home24

HALF-YEAR REPORT H1 2019

AT A GLANCE

H1 2019

KEY FIGURES

Non-financial KPIs	Unit	H1 2019	H1 2018	Change
Number of orders	in k	1,016	843	21%
Average order value	in EUR	259	271	–4%
Number of active customers (as of June 30)	in k	1,416	1,163	22%
Employees (as of June 30)	number	1,626	1,282	27%

Financial KPIs	Unit	H1 2019	H1 2018	Change
Revenue	in EURm	178.0	151.2	18%
Gross profit margin	in %	43%	44%	–1pp
Profit contribution margin	in %	23%	25%	–2pp
Adjusted EBITDA margin	in %	–13%	–9%	–4pp
Earnings per share	in EUR	–1.61	–1.70*	–5%
Cash flow from operating activities	in EURm	–39.4	–19.7	–100%
Cash flow from investing activities	in EURm	–12.9	–9.8	–32%
Cash flow from financing activities	in EURm	–4.9	143.0	–103%
Cash and cash equivalents (as of June 30)	in EURm	51.4	133.3	–61%

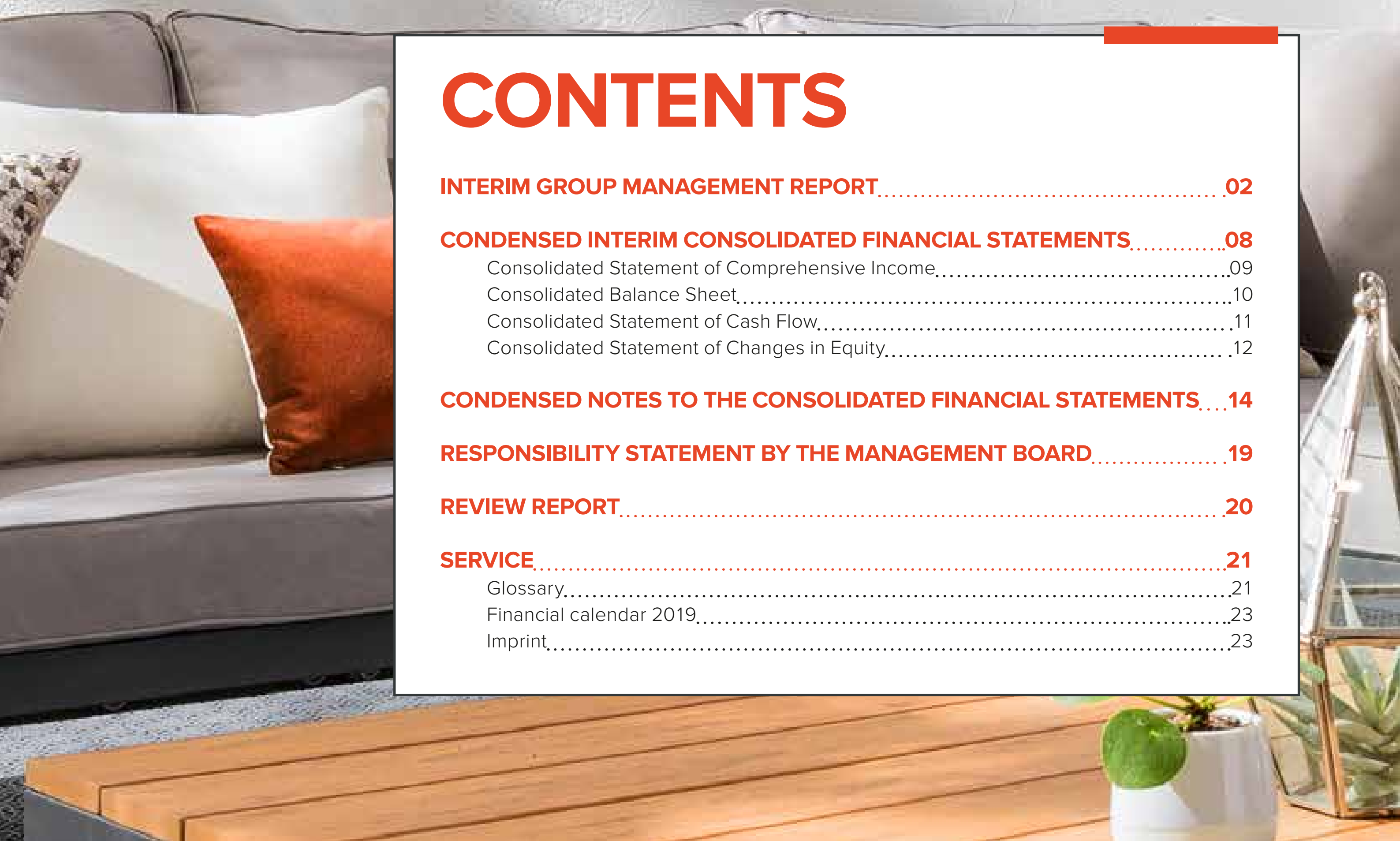
* calculated including the share split performed in May 2018

home24 is a leading pure-play home&living e-commerce platform in continental Europe and Brazil. With over 100,000 articles – from accessories to lamps to furniture – home24 offers its current 1.4m customers the right product for every taste, style and budget.

On its platform, home24 combines a broad, carefully selected range of relevant third-party brands with attractive private labels, making it a furniture manufacturer and retailer in one.

The company is represented in seven European countries: Germany, France, Austria, the Netherlands, Switzerland, Belgium and Italy. In Brazil, home24 operates under the "Mobly" brand. Irrespective of size and weight, home24 delivers its products in Europe free of charge to the customer's home and also offers free returns.

home24's headquarters are located in Berlin. The company employs more than 1,000 people worldwide. home24 has been listed on the Frankfurt Stock Exchange since June 15, 2018. Further information can be found on the Company's website at www.home24.com.



CONTENTS

INTERIM GROUP MANAGEMENT REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2019

1. GENERAL INFORMATION

1.1. Business Model

home24 considers itself the market leader and go-to destination for home & living online shopping in continental Europe, where it operates in seven countries predominantly under the "home24" brand, and in Brazil, where the Group operates under the "Mobly" brand. The strong market position is evidenced by approximately 1.4m active customers (as of June 30, 2019), and approximately 1.0m orders in the 2019 financial year, with an average order value of EUR 259.

