

elumeo

Half-year financial report
H1/2016



Key Figures

	H1 2016		H1 2015		Q2 2016		Q2 2015	
Revenue	35,253	100%	39,481	100%	20,323	100%	20,003	100%
<u>Product revenue by regions</u> [absolutely and in % of product revenue]								
Germany	21,348	61%	24,424	62%	12,382	61%	12,244	61%
Italy	5,174	15%	6,971	18%	2,241	11%	3,308	17%
United Kingdom	6,740	19%	7,934	20%	4,041	20%	4,406	22%
Other countries	1,966	6%	138	0%	1,646	8%	46	0%
<u>Product revenue by distribution channels</u> [absolutely and in % of product revenue]								
TV revenue	22,079	63%	29,746	75%	11,935	59%	14,027	70%
eCommerce revenue	11,532	33%	9,721	25%	6,758	33%	5,976	30%
B2B revenue	1,617	5%	0	0%	1,617	8%	0	0%
[The following disclosures represent: absolute values and in % of revenue]								
Gross profit	15,772	45%	19,844	50%	8,201	40%	10,014	50%
EBITDA	-5,831	-17%	1,341	3%	-2,825	-14%	2,239	11%
Adjusted EBITDA	-3,677	-10%	1,916	5%	-1,379	-7%	1,266	6%
Depreciation and amortization	848	2%	390	1%	433	2%	204	1%
EBIT	-6,679	-19%	951	2%	-3,259	-16%	2,034	10%
Adjusted EBIT	-4,525	-13%	1,526	4%	-1,813	-9%	1,062	5%
Earnings for the period	-7,237	-21%	536	1%	-3,359	-17%	1,193	6%
Total comprehensive income	-6,241	-18%	1,510	4%	-1,946	-10%	-412	-2%
Selling and administrative expenses	22,534	64%	18,776	48%	11,532	57%	7,884	39%
Total assets	68,723		53,623					
Total equity [absolutely and in % of balance sheet total]	45,066	66%	26,035	49%				
Working capital [absolutely and in % of H1 2016 revenue]	35,426	49%	25,839	65%				
Cashflow from operating activities	-5,702		-9,716	-25%	-725	-4%	-1,919	-10%
Cashflow from investing activities	-742		-1,474	-4%	-196	-1%	-1,050	-5%
Cashflow from financing activities	-971		11,592	29%	-1,958	-10%	4,037	20%
Items sold [pieces]	465,554		602,640		225,887		299,770	
Average sales price (ASP) [EUR]	75.72		65.51		89.97		66.73	
Gross profit per item sold [EUR]	33.88		32.93		36.31		33.41	
<u>New customer breakdown (Germany only)</u> [in % of new customers]								
TV only	39%		43%		33%		37%	
Web only	51%		45%		56%		54%	
Others	10%		12%		11%		9%	



Financial Calendar

17 November 2016

Publication of 9M /Q3 results of 2016





CONTENT

I.	TO OUR SHAREHOLDERS	4
	Letter from the Chairman of the Executive Board	5
	Capital market information.....	7
II.	INTERIM GROUP MANAGEMENT REPORT.....	9
	Economic report.....	10
	Supplementary report.....	18
	Opportunity and risk report.....	18
	Forecast report.....	19
III.	CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	20
	Consolidated statement of income	21
	Consolidated statement of comprehensive income	22
	Consolidated statement of financial position	23
	Consolidated statement of financial position	24
	Consolidated statement of changes in equity	25
	Consolidated statement of cash flows	26
	Group segment reporting.....	27
IV.	NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	29
V.	RESPONSIBILITY STATEMENT.....	49





I. TO OUR SHAREHOLDERS

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 Shareholders,

We set a variety of financial priorities in the first half of 2016. During the first quarter, the focus was on stabilising the gross profit margin at a level slightly above 50%. We succeeded in achieving this objective though we are not satisfied with what we have already reached.

In the second quarter of 2016, we initiated several sales activities that had a positive impact on revenue. The measures include, in particular, the broadcasting formats Free Ring Size and Creation of the Day, but also special programmes for the KAT FLORENCE collection.

With Free Ring Size, customers of the elumeo subsidiary Juwelo TV Deutschland GmbH can see exactly which ring sizes each piece of jewelry is currently available on a graphic display. This possibility can also be used via the app or via Livestream on the Internet.

In the daily programme "Creation of the Day," Juwelo TV Deutschland GmbH offers an exclusive collection that is usually presented by the Managing Director Annette Freising with which the customers are able to co-decide on certain details.

The increased emphasis that is being put on selling the KAT FLORENCE collection is another important topic. The handpicked creations from this collection are presented regularly and exclusively on TV and sold via TV, app and online bidding agent.

The performance resulted in a sales increase of 36.2% in the second quarter compared to the first quarter of 2016 and of 2% compared to the second quarter of 2015. In the first half of 2016, we compare ourselves with a very strong first half of 2015. For this reason, revenue of EUR 35.3 million for the first half of 2016 is lower than in the same period of last year (H1 2015: EUR 39.5 million).

Due to the gratifyingly high proportion of higher-priced products which are not from our own production, the gross margin at Group level could not be maintained at the level of the prior year period in the first half of 2016. Gross profit still developed positively on the whole in the first quarter of 2016 after a challenging second half of 2015 and particularly in the second quarter of 2016. The cumulative segment EBITDA developed quite similarly. We succeeded in reducing our loss even further by 39% from EUR -2.3 million in the first quarter of 2016 to EUR -1.4 million in the second quarter of 2016.

We will continue to launch additional initiatives that promote sales and increase awareness of the elumeo Group's brands in the future as well and bring elumeo back to profitable growth.

We launched a new TV format called "Good morning Juwelo," on 1 July 2016, in which two presenters inform the customers about various topics in a relaxed atmosphere. Here, we talk a lot about jewelry and gems and explain the programme of the day. The programme begins with the sale of the "Morning Star," a piece of jewelry that is chosen by the moderators. Both the new breakfast format "Good morning Juwelo" and Juwelo itself can be followed on Facebook as of just recently.

On 5 July 2016, we opened the new KAT FLORENCE web shop (www.katflorenc.com) and will most likely operate a KAT FLORENCE flagship store in London starting in the fall of 2016.



In contrast to the many sales promotion measures that we have launched, the current overall market development in Europe is causing considerable insecurity. The British referendum on 23 June 2016 over Britain leaving the EU prompted us to revise our forecasts for 2016. Due to the devaluation of the British pound (GBP) against the functional currency of the Group's factory, the Thai baht (THB), that has already taken place and can be expected even more in the future, we do not expect our British subsidiary Rocks & Co. Productions Ltd. to return to profitability in financial year 2016. This company contributed 19.3% to the consolidated sales of elumeo SE in 2015. We therefore expect a significant impact on the Group's results for financial year 2016. Therefore, the forecasts and expectations we had previously communicated for financial year 2016 had to be revised. Due to the ongoing uncertainty in the markets, we must ask for your understanding for the fact that a meaningful new forecast for financial year 2016 can still not be published at the current time. We will continue to follow market developments and exchange rate trends and inform you of further actions in due course, especially with respect to the British subsidiary Rocks & Co. Ltd.

The positive impact of the measures we have implemented in Germany makes us feel confident about the further development of our business in the German market. We have already started implementing a comparable package of measures in Italy and expect these to have positive effects in this market as well.

Thank you for giving our company your trust and we look forward to continuing on our path to a successful future together with you.

In August 2016



Wolfgang Boyé
(Chairman of the Executive Board)



Capital market information

Basic data and key figures on the share of elumeo SE (Status: 30 June 2016)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in H1 2016	EUR -1.32
Number of outstanding shares	5,500,000
Share price at the end of the reporting period (XETRA)	EUR 8.54
Market capitalisation	EUR 46.97 million

Share price development

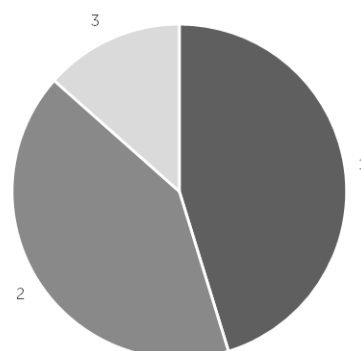
The share of elumeo SE has followed a downward trend since the beginning of 2016 and reached its lowest level during the first half of 2016 by posting a closing price of EUR 8.40 on 29 June 2016. It reached its peak at EUR 24.58 on 8 January 2016.

