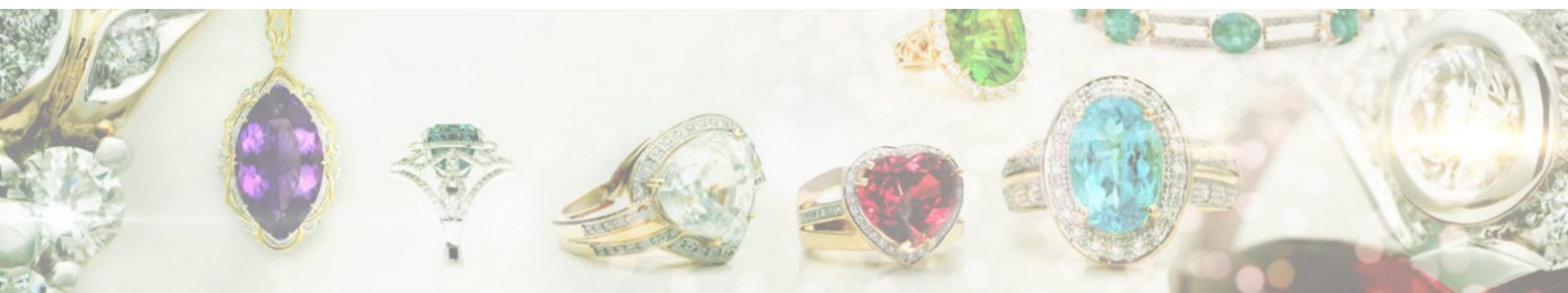


# elumeo

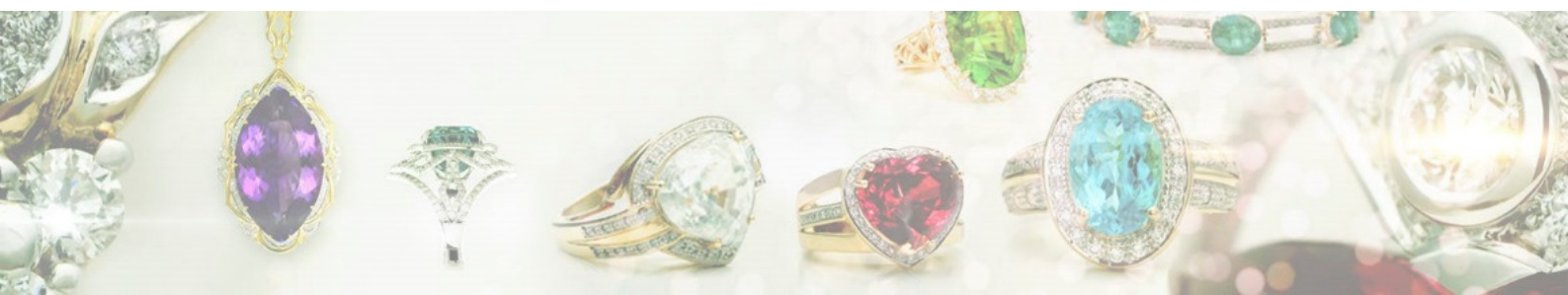
Half Year Financial Report

H1/2015



## KEY FIGURES

EUR thousand [except if otherwise indicated]	Q2 2015		Q2 2014		1 Jan - 30 Jun 2015		1 Jan - 30 Jun 2014	
Revenue .....	20,003		17,102		39,481		32,453	
<u>Product revenue by regions</u> [absolutely and in % of product revenue]								
Germany .....	12,244	61%	9,496	56%	24,424	62%	19,774	61%
Italy .....	3,308	17%	2,784	16%	6,971	18%	5,283	16%
United Kingdom .....	4,406	22%	4,698	27%	7,934	20%	7,013	22%
Other countries .....	46	0%	124	1%	138	0%	377	1%
<u>Product revenue by distribution channels</u> [absolutely and in % of product revenue]								
TV revenue .....	14,027	70%	14,386	84%	29,746	75%	27,281	84%
eCommerce revenue .....	5,976	30%	2,716	16%	9,721	25%	5,167	16%
[The following disclosures are presented: absolutely and in % of revenue]								
Gross profit .....	10,014	50.1%	9,297	54.4%	19,844	50.3%	17,380	53.6%
EBITDA .....	2,239	11.2%	817	4.8%	1,341	3.4%	1,848	5.7%
Adjusted EBITDA .....	1,266	6.3%	1,207	7.1%	1,916	4.9%	1,467	4.5%
Depreciation and amortization .....	204	1.0%	166	1.0%	390	1.0%	320	1.0%
EBIT .....	2,034	10.2%	651	3.8%	951	2.4%	1,528	4.7%
Adjusted EBIT .....	1,062	5.3%	1,041	6.1%	1,526	3.9%	1,147	3.5%
Earnings for the period .....	1,193	6.0%	647	3.8%	536	1.4%	1,305	4.0%
Total comprehensive income .....	-412	-2.1%	728	4.3%	1,510	3.8%	1,404	4.3%
Selling and administrative expenses ....	7,884	39.4%	8,509	49.8%	18,776	47.6%	17,200	53.0%
Total assets .....	53,623		32,138		—	—	—	—
Total equity .....	26,035	48.6%	14,011	43.6%	—	—	—	—
[absolutely and in % of balance sheet total]								
Working capital .....	25,839	32.3%	12,037	17.6%	—	—	—	—
[absolutely and in % of revenue]								
[The following disclosures are presented: absolutely and in % of revenue]								
Cashflow from operating activities ....	-1,919	-9.6%	427	2.5%	-9,716	-25%	570	1.8%
Cashflow from investing activities .....	-1,050	-5.2%	-267	-1.6%	-1,474	-3.7%	-554	-1.7%
Cashflow from financing activities .....	4,037	20%	8	0.0%	11,592	29.4%	79	0.2%
Items sold [pieces] .....	299,770		224,733		602,640		443,528	
Average sales price [EUR] .....	66.73		76.10		65.51		73.17	
Gross profit per item sold [EUR] .....	33.41		41.37		32.93		39.18	
<u>New customer breakdown</u> <u>for Germany only</u> [in % of new customers]								
TV only .....	37%		66%		43%		65%	
Web only .....	54%		25%		45%		22%	
Others .....	9%		9%		12%		12%	



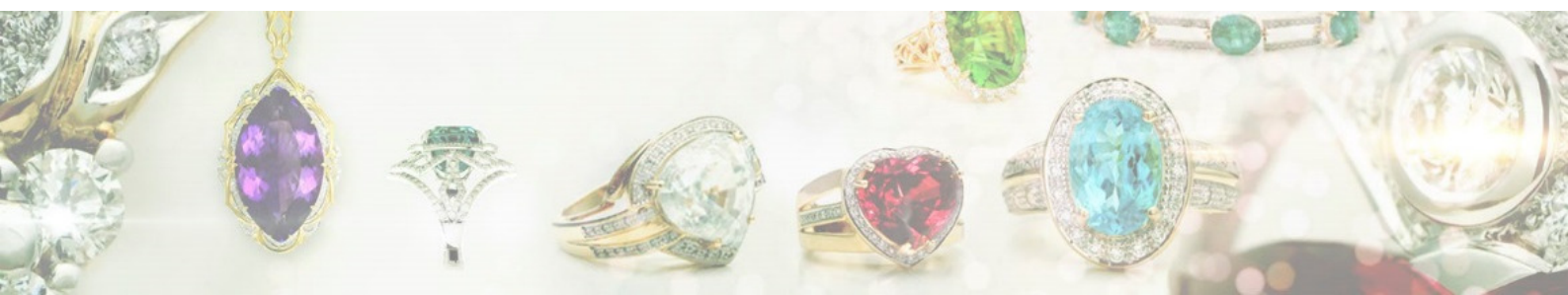
## FINANCIAL CALENDER

28 August 2015

Publication of Half Year Financial Report H1/2015

27 November 2015

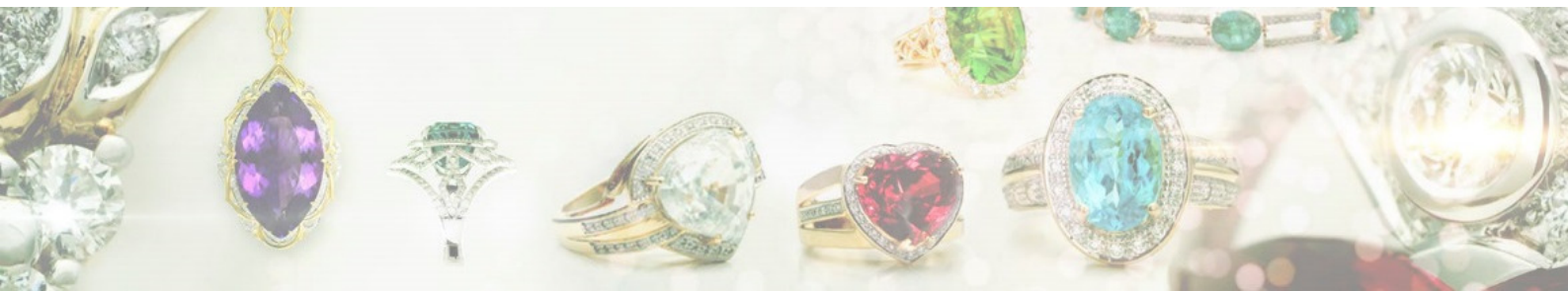
Publication of Quarterly Financial Report Q3/2015





## TABLE OF CONTENTS

<b>I.</b>	<b>TO OUR SHAREHOLDERS .....</b>	<b>4</b>
	Letter from the Chairman of the Executive Board .....	5
	Capital market information.....	7
<b>II.</b>	<b>INTERIM GROUP MANAGEMENT REPORT.....</b>	<b>10</b>
	Economic report .....	11
	Supplementary report.....	18
	Opportunity and risk report.....	18
	Forecast report .....	18
<b>III.</b>	<b>INTERIM CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>19</b>
	Interim consolidated statement of income .....	20
	Interim consolidated statement of comprehensive income .....	21
	Interim consolidated statement of financial position .....	22
	Interim consolidated statement of changes in equity .....	24
	Interim consolidated statement of cash flows.....	25
<b>IV.</b>	<b>NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>26</b>
<b>V.</b>	<b>RESPONSIBILITY STATEMENT.....</b>	<b>52</b>





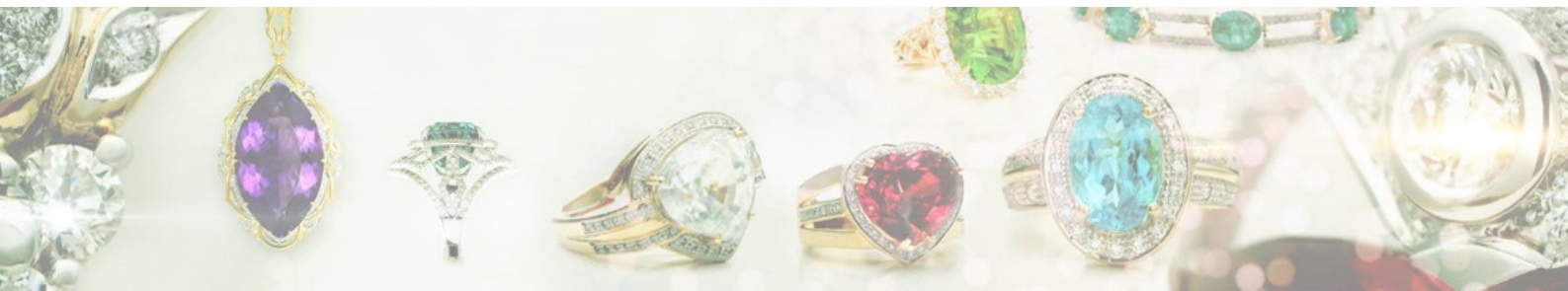
I. TO OUR SHAREHOLDERS

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I. TO OUR SHAREHOLDERS ..... 4

Letter from the Chairman of the Executive Board .....5

Capital market information..... 7



## Letter from the Chairman of the Executive Board

Dear Ladies and Gentlemen, Shareholders,  
Employees and Business Partners,

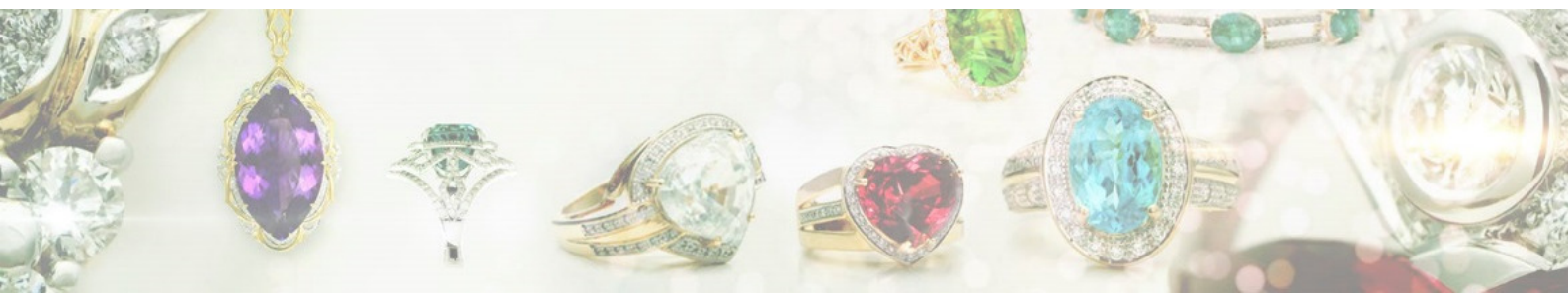
An eventful phase lies behind us: On 3 July 2015, we successfully launched elumeo SE on the Frankfurt trading floor. This was a huge project which posed a challenge for our entire company and which we were only able to tackle together. On behalf of the Executive Board, I would like to extend our sincere thanks once again to all of the staff and supporters who helped pave the way for this important achievement.

We have now been a publicly traded company on the Prime Standard of the Frankfurt Stock Exchange since early July. In total, the company was able to successfully place its 1,500,000 new shares at a price of EUR 25.00 each. The fact that we actually succeeded in taking this step was all the more remarkable considering the challenging market environment and reflects the substance of our business model. We are all the more pleased to present the first financial report of elumeo SE today.

The first half of 2015 was a promising start to a successful business year. We have expanded our business activities and grown profitably. Compared to last year, we were able to significantly increase our revenues by around 21.7% to EUR 39.5 million in the first six months of 2015. Our strong winter sale in the first quarter and the positive customer response to our product collections contributed significantly to this growth. And we also improved our profitability. Adjusted for special items and IPO and restructuring expenses, EBITDA (earnings before interest, taxes, depreciation and amortisation) increased by 30.6% to around EUR 1.9 million (prior-year period: EUR 1.5 million). Accordingly, the EBITDA margin was 4.8% in the first half of 2015 or 0.3%-points higher than in the prior-year period. This positive development was also reflected in our total comprehensive income, which amounted to EUR 1.5 million and was around 7.6% higher than the prior-year period's figure of EUR 1.4 million.

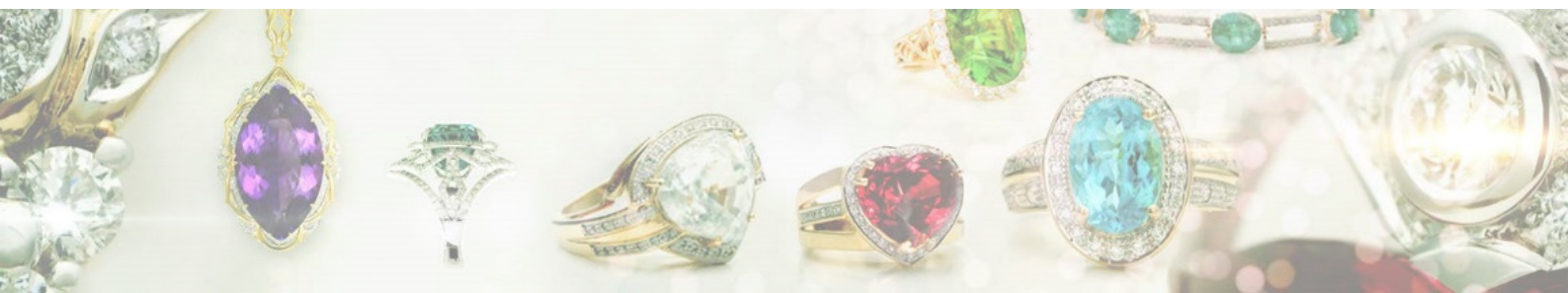
We are particularly proud of the increase in the number of new customers in the first half of 2015. We managed to seize the market trend and acquire significantly more new customers, especially in the online business. Whereas the online business accounted for around 22% and the sales channel TV for around 65% of new customers in the first half of 2014, the online division contributed around 45% in the reporting period 2015 – and was thus even 2%-points higher than the area of TV distribution. Our online business also benefitted from our expansion into other countries such as Belgium. Together with a Joint Venture partner, we also started to launch Juwelo.com in the United States in the first half of the year. We are convinced that the online market for jewelry will continue to grow in the coming years in our European core markets. It is therefore also our aim to address this market intensively and to exploit its growth potential.

We are convinced that we will be able to continue our success through our diversified, scalable and cost-effective business model and our strong market position in all major European jewelry markets as the year progresses.



With the IPO of elumeo SE, we have reached a significant milestone in our corporate history. We now intend to consistently take advantage of the opportunities available to us in our target markets. For this reason, we will invest the gross proceeds of around EUR 35.5 million (after deduction of basic bank fees) to expand our product portfolio, strengthen our price leadership and to continue to pursue our digital and international expansion.

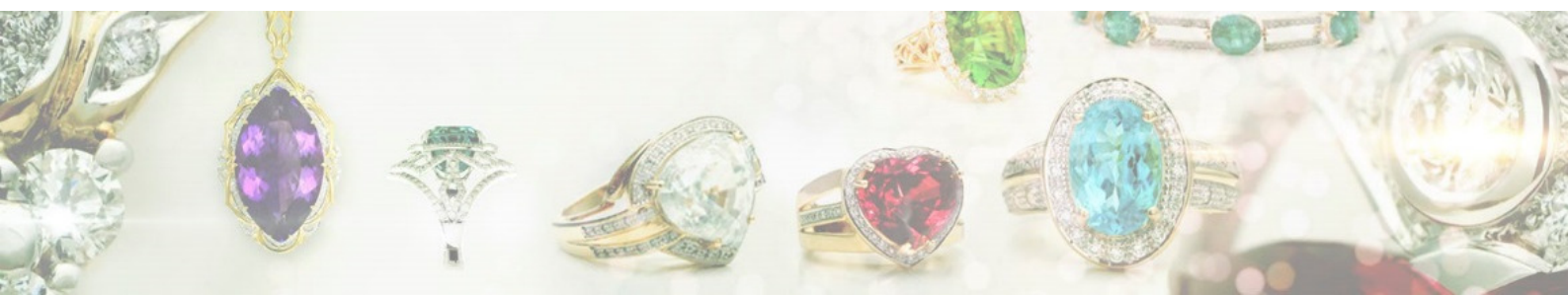
We thank everyone who made this possible – especially our shareholders who place their trust in our company. We will continue to work hard to live up to your expectations in the future because we want to continue on our path together with you.