In order to serve different tastes, styles and budgets, home24 has compiled one of the largest and most relevant online offerings, with more than 100,000 stock-keeping units (SKUs) of home & living products, including a wide range of large items of furniture (such as living and dining room furniture, upholstered furniture and bedroom furniture) as well as small pieces of furniture (such as lighting products and accessories). home24 sources these products from more than 500 suppliers in over 30 countries, including direct sourcing from individual manufacturers for our own-brand range.

The products are marketed on the home24 platform, which comprises two distinct **business models:**

Third-party and white label products: a broad selection of home & living products marketed under third party and white label brands.

Private label products: bestsellers marketed under own private labels, which the Group sources at highly competitive prices directly from selected manufacturers and other suppliers.

The broad selection of products marketed under third-party and white label brands allows home24 to offer its customers a wide range of relevant mass market products. This is critical for serving the heterogeneous customer base in relevant markets where individual consumer brands are less important and a broad selection and diversity are key factors. This model also delivers important data on customer preferences and behavior that is used for making decisions about investing in new private labels. When marketing bestsellers as private label products, the Group can use its sound knowledge of customer preferences in terms of styles, materials and anchor prices to improve gross margin and offer bestsellers at attractive prices and with relatively short delivery times.

1.2. Group Structure and Internal Management System

home24 SE was founded in 2009 in Berlin, Germany. The condensed interim consolidated financial statements of home24 SE (the "Company") and its subsidiaries (collectively also referred to as "home24" or the "Group") are prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU. The principle business activity of the Group is online retail, focusing on the marketing, fulfillment and sale of home & living products in continental Europe and Brazil.

The home24 Group's two most important entities are home24 SE, registered in Berlin, Germany, and Mobly Comércio Varejista Ltda., registered in São Paulo, Brazil. The Management Board controls all activities at Group level, subdivided into the Europe and LatAm segments, with reporting of financial figures and non-financial key performance indicators playing a central role. The most important financial and non-financial key performance indicators for managing the Group are: Revenue growth excluding currency fluctuations, adjusted EBIDTA margin, cash flow from investing activities, cash flow from changes in net working capital, number of orders, number of active customers and average shopping cart.

The position of the Group in the Europe segment essentially corresponds to that of home24 SE.

1.3. Strategy and Objectives

The home & living industry appears particularly attractive to a disruptive online offering given that it is still highly fragmented, both in terms of suppliers and retailers. Unlike in the electronics or toy sectors, there are no dominant online or offline players in the furniture trade. Customers have little regard for brands, focusing instead on quality and pricing of individual products as well as the effectiveness and convenience of the respective retailer's platform. In addition, the fragmented supply base provides significant bargaining power to any market participant that can achieve a critical size. Furthermore, the online home & living industry benefits from other positive characteristics such as higher average order values and low return rates compared to many other e-commerce verticals.

Utilizing a state of the art, scalable IT platform that includes websites, native apps and also advanced big data analysis tools, home24 can tailor its marketing efforts and continuously update and improve its product range. This allows customers to find and buy their favorite products via all common devices even if they enter generic search terms. Factors determining customers' positive experience include excellent value for money, the quality of customer service, and free deliveries and returns within Europe. The Group's processes are continually optimized and dedicated to seamless procurement, storage, packaging, delivery, payment, through to customer service. Delivery is handled by reliable third-party carriers. In Brazil, home24 has successfully built up its own regional delivery networks using third-party carriers. Thanks to its optimized logistics infrastructure, home24 is in a position to offer a broad range of products with relatively short delivery times and low inventory levels, which leads to increasing awareness and loyalty to the home24 platform among customers.

home24 offers four **key value propositions:**

Choice: home24 wants to offer customers an unparalleled large and relevant selection of home & living products that fit their unique homes. As a mass market player, the Group focuses on product categories and price levels that are most relevant to a majority of potential customers.

Convenience: In order to make shopping for home & living products as convenient as possible, customers can access the Group's websites and apps from anywhere and at anytime. Adding to the high degree of convenience are the Group's comparably short delivery times, free delivery and return policies in Europe, dedicated customer service and the option to choose a delivery window for large products shipped by forwarders.

Value for Money: home24 wants to offer its customers attractively priced products. To this end, home24 leverages its direct contacts to manufacturers and other suppliers to negotiate discounts. A portion of these discounts are passed on to customers. home24 is so confident of the attractiveness of its prices that the Company usually offers its customers in Europe a best price guarantee for identical products.

Shopping Experience: home24 wants to offer a superior shopping experience, reflecting the fact that home & living products are shopped for based on visual impressions and inspirations. This is why the Group continuously invests in premier, high-quality and personalized content on its websites. Customers can be inspired in the Group's eight showrooms located in key metropolitan areas in Germany, Austria and Switzerland. Customers also receive on-site support in selecting the products and designs they like best.

2. MARKET DEVELOPMENT

The home & living segment is one of the largest consumer markets. Compared with the 2018 consolidated financial statements, the Group has no new information available as regards the overall market volume and growth potential in the countries served by home24 – Germany, France, Austria, the Netherlands, Switzerland, Belgium, Italy and Brazil.

