The Social Chain AG©

HALF-YEAR FINANCIAL REPORT

JANUARY - JUNE 2022

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Overview Of The Social Chain AG

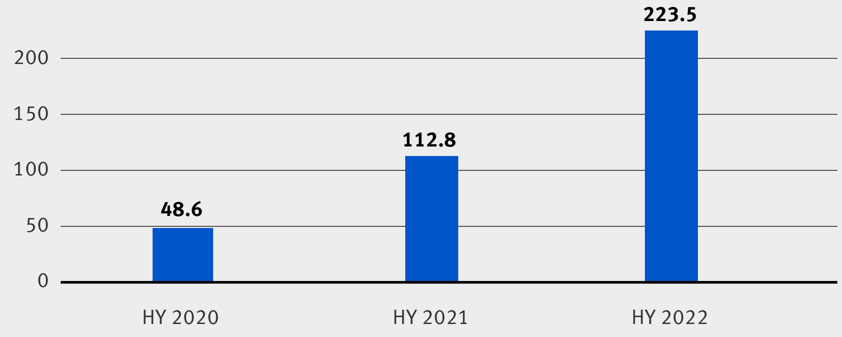
Financial performance

in EUR million	HY 2022	HY 2021	Change	in %
Revenues	223.5	112.8	110.7	98.1%
Gross Profit	**60.0**	**48.9**	**11.1**	**22.7%**
EBITDA	**18.0**	**-6.3**	**24.3**	**-**
EBITDA as a percentage of revenues	8.0%	-5.6%	-	-
EBITDA (adjusted)	**20.4**	**-1.5**	**21.8**	**-**
adjusted EBITDA as a percentage of revenues	9.1%	-1.3%	-	-
EBIT	**-44.0**	**-9.8**	**-34.2**	**>100%**
Net result of the Group	**-51.6**	**-8.7**	**-42.9**	**>100%**

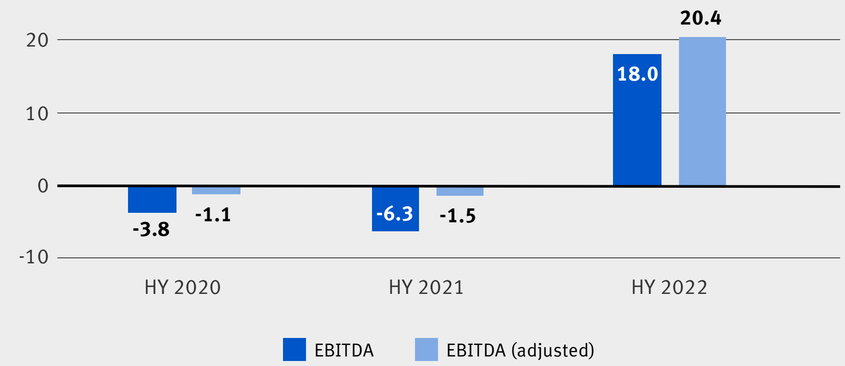
Financial position

in EUR million	HY 2022	HY 2021	Change	in %
Cash flow from operating activities	-24.4	-33.0	8.6	-
Cash flow from investing activities	50.6	-1.7	52.3	-
Cash and cash equivalents	14.1	10.9	3.2	29.4%
Employees (annual average)	**1,152**	**697**	**455**	**76.4%**
Basic earnings / diluted earnings per share (in EUR)	**-3.26**	**-0.77**	**-2.49**	**>100%**

Revenue* in EUR million
(development)



Operating income (EBITDA)* in EUR million
(development)



* from continued operations

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INTERIM GROUP MANAGEMENT REPORT

1 Basics of the Group

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1.1 General information

The statements made in the Annual Report 2021 regarding the performance indicators (strategy and management system) as well as the development projects of The Social Chain AG (hereinafter also referred to as TSC AG and together with its subsidiaries, associates and joint ventures also referred to as TSC Group) do still apply in principle at the time of publication of this half-year financial report.

1.2 Business model

The TSC Group is a next generation brand and product company, which uses insights and possibilities provided by social media in product development, brand development and sales. Integrated competence of product and brand development, social media publishing and social media marketing combined with an omnichannel sales structure builds the background.

Until the end of the 2021 financial year, the Group was operationally organized in the three segments Social Commerce, Social Media and Retail (DS Group). Due to the integration of the DS Group acquired in December 2021, which began at the beginning of 2022 and is still ongoing, as well as the associated restructuring of the TSC group as a whole, the operating segments were also restructured. In order to clearly focus on the core areas, the structure and organization of the TSC Group was aligned to the three commerce segments “Core Brands”, “Brand Chain” and “MAXX Group” as well as the fourth segment, the growing social media agency business “World Leading Social Marketing”.

The Core Brands
The Core Brands are the main brands of TSC Group. These independent companies have a high-performance brand concept, a fixed customer base and brand awareness. The Core Brands segment consists of classic and emerging brands. The focus of the Core Brands lies on Europe’s largest beauty convention, the influencer magnet GLOW by dm and Germany’s oldest barbecue brand LANDMANN. Other up-and-coming

BEEM
Designed for Life.

BEEM
ESPRESSO-GRIND-PROFESSION

GERMAN DESIGN AWARD SPECIAL 2022

BEST of DESIGN SCHÖNER WOHNEN

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brands include the high-quality interior brand URBANARA, the food brand CLASEN BIO and the coffee and tea appliance specialist BEEM. These own brands are the main assets in the omnichannel business of the TSC Group.

The Brand Chain
In the Brand Chain segment, our focus lies on “Emerging Brands”, which are in the process of being developed into D2C brands. These include: N8WERK with kitchen and household products, the Home & Living brand Lumaland, FitEngine for fitness equipment and HOBERG, the partner for Outdoor projects.

These D2C brands of TSC Group are sold in own online shops, via social commerce and on all relevant online marketplaces.

The MAXX Group
The MAXX Group is home to the goods-bearing business of DS Produkte as well as the brands of the startup founders from the VOX founders’ show “Die Höhle der Löwen”. KOCHWERK, VITALMAXX, CLEANMAXX, EASYMAXX and GOURMETMAXX are firmly anchored in stationary retail and teleshopping. Merchandise items for major brands, such as FC Bayern are also grouped in this segment.

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Social Marketing
In the Social Marketing segment, TSC Group relies on an integrated model of social media marketing and social media publishing. TSC Group offers this combination of its own reach and agency services primarily to business customers as a service.

The communities of the TSC Group provide insights into new trends, inspire consumers and reinforce brand messages. An overview of the most important social media channels, which are present on a wide variety of platforms, can be found on the company website www.socialchain.com.

The social media experts of the Social Chain Agencies are internationally active with offices in Berlin, London, Manchester, New York and Los Angeles. The agency's clients include internationally renowned brands such as Amazon, TikTok, Apple's Beats by Dre and others. Additional expertise is provided by Mint Marketing Agency, Inc. ("MINT"), with a focus on social commerce strategies and the development of young brands and startups.

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1.3 Group structure and organization

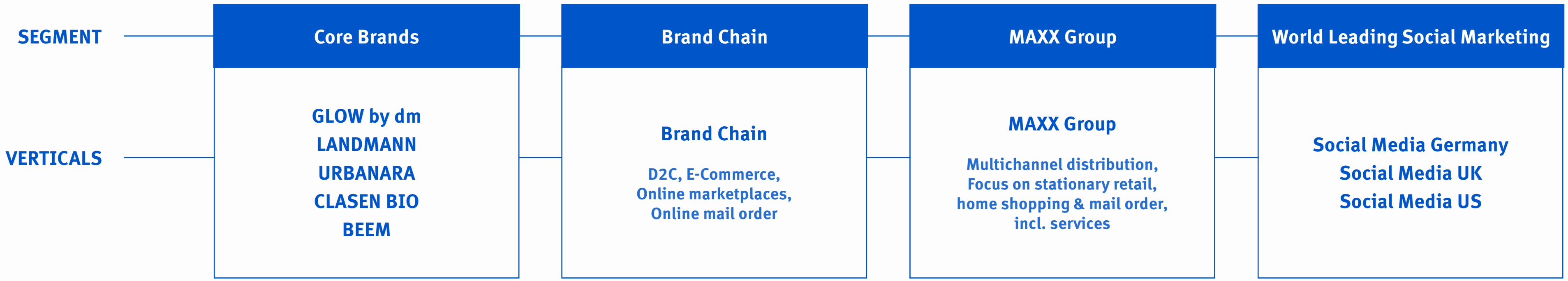
The TSC AG is the parent of the TSC Group and acts as a holding company for the Group. As a Group holding company, TSC AG is responsible for the Group control, strategic development, general management functions and provides services to affiliated companies.

As of June 30, 2022, the Group comprises 64 (December 31, 2021: 68) fully consolidated companies and 4 (December 31, 2021: 5) associates or joint ventures.

In the 2022 financial year, the Executive Board of TSC AG consists of Wanja S. Oberhof as CEO, Ralf Dümmel as Chief Product Officer (CPO) and Deputy Chairman of the Executive Board and, since 1 June 2022, Andreas Schneider as Chief Financial Officer (CFO). The former CFO, Christian Senitz, has resigned from his position as CFO of TSC AG with effect from the end of April 30, 2022.

As CEO, Wanja S. Oberhof is responsible for the strategic corporate development as well as the legal, M&A, investor relations and social media departments. As Chief Product Officer, Ralf Dümmel organizes product development, sales, the product and brand area as well as the support of the "Die Höhle der Löwen" investments. Andreas Schneider is responsible for Finance, Human Resources, IT, Logistics and Corporate Social Responsibility. The Executive Board is also supported by an extended Management Board in selected specific topics as well as by internal and external executives and advisors.

The company is headquartered in Berlin, with further locations in Manchester, London, New York, Gallin and Stapelfeld near Hamburg. As of June 30, 2022, the company had 1,207 employees (December 31, 2021: 1,334).



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2.1 Macroeconomic and sector-related framework conditions

The market environment in which the TSC Group operates depends on the overall economic development and the resulting consumer power. While the first quarter was still marked by the pandemic worldwide, the market faced additional challenges in the second quarter. Consumer demand fell sharply as a result of the war in Ukraine and the resulting fears of inflation. The TSC Group is also exposed to these challenging conditions in 2022.

In its "World Economic Outlook", the "International Monetary Fund" (IMF) expects a negative market trend for the year 2022: In January, the forecast for global economic growth was 4.4%[1], whereas the last update (July 2022) gives a revision with a downgrade to 3.2%[2]. In Germany, the IMF expects a further downward revision of the GDP of 1.7 percentage points for 2022, which would correspond to a GDP of 1.2% (previous year 2021: 2.9%).[3] The main reason given is the rapid rise in the prices of raw materials, fuels and food. GfK ("Growth from Knowledge", formerly "Gesellschaft für Konsumforschung") also signals a decline of 2.9 points to -30.6 points compared to the previous month with its Konsumklima-Index for August.[4] Since the beginning of the survey in 1991, there has not been a worse result measured in Germany overall. The inflation rate continues to rise – the world average for 2022 is 7.7%, which would be five percentage points higher than the average inflation rate reported by the World Bank over the past decade (2010 to 2019).[5] In Germany, the inflation rate is currently 7.5% (previous year 2021: 3.1%).[6]

Nevertheless, social commerce remains a beacon of hope in a challenging market environment. According to the "Bundesverband E-Commerce und Versandhandel" (bevh), the purchasing volume has fallen significantly since the start of the war in Ukraine in 2022, with German consumers continuing to consume – albeit at lower purchasing volumes (April 2022). E-commerce business selling merchandise recorded an overall growth of 8.2% to EUR 23.0 billion (previous year: EUR 21.1 billion) in the 1st quarter of 2022 due to strong sales after the Christmas business. Comparing these figures with the period before the start of the war, growth rates were +11.5% before and +2.3% after if compared to the same quarter of the previous year[7].

In the context of these developments, it is expected that the sales development of the social commerce industry will continue to increase steadily. "Accenture" predicts that global sales in social commerce will increase from USD 0.5 trillion to USD 1.2 trillion in 2025 in its study "Why Shopping's Set for a Social Revolution" from January 2022. This corresponds to an average annual growth rate of 24%[8].

[1] https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022
[2] https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022
[3] https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022
[4] https://www.gfk.com/de/presse/konsumklima-von-inflation-stark-gebeutelt
[5] https://www.ifo.de/fakten/2022-07-14/economic-experts-survey-weltweit-hohe-inflationserwartung-fuer-die-naechsten
[6] https://www.destatis.de/DE/Presse/Pressemitteilungen/2022/01/PD22_025_611.html
[7] https://www.bevh.org/fileadmin/content/05_presse/Pressemitteilungen_2022/Tables_100422_Q122.pdf
[8] https://www.accenture.com/il-en/insights/software-platforms/why-shopping-set-social-revolution

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2.2 Business performance

2.2.1 Earnings performance

Group revenues increased by EUR 110.7 million to EUR 223.5 million in the first half of 2022. This development is primarily attributable to inorganic growth, in particular by the DS Group, which was acquired on December 8, 2021 and contributed EUR 115.5 million in sales.

EBITDA from continuing operations improved by EUR 24.3 million from EUR -6.3 million in the first half of 2021 to EUR +18.0 million in the first half of 2022, including EUR 39.2 million from the deconsolidation of the KoRo Group.

Net result from continuing operations amounted to EUR -48.6 million in the first half of 2022 as compared to EUR -8.7 million in the previous year. The decline in earnings is mainly due to impairments of goodwill in the amount of EUR 44.7 million and impairments of other non-current assets in the amount of EUR 6.5 million. By contrast, there are gains from deconsolidation of EUR 39.2 million.

The Group's operating cash flow amounted to a cash outflow of EUR -24.4 million compared to EUR -33.0 million in the previous year. Cash flow from investing activities amounted to a cash inflow of EUR 50.6 million compared to a cash outflow of EUR -1.7 in the previous year. The free cash flow, defined as the total of operating and investing cash flow, thus amounts to EUR +26.3 million (previous year EUR -34.7 million).

Photo: Stefan Groenveld

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2.2.2 Disposals

Deconsolidation of the KoRo Group
On 15 March 2022, TSG AG sold 19,249 of its 26,442 shares in KoRo Handels GmbH ("KoRo"), which were held directly and indirectly via its subsidiary The Social Chain Group AG, by means of a notarized sale and transfer agreement. The disposal occurred as part of the entry of several internationally renowned institutional financial investors as well as various other angel investors in KoRo, with whom an investment and shareholder agreement was also concluded on this day.

Since the completion of the sale and transfer of the shares, TSC AG has continued to hold a stake in KoRo as a significant strategic minority shareholder and has been given a permanent seat in the newly established Advisory Board under the chairmanship of Dr. Georg Kofler.

The TSC Group deconsolidated KoRo Handels GmbH and KoRo Eis GmbH, a 100% subsidiary of KoRo Handels GmbH, at the end of the first quarter of 2022. The shares in KoRo Handels GmbH were subsequently recognised as other investments at fair value (FVTPL) through profit or loss. The deconsolidation gain resulting from the disposal and recognised in net income amounts to EUR 39.2 million.

The KoRo Group was assigned to the Core Brand segment.