## Capital market information

### Basic data and key figures on the share of elumeo SE

SIN (Wertpapierkennnummer, "WKN") ...	A11Q05
ISIN .....	DE000A11Q059
First trading day .....	3 July 2015
Issue price .....	EUR 25.00
Gross proceeds after deduction of basic bank fees .....	EUR 35.5 million
Use of proceeds .....	Expansion of the product range (approx. 50%) Strengthening of price leadership (approx. 25%) Investment in digital and international expansion (approx. 25%)
Structure of the public offering .....	Offer of 1,725,000 ordinary shares with no par value (no-par value shares) consisting of: 1,500,000 new shares from a capital increase and 225,000 existing shares from the holdings of the selling shareholders for the purpose of over-allotment

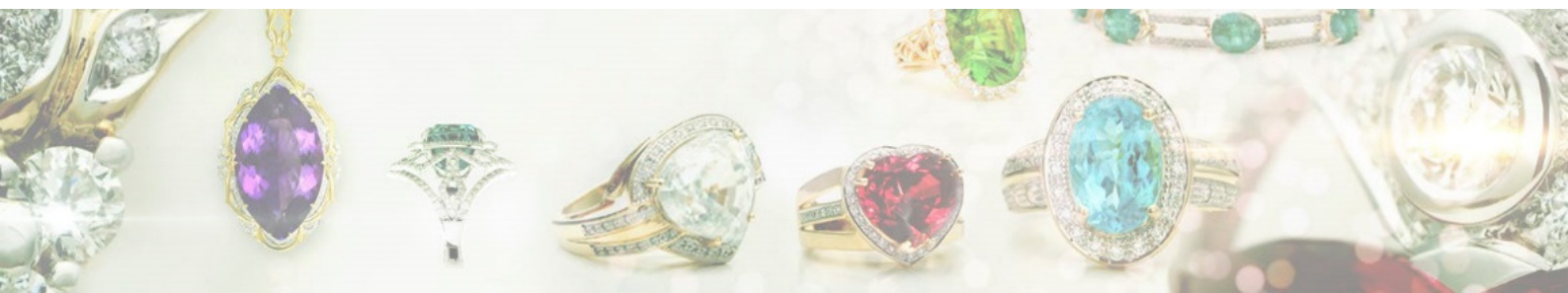


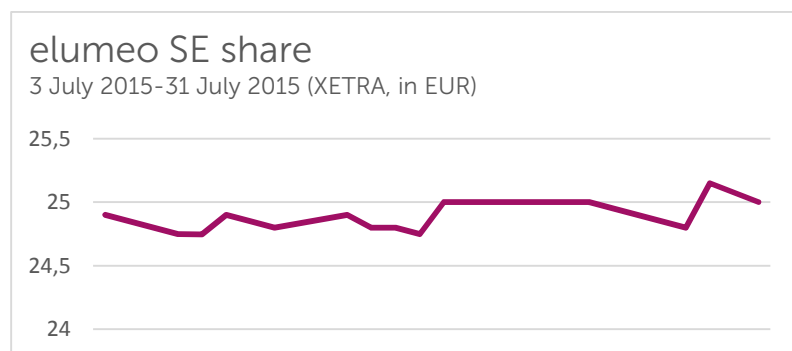
## Course of IPO and performance since IPO



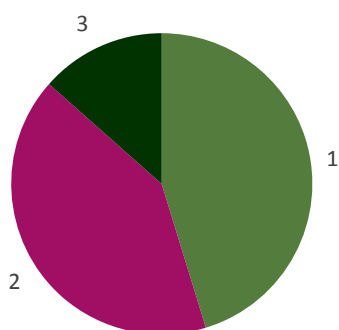
On 3 July 2015, elumeo SE completed its IPO as planned, despite the challenging market environment. The shares have been trading in the Prime Standard on the Regulated Market of the Frankfurt Stock Exchange since 3 July 2015. With an issue price of EUR 25.00 per share, the gross proceeds from the IPO totalled EUR 37.5 million. At EUR 25.00, the first trading price corresponded exactly to the issue price. The elumeo Group will use the net proceeds from the IPO to expand its product range, extend its price leadership and to invest in digital and international expansion.

On the first trading day on 3 July 2015, the share of elumeo SE ended with a closing price of EUR 24.90. The share recorded its lowest closing price of EUR 24.75 thus far on 7 July 2015. Its highest level since the IPO was the price of EUR 25.15, which posted on 28 July 2015. The further development of the share of the manufacturer and electronic retailer of gemstone jewelry up until 31 July 2015 followed a sideways trend.



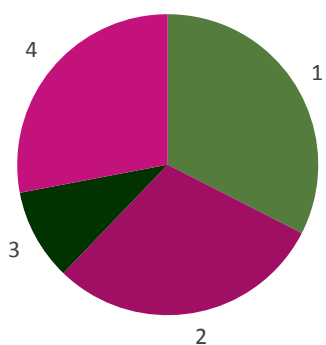


### Shareholder structure before IPO

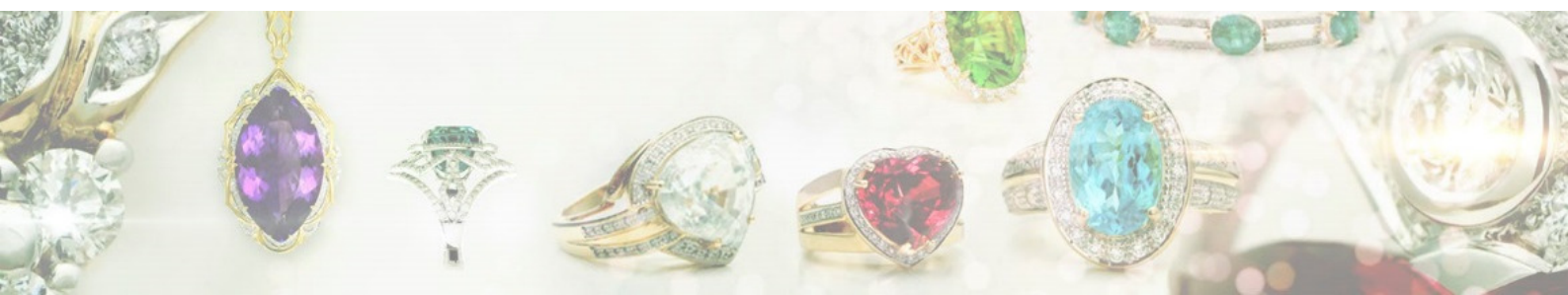


Shareholder structure	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA .....	45.25%
2. Blackflint Ltd. ....	41.29%
3. Management (thereof Wolfgang Boyé 1.71%) ·	13.46%

### Shareholder structure after IPO/after greenshoe



Shareholder structure	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA .....	32.54%
2. Blackflint Ltd. ....	29.66%
3. Management (thereof Wolfgang Boyé 1.24%) .....	9.79%
4. Free float .....	28.01%

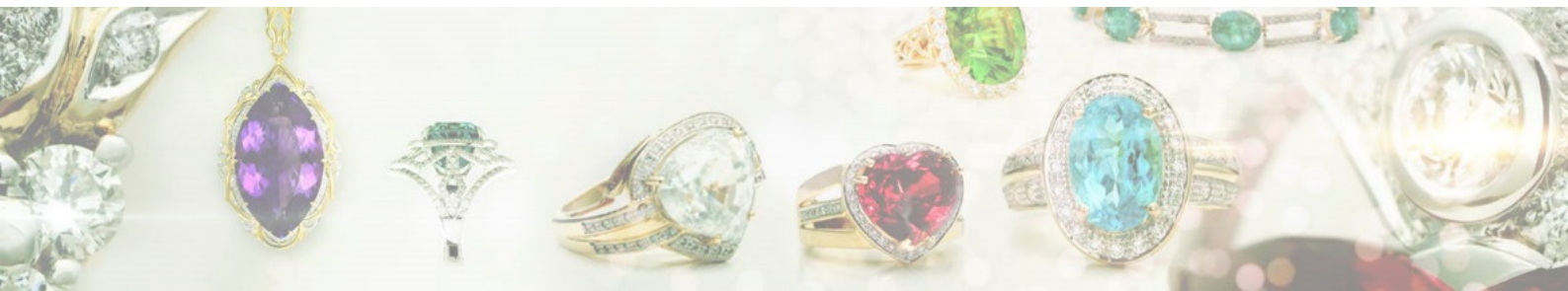




## II. INTERIM GROUP MANAGEMENT REPORT

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II.	INTERIM GROUP MANAGEMENT REPORT.....	10
	Economic report .....	11
	Macroeconomic environment .....	11
	Industry conditions.....	12
	Business development H1 2015 .....	13
	Supplementary report.....	18
	Opportunity and risk report.....	18
	Forecast report.....	18



## Economic report

### Macroeconomic environment

According to the Kiel Institute for the **World Economy** (IfW), the global gross domestic product (GDP) increased in the second half of 2014 at an average rate of 0.9% per quarter. Growth slowed, however, at the beginning of 2015. In the first quarter of 2015, the global GDP only grew at a rate of 0.6%. The IfW assumes that global GDP growth will amount to 3.4% in 2015 and 3.8% in 2016.

The elumeo Group is active in seven countries of the **euro area** as well as Switzerland and the United Kingdom. With expected growth rates of 1.5% in the GDP in the euro area in the current year 2015 and 1.8% next year, economic growth is strengthening.

The economy in **Germany** continues to gain momentum. The IfW expects GDP growth of 1.8% for 2015. In 2016, the pace of expansion is even expected to accelerate to 2.1%. Growth had slowed in the first quarter of 2015; however a sustained high rate of expansion is emerging for the following quarters in 2015 and 2016.

The IfW also expects an increase in GDP in **Austria**. The IfW expects GDP to rise from 0.3% in 2014 to 0.8% in 2015 and then to 1.9% in 2016.

**Switzerland** will most likely register a decline in GDP growth in 2015 to 1.3% from 2.0% the previous year. According to forecasts provided by the IfW, however, the GDP growth rate will rise again to 2.1% in 2016.

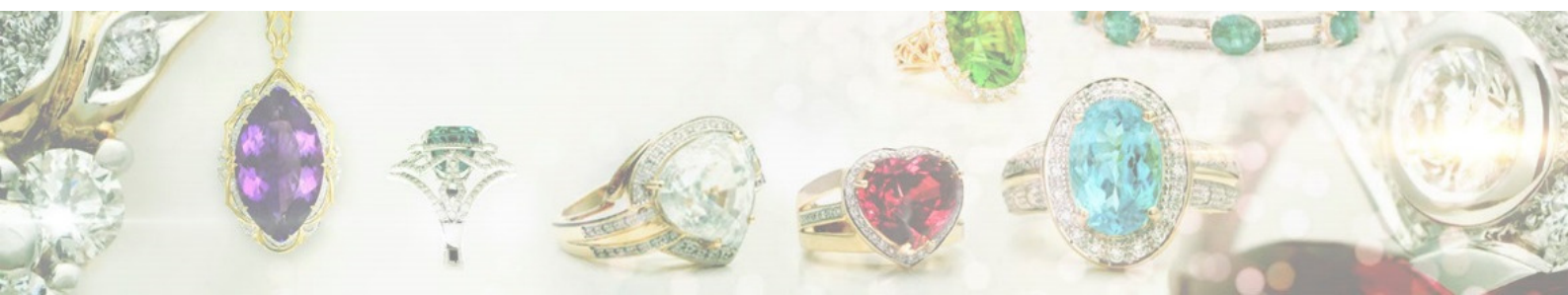
The economy in **Italy** is also geared towards further growth. After the economy registered a decline of -0.4% in 2014, the IfW expects an increase of 0.6% in 2015. Further growth is forecasted for 2016 and GDP should therefore rise by 1.1%.

The **United Kingdom** is currently experiencing sustained high GDP growth. According to estimates by the IfW, the GDP could well increase by 2.5% in 2015 and 2016.

The IfW projects GDP growth of 1.1% for the economy in **France** in 2015 and 1.4% in 2016. In **Spain**, the economy is experiencing a strong upward trend this year. The GDP grew by only 1.4% in 2014, while GDP growth is projected to be 2.8% for the current year and 2.5% for 2016.

GDP growth of 2.0% is expected for the **Netherlands** in 2015. Nevertheless, the IfW expects a slight decrease in GDP growth to 1.7% in 2016. The GDP in **Belgium** is expected to grow by 1.0% in 2015 and thus at last year's level. For 2016, the IfW predicts an increase in GDP to 1.8%.

Overall, there have been no significant changes in the macroeconomic environment compared with the explanations in elumeo SE's listing prospectus ("Securities Prospectus"). Due to the close proximity of the reporting date and the time of publication of the Securities Prospectus on 17 June 2015, please refer for **further information** to sections [12. Market and competitive landscape] and [14. Regulatory environment] in the Securities Prospectus.



## Industry conditions

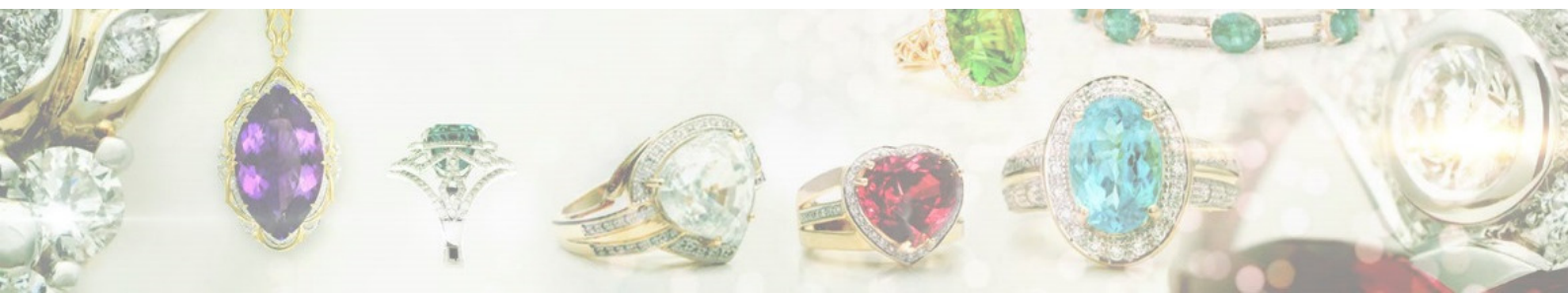
According to McKinsey & Company, the **global jewelry industry** will evolve in the future in terms of both consumer behaviour and the industry itself. According to McKinsey, global jewelry sales amounted to EUR 148 billion in 2013. The growth trend of the global jewelry industry is also expected to continue in the years to come and to form a global annual jewelry market worth EUR 250 billion in 2020. This corresponds to an average annual growth rate of 7.8% for the period from 2013 to 2020. Online jewelry sales are also expected to increase from approximately EUR 6.7 billion in 2013 to EUR 25.0 billion in 2020, which corresponds to an average annual growth of 20.8%.

As a manufacturer and electronic retailer of gemstone jewelry, the elumeo Group sells its mainly self-produced, handmade jewelry through direct sales channels such as TV home shopping channels, online stores, or apps for smartphones and smart TVs. According to a study conducted by Digital TV Research, the number of connected televisions is expected to increase from 2010 to 2020 at a rate of 25.1% to 965 million. Furthermore, according to Statista, the number of smartphones sold is expected to rise from 0.7 billion units in 2013 to 1.9 billion units in 2018.

The elumeo Group is primarily active in the **European jewelry market**. According to TechSci Research, a global market research and consulting company, the European jewelry market is the third largest in the world and accounts for one fifth of the world's total market. In 2013, the European jewelry market generated revenues of EUR 34.2 billion of which Italy accounted for EUR 7.5 billion, France for EUR 6.5 billion, the United Kingdom for EUR 5.1 billion, Germany for EUR 4.8 billion and other countries for EUR 10.6 billion. Italy, France, Germany and the United Kingdom are the largest markets in Europe with a market share of around 70.0%. Between 2008 and 2012, the European jewelry market grew by 2.3% annually and is expected to grow by 4.1% according to TechSci Research between 2013 and 2018.

According to Euromonitor, a leading global provider of market research, business intelligence and industry-specific data, the retail business, in particular, will be driven by online trading. In Germany, it is predicted that the **online retail business** will grow from EUR 33.7 billion (2014) to EUR 64.3 billion (2019), which corresponds to an average annual growth rate of 13.8%. An average annual growth rate of 16.3% from EUR 6.2 billion (2014) to EUR 13.2 billion (2019) is predicted in Italy. The online retail business in the United Kingdom should also grow at an average annual growth rate of 11.7% from EUR 41.9 billion (2014) to EUR 72.7 billion (2019). According to the forecasts of Euromonitor, the online business will also grow in France. With an average annual growth rate of 13.2%, it is expected to rise to EUR 47.7 billion in 2019 from EUR 25.7 billion in 2014. Relatively low average annual growth of 7.7% is predicted in the Netherlands, increasing from EUR 7.4 billion (2014) to EUR 10.7 billion (2019). In Spain, average annual growth of 11.9% can possibly be achieved from 2014 to 2019, rising from EUR 5.7 billion in 2014 to EUR 10.0 billion in 2019.

Overall, no significant changes in industry conditions have occurred compared to the disclosures in the Securities Prospectus. Therefore, for **further information**, please refer to sections [12. *Market and competitive landscape*] and [14. *Regulatory environment*] in the Securities Prospectus.



## Business development H1 2015

For the elumeo Group, the first half of 2015 covers the period from 1 January to 30 June 2015 ("H1 2015" or "reporting period"). The first half of 2014 refers to the period from 1 January to 30 June 2014 ("H1 2014" or "prior-year period").

The elumeo Group can look back on a gratifying first half of 2015. Revenues increased by 21.7% in H1 2015 to EUR 39.5 million. This figure was EUR 32.5 million in H1 2014. Gross profit rose by 14.2% to EUR 19.8 million (H1 2014: EUR 17.4 million). In total, **total comprehensive income** of EUR 1.5 million and thus an increase of 7.6% compared to the prior-year period was achieved in H1 2015 (H1 2014: EUR 1.4 million). The main financial indicator, **earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted** for non-operative one-off effects, increased by 30.6% from EUR 1.5 million in H1 2014 to EUR 1.9 million in H1 2015.

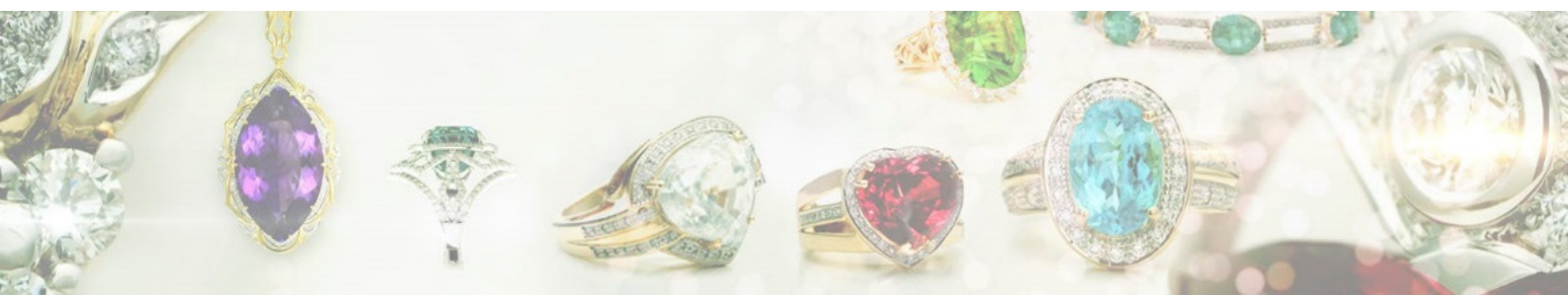
eCommerce revenue is growing significantly faster than TV revenue. The European web shops, in particular, are contributing disproportionately high to revenue growth. In the first half year of 2015, revenue from the European web shops increased by 121.0% compared to the prior-year period.

A detailed explanation of the various financial key figures can be found in the following sections *[Sales and earnings position]*, *[Asset position]* and *[Financial position]*.

### Sales and earnings position

EUR thousand	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Revenue .....	39,481	32,453
Cost of goods sold .....	19,637	15,073
<b>Gross profit</b>	<b>19,844</b>	<b>17,380</b>
Selling expenses .....	13,639	12,942
Administrative expenses .....	5,137	4,257
Other operating income .....	56	1,534
Other operating expenses .....	173	185
<b>Earnings before interest and taxes (EBIT)</b>	<b>951</b>	<b>1,528</b>
Financial result .....	-127	3
Income tax .....	-288	-227
<b>Earnings for the period</b>	<b>536</b>	<b>1,305</b>
<i>Earnings of shareholders of elumeo SE .....</i>	<i>536</i>	<i>1,305</i>

In H1 2015, **revenue** developed positively compared to the prior-year period. It rose to EUR 39.5 million compared to EUR 32.5 million in H1 2014, which represents an increase of 21.7%. By region, revenue in H1 2015 in Germany rose by 23.6% to around EUR 24.4 million (H1 2014: EUR 19.8 million). This equates to 61.9% of total revenue (H1 2014: 60.9% of total revenue). Revenue from the region of Germany comprises revenue from the product sales of Juwelo TV Deutschland GmbH, Berlin, Germany, in Germany, as well as product sales to end customers in France, Spain, the Netherlands, Belgium, Austria and Switzerland, but also the sales contributions of web shops in Spain, the



Netherlands, France and Belgium. In the UK, revenue is generated from product sales by Rocks & Co. Productions Ltd., Warwick, UK. It amounted to EUR 7.9 million in H1 2015, up 13.1% over the prior-year period (H1 2014: EUR 7.0 million). The share of total revenue fell from 21.6% to 20.1%. Revenue in the region of Italy rose by 32.0% in H1 2015 to EUR 7.0 million or 17.7% of total revenue, compared to EUR 5.3 million or 16.3% of total revenue in H1 2014. Revenue for the region of Italy comes from product sales of Juwelo Italia s.r.l. in Rome, Italy.