Share of elumeo SE 01/01-30/06/2016 (XETRA, in EUR)



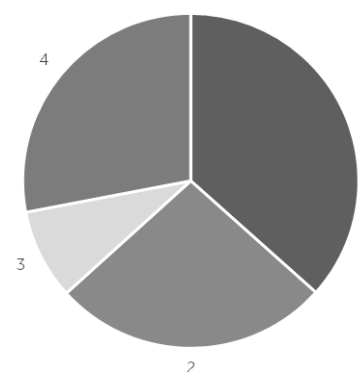
Shareholder structure before the IPO

Shareholders of elumeo SE	Sharehold-ings
1. Ottoman Strategy Holdings (Suisse) SA	45.25%
2. Blackflint Ltd.	41.29%
3. Management (of which Wolfgang Boyé directly holds 1.71%)	13.46%



Shareholder structure as of 30 June 2016

Shareholders of elumeo SE	Sharehold-ings
1. Ottoman Strategy Holdings (Suisse) SA	36.62%
2. Blackflint Ltd.	26.66%
3. Management (of which Wolfgang Boyé directly holds 1.24%)	8.73%
4. Free float	27.99%





II. INTERIM GROUP MANAGEMENT REPORT

II.	INTERIM GROUP MANAGEMENT REPORT.....	9
	Economic report.....	10
	Macroeconomic environment in H1 2016.....	10
	Industry conditions.....	11
	Business development in H1 2016.....	12
	Segment reporting.....	17
	Supplementary report.....	18
	Opportunity and risk report.....	18
	Forecast report.....	19



Economic report

Macroeconomic environment in H1 2016

The **gross domestic product** (GDP) in the euro region rose by 0.6% in the first quarter of 2016 and by 0.3% in the second quarter of 2016 compared to the respective prior-year quarters according to information from Bloomberg.

The elumeo Group is active in seven countries of the euro region in addition to Switzerland and the United Kingdom.

The strongest growth drivers in the first half of 2016 were **Germany** at 0.7% in the first quarter and 0.4% in the second quarter of 2016 and **Spain** at 0.8% in the first quarter and 0.7% in the second quarter of 2016.

elumeo SE also registered an increase in the GDP in its other core markets in the first half of 2016. For instance, growth of 0.3% was posted in **Italy** in the first quarter and the same level in the second quarter of 2016 compared with the prior year quarters. In **France**, the GDP increased by 0.7% in the first quarter and reached the level of the prior year period in the second quarter of 2016.

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

According to the IfW, **Switzerland** is expected to post a decline in GDP growth to 1.3% in 2015 from 2.0% the previous year. According to forecasts, however, the growth rate of the GDP will rise again to 2.1% in 2016.

In the **Netherlands**, the GDP increased by 0.6% in the first quarter and by 0.6% in the second quarter of 2016 compared to the prior year quarters.

The GDP also rose in **Belgium** in the first half of 2016 and recorded growth of 0.2% in the first quarter and 0.5% in the second quarter of 2016 compared to the prior year quarters.

Noticeable GDP growth was also recorded in the **UK** in the first half of 2016. GDP was 0.4% higher in the first quarter and 0.6% higher in the second quarter than in the prior year quarters.

The referendum in the UK with the vote to leave the European Union caused strong volatility on the financial markets at the end of the quarter.

Otherwise, there were no significant changes in the macroeconomic environment compared with the explanations in elumeo SE's Annual Report 2015.



Industry conditions

According to McKinsey & Company, the **global jewelry industry** will continue to 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 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 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 home TV 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 at a rate of 25.1% to 965 million from 2010 to 2020. 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% between 2013 and 2018, according to TechSci Research.

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 is also projected to 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. A 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 perhaps 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 been observed compared to the disclosures in the Securities Prospectus. Therefore, please refer to the Annual Report 2015 for **further information**.



Business development in H1 2016

For the elumeo Group, the first half of 2016 covers the period from 1 January to 30 June 2016 ("H1 2016" or "the reporting period"). The first half of 2015 refers to the period from 1 January to 30 June 2015 ("H1 2015" or "the prior year period").

The first half of 2016 was strategically characterised by repositioning in Germany. The main focus in the first quarter was on stabilising the gross profit margin while strengthening sales was the main focus in the second quarter. For this purpose, a few sales activities were started in the second quarter of 2016 that have already had a positive impact on sales. In particular, the measures include the broadcasting formats Free Ring Size and Creation of the Day as well as special programmes for the KAT FLORENCE collection.

With Free Ring Size, customers of the elumeo subsidiary Juwelo TV Deutschland GmbH can see exactly which ring sizes each piece of jewelry is currently available in on a graphic display. This possibility can also be used via the app or via Livestream on the Internet.

In the daily programme "Creation of the Day," Juwelo TV Deutschland GmbH offers an exclusive collection that is usually presented by the Managing Director Annette Freising with which the customers are able to co-decide on certain details.

The increased emphasis on selling the KAT FLORENCE collection is another important topic. The handpicked creations from this collection are presented regularly and exclusively on TV and sold via TV, app and the online bidding agent.

The operations of the subsidiary Rocks & Co. Productions Ltd. in the UK have been adjusted with respect to the desired sales development since the second quarter of 2016. No decision has been made yet on the future strategic direction of the British subsidiary Rocks & Co. Productions Ltd. The referendum of the British on 23 June 2016 that calls for Britain to leave the EU has prompted elumeo SE to revise its forecasts for 2016. Due to the devaluation of the British pound (GBP) against the functional currency of the Group's factory, the Thai baht (THB), that has already taken place and can be expected even more in the future, our company does not expect the British subsidiary Rocks & Co. Productions Ltd. to return to profitability in financial year 2016. This company contributed 19.3% to the consolidated sales of elumeo SE in 2015. elumeo SE therefore expects a significant impact on the Group's results for financial year 2016. Due to the ongoing uncertainty and volatility of the currency and stock markets, no meaningful new forecast for financial year 2016 at the Group level and for the segment Other Sales Business can be published at the current time. elumeo SE will continue to follow market developments and exchange rate trends and inform on further actions in due course, especially with respect to the British subsidiary Rocks & Co. Ltd.

Revenues increased strongly by 36.2% from EUR 14.9 million in the first quarter of 2016 to EUR 20.3 million in the second quarter of 2016. Growth was primarily achieved in Germany at EUR 9.0 million in the first quarter of 2016 and EUR 12.4 million in the second quarter of 2016 and EUR 4.0 million in the UK in the second quarter of 2016 after EUR 2.7 million in the first quarter of 2016. Compared to the previous year, revenue decreased by 10.5% in the first half to EUR 35.3 million after EUR 39.5 million in the first half of 2015 due to the fact that the first quarter was devoted to increasing the gross profit margin.. In the second quarter of 2016, however, revenue growth of 1.5% from EUR 20.0 million in the prior year period to EUR 20.3 million was achieved.



The relatively high share of higher-priced products from outside purchases in the first half of 2016 led to a reduction in the gross profit margin. The products produced on the basis of new procurement model continue to show a satisfactory development of the gross margin. The gross profit margin decreased from 50% in the first half of 2015 to 45% in the first half of 2016. Gross profit decreased by 20.5% from EUR 19.8 million to EUR 15.8 million compared to the same period of the prior year. Gross profit developed positively overall compared to prior year quarters, however. Gross profit developed positively in general at EUR 7.6 million for the first quarter of 2016 and especially in the second quarter of 2016 at EUR 8.2 million following a challenging second half of 2015. Cumulative segment EBITDA developed similarly. Here, the loss of EUR -2.3 million in the first quarter of 2016 was reduced by 39% to EUR -1.4 million in the second quarter of 2016.

Total comprehensive income of EUR -6.2 million was achieved in the first half of 2016 after EUR 1.5 million in the first half of 2015.