Sale of Vonmählen GmbH
By notarized share purchase and assignment agreement dated May 4, 2022, TSC AG sold its 100% stake in Vonmählen GmbH, Lüneburg, as part of a management buy-out against payment of a purchase price of EUR 0.4 million. The deconsolidation gain resulting from the sale and recognised in net income amounts to EUR 0.01 million.

Vonmählen GmbH was assigned to the Brand Chain segment.

Sale of the joint venture FFLV Inc.
On March 25, 2022, TSC AG sold its 49% stake in FFLV Inc., a company under the incorporation right of Delaware, USA, to the previous majority shareholder in accordance with a sale and transfer agreement against payment of a purchase price of USD 1.0 million. With regard to the purchase price payment of the shares in FFLV, a fully secured bond was issued and agreed by the buyer to TSC AG instead of immediate payment.

Under the same agreement, SC Fun Inc., a subsidiary of FFLV Inc., has sold its 10% stake in A4D Holdings II LLC to the majority shareholder of A4D Holdings II LLC against payment of a purchase price of USD 1.0 million. The purchase price for the investment in A4D Holdings II LLC was paid in full to TSC AG, whereby loans issued by the latter to FFLV Inc. (and subsequently by FFLV Inc. to SC Fun Inc.) were repaid in the same amount with a debt discharging effect for SC Fun Inc. and FFLV Inc. In the course of the transaction, an existing loan of USD 1.5 million from TSC AG to A4D Holdings II LLC, including accrued interest, was fully repaid to TSC AG as of March 31, 2022.

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2.2.3 Share and subscribed capital of The Social Chain AG

The shares of TSC AG have been admitted to trading in the Prime Standard (regulated market segment with additional follow-up obligations) of the Frankfurt Stock Exchange since November 12, 2021. In the first half of 2022, the share price of TSC AG fell from EUR 35.80 as of December 31, 2021 to EUR 6.00 as of June 30, 2022.

The subscribed capital of TSC AG amounts to EUR 15,527,775.00. It is divided into 15,527,775 no-par value bearer shares, each representing a pro rata amount of EUR 1.00 of the share capital. The share capital is fully paid up. There are no other classes of shares, in particular preference shares or shares with ancillary obligations.

On April 7, 2021, April 28, 2021, May 13, 2021 and May 21, 2021, TSC AG issued a total of 25,000 convertible bonds (WKN A3E5FE / ISIN DE000A3E5FE7) in four tranches with a nominal value of EUR 1,000 each and a term of 3 years ending on April 7, 2024, which can be converted into ordinary shares of the Company at a current conversion price of EUR 32.50 by the holders of conversion rights at any time until their final maturity date, which, if exercised fully, would result in an issue of 769,000 shares. As of the balance sheet date, June 30, 2022, a total of convertible bonds with a total volume of EUR 2,412,000.00 had been converted against the issuance of 74,204 new shares.

For further details on the composition of the equity, please refer to the disclosure in section 4.5 of the Condensed Notes to the Consolidated Financial Statements.

Photo: Britta Sönnichsen

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2.3 Group's Position

The consolidated interim financial statements were prepared in compliance with international financial reporting standards (IFRS) as adopted by the European Union.

The consolidated interim financial statements are prepared in euro (EUR), the functional currency of TSC AG. Unless otherwise stated, all values in the Group interim management report are commercially rounded to millions of euro (EUR million) with one digit, so that rounding differences may occur and the percentages presented do not exactly reflect the figures to which they refer.

2.3.1 Result of operations of the Group

in EUR million		HY 2022		HY 2021[2]		Change
Revenues	223.5	100.0%	112.8	100.0%	110.7	98.1%
Cost of materials[1]	**-163.5**	**-73.1%**	**-63.9**	**-56.6%**	**-99.6**	**>100.0%**
Gross profit (gross profit margin)	**60.0**	**26.9%**	**48.9**	**43.4%**	**11.1**	**22.7%**
EBITDA	**18.0**	**8.0%**	**-6.3**	**-5.6%**	**24.3**	**-**
Adjustments[3]	2.4	1.1%	4.8	4.3%	-2.4	-50.7%
EBITDA (adjusted)	**20.4**	**9.1%**	**-1.5**	**-1.3%**	**21.8**	**-**
Amortization, depreciation and impairment	-62.0	-27.7%	-3.5	-3.1%	-58.5	>100.0%
Financial result	-9.2	-4.1%	3.3	3.0%	-12.6	-
Income taxes	4.6	2.1%	-2.3	-2.0%	6.9	-
Net income from continued operations	**-48.6**	**-21.7%**	**-8.7**	**-7.7%**	**-39.9**	**>100.0%**
Result from discontinued operations	-3.1	-1.4%	0.0	0.1%	-3.1	>100.0%
Net result of the Group	**-51.6**	**-23.1%**	**-8.7**	**-7.6%**	**-42.9**	**>100.0%**

[1] including changes in inventory
[2] The figures differ from the figures reported in the 2021 interim financial statements, as the income and expenses of Media Chain GmbH, Social Chain GmbH, Media Chain Products GmbH, The Social Commerce Alliance GmbH, Social Moms GmbH, smileBaby GmbH, Belsonno GmbH and Social Chain Media and Commerce GmbH were retrospectively reclassified to the result from discontinued operations.
[3] refers primarily to share-based payment expenses, restructuring of the Group (personnel) and donations.

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In the first half of 2022, the TSC Group's revenues increased by EUR 110.7 million year-on-year to EUR 223.5 million, almost doubling. For the following reasons, the previous year's revenues are only partially comparable with the revenues of the first half of 2022:

- The DS Group was acquired on December 8, 2021. In the first half of 2022, revenues of the DS Group in the amount of EUR 115.5 million were taken into account. The first half of 2021 does not include revenues of the DS Group.
- The KoRo Group was deconsolidated at the end of March 2022. In the first half of 2022, therefore, only revenues for three months of the KoRo Group in the amount of EUR 19.8 million were included. In the first half of 2021, the KoRo Group contributed EUR 27.4 million to Group revenues.
- Mint Marketing Agency, Inc. ("MINT"), a marketing agency for small and medium-sized businesses in the United States, established as of May 22, 2021, contributed EUR 1.1 million to revenues in the first half of 2022. In the first half of 2021, revenues of EUR 0.1 million for one month were taken into account.

Material expenses rose by EUR 99.6 million year-on-year to EUR 163.5 million attributable in particular to the acquisition of the DS Group in December 2021.

Overall, the Group generated gross profit of EUR 60.0 million in the first half of the year 2022, which corresponds to an increase of 22.7% or EUR 11.1 million as compared to the first half of 2021. In contrast, the gross profit margin decreased from 43.4% in the previous year to 26.9% in the first half of 2022, due on the one hand to the wholesale business contributed by the DS Group, which generally has lower margins than the end customer business. On the other hand, there are increased material cost ratios due to price increases, especially in the area of incoming freight, which are passed on to end customers with a time delay only.

EBITDA increased by EUR 24.3 million from EUR -6.3 million in the first half of 2021 to EUR +18.0 million in the first half of 2022. In addition to the higher gross profit, this is mainly due to the gain of EUR 39.2 million from the deconsolidation of the KoRo Group recognised in other operating income (see also Section 1.5 in the Condensed Notes to the Consolidated Interim Financial Statements). This is offset by higher personnel expenses and other operating expenses, which are on the one hand attributable to the acquired DS Group, which was not included in the previous year, and on the other hand is attributable to higher costs for outgoing freight due to general price increases.

The increase in amortization, depreciation and impairment of EUR 58.5 million to EUR 62.0 million in the first half of 2022 (previous year: EUR 3.5 million) is mainly attributable to impairments in goodwill amounting to EUR 44.7 million (previous year EUR 0 million) and intangible assets, property, plant and equipment totalling EUR 6.5 million (previous year EUR 0 million). These impairments result from adjusted medium-term planning, in particular due to changed market conditions, and mainly relate to the goodwill of the vertical in the congruent segment MAXX Group (EUR 40.1 million), goodwill (EUR 3.4 million) and other non-current assets (EUR 5.8 million) of the vertical CLASEN BIO, the goodwill of the vertical GLOW (EUR 0.6 million) (both Verticals are part of the Core Brands segment) and the goodwill of other companies of the Vertical Other (in total EUR 0.6 million). In addition, amortization and depreciation of intangible assets, property, plant and equipment and right-of-use assets increased from EUR 3.5 million in the first half of 2021 to EUR 10.9 million in the first half of 2022, resulting from the non-current assets acquired as part of the acquisition of the DS Group. For further details on impairments and depreciation, please refer to Sections 4.1 to 4.3 of the Notes to the Consolidated Interim Financial Statements.

In the financial result, interest income decreased from EUR 1.6 million in the same period of the previous year to EUR 0.4 million in the first half of 2022. Interest expense, on the contrary, rose to EUR 8.9 million (previous year: EUR 7.1 million). From a net perspective, the Group generated expenses from the measurement of financial assets at fair value of EUR -0.4 million in the first half of 2022, whereas net income of EUR 8.8

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million was recognised in the same period of the previous year. Income in the previous year relates to value adjustments amounting to EUR 6.4 million from call options held on minority interests and EUR 2.2 million to income from value adjustments on investments.

Overall, the first half of 2022 concluded with a net loss from continued operations amounting to EUR -48.6 million compared to EUR -8.7 million in the previous year. Taking into account the results from discontinued operations, the total loss in the first half of 2022 amounts to EUR -51.6 million (previous year: EUR -8.7 million). Excluding impairments on goodwill, intangible assets, property, plant and equipment and right-of-use assets amounting to EUR -51.2 million, the consolidated net result would be balanced.

2.3.2 Financial position of the Group

Capital structure
The TSC Group is financed both by equity and by debt.

Liabilities to banks and loan liabilities (excluding current account loans) decreased in the first half of 2022 from EUR 201.3 million as of December 31, 2021 to EUR 176.7 million as of June 30, 2022, in particular due to the repayment of loans in the amount of EUR 71.2 million, while borrowing at the same time a loan amount of EUR 45.7 million.

The Group's equity amounted to EUR 142.3 million as of June 30, 2022, compared to EUR 196.5 million as of December 31, 2021. The equity ratio amounts to 27.1% (previous year: 31.0%). For further information on the development of equity, please refer to Section 2.3.3 Assets and Liabilities of the Group.

Investments
In the first half of 2022, TSC AG invested EUR 2.5 million (previous year: EUR 0.7 million) in intangible assets and EUR 1.6 million (previous year: EUR 2.0 million) in property, plant and equipment. Investments in intangible assets are used to improve group-wide process and information utilization and mainly relate to ERP implementation expenses.

Liquidity

in EUR million	HY 2022	HY 2021
Cash flow from operating activities	-24.4	-33.0
Cash flow from investing activities	50.6	-1.7
Cash flow from financing activities	-29.1	36.2
Net change in cash and cash equivalents	-2.8	1.4
Effects of exchange rate changes on cash and cash equivalents	0.1	0.1
Cash and cash equivalents at the beginning of the period	16.8	9.4
Cash and cash equivalents at the end of the period	**14.1**	**10.9**

The Group's operating cash outflow amounted to EUR 24.4 million in the first half of 2022 (previous year: EUR 33.0 million). It mainly results from the negative net result, which, adjusted for non-cash effective income and expenses, amounts to EUR -23.7 million (previous year: -11.8 million). The changes in working capital had an impact on cash flow amounting to EUR -0.7 million in the first half of 2022 and EUR -21.2 million in the previous period. The previous year's changes in working capital resulted mainly from the inventory build-up in preparation for the upcoming year-end business as well as from significant increases in trade receivables related to products associated with the COVID-19 pandemic, which were only offset after June 30, 2021.

The cash inflow from investing activities in the amount of EUR 50.6 million in the first half of 2022 (previous year cash outflow of EUR -1.7 million)

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included on the one hand the payments from the disposals of the KoRo Group, Vonmählen GmbH, Mabyen GmbH and the stake in the air up group GmbH, Munich in the amount of a total of EUR 37.6 million and, on the other hand, the sale of the property in Stapelfeld as part of a sale-and-lease-back agreement for EUR 11.7 million. In the first half of 2021, cash flow from investing activities mainly included investments in property, plant and equipment and intangible assets.

The cash outflow from financing activities amounted to EUR -29.1 million in the first half of 2022 (previous year cash inflow of EUR 36.2 million) and mainly corresponds to the net balance from the repayment of loans in the amount of EUR -71.2 million and the borrowing of new loans in the amount of EUR 45.7 million. In the previous year, the cashflow from financing activities was characterized by the issuance of a convertible bond (EUR 25.0 million) and the borrowing of loans in the amount of EUR 33.5 million, offset by the repayment of loans in the amount of EUR -26.6 million.

Overall, cash and cash equivalents decreased by EUR 2.7 million from EUR 16.8 million as of December 31, 2021 to EUR 14.1 million as of June 30, 2022.

2.3.3 Assets and liabilities of the Group

The Group's assets developed as follows:

in EUR million	30/06/2022		31/12/2021		Change	
Non-current assets	**314.1**	**59.9%**	**368.9**	**58.3%**	**-54.8**	**-14.9%**
Current assets	**210.3**	**40.1%**	**264.4**	**41.7%**	**-54.0**	**-20.4%**
Total	**524.4**	**100.0%**	**633.2**	**100.0%**	**-108.9**	**-17.2%**

The development of the balance sheet is characterized by impairments in the first half of 2022 and the reduction of outstanding trade receivables.

Non-current assets of EUR 314.1 million (previous year EUR 368.9 million) mainly comprise goodwill of EUR 156.3 million (previous year EUR 201.4 million), intangible assets of EUR 53.9 million (previous year EUR 60.8 million), right-of-use assets of EUR 61.8 million (previous year EUR 54.3 million), financial assets of EUR 28.3 million (previous year EUR 26.4 million) and deferred tax assets of EUR 5.3 million (previous year EUR 4.6 million).

The decrease in goodwill by EUR 45.1 million is mainly due to impairments of EUR 44.7 million. These impairments result from adjusted medium-term planning, in particular due to changed market conditions, and mainly relate to the goodwill of the vertical in the congruent segment MAXX Group (EUR 40.1 million), the goodwill of the vertical CLASEN BIO (EUR 3.4 million), the goodwill of the vertical GLOW (EUR 0.6 million) (both verticals are part of the Core Brands segment) and the goodwill of other companies in the Vertical Other (total EUR 0.6 million). For further details on impairments and depreciation, please refer to Sections 4.1 to 4.3 of the Notes to the Consolidated Interim Financial Statements.

The decrease in intangible assets of EUR 6.9 million resulted from amortization of EUR 6.0 million, impairments of EUR 1.6 million and changes in the scope of consolidation of EUR 0.9 million. Investments of EUR 2.4 million had an offsetting effect.

The increase in right-of-use assets resulted from additions of EUR 14.8 million, which are offset by depreciation of EUR 3.8 million and impairments of EUR 3.3 million. The addition mainly relates to a sale-and-lease-back transaction. The Group sold land in Stapelfeld in June 2022 and has since been leasing this property back from the buyer.