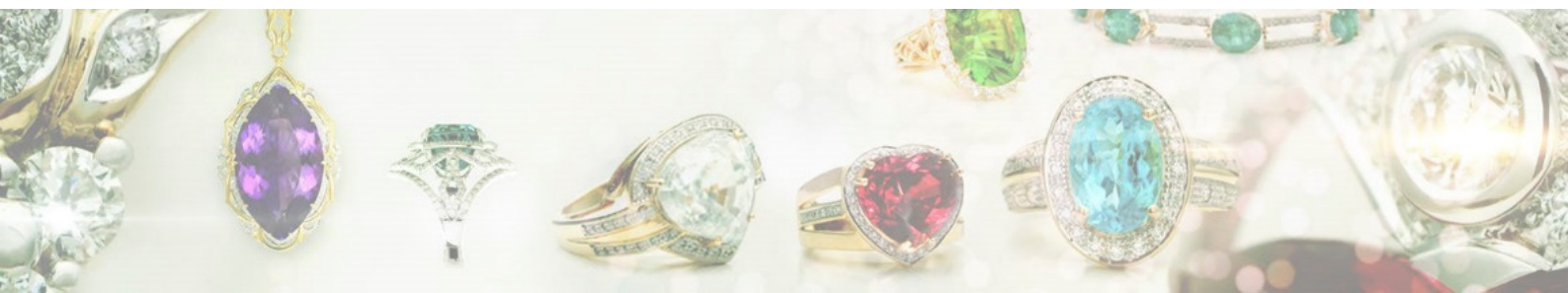
The increase in revenue was accompanied by an increase in **cost of goods sold**. This amounted to EUR 19.6 million in H1 2015 compared to EUR 15.1 million in H1 2014. The reasons for the development in the gross profit margin were, in particular, the lack of impulses from innovations and campaigns that we expect again with the wider range of products especially in the third and fourth quarter of 2015 as we had planned. Gross profit totalled EUR 19.8 million in H1 2015 compared to EUR 17.4 million in H1 2014. This corresponds to a gross profit margin of 50.3% of revenue compared to 53.6% in H1 2014.

**Selling expenses** increased by 5.4% from EUR 12.9 million in H1 2014 to EUR 13.6 million in H1 2015, which is significantly disproportionately lower compared to revenue. This increase in selling expenses was largely due to higher personnel costs, which rose by 29.6% to EUR 3.6 million (H1 2014: EUR 2.8 million) mainly as a result of increasing revenue. Furthermore, the costs of TV transmission (broadcasting and channel rental cost) also rose by 4.8% to EUR 6.5 million (H1 2014: EUR 6.2 million) as a result of general price increases and the expansion of coverage. In contrast, the telephone platform expenses were -48.5% lower at EUR 0.6 million (H1 2014: EUR 1.1 million) as a result of the restructuring of handling and of contracts.

**Administrative expenses** consist mainly of personnel expenses and other operating expenses. Administrative expenses rose from EUR 4.3 million in H1 2014 by 20.7% to EUR 5.1 million in H1 2015. Personnel expenses rose in H1 2015 to approximately EUR 2.2 million (H1 2014: EUR 2.0 million), but rose at a much slower rate in relation to revenue. Moreover, the expenses from losses on foreign currency translation increased in H1 2015 to EUR 0.4 million (H1 2014: EUR 0.1 million). They mainly result from the translation of intercompany foreign currency trade receivables on the reporting date. Their level is subject to periodic fluctuations, depending on the development of the respective exchange rates. The expenses from foreign currency translation in the first quarter 2015 ("Q1 2015") were significantly relativized in the second quarter 2015 ("Q2 2015").

**Other operating income** fell from EUR 1.5 million to EUR 0.1 million in the reporting period due to non-recurring items in H1 2014. Non-recurring items in H1 2014 related to television production services in the amount of EUR 0.7 million and the immediate recognition of a negative goodwill of EUR 0.8 million from the advantageous acquisition of the Thai subsidiary Porn Wong Kitt Company Ltd., Chanthaburi, Thailand ("PWK"), in the statement of income.

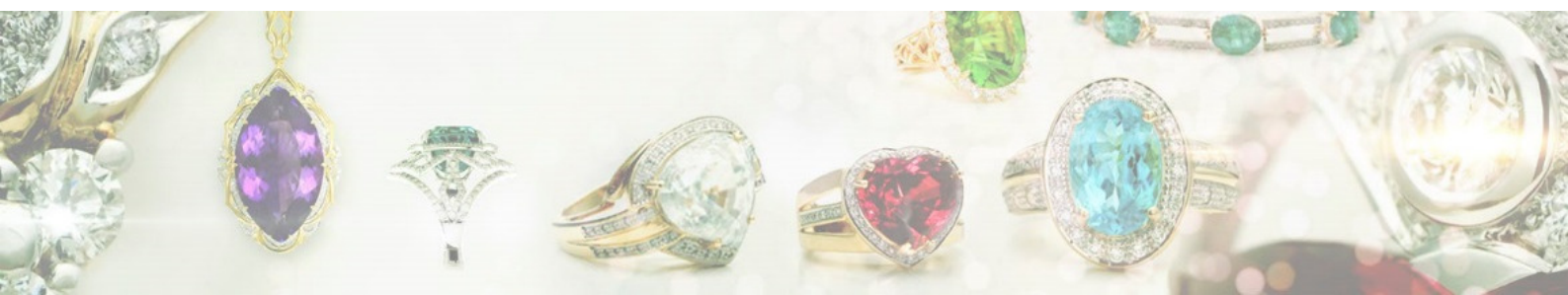
**Other operating expenses** declined by 6.6% from EUR 185 thousand to EUR 173 thousand compared to H1 2014. They relate exclusively to one-time restructuring, advisory and other non-personnel expenses associated with the establishment of the legal elumeo Group and the preparation of the IPO (IPO and restructuring expenses).



With respect to internal management and external communication of current and future earnings development, the sustainable profitability of the business operations of the elumeo Group is of particular importance. Therefore, **earnings before interest, taxes, depreciation and amortisation adjusted for non-operating special items (adjusted EBITDA)** serves as the main financial measure for presenting and controlling the results of operations and hence as the adjusted earnings figure. To calculate adjusted EBITDA, EBITDA before special items is adjusted for in type and amount one-time and/or non-operating (special) effects. The adjustment for non-operative effects is carried out for each position of the consolidated statement of income.

The reconciliation of earnings for the period of the Group to adjusted EBITDA and adjusted EBIT is shown below:

EUR thousand	Notes	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
<b>Earnings for the period</b>		<b>1,193</b>	<b>647</b>	<b>536</b>	<b>1,305</b>
Income tax .....	8.	738	6	288	227
Financial result .....	7.	104	-3	127	-3
<b>EBIT (before special items)</b>		<b>2,034</b>	<b>651</b>	<b>951</b>	<b>1,528</b>
Depreciation and amortisation on property, plant and equipment and intangible assets ..	11./12.	204	166	390	320
<b>EBITDA (before special items)</b>		<b>2,238</b>	<b>817</b>	<b>1,341</b>	<b>1,848</b>
Effects from foreign currency translation ....	4.	-1,083	25	402	46
IPO and restructuring expenses .....	6.	111	154	173	185
Income from TV production services .....	5.	0	-6	0	-697
Selling and administrative expenses for the provision of TV production services .....		0	216	0	907
Income from the release of the negative goodwill from the acquisition of PWK .....	5.	0	0	0	-805
Income relating to past accounting periods .....	5.	0	0	0	-19
<b>Special items</b>		<b>-972</b>	<b>390</b>	<b>575</b>	<b>-382</b>
<b>Adjusted EBITDA</b>		<b>1,266</b>	<b>1,207</b>	<b>1,916</b>	<b>1,467</b>
Depreciation and amortisation on property, plant and equipment and intangible assets ..	11./12.	-204	-166	-390	-320
<b>Adjusted EBIT</b>		<b>1,062</b>	<b>1,041</b>	<b>1,526</b>	<b>1,147</b>



**Adjusted EBITDA** was EUR 1.9 million in H1 2015, 30.6% higher than in the prior-year period (H1 2014: EUR 1.5 million). Special items in the reporting period were mainly due to higher administrative expenses as a result of expenses from losses on foreign currency translation of EUR 0.4 million (H1 2014: EUR 0.1 million) as well as IPO and restructuring expenses of EUR 0.2 million (H1 2014: EUR 0.2 million). In H1 2014, the special items also related to the recognition of a negative goodwill of EUR 0.8 million from the acquisition of the Thai subsidiary PWK and to income from television production services of EUR 0.7 million, which were offset by project-specific selling and administrative expenses totalling EUR 0.9 million. EBITDA before special items amounted to EUR 1.3 million during the reporting period (H1 2014: EUR 1.8 million).

In Q1 2015, administrative expenses increased by 61.3% to EUR 3.7 million (Q1 2014: EUR 2.3 million) due to expenses from losses on foreign currency translation of EUR -1.5 million. This resulted in negative earnings from operating activities (EBIT) of EUR -1.1 million in Q1 2015. In Q2 2015, administrative expenses fell significantly to EUR 1.5 million (Q2 2014: EUR 2.0 million) again due to reversing effects from foreign currency translation of EUR +1.1 million. In total, **earnings before interest and taxes (EBIT)** fell to EUR 0.9 million in H1 2015 compared to EUR 1.5 million in H1 2014. **Earnings before income taxes (EBT)**, which amounted to EUR 0.8 million in H1 2015, showed a similar trend while in H1 2014 earnings before income tax of around EUR 1.5 million were generated.

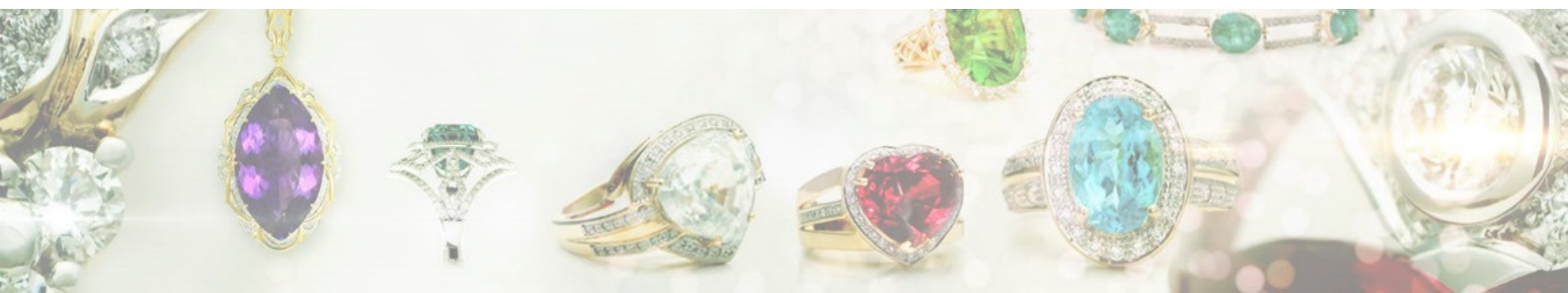
**Earnings after income taxes** amounted to EUR 1.3 million in H1 2014 and EUR 0.5 million in H1 2015. This means **earnings per share** were EUR 0.13 in H1 2015 compared to EUR 0.33 in H1 2014. Due to the differences resulting from the foreign currency translation of foreign subsidiaries (other comprehensive income) of EUR 1.0 million in H1 2015 (H1 2014: EUR 0.1 million), **total comprehensive income** in H1 2015 rose by 7.6% to EUR 1.5 million compared to EUR 1.4 million in H1 2015.

### Asset position

**Total assets** as at 30 June 2015 increased from EUR 34.9 million to EUR 53.6 million compared to 31 December 2014.

On the asset side of the statement of financial position, **non-current assets** as at 30 June 2015 totalled EUR 9.1 million after EUR 6.2 million as at 31 December 2014. The increase in total assets can be attributed to the increase in property, plant and equipment to EUR 3.4 million (31 December 2014: EUR 2.3 million) and in other financial assets to EUR 2.2 million (31 December 2014: EUR 0.5 million). The increase in other financial assets resulted primarily from the periodic allocation of a one-time tax payment in connection with the granting of an investment promotion certificate by the Thai foreign investment authority (Board of Investment ("BOI")) to the Thai subsidiary PWK.

**Current assets** increased from EUR 28.7 million as at 31 December 2014 to EUR 44.6 million as at 30 June 2015 largely due to an increase in inventories and trade receivables. The increase in inventories was primarily based on the conversion of the production-side procurement process and the simultaneous acquisition of a cost-effective, comprehensive inventory of raw materials (precious gemstones). The increase in trade receivables at the reporting date is mainly due to trade receivables arising from transactions with our Joint Venture partner, who is preparing the entry into the US eCommerce business. Here, we plan to set up our own subsidiary shortly and to sell our products at our own account.



**Cash and cash equivalents** rose to EUR 3.0 million as at 30 June 2015 (31 December 2014: EUR 2.4 million).

On the liabilities side of the statement of financial position, **equity** increased to EUR 26.0 million in total as at 30 June 2015 (31 December 2014: EUR 24.5 million) due to the positive earnings of the period of EUR 0.5 million and the increase in the foreign currency translation reserve by EUR 1.0 million from the foreign currency translation of the equity of the foreign subsidiaries. The equity ratio was 48.6% as at 30 June 2015 compared to 70.4% as at 31 December 2014.

**Non-current liabilities** increased from EUR 0.6 million as at 31 December 2014 to EUR 8.2 million as at 30 June 2015 due to an increase in financial debt in the form of bank loans of EUR 7.5 million (31 December 2014: EUR 0.0 million) with a term of two years.

**Current liabilities** increased to EUR 19.4 million (31 December 2014: EUR 9.8 million). This increase resulted from the assumption of financial debt (bank loans) of EUR 3.6 million (31 December 2014: EUR 0.0 million) by PWK and from the date-related increase in trade payables to EUR 12.6 million (31 December 2014: EUR 7.3 million) due to the acquisition of the entire stock of precious gemstones and the general expansion of business operations. In the course of the one-off tax payment for the BOI investment promotion certificate, the proportionately accrued tax liabilities for the second half of 2014 of EUR 0.1 million as at 31 December 2014 were paid in full.

### Financial position

**Cash flow from operating activities** of EUR -9.7 million in H1 2015 was well below the prior-year period figure of EUR 0.6 million in H1 2014. Starting with the EBIT of EUR 0.9 million (H1 2014: EUR 1.5 million), the increase in inventories by EUR 13.8 million (H1 2014: EUR 7.1 million) resulted in a significant financial commitment. The non-cash expenses rose to EUR 1.0 million in H1 2015 (H1 2014: non-cash income of EUR 0.6 million). The non-cash expenses essentially related to the change in deferred tax assets from the elimination of intercompany profits and to effects of foreign currency translation on the individual positions of the consolidated statement of financial position. In H1 2014, the non-cash net income included the income from the recognition of a negative goodwill from the acquisition of PWK and expenses from the recognition of deferred tax assets on tax loss carryforwards which were capitalized upon initial consolidation of PWK. Income tax payments increased to EUR 2.0 million compared to H1 2014, mainly due to the one-off tax payment related to the BOI investment promotion certificate (H1 2014: EUR 0.0 million). Net cash generated from the change in other assets and other liabilities decreased to EUR 4.0 million (H1 2014: EUR 6.4 million).

The elumeo Group invested approximately EUR 1.5 million in H1 2015 (H1 2014: EUR 0.6 million) in property, plant and equipment and intangible assets. As a result, the **cash flow from investing activities** with an outflow of EUR -1.5 million was EUR 0.9 million higher than the prior-year period's figure of EUR -0.6 million in H1 2014. The capital expenditures mainly comprise semi-automated warehouse and logistics infrastructure and leasehold improvements.

**Cash flow from financing activities** in H1 2015 rose to EUR 11.6 million (H1 2015: EUR 0.1 million). This increase was mainly due to the proceeds from the assumption of financial debt of EUR 11.1 million (H1 2014: EUR 0.0 million).

As at 30 June 2015, the elumeo Group had **cash and cash equivalents** (cash in hand and sight deposits with banks) of EUR 3.0 million (30 June 2014: EUR 1.8 million).



## Supplementary report

elumeo SE successfully commenced with stock exchange trading on 3 July 2015. The shares of elumeo SE have since been trading in the Prime Standard on the Regulated Market of the Frankfurt Stock Exchange. Of the total of up to 1,725,000 shares to be placed, 1,500,000 new shares came from the company's capital increase against cash contribution. Due to the full placement of the new shares the share capital has increased to EUR 5,500,000. At an issue price of EUR 25.00 per share, the gross proceeds of the IPO amounted to approximately EUR 37.5 million. The remaining 225,000 shares to be placed were from the holdings of the two largest shareholders. Of these, 40,482 shares in total were placed as part of the over-allotment.

On the reporting date of this report, Ottoman Strategy Holdings (Suisse) SA held 32.54% and Blackflint Ltd. 29.66% of the shares of elumeo SE. The management also holds 9.79% of the shares, of which Mr. Wolfgang Boyé holds 1.24%. 28.01% of the shares are in free float. All shares are identical in class and no-par value bearer shares without any restrictions or special rights.

No significant other events occurred after 30 June 2015 before this report was published.

## Opportunity and risk report

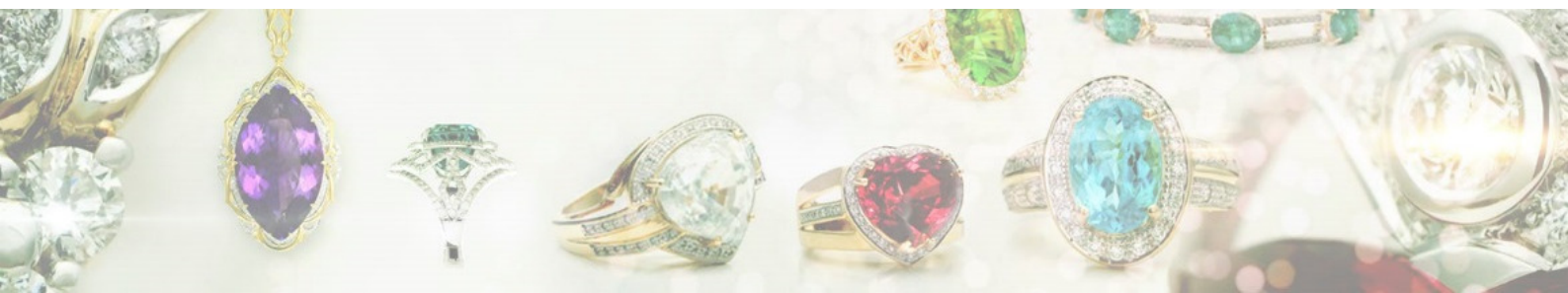
There were no significant changes in terms of opportunities and risks in the first half of 2015. For further information about the specific risks the elumeo Group faces, please refer to section *[3. Risk Factors]* in the Securities Prospectus.

## Forecast report

The Executive Board of elumeo SE expects revenue in the second half of 2015 to remain at about the same level as in the first half of the year. Due to the change from gemstone purchasing by commission to direct purchases and the expansion of the product range made possible by the IPO proceeds, the gross profit margins should improve slightly compared to the first half of the current financial year.

For the full year 2015, we expect the economies of scale (cost depression) from the first half of 2015 to continue in the third and fourth quarter of the financial year.

Adjusted EBITDA (excluding special items, for example foreign currency translation differences and expenses in connection with the IPO or legal restructuring) will therefore most likely develop disproportionately positively compared to revenue in financial year 2015.