3. FINANCIAL POSITION, CASH FLOWS AND FINANCIAL PERFORMANCE

3.1. Financial Performance of the Group

Simplified Income Statement

In EURm	H1 2019	H1 2018	Change	Change in %
Revenue	178.0	151.2	26.8	18%
Cost of sales	–101.3	–84.9	–16.4	19%
Gross profit	**76.7**	**66.3**	**10.4**	**16%**
Gross profit margin	**43%**	**44%**	**–1pp**	
Selling and distribution costs	–95.0	–74.1	–20.9	28%
Impairment losses on financial assets	–0.6	–0.4	–0.2	43%
Administrative expenses	–21.7	–22.4	0.7	–3%
Other operating income	0.7	0.7	0.0	8%
Other operating expenses	–1.1	–0.5	–0.6	>100%
Operating result (EBIT)	**–41.0**	**–30.4**	**–10.6**	**35%**

Non-financial Key-Performance Indicators

	Unit	H1 2019	H1 2018	Change in %
Number of orders	In k	1,016	843	21%
Average order value	In EUR	259	271	–4%
Number of active customers (as of June 30)	In k	1,416	1,163	22%

REVENUE

In the first six months of financial year 2019, consolidated revenue came to EUR 178.0m, up 18% y-o-y. Adjusted for foreign currency effects, revenue grew 19% y-o-y. Revenue growth was primarily driven by the higher number of active customers and orders placed. This positive effect was partly offset by a decline in the average order value (–4%) during the reporting period. As of June 30, 2019, home24 had a total of 1.4m active customers, compared to 1.2m as of June 30, 2018. The number of orders placed during the first six months of 2019 increased by 21% to 1.0m compared to the prior-year period. The market environment has recovered in the first half of 2019 compared to the prior-year period, which had tangible effects on customer demand and is reflected in higher online market growth y-o-y. Compared to the prior-year period, home24 has achieved solid revenue growth in the current financial year, among others as a result of improved customer order processing, despite reduced investments as a percentage of revenue in the acquisition of new customers.

COST OF SALES

Revenue less cost of sales results in gross profit. In the first six months of 2019, the Group posted a gross profit of EUR 76.7m, up 16% from EUR 66.3m in the same period of 2018. The increase is in line with the growth in revenue. The gross profit margin fell by 1 percentage point y-o-y to 43%.

SELLING AND DISTRIBUTION COSTS

In the first six months of 2019, selling and distribution costs amounted to EUR 95.0m, up 28% compared to EUR 74.1m in the corresponding period in 2018. Among other things, this was due to higher expenses – as expected – for the opening and ramp-up of the new warehouse location in Halle (Saale) and the mega outlets. These investment projects temporarily led to higher fulfillment expenses, especially for handling and moving merchandise, and an increase in other selling and distribution costs resulting from the depreciation of right-of-use assets. Amortization of trademarks also had a negative impact on other selling and distribution costs.

In EURm	H1 2019	H1 2018	Change	Change in %
Fulfillment expenses	–35.6	–28.3	–7.3	26%
Marketing expenses	–33.7	–29.5	–4.2	14%
Other selling and distribution costs	–25.7	–16.3	–9.4	58%
Total selling and distribution costs	**–95.0**	**–74.1**	**–20.9**	**28%**
as % of revenue				
Fulfillment expenses ratio	–20%	–19%	–1pp	
Marketing expenses ratio	–19%	–20%	1pp	

OTHER FINANCIAL KEY PERFORMANCE INDICATORS

In EURm	H1 2019	H1 2018	Change	Change in %
Profit contribution	40.5	37.6	2.9	8%
Profit contribution margin	**23%**	**25%**	**–2pp**	
Adjusted EBITDA	–23.4	–13.9	–9.5	68%
Adjusted EBITDA margin	**–13%**	**–9%**	**–4pp**	

Profit Contribution

Profit contribution comprises gross profit less fulfillment costs and impairment losses on financial assets. In the first six months of financial year 2019, the Group generated a profit contribution of EUR 40.5m and a profit contribution margin of 23%. In the 2018 consolidated financial statements, the impairment losses were not included in the profit contribution. Excluding the impairment losses on financial assets, the profit contribution for the first six months of 2019 would have been EUR 41.1m.

Adjusted EBITDA

In EURm	H1 2019	H1 2018	Change	Change in %
Operating result (EBIT)	**–41.0**	**–30.4**	**–10.6**	**35%**
Amortization of intangible assets, depreciation of property and equipment and of right-of-use assets	15.5	9.3	6.2	67%
Share-based payment	2.1	5.8	–3.7	–64%
Costs related to the IPO	0.0	1.3	–1.3	–100%
Adjusted EBITDA	**–23.4**	**–13.9**	**–9.5**	**68%**
Adjusted EBITDA margin	**–13%**	**–9%**	**–4pp**	

In the first six months of 2019, the adjusted EBITDA margin of –13% was four percentage points below the prior-year figure. Negative adjusted EBITDA increased from EUR 13.9m to EUR 23.4m, mainly due to higher fulfillment expenses and other selling and distribution costs resulting from ramp-up costs, and investments in warehouse capacity, mega outlets and their process infrastructure, whose positive contributions to earnings will not be fully felt until the next few quarters. The adjusted amounts include share-based payment expenses for employees and media services provided to the Company, with prior-year figures also containing IPO-related costs.

3.2. Financial Performance of the Segments

REVENUE

In the first six months of 2019, revenue in the Europe segment amounted to EUR 134.9m, up 14% y-o-y, representing 76% of Group revenue. In the first six months of 2019, revenue in the LatAm segment came to EUR 43.1m, up 32% y-o-y, thus contributing 24% to Group revenue. Adjusted for foreign currency effects, revenue in the LatAm segment grew by 38% y-o-y. Both segments recorded a decline in average order value accompanied by a rise in the number of active customers and orders placed. Adjusted for foreign currency effects, average order value in the LatAm segment went up by 1%.

ADJUSTED EBITDA

The Europe segment generated negative adjusted EBITDA of EUR 22.0m after EUR 14.3m in the prior-year period (EUR –7.7m). The negative adjusted EBITDA margin came in at 16% compared to 12% in the prior-year period.