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The change in non-current financial assets of EUR 1.9 million to EUR 28.3 million mainly results from two transactions which is the addition of the remaining shares in KoRo in the amount of EUR 11.6 million and the derecognition of the shares in ten-ace (air up group GmbH, Munich with a carrying amount of 9.2 million as a result of the sale. In addition, net impairments on existing investments in the amount of EUR 2.3 million were recognised.

Non-current assets account for 59.9% of total assets (previous year: 58.3%).

Current assets of EUR 210.3 million (previous year: EUR 264.4 million) comprise inventories, trade receivables, cash and cash equivalents and other assets.

Inventories increased slightly by EUR 3.2 million to EUR 111.0 million compared to the previous year. Trade receivables decreased by EUR 20.4 million, mainly due to the settlement of receivables from the sale of products in relation to the COVID pandemic and improved receivables management. Furthermore, the assets from customer rights of return decreased by EUR 15.6 million. A corresponding decrease in refund liabilities is disclosed in other financial liabilities.

Among the assets held for sale in the previous year were the assets of the KoRo Group totaling EUR 19.7 million, as well as the shares in FFLV accounted for using the equity method (EUR 0.9 million) and the loans granted to the FFLV Group in the amount of EUR 2.2 million. As of June 30, 2022, there are no assets held for sale.

All other positions in the current assets have changed only insignificantly.

The Group's liabilities are as follows:

in EUR million	30/06/2022		31/12/2021		Change	
Equity	**142.3**	**27.1%**	**196.5**	**31.0%**	**-54.2**	**-27.6%**
Non-current liabilities	**111.8**	**21.3%**	**135.6**	**21.4%**	**-23.8**	**-17.6%**
Current liabilities	**270.3**	**51.6%**	**301.1**	**47.5%**	**-30.8**	**-10.2%**
Total	**524.4**	**100.0%**	**633.2**	**100.0%**	**-108.9**	**-17.2%**

The Group's equity develops as follows:

in EUR million	30/06/2022		31/12/2021		Change	
Subscribed capital	15.5	10.9%	15.5	7.9%	0.0	0.0%
Capital reserves	335.6	235.9%	335.3	170.6%	0.3	0.1%
Accumulated other equity (OCI)	0.9	0.7%	1.5	0.8%	-0.5	-36.2%
Retained earnings	-6.8	-4.8%	-4.4	-2.2%	-2.4	54.9%
Profit carried forward	-203.9	-143.3%	-153.3	-78.0%	-50.6	33.0%
Non-controlling interests	0.9	0.6%	1.9	1.0%	-1.0	-54.0%
Equity	**142.3**	**100.0%**	**196.5**	**100.0%**	**-54.2**	**-27.6%**

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As of June 30, 2022, the Group reported a total equity of EUR 142.3 million (previous year: EUR 196.5 million). The equity ratio amounts to 27.1% (previous year: 31.0%). The change in equity is mainly due to the negative consolidated result.

The Group's liabilities mainly include financial liabilities, trade payables, provisions and non-financial liabilities.

The reduction in non-current liabilities of EUR 23.8 million is due to the decrease in other non-current financial liabilities of EUR 18.9 million and the decrease in deferred tax liabilities of EUR 4.7 million.

The change in non-current financial liabilities is mainly attributable to the repayment of loans (EUR -10.3 million), the reclassification of loans into current financial liabilities (EUR -19.9 million) due to the remaining term, offset by the increase in lease liabilities (EUR 11.6 million).

Current liabilities are characterized by the decrease in refund liabilities amounting to EUR 18.7 million and a decrease in trade payables of EUR 13.3 million, the increase in financial liabilities of EUR 12.2 million and the decrease in liabilities held for sale of EUR 9.3 million. The change in financial liabilities is mainly attributable to repayment (EUR -61.9 million), borrowing (EUR 50.7 million) and reclassification of non-current financial liabilities due to the remaining term (EUR 19.9 million).

2.3.4 Results of operations of reportable segments

Core Brands

The earnings position in the Core Brands segment developed as follows.

in EUR million	HY 2022		HY 2021		Change	
Revenues	93.9	100.0%	78.1	100.0%	15.8	20.2%
thereof external revenues	92.1	98.1%	77.6	99.3%	14.6	18.8%
Material expenses[1]	-67.2	-71.5%	-49.0	-62.7%	-18.2	37.2%
Gross profit (gross margin)	**26.8**	**28.5%**	**29.2**	**37.3%**	**-2.4**	**-8.3%**
EBITDA	**-8.6**	**-9.1%**	**1.4**	**1.8%**	**-10.0**	**-**

[1] including changes in inventories

Revenues in the Core Brands segment increased by EUR 15.8 million to EUR 93.9 million in the first half of 2022 compared to the first half of 2021. This is mainly due to three effects.

- The core brands "LANDMANN" and "BEEM" were only acquired in December 2021 as part of the DS acquisition. In the first half of 2022, revenues of these two core brands totaling EUR 27.8 million were taken into account. In the first half of 2021, no revenues of the core brands "BEEM" and "LANDMANN" were included.
- The KoRo Group was deconsolidated at the end of March 2022. In the first half of 2022, therefore, only revenues of the KoRo Group for three months in the amount of EUR 19.8 million were included. In the first half of 2021, the KoRo Group contributed EUR 27.4 million to Group revenues.
- The Core brand Other which mainly comprises the Ravensberg mattress business, generated EUR 9.3 million in the first half of 2022 which is EUR 4.2 million less than in the first half of 2021.

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Material expenses increased by EUR 18.2 million compared to the same period of the previous year. The main contributors were the Core brands “LANDMANN” (EUR 18.8 million), “BEEM” (EUR 3.1 million), “CLASEN BIO” (EUR 3.3 million), “KoRo” (EUR -4.6 million) and “Ravensberger Matratzen” (EUR -2.3 million). The above-average increase in the material expenses compared to the revenue development is mainly due to generally lower margins in the wholesale business of the newly acquired DS Group compared to the higher retail margins of the TSC Group's retail business, which was operated solely in the previous year.

Overall, the Core Brands segment generated gross profit of EUR 26.8 million in the first half of 2022, a decrease of 8.3% or EUR 2.4 million compared to the first half of 2021.

EBITDA in the Core Brands segment decreased by EUR 10.0 million from EUR 1.4 million in the first half of 2021 to EUR -8.6 million in the first half of 2022. This is the result of higher personnel expenses and higher other operating expenses. EBITDA is attributable to the Core brands “LANDMANN” (EUR 0.2 million), “BEEM” (EUR -0.9 million), “CLASEN BIO” (EUR -1.3 million), “KoRo” (EUR -1.5 million) “Ravensberger Matratzen” (EUR -2.0 million) and “URBANARA” (EUR -2.2 million).

MAXX Group

The earnings position in the MAXX Group segment developed as follows.

in EUR million	HY 2022		HY 2021		Change	
Revenues	82.5	100.0%	0.0	-	82.5	-
thereof external revenues	67.9	82.4%	0.0	-	67.9	-
Material expenses[1]	-72.2	-87.5%	0.0	-	-72.2	-
Gross profit (gross margin)	**10.3**	**12.5%**	**0.0**	**-**	**10.3**	**-**
EBITDA	**-4.4**	**-5.3%**	**0.0**	**-**	**-4.4**	**-**

[1] including changes in inventories

The MAXX Group was integrated into the Group as part of the DS acquisition in December 2021.

Brand Chain

The earnings position in the Brand Chain segment developed as follows:

in EUR million	HY 2022		HY 2021		Change	
Revenues	30.5	100.0%	15.5	100.0%	14.9	96.1%
thereof external revenues	29.4	96.7%	15.5	99.9%	13.9	89.8%
Material expenses[1]	-17.5	-57.6%	-7.1	-46.0%	-10.4	>100.0%
Gross profit (gross margin)	**12.9**	**42.4%**	**8.4**	**54.0%**	**4.5**	**54.0%**
EBITDA	**-3.9**	**-12.7%**	**-2.5**	**-16.0%**	**-1.4**	**55.0%**

[1] including changes in inventories

Revenues in the Brand Chain segment increased by EUR 14.9 million to EUR 30.5 million in the first half of 2022 compared to the first half of 2021. This is mainly due to the acquisition of Brand Chain GmbH as part of the DS acquisition in December 2021 (EUR +21.5 million). Conversely, the revenues of the Lumaland and DoYourSports companies decreased (EUR -7.2 million) and resulted in an overall loss in the first half of 2022.

Material expenses increased accordingly by EUR 10.4 million compared to the same period of the previous year. The increase in the cost of materials ratio from 46.0% in the previous year to 57.6% in the first half of 2022 results on the one hand from the changed product mix because of the contribution of the Brand Chainbusiness, from inventory write-downs in the course of the repositioning of the Lumaland and DoYourSports brands as part of their integration into the the Brand Chain, and from higher costs, especially in the area of incoming freight, which are passed on to end customers with a time delay only.

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Overall, the Brand Chain segment generated a gross profit of EUR 12.9 million in the first half of 2022, which corresponds to an increase of 54.0% or EUR 4.5 million compared to the first half of 2021.

EBITDA in the Brand Chain segment decreased by EUR 1.4 million from EUR -2.5 million in the first half of 2021 to EUR -3.9 million in the first half of 2022.

World Leading Social Marketing
The earnings position in the World Leading Social Marketing segment developed as follows:

in EUR million	HY 2022		HY 2021		Change	
Revenues	33.5	100.0%	19.5	100.0%	14.0	72.0%
thereof external revenues	33.3	99.3%	19.1	98.3%	14.1	73.8%
Material expenses[1)]	-22.8	-68.0%	-8.6	-44.1%	-14.2	>100.0%
Gross profit (gross margin)	**10.7**	**32.0%**	**10.9**	**55.9%**	**-0.2**	**-1.6%**
EBITDA	**-1.2**	**-3.6%**	**0.1**	**0.3%**	**-1.3**	**-**

[1] including changes in inventories

Revenues in the World Leading Social Marketing segment increased by EUR 14.0 million to EUR 33.5 million in the first half of 2022 compared to the first half of 2021. This is mainly due to a partial recovery of business after the COVID-19 pandemic in 2021 and a related recurring demand for television media services in particular.

Material expenses increased by EUR 14.2 million compared to the same period of the previous year.

Overall, the World Leading Social Marketing segment generated a gross profit of EUR 10.7 million in the first half of 2022, which is slightly below the previous year's level.

EBITDA in the World Leading Social Marketing segment also decreased compared to the previous year and is overall negative at EUR -1.2 million. While a positive EBITDA of EUR 0.5 million was generated in the Social Media Germany segment, EBITDA was negative in the Social Media UK (EUR -1.5 million) and Social Media US (EUR -0.2 million) segments.

2.3.5 Overall statement on the Group's position

The first half of 2022 is characterized on the one hand by the post-merger integration and the restructuring of the TSC Group as well as on the other hand by a challenging market environment on the other hand, especially in the area of stationary and online retail, due to the Covid-19 pandemic, which is subsiding but still has an impact, as well as by the market uncertainty resulting from the war in the Ukraine. Despite a difficult market environment, the Group is developing in line with adjusted expectations and the targets set with regard to restructuring. Due to the acquisition of the DS Group in December 2021, the Group was able to almost double its revenues in the first half of 2022 compared to the same period of the previous year. The positive EBITDA results in particular from higher gross profit as well as from deconsolidation gains and the disposal of the successfully developing KoRo Group. The negative net result is mainly due to the impairment of goodwill and intangible assets, property, plant and equipment and right-of-use assets. The Group anticipates a slightly positive development in the second half of 2022. The overall financial position was characterized by the reduction and optimization of indebtedness.

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In the reporting period, the number and assessment of key risks remained unchanged compared to the disclosures in the 2021 Annual Report. However, from the Group's point of view, the economy is currently affected by three shocks whose impacts are highly uncertain.

- As before, the COVID19 pandemic has not been overcome and its further course is not reliably predictable. An unfavourable course of the pandemic (e.g. due to low vaccination disposition, dangerous new variants of the virus) can have a variety of different effects, such as an increased number of days lost due to illness, disturbances and delays in production and logistics chains and dampening macroeconomic effects.
- With Russia's attack on Ukraine, a war has broken out in Europe, which has fundamentally changed the geopolitical and economic framework conditions for Europe. The impacts, especially in the medium term, are difficult to predict. Refugee movements, raw material and energy shortages, rising prices and subdued economic growth are signs of a process of economic change and upheaval that is likely to last longer.
- Another risk factor is the rising inflation in recent months. Prolonged inflation can continue to have a negative impact on consumer demand.

The Group has taken risk-reducing measures which are adapted to the latest developments if necessary. There are new opportunities for the TSC Group through the expansion of the product ranges for the year 2023. So-called "D-A-S-H" products, for example, were added to the product range within the MAXX Group. These are energy-saving gadgets from the application areas of shower, faucets, solar and heating alternatives (= D-A-S-H), which can reduce energy consumption in private homes.

Further opportunities exist through the expansion of D2C sales with articles from the MAXX Group and through the expansion of international sales of all the Group's product ranges.

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As with all globally operating companies, the development of the TSC Group is affected by the overall economic development. Consumer uncertainty and the resulting consumer power also have an impact on the main activities of the TSC Group. Owing to its omnichannel combination of retail, e-commerce and social media, the TSC Group proved having the capacity to react flexibly to the changes brought about by the pandemic. It can be assumed that prospective changes in the sales market can be detected at an early stage and integrated into the planning.

The impacts of the COVID-19 pandemic are difficult to predict and vary regionally. Added to this is the geopolitical development as a consequence of the war in Ukraine. This spectrum of external factors significantly limits the predictability of future development compared to a situation without global crises. Nevertheless, there are several indicators that allow to give a conditional forecast.

4.1 Macroeconomic and sector-specific framework conditions

The prospects for the overall economic development for the 2022 financial year and the following years are characterized by increased uncertainty. In its "World Economic Outlook", the "International Monetary Fund" (IMF) predicts a negative market trend for the year 2022: in January, the forecast for global economic growth was projected at 4.4%[9], while in the latest update (July 2022)[10] there was a revision assuming a downgrade to 3.2%, with an estimate of 2.9% for 2023. The global economic outlook has been revised downward against the backdrop of the war in Ukraine, which could lead to a shortage of gas imports to Europe and rising cost of living, as well as an expected renewed onset of COVID-19. Inflation of commodity, oil and gas prices, as well as food prices, is mainly due to the effects of the war in Eastern Europe. The downturn for 2023 reflects current geopolitical challenges and the importance of global cooperation, including support in humanitarian crises, post-pandemic recovery and progress in climate action[11].

In the WEO[12] of January 2022, inflation was expected to remain elevated in 2022. In the July 2022 forecast[13] inflation is considered a key problem and is expected to remain elevated over a longer period than previously assumed. In the advanced economies, inflation reached its highest level in recent decades, leading to a forecast of 6.6% in 2022[14] .

GDP growth in the eurozone is expected to reach 2.6% in 2022 and 1.2% in 2023. Parallel to the international trend, inflation reached 8.6% in Europe in June. This is mainly due to war-related increases in raw material prices, especially for grain, increasing price pressure and export restrictions.