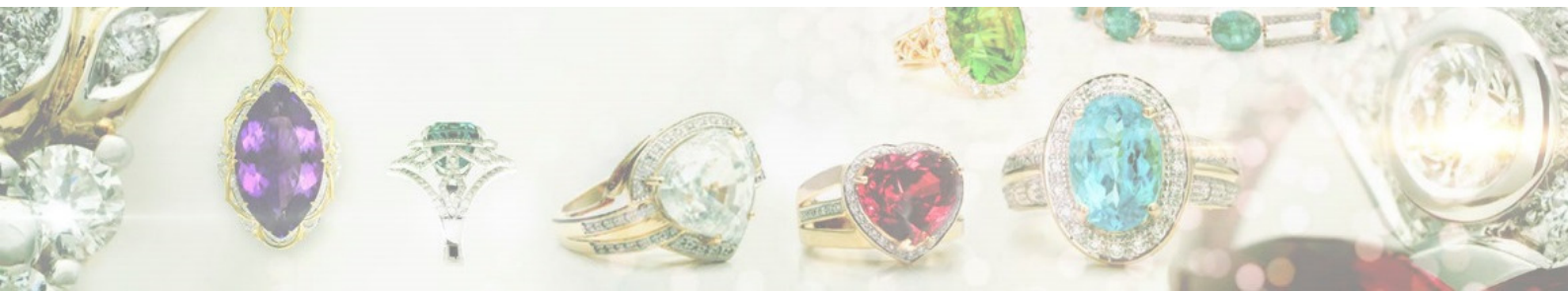




### III. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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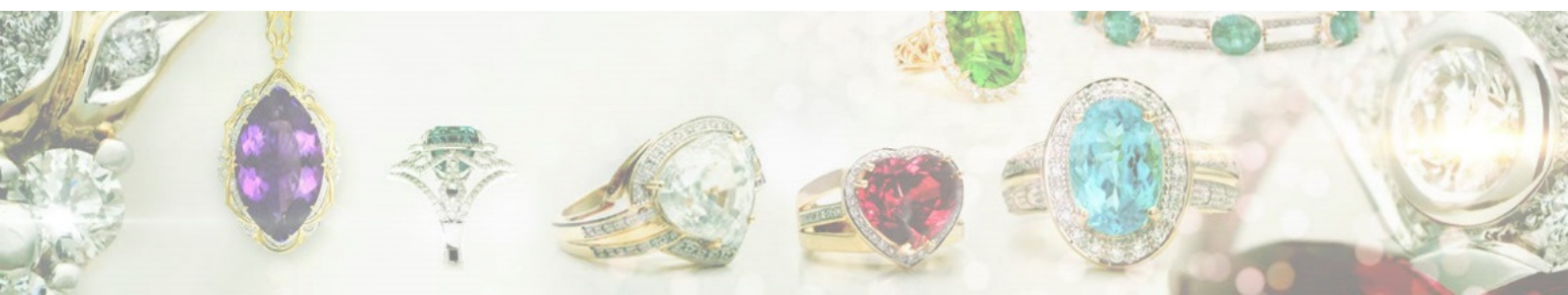
Interim consolidated statement of income .....	20
Interim consolidated statement of comprehensive income .....	21
Interim consolidated statement of financial position.....	22
Interim consolidated statement of changes in equity.....	24
Interim consolidated statement of cash flows .....	25



## Interim consolidated statement of income

for the period from 1 April to 30 June 2015 (Q2 2015) and for the period from 1 January to 30 June 2015 (H1 2015)

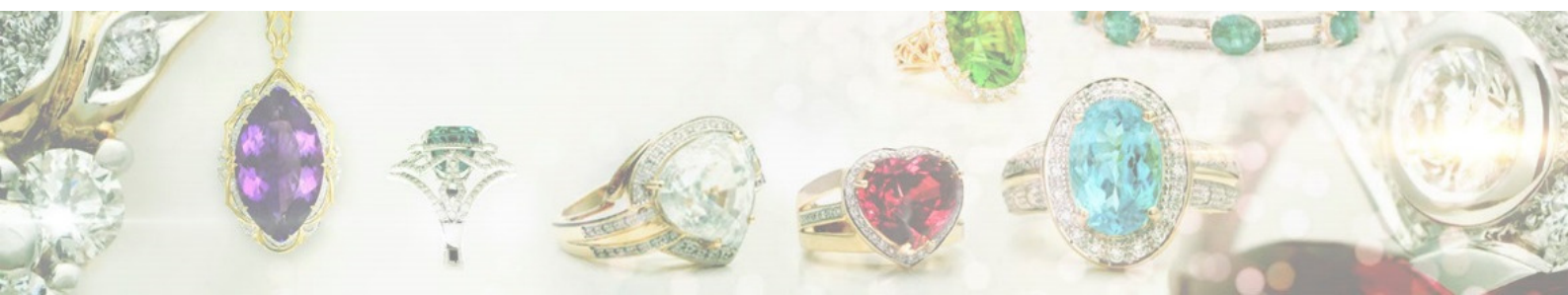
EUR thousand	Notes	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Revenue .....	1.	20,003	17,102	39,481	32,453
Cost of goods sold .....	2.	9,989	7,805	19,637	15,073
<b>Gross profit</b>		<b>10,014</b>	<b>9,297</b>	<b>19,844</b>	<b>17,380</b>
Selling expenses .....	3.	6,415	6,524	13,639	12,942
Administrative expenses .....	4.	1,470	1,984	5,137	4,257
Other operating income .....	5.	15	16	56	1,534
Other operating expenses .....	6.	111	154	173	185
<b>Earnings before interest and taxes (EBIT)</b>		<b>2,034</b>	<b>651</b>	<b>951</b>	<b>1,528</b>
Interest income .....		2	3	3	3
Interest and similar expenses .....		-105	-0	-131	-0
Financial result	7.	-104	3	-127	3
<b>Earnings before income taxes (EBT)</b>		<b>1,931</b>	<b>653</b>	<b>823</b>	<b>1,531</b>
Income tax .....	8.	-738	-6	-288	-227
<b>Earnings for the period</b>		<b>1,193</b>	<b>647</b>	<b>536</b>	<b>1,305</b>
<i>Earnings of shareholders of elumeo SE .....</i>		<i>1,193</i>	<i>647</i>	<i>536</i>	<i>1,305</i>
<b>Earnings per share in EUR (basis and diluted)</b>	9.	<b>0.30</b>	<b>0.16</b>	<b>0.13</b>	<b>0.33</b>



## Interim consolidated statement of comprehensive income

for the period from 1 April to 30 June 2015 (Q2 2015) and for the period from 1 January to 30 June 2015 (H1 2015)

EUR thousand	Notes	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
<b>Earnings for the period</b>		<b>1,193</b>	<b>647</b>	<b>536</b>	<b>1,305</b>
<i>Items which will be reclassified to the consolidated statement of income in subsequent periods:</i>					
Differences from foreign currency translation of foreign subsidiaries .....		..... -1,605	..... 81	..... 974	..... 99
<b>Other comprehensive income</b>	10.	<b>-1,605</b>	<b>81</b>	<b>974</b>	<b>99</b>
<b>Total comprehensive income</b>		<b>-412</b>	<b>728</b>	<b>1,510</b>	<b>1,404</b>
<i>Total comprehensive income of shareholders of elumeo SE .....</i>		<i>..... -412</i>	<i>..... 728</i>	<i>..... 1,510</i>	<i>..... 1,404</i>

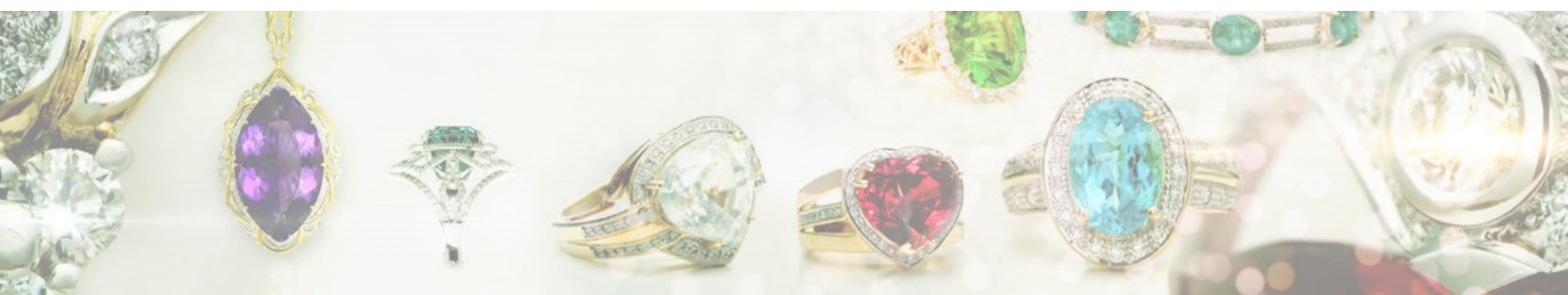


## Interim consolidated statement of financial position

as at 30 June 2015

### ASSETS

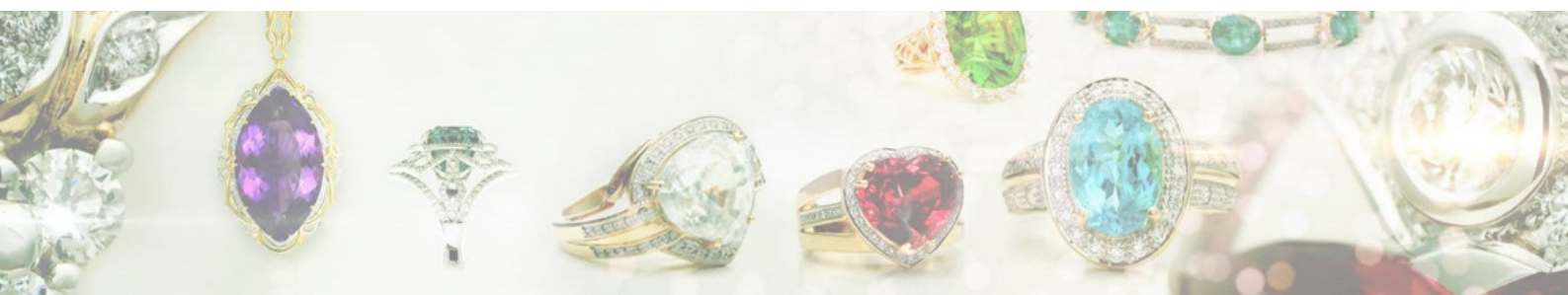
	Notes	30 Jun 2015	31 Dec 2014
<b>EUR thousand</b>			
<b>Non-current assets</b>			
Intangible assets .....	11.	709	727
Property, plant and equipment .....	12.	3,437	2,286
Receivables due from related parties .....	15.	76	74
Other financial assets .....	16.	694	388
Other non-financial assets .....	16.	2,158	509
Deferred tax assets .....	23.	2,001	2,167
<b>Total non-current assets</b>		<b>9,074</b>	<b>6,152</b>
<b>Current assets</b>			
Inventories .....	13.	35,214	21,419
Trade receivables .....	14.	4,034	1,961
Receivables due from related parties .....	15.	565	635
Other financial assets .....	16.	79	77
Other non-financial assets .....	16.	1,697	2,170
Cash and cash equivalents .....		2,959	2,431
<b>Total current assets</b>		<b>44,549</b>	<b>28,694</b>
<b>Total assets</b>		<b>53,623</b>	<b>34,846</b>



## Interim consolidated statement of financial position

as at 30 June 2015

<b>EQUITY &amp; LIABILITIES</b>			
	Notes	30 Jun 2015	31 Dec 2014
EUR thousand			
<b>Equity</b>			
Issued capital .....		4,000	4,000
Retained earnings .....		19,572	19,037
Foreign currency translation reserve .....		2,463	1,489
<b>Total equity</b>	17.	<b>26,035</b>	<b>24,525</b>
<b>Non-current liabilities</b>			
Financial debt .....	18.	7,500	0
Other non-current financial liabilities .....		191	176
Provisions .....	19.	448	365
Other non-financial liabilities .....	21.	25	25
<b>Summe non-current liabilities</b>		<b>8,164</b>	<b>566</b>
<b>Current liabilities</b>			
Financial debt .....	18.	3,628	0
Other financial liabilities .....	24.	45	10
Provisions .....	19.	109	320
Liabilities due to related parties .....	20.	512	9
Trade payables .....		12,633	7,342
Tax liabilities .....		0	117
Other non-financial liabilities .....	21.	2,497	1,957
<b>Summe current liabilities</b>		<b>19,424</b>	<b>9,755</b>
<b>Total equity &amp; liabilities</b>		<b>53,623</b>	<b>34,846</b>



## Interim consolidated statement of changes in equity

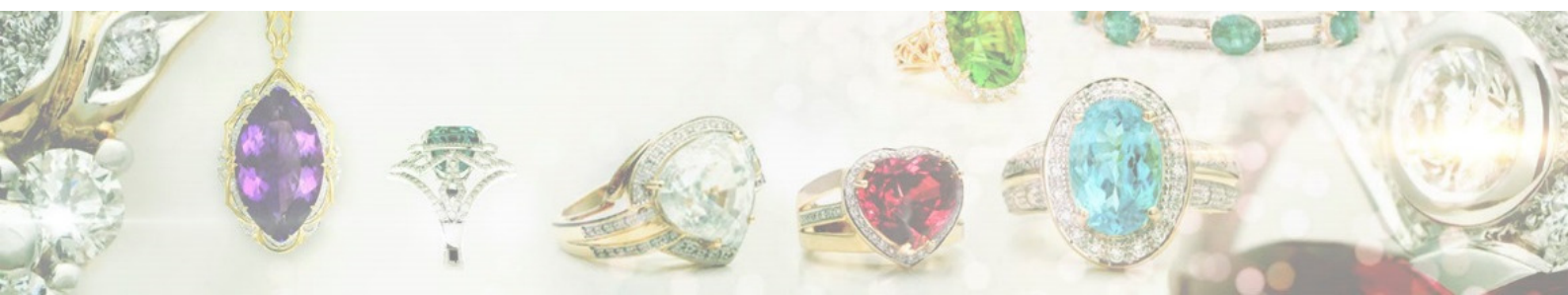
for the period from 1 January to 30 June 2015

Reason for change		Attributable to shareholders of elumeo SE				
	Notes	Net assets	Issued capital	Retained earnings	Foreign currency translation reserve	Total equity
EUR thousand						
1 January 2015		0	4,000	19,037	1,489	24,525
Other comprehensive income ...	10.				974	974
Earnings for the period .....				536		536
Total comprehensive income .....				536	974	1,510
30 June 2015		0	4,000	19,572	2,463	26,035

## Interim consolidated statement of changes in equity

for the period from 1 January to 30 June 2014

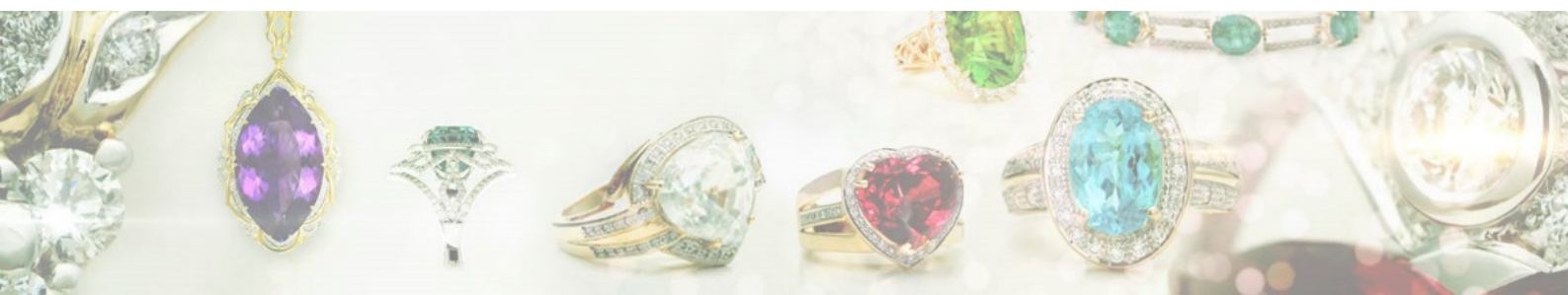
Reason for change		Attributable to shareholders of elumeo SE				
	Notes	Net assets	Issued capital	Retained earnings	Foreign currency translation reserve	Total equity
EUR thousand						
1 January 2014		12,532	0	0	45	12,577
Incorporation of elumeo SE .....	.....	120				120
Outstanding contributions of elumeo SE .....	.....	-90				-90
Other comprehensive income ...	10.				99	99
Earnings for the period .....	.....	1,305				1,305
Total comprehensive income ....	.....	1,305			99	1,404
30 June 2014		13,867	0	0	144	14,011



## Interim consolidated statement of cash flows

for the period from 1 January to 30 June 2015

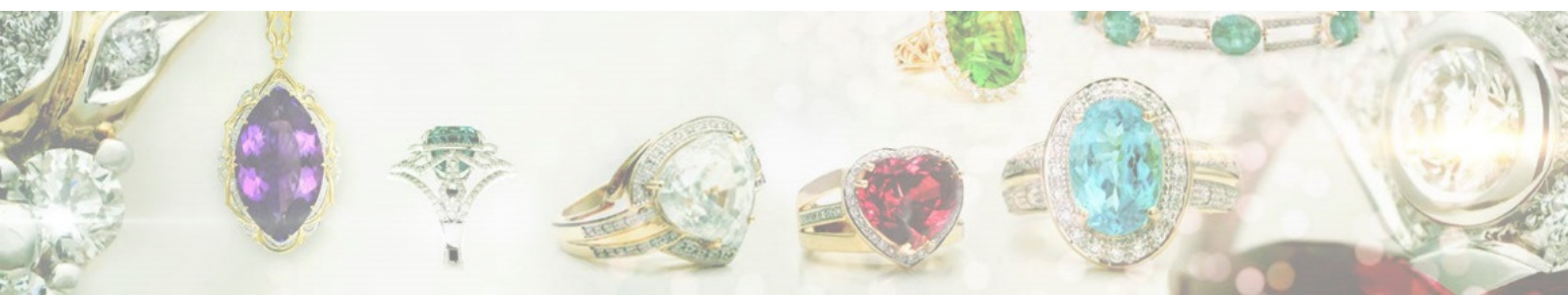
EUR thousand	Notes	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
<b>Earnings before interest and taxes (EBIT)</b>		<b>951</b>	<b>1,528</b>
+/- Depreciation and amortisation on non-current assets .....	·11./12.	390	320
+/- Increase/decrease in provisions .....	·19.	-128	-31
+/- Other non-cash expenses/income .....		992	-516
+ Proceeds from interest income .....		1	3
- Interest expenses paid .....		-121	-0
+ Proceeds from income tax .....		6	5
- Income tax paid .....	·8./16.	-1,994	-4
-/+ Increase/decrease in inventories .....	·13.	-13,794	-7,108
-/+ Increase/decrease in other assets .....		-1,849	-1,337
+/- Increase/decrease in other liabilities .....		5,831	7,709
<b>= Cash flow from operating activities</b>	<b>22.</b>	<b>-9,716</b>	<b>570</b>
- Payments for investments in intangible assets .....	·11.	-26	-3
- Payments for investments in property, plant and equipment .....	·12.	-1,448	-566
+ Proceeds from acquisition of subsidiaries (including cash and cash equivalents) .....		0	16
<b>= Cash flow from investing activities</b>	<b>22.</b>	<b>-1,474</b>	<b>-554</b>
+ Proceeds from increase in financial debt .....	·18.	11,057	0
+ Proceeds from increase in financial liabilities .....	·20.	535	49
+ Proceeds from contributions to share capital .....		0	30
<b>= Cash flow from financing activities</b>	<b>22.</b>	<b>11,592</b>	<b>79</b>
+/- Net increase/decrease in cash and cash equivalents .....		402	94
+/- Effects of foreign currency translation on cash and cash equivalents .....		126	29
+ Cash and cash equivalents on beginning of reporting period .....		2,431	1,674
<b>= Cash and cash equivalents on end of reporting period</b>	<b>22.</b>	<b>2,959</b>	<b>1,797</b>