The LatAm segment reached a negative adjusted EBITDA of EUR 1.4m after a positive EUR 0.4m in the prior-year period (EUR –1.8m). In particular, investments in new warehouses and retail capacities led to an increase in other selling and distribution costs. The adjusted EBITDA margin came in at –3% compared to +1% in the prior-year period.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

Europe	Unit	H1 2019	H1 2018	Change in %
Number of orders	In k	601	537	12%
Average order value	In EUR	338	341	–1%
Number of active customers (as of June 30)	In k	830	729	14%

LatAm	Unit	H1 2019	H1 2018	Change in %
Number of orders	In k	415	306	36%
Average order value	In EUR	143	149	–4%
Number of active customers (as of June 30)	In k	586	434	35%

3.3. Cash Flows

In EURm	H1 2019	H1 2018	Change	Change in %
Cash flow from operating activities	–39.4	–19.7	–19.7	100%
thereof from change in net working capital	–14.7	–2.1	–12.6	> 100%
Cash flow from investing activities	–12.9	–9.8	–3.1	32%
Cash flow from financing activities	–4.9	143.0	–147.9	> 100%
Net change in cash and cash equivalents	**–57.2**	**113.5**	**–170.7**	> 100%
Cash and cash equivalents at the beginning of the period	108.6	19.9	88.8	> 100%
Effect of exchange rate changes on cash and cash equivalents	0.0	–0.1	0.1	–100%
Cash and cash equivalents at the end of the period	**51.4**	**133.3**	**–81.9**	**–61%**

In the first six months of 2019, the Group's negative cash flow from operating activities amounted to EUR 39.4m compared to EUR 19.7m in the prior-year period. In the current financial year, the cash flow from operating activities was negatively impacted in particular by the loss from operating activities and the change in net working capital.

Cash outflows from investing activities primarily continued to relate to investments in internally generated and purchased software and the construction of the warehouse in Halle (Saale).

The cash flow from financing activities primarily concerns repayments of lease liabilities.

In total, the Group's cash and cash equivalents fell by EUR 57.2m in the first six months of 2019 and totaled EUR 51.4m as of the reporting date.

Taking into account the funds available at the time these financial statements were prepared, currently unused existing external financing lines, and underlying corporate planning, the Management Board assumes that home24's solvency and the ongoing funding of its growth projects are secured until December 31, 2020. These financial statements therefore have been prepared on a going-concern basis.

3.4. Financial Position

In EURm	June 30, 2019	December 31, 2018	Change	Change in %
Non-current assets	122.2	107.2	15.0	14%
Current assets	114.0	167.9	–53.9	–32%
Total assets	**236.2**	**275.1**	**–38.9**	**–14%**

In EURm	June 30, 2019	December 31, 2018	Change	Change in %
Equity	109.4	150.2	–40.8	–27%
Non-current liabilities	45.9	34.9	11.0	32%
Current liabilities	80.9	90.0	–9.1	–10%
Total equity and liabilities	**236.2**	**275.1**	**–38.9**	**–14%**

The assets and equity and liabilities of the Group changed compared to December 31, 2018, primarily because of the following balance sheet items:

The increase in non-current assets and non-current liabilities is primarily due to capitalized right-of-use assets and lease liabilities from new leases, mainly for the new warehouse in Halle (Saale).

Current assets decreased in particular due to the change in cash and cash equivalents explained in the "Cash flows" section.

Equity decreased by EUR 40.8m, mainly due to the operating result.

Overall, total assets decreased by EUR 38.9m from EUR 275.1m to EUR 236.2m.

3.5. Overall Assessment

Following investments in a new ERP system and the optimization of business processes, the Group continued to grow revenue in the first six months of financial year 2019.

Customer demand and online market growth normalized compared to the prior-year period. home24 has achieved solid revenue growth y-o-y in the first six months of the current financial year, primarily as a result of improved customer order processing and further investments in the acquisition of new customers. As expected, the key factors for the negative impact on profitability compared to the prior-year period were in particular higher expenses for the opening and ramp-up of the new warehouse location in Halle (Saale) and the mega outlets.

4. REPORT ON RISKS AND OPPORTUNITIES

The risk and opportunity profile did not change in the reporting period compared to the disclosures in the 2018 Group management report. The overall assessment of the Group does not reveal any threats to the going concern of the home24 Group due either to individual risks or aggregate risk exposure.

5. FUTURE PERFORMANCE AND OUTLOOK

home24 continued and successfully completed numerous capital expenditure measures in the first half of 2019. These are already having a positive impact on revenue and will have an increasingly positive effect on profitability in the course of the financial year.

home24 confirms its guidance of generating revenue growth in 2019 at or slightly above the 2018 growth rate (of 18% excluding currency fluctuations). The LatAm segment will contribute disproportionately to growth.

Regarding the improvement of its adjusted EBITDA margin, home24 now issues a more specific guidance, expecting it to be between –6% and –9% for 2019 as a whole. For the current financial year, home24 expects that efficiencies from investments underway and new initiatives to win customers and reduce costs will pave the way to profitability based on adjusted EBITDA. home24 continues to anticipate break-even based on adjusted EBITDA at the end of 2019.

The Group will continue to consistently pursue its strategy for growth. The focus for the 2019 financial year will remain on taking advantage of the economies of scale provided by growth and building on the Group’s competitive position.

Berlin, August 28, 2019

Marc Appelhoff   Christoph Cordes   Johannes Schaback

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In EURm	Notes	H1 2019	H1 2018	Q2 2019	Q2 2018
Revenue	(2)	178.0	151.2	84.8	66.7
Cost of sales		–101.3	–84.9	–48.7	–38.3
Gross profit		**76.7**	**66.3**	**36.1**	**28.4**
Selling and distribution costs		–95.0	–74.1	–42.0	–34.7
Impairment losses on financial assets		–0.6	–0.4	–0.3	–0.2
Administrative expenses		–21.7	–22.4	–10.9	–11.2
Other operating income		0.7	0.7	0.4	0.4
Other operating expenses		–1.1	–0.5	–0.9	–0.2
Operating result (EBIT)		**–41.0**	**–30.4**	**–17.6**	**–17.5**
Finance income		0.3	0.4	0.1	0.2
Finance costs		–2.3	–2.5	–1.4	–1.2
Loss before taxes		**–43.0**	**–32.5**	**–18.9**	**–18.5**
Income taxes		0.2	–0.1	0.2	–0.3
Loss for the period		**–42.8**	**–32.6**	**–18.7**	**–18.8**
Loss attributable to:					
Owners of the parent company		–41.8	–32.2	–18.0	–18.5
Non-controlling interests		–1.0	–0.4	–0.7	–0.3
Earnings per share (in EUR); undiluted (= diluted)		–1.61	–1.70	–0.69	–0.95
Average number of shares in circulation (in m); undiluted (= diluted)*		26.0	19.0	26.0	19.5
Other comprehensive income					
Items that may subsequently be reclassified to profit or loss:					
Exchange differences on translation of foreign financial statements		–0.1	0.7	0.0	0.5
Other comprehensive income/loss for the period, net of tax		**–0.1**	**0.7**	**0.0**	**0.5**
Total comprehensive loss for the period		**–42.9**	**–31.9**	**–18.7**	**–18.3**
Loss attributable to:					
Owners of the parent company		–41.9	–31.6	–18.0	–18.1
Non-controlling interests		–1.0	–0.3	–0.7	–0.2

* The average number of shares for all periods has been calculated by taking into account the share split registered in May 2018.