The main financial indicator, **earnings before interest, taxes, depreciation and amortisation adjusted** for non-operative one-time effects (**adjusted EBITDA**), rose by 43.5% to EUR -1.3 million in the second quarter of 2016 after EUR -2.3 million in the first quarter of 2016. Compared to the previous year, adjusted EBITDA decreased from EUR 1.3 million in the first half of 2015 to EUR -5.8 million in the first half of 2016. Adjusted EBITDA corresponds to the total segment EBITDA for the reporting period first half of 2016.

E-commerce revenue continues to show significant growth. The European web shops, the online bidding agent and apps for Android and iOS, in particular, are contributing disproportionately to revenue growth. In the first half of 2016, revenue increased here by around 18.6% compared to the prior year period. The classic web shop business attributable to e-commerce sales increased by EUR 1.3 million or 49.3% to EUR 3.9 million in the first half of 2016 (Q2 2016: EUR 0.8 million or 56.1% to EUR 2.1 million).

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



Sales and earnings position

EUR thousand	Note	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Revenue	(4.)	20,323	20,003	35,253	39,481
Cost of goods sold	(5.)	12,122	9,989	19,482	19,637
Gross profit		8,201	10,014	15,772	19,844
Selling expenses	(6.)	7,295	6,415	14,658	13,639
Administrative expenses	(7.)	4,237	1,470	7,876	5,137
Other operating income		72	15	84	56
Other operating expenses	(8.)	0	111	0	173
Earnings before interest and taxes (EBIT)		-3,259	2,034	-6,679	951
Interest income		1	2	1	3
Interest and similar expenses		-145	-105	-285	-131
Financial result	(9.)	-144	-104	-284	-127
Earnings before income taxes (EBT)		-3,403	1,931	-6,963	823
Income tax	(10.)	43	-738	-274	-288
Earnings for the period		-3,359	1,193	-7,237	536

The **cost of goods sold** were in line with the revenues at a constant level and amounted to EUR 19.5 million in the first half of 2016 compared to EUR 19.6 million the first half of 2015. The main reason for the development of the gross margin at Group level was the high share of higher-priced products which are not produced in the own factory in the second quarter of 2016 that had a lower gross profit margin. Gross profit amounted to EUR 15.8 million in the first half of 2016 compared to EUR 19.8 million in the first half of 2015. This corresponds to a gross margin of 44.8% compared to 50.3% in the first half of 2015.

Selling expenses rose by 8.1% from EUR 13.6 million in the first half of 2015 to EUR 14.7 million in the first half of 2016. The increase in selling expenses was largely due to increased costs for coverage and the web shop.

Administrative expenses consisted mainly of personnel costs and other material costs. Administrative expenses increased by 54.9% from EUR 5.1 million in the first half of 2015 to EUR 7.9 million in the first half of 2016. The main factors were the establishment of the Group's organization and the consequent filling of key positions at elumeo SE and its subsidiaries. Personnel costs rose to around EUR 3.2 million in the first half of 2016 (H1 2015: EUR 2.2 million). In addition, expenses for currency translation losses increased to EUR 1.9 million (H1 2015: EUR 0.4 million) in the first half of



2016. They mainly resulted from conversion of intercompany foreign currency receivables on the reporting date. Their amount is subject to periodic fluctuations depending on the development of the respective exchange rates. The high costs are largely due the political situation in the UK and the consequent weakening of the British pound against the Thai baht, the functional currency of the Group's factory.

Other operating income remained at the same level at EUR 0.1 million in the first half of 2016 after EUR 0.1 million in the first half of 2015.

Other operating expenses decreased from EUR 173 thousand to EUR 0 thousand compared to the first half of 2015. They pertained solely to one-time restructuring, advisory and other operating expenses in connection with the establishment of the legal elumeo Group and the preparation of the IPO (IPO and restructuring costs) in the prior year period.

With regard to internal management and external communication of the current and future development of earnings, the sustainable profitability of the operating business of elumeo Group is of major importance. Therefore, **earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted** for non-operative one-time effects (adjusted EBITDA) serve as the main financial measure for presenting and controlling operating earnings as an adjusted earnings figure. To calculate the adjusted EBITDA, the EBITDA is adjusted before one-time effects by the nature and the level of one-time and/or non-operative (special) influences. The delimitation of non-operational effects takes place for each position of the Consolidated Income Statement.

Adjusted EBITDA in the second quarter of 2016 was EUR -1.4 million or 39.1% higher than in the first quarter of 2016 (EUR -2.3 million). In the first half of 2016, adjusted EBITDA of -EUR 3.7 million was lower than in the first half of the prior year period (H1 2015: EUR 1.9 million). Special influences resulted mainly from foreign currency translation of EUR -1.9 million in the first half of 2016 (H1 2015: EUR -0.4 million). EBITDA before special influences amounted to EUR -5.8 million in the first half of 2016 (H1 2015: EUR 1.3 million). Adjusted EBITDA corresponds to total segment EBITDA for the reporting period first half of 2016,

Overall, **earnings from operating activities (EBIT)** declined to EUR -6.7 million in the first half of 2016 compared to EUR 1.0 million in the first half of 2015. **Earnings before income taxes (EBT)** amounted to approximately EUR -7.0 million in the first half of 2016, while earnings before income taxes of EUR 0.8 million were achieved in the first half of 2015.

Earnings after income taxes amounted to EUR -7.2 million in the first half of 2016 and EUR 0.5 million in the first half of 2015. This means **earnings per share** were EUR -1.32 in the first half of 2016 compared to EUR 0.13 in the first half of 2015. The **Group's overall earnings** decreased in the first half of 2016 to EUR -6.2 million after EUR 1.5 million in the first half of 2015.



Asset position

Total assets as of 30 June 2015 decreased by 9.8% from EUR 76.2 million to EUR 68.7 million.

On the asset side of the Statement of Financial Position, **non-current assets** as of 30 June 2016 totalled EUR 17.5 million after EUR 17.8 million as of 31 December 2015.

Current assets decreased by 12.2% from EUR 58.3 million on 31 December 2015 to EUR 51.2 million on 30 June 2016 mainly due to lower **cash and cash equivalents**. These decreased to EUR 6.0 million as of 30 June 2016 due to the repayment of financial liabilities and cash outflows in operating cash flow (31 December 2015: EUR 13.6 million).

On the liabilities side of the Statement of Financial Position, **equity** decreased by 11.7% to a total of EUR 45.1 million as of 30 June 2016 due to the negative result after taxes (31 December 2015: EUR 51.1 million). The equity ratio amounted to 65.6% on 30 June 2016 compared to 67.0% on 31 December 2015.

Non-current liabilities declined by 57.9% from EUR 13.3 million on 31 December 2015 to EUR 5.6 million as of 30 June 2016. The difference is mainly due to the reclassification of a loan in the amount of EUR 7.5 million to current liabilities.

Current liabilities thus increased by 52.5% to EUR 18.0 million (31 December 2015: EUR 11.8 million). There was an increase in borrowings of EUR 1.2 million on 31 December 2015 to EUR 8.0 million on 30 June 2016 and an increase in liabilities from trade accounts payable to EUR 8.1 million on 30 June 2016 after EUR 7.4 million on 31 December 2015.

Financial position

Cash flow from operating activities showed lower cash outflow of EUR -5.7 million in the first half of 2016 than in the first half of 2015 (EUR -9.7 million). This is due to a lower commitment of funds, which could be observed in the particularly strong increase in inventories in the prior year period.

Increased expenses in the amount of EUR 0.8 million were incurred for the depreciation of fixed assets in the first half of 2016 after EUR 0.4 million in the first half of 2015, however. These are essentially attributable to the acquisition of the company's own factory in Thailand. Non-cash expenses rose to EUR 1.3 million in the first half of 2016 (H1 2015: income of EUR 1.0 million). They pertained to the change in deferred tax assets from the elimination of intercompany profits and exchange rate-related changes in the individual positions of the consolidated balance sheet in the first half of 2016. Income tax payments decreased compared to the first half of 2015 from EUR 2.0 million to EUR 0.2 million in the first half of 2016. In the same period of last year, a one-time tax payment was made in connection with the BOI investment funding certificate. Net cash flow from changes in other assets and other liabilities decreased to EUR -245 million (H1 2015: EUR 4.0 million).

The elumeo Group invested approximately EUR 0.7 million in property, plant and equipment and intangible assets in the first half of 2016 (H1 2015: EUR 1.5 million). As a result, **cash flow from investing activities** showed a somewhat lower outflow of EUR -0.7 million in the first half of 2016 than in the first half of 2015 (EUR -1.5 million).