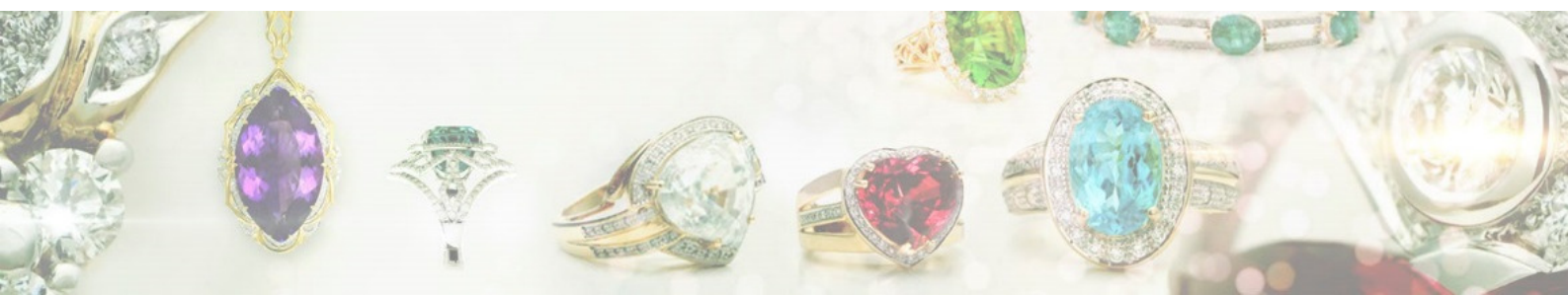


## IV. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

<b>A.</b>	<b>Corporate information.....</b>	<b>28</b>
<b>B.</b>	<b>Basis of preparation .....</b>	<b>29</b>
<b>C.</b>	<b>General principles .....</b>	<b>30</b>
	Applicable accounting principles .....	30
	General information.....	30
	Disclosure according to § 37w para. 5 WpHG.....	31
<b>D.</b>	<b>New accounting standards issued by the IASB .....</b>	<b>31</b>
	Applicable standards.....	31
	New accounting standards issued by the IASB with first-time application in the first half of 2015 .....	31
	New accounting standards issued by the IASB not yet applicable in the first half of 2015 .....	32
<b>E.</b>	<b>Principles of consolidation.....</b>	<b>34</b>
	Basis of consolidation.....	34
	Reporting date of the interim consolidated financial statements .....	34
	Foreign currency translation .....	34
<b>F.</b>	<b>Notes to the interim consolidated statement of comprehensive income.....</b>	<b>35</b>
	(1.) Revenue .....	35
	(2.) Cost of goods sold.....	36
	(3.) Selling expenses .....	37
	(4.) Administrative expenses.....	37
	(5.) Other operating income .....	38
	(6.) Other operating expenses .....	38
	(7.) Financial result.....	38
	(8.) Income tax.....	39
	(9.) Earnings per share.....	39
	(10.) Other comprehensive income.....	40



<b>G.</b>	<b>Notes to the interim consolidated statement of financial position .....</b>	<b>41</b>
(11.)	Intangible assets .....	41
(12.)	Property, plant and equipment .....	41
(13.)	Inventories .....	41
(14.)	Trade receivables .....	42
(15.)	Receivables due from related parties .....	42
(16.)	Other financial assets and other non-financial assets .....	42
(17.)	Equity .....	43
(18.)	Financial debt .....	44
(19.)	Provisions .....	45
(20.)	Liabilities due to related parties .....	45
(21.)	Other non-financial liabilities .....	45
(22.)	Notes to the condensed interim consolidated statement of cash flows .....	46
(23.)	Deferred taxes .....	46
(24.)	Additional disclosures on financial instruments .....	47
<b>H.</b>	<b>Other disclosures .....</b>	<b>49</b>
	Segment reporting .....	49
	Related party disclosures .....	49
	Executive Board .....	51
	Operating leases and other obligations .....	51
	Events after the end of the reporting period .....	51



## A. Corporate information

### *Company and registered office*

elumeo SE, Berlin, Germany ("company" or "elumeo SE")

### *Incorporation und commercial register*

The parent company of the elumeo Group was founded on 5 March 2014 under the name "Atrium 66. Europäische VV SE" as a European Company (SE) and is filed with the Berlin-Charlottenburg local court in the commercial register Department B under number HRB 157 001.

By resolution of the general shareholders' meeting on 9 July 2014, the company's name was changed to "elumeo SE."

### *Nature of operations*

The elumeo Group is a manufacturer and electronic retailer of gemstone jewelry and sells primarily handcrafted, self-produced jewelry at competitive prices through direct distribution channels such as TV home shopping channels, web shops, personal shopping assistants and mobile and smart TV apps. The wide product range with more than 500 different gemstone varieties is offered mainly in the geographical markets of Germany, Austria, Switzerland, Italy, the United Kingdom (UK), France, Spain, the Netherlands and Belgium. The predominant sales format are interactive live shows which offer customers the opportunity to bid against one another for the jewelry being presented and to influence the price.

### *Address of management*

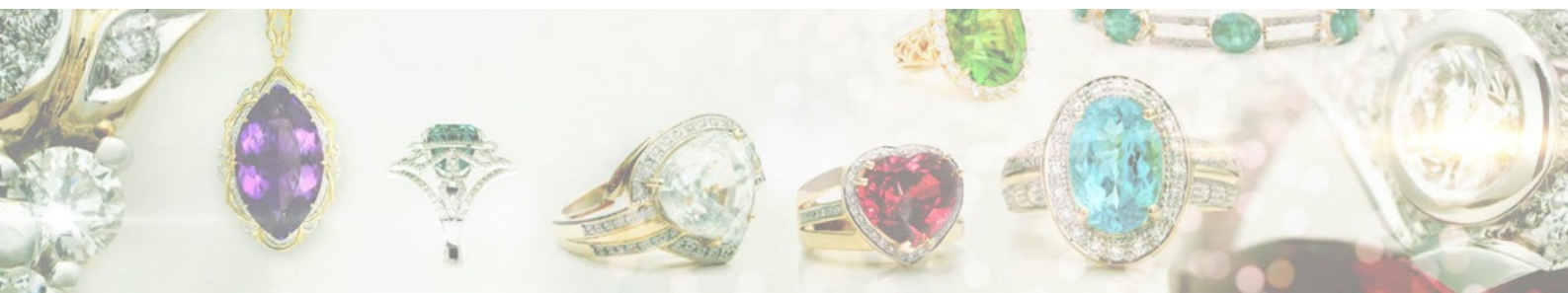
Erkelenzdamm 59/61, 10999 Berlin, Germany

### *Authorisation of the interim consolidated financial statements*

The Executive Board approved publication of the condensed interim consolidated financial statements for the period from 1 January to 30 June 2015 on 27 August 2015.

### *Initial Public Offering and capital measures*

By resolution of the extraordinary shareholders' meeting on 7 April 2015, the company's shareholders approved a public offering of the company's shares and the subsequent admission of the company's shares to stock exchange trading. On 29 June 2015, elumeo SE requested admission of the shares to stock exchange trading on the Regulated Market of the Frankfurt Stock Exchange and on the Prime Standard, a sub-segment with additional post-admission obligations. The admission offer was for 1,500,000 new shares and 225,000 existing shares. The admission to stock exchange trading was issued on 2 July 2015 and trading activities started on 3 July 2015. The capital measures presented in section [G.(17.)] were conducted in connection with the public offering.



## B. Basis of preparation

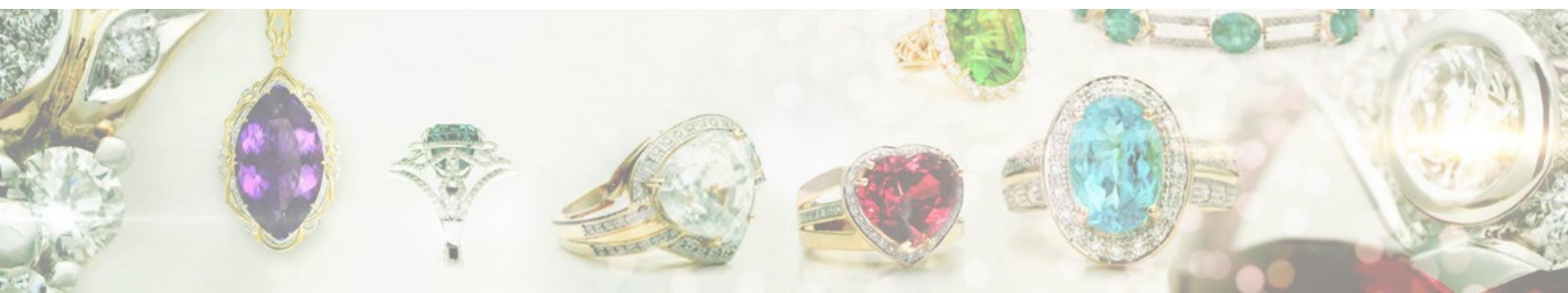
The parent company elumeo SE and its subsidiaries ("elumeo Group" or "Group") are included in the condensed interim consolidated financial statements as at 30 June 2015 ("interim financial statements").

The elumeo Group was legally founded on 23 October 2014 by the contribution of

- Juwelo TV Deutschland GmbH, Berlin, Germany ("Juwelo"), and its subsidiaries, Juwelo Italia s.r.l., Rome, Italy ("Juwelo Italia"), Rocks & Co Productions Ltd., Warwick, United Kingdom ("R&C"), and JTV Services GmbH, Berlin, Germany ("JTV"), and
- Silverline Distribution Ltd., Hong Kong, People's Republic of China ("Silverline"), and its subsidiary Porn Wong Kitt Company Limited, Chanthaburi, Thailand ("PWK")

by the shareholders Wolfgang Boyé, Berlin, Germany ("Mr. Boyé"), and Ottoman Strategy Holdings (Suisse) SA, Zug, Switzerland ("OSH"), to elumeo SE. Prior to the contribution, Juwelo and Silverline were not a legal group for consolidated financial reporting purposes in accordance with IFRS 10 *Consolidated Financial Statements* and IAS 27 *Consolidated and Separate Financial Statements*. The financial information for the comparative period ("combined interim financial statements") is based on an aggregation of Juwelo and Silverline and their subsidiaries as well as all entities operated under the joint control of the shareholders Mr. Boyé and OSH prior to the contribution, and all business activities that were later transferred to entities belonging to the legal elumeo Group ("combined elumeo Group").

For further information on the founding of the legal elumeo Group, please refer to section [B. Basis of preparation] of the published consolidated financial statements of elumeo SE for the financial year ended 31 December 2014 ("consolidated financial statements 2014") and the Securities Prospectus of elumeo SE published on 17 June 2015.



## C. General principles

### Applicable accounting principles

The consolidated financial statements 2014 of elumeo SE were prepared pursuant to the International Financial Reporting Standards ("IFRSs") applicable as at the reporting date. In the interim financial statements as at 30 June 2015, which were prepared based on International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, the same accounting policies as in the consolidated financial statements 2014 were followed.

The option to prepare condensed interim financial statements was exercised. All interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") requiring application as at the reporting date were followed. In addition, the interim reporting is consistent with the German Accounting Standard ("GAS") No. 16 *Interim Financial Reporting* from the German Accounting Standards Committee e.V. ("GASC").

For further information on the accounting policies applied please refer to the consolidated financial statements 2014 of elumeo SE.

### General information

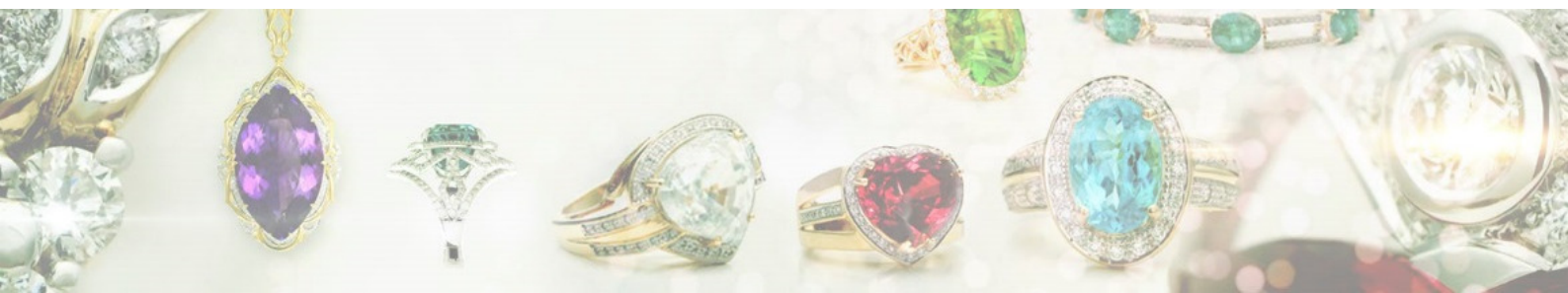
The interim financial statements are prepared based on recognition of assets and liabilities at amortised cost. The consolidated statement of income is prepared using the cost of sales format. The consolidated statement of financial position classifies assets and liabilities as current or non-current according to their maturities.

To improve the clarity of presentation, various items in the consolidated statement of income and consolidated statement of financial position may have been combined. These items are reported and explained separately in the notes to the interim consolidated financial statements.

A consolidated statement of comprehensive income is prepared to reconcile the earnings of the period in the consolidated statement of income to the consolidated total comprehensive income.

The interim financial statements are prepared in euros (EUR). Unless otherwise indicated, all figures are rounded up or down to the nearest thousand (EUR thousand). Unless otherwise indicated, the prior-year period information of 2014 presented in parentheses relates to the respective aforementioned comparative period of 2015.

The preparation of the interim financial statements in accordance with the IFRSs requires that assumptions be made and estimates be used. This could impact the amount and presentation of recognised assets and liabilities, income and expenses and contingent liabilities and the related disclosures. All assumptions and estimates are based on the actual circumstances and estimates on the reporting date and the expected future business development of the elumeo Group, reflecting the foreseeable development of its economic environment. The actual results may vary from the assumptions and estimates if the general conditions as of the reporting date develop contrary to expectations. The estimates and the underlying assumptions are therefore continually reviewed.



## Disclosure according to § 37w para. 5 WpHG

The interim financial statements as at 30 June 2015 were not audited or subject to an audit review by the Group's auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Berlin.

## D. New accounting standards issued by the IASB

### Applicable standards

IFRS accounting is based on the IASB accounting standards which have been adopted for the European Union endorsed by the Commission of the European Community as part of the endorsement proceedings for the EU according to EU directive no. 1606/2002 in connection with section 315a para. (1) and para. (3) German Commercial Code (Handelsgesetzbuch, "HGB"). Application of the IFRSs newly issued by the IASB or revised versions of IFRSs is only mandatory after a corresponding resolution by the Commission in the endorsement proceedings.

### New accounting standards issued by the IASB with first-time application in the first half of 2015

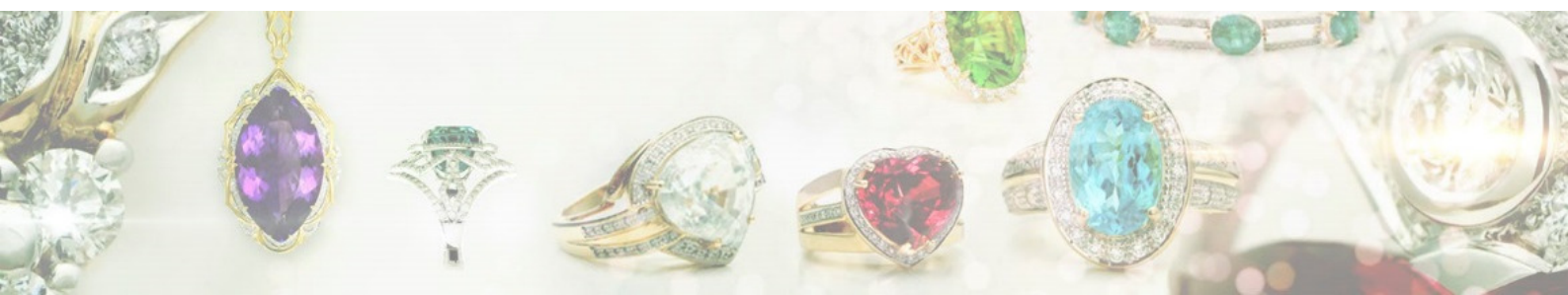
First-time application of the following new standards, interpretations or amendments to the IASs/IFRSs became mandatory during the first half of 2015:

Standard/Interpretation		Publication by IASB	Application date IASB	Expected effects on elumeo group
IAS 19	Employee Benefits (Amendments to IAS 19)	21 Nov 2013	1 Jul 2014 <sup>1</sup>	not significant
IFRIC 21	Levies	20 May 2013	1 Jan 2016 <sup>2</sup>	not significant
	Improvements to IFRSs 2010-2012	12 Dec 2013	1 Jul 2014 <sup>1</sup>	not significant
	Improvements to IFRSs 2011-2013	12 Dec 2013	1 Jul 2014 <sup>3</sup>	not significant

<sup>1</sup> Application date EU: Application mandatory for financial years commencing on or after 1 Feb 2015.

<sup>2</sup> Application date EU: Application mandatory for financial years commencing on or after 17 Jun 2015.

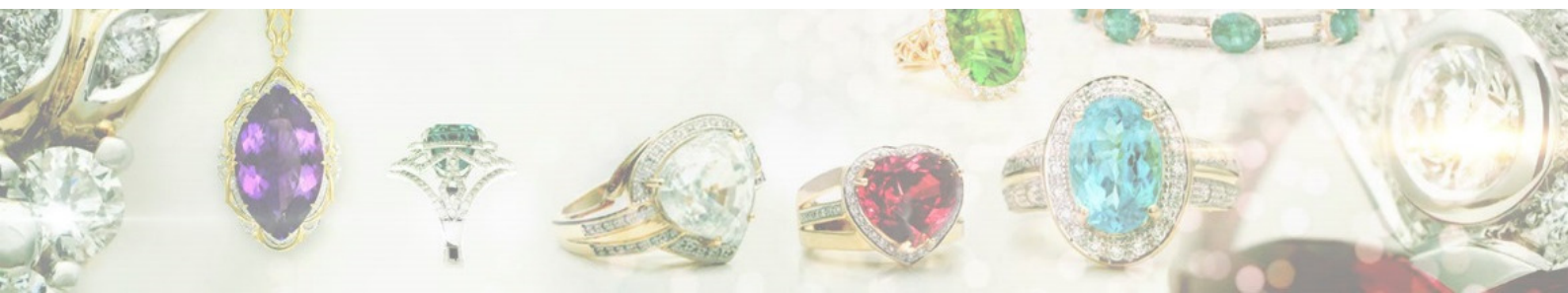
<sup>3</sup> Application date EU: Application mandatory for financial years commencing on or after 1 Jan 2015.



### New accounting standards issued by the IASB not yet applicable in the first half of 2015

Standards and interpretations announced up to the date of the publication of the interim financial statements, but not yet requiring application are presented below. Unless otherwise indicated, the standards and interpretations and/or amendments to existing standards are applicable for financial years beginning on or after the indicated application date.