CONSOLIDATED BALANCE SHEET

In EURm	Notes	June 30, 2019	December 31, 2018
Non-current assets			
Property and equipment	(4)	17.8	10.7
Intangible assets	(5)	44.4	48.9
Right-of-use assets	(6)	49.9	37.6
Financial assets		9.2	9.0
Other non-financial assets		0.9	1.0
Total non-current assets		**122.2**	**107.2**
Current assets			
Inventories		36.7	32.6
Advance payments for inventories		1.8	2.4
Trade receivables		12.2	16.7
Other financial assets		2.9	2.2
Other non-financial assets		9.0	5.4
Cash and cash equivalents	(8)	51.4	108.6
Total current assets		**114.0**	**167.9**
Total assets		**236.2**	**275.1**

In EURm	Notes	June 30, 2019	December 31, 2018
Equity	(7)		
Issued capital		26.1	26.1
Treasury shares		–0.1	–0.1
Capital reserves		125.7	125.4
Other reserves		–4.7	–4.6
Accumulated loss/retained earnings		–24.5	15.5
Equity attributable to the owners of the parent company		**122.5**	**162.3**
Non-controlling interests		–13.1	–12.1
Total equity		**109.4**	**150.2**
Non-current liabilities			
Borrowings		0.7	0.8
Lease liabilities	(6)	41.8	31.1
Other financial liabilities		0.6	0.5
Provisions		2.0	1.4
Deferred tax liabilities		0.8	1.1
Total non-current liabilities		**45.9**	**34.9**
Current liabilities			
Borrowings		2.9	2.5
Lease liabilities	(6)	10.1	7.7
Trade payables		51.3	56.2
Advance payments received		8.9	14.6
Income tax liabilities		0.1	0.1
Other financial liabilities		3.0	3.6
Other non-financial liabilities		4.0	4.7
Provisions		0.6	0.6
Total current liabilities		**80.9**	**90.0**
Total liabilities		**126.8**	**124.9**
Total equity and liabilities		**236.2**	**275.1**

CONSOLIDATED STATEMENT OF CASH FLOW

In EURm	Notes	H1 2019	H1 2018
Cash flow from operating activities			
Loss before taxes		–43.0	–32.5
Depreciation of property and equipment		1.5	0.8
Amortization of intangible assets		9.1	4.8
Depreciation of right-of-use assets		4.9	3.7
Non-cash expenses from share-based payments		2.1	5.8
Other non-cash income and expenses		0.7	0.3
Change in provisions		0.0	–0.2
Change in net working capital			
Change in inventories and advanced payments for inventories		–3.3	–2.2
Change in trade receivables and other assets		0.5	0.1
Change in trade payables and other payables		–6.0	3.4
Change in advance payments received		–5.9	–3.4
Change in other assets/liabilities		0.1	–0.3
Income taxes paid, less reimbursements		–0.1	–0.1
Cash flow from operating activities		**–39.4**	**–19.7**
Cash flow from investing activities			
Payments to acquire property and equipment		–6.0	–0.7
Payments to acquire intangible assets		–6.7	–7.0
Change in restricted cash and long-term security deposits		–0.3	–2.1
Proceeds from government grants		0.1	0.0
Cash flow from investing activities		**–12.9**	**–9.8**
Cash flow from financing activities			
Proceeds from capital increases by shareholders less transaction costs		–0.6	147.6
Cash paid to owners and non-controlling interests		0.0	–0.4
Proceeds from borrowings		0.5	11.7
Repayment of borrowings		–0.1	–12.0
Redemption of lease liabilities		–4.7	–3.9
Cash flow from financing activities		**–4.9**	**143.0**
Net change in cash and cash equivalents		**–57.2**	**113.5**
Cash and cash equivalents at the beginning of the period		108.6	19.9
Effect of exchange rate changes on cash and cash equivalents		0.0	–0.1
Cash and cash equivalents at the end of the period	(8)	**51.4**	**133.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the owners of the parent company		
In EURm	**Subscribed capital**	**Treasury shares**	**Capital reserves**
As of January 1, 2018	**0.4**	**0.0**	**45.6**
Loss for the period			
Other comprehensive income			
Total comprehensive loss for the period	**0.0**	**0.0**	**0.0**
Proceeds from shares issued	6.5		143.5
Share split	18.0	0.0	–18.0
Share buyback		0.0	–0.4
Transaction costs, net of tax			–5.3
Equity-settled share-based payments			0.6
As of June 30, 2018	**25.0**	**0.0**	**165.9**

	Equity attributable to the owners of the parent company		
In EURm	**Subscribed capital**	**Treasury shares**	**Capital reserves**
As of January 1, 2019	**26.1**	**–0.1**	**125.4**
Loss for the period			
Other comprehensive income			
Total comprehensive loss for the period	**0.0**	**0.0**	**0.0**
Equity-settled share-based payments			0.3
As of June 30, 2019	**26.1**	**–0.1**	**125.7**

Equity attributable to the owners of the parent company							
	Other reserves						
	Currency translation reserve	Reserve for changes in accounting policies	Transactions with non-controlling interests	Accumulated loss/ Retained earnings	Total	Non-controlling interests	Total equity
	1.9	**0.1**	**−7.3**	**18.0**	**58.7**	**−11.4**	**47.3**
				−32.2	−32.2	−0.4	−32.6
	0.6				0.6	0.1	0.7
	0.6	**0.0**	**0.0**	**−32.2**	**−31.7**	**−0.3**	**−31.9**
					150.0		150.0
					0.0		0.0
					−0.4		−0.4
					−5.3		−5.3
				4.2	4.8	0.1	4.8
	2.5	**0.1**	**−7.3**	**−10.0**	**176.1**	**−11.7**	**164.4**