Cash flow from financing activities declined considerably to EUR -1.0 million in the first half of 2016 (H1 2015: EUR 11.6 million). This was mainly due to the proceeds from the assumption of financial debt of EUR 11.1 million in the same period of the previous year.

As of 30 June 2016, the elumeo Group had **cash and cash equivalents** (cash in hand and sight deposits with banks) of EUR 6.0 million (30 June 2015: EUR 3.0 million).

Segment reporting

Segment reporting follows the internal reporting structures and internal control criteria. The report formats are subdivided into two operating segments and a Corporate Functions and Eliminations segment. Asset figures are not reported because the respective figures are not used as control variables at the level of segment reporting.

While total segment EBITDA at EUR -3.7 million was lower in the first half of 2016 than in the prior year period (H1 2015: EUR 1.9 million), total segment EBITDA improved from EUR -2.3 million in the first quarter of 2016 by EUR 0.9 million to EUR -1.4 million in the second quarter of 2016. The special factors eliminated when determining segment EBITDA relate primarily to expenses from losses on foreign currency translation of EUR 1.9 million in the first half of 2016 (H1 2015: EUR 0.4 million) and EUR 1.3 million in the second quarter of 2016 (Q2 2015: foreign currency exchange gains of EUR 1.1 million) and expenses for the Stock Option Programme 2015 of EUR 0.3 million in the first half of 2016 (H1 2015: EUR 0 million) and EUR 0.1 million in the second quarter of 2016.

Segment Sales in Germany and Italy

In the segment sales in Germany and Italy, EUR 26.5 million in sales were generated in the first half of 2016. This corresponds to approximately 75% of total Group sales. (H1 2015: EUR 31.4 million or 80%).

Gross profit in second quarter of 2016 compared to the first quarter of 2016 increased by 7.9% from EUR 7.6 million to EUR 8.2 million. In total, gross profit in the first half of 2016 was EUR 11.3 million lower than in the prior year period (H1 2015: EUR 14.9 million), therefore the segment recorded a decline in the gross profit margin from 47.4% in the first half of 2015 to 42.4% in the first half of 2016. Higher sales revenues from the sale of products from third parties, which have a lower gross margin than the products the company makes itself, were a main reason for the decline in the gross profit margin from 47.4% in the second quarter of 2015 to 38.3% in the second quarter of 2016. Segment EBITDA of -EUR 1.8 million in the first half of 2016 was below that of the prior year period (H1 2015: EUR 2.8 million). The segment EBITDA margin thus amounted to -6.9% (H1 2015: 8.9%). Segment EBITDA improved slightly from EUR 1.0 million or -8.1% in the first quarter of 2016 to EUR -0.9 million or -6.0% in the second quarter of 2016.



Segment Other Sales Business

Sales in the Other Sales Business segment amounted to EUR 8.7 million in the first half of 2016, which equates to about 25% of the total sales of the elumeo Group (H1 2015: EUR 8.1 million or 20%). Sales increased from EUR 3.0 million in the first quarter of 2016 to EUR 5.7 million in the second quarter of 2016 mainly due to an increase in sales in the UK from EUR 2.7 million in the first quarter of 2016 to EUR 4.0 million in the second quarter of 2016 and the sale of leftover stock to business customers (B2B sales) (Q1 2015: EUR 3.6 million / Q2 2015: EUR 4.5 million).

Despite the increase in sales by EUR 0.6 million compared to the first half of 2015, gross profit declined by EUR 0.5 million in the first half of 2016 to EUR 3.3 million (H1 2015: EUR 3.7 million). This represents a 46.4% decrease in the gross margin in the first half of 2015 to 37.7% in the first half of 2016. The margin decline from 40.8% in the first quarter of 2016 to 36.0% in the second quarter of 2016 was partly due to lower gross margins in B2B sales.

Segment EBITDA for the first half of 2016 totalled EUR -1.5 million (H1 2015: EUR -0.8 million). The segment EBITDA margin was -17.7% (H1 2015: -10.0%). Segment EBITDA thus improved significantly from EUR 1.2 million or by -38.2% in the first quarter of 2016 to EUR -0.4 million or -6.9% in the second quarter of 2016.

Segment Group Functions and Eliminations

To offset the administrative costs of production, gross profit of EUR 1.2 million was allocated to this segment in the first half of 2016 (H1 2015: EUR 1.2 million) and EUR 0.5 million in the first quarter of 2016 (Q2 2015: EUR 0.6 million), which correspondingly could not be attributed to the segments of Sales in Germany and Italy and Other Sales Business.

Supplementary report

5 July 2016 – KAT FLORENCE DESIGN LIMITED opened a web shop under www.katflorence.com, which is operated by Juwelo TV Deutschland GmbH.

18 July 2016 – Bernd Fischer, Managing Director and a member of the Executive Board of elumeo SE received 20,000 share options under the existing employee participation programme.

20 July 2016 – Sycomore Asset Management, Paris, France, exceeded the 5% threshold. The share it held in elumeo SE immediately prior to the transaction was 3.64%. The share was 5.09% when the voting rights notification was submitted. This corresponds to 279,864 shares.

Opportunity and risk report

There were no significant changes in terms of opportunities and risks in the first half of 2016. Through the referendum by the British on 23 June 2016 on Britain's withdrawal from the EU and the depreciation of the British pound against the functional currency of the Group's factory, the Thai baht, that this caused, currency risks became a reality. For more information about the specific risks the elumeo Group faces, please refer to the Annual Report 2015.



Forecast report

With the publication of its ad-hoc release on 24 June 2016, elumeo SE revised all previous forecasts for 2016. Due to the still uncertain consequences of the planned withdrawal of Britain from the European Union, no sales and earnings forecast is possible for the British Group subsidiary Rocks & Co. Productions Ltd. and thus for the entire Group.

Due to the devaluation of the British pound (GBP) against the Thai baht (THB), that has already taken place and can be expected to be even stronger in the future, a forecast is only currently possible for elumeo SE for the segment *Sales in Germany and Italy* and the segment *Group Functions and Eliminations*. Our management expects a moderate increase in sales and improved segment EBITDA for the segment *Sales in Germany and Italy*. Here, the development in Italy in the second half of 2016 is expected to have a significant impact. Negative segment EBITDA is expected for the segment *Group Functions and Eliminations* (no sales revenue).

A reduction in inventories is planned in the second half of 2016, whereby an immediate improvement in operating liquidity is expected. Simultaneously, the elumeo Group has adequate resources available to not only be able to make the investments planned in the area of IT and replacement investments, but also to be able to take advantage of any strategic investment opportunities that might arise in financial year 2016.





III. CONDENSED
INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

Consolidated statement of income..... 21

Consolidated statement of comprehensive income 22

Consolidated statement of financial position..... 23

Consolidated statement of changes in equity 25

Consolidated statement of cash flows 26

Segment reporting..... 27



Consolidated statement of income (unaudited)

for the period from 1 April to 30 June 2016 (Q2 2016) and for the period from 1 January to 30 June 2016

EUR thousand	Note	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Revenue	(4.)	20,323	20,003	35,253	39,481
Cost of goods sold	(5.)	12,122	9,989	19,482	19,637
Gross profit		8,201	10,014	15,772	19,844
Selling expenses	(6.)	7,295	6,415	14,658	13,639
Administrative expenses	(7.)	4,237	1,470	7,876	5,137
Other operating income		72	15	84	56
Other operating expenses	(8.)	0	111	0	173
Earnings before interest and taxes (EBIT)		-3,259	2,034	-6,679	951
Interest income		1	2	1	3
Interest and similar expenses		-145	-105	-285	-131
Financial result	(9.)	-144	-104	-284	-127
Earnings before income taxes (EBT)		-3,403	1,931	-6,963	823
Income tax	(10.)	43	-738	-274	-288
Earnings for the period		-3,359	1,193	-7,237	536
<i>Earnings of shareholders of elumeo SE</i>		-3,359	1,193	-7,237	536
Earnings per share in EUR (basis and diluted)	(12.)	-0.61	0.30	-1.32	0.13