For Germany individually, the IMF estimates a GDP growth rate of 0.8% in 2023, compared to 1.2% in 2022[15]. For the UK, the IMF estimates a GDP growth rate of 0.5% in 2023, compared to 3.2% in 2022[16]. The IMF forecasts growth for the US to be at 2.3% in 2022 and 1.0% in 2023[17], which will be affected mainly by a prolonged disruption of supply chains.

The same is confirmed by other sources who continue to regard social commerce as a beacon of hope in a challenging market environment.

According to the "Bundesverband E-Commerce und Versandhandel" (bevh), the consumer sentiment, which has deteriorated since the beginning of the war, is also affecting e-commerce in the first half of the year, but

9 https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022
10 https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022
11 https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022
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17 https://www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022

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sales are still at a high level: For the second quarter of 2022, e-commerce sales of merchandise fell by 9.6% compared to the same period of the previous year. However, the industry's total sales are still 8.0% above the comparative figure of the second quarter of 2020 and 25.8% above the comparative figures of the year 2019 which is the year before the begin of the Covid-19 crisis. Total revenues generated in the first half of 2022 are 1.3% below the half-year revenues of 2021, but with a growth rate of 32.9%, they are still substantially above the figure for the first half of 2019[18].

E-commerce and social commerce will continue to be the main drivers of advertising and marketing in the future. Advertising via digital channels will account for more than 60% of global advertising spending for the first time in 2022. According to Zenith Media, the global advertising market will continue to recover from the downturn in 2020 with a growth rate of 8.0% in 2022. Growth is expected to slow to 5.4% in 2023, followed by expected growth of 7.6% in 2024.[19]

4.2 Expected economic development of TSC Group

Despite the comparatively positive growth expectations for e-commerce, especially for social commerce, the ongoing supply chain problems, rising inflation and potential new COVID-19 mutations impair the forecasts for the future business development of the TSC Group. The forecast for the relevant financial performance indicators for the Group is therefore subject to uncertainties. In particular, the business development in the segment of social events and trade fairs remain difficult to assess due to the impact of the COVID-19 pandemic on public life in the 2022 financial year but has had a significantly better course in 2021.

Based on the business development to date and the successful integration of companies and brands acquired so far and sold as part of the portfolio streamlining, the management expects to increase revenues in the 2022 financial year to EUR 415 million with an EBITDA in the low double-digit million range (between 4% and 5% EBITDA margin). The result from the deconsolidation of the shares in the KoRo Group sold in the first quarter of 2022 are included in this forecast.

As part of the post-merger restructuring, the management is focusing on the social media segments as well as the three brand and commerce pillars Core Brands, Brand Chain and MAXX Group, thereby disposing of several companies in the process. Such a clearly defined focus will contribute to a further increase in profitability and reduce complexity within the Group. In addition, the increasing integration of the DS Group will also contribute to a positive development. The TSC Group is thus able to exploit cost-side synergy effects with increasing tendency. These effects will only become fully apparent in the coming financial years.

The negative operating cash flow and the repayment of financial liabilities in the 2022 financial year will primarily be covered by net inflows from company disposals already finalized in Q1 2022 and planned in the course of 2022 as part of the current portfolio adjustment. In addition, the restructuring measures and portfolio adjustments described above will result in an improvement in operating cash flow in the second half of the year. In order to secure further growth, DS Holding is restructuring the currently existing working capital financing of up to approximately EUR 100 million with short-term maturities and plans to secure such financing in the future over a period of three years. Based on current planning, the Group has sufficient liquidity.

[18] https://www.bevh.org/presse/pressemitteilungen/details/konsumschock-erfasst-auch-den-e-commerce.html
[19] Global ad market on track for 8% growth in 2022 – Zenith (zenithmedia.com)

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The TSC Group is well positioned in the COVID-19 crisis and beyond. In a short time, an international and integrated social media company emerged. Our business model with diverse revenue streams derived from the combination of social media and social commerce on our online shops and marketplaces, as well as retail and teleshopping, proves to be robust even in economic crises. The clear focus on core segments and the associated portfolio streamlining further strengthens the Group's sustainable profitability.

However, Russia's war of aggression has an indirect negative impact on Ukraine, even though the TSC Group only sporadically sources raw materials and products directly from the region.

The following risks in particular should be mentioned here:

- Increase in disruptions to global supply and logistics chains and extension of production and transport times.
  > The TSC Group accepts longer delivery times and higher inventories.
- Further increase in energy, material, freight, and transport costs.
  > These additional costs are expected to be counterbalanced only partially and with a time lag by sales price increases.
- Decline in consumer demand.
  > The TSC Group is responding by flexibly adjusting its product range and customer segments.
- Increase in the number of cyber attacks
  > The TSC Group maintains an extensive internal security management system, including regular penetration testing.

The TSC Group continuously monitors and analyzes developments and derives specific countermeasures to minimize any negative effects.

Due to these very high levels of uncertainty, the TSC Group has currently been unable to make any quantitative adjustments with respect to the assessment of individual risks in the Group management report. Similarly, no adjustments to expectations and assessments have been included in the overall statement on the Group's expected development for the 2022 reporting period - apart from the reference to the uncertainty arising from the war.

The TSC Group is monitoring the situation very closely and will take into account any potential burdens on business performance resulting from the conflict in the regular forecasts of the Group's earnings outlook.

Berlin, 13 September 2022

Wanja S. Oberhof   Ralf Dümmel   Andreas Schneider

Condensed Consolidated Interim Financial Statements

Consolidated Income Statement

for the period from 1 January to 30 June 2022

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

- **Consolidated Income Statement**
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in EUR thousand	Note	HY 2022	HY 2021[1]
Revenues	3,1	223,527	112,815
Change in inventory		2,038	1,765
Capitalized internally generated assets		211	0
Other operating income	3,2	56,049	1,458
Material expenses		-165,539	-65,662
Personnel expenses		-38,125	-17,833
Net loss allowance from trade receivables and contract assets		-954	0
Other operating expenses	3,3	-59,222	-38,819
Earnings before interest, tax, depreciation and amortization (EBITDA)		**17,985**	**-6,275**
Depreciation, amortization and impairments	4,1 - 4,3	-61,997	-3,503
Earnings before interest and tax (EBIT)		**-44,012**	**-9,778**
Financial income	3,4	2,440	10,601
Financial expenses	3,4	-11,313	-7,224
Share of profit or loss of associates and joint ventures		-339	-31
Earnings before tax (EBT)		**-53,225**	**-6,432**
Income taxes		4,630	-2,292
Net result from continued operations		**-48,594**	**-8,724**
Result from discontinued operations	3,5	-3,050	31
Net result		**-51,645**	**-8,694**
thereof attributable to			
Shareholders of the parent company		-50,551	-8,811
Non-controlling interests		-1,094	117
Earnings per share from continuing operations (basic/diluted) (in EUR)		-3.06	-0.78
Earnings per share from discontinued operations (basic/diluted) (in EUR)		-0.19	-0.01
Earnings per share (basic/diluted) (in EUR)		-3.26	-0.77

1 The figures differ from the figures reported in the consolidated interim financial statements 2021, as the income and expenses of Media Chain GmbH, Social Chain GmbH, Media Chain Products GmbH, The Social Commerce Alliance GmbH, Social Moms GmbH, smileBaby GmbH, Belsonno GmbH and Social Chain Media and Commerce GmbH were retrospectively reclassified to the result from discontinued operations.

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in EUR thousand	HY 2022	HY 2021
Net result of the Group	-51,645	-8,694
Measurement of financial instruments at fair value through profit or loss (FVOCI)	0	-34
thereof taxes	0	15
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	**0**	**-34**
Foreign currency conversion	-538	1,026
Other comprehensive income to be reclassified to profit or loss in subsequent periods	**-538**	**1,026**
Other comprehensive income	**-538**	**992**
Total comprehensive income	**-52,183**	**-7,702**
thereof attributable to		
Shareholders of the parent company	-51,089	-7,819
Non-controlling interests	-1,094	117

Consolidated interim Balance Sheet

as of June 30, 2022

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in EUR thousand	Note	30/06/2022	31/12/2021
Intangible assets	4,1	53,950	60,805
Goodwill	4,1	156,252	201,413
Property, plant and equipment	4,2	7,954	20,460
Right-of-use assets	4,3	61,755	54,269
Associates and joint ventures accounted for using the equity method		521	893
Other non-current financial assets	6	28,347	26,447
Deferred tax assets		5,277	4,602
Non-current assets		**314,056**	**368,891**
Inventories		111,027	107,832
Current contract assets		566	2,059
Trade receivables and other receivables	6	54,120	74,567
Other current financial assets	6	11,211	6,453
Current income tax receivables		2,513	77
Other current non-financial assets		14,252	34,115
Cash and cash equivalents		16,650	16,443
Assets held for sale	4,4	0	22,809
Current assets		**210,338**	**264,357**
Assets		**524,394**	**633,248**

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in EUR thousand	Note	30/06/2022	31/12/2021
Subscribed capital	4,5	15,528	15,528
Capital reserves	4,5	335,649	335,323
Accumulated other comprehensive income (OCI)		948	1,486
Retained earnings		-6,842	-4,418
Profit/Loss carry-forward		-203,870	-153,319
Equity attributable to the shareholders of the parent company		**141,413**	**194,600**
Non-controlling interests		896	1,946
Equity		**142,309**	**196,546**
Non-current financial liabilities	6	94,910	113,769
Non-current provisions		8	166
Non-current income tax liabilities		71	241
Other non-current non-financial liabilities		248	194
Deferred tax liabilities		16,523	21,235
Non-current liabilities		**111,761**	**135,604**
Trade payables	6	55,447	68,730
Other current financial liabilities	6	190,937	197,451
Current provisions		3,592	3,795
Current income tax liabilities		3,360	2,324
Current contract liabilities		3,128	4,348
Other current non-financial liabilities		13,860	15,100
Liabilities held for sale	4,4	0	9,350
Current liabilities		**270,325**	**301,097**
Liabilities		**524,394**	**633,248**

Consolidated statement of Changes in Equity

for the period from 1 January to 30 June 2022

			Accumulated OCI						
in EUR THOUSAND	Subscribed capital	Capital reserves	Reserve from foreign currency translation	Reserve from the valuation of financial instruments	Retained earnings	Loss carry-forward	Equity attributable to the shareholders of the parent company	Non-controlling interests	Total
As of 01/01/2021	**11,348**	**167,206**	**-376**	**222**	**-9,088**	**-72,834**	**96,478**	**2,203**	**98,681**
Net result of the Group	0	0	0	0	0	-8,811	-8,811	117	-8,694
Other comprehensive income	0	0	1,026	-34	0	0	992	0	992
Total comprehensive income	**0**	**0**	**1,026**	**-34**	**0**	**-8,811**	**-7,819**	**117**	**-7,702**
Capital increases	100	5,284	0	0	0	248	5,632	235	5,867
Put options written on NCI	0	0	0	0	910	0	910	0	910
As of 30/06/2021	**11,448**	**172,490**	**650**	**188**	**-8,178**	**-81,397**	**95,201**	**2,555**	**97,756**
As of 01/01/2022	**15,528**	**335,323**	**1,379**	**107**	**-4,418**	**-153,319**	**194,600**	**1,946**	**196,546**
Net result of the Group	0	0	0	0	0	-50,551	-50,551	-1,094	-51,645
Other comprehensive income	0	0	-538	0	0	0	-538	0	-538
Total comprehensive income	**0**	**0**	**-538**	**0**	**0**	**-50,551**	**-51,089**	**-1,094**	**-52,183**
Change in scope of consolidation and non-controlling interests	0	0	0	0	-2,424	0	-2,424	44	-2,380
Share-based payments	0	326	0	0	0	0	326	0	326
As of 30/06/2022	**15,528**	**335,649**	**841**	**107**	**-6,842**	**-203,870**	**141,413**	**896**	**142,309**

Consolidated statement of Cash Flows
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in EUR thousand	HY 2022	HY 2021
Net result of the Group	**-51,645**	**-8,694**
Income taxes[1]	-4,693	2,460
Result before tax	**-56,337**	**-6,234**
Financial result[1]	9,209	-2,646
Depreciation of property, plant and equipment and right-of-use assets[1]	4,928	1,936
Amortization of intangible assets[1]	6,054	1,694
Impairments[1]	51,137	-8
Gain (-) / loss (+) from the disposal of property, plant and equipment	-671	0
Profit (-) / loss (+) from the disposal of subsidiaries	-39,244	0
Share-based payment expenses	498	193
Other non-cash income (-) and Expenses (+)	740	-6,781
Changes in working capital		
Decrease (+) / Increase (-) in inventories	3,880	-15,244
Decrease (+) / Increase (-) in contract assets	1,494	-88
Decrease (+) / Increase (-) in trade receivables and other receivables	9,495	-14,078
Decrease (+) / Increase (-) in other assets (excluding contract assets)	13,663	-3,719
Increase (+) / Decrease (-) in trade payables	-13,912	4,476
Increase (+) / decrease (-) in other liabilities (incl. contract liabilities)	-10,997	6,126
Increase (+) / decrease (-) in provisions	-3,339	792
Change in Income tax receivables and liabilities	-1,726	535
Other changes in working capital	761	0
Cash flow from operating activities	**-24,367**	**-33,047**

1 The figures refer to continued and discontinued operations and may therefore differ from the values in the income statement.

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in EUR thousand	HY 2022	HY 2021
Cash proceeds from disposals of property, plant and equipment	11,733	0
Cash proceeds from disposals of intangible assets	815	0
Payments for the acquisition of companies and businesses, less cash and cash equivalents acquired	-471	-286
Cash proceeds from disposals of companies and businesses, less cash and cash equivalents	37,573	0
Payments for investments in property, plant and equipment	-1,595	-1,994
Payments for investments in intangible assets	-2,473	-742
Cash proceeds from the repayment of issued loans	5,259	0
Disbursements from the issuance of loans	-201	0
Interest received	0	1,308
Cash flow from investing activities	**50,641**	**-1,714**
Cash received from capital increases against cash contribution	0	3,383
Cash received from the issuance of convertible bonds and other bonds	5,000	25,045
Repayments of convertible bonds and other bonds	-1,000	0
Cash received from loans granted	45,657	33,458
Repayments of loans	-71,182	-26,581
Repayments of lease liabilities	-3,733	1,458
Interest paid (incl. interest portion from leasing contracts)	-3,804	-574
Disbursements for restricted cash (loan collateral)	1	0
Dividends paid to holders of non-controlling interests	0	0
Cash flow from financing activities	**-29,060**	**36,189**
Net change in cash and cash equivalents	-2,786	1,428
Effects of exchange rate changes on cash and cash equivalents	90	83
Cash and cash equivalents at the beginning of the period	16,820	9,360
Cash and cash equivalents at the end of the period	**14,124**	**10,871**

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1 Basics
1.1 General information about the company and the Group

The Social Chain AG (hereinafter also referred to as „TSC AG“, „Company“ or „Parent Company“) is a stock corporation based in Germany with its registered office at Gormannstraße 22, 10119 Berlin. It is registered in the commercial register of the District Court of Berlin under HRB 128790 B.

TSC AG is the parent company of directly and indirectly held subsidiaries and directly and indirectly holds shares in associated companies and joint ventures (hereinafter also referred to as „TSC Group“ or „Group“). Essentially, the company serves as a holding company for the Group.