Equity attributable to the owners of the parent company							
	Other reserves						
	Currency translation reserve	Reserve for changes in accounting policies	Transactions with non-controlling interests	Accumulated loss/ Retained earnings	Total	Non-controlling interests	Total equity
	2.6	**0.1**	**−7.3**	**15.5**	**162.3**	**−12.1**	**150.2**
				−41.8	−41.8	−1.0	−42.8
	−0.1				−0.1	0.0	−0.1
	−0.1	**0.0**	**0.0**	**−41.8**	**−41.9**	**−1.0**	**−42.9**
				1.8	2.1		2.1
	2.5	**0.1**	**−7.3**	**−24.5**	**122.5**	**−13.1**	**109.4**

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2019

1. GENERAL DISCLOSURES

1.1. Corporate Information

home24 SE (formerly Home24 AG, the "Company") is a listed European stock corporation and the parent company of the home24 Group ("home24" or the "Group"). Shares in home24 SE were admitted for trading on the Frankfurt Stock Exchange (Prime Standard) on June 15, 2018. The Company's registered address is Greifswalder Straße 212-213, 10405 Berlin, Germany.

home24 considers itself the pure-play market leader and go-to destination for home & living online shopping in continental Europe, where it operates in seven countries predominantly under the "home24" brand, and in Brazil, where home24 operates under the "Mobly" brand.

1.2. Significant Accounting Policies

BASIS OF PREPARATION

The condensed and unaudited interim consolidated financial statements as of June 30, 2019, of home24 SE and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRSs) for interim financial reporting, as adopted by the European Union (IAS 34). The terms of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) were also complied with. The interim condensed consolidated financial statements do not include all of the information and disclosures required for consolidated financial statements as of year-end and must therefore be read in conjunction with the consolidated financial statements as of and for the year ended December 31, 2018.

The interim condensed consolidated financial statements are presented in euro (EUR). All amounts have been rounded to millions of euros (EURm), unless otherwise indicated. This can result in rounding differences, and the percentages presented may not precisely reflect the figures they refer to.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and recognition and measurement methods applied in the consolidated financial statements as of December 31, 2018, remain unchanged. Since the Group applied IFRS 16 in financial year 2018, the first-time application of new accounting standards as of January 1, 2019, as stated in the consolidated financial statements for the year ending December 31, 2018, did not have a material impact on the condensed interim consolidated financial statements.

2. REVENUE

In the first six months of financial year 2019, the Group generated revenue of EUR 176.4m (previous year: EUR 149.7m) from the sale of furniture and home furnishings through its web shops and outlets. The Group also recognized other revenue of EUR 1.6m (previous year: EUR 1.5m). In the first half of 2019, the Group increased its total revenue by 18% from EUR 151.2m to EUR 178.0m y-o-y,

Of total revenue, EUR 134.9m was generated in Europe (previous year: EUR 118.5m) and EUR 43.1m in Brazil (previous year: EUR 32.7m).

3. SHARE-BASED PAYMENT

The Company issued 1,118,303 options at a weighted issue price of EUR 9.97 to the Management Board and employees as part of the Long-Term Incentive Plan 2017 in the first half of 2019. The right to exercise these options is tied to the achievement of key financials and employee performance appraisals. The options may only be exercised four years after they were issued. Half of the instruments issued to the Management Board (719,668 options) will vest on April 1, 2020 and April 1, 2021, respectively.

The instruments issued to the employees (398,635 options) will vest on January 1, 2020. The plan is treated as equity-settled share-based payments.

The fair value of the options was calculated using the Black-Scholes option pricing model taking into account the following inputs (weighted average values):

Expected volatility	45.00 %
Share value (in EUR)	4.52
Expected dividend yield (in EUR)	0.0
Life of the options (in years)	4.0
Risk-free interest rate	0.00 %

Volatility was derived on the basis of historical share prices of comparable companies. The weighted fair value of the instruments issued was EUR 1.64 per instrument.

4. PROPERTY AND EQUIPMENT

Compared to December 31, 2018, property and equipment rose by EUR 7.1m to EUR 17.8m. The increase is mainly attributable to investments in the new warehouse location in Halle (Saale).

5. INTANGIBLE ASSETS

Compared to December 31, 2018, intangible assets decreased by EUR 4.5m to EUR 44.4m, mainly as a result of amortization of trademarks.

IMPAIRMENT TESTING OF ASSETS

During the reporting period, the Company's market capitalization fell below the carrying amount of the Group's net assets, which is an indicator of possible impairment of assets. The impairment tests concerning the Europe and LatAm cash-generating units carried out as at June 30, 2019 did not show any need for impairment.

6. LEASES

Right-of-use assets changed as follows during the financial year:

	2019	2018
Right-of-use assets as of January 1	**37.6**	**34.6**
Addition	17.2	1.7
Currency translation	0.0	–0.3
Depreciation	–4.9	–3.7
Right-of-use assets as of June 30	**49.9**	**32.3**

The addition in the current financial year results primarily from the new real estate lease agreement for the warehouse in Halle (Saale).

Accordingly, current and non-current lease liabilities increased by a total of EUR 13.1m to EUR 51.9m in the first six months of 2019.

7. EQUITY

Equity decreased by EUR 40.8m overall to EUR 109.4m, mainly due to the loss for the period.

The share capital entered in the commercial register as of June 30, 2019, amounts to EUR 26,060,010. The share capital as a whole is divided into 26,060,010 no-par value bearer shares each with a notional value of EUR 1 per share.

On June 19, 2019, the Annual General Meeting of the Company adopted a resolution to rename Contingent Capital 2017 contained in Article 4 (5) of the Articles of Association as Contingent Capital 2019 and to increase it from EUR 1,180,350 to EUR 2,096,972. This amendment to the Articles of Association had not yet been entered in the Commercial Register of the Company at the time of preparation and publication of this interim financial statements.

8. SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW

Cash and cash equivalents decreased by EUR 57.2m to EUR 51.4m.

The decrease in cash and cash equivalents is mainly attributable to the cash outflow from operating activities totaling EUR 39.4m. Cash outflows from investing activities totalling EUR 12.9m primarily continued to relate to investments in internally generated and purchased software and the construction of the warehouse in Halle (Saale).

The amount of interest paid totaled EUR 1.5m (prior year: EUR 1.7m) in the reporting period.

Cash and cash equivalents presented in the statement of cash flows correspond to the cash and cash equivalents shown in the statement of financial position and solely comprise bank balances, cash in hand and short-term demand deposits.

9. SEGMENT REPORTING

The Group measures profitability based on adjusted EBITDA. EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted amounts include share-based payment as well as costs related to the IPO in the previous year.

External Group revenue almost exclusively comprises income from the sale of furniture to end customers. There are no inter-segment sales.

No information on segment assets or liabilities is relevant for decision-making.

In EURm	Europe	LatAm	H1 2019
External revenue	134.9	43.1	178.0
Adjusted EBITDA	–22.0	–1.4	–23.4
Share-based payment			–2.1
Amortization of intangible assets and depreciation of property and equipment and right-of-use assets			–15.5
Finance costs – net			–2.0
Loss before taxes			**–43.0**

In EURm	Europe	LatAm	H1 2018
External revenue	118.5	32.7	151.2
Adjusted EBITDA	–14.3	0.4	–13.9
Share-based payment			–5.8
Costs related to the IPO			–1.3
Amortization of intangible assets and depreciation of property and equipment			–9.3
Finance costs – net			–2.1
Loss before taxes			**–32.5**

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

With the exception of derivative financial liabilities from foreign currency forwards recognized in other financial liabilities, the Group's financial assets and liabilities are measured at amortized cost. Due to their short terms and/or variable interest rates their fair values almost correspond to their respective carrying amounts.

Foreign currency forwards recognized in other financial liabilities (EUR 0.1m; December 31, 2018: EUR 0.0m) are accounted for at fair value through profit and loss. Their fair value is measured using a measurement model with inputs observable on the market (Level 2 of the fair value measurement hierarchy in IFRS 13). It is determined based on the present values of future payments due using the yield curves for the relevant currencies applicable as of the reporting date.

11. TRANSACTIONS WITH RELATED PARTIES

home24 identifies the related parties of home24 SE in accordance with IAS 24. All transactions with related parties were conducted at arm's length prices and terms.

Transactions with Rocket Internet SE and Kinnevik AB

The main shareholder, Rocket Internet SE, Berlin, Germany, was no longer represented on the Company's Supervisory Board as of June 30, 2019. Until May 2019, home24 was included in the consolidated financial statements of Rocket Internet SE as an associate. As of the June 30, 2019, reporting date, Rocket Internet SE is no longer considered a related party of home24.

The main shareholder Kinnevik Online AB, Stockholm, through its subsidiary Kinnevik Internet Lux S.à r.l, Luxembourg, continues to be represented on the Supervisory Board of home24 SE.

In the current financial year, the Company purchased services from Rocket Internet SE amounting to EUR 0.0m (2017: EUR 0.1m) during the period in which Rocket Internet SE was considered a related party. In addition, financing costs of EUR 0.4m were incurred in the prior-year period in relation to a financing agreement.

No reportable transactions existed with Kinnevik AB during the reporting period and in the prior-year period.

Transactions with Key Management Personnel

In January 2019, Management Board member Johannes Schaback acquired shares in home24 SE with a volume of EUR 0.1m.

12. CHANGES ON THE SUPERVISORY BOARD AND MANAGEMENT BOARD

In agreement with the Supervisory Board, Christian Senitz resigned his post on the Supervisory Board with effect from January 28, 2019. The terms of office of the other members of the Supervisory Board ended at the conclusion of the Annual General Meeting on June 19, 2019.

On June 19, 2019, the Annual General Meeting of the Company adopted a resolution to reduce the size of the Supervisory Board from six to four members. The previous members Lothar Lanz, Verena Mohaupt, Franco Danesi and Magnus Agervald were reelected to the Supervisory Board. Their terms of office will run until the end of the Annual General Meeting that passes a resolution concerning the ratification of acts of the Supervisory Board members for financial year 2020.

In agreement with the Supervisory Board, Philipp Kreibohm resigned his post as member of the Management Board with effect from March 31, 2019. At its meeting on February 11, 2019, the Supervisory Board prematurely extended the appointment of Management Board member Johannes Schaback by a further two years until the end of March 31, 2021.

13. EVENTS AFTER THE REPORTING PERIOD

On June 19, 2019, the Management Board of the Company adopted a resolution, approved by the Supervisory Board on June 19, 2019, to increase the Company's share capital by EUR 210,786 from EUR 26,060,010 to EUR 26,270,796 by issuing 210,786 new no-par value bearer shares with a notional value of EUR 1 per share and disapplying shareholders' preemptive rights, in return for cash contributions utilizing Authorized Capital 2015/II (Article 4 (3) of the Company's Articles of Association). This amendment to the Articles of Association became effective upon entry in the Commercial Register of the Company after the reporting date on August 14, 2019.

On August 14, 2019, the Management Board of the Company adopted a resolution, approved by the Supervisory Board on August 14, 2019, to increase the Company's share capital by EUR 80,769 from EUR 26,270,796 to EUR 26,351,565 by issuing 80,769 new no-par value bearer shares with a notional value of EUR 1 per share and disapplying shareholders' preemptive rights, in return for cash contributions utilizing Authorized Capital 2015/III (Article 4 (4) of the Company's Articles of Association). This amendment to the Articles of Association became effective upon entry in the Commercial Register of the Company after the reporting date on August 20, 2019. The capital increase served solely to issue new no-par value shares for the purposes of fulfilling present or future pecuniary claims of directors or employees of the Company arising from the "virtual" stock option programs in 2010 and 2013/2014 (concerning shadow options and collectively referred to as "option program"). The Management Board members Marc Appelhoff and Christoph Cordes were admitted to subscribe for 31,921 new no-par value shares each in return for contribution of their respective entitlements under the option program. The 31,921 new shares each subscribed for by Marc Appelhoff on August 14 and Christoph Cordes on August 15 were created when the capital increase came into effect upon entry in the commercial register on August 20, 2019.