Standard/Interpretation		Publication by IASB	Application date IASB	Expected effects on elumeo group
IFRS 9	Financial Instruments	12 Nov 2009/ 28 Oct 2010/ 16 Dec 2011/ 19 Nov 2013/ 24 Jul 2014	1 Jan 2018	not significant
IFRS10/ IAS 28	Sale and Contribution of Assets between an Investor and an Associated Company or Joint Venture (Amendments to IFRS 10 and IAS 28)	11 Sep 2014	1 Jan 2016	not significant
IFRS10/ IFRS12/ IAS 28	Investment Companies: Exemption from Consolidation (Amendments to IFRS 10, IFRS 12 and IAS 28)	18 Dec 2014	1 Jan 2016	not significant
IFRS 11	Acquisition of an Interest in an Joint Operation (Amendments to IFRS 11)	6 May 2014	1 Jan 2016	not significant
IFRS 14	Regulatory Deferral Accounts	30 Jan 2014	1 Jan 2016	not significant
IFRS 15	Revenue from Contracts with Customers	28 May 2014	1 Jan 2018	significant
IAS 1	Presentation of Financial Statements (Disclosure Initiative - Amendments to IAS 1)	18 Dec 2014	1 Jan 2016	significant
IAS 16/ IAS 38	Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	12 May 2014	1 Jan 2016	not significant
IAS 16/ IAS 41	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	30 Jun 2014	1 Jan 2016	none



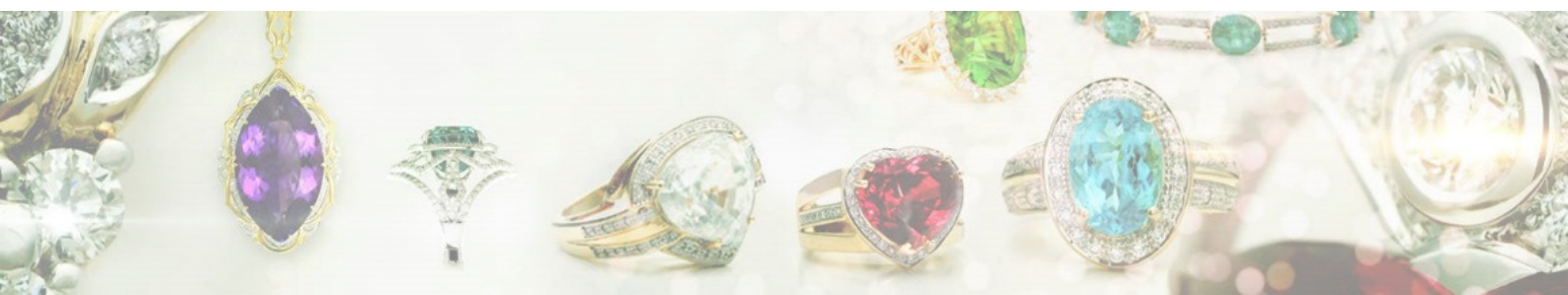
*IFRS 9 – Financial instruments*

In July 2014, the IASB published the final version of IFRS 9. The standard harmonises the guidelines for the classification and measurement of financial assets and financial liabilities and introduces a new model for the impairment of financial assets. Classification is based primarily on the company's business model and the contractual cash flows of the financial instrument in question. IFRS 9 contains a new measurement model that requires recognition of expected losses in addition to incurred losses. Furthermore, the new provisions on hedge accounting published on 19 November 2013 were included in the final version of IFRS 9, thus replacing the previous provisions of IAS 39. The standard, which has not yet been approved as part of the EU endorsement proceedings, requires first-time application in financial years beginning on or after 1 January 2018. The elumeo Group does not expect the first-time application of the standard to result in any material changes in the presentation or recognition of financial assets and liabilities.

*IFRS 15 – Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to the recognition of revenue from contracts with customers. Under IFRS 15, revenue is recognised at the amount that reflects the consideration which the entity expects to receive in exchange for transferring goods or services to the customer. Revenue is recognised when the customer receives control over the goods or services. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard, which has not yet been approved in the EU endorsement proceedings, is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018, with early adoption is permitted. The elumeo Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

In addition, the IASB has released other standards and amendments to standards requiring future application but which will not have any impact on the elumeo Group's consolidated financial statements.



## E. Principles of consolidation

### Basis of consolidation

In the first half year 2015, Juwelo France S.A.S., Paris, France ("Juwelo France"), a newly-founded subsidiary of Juwelo, was included in the basis of consolidation for the first time.

The interim financial statements as at 30 June 2015 therefore include the separate financial statements of elumeo SE and its directly or indirectly wholly-owned subsidiaries (Juwelo, Juwelo France, Juwelo Italia, JTV, R&C, Silverline and PWK). The entities included in the interim financial statements as at 30 June 2015 are referred to as the elumeo Group.

The combined interim financial statements as at 30 June 2014 include the entities under the common control of Mr. Boyé and OSH (elumeo SE, Juwelo, Juwelo Italia, JTV, R&C, Rox Gulf Ltd., Dubai, United Arab Emirates ("Rox Gulf"), Rocks Holding Ltd., Dubai, United Arab Emirates ("Rocks Holding"), Silverline and PWK). The entities included in the combined interim financial statements as at 30 June 2014 are referred to as the combined elumeo Group.

The basis of consolidation was reduced from nine entities as at 30 June 2014 to seven entities as at 31 December 2014 with the transfer of the business activities of Rox Gulf and Rocks Holding to Silverline and the discontinuation of the business activities of Rox Gulf and Rocks Holding in the second half of 2014 (loss of control as at 23 October 2014). As at 30 June 2015, the basis of consolidation increased to eight entities by the founding of an entity.

### Reporting date of the interim consolidated financial statements

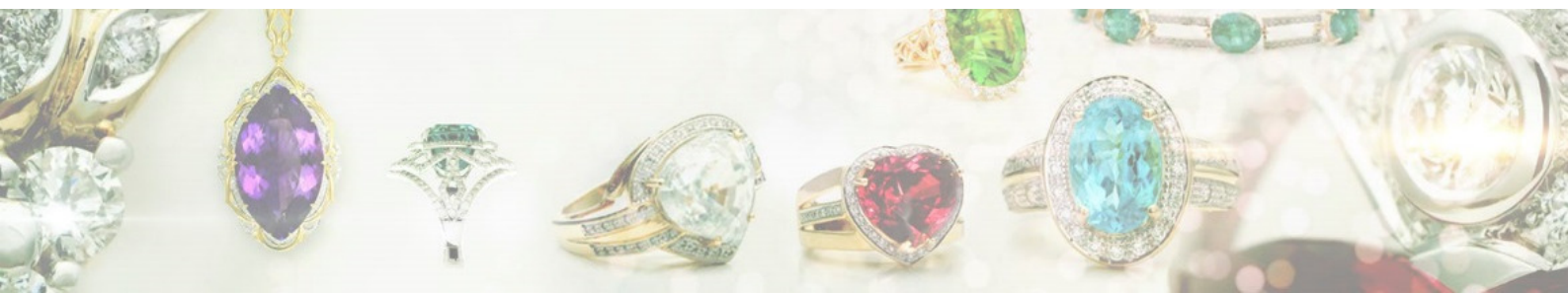
These interim financial statements as at 30 June 2015 comprise the period from 1 January to 30 June 2015 ("H1 2015" or "first half year"). The quarterly reporting period comprises the period from 1 April to 30 June 2015 ("Q2 2015" or "second quarter").

### Foreign currency translation

Foreign currency translation is based on the concept of functional currency pursuant to IAS 21 *The Effects of Changes in Foreign Exchange Rates* using the modified-closing-rate-method. The exchange rates with a significant influence on the interim financial statements are presented below:

Currency	Exchange rate on reporting date		Average exchange rate	
	30 Jun 2015	31 Dec 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
<b>EUR</b>				
British pound .....	1.4074	1.2839	1.3662	1.2177
Thai baht .....	0.0265	0.0251	0.0272	0.0224
US dollar .....	0.8951	0.8240	0.8968	0.7298

Please refer to section [E.: Foreign currency translation] in the notes to the consolidated financial statements 2014 for further information on foreign currency translation.



## F. Notes to the interim consolidated statement of comprehensive income

### (1.) Revenue

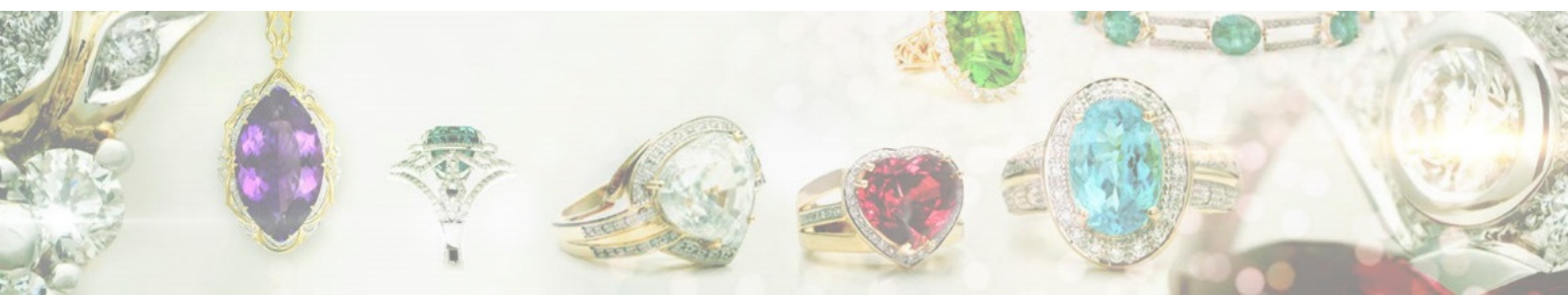
In H1 2015 the elumeo Group increased its revenue by 21.7% and in Q2 2015 by 17.0% compared to the prior-year period.

EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Revenue from product sales .....	20,003	17,102	39,467	32,447
Other revenue .....	-0	-1	14	5
<b>Revenue</b>	<b>20,003</b>	<b>17,102</b>	<b>39,481</b>	<b>32,453</b>

With respect to revenue from product sales, strong growth was posted in both Q2 2015 and H1 2015 overall, in particular by the sales companies in Germany (Q2 2015: 29.0% and H1 2015: 23.5%) and Italy (Q2 2015: 18.8% and H1 2015: 32.0%). The following table shows the distribution of revenue from product sales by region (by registered domicile of the selling company):

EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Germany .....	12,244	9,496	24,424	19,774
Italy .....	3,308	2,784	6,971	5,283
United Kingdom .....	4,406	4,698	7,934	7,013
Other countries .....	46	124	138	377
<b>Revenue from product sales</b>	<b>20,003</b>	<b>17,102</b>	<b>39,467</b>	<b>32,447</b>

In order to obtain a clear and continuous presentation of revenue by distribution channels, the revenue from eCommerce detailed in the explanations below has been adjusted by revenue in the amount of EUR 2,252 thousand from Juwelo.com, which is currently still operated together with an US Joint Venture partner.



EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Television revenue .....	14,027	14,386	29,746	27,281
eCommerce revenue <sup>1</sup> .....	5,976	2,716	9,721	5,167
<b>Revenue from product sales</b>	<b>20,003</b>	<b>17,102</b>	<b>39,467</b>	<b>32,447</b>

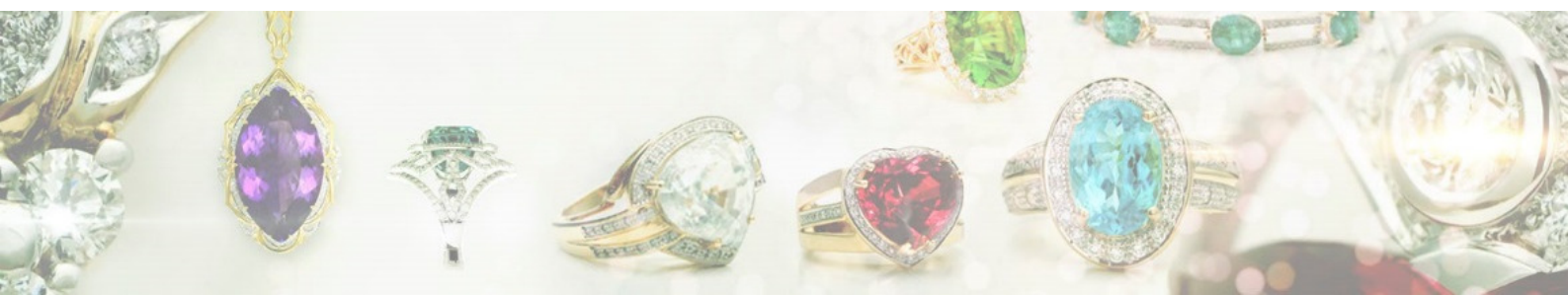
<sup>1</sup> The revenue in Q2 2015 includes revenue in the amount of EUR 2.252 with Juwelo.com, which is currently still operated together with a Joint Venture partner in the USA.

In Q2 2015, revenue from product sales of EUR 14,027 thousand (Q2 2014: EUR 14,386 thousand) was generated through TV sales channels and EUR 3,724 thousand (Q2 2014: EUR 2,716 thousand) via eCommerce sales channels (adjusted). In H1 2015, revenue from eCommerce sales (adjusted) increased overall by 44.6% to EUR 7,469 thousand (H1 2014: EUR 5,167 thousand). The European web shop business attributable to eCommerce revenue increased in H1 2015 even by 121.0% to EUR 2,605 thousand (H1 2014: EUR 1,179 thousand). In the end, the revenue share of the eCommerce sales channels (adjusted) rose in H1 2015 to 18.9% (H1 2014: 15.9%) of total revenue.

## (2.) Cost of goods sold

The cost of goods sold is composed of the following:

EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Material costs .....	9,416	9,591	21,119	18,083
Change in inventory of merchandise, finished goods and work in progress .....	-701	-4,092	-3,844	-6,574
Change in inventory .....	-601	-4,194	-4,779	-6,694
Effects of foreign currency translation .....	-100	102	935	120
Personnel expenses .....	1,245	1,016	2,306	1,581
Depreciation and amortisation .....	29	10	56	15
Merchandise costs from related parties .....	0	1,279	0	1,968
<b>Cost of goods sold</b>	<b>9,989</b>	<b>7,805</b>	<b>19,637</b>	<b>15,073</b>



### (3.) Selling expenses

The selling expenses comprise the following items:

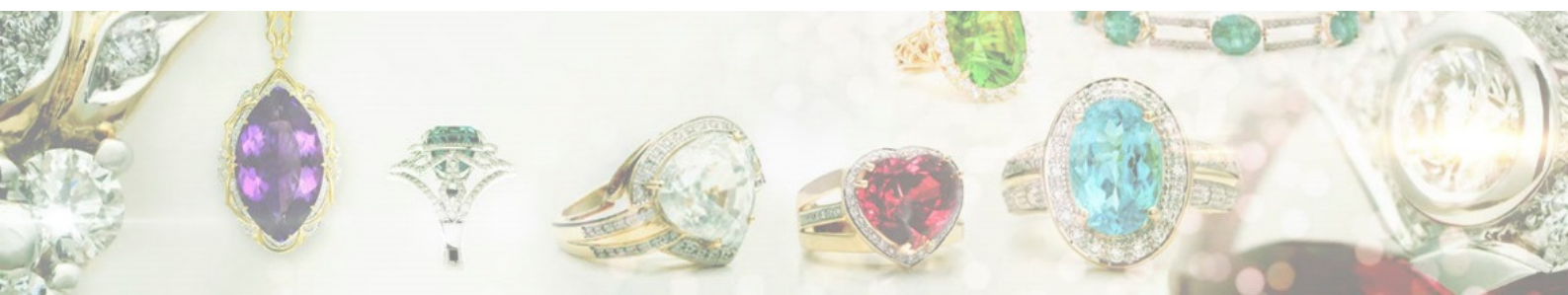
EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Broadcasting and channel rental costs .....	3,026	3,106	6,464	6,167
Personnel expenses .....	1,799	1,445	3,601	2,778
Expenses for external personnel services .....	316	303	702	619
Sales and marketing expenses .....	268	251	507	490
Depreciation and amortisation .....	58	54	115	107
Other selling expenses .....	948	1,365	2,249	2,781
<b>Selling expenses</b>	<b>6,415</b>	<b>6,524</b>	<b>13,639</b>	<b>12,942</b>

The other selling expenses are composed essentially of expenses for moderators, producers and similar freelance activities in TV production, for the telephone platform, for payment transactions, for packaging and for operating the web shops.

### (4.) Administrative expenses

The administrative expenses contain the following items:

EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Personnel expenses .....	1,190	971	2,207	1,953
Depreciation and amortisation .....	116	102	219	198
Other administrative expenses .....	163	911	2,711	2,106
Losses (+)/gains (-) from foreign currency translation .....	-1,083	25	402	46
External service expenses and similar fees .....	186	90	318	597
Rent and lease expenses .....	150	129	298	252
Repair and maintenance expenses .....	23	23	51	49
Bad debt allowances and write-downs .....	7	1	14	2
Other administrative expenses .....	881	644	1,629	1,160
<b>Administrative expenses</b>	<b>1,470</b>	<b>1,984</b>	<b>5,137</b>	<b>4,257</b>



**(5.) Other operating income**

Other operating income is comprised of the following:

EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Income from TV production services .....	0	6	0	697
Income from the release of a negative goodwill from acquisition of PWK .....	0	0	0	805
Gains on disposal of non-current assets .....	0	9	0	9
Income from the reversal of allowances for doubtful accounts .....	0	0	1	0
Income resulting from past reporting periods .....	5	0	30	19
Miscellaneous other operating income .....	11	2	25	4
<b>Other operating income</b>	<b>15</b>	<b>16</b>	<b>56</b>	<b>1,534</b>

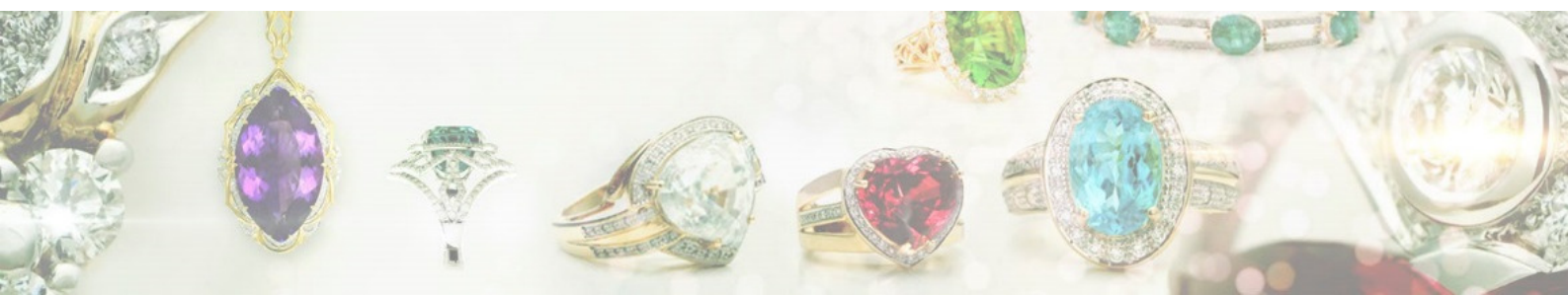
**(6.) Other operating expenses**

Other operating expenses in Q2 2015 were EUR 111 thousand (Q2 2014: EUR 154 thousand) and in H1 2015 EUR 173 thousand (H1 2014: EUR 185 thousand). They concern solely one-off restructuring, consulting and other non-personnel expenses in connection with the establishment of the elumeo Group as well as preparations for the admission of the shares of elumeo SE to the Regulated Market of the Frankfurt Stock Exchange (IPO and restructuring expenses).

**(7.) Financial result**

The financial result includes the following income and expense items:

EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Interest income from bank balances .....	0	1	1	1
Other interest income .....	1	2	3	3
<b>Interest income</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>
Interest expenses from bank loans .....	-102	0	-123	0
Other interest and similar expenses .....	-3	-0	-8	-0
<b>Interest expenses</b>	<b>-105</b>	<b>-0</b>	<b>-131</b>	<b>-0</b>
<b>Financial result</b>	<b>-104</b>	<b>3</b>	<b>-127</b>	<b>3</b>



**(8.) Income tax**

Income taxes in H1 2015 are comprised of the current taxes on income paid or payable in the individual countries of EUR -122 thousand (H1 2014: EUR 0 thousand) and of deferred taxes of EUR -166 thousand (H1 2014: EUR -227 thousand).

The current income taxes essentially concern the proper periodic allocation of a one-time tax payment in connection with the awarding of an investment promotion certificate by the Thai investment authorities (Board of Investment ("BOI")). For further information about the tax exemption of the Thai subsidiary, please refer to section [13.16. *Public aid – Tax grant from the Thai BOI*] in the Securities Prospectus.

The deferred tax assets of EUR 765 thousand from tax loss carryforwards recognised during first-time consolidation of PWK as at 1 January 2014 were recognised in full as a tax expense in H1 2014 because the tax loss carryforwards were utilised.