The shares of TSC AG have been admitted to trading in the Prime Standard (regulated market segment with additional follow-up obligations) of the Frankfurt Stock Exchange since November 12, 2021.

The TSC Group is a brand and product company of the next generation. Social Chain AG uses the insights and possibilities of social media in product development, brand development and distribution. Behind this is the integrated competence of product and brand development, social media publishing and social media marketing combined with an omnichannel sales structure.

The Group‘s core markets are Europe, with a focus on Germany, Great Britain and the US.

1.2 Accounting Principles

The present consolidated interim financial statements are prepared for the period from January 1 to June 30, 2022 (HY 2022). Unless otherwise stated, the comparative figures of the balance sheet refer to December 31, 2021 and the comparative figures of the income statement, the statement of comprehensive income, the cash flow statement and the statement of changes in equity refer to the period from January 1 to June 30, 2021 (HY 2021).

The consolidated interim financial statements are prepared in euro (EUR), the functional currency of TSC AG. Unless otherwise stated, all values are commercially rounded to thousands of euro (EUR thousand), so that rounding differences may occur and the percentages presented do not exactly reflect the figures to which they refer.

1.3 Declaration of Compliance

The condensed consolidated interim financial statements for the period from 1 January to 30 June 2022 comply with the requirements of IAS 34 (Interim financial reporting) of the International Financial Reporting Standards (IFRS) applicable to interim financial reports as of the balance sheet date and adopted by the European Union (EU). The present condensed consolidated interim financial statements should be read in conjunction with the interim group management report.

The condensed consolidated interim financial statements do not contain all the information and disclosures required in the consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as of December 31, 2021 (consolidated financial statements 2021). The consolidated financial statements have been prepared in accordance with the IFRS of the International Accounting Standards Board (IASB) as adopted by the EU and the interpretations of the IFRS Interpretations Committee (IFRS IC) as approved by the IASB.

1.4 Accounting principles and application of new and revised IFRS requirements

The accounting principles applied in the consolidated financial statements as of December 31, 2021 are basically unchanged.

In the 2022 financial year, the Group applied the following new or revised IFRS standards and IFRS interpretations, which have already been

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adopted by the EU and which are to be applied bindingly for financial years beginning on 1 January 2022:

- Amendments to IFRS 3 Business Combinations – Amendments by reference to the Conceptual Framework
- Amendment to IAS 16 Property, Plant and Equipment – Proceeds before intended use
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets – Onerous Contracts – Costs of Fulfilling a Contract
- Miscellaneous – Annual Improvements 2018 – 2020.

These new or revised IFRS standards and IFRS interpretations had no or no material impact on the consolidated financial statements.

1.5 Consolidation scope

As of June 30, 2022, the Group comprises 64 (previous year: 68) fully consolidated companies and 4 (previous year: 5) associates or joint ventures that are accounted for using the equity method.

The scope of consolidation and the group of associated companies or joint ventures changed in the first half of 2022 as described below.

Increase in the share of Lumaland Inc.
In June 2022, the call option for Lumanland Inc. was exercised increasing the stake in this subsidiary from 80% to 100%. The exercise price of EUR 331 thousand and the value of the call option of EUR amounting to 1,633 thousand were recognised in retained earnings in accordance with IFRS 10.23 as part of the consolidation after deduction of non-controlling interests.

Deconsolidation of the KoRo Group
On 15 March 2022, TSG AG sold 19,249 of its 26,442 shares in KoRo Handels GmbH („KoRo“), which were held directly and indirectly via its subsidiary The Social Chain Group AG, by means of a notarized sale and transfer agreement. The disposal occurred as part of the entry of several internationally renowned institutional financial investors as well as various other angel investors in KoRo, with whom an investment and shareholder agreement was also concluded on this day.

Since the completion of the sale and transfer of the shares, TSC AG has continued to hold a stake in KoRo Handels GmbH as a major strategic shareholder and has been given a permanent seat on the newly established Advisory Board under the chairmanship of Dr. Georg Kofler.

The TSC Group deconsolidated KoRo Handels GmbH and KoRo Eis GmbH, a 100% subsidiary of KoRo Handels GmbH, at the end of the first quarter of 2022. Since then, the shares in KoRo Handels GmbH have been accounted for as another investment at fair value (FVTPL) through profit or loss. The deconsolidation gain resulting from the disposal included in net income amounts to EUR 39,174 thousand.

KoRo Handels GmbH and KoRo Eis GmbH were assigned to the Core Brands segment.

Deconsolidation of Vonmählen GmbH
In May 2022, the TSC Group sold its shares in Vonmählen GmbH for EUR 413 thousand. As part of the deconsolidation, loans which were granted to Vonmählen GmbH by the TSG Group amounting to EUR 489 thousand were written off. The impairment is included in the deconsolidation result.

Vonmählen GmbH has been assigned to the Brand Chain segment.

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Deconsolidation of Mabyen GmbH

In April 2022, the TSC Group sold its shares in Mabyen GmbH for EUR 13 thousand. Mabyen GmbH was assigned to the Brand Chain segment.

Summary of deconsolidations of subsidiaries

The consideration received and the result of the deconsolidation are composed as follows.

in EUR thousand	KoRo Group	Vonmählen	Mabyen
Cash and cash equivalents received	30,999	413	13
Fair value of the remaining shares of the Group	11,584	0	0
Total consideration	**42,583**	**413**	**13**
Less net assets sold	-3,639	-403	93
Non-controlling interests	68	0	-45
Other effects	163	0	0
Deconsolidation result	**39,174**	**9**	**60**

As part of the deconsolidation, the following assets and liabilities were derecognized in the Group.

in EUR thousand	KoRo Group	Vonmählen	Mabyen
Intangible assets	1,031	899	0
Goodwill	3,444	0	0
Property, plant and equipment	425	108	2
Right-of-use assets	181	41	9
Other non-current assets	115	0	2
Deferred tax assets	845	184	0
Non-current assets	**6,041**	**1,232**	**13**
Inventories	9,635	855	1
Trade receivables and other receivables	3,251	734	78
Other current assets	390	203	1
Cash and cash equivalents	3,735	218	40
Current assets	**17,011**	**2,010**	**120**

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in EUR thousand	KoRo Group	Vonmählen	Mabyen
Non-current provisions	2,940	0	0
Non-current financial liabilities	3,289	633	0
Non-current non-financial liabilities	488	0	0
Deferred tax liabilities	249	101	0
Non-current liabilities	**6,967**	**734**	**0**
Current provisions	262	91	0
Current financial liabilities	3,291	1,185	165
Trade payables	6,484	834	11
Current non-financial liabilities	2,410	-6	50
Current liabilities	**12,446**	**2,104**	**226**
Net assets sold	**3,693**	**403**	**-93**

The deconsolidations had the following effects on the consolidated statement of cash flows.

in EUR thousand	KoRo Group	Vonmählen	Mabyen
Cash and cash equivalents received	30,999	413	13
Cash and cash equivalents sold	-3,735	-218	-40
Net cash inflow	**27,264**	**194**	**-27**

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Sale of the joint venture FFLV Inc.

On March 25, 2022, TSC AG sold its 49% stake in FFLV Inc., a company under the incorporation right of Delaware, USA, to the previous majority shareholder in accordance with a sale and transfer agreement against payment of a purchase price of USD 1.0 million. With regard to the purchase price payment for the shares in FFLV, a fully secured bond was issued to TSC AG and agreed by the buyer instead of immediate payment.

Under the same agreement, SC Fun Inc., a subsidiary of FFLV Inc., has sold its 10% stake in A4D Holdings II LLC to the majority shareholder of A4D Holdings II LLC against payment of a purchase price of USD 1.0 million. The purchase price for the investment in A4D Holdings II LLC was paid in full to TSC AG, whereby loans issued by the latter to FFLV Inc. (and subsequently by FFLV Inc. to SC Fun Inc.) were repaid in the same amount with a debt discharging effect for SC Fun Inc. and FFLV Inc. In the course of the transaction, an existing loan of USD 1.5 million from TSC AG to A4D Holdings II LLC, including accrued interest, was fully repaid to TSC AG as of March 31, 2022.

Other corporate transactions

With regard to the subsidiaries drtv.agency GmbH, Stuttgart, and its subsidiary datalytix.io GmbH, Stuttgart, the minority shareholder exercised its put option contractually granted by The Social Chain AG in respect of 49% of the share capital of each of the aforementioned companies in due time before June 30, 2022. At the time the consolidated interim financial statements were prepared, the parties were in the purchase price determination phase in accordance with the contractual provisions. The actual transfer of the shares is in each case subject to the condition precedent of payment of the purchase price.

1.6 Currency conversion

The exchange rates used for currency conversion are as follows.

	Closing rate		Average rate	
Currency 1 EUR in	30/06/2022	31/12/2021	HY 2022	HY 2021
USD	1.039	1.133	1.065	1.206
GBP	0.858	0.840	0.848	0.868
HKD	8.149	8.833	8.359	n/a
PLN	4.690	4.597	4.648	n/a
HUF	397.040	369.190	385.328	n/a

1.7 Critical estimates and discretions

In applying accounting policies, the management has made discretionary decisions that materially affect the amounts in the consolidated interim financial statements. Accordingly, when preparing the consolidated interim financial statements, assumptions and estimates must be made to a certain extent which affect the amount and presentation of assets and liabilities recognized in the balance sheet, income and expenses and contingent liabilities for the reporting period. The assumptions and estimates rest on premises which are based on the currently available state of knowledge. In particular, with regard to the expected future business development, the circumstances existing at the time of the preparation of the consolidated financial statements as well as the future development of the environment, which was considered realistic, were taken as a basis. Due to developments of framework conditions deviating from the assumptions and being beyond the control of management, the amounts reported may deviate from the originally expected estimates.

The use of discretionary decisions, estimates and assumptions is explained in the 2021 consolidated financial statements.

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2 Segment reporting

The business segments reflect the Group's management structures and the way in which financial information is regularly reviewed by the chief decision-maker, defined as the Executive Board. The Executive Board is also responsible for allocating resources and assessing the performance of the business segments.

In the first half of 2022, the post-merger integration and restructuring of the TSC Group were further advanced. In order to clearly focus on the core areas, the structure and organization of the TSC Group was aligned with the three commerce pillars „Core Brands", „MAXX Group" and „Brand Chain" as well as the growing social media agency business „World Leading Social Marketing". The segment structure was adapted to the changed management structures in the 2022 financial year. In the 2021 financial year, the TSC Group reported on the Social Commerce, Social Media and Retail (DS Group) segments. Since the 2022 financial year, the TSC Group has been divided into the four business segments Core Brands, MAXX Group, Brand Chain and World Leading Social Marketing. The segment information for the first half of 2021 has been adapted to the new segment structure.

Core Brands
The Core Brands are the main brands of Social Chain AG in the D2C business. These independent companies have a high-performance brand concept, a fixed customer base and brand awareness. The Core Brands segment consists of classic and emerging brands. The focus of the Core Brands is on Europe's largest beauty convention, the influencer magnet GLOW by dm and Germany's oldest barbecue brand LANDMANN. These are complemented by the up-and-coming brands, such as the high-quality interior brand URBANARA, the food brand CLASEN BIOand the coffee and tea appliance specialist BEEM.

Brand Chain
In the Brand Chain segment, TSC AG's focus is on „emerging brands" that are being developed into D2C brands. These include: N8WERK with kitchen and household products, the Home & Living brand Lumaland, FitEngine for fitness equipment and HOBERG, the partner for outdoor projects. The D2C brands of Social Chain AG are marketed via own online shops, via social commerce and on all relevant online marketplaces.

MAXX Group
In the MAXX Group the goods-bearing business of DS products, as well as the brands of the startup founders from the VOX founder show „Die Höhle der Löwen". KOCHWERK, VITALMAXX, CLEANMAXX, EASYMAXX and GOURMETMAXX are highly profitable and firmly anchored especially in stationary retail as well as in teleshopping. Merchandise items for major brands, such as FC Bayern are also grouped in this segment.

World Leading Social Marketing
In the Social Marketing segment, Social Chain AG relies on an integrated model of social media marketing and social media publishing. TSC AG offers this combination of its own reach and agency services primarily to business customers as a service.

The communities of the Social Chain Group provide insights into new trends, inspire consumers and reinforce brand messages. The social media experts of the Social Chain Agencies are internationally active, with locations in Berlin, London, Manchester, New York and Los Angeles. Additional expertise is provided by the mint marketing Agency, Inc. with a focus on social commerce strategies and the development of young brands and startups.

The operating segments are reported in accordance with IFRS.

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Segment information HY 2022

in EUR thousand	Core Brands	MAXX Group	Brand Chain	World Leading Social Marketing	Holding/ Other	Consolidation	Group
Revenue from external customers	92,139	67,941	29,447	33,258	741	0	223,527
thereof sale of merchandise	91,647	67,756	29,447	0	3	0	188,854
thereof agency business	0	0	0	30,274	0	0	30,274
thereof production	0	0	0	2,757	719	0	3,476
thereof events	371	0	0	227	0	0	598
thereof other revenue	122	184	0	0	19	0	325
Revenue from other segments	1,804	14,527	1,009	227	14,577	-32,144	0
Earnings before interest, tax, depreciation and amortization (EBITDA)	**-8,572**	**-4,381**	**-3,858**	**-1,193**	**31,564**	**4,425**	**17,985**
Cash and cash equivalents	2,840	8,778	743	2,892	1,396	0	16,650

Segment information HY 2021

in EUR thousand	Core Brands	MAXX Group	Brand Chain	World Leading Social Marketing	Holding/ Other	Consolidation	Group
Revenue from external customers	77,564	0	15,516	19,136	599	0	112,815
thereof sale of merchandise	77,486	0	15,516	1,633	118	0	94,753
thereof agency business	0	0	0	15,757	0	0	15,757
thereof production	0	0	0	1,328	457	0	1,785
thereof events	0	0	0	276	0	0	276
thereof other revenue	78	0	0	142	23	0	244
Revenue from other segments	574	0	16	332	5,219	-6,141	0
Earnings before interest, tax, depreciation and amortization (EBITDA)	**1,379**	**5**	**-2,489**	**61**	**-5,256**	**24**	**-6,275**
Cash and cash equivalents	3,500	11	2,524	3,072	1,765	0	10,872

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3 Selected notes to the consolidated income statement

3.1 Revenues

Revenues developed in the first half of 2022 as presented below:

in EUR thousand	HY 2022	HY 2021
Sale of commercial products	188,854	94,753
Agency business	30,274	15,757
Production	3,476	1,785
Events	598	276
Other revenue	325	244
Revenues	**223,527**	**112,815**

3.2 Other operating income

in EUR thousand	HY 2022	HY 2021
Income from the deconsolidation of subsidiaries	39,244	0
Income from foreign currency translation	10,340	987
Insurance compensation / Damages	2,572	80
Income from receivables written-off	1,783	0
Income from the derecognition of liabilities	224	0
Income from the disposal of property, plant and equipment	98	66
Income from other services	13	26
Other income	1,776	300
Other operating income	**56,049**	**1,458**

The income from the deconsolidation of subsidiaries results from the deconsolidation of the KoRo Group, Mabyen GmbH and Vonmählen GmbH. Refer to Note 1.5 for further information.

