is tied to risk measures (bear the risk; minimize the risk, avoid the risk) that are in turn assessed in terms of their impact on the risk in question. The risk assessment results in a gross risk, which describes the risk before applying measures, and a net risk, which includes the impact of the risk measures taken, for each risk. Risks are then divided into three levels based on their probability of occurrence and impact: low risk, medium risk, top risk. In addition, the identified risks are aggregated in accordance with the COSO ERM Standards and classified according to 19 company-specific risk clusters.

	Total number of risks	Number of risks by net risk assessment		
		Top risks	Moderate risks	Low risks
Risk dimension and -subcategory (COSO)				
a) Strategic	11	0	2	9
1. ABOUT YOU company strategy	3	0	0	3
2. Competition	1	0	0	1
3. Sustainability	1	0	0	1
4. Markets/expansion	4	0	0	4
5. Brand/reputation	2	0	2	0
b) Operations	35	2	5	28
6. Suppliers	6	0	1	5
7. Logistics	9	2	1	6
8. Sales	6	0	0	6
9. CRM	6	0	0	6
10. IT operations	3	0	2	1
11. HR	3	0	1	2
12. Pricing	1	0	0	1
13. Project management	1	0	0	1
c) Reporting/finance	6	0	1	5
14. Treasury	3	0	0	3
15. Controlling	2	0	1	1
16. Taxes	1	0	0	1
d) Compliance/legal	9	1	3	5
17. Legal	2	0	0	2
18. Compliance	6	0	3	3
19. Data privacy & security	1	1	0	0

ABOUT YOU's net risk inventory
# of risks by probability and financial impact



The top risks focused on ABOUT YOU's entrepreneurial risks are presented below in descending order in terms of their potential financial impact:

Loss of confidential data: The loss of confidential data could result in litigation and reduced customer satisfaction. This could be triggered by internal (e.g. system errors) or external factors (e.g. DDos attacks).

Insufficient capacities at warehouses: As a result of ABOUT YOU's large growth, a lack of flexibility to adjust capacities or processes at warehouses could lead to extended delivery times or reduced product availability and by extension lower customer satisfaction or lower revenue.

Pandemic-related interruptions to processes at warehouses: Covid-19 or other pandemics could result in the availability of workforce in ABOUT YOU's warehouses being restricted. The consequences of this could include extended delivery times or reduced product availability and by extension lower customer satisfaction or lower revenue.

OPPORTUNITIES:

Significant opportunities associated with the future development for ABOUT YOU exist in respect of future scaling of the business model at various levels. These are presented below in order of their potential:

Markets, competition and strategy

– Accelerated channel shift due to Covid-19 as a catalyst expands the addressable market

- A significant shift in market share toward online specialists is expected, which will increase competitive opportunities vis-à-vis market participants with a weaker online focus
- In the commerce segment, there are opportunities arising from further penetration of existing geographic markets and the tapping of new ones
- In addition to the commerce segment, there is huge potential in the further development and scaling of the Tech, Media and Enabling (TME) segment – existing customer segments can be better addressed and new customer segments more effectively tapped through further professionalization of sales and distribution
- Furthermore, there is potential in the expansion of other lifestyle product categories in the commerce segment
- Shift towards more sustainable consumer behavior favors online providers and in particular pioneers in transparency and sustainability, including ABOUT YOU

Operational

- Intensification of supplier relationships through greater prioritization of the online channel for fashion brands. This trend was further boosted by Covid-19. This gives rise to opportunities, e.g. in improved access to exclusive ranges, improved conditions and higher revenue in ABOUT YOU's media division
- Greater leverage in the negotiation of conditions in procurement, logistics and IT infrastructure due to ABOUT YOU's sustained growth
- Improvement in the gross margin due to the expansion of the own brand share
- Unit cost effects in warehouse logistics due to the outsourcing of parts of the value chain to countries with lower labor costs
- Economies of scale in fixed costs through sustained growth, i.e. significant disproportionate revenue growth compared to growth in fixed costs
- Reduction in customer acquisition costs due to customers' increased online affinity
- Better access to non-equity-based financing options as the business grows in size and maturity

Reporting and finance

- Reduction in net working capital due to improved payment terms with suppliers as well as earlier payment of receivables in factoring models
- Better access to non-equity-based financing options as the business grows in size and maturity

Compliance and regulatory requirements

- Increased awareness of personal data among consumers offers opportunities for market participants with high GDPR compliance and transparency
- Ongoing process improvements and cost savings as by-product of the Company's strong compliance awareness

Forecast

ABOUT YOU intends to continue to grow sustainably in the future. To this end, the Company focuses on four key growth drivers:

1. Improving the customer experience by enhancing the core product
2. Scaling the ABOUT YOU shops in existing and developing of new markets
3. Expanding the range in new and existing categories
4. Scaling the B2B products particularly in the software as a service division

In following these goals, the Company is focused on further revenue growth, which is assigned greater importance than maximizing profits in the short term.