Consolidated statement of comprehensive income (unaudited)

for the period from 1 April to 30 June 2016 (Q2 2016) and for the period from 1 January to 30 June 2016

EUR thousand	Note	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Earnings for the period		-3,359	1,193	-7,237	536
<i>Items which will be reclassified to the consolidated statement of income in subsequent periods:</i>					
Differences from foreign currency translation of foreign subsidiaries		1,413	-1,605	996	974
Other comprehensive income	(13.)	1,413	-1,605	996	974
Total comprehensive income		-1,946	-412	-6,241	1,510
<i>Total comprehensive income of shareholders of elumeo SE</i>		<i>-1,946</i>	<i>-412</i>	<i>-6,241</i>	<i>1,510</i>



Consolidated statement of financial position (unaudited)

as of 30 June 2016

ASSETS

	Note	30 Jun 2016	31 Dec 2015
EUR thousand			
Non-current assets			
Intangible assets	(14.)	1,017	1,011
Property, plant and equipment	(14.)	11,537	11,676
Other financial assets	(16.)	406	420
Other non-financial assets	(16.)	2,042	2,088
Deferred tax assets	(22.)	2,489	2,645
Total non-current assets		17,491	17,840
Current assets			
Inventories	(15.)	40,952	40,428
Trade receivables		2,079	2,216
Receivables due from related parties	(25.)	484	574
Other financial assets	(16.)	275	224
Other non-financial assets	(16.)	1,426	1,282
Cash and cash equivalents		6,016	13,590
Total current assets		51,232	58,313
Total assets		68,723	76,153



Consolidated statement of financial position (unaudited)

as of 30 June 2016

EQUITY & LIABILITIES			
	Note	30 Jun 2016	31 Dec 2015
EUR thousand			
Equity			
Issued capital	(17.)	5,500	5,500
Capital reserve	(17.)	33,647	33,397
Retained earnings		2,878	10,115
Foreign currency translation reserve	(13.)	3,041	2,045
Total equity		45,066	51,057
Non-current liabilities			
Financial debt	(18.)	4,114	11,771
Other non-current financial liabilities	(19.)	936	1,071
Provisions		527	466
Other non-financial liabilities	(20.)	25	25
Summe non-current liabilities		5,602	13,333
Current liabilities			
Financial debt	(18.)	7,961	1,198
Other financial liabilities	(19.)	305	568
Provisions		42	42
Liabilities due to related parties	(25.)	33	100
Trade payables		8,050	7,422
Tax liabilities		0	164
Other non-financial liabilities	(20.)	1,664	2,269
Summe current liabilities		18,055	11,762
Total equity & liabilities		68,723	76,153



Consolidated statement of changes in equity (unaudited)

for the period from 1 January to 30 June 2016

Reason for change		Attributable to shareholders of elumeo SE				
	Note	Issued capital	Capital Reserve	Retained earnings	Foreign currency translation reserve	Total equity
EUR thousand						
1 January 2016		5,500	33,397	10,115	2,045	51,057
Equity-settled share-based remuneration	(17.)		250			250
Other comprehensive income	(13.)				996	996
Earnings for the period				-7,237		-7,237
Total comprehensive income				-7,237	996	-6,241
30 June 2016		5,500	33,647	2,878	3,041	45,066

for the period from 1 January to 30 June 2015

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



Consolidated statement of cash flows (unaudited)

for the period from 1 January to 30 June 2016

EUR thousand	Note	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Earnings before interest and taxes (EBIT)		-6,679	+951
+/- Depreciation and amortisation on non-current assets	(14.)	+848	+390
+/- Increase/decrease in provisions		+60	-128
+/- Equity-settled share-based remuneration	(17.)	+250	0
+/- Other non-cash expenses/income and transactions		+1,276	+992
+ Proceeds from interest income		+1	+1
- Interest expenses paid		-526	-121
+ Proceeds from income tax		0	+6
- Income tax paid		-164	-1,994
-/+ Increase/decrease in inventories	(15.)	-523	-13,794
-/+ Increase/decrease in other assets		-181	-1,849
+/- Increase/decrease in other liabilities		-64	+5,831
= Cash flow from operating activities		-5,702	-9,716
- Payments for investments in intangible assets	(14.)	-60	-26
- Payments for investments in property, plant and equipment	(14.)	-682	-1,448
= Cash flow from investing activities		-742	-1,474
+ Proceeds from increase in financial debt	(18.)	+1,921	+11,057
- Payments for the redemption of financial debt	(18.)	-2,761	0
+ Proceeds from increase in financial liabilities	(19.)	-131	+535
= Cash flow from financing activities		-971	+11,592
+/- Net increase/decrease in cash and cash equivalents		-7,415	+402
+/- Effects of foreign currency translation on cash and cash equivalents		-71	+126
+ Cash and cash equivalents on beginning of reporting period		+13,498	+2,431
= Cash and cash equivalents on end of reporting period		+6,012	+2,959
Reconciliation of cash and cash equivalents			
Cash and cash equivalents		6,016	2,959
- Current account bank overdrafts	(18.)	-4	0
= Cash and cash equivalents at end of period		6,012	2,959



Group segment reporting (unaudited)

Segment information

for the period from 1 April to 30 June 2016 (Q2 2016) and for the period from 1 January to 30 June 2016

EUR thousand	Q2 2016			1 Jan - 30 Jun 2016		
	Revenue	Gross profit	Segment-EBITDA	Revenue	Gross profit	Segment-EBITDA
Sales division Germany & Italy	14,636	5,610	-876	26,548	11,266	-1,843
Sales division Others	5,687	2,049	-390	8,706	3,281	-1,543
Group functions & eliminations	0	542	-113	0	1,225	-291
Total	20,323	8,201	-1,379	35,253	15,772	-3,677

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

EUR thousand	Q2 2015			1 Jan - 30 Jun 2015		
	Revenue	Gross profit	Segment-EBITDA	Revenue	Gross profit	Segment-EBITDA
Sales division Germany & Italy	15,552	7,379	1,622	31,410	14,878	2,794
Sales division Others	4,451	2,025	-298	8,072	3,748	-804
Group functions & eliminations	0	611	-58	0	1,218	-74
Total	20,003	10,014	1,266	39,481	19,844	1,916



Segment reconciliation to Group earnings

for the period from 1 April to 30 June 2016 (Q2 2016) and for the period from 1 January to 30 June 2016

EUR thousand	Note	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Adjusted EBITDA		-1,379	1,266	-3,677	1,916
Effects from foreign currency translation	(7.)	-1,336	1,083	-1,903	-402
Equity-settled share-based remuneration	(17.)	-110	0	-250	0
IPO and restructuring related expenses	(8.)	0	-111	0	-173
Special influences		-1,446	972	-2,153	-575
EBITDA		-2,825	2,238	-5,831	1,341
Depreciation and amortization on property, plant and equipment and intangible assets	(14.)	-433	-204	-848	-390
EBIT		-3,259	2,034	-6,679	951
Income tax	(10.)	43	-738	-274	-288
Financial result	(9.)	-144	-104	-284	-127
Earnings for the period		-3,359	1,193	-7,237	536





IV. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(1.) Principles and methods.....	30
(2.) Scope of consolidation	32
(3.) Foreign currency translation	32
(4.) Revenue	33
(5.) Cost of goods sold.....	35
(6.) Selling expenses	36
(7.) Administrative expenses	36
(8.) Other operating expenses	36
(9.) Financial result	37
(10.) Income tax.....	37
(11.) Personnel expenses	38
(12.) Earnings per share.....	38
(13.) Other comprehensive income.....	38
(14.) Intangible assets and property, plant and equipment	39
(15.) Inventories	39
(16.) Other financial assets and other non-financial assets.....	39
(17.) Equity.....	40
(18.) Financial debt.....	41
(19.) Other financial liabilities	42
(20.) Other non-financial liabilities.....	42
(21.) Notes to the consolidated statement of cash flows.....	43
(22.) Deferred taxes.....	43
(23.) Further disclosures on financial instruments	44
(24.) Notes to the segment reporting	46
(25.) Related party disclosures	47
(26.) Executive Board	48
(27.) Operating leases and other financial obligations	48
(28.) Events after the reporting date	48



(1.) Principles and methods

Information on the company

elumeo SE (hereinafter also referred to as "the company") is a listed company in the legal form of a European company (Societas Europaea) and the parent company of the elumeo Group. The company is registered in section B of the Commercial Register of Berlin-Charlottenburg under no. 157 001 B and has its headquarters at Erkelenzdammm 59/61, 10999 Berlin, Germany.