Income from foreign currency translation includes both the positive effects from the revaluation at the closing rate of assets and liabilities and income from the measurement at fair value of foreign currency derivatives held for trading. The increase results from the addition of the DS Group in December 2021.

3.3 Other operating expenses

in EUR thousand	HY 2022	HY 2021
Distribution expenses	28,618	16,593
Advertising and travel expenses	9,044	8,330
Foreign currency translation expenses	3,866	121
License fees	3,849	771
Legal and consulting expenses	2,954	3,634
Third-party services / external administrative expenses	1,704	1,157
Administrative expenses	1,269	805
Rent / ancillary rental expenses	1,258	554
Maintenance and repair	1,215	862
Rental fees / Leasing	961	465
Fees and contributions	906	331
Insurance premiums	565	246
Loss allowances on receivables	164	0
Donations	54	21
Other expenses	2,793	4,928
Other operating expenses	**59,222**	**38,819**

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3.4 Financial income and expenses

in EUR thousand	HY 2022	HY 2021
Interest and similar income	448	1,623
Income from the measurement of financial instruments at fair value through profit or loss	1,991	8,977
Financial income	**2,440**	**10,601**
Interest expense from liabilities to banks, loans and similar liabilities	-6,852	-6,205
Interest expenses from convertible bonds	-1,224	-536
Interest expense from lease liabilities	-870	-343
Expenses arising from the measurement of financial instruments at fair value through profit or loss	-2,367	-139
Other financial expenses	0	-2
Financial expense	**-11,313**	**-7,224**
Financial income and expense	**-8,873**	**3,377**

Of the income from the measurement of financial instruments at fair value through profit or loss, EUR 1,077 thousand (previous year EUR 2,212 thousand) is attributable to primary financial instruments and EUR 914 thousand (previous year EUR 6,765 thousand) to derivative financial instruments.

Of the expenses from the measurement of financial instruments at fair value through profit or loss, EUR -2,365 thousand (previous year EUR -73 thousand) is attributable to primary financial instruments and EUR -2 thousand (previous year EUR -66 thousand) to derivative financial instruments.

3.5 Result from discontinued operations

In the first half of the year, the Executive Board of the TSC Group decided to streamline the investment portfolio with purpose of further increasing the profitability of the Group.

For this reason, the operations of the following companies will not be continued in the future:

- Belsonno GmbH, Berlin (Brand Chain segment)
- DS Aviation GmbH, Stapelfeld (MAXX Group segment)
- DS Select GmbH, Stapelfeld (Segment Other)
- Media Chain GmbH, Berlin (World Leading Social Marketing segment)
- Media Chain Products GmbH, Berlin (Brand Chain segment)
- smileBaby GmbH, Berlin (Brand Chain segment)
- Social Chain GmbH, Berlin (Segment Other)
- The Social Commerce Alliance GmbH, Berlin (World Leading Social Marketing segment).

The activities of the following two companies were already classified as discontinued operations in December 2021:

- Social Chain Media and Commerce GmbH, Berlin (Segment World Leading Social Marketing)
- Social Moms GmbH, Berlin (World Leading Social Marketing segment).

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Earnings and cash flow from discontinued operations for HY 2022:

Result from discontinued operations (in EUR thousand)	Media Chain Products GmbH	Social Chain GmbH	Social Chain Media and Commerce GmbH	Social Moms GmbH	Other	Total
Revenue and other operating income	1,796	361	0	0	75	2,232
Consolidation of intra-group revenues	-62	-355	0	0	-23	-440
External revenues and other operating income	**1,734**	**7**	**0**	**0**	**51**	**1,792**
Expenses	-4,865	-240	-138	-38	-109	-5,390
Consolidation of intra-group expenses	308	48	23	52	54	485
External expenses	**-4,557**	**-192**	**-115**	**14**	**-55**	**-4,905**
Result from operating activities	**-2,823**	**-186**	**-115**	**14**	**-3**	**-3,113**
Income taxes	11	46	0	-3	9	63
Result from operating activities after taxes	**-2,812**	**-140**	**-115**	**11**	**6**	**-3,050**
thereof attributable to shareholders of the parent company	-2,812	-140	-80	11	6	-3,016
thereof attributable to non-controlling shareholders	0	0	-35	0	0	-35
Gain from the disposal of discontinued operations	0	0	0	0	0	0

Cash flows from discontinued operations (in EUR thousand)	Media Chain Products GmbH	Social Chain GmbH	Social Chain Media and Commerce GmbH	Social Moms GmbH	Other	Total
Net cash flow from operating activities	-1,792	26	-16	-14	-217	-2,013
Net cash flow from investing activities	1,667	4	0	0	190	1,862
Net cash flow from financing activities	-7	-37	0	-5	-21	-70
Net cash flow	**-132**	**-7**	**-16**	**-19**	**-48**	**-222**

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Earnings and cash flow from discontinued operations for HY 2021:

Result from discontinued operations (in EUR thousand)	Media Chain Products GmbH	Social Chain GmbH	Social Chain Media and Commerce GmbH	Social Moms GmbH	Other	Total
Revenue and other operating income	47,262	798	0	125	304	48,489
Consolidation of intra-group revenues	-170	-756	0	-17	-214	-1,156
External revenues and other operating income	**47,092**	**42**	**0**	**109**	**90**	**47,333**
Expenses	-46,229	-845	-294	-549	-346	-48,263
Consolidation of intra-group expenses	683	218	43	74	111	1,130
External expenses	**-45,546**	**-627**	**-250**	**-475**	**-235**	**-47,134**
Result from operating activities	**1,546**	**-585**	**-250**	**-367**	**-145**	**199**
Income taxes	-174	-2	0	0	8	-168
Result from operating activities after taxes	**1,372**	**-587**	**-250**	**-367**	**-138**	**31**
thereof attributable to shareholders of the parent company	1,372	-587	-250	-282	-138	116
thereof attributable to non-controlling shareholders	0	0	0	-85	0	-85
Gain from the disposal of discontinued operations	0	0	0	0	0	0

Cash flows from discontinued operations (in EUR thousand)	Media Chain Products GmbH	Social Chain GmbH	Social Chain Media and Commerce GmbH	Social Moms GmbH	Other	Total
Net cash flow from operating activities	1,009	66	2	22	-30	1,070
Net cash flow from investing activities	-78	0	0	-27	0	-105
Net cash flow from financing activities	350	0	0	0	-25	325
Net cash flow	**1,281**	**66**	**2**	**-5**	**-55**	**1,290**

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4 Selected notes to the consolidated interim balance sheet
4.1 Intangible assets and goodwill

The development of intangible assets and goodwill is presented in the following tables.

in EUR thousand	Goodwill	Internally generated intangible assets	Trademarks	Customer relations	Patents, concessions and other rights	Advance payments / intangible assets in development	Total
Cost							
As of 01/01/2022	**278,675**	**268**	**31,486**	**31,173**	**3,667**	**3,354**	**348,624**
Changes in the scope of consolidation	100	40	0	2	1,186	1,091	2,419
Additions	0	-43	-8	0	-357	-477	-884
Disposals	-219	0	-529	-91	-187	-429	-1,455
Reclassification to assets held for sale	-247	0	92	24	6	0	-125
Exchange rate effects	**278,309**	**265**	**31,042**	**31,108**	**4,316**	**3,540**	**348,579**
Accumulated amortization and impairment							
As of 30/06/2022	**-77,262**	**-75**	**-5,347**	**-3,194**	**-510**	**-18**	**-86,406**
Current amortization[1]	0	0	-2,057	-3,655	-284	-13	-6,009
Amortization	-44,653	-87	-280	-423	-136	-636	-46,216
Disposals	0	0	11	0	41	31	83
Reclassification to assets held for sale	218	0	192	43	34	101	589
Exchange rate effects	-360	0	-33	-24	-1	0	-418
As of 30/06/2022	**-122,057**	**-162**	**-7,514**	**-7,253**	**-856**	**-535**	**-138,377**
Carrying amount as of 01/01/2022	201,413	193	26,139	27,979	3,157	3,337	262,218
Carrying amount as of 30/06/2022	156,252	103	23,528	23,854	3,460	3,005	210,202

1 The amortization in the schedule of intangible assets and goodwill differs from the amortization in the consolidated income statement due to the amortization of the discontinued operations.

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in EUR thousand	Goodwill	Internally generated intangible assets	Trademarks	Customer relations	Patents, concessions and other rights	Advance payments / intangible assets in development	Total
Cost							
As of 01/01/2021	**135,140**	**251**	**18,548**	**6,657**	**1,038**	**212**	**161,846**
Changes in the scope of consolidation	61	0	0	0	0	0	61
Additions	0	0	6	96	114	526	742
Exchange rate effects	1,247	0	311	37	2	0	1,597
As of 30/06/2021	**136,449**	**251**	**18,865**	**6,790**	**1,154**	**738**	**164,247**
Accumulated amortization and impairment							
As of 01/01/2021	**-32,177**	**-73**	**-3,095**	**-2,091**	**-371**	**0**	**-37,806**
Current amortization[1]	0	-2	-1,081	-500	-111	0	-1,694
Exchange rate effects	30	0	-55	-37	-1	0	-63
As of 30/06/2021	**-32,147**	**-75**	**-4,231**	**-2,628**	**-483**	**0**	**-39,563**
Carrying amount as of 01/01/2021	102,964	178	15,453	4,566	667	212	124,040
Carrying amount as of 30/06/2021	104,302	176	14,634	4,162	671	738	124,683

1 The amortization in the schedule of intangible assets and goodwill differs from the amortization in the consolidated income statement due to the amortization of the discontinued operations.

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Trademarks
The main trademarks of the TSC Group are allocated to the Core Brands, Brand Chain, MAXX Group and World Leading Social Marketing segments as follows.

In the Core Brands segment, the main trademarks include the „LANDMANN" trademark of LANDMANN Germany GmbH with a carrying amount of EUR 3,593 thousand (previous year: EUR 3,784 thousand), the „BEEM" trademark of BEEM Germany GmbH with a carrying amount of EUR 1,261 thousand (previous year: EUR 1,347 thousand), the „URBANARA" trademark of URBANARA GmbH with a carrying amount of EUR 1,074 thousand (previous year: EUR 1,172 thousand), the „Ravensberger Matratzen" trademark of Ravensberger Matratzen GmbH with a carrying amount of EUR 1,790 thousand (previous year: EUR 1,913 thousand) and the „GLOW" brand of Shine Conventions GmbH in the amount of EUR 944 thousand (previous year EUR 1,021 thousand). The trademark „Ravensberger Matratzen" is amortized over 10 years, the trademark „LANDMANN" over 10 years, the trademark „BEEM" over 8 years, the trademark „URBANARA" over 8 years and the trademark „GLOW" over 10 years.

In the MAXX Group segment, the main trademarks include the „MAXX Series" trademarks with a carrying amount of EUR 6,149 thousand (previous year: EUR 6,845 thousand) and the „HOBERG" trademark with a carrying amount of EUR 617 thousand (previous year: EUR 674 thousand) (both from DS Produkte GmbH). The trademarks are amortized over 5 or 6 years.

In the Brand Chain segment, the main trademarks include the „Lumaland" trademark of Lumaland Vertriebs GmbH and Lumaland Inc., USA, with a total carrying amount of EUR 1,699 thousand (previous year: EUR 1,822 thousand). The „Lumaland (Europe)" trademark is amortized over 9 years and the „Lumaland (USA)" trademark over 7 years.

In the World Leading Social Marketing segment, the „Social Chain" trademarks of Social Chain Ltd., UK, and Social Chain Inc., USA, with a total carrying amount of EUR 3,842 thousand (previous year: EUR 4,068 thousand), as well as the media trademarks of Media Chain Group Ltd., UK, in the amount of EUR 1,229 thousand (previous year: EUR 1,343 thousand) can be listed. All trademarks in the social media segment are amortized over a useful life of 10 years.

Goodwill
The Group regularly performs the annual mandatory impairment test for intangible assets with an indefinite useful life (including goodwill) at the end of the financial year. Due to specific current market developments, such as the current and prospectively continuing buying restraint in brick-and-mortar and online retail, all goodwill was subjected to an impairment test in accordance with IAS 36 at the end of the first half of 2022.

The basis for the impairment testing is the cash-generating units (CGUs). Since the 2021 financial year, the CGUs have been identified at the level of the trademarks existing in the Group („verticals") (individual companies until 2020), in accordance with the approach of Group management adjusted during the year. As a result of the acquisition of the DS Group in December 2021 and the integration and strategic realignment of the Group that began in the 2022 financial year, a further adjustment and reallocation of the verticals occurred in the first half of 2022.

In the Brand Chain segment, there is the identical vertical „Brand Chain", in the Core Brands segment there are the verticals „Core Brand BEEM", „Core Brand LANDMANN", „Core Brand URBANARA", „Core Brand GLOW", „Core Brand CLASEN BIO" and „Core Brand Other", in the MAXX Group segment there is the identical vertical „MAXX Group" and in the World Class Leading Marketing segment the Verticals „Social Media Germany", „Social Media UK" and „Social Media US".

In particular, the companies Brand Chain GmbH (e-commerce products of young up-and-coming D2C brands in the TSC Group), formerly in-trading GmbH, Lumaland Inc. (beanbags and home accessories for the U.S. market) and Social Chain Home & Living B.V. (home accessories for Benelux customers) are assigned to the vertical „Brand Chain".

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BeEM Germany GmbH (specialized products for coffee and tea preparation) and its Asian subsidiary BEEM Asia Ltd., Hong Kong, are assigned to the vertical „Core Brand BEEM“.

Carl-Wilhelm-Clasen GmbH (organic food products) with its subsidiaries is assigned to the vertical „Core Brand CLASEN BIO“.

Assigned to the vertical „Core Brand LANDMANN” are LANDMANN Germany GmbH (grills and fireplaces) with its subsidiaries.

URBANARA GmbH (home accessories) is assigned to the vertical „Core Brand URBANARA“.

Shine Conventions GmbH (trade fair and event business) is assigned to the vertical „Core Brand GLOW“.

Ravensberger Holding GmbH with its subsidiaries (mattresses and sleeping systems) and Möbelfreude Vertriebs GmbH (box spring beds) are assigned to the Vertical „Core Brand Other“.

The vertical „MAXX Group“ includes in particular DS Produkte GmbH, DS Direct GmbH, DS MewiTec GmbH (all retail and wholesale products of all kinds of TSC Group), DS Impact GmbH and Lions Chain GmbH (both holding investments in startups from „Die Höhle der Löwen“) as well as Pacific Trade Company Ltd., Hong Kong (trading business in Asia).

The verticals „Social Media Deutschland“, „Social Agency UK“ and „Social Media US“ result from the allocation of the entities of the Social Media segment responsible for mainly these markets, in particular for „Social Agency Deutschland“ the companies Social Chain Germany GmbH and drtv.agency GmbH (both Marketing Services), DEF Media GmbH (Productions) and sib Silvester in Berlin Veranstaltungen GmbH (Events), for „Social Media UK“ the companies Social Chain Ltd. and Media Chain Group Ltd. (both marketing services) and for „Social Media US“ the companies Social Chain USA, Inc. and MINT Marketing Agency LLC (both marketing services).