EUR thousand	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Deferred tax expense (-)/income (+) .....	-674	-6	-166	-227
Current tax - Germany .....	0	0	0	0
Current tax - other countries .....	-64	0	-122	-0
<b>Income tax</b>	<b>-738</b>	<b>-6</b>	<b>-288</b>	<b>-227</b>

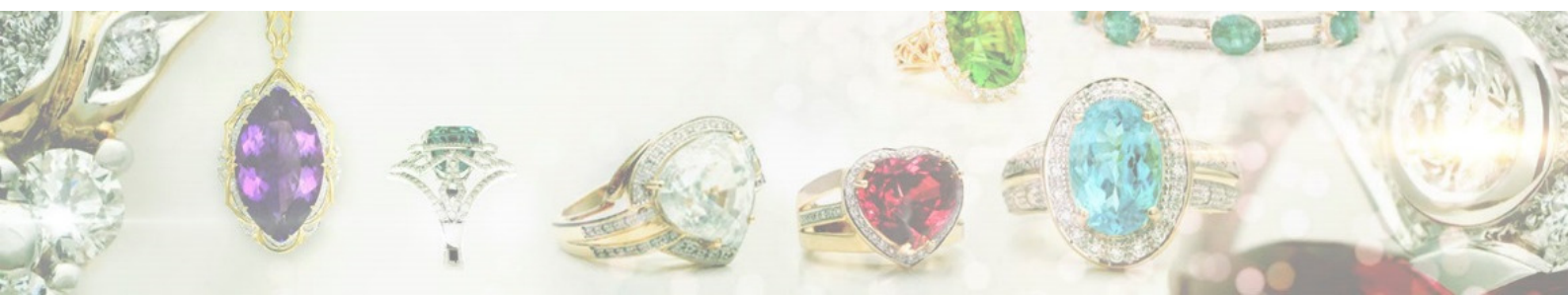
As at 30 June 2015, the elumeo Group's tax rate with respect to the IFRS consolidated earnings before income taxes (EBT) was -34.9% (30 June 2014: -14.8%).

**(9.) Earnings per share**

Earnings per share are presented below:

Earnings and number of shares	Unit	Q2 2015	Q2 2014	1 Jan - 30 Jun 2015	1 Jan - 30 Jun 2014
Earnings of shareholders of elumeo SE .....	EUR thousand	1,193	647	536	1,305
Average number of outstanding shares .....	thousands	4,000	4,000	4,000	4,000
<b>Earnings per share (basic and diluted) .....</b>	<b>EUR</b>	<b>0.30</b>	<b>0.16</b>	<b>0.13</b>	<b>0.33</b>

The basic earnings per share corresponds to the earnings attributable to shareholders divided by the weighted average number of shares outstanding. As there are no minority interests, the earnings

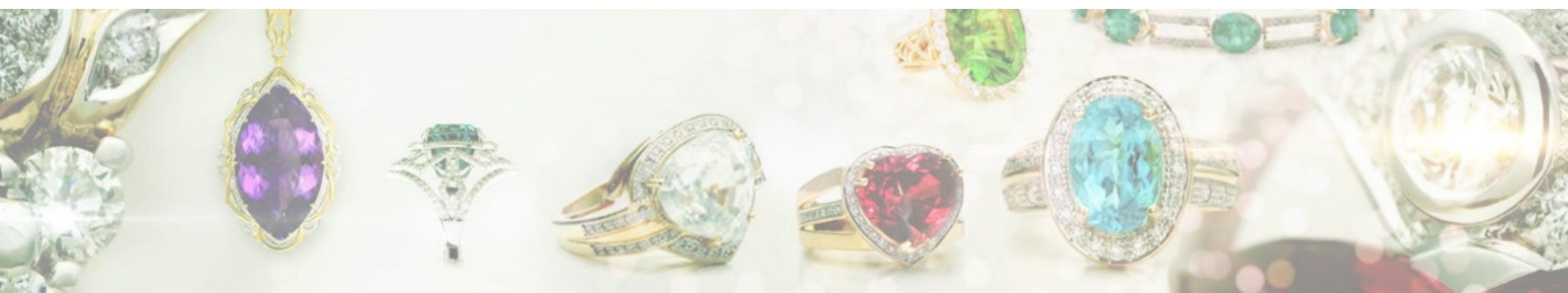


attributable to shareholders correspond to the earnings for the period of the Group. The diluted earnings per share corresponds to the basic earnings per share.

Given the special circumstances of the financial year ended as at 31 December 2014, in which the elumeo Group did not legally arise until 23 October 2014, the average number of shares outstanding of elumeo SE, whose share capital was increased on 27 October 2014 from EUR 120 thousand to EUR 4,000 thousand, is not a meaningful basis for calculating the earnings per share for the comparative periods of 2014. The earnings per share are therefore based on the number of shares that existed as of the date the elumeo Group was legally formed.

#### **(10.) Other comprehensive income**

The earnings for the period of the elumeo Group in the consolidated statement of income can be reconciled to the total comprehensive income in the consolidated statement of comprehensive income by adding back the other comprehensive income. The other comprehensive income includes the foreign currency translation differences from the translation of the equity of foreign subsidiaries at the respective historical exchange rate as well as of the annual financial statements prepared in foreign currency and is presented directly in equity in the foreign currency translation reserve.



## G. Notes to the interim consolidated statement of financial position

### (11.) Intangible assets

As at 30 June 2015, intangible assets amounted to EUR 709 thousand (31 December 2014: EUR 727 thousand). They essentially concern a broadcasting license and purchased software. Capital expenditures in H1 2015 were EUR 26 thousand (H1 2014: EUR 3 thousand). Amortisation in the same period were EUR 45 thousand (H1 2014: EUR 5 thousand).

The elumeo Group does not conduct any research. Development activities are limited to the maintenance and enhancement of corporate software used, consisting of internal web applications and user software such as mobile apps and smart TV apps. The costs for development activities incurred essentially encompass personnel costs that are expensed because the recognition requirements for capitalisation are not met.

### (12.) Property, plant and equipment

Capital expenditures on property, plant and equipment were EUR 590 thousand in H1 2015 (H1 2014: EUR 566 thousand). Depreciation amounted to EUR 345 thousand in the same period (H1 2014: EUR 315 thousand).

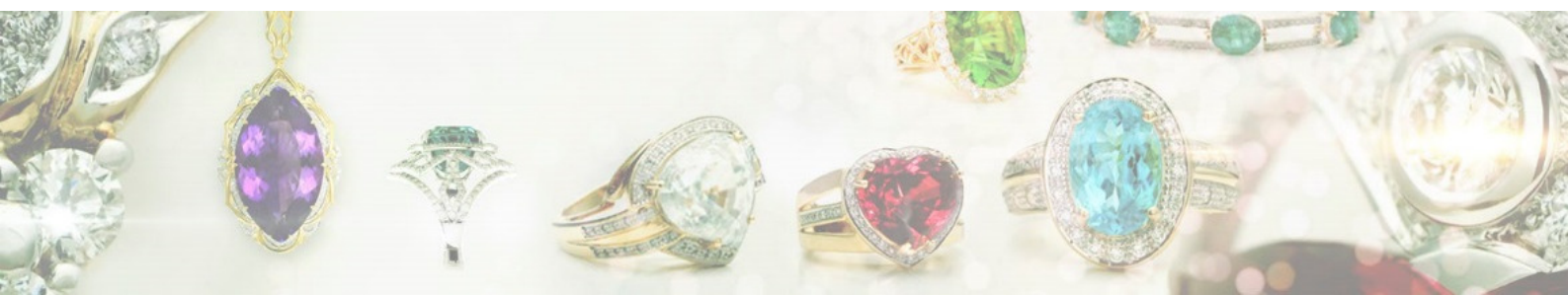
In addition, EUR 858 thousand (H1 2014: EUR 0 thousand) was paid as prepayments for assets or recognised for assets under construction, the depreciation of which has not yet begun. The assets concern semi-automated warehouse and logistics infrastructure and leasehold improvements. They are expected to be placed in operation in the third quarter.

As a result of the refinancing of asset purchases after the end of the reporting period in form of a lease purchase agreement, EUR 587 thousand in prepayments will be refunded in the third quarter, different to the disclosure in the consolidated statement of financial position as at 30 June 2015. Also in this connection, a short-term bridge loan due to a related party for financing the prepayments was repaid on 8 July 2015.

### (13.) Inventories

The inventories are comprised of the following:

	30 Jun 2015	31 Dec 2014
EUR thousand		
Raw materials, consumables and supplies .....	8,805	479
Unfinished goods .....	1,207	1,049
Finished goods and merchandise .....	24,513	19,892
Advance payments .....	689	0
<b>Inventories</b>	<b>35,214</b>	<b>21,419</b>



**(14.) Trade receivables**

As at 30 June 2015, the trade receivables contained a receivable of EUR 2,252 thousand (31 December 2014: EUR 0 thousand) due from a Joint Venture partner in connection with the establishment of an US eCommerce distribution channel.

**(15.) Receivables due from related parties**

The receivables due from related parties of EUR 641 thousand (31 December 2014: EUR 709 thousand) concern receivables from the purchase and sale of merchandise and the rendering of services. The non-current receivables due from related parties of EUR 76 thousand (31 December 2014: EUR 74 thousand) are interest bearing.

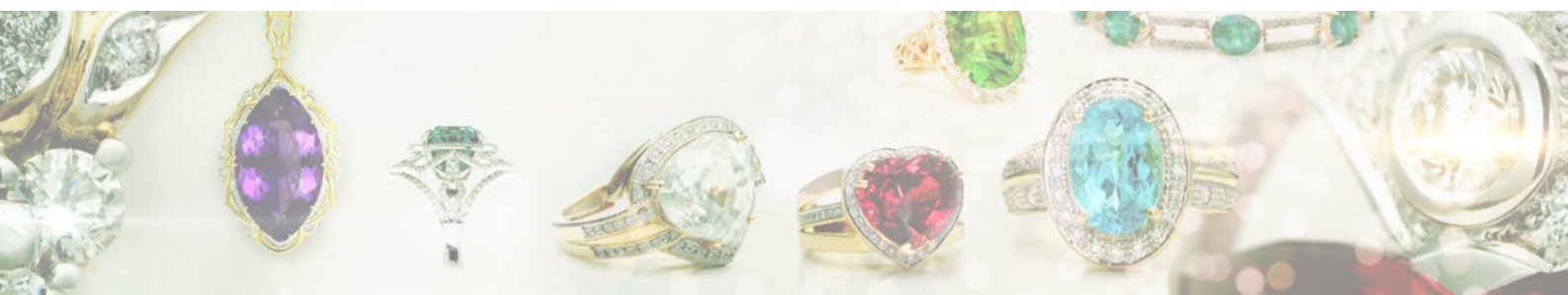
**(16.) Other financial assets and other non-financial assets**

The other financial assets are comprised of the following:

	30 Jun 2015	31 Dec 2014
<b>EUR thousand</b>		
Security deposits and other warranties .....	741	433
Receivables due from employees .....	32	32
<b>Other financial assets</b>	<b>773</b>	<b>465</b>
thereof long-term .....	694	388
thereof short-term .....	79	77

The other non-financial assets contain the following items:

	30 Jun 2015	31 Dec 2014
<b>EUR thousand</b>		
Receivables from taxes .....	629	1,170
Deferred expenses - BOI investment promotion certificate .....	1,739	0
Deferred expenses - others .....	1,370	1,504
Other advance payments .....	82	0
Creditors with debit balances .....	28	5
Miscellaneous other receivables .....	7	0
<b>Other non-financial assets</b>	<b>3,855</b>	<b>2,679</b>
thereof long-term .....	2,158	509
thereof short-term .....	1,697	2,170



## (17.) Equity

### *Stock exchange listing*

On 29 June 2015, elumeo SE requested admission of its shares to stock exchange trading on the Regulated Market of the Frankfurt Stock Exchange and on the Prime Standard, a sub-segment with additional post-admission obligations. The admission offer was for 1,500,000 new shares and 225,000 existing shares that were held by the shareholders listed in section *[18. Shareholder structure (before and after the offering)]* in the Securities Prospectus.

The shares were offered to investors for purchase in the period from 18 June to 1 July 2015 in a price spread of EUR 25.00 to EUR 33.00. The company fixed the offering price at EUR 25.00 on 1 July 2015.

The admission to stock exchange trading was issued on 2 July 2015 and trading activities started successfully on 3 July 2015. Since then, elumeo SE's shares have traded under the International Securities Identification Number (ISIN) DE000A11Q059 and the German Securities Identification Number (SIN) A11Q05.

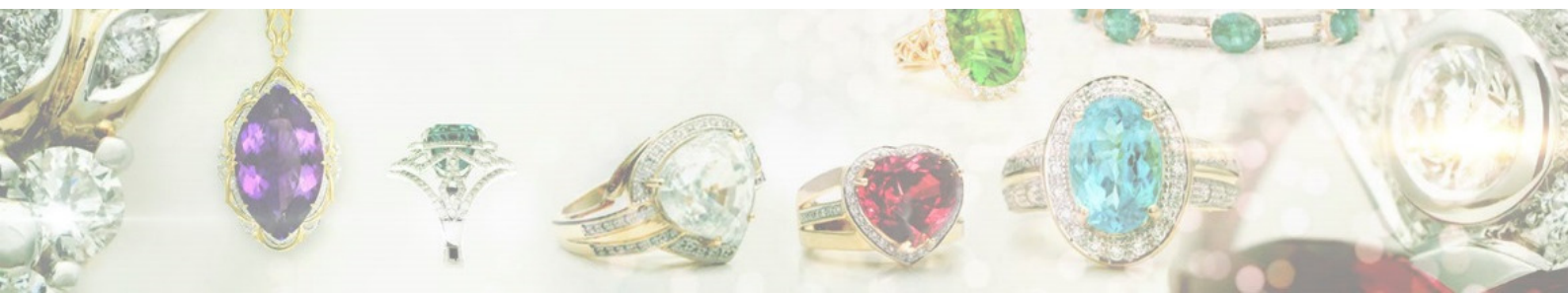
In the course of the initial public offering and the complete placement of 1,500,000 new shares, elumeo SE received cash and cash equivalents in the amount of EUR 35,500 thousand after deducting the base fee retained by the syndicate banks. The greenshoe offered to the placing syndicate banks of 225,000 shares from the shareholders' portfolio, which was exercisable up to and including 3 August 2015, was exercised in the amount of 40,482 shares.

In preparation of the initial public offering of elumeo SE's shares, the following material resolutions were adopted.

### *Issued capital*

The share capital of elumeo SE was EUR 4,000,000 as at 30 June 2015 and is divided into 4,000,000 no-par value bearer shares each with a nominal value of EUR 1.00. By resolution of the extraordinary shareholders' meeting on 7 April 2015, the shares were converted from no-par value registered shares into no-par value bearer shares at a 1:1 ratio. In addition, the company was authorised to acquire treasury shares pursuant to section 71 para. (1) no. 8 German Stock Corporation Act (Aktiengesetz, "AktG") until 6 April 2020 in a volume of up to 10% of the share capital existing as of the date of the resolution.

A resolution of the general shareholders' meeting on 15 June 2015 authorised an increase in the company's share capital by up to EUR 1,500 thousand to up to EUR 5,500 thousand by issuing up to 1,500,000 new, no-par value bearer shares in return for cash contributions. The shares shall be issued at the amount of EUR 1.00 per share; consequently at a total issue amount of up to EUR 1,500 thousand. One of the syndicate banks supporting the initial public offering was approved exclusively for the subscription of the new shares. The capital increase was executed on 1 July 2015 by cash contribution in the amount of EUR 1,500 thousand and the company's articles of association were amended by resolution of the Executive Board dated 1 July 2015. The banks supporting the initial public offering were tasked with placing a total of up to 1,725,000 shares.



### *Authorised and conditional capital*

By resolution of the extraordinary shareholder meeting on 7 April 2015, the Executive Board was authorised to increase the share capital of elumeo SE by up to a total of EUR 2,000 thousand by issuing up to 2,000,000 new no-par value bearer shares in exchange for cash contributions and/or contributions in kind (Authorised Capital 2015).

The Executive Board was also authorised to issue convertible bearer bonds or bearer bonds with warrants in a total nominal amount of up to EUR 150.0 million and to grant the bearers or creditors conversion rights or options to acquire up to a total of 1,600,000 new, no-par value bearer shares of the company with a pro rata interest in share capital totalling up to EUR 1,600 thousand (Contingent Capital 2015/I).

The Executive Board was further authorised to grant options to acquire up to a total of 400,000 new, no-par value bearer shares of the company (Stock Option Programme 2015). In this connection the company's share capital may be increased contingently by up to EUR 400 thousand by issuing new shares (Contingent Capital 2015/II). The Contingent Capital 2015/II serves solely to grant new shares to option holders from the Stock Option Programme 2015.

No new shares had been issued as at 30 June 2015.

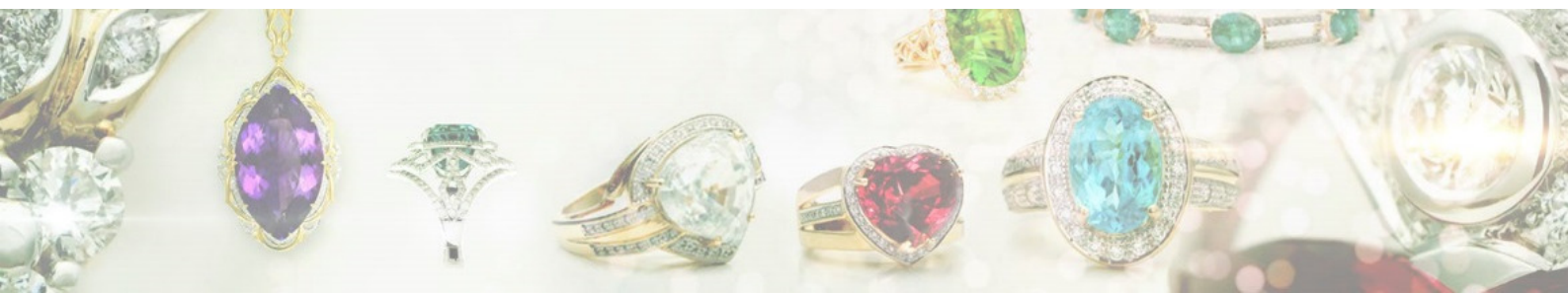
As at 1 July 2015, the Executive Board had issued a total of 151,000 options for the purchase of a total of 151,000 shares with a pro-rata interest in share capital of EUR 151,000 thousand from the Stock Option Programme 2015. The options were issued under the condition precedent of the launch of trading of the company's shares on the Frankfurt Stock Exchange. The exercise price to be paid upon each exercise of the options following expiration of the vesting period corresponds to the share's offering price.

For further information on the historical development of the consolidated equity, also in particular on the more detailed development of the equity item "Net assets attributable to shareholders" in the consolidated statement of changes in equity, please refer to section *[I.(17.)]* and *[J.: Related party disclosures]* in the notes to the consolidated financial statements 2014 as well as the Securities Prospectus.

### **(18.) Financial debt**

On 11 February 2015, elumeo SE was granted a working capital loan with a total credit line of up to EUR 5,000 thousand for financing the growth of the elumeo Group. In addition, the elumeo Group was granted an overdraft facility of up to EUR 2,500 thousand. The loans have a term of two years and were recognised as non-current financial debt. As at 30 June 2015, the lines of credit had been utilised in full.

On 13 March 2015, PWK was granted an overdraft facility for financing working capital in the amount of up to EUR 530 thousand (disclosure in the consolidated financial statements 2014: EUR 501 thousand due to exchange rate changes). In addition, PWK was also granted a short-term working capital loan of up to EUR 3,179 thousand (disclosure in the consolidated financial statements: EUR 3,006 thousand due to exchange rate changes). As at 30 June 2015, the overdraft facility had been almost completely utilised and the working capital loan had been fully utilised and were presented as current financial debt.



The build-up of inventories of precious stones in H1 2015, which were acquired in the course of the extensive restructuring of the procurement process in the production company in Thailand, was financed to a significant extent by the above lines of credit.

For further information on financial debt, please refer to section *[J.: Events after the end of the reporting period]* in the notes to the consolidated financial statements 2014 of elumeo SE and section *[8. Capitalisation, indebtedness and debt financing requirements]* in the Securities Prospectus.

#### (19.) Provisions

Provisions relate mainly to long-term statutory payment obligations in the amount of EUR 448 thousand (31 December 2014: EUR 365 thousand) to employees of foreign subsidiaries that are payable when the employment relationship ends, customer returns in the amount of EUR 87 thousand (31 December 2014: EUR 295 thousand) and obligations to dismantle tenant improvements in the amount of EUR 22 thousand (31 December 2014: EUR 26 thousand).