Basis of preparation and accounting policies

The Condensed Interim Consolidated Financial Statements as of 30 June 2016 ("interim financial statements") have been prepared for the purpose of half-year financial reporting pursuant to Section 37w para. 3 WpHG (German Securities Trading Act) and are consistent with the International Financial Reporting Standards ("IFRSs"), as adopted in the European Union. In the consolidated interim financial statements that were prepared based on the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, the same accounting and valuation methods are applied as with the audited and published consolidated financial statements of elumeo SE as of 31 December 2015 according to IFRS ("2015 consolidated financial statements").

The option of preparing condensed consolidated financial statements was exercised. All binding interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as of the reporting date were taken into consideration. In addition, interim financial reporting complies with the German Accounting Standard ("DRS") no. 16 *Interim Reporting* of the German Accounting Standards Committee e.V. ("GASC").

For more information on the accounting policies that were applied, please refer to the 2015 consolidated financial statements.

Adoption of new accounting standards of the IASB

The following new and revised standards and interpretations of the IASB were applied to the interim consolidated financial statements for the first time:

Standard/Interpretation		Published	Date of application	Effects on the elumeo Group
		by the IASB	IASB	
IAS 1	Presentation of Financial Statements (initiative on improving disclosure requirements – Amendments to IAS 1)	18/12/2014	01/01/2016	basically significant
IAS 16 / IAS 38	Clarification of Acceptable Depreciation Methods (amendments to IAS 16 and IAS 38)	12/05/2014	01/01/2016	insignificant
IFRSs	Improvements to IFRSs, cycle 2012-2014	25/09/2014	01/01/2016	insignificant



IAS 1 – Presentation of Financial Statements

In December 2014, clarifications were made on IAS 1 as part of the initiative aimed at improving the disclosure requirements of the IASB. These mainly relate to taking materiality considerations into account, the statement of financial position and the presentation in the income statement or in other comprehensive income, in particular with respect to reportable subtotals and the order of the necessary disclosures.

IAS 16 / IAS 38 – Clarification of Acceptable Depreciation Methods

In May 2014, the IASB published clarification on acceptable depreciation methods (Amendments to IAS 16 and IAS 38). These essentially make it clear that revenue-based depreciation methods are not allowed to be used.

In addition, the IASB published other standards and amendments to standards to be used for the first time in the current 2016 financial year, but these will not have any significant impact on the financial statements of the elumeo Group.

General disclosures

The unaudited interim consolidated financial statements cover the period from 1 January to 30 June 2016 ("H1 2016"). The quarterly reporting period covers the period from 1 April to 30 June 2016 ("Q2 2016"). Unless stated otherwise, the prior year figures shown relate to the respective previously mentioned comparative period. The changes in the period comparison are referred to as half year to half year ("HoH") or quarter to quarter ("QoQ").

The interim financial statements are prepared in euros (EUR). Unless indicated otherwise, all amounts are rounded up or down to thousands (EUR thousands) in accordance with commercial rounding.

The interim consolidated financial statements are based on accounting of the asset values and liabilities at amortized cost. The consolidated income statement has been prepared using the cost of sales method. The consolidated balance sheet classifies assets and liabilities to short or long term according to their maturities.

A consolidated income statement is prepared to reconcile profit after income taxes of the consolidated profit and loss account to consolidated income.

As part of debt and income consolidation, all intercompany balances and transactions have been eliminated. The interim consolidated financial statements include all information for a fair presentation and assessment of the earnings, assets and financial position of the Group. The results presented in infra-annual reporting periods are not necessarily indicative of the results in future reporting periods and the full financial year.



Preparing the consolidated interim financial statements in accordance with IFRSs requires that assumptions and estimates be used. This may affect the amount and presentation of assets and liabilities, income and expenses and contingent assets and liabilities as well as the related information on these. All assumptions and estimates are based on the actual circumstances and estimates on the reporting date and the expected future development of the business of the elumeo Group taking into consideration the expected development of its economic environment. The actual results may differ from these assumptions and estimates, if operating conditions develop differently than the expectations as of the reporting date. The estimates and underlying assumptions are therefore reviewed continuously.

The interim financial statements were not subjected to either an audit or an audit review.

The Executive Board approved the interim consolidated financial statements on 16 August 2016.

(2.) Scope of consolidation

The parent company elumeo SE and its directly and indirectly controlled subsidiaries (collectively "the elumeo Group") are included in the interim consolidated financial statements.

Compared to 30 June 2015, the scope of consolidation changed as follows:

- Establishment of the sales company Juwelo USA, Inc., Wilmington, Delaware/USA ("Juwelo USA"), all of whose shares are held by Juwelo TV, and
- Merger of the subsidiary JTV Services GmbH, as the transferring legal owner, retroactively as of 1 January 2016 by way of merger by dissolution without liquidation with Juwelo TV Deutschland GmbH, as the acquiring legal owner.

By establishing a sales company, the consolidated group of companies increased from 8 companies on 31 December 2015 to 9 companies on 30 June 2015 and then back to 8 companies on 30 June 2016 due to the merger of two subsidiaries.

(3.) Foreign currency translation

The exchange rates for foreign currencies with a significant impact on the interim consolidated financial statements are as follows:

Foreign currency	Exchange rate on reporting date		Average exchange rate	
	30 Jun 2016	31 Dec 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
EUR				
British pound (GBP)	1.2068	1.3589	1.2842	1.3662
Thai baht (THB)	0.0257	0.0255	0.0253	0.0272
US dollar (USD)	0.9020	0.9183	0.8963	0.8968



On 23 June 2016, the British people voted in favour of leaving the European Union in a referendum ("Proposed referendum on United Kingdom membership of the European Union"). It is not yet known when the UK will leave the Union and what legal and economic consequences this will have for the elumeo Group.

Nevertheless, the United Kingdom's vote to leave the European Union has consequences for the company's current accounting and reporting.

As a result of the United Kingdom's vote, the GBP exchange rate experienced high losses on 24 June 2016 against the functional currency EUR (-5.4%) and compared to the other major foreign currency USD (-7.8%) and THB (-7.4%) that play an important role in the production side procurement. Moreover, this also led to a depreciation of the functional currency EUR against the USD and THB.

Due to how closely the UK's vote to leave the European Union and the reporting date of the interim consolidated financial statements lie in terms of time, the translation of income and expenses in the income statement of foreign subsidiaries with the weighted average rate for the reporting period has not had any material impact on the presentation of profitability. There have been shifts in the presentation of the financial position and results with respect to the conversion of monetary asset values and liabilities in foreign currencies as of the reporting date, however, in particular due to the subsequent intra-group foreign currency assets and liabilities, using the closing spot rate.

(4.) Revenue

Revenues declined by a total of -10.7% in the first half of 2016 compared to the first half of 2015. After a weak first quarter of 2016, revenues increased to the level of the second quarter of 2015 again in the second quarter of 2016.

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Revenue from product sales	20,310	20,003	35,227	39,467
Other revenue	13	0	26	14
Revenue	20,323	20,003	35,253	39,481



**Revenues from product sales by region
(by registered office of the selling company)**

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Germany	12,382	12,244	21,348	24,424
Italy	2,241	3,308	5,174	6,971
United Kingdom	4,041	4,406	6,740	7,934
Other countries	1,646	46	1,966	138
Revenue from product sales	20,310	20,003	35,227	39,467

The proceeds from product sales ("product revenues") in Germany declined by EUR -3,076 thousand or 12.6% HoH to EUR 21,348 thousand in the first half of 2016. In the second quarter of 2016, product sales rebounded to a level slightly above that of the second quarter of 2015. Due to volume decreases, product revenues for the first half of 2016 dropped by a total of EUR -1,797 thousand or -25.8% HoH in Italy to EUR 5,174 thousand (Q2 2016: EUR -1,067 thousand or -32.3% QoQ to EUR 2,241 thousand) and by EUR -1,194 thousand or -8.3% HoH in the UK to EUR 6,740 thousand (Q2 2016: EUR -365 thousand and -15.1% QoQ to EUR 4,041 thousand). Sales were significantly higher in the other countries, mainly Asia, in the first half of 2016 at EUR 1,966 thousand (H1 2015: EUR 138 thousand), mainly due to the sale of leftover products to business customers in the second quarter of 2016.