The „others“ includes all companies that have not been assigned to one of the aforementioned verticals due to their specific business purpose, among other things. This includes the companies Links Logistics GmbH and bytepark GmbH. In the context of the impairment testing, the companies grouped under „other“ are considered individually and not combined.

The recoverable amount of all cash-generating units is determined on the basis of calculations of a value in use using cash flow projections based on financial plans prepared by management for a period of five years.

The pre-tax discount rate used for the cash flow forecasts is:

Discount rate before tax	HY 2022
Brand Chain	9.4%
Core Brand BEEM	9.1%
CORE BRAND LANDMANN	8.7%
CORE BRAND URBANARA	17.5%
CORE BRAND GLOW	14.6%
Core Brand CLASEN BIO	12.7%
Core Brand Other	15.2%
MAXX Group	9.3%
Social Media Germany	13.2%
Social Media UK	15.1%
Social Media US	16.8%
Other	16.1%

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Discount rate before tax	HY 2021
SC Agency Deutschland	16.1%
SC Agency UK	14.8%
SC Agency USA	16.0%
Food Chain	11.3%
Home & Living	17.5%
Beauty & Health	10.3%
DS Handel	9.1%
DS In-trading	8.9%
DS BEEM	8.9%
DS LANDMANN	12.9%
Other	**12.4% to 15.1%**

Cash flows after the five-year period are extrapolated using a growth rate of 1.0% (previous year: 1.0%). This growth rate corresponds to the long-term average growth rate of companies based on an expected inflation of 2%.

The impairment test indicates that the carrying amount for the following verticals is below the recoverable amount and that an impairment must be recognised. The main reason lies in the changes of market conditions.

in EUR thousand	Carrying amount	Value in use	Impairment	Segment
HY 2022				
MAXX Group	245,642	205,566	-40,076	MAXX Group
Core Brand CLASEN BIO	22,368	13,178	-9,190[1]	Core Brands
Core Brand GLOW	2,522	1,946	-576	Core Brands
Other	-	-	-632[2]	Other
Total			**-50,474**	
2021				
Home & Living	40,285	12,877	-27,072	Social Commerce
Beauty and Health	13,177	1,857	-9,041	Social Commerce
Other	16,416	7,342	-8,865	Other
Total			**-44,978**	

1 Full impairment of goodwill in the amount of EUR 3,369 thousand and proportional impairment of non-current assets in the amount of EUR 5,821 thousand.
2 Impairment of goodwill of a company with a forecasted value in use or fair value less costs of disposal of almost EUR 0.00 as well as full impairment of goodwill recognized locally from an asset deal.

Basic assumptions for the calculation of the value in use and sensitivity analysis

Most considerable estimation uncertainties with regard to the calculation of the value in use of the companies presented above are the underlying assumptions regarding the EBITDA margin, the discount rate and the growth rate used to extrapolate the cash flow forecasts outside the forecast period.

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EBITDA margin

The EBITDA margin is calculated using the average figures achieved in the two financial years prior to the start of the budget period. For the above verticals, the following projected EBITDA margins for the planning period were used.

Budgeted – EBITDA margin	Impairment test 30/06/2022
MAXX Group	2.4% to 5.8%
Core Brand CLASEN BIO	-3.1% to 6.8%
Core Brand GLOW	-22.4% to 6.0%

Budgeted – EBITDA margin	Impairment test 31/12/2021
Home & Living	-6.2% to 5.2%
Beauty and Health	-82.7%
Other	0.0%

EBITDA margins will be adjusted for expected efficiency gains over the five-year planning period. A decline in demand could reduce EBITDA margins. The following table shows the change in fair value in the event that the EBITDA margin changes by 1 percentage point.

Sensitivity – EBITDA margin in EUR thousand	Impact on goodwill 30/06/2022 +1%	-1%
MAXX Group	+28,002	-18,416
Core Brand CLASEN BIO	-	-
Core Brand GLOW	+576	-686

Sensitivity – EBITDA margin in EUR thousand	Impact on goodwill 31/12/2021 +1%	-1%
Home & Living	+4,922	-
Beauty and Health	-	-
Other	+526	-526

Discount rate

The discount rates represent the current market assessments with regard to the specific risks attributable to the cash-generating units. The interest rate effect and the specific risks of the assets for which the estimated future cash flows have not been adjusted are taken into account. The determination of the discount rate considers the specific circumstances of the Group and its business entities and is based on its average weighted cost of capital (WACC). The average weighted cost of capital factors in both debt and equity. The cost of equity is derived from the expected return on capital employed by the Group's equity providers. Market borrowing interest rates were used as debt costs. The business segment-specific risk is included through the application of individual beta factors. Beta factors are determined annually based on publicly available market data. To determine a pre-tax discount rate, the discount rate is adjusted for the corresponding amount and timing of future tax cash flows. The following table shows the change in the fair value in the event that the discount rate changes by 1 percentage point.

Sensitivity – discount rate in EUR thousand	Impact on goodwill 30/06/2022 +1%	-1%
MAXX Group	-18,416	+31,942
Core Brand CLASEN BIO	-	-
Core Brand GLOW	-287	+358

Sensitivity – discount rate in EUR thousand	Impact on goodwill 31/12/2021 +1%	-1%
Home & Living	-	+2,009
Beauty and Health	-	-
Other	-	-

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Growth rate

Estimated growth rates are based on the long-term average growth rate of companies including an expected inflation of 2%. The Group acknowledges that the speed of technological change and potential new competitors could materially affect growth rate assumptions. The entry of new competitors into the market is not expected to have a negative impact on the forecasts. The following table shows the change in fair value if the growth rate changes by 0.5 percentage points.

Sensitivity – Growth rate in EUR thousand	**Impact on goodwill 30/06/2022** **+0.5%**	**-0.5%**
MAXX Group	+2,299	-2,253
Core Brand CLASEN BIO	-	-
Core Brand GLOW	+44	-43

Sensitivity – Growth rate in EUR thousand	**Impact on goodwill 31/12/2021** **+0.5%**	**-0.5%**
Home & Living	+ 117	-
Beauty and Health	-	-
Others	-	-

The following tables provide an overview of the reported goodwill per CGU (aggregated view) and their carrying amounts for both balance sheet dates.

	01/01/2022	Additions	Impairment	Currency effect	30/06/2022
Vertical					
Brand Chain	59,261				59,261
Social Media Germany	24,292				24,292
MAXX Group	58,492		-40,076	-99	18,317
CORE BRAND BEEM	16,554				16,554
Social Media UK	15,940			-867	15,074
CORE BRAND LANDMANN	10,771			136	10,907
Social Media US	10,605			222	10,827
Core Brand GLOW	1,597		-576		1,021
Core Brand CLASEN BIO	3,369		-3,369		0
CORE BRAND URBANARA	0				0
Core Brand Other	0				0
Other	532	100	-632		0
Total	**201,413**	**100**	**-44,653**	**-608**	**156,252**

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	01/01/2021	Additions	Impairment	Currency effect	Reclassification to assets held for sale	31/12/2021
Vertical						
SC Agency Deutschland	26,236	3		-350		25,889
SC Agency UK	14,161			1,779		15,940
SC Agency U.S.	10,479	191		-65		10,605
Food Chain	6,803	10			-3,444	3,369
Home & Living	26,845		-27,072	227		0
Beauty & Health	9,041		-9,041			0
DS In-Trading	0	59,261				59,261
DS Handel	0	58,490		2		58,492
DS BEEM	0	16,554				16,554
DS LANDMANN	0	10,778		-7		10,771
Other	9,398		-8,865			532
Total	**102,963**	**145,286**	**-44,978**	**1,586**	**-3,444**	**201,413**

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4.2 Property, plant and equipment

The development of property, plant and equipment is presented in the following tables.

in EUR thousand	Land and buildings	Technical plants and machines	Operating and office equipment	Advance payments and equipment under construction	Total
Cost					
As of 01/01/2022	**12,721**	**1,098**	**8,235**	**17**	**22,071**
Additions	0	207	921	119	1,246
Disposals	-11,073	-19	-90	0	-11,182
Reclassification to assets held for sale	-2	0	-214	0	-217
Exchange rate effects	0	4	-42	0	-38
As of 30/06/2022	**1,646**	**1,290**	**8,809**	**136**	**11,881**
Accumulated depreciation and impairments					
As of 01/01/2022	**-109**	**14**	**-1,512**	**-5**	**-1,611**
Current depreciation[1]	-184	-18	-901	0	-1,103
Impairment	-785	-451	-335	-12	-1,584
Disposals	226	0	30	0	256
Reclassification to assets held for sale	1	0	106	0	107
Exchange rate effects	0	-1	8	0	8
As of 30/06/2022	**-851**	**-456**	**-2,603**	**-17**	**-3,927**
Carrying amount as of 01/01/2022	12,613	1,112	6,723	13	20,460
Carrying amount as of 30/06/2022	795	834	6,206	119	7,954

1 The depreciation in the schedule of property, plant and equipment differs from the depreciation in the consolidated income statement due to the depreciation of the discontinued operations.

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in EUR thousand	Land and buildings	Technical plants and machines	Operating and office equipment	Advance payments and equipment under construction	Total
Cost					
As of 01/01/2021	**1,646**	**1,168**	**2,550**	**5**	**5,369**
Changes in the scope of consolidation	0	1	19	0	20
Additions	2	1,147	732	352	2,232
Disposals	0	0	-66	0	-66
Exchange rate effects	0	1	52	0	53
As of 30/06/2021	**1,648**	**2,318**	**3,286**	**357**	**7,608**
Accumulated depreciation and impairments					
As of 01/01/2021	**0**	**-28**	**-565**	**0**	**-593**
Current depreciation[1]	0	-15	-777	0	-793
Disposals	0	0	6	0	6
Exchange rate effects	0	0	-22	0	-22
As of 30/06/2021	**0**	**-44**	**-1,358**	**0**	**-1,403**
Carrying amount as of 01/01/2021	1,646	1,140	1,985	5	4,776
Carrying amount as of 30/06/2021	1,648	2,273	1,928	357	6,205

1 The depreciation in the schedule of property, plant and equipment differs from the depreciation in the consolidated income statement due to the depreciation of the discontinued operations

4.3 Leasing

On June 1, 2022, the TSC Group sold the entire property in Stapelfeld for EUR 11,700 thousand and has since been leasing this property back from the buyer (sale and lease back transaction).

The sale and lease back transaction constitutes a sale in accordance with IFRS 15. Accordingly, the TSC Group, as seller/lessee, has recognised a right-of-use asset associated with the leasing together with the former carrying amount relating to the right of use retained by the Group. A profit was recognised only for the rights transferred to the buyer/lessor.

The gain from the sale amounts to EUR 93 thousand and was recognised in other operating income in the income statement.

The term of the lease is 25 years. It consists of 15 years of basic rental period and two extensions for 5 years each.

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4.4 Assets and liabilities held for sale

The assets and liabilities held for sale as of December 31, 2021 were derecognised in the first quarter of 2022 as part of the deconsolidation of KoRo Group and the sale of FFLV.

In the first quarter of 2022, the assets and liabilities of the two companies Mabyen GmbH and Vonmählen GmbH were classified as held for sale. These assets and liabilities were derecognised as part of the deconsolidation of these two companies in the second quarter of 2022.

As a result, there are no assets and liabilities held for sale as of June 30, 2022.

With regard to the adjustment of the investment portfolio resolved by the Executive Board in August 2022 and the resulting consequences, please refer to Note 8 „Events after the balance sheet date“.

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Assets and liabilities held for sale as of December 31, 2021 are presented in the following table.

in EUR thousand	KoRo Group	FFLV	Total
Intangible assets	903	0	903
Goodwill	3,444	0	3,444
Property, plant and equipment	215	0	215
Right-of-use-assets	154	0	154
Joint ventures accounted for using the equity method	0	883	883
Non-current financial assets	87	0	87
Deferred tax assets	845	0	845
Inventories	8,742	0	8,742
Trade receivables	1,702	0	1,702
Other current financial assets	70	2,207	2,278
Other current non-financial assets	441	0	441
Cash and cash equivalents	3,117	0	3,117
Assets held for sale	**19,719**	**3,090**	**22,809**
Cash-settled share-based payments	2,768	0	2,768
Non-current loan liabilities	1,032	0	1,032
Non-current lease liabilities	65	0	65
Deferred tax liabilities	264	0	264
Current provisions	130	0	130
Trade payables	2,940	0	2,940
Current liabilities to banks	241	0	241
Current lease liabilities	93	0	93
Other current financial liabilities	81	0	81
Current income tax liabilities	183	0	183
Contract liabilities	290	0	290
Other current non-financial liabilities	1,263	0	1,263
Liabilities held for sale	**9,350**	**0**	**9,350**

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4.5 Equity

As of June 30, 2022, the subscribed capital amounted to EUR 15,528 thousand (previous year: EUR 15,528 thousand) and was fully paid up. The share capital is divided into 15,527,775 (previous year: 15,527,775) no-par value bearer shares.

The capital reserves increased by EUR 326 thousand during the first half of 2022 due to the recognition of equity-settled share-based payments.

5 Disclosures on the cash flow statement

Cash and cash equivalents which underlie the cash flow statement include both cash and cash equivalents, as well as current accounts due daily, which are an integral part of cash management. Cash and cash equivalents are included in the balance sheet in the items „Cash and cash equivalents“ and „Assets held for sale“.

in EUR thousand	30/06/2022	30/06/2021
Cash and cash equivalent	16,650	10,871
Cash and cash equivalents held for sale	0	0
Current account credits	-2,527	0
Cash and cash equivalents according to cash flow statement	**14,124**	**10,871**

6 Information on financial instruments

The table below shows the breakdown of financial assets and financial liabilities by measurement categories of IFRS 9 and the hierarchy for determining fair value in accordance with IFRS 13.