On August 15, 2019, the Management Board of the Company adopted a resolution, approved by the Supervisory Board on August 15, 2019, to increase the Company's share capital by EUR 57,621 from EUR 26,351,565 to EUR 26,409,186 by issuing 57,621 new no-par value bearer shares with a notional value of EUR 1 per share and disapplying shareholders' preemptive rights, in return for cash contributions utilizing Authorized Capital 2017 (Article 4 (6) of the Company's Articles of Association). This amendment to the Articles of Association became effective upon entry in the Commercial Register of the Company after the reporting date on August 21, 2019.

There were no other events of material significance after the reporting date.

Berlin, August 28, 2019

The Management Board

Marc Appelhoff Christoph Cordes Johannes Schaback

RESPONSIBILITY STATEMENT BY THE MANAGEMENT BOARD

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

Berlin, August 28, 2019

The Management Board

Marc Appelhoff   Christoph Cordes   Johannes Schaback

REVIEW REPORT

To home24 SE

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected explanatory notes, and the interim group management report of home24 SE, Berlin, for the period from January 1 to June 30, 2019, which are part of the six-monthly financial report pursuant to Sec. 115 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs [International Financial Reporting Standards] on interim financial reporting as adopted by the EU and of the 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 interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Berlin, August 28, 2019

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Glöckner Wirtschaftsprüfer [German Public Auditor]	Haas Wirtschaftsprüfer [German Public Auditor]

GLOSSARY

Adjusted EBITDA – defined as earnings before interest, taxes, depreciation and amortization, adjusted for share-based payment expenses for employees, media services provided to the Company and costs incurred in connection with the listing of existing shares and other one-off expenses, mainly service fees for legal and other consulting services associated with the IPO.

Adjusted EBITDA margin – defined as the ratio of adjusted EBITDA to revenue.

Administrative expenses – defined as the sum of overhead expenses including employee benefit expenses and share-based payment expenses for employees and executives, depreciation and amortization, IT and other overhead costs, as well as costs related to the IPO.

Average shopping cart or average order value – defined as the aggregated gross order value of the orders placed in the respective period, including VAT, divided by the number of orders, without factoring in cancellations and returns as well as subsequent discounts and vouchers.

Cost of sales – defined as the purchase price of the goods acquired plus inbound shipping charges.

Employees – defined as employees of any gender who are not members of the Management Board, apprentices or trainees.

Fulfillment expenses– defined as the sum of expenses relating to the dispatching, handling and packaging of goods, warehouse employee benefits, temporary warehouse work obtained and payment processing.

Gross order value – defined as the aggregated gross order value of the orders placed in the respective period, including VAT and without factoring in cancellations and returns as well as subsequent discounts and vouchers.

Gross profit – defined as revenue less cost of sales.

Gross profit margin – defined as gross profit divided by revenue.

Key non-financial performance indicators – defined as the number of orders, the number of active customers and the value of the average shopping cart.

Marketing expenses – defined as the sum of expenses for performance marketing and TV marketing, excluding share-based payment marketing expenses.

Net working capital – defined as inventories, advance payments for inventories, trade receivables, current financial and non-financial assets less trade payables, current financial and non-financial liabilities and advance payments received (except for financial assets and liabilities from derivative financial instruments).

Number of active customers – defined as the number of customers that have placed at least one non-canceled order in the 12 months prior to the respective date, without factoring in returns.

Number of orders – defined as the number of orders placed in the relevant period, regardless of cancellations or returns.

Number of website visits – defined as the number of interactions on a website that are not interrupted by a 30-minute period of inactivity, midnight or a change in campaign source (e.g. different keywords on Google – with the exception of direct traffic).

Other selling and distribution costs – defined as the sum of rent or depreciation of right-of-use-assets for leased warehouses, outlets and showrooms, share-based payment marketing expenses, other logistics and marketing expenses, employee benefits and expenses for temporary work obtained for central fulfillment and marketing activities including customer service, miscellaneous expenses and other depreciation.

Profit contribution – defined as gross profit less fulfillment expenses and impairment losses on financial assets.

Revenue growth at constant currency – defined as revenue growth using constant BRL/EUR exchange rates from the previous year.

Sites – defined as the mailing addresses of the Company or companies controlled by the Company (headquarters, outlets, showrooms, warehouses).

SKUs (stock keeping units) – defined as code numbers for individual products included in the home24 product range.

FINANCIAL CALENDAR 2019

November 26, 2019	Publication quarterly financial report Q3

IMPRINT

CONTACT
home24 SE
Greifswalder Straße 212–213
10405 Berlin
Germany

Philipp Steinhäuser
Finance & Investor Relations

Email: ir@home24.de
Phone: +49 30 201 634 728

CONSULTING, CONCEPT & DESIGN
Silvester Group, Hamburg
www.silvestergroup.com

Legal Disclaimer

This document contains forward-looking statements. These statements reflect the current view, expectations and assumptions of the management of home24 SE and are based upon information currently available to the management of home24 SE. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results and developments to differ materially from the expectations and assumptions described in this document. These factors include, in particular, changes to the overall economic framework conditions and the general competitive environment. Besides, developments on the financial markets and changes of currency exchange rates as well as changes in national and international legislation, in particular tax legislation, and other factors have influence on the future results and developments of the Company. Neither home24 SE nor any of its affiliates assume any kind of responsibility, liability or obligations for the accuracy of the forward-looking statements and their underlying assumptions in this document. Neither home24 SE nor any of its affiliates do assume any obligation to update the statements contained in this document.

This Half-year Report has been translated into English. It is available for download in both languages at www.home24.com. If there are variances, the German version has priority over the English translation.

home24 SE
Greifswalder Straße 212 – 213,
10405 Berlin
Germany
E-Mail: ir@home24.de