Revenue from product sales by sales channel

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Television revenue	11,935	14,027	22,079	29,746
eCommerce revenue ¹⁾	6,758	5,976	11,532	9,721
B2B revenue	1,617	0	1,617	0
Revenue from product sales	20,310	20,003	35,227	39,467

Product revenues from TV sales in the first half of 2016 dropped by EUR -7,667 thousand or -25.8% HoH to EUR 22,079 thousand (Q2 2016: EUR -2,092 thousand or -14.9% QoQ to EUR 11,935 thousand). This decline could not be compensated for by the EUR 1,810 thousand or 18.6% increase in revenues HoH from e-commerce sales to EUR 11,532 thousand (Q2 2016: EUR 781 thousand or 13.1% QoQ to EUR 6,758 thousand). The classic web shop business attributable to e-commerce sales increased by EUR 1,284 thousand or 49.3% HoH to EUR 3,889 thousand in the first half of 2016 (Q2 2016: EUR 768 thousand or 56.1% QoQ to EUR 2,136 thousand).

Furthermore, in the second quarter of 2016, sales of EUR 1,617 thousand were generated from the sale of leftover products to business customers that are being presented separately as the sales channel "B2B Sales."



(5.) Cost of goods sold

The cost of sales can be broken down as follows:

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Material costs	12,587	9,416	18,713	21,119
Change in inventory of merchandise, finished goods and work in progress	-1,450	-701	-1,154	-3,844
Personnel expenses	851	1,245	1,707	2,306
Depreciation and amortisation	134	29	216	56
Cost of goods sold	12,122	9,989	19,482	19,637

Gross profit from product sales by sales channel

The gross profit from product sales by sales channel can be broken down as follows:

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Gross profit from television revenue	5,190	7,749	10,383	15,707
Gross profit from eCommerce revenue	2,488	2,266	4,853	4,124
Gross profit from B2B revenue	509	0	509	0
Gross profit from product sales	8,188	10,014	15,746	19,831



(6.) Selling expenses

Selling expenses include the following positions:

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Broadcasting and channel rental costs	3,456	3,026	7,090	6,464
Personnel expenses	1,633	1,799	3,220	3,601
Expenses for external personnel services	362	316	716	702
Sales and marketing expenses	460	268	858	507
Depreciation and amortisation	140	58	282	115
Other selling expenses	1,244	948	2,493	2,249
Selling expenses	7,295	6,415	14,658	13,639

(7.) Administrative expenses

Administrative expenses include the following expenses:

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Personnel expenses	1,539	1,190	2,970	2,207
Depreciation and amortisation	159	116	351	219
Equity-settled share-based remuneration	110	0	250	0
Other administrative expenses	2,428	163	4,305	2,711
Administrative expenses	4,237	1,470	7,876	5,137

Other operating expenses include expenses from losses on foreign currency translation of EUR 1,903 thousand in the first half of 2016 (H1 2015: EUR 402 thousand). These resulted due to the significant devaluation of the GBP and the EUR as of the reporting date, mainly from remeasurement of inter-company foreign currency receivables and liabilities.

(8.) Other operating expenses

Other operating expenses in the first half of 2015 relate solely to one-time restructuring, advisory and other operating expenses in connection with the establishment of the elumeo Group and the preparation of elumeo SE's IPO. No comparable expenses were incurred in the first half of 2016.



(9.) Financial result

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Interest income from bank balances	1	0	1	1
Other interest income	0	1	0	3
Interest income	1	2	1	3
Interest expenses from financial debt (bank loans and overdrafts)	-135	-102	-268	-123
Interest expenses from finance lease liabilities	-10	0	-17	0
Other interest and similar expenses	0	-3	0	-8
Interest expenses	-145	-105	-285	-131
Financial result	-144	-104	-284	-127

(10.) Income tax

The current taxes paid or owed on income and earnings in the individual countries as well as deferred taxes are recognised as taxes on income and earnings. Taxes on income and earnings are thus comprised of trade taxes and corporate income tax plus the solidarity surcharge in Germany and of the corresponding foreign taxes on income and earnings.

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Current income tax - Germany	0	0	0	0
Current income tax - other countries	-59	-64	-119	-122
Deferred tax expense [-]/income [+]	102	-674	-156	-166
Income tax	43	-738	-274	-288

Current taxes on income and profits abroad relate to the period prorated accrual of a tax prepayment in connection with the granting of an investment incentive certificate by the Thai Investment Authority to the Thai subsidiary Porn Wong Kitt Company Ltd., Chanthaburi, Thailand ("PWK").

Deferred taxes are attributable solely to a change in deferred tax assets from the elimination of the interim profit contained in the finished goods and merchandise from Group shipments as far as they have not yet been realised on the reporting date through the sale of goods to end customers.



(11.) Personnel expenses

Personnel expenses (excluding share-based compensation) consist of the following:

EUR thousand	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Wages and salaries	3,655	3,895	7,042	7,354
Social security contributions	369	339	855	760
Personnel expenses	4,024	4,234	7,897	8,114

(12.) Earnings per share

Basic earnings per share are equivalent to the profit attributable to shareholders divided by the weighted average number of shares outstanding during the period.

Basic and diluted earnings per share are as follows:

Earnings and number of shares	Unit	Q2 2016	Q2 2015	1 Jan - 30 Jun 2016	1 Jan - 30 Jun 2015
Earnings of shareholders of elumeo SE	EUR thousand	-3,359	1,193	-7,237	536
Average number of outstanding shares	thousands	5,500	4,000	5,500	4,000
Earnings per share (basic and diluted)	EUR	-0.61	0.30	-1.32	0.13

The Executive Board issued option rights to purchase shares of elumeo SE under the Stock Option Programme 2015 ("SOP 2015") in 2015. The exercise of the options is linked to capital market-based performance targets that had not been met as of the reporting date. Regardless of any pro rata vesting that has possibly already taken place, the potential new shares are thus not to be considered in calculating diluted earnings per share. As a result, diluted earnings per share equal basic earnings per share.

(13.) Other comprehensive income

Earnings after income taxes in the consolidated income statement can be reconciled to consolidated comprehensive income in the consolidated statement of comprehensive income by including other comprehensive income. Other comprehensive income includes foreign exchange differences arising from the translation of equity of foreign subsidiaries at the respective historical exchange rate as well as the interim financial statements prepared in foreign currency and is recognised directly in equity in the reserve for currency translation.



(14.) Intangible assets and property, plant and equipment

As of 30 June 2016, the intangible assets acquired amounted to EUR 1,017 thousand (31 December 2015: EUR 1,011 thousand). These mainly pertained to a TV broadcasting license, a right to a domain and software. EUR 103 thousand in total was invested in the first half of 2016 (H1 2015: EUR 26 thousand). Depreciations and amortisation amounted to EUR 97 thousand in the same period (H1 2015: EUR 45 thousand).

Investments of EUR 639 thousand were made in fixed assets in the first half of 2016 (H1 2015: EUR 590 thousand). Depreciation and amortisation amounted to EUR 751 thousand in the same period (H1 2015: EUR 345 thousand). In addition, advance payments in the amount of EUR 49 thousand (H1 2015: EUR 858 thousand) for construction in progress were accounted for although their amortisation has not yet begun.

(15.) Inventories

Inventories include the following items:

	30 Jun 2016	31 Dec 2015
EUR thousand		
Raw materials, consumables and supplies	13,131	12,608
Unfinished goods	1,177	739
Finished goods and merchandise	26,640	26,958
Advance payments	4	124
Inventories	40,952	40,428

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

Other financial assets comprise the following:

	30 Jun 2016	31 Dec 2015
EUR thousand		
Security deposits and other warranties	247	200
Receivables due from employees	28	23
Current other financial assets	275	224
Security deposits and other warranties	398	414
Receivables due from employees	8	7
Non-current other financial assets	406	420
Other financial assets	681	644



Other assets comprise the following items:

	30 Jun 2016	31 Dec 2015
EUR thousand		
Receivables from taxes	794	308
Tax advance payments	241	239
Deferred expenses	247	689
Other advance payments	83	1
Creditors with debit balances	2	21
Miscellaneous other receivables	60	24
Current other non-financial assets	1,426	1,282
Receivables from taxes	831	755
Tax advance payments	1,203	1,314
Deferred expenses	8	19
Non-current other non-financial assets	2,042	2,088
Other non-financial assets	3,468	3,370

(17.) Equity

Issued capital

The subscribed capital of elumeo SE amounts to EUR 5,500,000 and is divided into 5,500,000 no-par shares with a theoretical share in the subscribed capital of EUR 1.00 per share.