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in EUR thousand	Category IFRS 9	Hierarchy IFRS 13	Carrying amount 30/06/2022	Carrying amount 31/12/2021	Fair value 30/06/2022	Fair value 31/12/2021
Non-current financial assets			**28,347**	**26,447**	**28,347**	**26,447**
Shares in affiliated companies and other investments			18,673	16,915	18,673	16,915
thereof	FVOCI	Level 3	355	174	355	174
thereof	FVTPL	Level 3	18,318	16,742	18,318	16,742
Non-current loans to third parties			4,206	3,653	4,206	3,653
thereof	FAAC	Level 3	4,206	2,604	4,206	2,604
thereof	FVTPL	Level 2	0	1,049	0	1,049
Non-current derivative financial assets	FVTPL	Level 2	3,706	4,430	3,706	4,430
Non-current deposits	FAAC	Level 3	300	453	300	453
Other non-current financial assets	FAAC	Level 3	1,461	996	1,461	996
Current financial assets			**11,211**	**6,453**	**11,211**	**6,453**
Current loans to third parties	FAAC		1,047	595	1,047	595
Current derivative financial assets	FVTPL	Level 2	2,209	1,391	2,209	1,391
Current deposits	FAAC		284	285	284	285
Other current financial assets	FAAC		7,672	4,182	7,672	4,182
Trade receivables and other receivables			**54,120**	**74,567**	**54,120**	**74,567**
thereof	FAAC		49,552	71,967	49,552	71,967
thereof	FVTPL	Level 2	4,568	2,601	4,568	2,601
Cash and cash equivalents	**FAAC**		**16,650**	**16,443**	**16,650**	**16,443**
Financial assets held for sale	**FAAC**		**0**	**7,184**	**0**	**7,184**

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in EUR thousand	Category IFRS 9	Hierarchy IFRS 13	Carrying Amount 30/06/2022	Carrying Amount 31/12/2021	Fair value 30/06/2022	Fair value 31/12/2021
Non-current financial liabilities			**94,910**	**113,769**	**38,318**	**72,840**
Non-current liabilities to banks	FLAC	Level 2	15,010	19,590	15,061	23,061
Non-current liabilities from loans from third parties	FLAC	Level 2	1,525	27,430	1,883	27,897
Non-current lease liabilities	n/a		59,026	47,389	n/a	n/a
Non-current liabilities from convertible bonds	FLAC	Level 2	19,348	19,356	21,373	21,877
Non-current derivative financial liabilities	FLFV	Level 2	0	5	0	5
Other non-current financial liabilities	FLAC	Level 3	1	0	1	0
Current financial liabilities			**190,937**	**197,451**	**183,769**	**190,225**
Current liabilities to banks	FLAC		122,625	137,819	122,625	137,819
Current liabilities from loans from third parties	FLAC		40,065	19,189	40,065	19,189
Current lease liabilities	n/a		7,220	7,245	n/a	n/a
Current liabilities from convertible bonds	FLAC	Level 2	1,185	1,258	1,237	1,277
Current liabilities from put options of non-controlling shareholders	FLFV	Level 3	5,996	5,996	5,996	5,996
Refund liabilities	FLAC		3,800	22,473	3,800	22,473
Current derivative financial liabilities	FLFV	Level 2	92	74	92	74
Other current financial liabilities	FLAC		9,955	3,397	9,955	3,397
Trade payables	**FLAC**		**55,447**	**68,730**	**55,447**	**68,730**
Financial liabilities held for sale			**0**	**4,452**	**0**	**4,294**
thereof	FLAC		0	4,294	0	4,294
thereof	n/a		0	158	n/a	n/a

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in EUR thousand			Carrying Amount 30/06/2022	Carrying Amount 31/12/2021	Fair value 30/06/2022	Fair value 31/12/2021
Thereof by measurement categories of IFRS 9						
Financial assets at amortised cost (FAAC)			81,172	104,709	81,172	104,709
Assets measured at fair value through profit or loss (FVTPL)			28,801	26,212	28,801	26,212
Assets measured at fair value through other comprehensive income (FVOCI)			355	174	355	174
Financial liabilities at amortised cost (FLAC)			268,960	323,535	271,446	330,013
Financial liabilities measured through profit or loss (FLFV)			6,088	6,075	6,088	6,075

Short-term loans to third parties, short-term deposits, trade receivables and other receivables, cash and cash equivalents, trade payables, reimbursement liabilities and other current financial assets and liabilities have mainly short remaining terms. For such current financial instruments, the carrying amount is an appropriate approximation of the fair value. The fair value hierarchy level is not disclosed separately for such financial instruments.

The fair value of primary financial instruments assigned to level 2 is calculated on the basis of current parameters such as interest and exchange rates at the balance sheet date as well as by applying accepted models such as the DCF method (discounted cash flow) and taking into account the credit risk. In addition, derivative financial instruments (currency and interest rate derivatives) were allocated to level 2. The market values of the derivatives are determined based on bank valuation models. The Group only concludes derivatives with counterparties with good credit ratings in order to exclude possible default risks as far as possible.

The fair value of the shares in non-consolidated affiliated companies and other investments, securities and liabilities arising from put options of non-controlling shareholders was determined using appropriate valuation methods based on discounted cash flow analyses, maximizing the use of observable input factors. The main non-observable input parameters are the expectations of future cash flows and the specific discount rates. The higher the expected future cash flows or the lower the discount rate, the higher the fair value and vice versa.

Financial assets that are subsequently measured at level 3 fair value include shares in affiliated companies and other investments as well as securities. The reconciliation of the measurement of such financial assets at fair value is presented below.

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in EUR thousand	Shares in affiliated companies and other investments	Securities
As of 01/01/2021	**3,722**	**8,838**
Amounts recognised in the income statement	2,138	225
Unrealised financial income	2,211	0
Unrealised financial expenses	-73	0
Realized financial income		225
Losses recognised in other comprehensive income	-49	0
Changes in the scope of consolidation	-28	0
Additions	800	0
Disposals	-13	-646
As of 30/06/2021	**6,570**	**8,418**
As of 01/01/2022	**16,915**	**0**
Amounts recognised in the income statement	-1,289	0
Unrealised financial income	11	0
Unrealised financial expenses	-2,365	0
Realized financial income	1,065	0
Losses recognised in other comprehensive income	0	0
Changes in the scope of consolidation	0	0
Additions	12,287	0
Disposals	-9,240	0
As of 30/06/2022	**18,673**	**0**

The additions to other investments in the first half of 2022 relate to KoRo Handels GmbH in the amount of EUR 11,584 thousand (see also Note 1.5).

The financial income realized and the disposals of other investments in the first half of 2022 result from the sale of the investment in ten-ace (air up group GmbH, Munich) in April 2022.

In the reporting period and in the comparative period, there were no reclassifications between the levels of the hierarchy.

Bearer bond

On January 28, 2022, TSC AG subscribed for a bearer bond with a nominal value of EUR 5,000 thousand (ISIN DE000A3MQL79, WKN A3MQL7). The bearer bond is divided into up to 5,000 bearer bonds with equal rights and a nominal amount of EUR 1,000 each. The bearer bond bears interest at 8.5% p.a. and had an original term until June 27, 2022. An amount of EUR 1,000 thousand of the bearer bond was repaid on June 27 and EUR 4,000 thousand was extended until September 30 (partial repayment of EUR 1,000 thousand) and November 30, 2022 (partial repayment of EUR 3,000 thousand). The interest rate is 9.5% p.a. from June 27, 2022.

Share price risk

The Group measures its interests in other investments at fair value. The fair value of these largely unlisted equity instruments may fluctuate due to several factors. Accordingly, the Group's assets and liabilities, financial and earnings position depend on the development of such investments. The Group's strategy is geared toward a long-term investment. Accordingly, there is no strategy for managing short-term share price fluctuations.

As of June 30, 2022, the Group recognized shares in other investments amounting to EUR 18,314 thousand (prior year: EUR 16,901 thousand) at fair value. Of this amount, EUR 538 thousand (previous year: EUR 528 thousand) related to listed equity instruments and EUR 17,775 thousand (previous year: EUR 16,373 thousand) to unlisted equity instruments measured at fair value through profit or loss. The fair value of the unlisted

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equity instruments was determined on the basis of transaction prices/market prices or using the DCF valuation method.

As of June 30, 2022, EUR 14,578 thousand (previous year: EUR 10,790 thousand) was attributable to unlisted equity instruments measured on the basis of transaction prices and EUR 3,198 thousand (previous year: EUR 5,583 thousand) to unlisted equity instruments measured using the DCF method

Sensitivity analysis
The share price risk associated with the Group's listed equity instruments can be illustrated by the fact that a 5% change in the share prices of all listed equity instruments as of June 30, 2022 would have changed the Group's earnings and equity by EUR 27 thousand (previous year: EUR 26 thousand).

The share price risk associated with the Group's equity instruments, which are measured on the basis of transaction prices/market prices, can be illustrated by the fact that a 5% change in the prices of these investments as of June 30, 2022 would have changed the Group's earnings and equity by EUR 729 thousand (previous year: EUR 540 thousand).

The share price risk associated with Group equity instruments measured on the basis of DCF methods is presented in the following table. The sensitivity analysis was carried out for the key factors of revenue growth and WACC.

			WACC	
in EUR thousand		**-1%**	**0%**	**+1%**
	-1%	2,766	2,413	2,125
Revenue	**0%**	3,660	3,198	2,824
	+1%	4,553	3,982	3,522

7 Related party relationships
7.1 Related Party Transactions

The Group has identified two types of related parties: management in key positions and the group of other related parties.

The transactions in the first half of 2022 and 2021 and the outstanding balances with management in key positions are as follows:

in EUR thousand	HY 2022	HY 2021
Revenues from the sale of merchandise and services	0	66
Interest expense	0	195
Interest income	0	0

in EUR thousand	30/06/2022	31/12/2021
Loan receivables	0	0
thereof secured	0	0
Loan liabilities	27	177
thereof secured	0	0

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The transactions in the first half of 2022 and 2021 and the outstanding balances with other related parties are as follows:

in EUR thousand	HY 2022	HY 2021
Revenues from the sale of merchandise and services	0	27
Income from letting and leasing	4	0
Other operating expenses	1	0
Interest expense	1,018	431
Interest income	0	2

in EUR thousand	30/06/2022	31/12/2021
Loan receivables	220	352
thereof secured	0	0
Trade receivables	183	0
Loan liabilities	39,165	45,863
thereof secured	0	0
Lease liabilities	29,994	30,634[1]
Other non-financial liabilities	26	0

1 The previous year's figures have been adjusted.

Other related parties relate mainly to key management investments.

The sale of goods and services was carried out at customary market conditions.

The outstanding amounts will be paid in cash. No provisions were made for doubtful receivables in respect of amounts owed by related parties.

Lease liabilities of EUR 29,994 thousand (previous year: EUR 30,634 thousand) result from a lease agreement for a building with Dieter Schwarz Immobilien Administrative GmbH & Co. KG.

Loans received from related parties were subject to interest rates ranging from between 3% to 6%. Interest income with other related parties results from the discounting of loan liabilities upon receipt due to interest below the market interest rate. Over time, this interest income is offset by higher interest expenses.

7.2 Changes in the Executive Board

Christian Senitz has resigned from his position as Chief Financial Officer (CFO) of TSC AG with effect from April 30, 2022.

By resolution of the Supervisory Board dated April 29, 2022, Andreas Schneider was appointed Chief Financial Officer (CFO) of TSC AG with effect from June 1, 2022.

8 Events after the balance sheet date

On July 11, 2022, 50,000 stock options were granted to Executive Board member Wanja Oberhof, 50,000 stock options to Executive Board member Ralf Dümmel and 60,000 stock options to Executive Board member Andreas Schneider as part of the 2022 stock option plan of Social Chain AG for members of the Executive Board and employees of the Company as well as for members of the Management and employees of companies affiliated with the Company (Social Chain Stock Option Plan 2022, Annual General Meeting of June 8, 2022 pursuant to the resolution on agenda item 7). The exercisability of the stock options depends on the achievement of the performance target and the expiry of the four-year waiting period. The exercise price of the respective stock option corresponds to the volume-weighted average of the share price of The Social Chain AG during the last ten trading days before the respective issue date, at least

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the proportionate amount of the company's share capital attributable to one share of The Social Chain AG.

On August 11, 2022, the Management Board of the TSC Group adopted measures to streamline the investment portfolio with the purpose of further increasing the profitability of the Group. Accordingly, the TSC Group intends to sell the following subsidiaries before the end of the current financial year 2022:

- CLASEN BIO Group (Core Brand segment)
  - Carl Wilhelm Clasen GmbH, Schwarzenbek
  - LGR Nuss & Trockenfrucht GmbH & Co. KG, Elmenhorst/Lanken - trade register data and business information
  - LGR Nuss & Trockenfrucht Veredelung Verwaltungs GmbH, Elmenhorst - trade register data and business information
  - PL FoodCom GmbH, Elmenhorst/Lanken - trade register data and business information
- Ravensberger Group (Core Brand Segment)
  - Ravensberger Holding GmbH, Berlin
  - Ravensberger Logistik GmbH, Berlin
  - Ravensberger Matratzen GmbH, Berlin
- The Fitness Chain
  - #DoYourSports GmbH, Berlin, (Brand Chain segment)
  - The Fitness Chain GmbH, Berlin, (Brand Chain segment)
- DEF Media GmbH, Berlin (World Leading Social Marketing segment)
- bytepark GmbH, Berlin (Segment Other)
- sib Silvester in Berlin Veranstaltungen GmbH, Berlin (Segment World Leading Social Marketing)

In the CLASEN BIO Group, the business of the CLASEN BIO product line (private label business) and the production business for private labels of large discounters are dry fruits and nuts united under their branding (foreign brand business). As part of the intended sale of the CARL Wilhelm Clasen Group, the trade business with the brand CLASEN BIO is to remain and be expanded in the TSC Group.

The CLASEN BIO Group combines the business of the CLASEN BIO product line (private label business) and the production business for private labels of large discounter dried fruits and nuts under their branding (external brand business). As part of the intended sale of the CLASEN BIO Group, the private label business will remain within the TSC Group and be expanded. First measures to implement all planned disposals have been initiated.

Against the backdrop of the portfolio streamlining, on August 11, 2022 the Management Board revised the revenue forecast for the Group for the 2022 financial year to around EUR 415 million, with a forecast EBITDA margin (before adjustments) of four to five percent.

There were no other events of particular significance for the net assets, financial and earnings position after the end of the reporting period.

Berlin, 13 September 2022

Wanja S. Oberhof Ralf Dümmel Andreas Schneider

Statement of the Management Board

We confirm that to the best of our knowledge, and in accordance with the applicable accounting principles for Consolidated Interim Financial Statements, the Consolidated Interim Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit and loss of the The Social Chain AG, and the Interim Group Management Reportincludes a fair review of the development and performance of the business and the position of the The Social Chain AG, together with a description of the material opportunities and risks associated with the expected development of the The Social Chain AG for the remaining months of the financial year.

Berlin, 13 September 2022

Wanja S. Oberhof   Ralf Dümmel   Andreas Schneider

Review Report
To The Social Chain AG, Berlin

We have reviewed the condensed interim consolidated financial statements - comprising the statement of financial position, income statement, statement of comprehensive income, statement of cash flows , statement of changes in equity and selected explanatory notes – together with the interim group management report of The Social Chain AG, Berlin, for the period from January 1, 2022 to June 30, 2022 that are part of the semi annual financial report according to § 115 WpHG [“Wertpapierhandelsgesetz”: “German Securities Trading Act”]. The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company‘s management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor‘s report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.“

Frankfurt am Main, September 13, 2022

D. Hanxleden
Wirtschaftsprüfer

A. Kramer
Wirtschaftsprüfer

RSM GmbH
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Financial calendar 2022

Publication of quarterly financial report Q3 2022
29 November 2022

See for further dates and changes:
https://socialchain.com/investor-relations/finanzkalender

The Social Chain AG©

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Disclaimer

This half-year report contains information on future scenarios based on current management assumptions and forecasts. A number of known and unknown risks, uncertainties and other factors may cause the actual results, financial position and performance of the company to differ materially from such projections. The Social Chain AG accepts no liability to update the information and forecasts contained in this report, unless required to do so by law.

The financial figures have been prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the EU. However, this quarterly statement does not constitute an interim report as defined in International Accounting Standard (IAS) 34.

Due to the rounding of figures, it is possible that individual figures in this and other documents do not add up exactly to the totals given and that the percentages shown do not exactly reflect the absolute values to which they relate.