#### (20.) Liabilities due to related parties

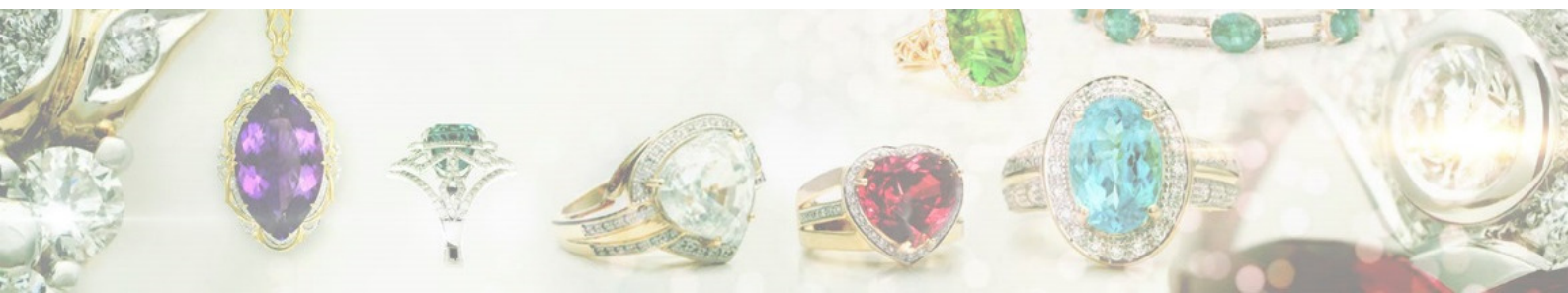
Liabilities due to related parties relate mainly to an interest-bearing, short-term loan that served as bridge financing for the advance payments on semi-automated warehouse and logistics infrastructure presented in section *[G.(12.)]*. The loan was repaid on 8 July 2015 in the course of refinancing the equipment purchases in form of a lease purchase agreement.

#### (21.) Other non-financial liabilities

The other non-financial liabilities comprise the following items:

	30 Jun 2015	31 Dec 2014
<b>EUR thousand</b>		
Liabilities from value added tax .....	774	289
Liabilities from other taxes .....	143	141
Liabilities to employees .....	295	121
Debtors with credit balances .....	969	720
Other accrued liabilities .....	267	560
Miscellaneous other liabilities .....	74	151
<b>Other non-financial liabilities</b>	<b>2,522</b>	<b>1,982</b>
thereof long-term .....	25	25
thereof short-term .....	2,497	1,957

Debtors with credit balances result from customer returns not yet reimbursed or from credits that are netted with future orders at the express wish of the customer.



**(22.) Notes to the condensed interim consolidated statement of cash flows**

The negative cash flow from operating activities in H1 2015 in the amount of EUR -9,716 (H1 2014: EUR 570 thousand) results mainly from the build-up of inventories in the amount of EUR -13,794 thousand (30 June 2014: EUR -7,108 thousand) which took place in regard to the purchase of gemstones and to the future expected revenue growth. In addition, trade receivables increased on the reporting date by EUR -2,073 thousand as a result of receivables due from a Joint Venture partner. This cash outflow was offset by positive earnings from operating activities (EBIT) in the amount of EUR 951 thousand (H1 2014: EUR 1,528 thousand) and an increase in trade payables in the amount of EUR 5,291 thousand (30 June 2014: EUR 5,780 thousand). In addition, the cash outflow includes income taxes paid in the amount of EUR -1,994 thousand (2014: EUR -4 thousand). These can be attributed to a one-time tax payment related to a tax exemption for the Thai subsidiary PWK granted on 1 July 2014 for a period of eight years.

The negative cash flow from investing activities amounts to EUR -1,474 thousand (H1 2014: EUR -554 thousand) and the cash flow from financing activities amounts to EUR 11,592 thousand (H1 2014: EUR 79 thousand).

As at 30 June 2015, the cash flows from operating, investing and financing activities as well as the effects from foreign currency translation on cash and cash equivalents led to a total increase in freely disposable cash and cash equivalents of EUR 528 thousand compared to 31 December 2014 (30 June 2015: EUR 123 thousand) to EUR 2,959 thousand (30 June 2014: EUR 1,797 thousand).

**(23.) Deferred taxes**

Deferred taxes are recognised on differences between IFRS carrying amount and the carrying amount for tax purposes as well as on tax loss carryforwards. Deferred tax assets as at 30 June 2015 and as at 31 December 2014 can be attributed entirely to the elimination of intercompany profits included in inventories.



**(24.) Additional disclosures on financial instruments**

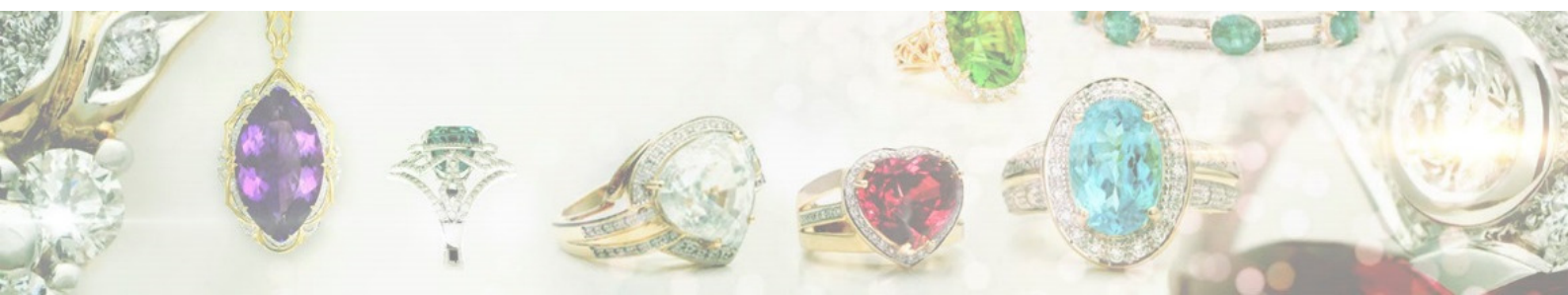
The table below shows the carrying amounts and the fair values (amortised cost) of the individual assets and liabilities for each measurement category of financial instruments in accordance with IAS 39.

	Category <sup>1)</sup> IAS 39	Carrying amount		Fair value	
EUR thousand		30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
<b>Non-current financial assets</b>					
Receivables due from related parties .....	LaR	76	74	76	74
Other financial assets .....	LaR	694	388	694	388
<b>Total</b>		<b>770</b>	<b>463</b>	<b>770</b>	<b>463</b>
<b>Current financial assets</b>					
Receivables due from related parties .....	LaR	565	635	565	635
Other financial assets .....	LaR	79	77	79	77
<b>Total</b>		<b>644</b>	<b>712</b>	<b>644</b>	<b>712</b>
<b>Cash and cash equivalents</b>		<b>2,959</b>	<b>2,431</b>	<b>2,959</b>	<b>2,431</b>
<b>Non-current financial liabilities</b>					
Financial debt .....	FLAC	7,500	0	7,500	0
Other financial liabilities .....	FLAC	176	176	176	176
<b>Total</b>		<b>7,676</b>	<b>176</b>	<b>7,676</b>	<b>176</b>
<b>Current financial liabilities</b>					
Financial debt .....	FLAC	3,628	0	3,628	0
Other financial liabilities .....	FLAC	45	10	45	10
Receivables due to related parties .....	FLAC	512	9	512	9
Trade receivables .....	FLAC	12,633	7,342	12,633	7,342
Debtors with credit balances .....	FLAC	969	720	969	720
<b>Total</b>		<b>17,786</b>	<b>8,081</b>	<b>17,786</b>	<b>8,081</b>

<sup>1)</sup> Category acc. to IAS 39:

LaR - Loans and Receivables

FLAC - Financial Liabilities measured at Amortised Cost

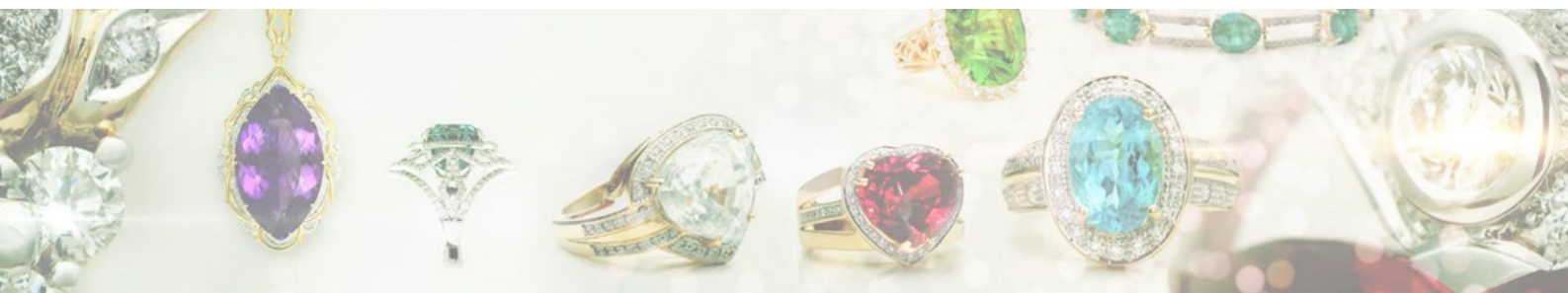


For unlisted financial instruments with short remaining terms such as trade receivables, cash and cash equivalents and current liabilities, it was assumed that the carrying amounts correspond roughly to the fair value as at the reporting date.

Non-current receivables due from related parties and other long-term financial assets are not measured regularly at fair value due to immateriality. The carrying amounts correspond roughly to the fair value as at the reporting date.

Due to immateriality, the carrying amounts for non-current financial debt and other non-current financial liabilities were presumed to correspond roughly with the fair value as at the reporting date due to their maturities, which do not exceed a remaining term of two years.

There were no derivative financial instruments in H1 2015 and H1 2014.



## H. Other disclosures

### Segment reporting

The elumeo Group has only one line of business: the marketing of genuine gemstone jewelry. The structure of the intra-group controlling and management system does not provide for reporting by segments at this time. The products marketed by the elumeo Group are homogeneous and cannot be differentiated systematically. A breakdown by geographic consumer groups with independent marketing strategies is not practicable. Therefore, the elumeo Group does not identify any reportable segments and does not prepare a segment report in accordance with IFRS 8.

### Related party disclosures

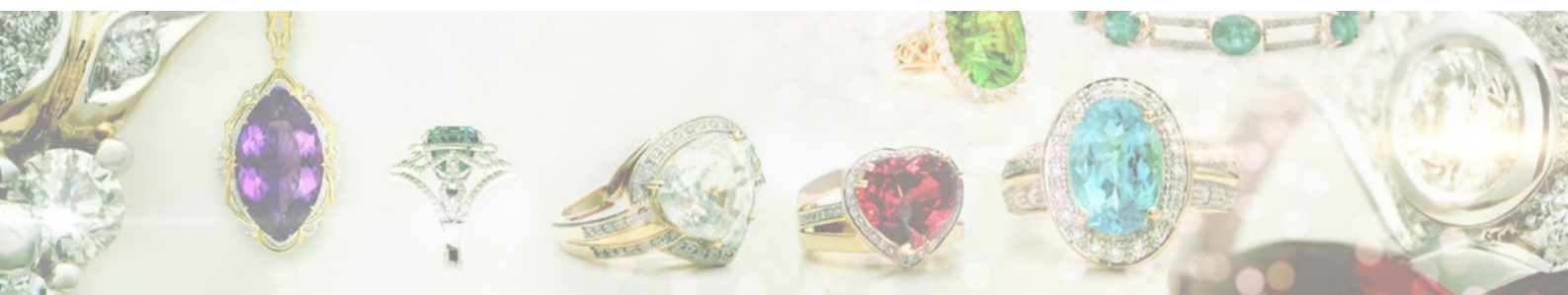
The elumeo Group identifies the related parties of elumeo SE in compliance with IAS 24.

Significant related parties of elumeo SE include:

- All consolidated companies of the elumeo Group,
- the shareholders Mr. Boyé and OSH as well as holding companies directly or indirectly controlled by these parties that in turn hold investments in companies of the elumeo Group, in particular also Rox Gulf and Rocks Holding, which were removed from the basis of consolidation with the transfer of their business activities to Silverline and with the discontinuation of entrepreneurial activities on 23 October 2014,
- the Serifos Foundation, Liechtenstein, which holds 100% of the shares in OSH as well as its benefiting members of the family Jamratkittiwan,
- Moving Colours Limited, Dubai, United Arab Emirates, which, as the predecessor of the production company PWK, is indirectly controlled by OSH and which maintained significant business activities with the combined elumeo Group and the elumeo Group in the prior reporting periods, as well as
- the members of the Executive Board as well as selected members of the wider management team of the elumeo Group.

Transactions with subsidiaries included in the interim financial statements were eliminated during consolidation.

In H1 2014, the combined elumeo Group still executed significant transactions with related parties as part of its normal operating activities (in particular the purchase of finished goods and merchandise). These transactions were carried out at arm's length and led to the purchase of merchandise in the total amount of EUR 1,968 thousand which is reported in the consolidated statement of income under costs of goods sold. The companies from which merchandise was purchased are classified as related parties at the reporting dates. With the restructuring of the value-adding processes and the establishment of the elumeo Group as a legal group on 23 October 2014, comparable transactions were no longer executed. Consequently, no merchandise was purchased from related parties in H1 2015.

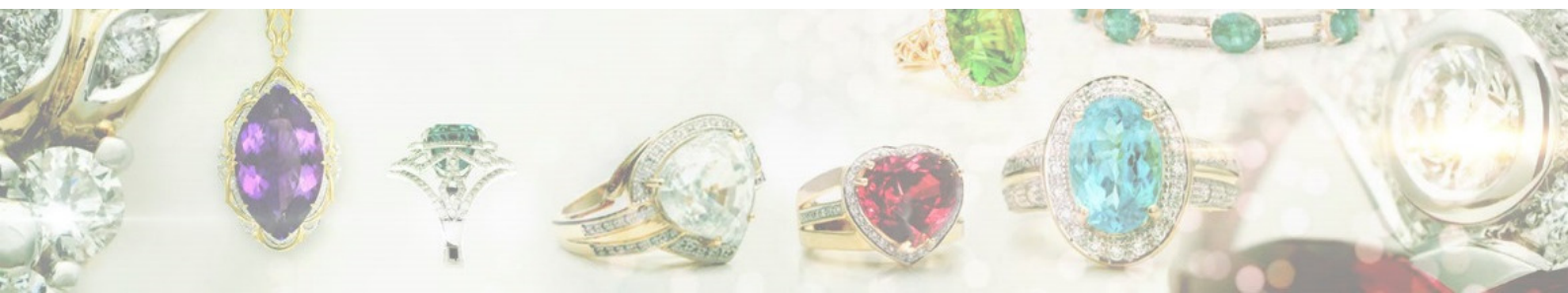


As at 30 June 2015, the elumeo Group recognised receivables due from and liabilities due to related parties. The relevant amounts are reported under the corresponding line items in the consolidated statement of financial position.

In H1 2015, the following transactions were executed with related parties:

- A contract over the lease of new office and factory buildings was formed between PWK and River City Company Limited, Chanthaburi, Thailand – a company whose shares are held entirely by a member of the Jamratkittiwan family. The contract begins on 1 September 2015 and runs for ten years. The Executive Board of elumeo SE and the contract partner currently examine the granting of a potential purchase option.
- On 28 May 2015, Juwelo received a loan in the amount of EUR 500 thousand from Kiwosaja Deutschland GmbH, Berlin – a company whose shares are held entirely by Mr. Boyé. The loan served as bridge financing for the advance payments on warehouse and logistics infrastructure presented in section *[G.(12.)]*. The interest-bearing loan was repaid on 8 July 2015. The interest expense payments amounted to EUR 3 thousand.
- As at 30 June 2015, the elumeo Group recognised non-current financial receivables due from UV Interactive Services GmbH, Berlin (“UVIS”), – a company that is entirely held by Mr. Boyé – in the amount of EUR 76 thousand (31 December 2014: EUR 74 thousand). The receivables bear interest at a rate of 5.50% (H1 2014: 5.50%) and increased on 30 June 2015 due to the non-payment of interest income in the amount of EUR 2 thousand.
- In addition, a total of EUR 25 thousand (H1 2014: EUR 25 thousand) was recognised under administrative expenses for various services provided by UVIS.
- Other current non-financial liabilities include liabilities in the amount of EUR 42 thousand (31 December 2014: EUR 0 thousand) to a member of the Executive Board, who is simultaneously a shareholder of the company, from fees for freelance services as a TV presenter in the amount of EUR 42 thousand (H1 2014: EUR 0 thousand).

For further information on significant transactions with related parties in the financial year ended 31 December 2014, please refer to section *[J.: Related party disclosures]* in the notes to the consolidated financial statements 2014 as well as the presentations in the Securities Prospectus.



## Executive Board

The members of elumeo SE's Executive Board were identified as the management of the elumeo Group in compliance with IAS 24. As at 30 June 2015, the Executive Board of elumeo SE comprises the following individuals:

Executive Board	Profession	Appointment
<i>Executive managing directors</i>		
Bernd Fischer ..... (sole powers of representation since 13 Feb 2015)	Managing director ...	21 Jul 2014
Boris Kirn ..... (sole powers of representation since 13 Feb 2015)	Managing director ...	13 Feb 2015
Thomas Jarmuske ..... (sole powers of representation since 14 Jun 2015)	Managing director ...	14 Jun 2015
<i>Non-executive managing directors</i>		
Wolfgang Boyé .....	Merchant .....	21 Jul 2014
Deborah Cavill .....	Merchant .....	21 Jul 2014
Don Kogen .....	Merchant .....	13 Feb 2015
Roland Sand .....	Merchant .....	7 Apr 2015
Anette Bronder .....	Merchant .....	29 May 2015

In H1 2015, the members of the Executive Board received remuneration based on their function as individuals in key positions of the elumeo Group. In addition, with the exception of the transactions presented in section [H.: Related party disclosures], no other transactions were recognised.

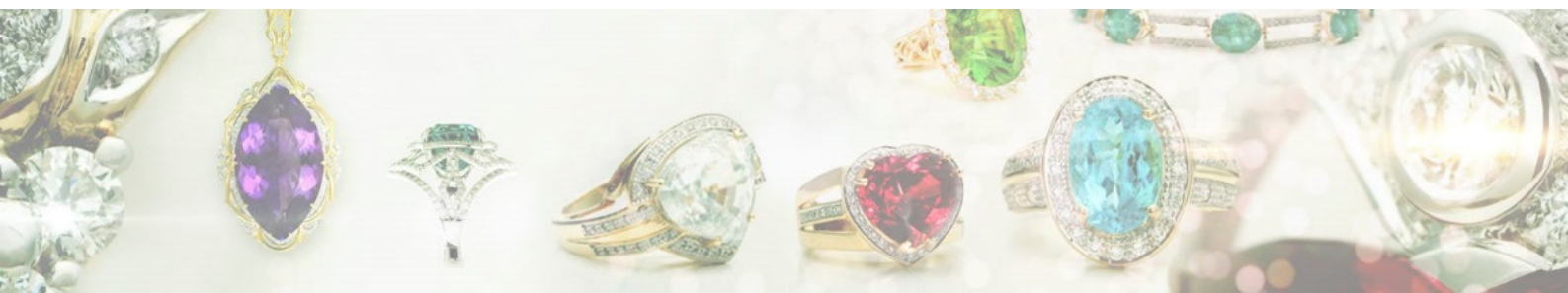
## Operating leases and other obligations

As at 30 June 2015, there were no material changes in the obligations from operating leases for the leasing of real estate and operating and office equipment compared to 31 December 2014, with the exception of the lease agreement over new office and factory buildings presented in section [H.: Related party disclosures]. In addition, the other payment obligations from contractual arrangements over the multiplexing, distribution and transmission of broadcasted television programs that cannot be terminated also remained essentially unchanged.

## Events after the end of the reporting period

For more information on material events after the end of the reporting period related to the initial public offering of elumeo SE, please refer to section [G.(17.)].

In addition, there were no significant events which would materially impact on the elumeo Group's net assets, financial position and results of operations.





## V. RESPONSIBILITY STATEMENT

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### Statement in accordance with § 37y WpHG in conjunction with §37w para. 2 no. 3 WpHG

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting and with German accepted accounting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group and the interim management report of the Group includes a fair review of the development and performance of the business and the current position of the Group, together with a description of the principal opportunities and risks associated with the prospective future development of the Group for the remaining months of the financial year."

Berlin, 28 August 2015

**elumeo SE**

The Executive Managing Directors

Bernd Fischer

Thomas Jarmuske

Boris Kirn