In view of this, a further significant year-on-year increase in revenue in the range of 40%–50% is expected in financial year 2021/2022. This increase in revenue is in large parts attributable to the segments RoE (> 70%) and TME (~ 50%). Also the DACH segment is expected to further grow healthy (> 20%).

The Company recorded a significant year-on-year rise in the adjusted EBITDA margin of 6.4 percentage points to −3.0% in 2020/2021 and was able to increase profitability in all segments.

Due to further investment in long-term growth and further scaling of the international business in the RoE growth segment, corresponding expenses for branding and new customer acquisition are expected in the coming reporting year 2021/2022, which will have a negative impact on group earnings.

In the 2021/2022 reporting year, it is expected that the Group will report adjusted (negative) EBITDA in absolute terms on a similar scale to that realized in 2019/2020. Correspondingly, we assume adjusted (negative) EBITDA to be below that of 2020/2021 in absolute terms. As a result, despite a sharp rise in revenue, it is expected that the Group's adjusted (negative) EBITDA margin will be down slightly below that of the 2020/2021 reporting year.

The expected positive development of adjusted EBITDA in the DACH and TME segments can only partially offset the expected increase in absolute investments in the RoE growth segment. Margin potential in financial year 2021/2022 is to be reinvested in growth projects.

Due to the comparatively short company history of the Company and the unclear impact of the ongoing coronavirus crisis on the economy, the forecast for the earnings trend is subject to considerable uncertainty.

According to the Company's liquidity planning, no liquidity gaps are expected in the current and following financial year. In addition, the plan in the current reporting year is to improve the liquidity situation through additional capital market measures.

Forecast of ABOUT YOU Holding GmbH

ABOUT YOU Holding GmbH's planning for financial year 2021/2022 assumes steady development of assets, financial and earnings position. Due to the expected positive development of the subsidiaries, financial assets are not expected to be changed in value.

Responsibility Statement

For the Consolidated Financial Statements

To the best of our knowledge, and in accordance with the applicable financial reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group, and the combined management report includes a true and fair review of the development and performance of the business and the position of the ABOUT YOU Group and ABOUT YOU Holding GmbH, together with a description of the principal opportunities and risks associated with the expected future development of the ABOUT YOU Group and ABOUT YOU Holding GmbH.

Hamburg, April 9, 2021

Tarek Müller   Hannes Wiese   Sebastian Betz

ESEF documents of ABOUT YOU Holding GmbH

as of February 28, 2021

The reproduction of the consolidated financial statements and the combined management report ("ESEF documents") prepared for publication purposes with the file name "AboutYou_KA_28.02.2021_V3.zip" (SHA256-Hashwert: 3938492f09a7017b7a6a1e78d1b85030cce4a32a2a8e2d8cff8815846bd5312d) can be downloaded by the issuer from the electronic client portal with access protection.

Independent Auditor's Report

To ABOUT YOU Holding GmbH, Hamburg

OPINIONS

We have audited the consolidated financial statements of ABOUT YOU Holding GmbH, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of February 28, 2021, and the consolidated income statement, consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year from March 1, 2020, to February 28, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management of ABOUT YOU Holding GmbH report combined with the Parent Company's management report for the financial year from March 1, 2020, to February 28, 2021.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of February 28, 2021, and of its financial performance for the financial year from March 1, 2020, to February 28, 2021, and

- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

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

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

– Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Other Legal and Regulatory Requirements

REPORT ON THE ASSURANCE IN ACCORDANCE WITH SECTION 317 (3B) HGB ON THE ELECTRONIC REPRODUCTION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES

We have performed an assurance work in accordance with Section 317 (3b) HGB to obtain reasonable assurance about whether the electronic reproduction of the consolidated financial statements and the combined group management report (hereinafter the "ESEF documents") contained in the file that can be downloaded by the issuer from the electronic client portal with access protection, "AboutYou_KA_28.02.2021_V3.zip" (SHA256-Hashwert: 3938492f09a7017b7a6a1e78d1b85030cce4a32a2a8e2d8cff8815846bd5312d) and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from March 1, 2020, to February 28, 2021, contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above.

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file in accordance with Section 317 (3b) HGB and the Exposure Draft of the IDW Assurance Standard: Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410). Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Company's management is also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited combined management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Hamburg, April 9, 2021

KPMGAG
Wirtschaftsprüfungsgesellschaft

Hagenmüller	Rienecker
Wirtschaftsprüferin	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Financial calendar 2021/2022

Proposed Reporting Date	Event
22.07.2021	Q1 2021/2022 Quarterly Statement
28.09.2021	Q2 2021/2022 Trading Update
09.11.2021	H1 2021/2022 Interim Financial Report
11.01.2022	Q3 2021/2022 Quarterly Statement
29.03.2022	Q4 2021/2022 Trading Update
24.05.2022	FY 2021/2022 Annual Report

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ABOUT 2020/2021

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