Capital reserve

The capital reserve of elumeo SE as of 30 June 2016 amounts to EUR 33,647 thousand and increased by EUR 250 thousand compared to 31 December 2015 (EUR 33,397 thousand) due to share-based payments granted in accordance with IFRS 2 *Share-based Payment* (H1 2015: EUR 0 thousand).

Share-based remuneration

The Executive Board issued option rights to purchase shares of elumeo SE from the SOP 2015 with a proportionate amount of the subscribed capital of EUR 1.00 per share in financial year 2015. No options were issued in the first half of 2016. The issue of remuneration commitments from the SOP 2015 has not yet been completed as of the reporting date.

On 30 June 2016, the weighted average remaining term to maturity of the outstanding option rights was approximately 9.00 years until the expiry date (31 December 2015: approximately 9.50 years). Furthermore, there have been no changes compared to 31 December 2015 on the reporting date.

For more information about the Group's equity, please refer to the Notes to the 2015 Consolidated Financial Statements.



(18.) Financial debt

	30 Jun 2016	31 Dec 2015
EUR thousand		
Bank liabilities:		
Bank overdrafts	4	92
Interest liabilities	39	50
Current portion of non-current loans	7,918	1,057
Current financial debt	7,961	1,198
Bank liabilities:		
Loans	4,114	11,771
Non-current financial debt	4,114	11,771
Financial debt	12,074	12,969

On 30 June 2016, elumeo SE's two floating rate loans with a term until 30 June 2017 were reclassified to short term financial liabilities with a redemption value of EUR 7,500 thousand in total.

The decline in total financial liabilities is mainly due to the scheduled repayment of the investment loan from PWK. The variable interest rate is paid with an interest rate reduction of 1.50% points to the minimum loan rate (MLR) of 6.275% per annum as of the reporting date (31 December 2015: 6.525% per annum).

Moreover, the partially drawn revolving credit line from PWK in the amount of EUR 637 thousand on 31 December 2015 was repaid as of the reporting date. The variable interest rate is due with an interest rate reduction of 1.00% points to the Money Market Rate (MMR) of 5.25% per annum as of the reporting date (31 December 2015: 5.75% per annum).

For more information on financial liabilities, please refer to the Notes to the 2015 Consolidated Financial Statements.



(19.) Other financial liabilities

Other financial liabilities are as follows:

	30 Jun 2016	31 Dec 2015
EUR thousand		
Current portion of non-current finance lease liabilities	283	286
Credit card liabilities	22	33
Miscellaneous other financial liabilities	0	249
Current other financial liabilities	305	568
Finance lease liabilities	744	875
Miscellaneous other financial liabilities	192	196
Non-current other financial liabilities	936	1,071
Other financial liabilities	1,241	1,639

(20.) Other non-financial liabilities

The remaining liabilities as of the respective reporting date are as follows:

	30 Jun 2016	31 Dec 2015
EUR thousand		
Debtors with credit balances	569	1,148
Other accrued liabilities	117	399
Liabilities from value added tax	537	388
Liabilities from other taxes	145	160
Liabilities to employees	258	132
Miscellaneous other liabilities	38	42
Current other non-financial liabilities	1,664	2,269
Other accrued liabilities	25	25
Non-current other non-financial liabilities	25	25
Other non-financial liabilities	1,689	2,294



(21.) Notes to the consolidated statement of cash flows

The cash outflow from operating activities includes payments of interest income in the amount of EUR +1 thousand (H1 2015: EUR +1 thousand) and outflows from interest expenses of EUR -526 thousand (H1 2015: EUR -121 thousand). The income taxes of EUR -1,994 thousand paid in the first half of 2015 relate to an investment promotion certificate granted by the Thai Investment Authority on 1 July 2014. The investment promotion certificate granted to the Thai subsidiary PWK provides for a tax exemption for a period of eight years. The tax advance is accrued as an expense over the term of the investment promotion certificate granted.

Cash and cash equivalents as of the reporting date consist of the active inventory items of freely available cash of EUR 6,016 thousand (31 December 2015: EUR 13,590 thousand) and from the negative components of short-term overdraft facilities of EUR -4 thousand (31 December 2015: EUR -92 thousand).

(22.) Deferred taxes

Deferred taxes are calculated on the differences between the carrying amounts recognised in the IFRS interim consolidated financial statements and the tax bases as well as on unused tax losses to the extent to which future utilisation is sufficiently probable.

Deferred tax assets as of 30 June 2016 and 31 December 2015 are attributable solely to the elimination of interim profit from consolidated deliveries contained in the finished goods and merchandise insofar as these have not yet been realised in the form of sales of goods to the end customers as of the reporting date. The deferred tax assets reported were determined based on the respective tax rates for the respective company that receives the supply and realises sales to the Group's third-party companies (end customers).



(23.) Further disclosures on financial instruments

The following tables present the carrying amounts and fair values of the elumeo Group's financial instruments broken down by the classes of the valuation categories as well as the categories of financial instruments in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*:

EUR thousand	Category acc. IAS 39		
	Carrying Amount	Loans and receivables	Fair value
Financial assets			
Consolidated statement financial position as of 30 Jun 2016			
Non-current assets:			
Other financial assets	406	406	406
Current assets:			
Cash and cash equivalents	6,016	6,016	6,016
Trade receivables	2,079	2,079	2,079
Receivables due from related parties	484	484	484
Other financial assets	275	275	275
Total	9,260	9,260	9,260
Consolidated statement financial position as of 31 Dec 2015			
Non-current assets:			
Other financial assets	420	420	420
Current assets:			
Cash and cash equivalents	13,590	13,590	13,590
Trade receivables	2,216	2,216	2,216
Receivables due from related parties	574	574	574
Other financial assets	224	224	224
Total	17,023	17,023	17,023

For assets classified as "Loans and receivables" that are valued at amortised cost, it is assumed that the carrying amounts approximate their fair values.



EUR thousand	Category acc. IAS 39		
	Carrying Amount	Financial liabilities measured at amortised cost	Fair value
Financial liabilities			
Consolidated statement financial position as of 30 Jun 2016			
Non-current financial liabilities:			
Financial debt	4,114	4,114	4,114
Other financial liabilities	936	936	936
Current financial liabilities:			
Financial debt	7,961	7,961	7,961
Payables due to related parties	33	33	33
Trade payables	8,050	8,050	8,050
Other financial liabilities	305	305	305
Debtors with credit balances	569	569	569
Total	21,968	21,968	21,968

Consolidated statement financial position as of 31 Dec 2015

Non-current financial liabilities:			
Financial debt	11,771	11,771	11,771
Other financial liabilities	1,071	1,071	1,071
Current financial liabilities:			
Financial debt	1,198	1,198	1,198
Payables due to related parties	100	100	100
Trade payables	7,422	7,422	7,422
Other financial liabilities	568	568	568
Debtors with credit balances	1,148	1,148	1,148
Total	23,278	23,278	23,278

Current financial liabilities include interest-bearing loan liabilities to credit institutions for which a discount from the face value or the repayment amount (discount) was paid. The fair value of the respective loans was determined based on the effective interest method using current interest rates.

For the liabilities from trade payables and other current liabilities assigned to the category "Other financial liabilities (net book value)," it is assumed that the carrying amounts approximate their fair values.

The company did not make use of any derivative financial instruments in either the first half of 2016 or the first half of 2015.



(24.) Notes to the segment reporting

At EUR -3,677 thousand, the total segment EBITDA in the first half of 2016 was significantly lower than in the first half of 2015 (EUR 1,916 thousand), however the operating deficits (total segment EBITDA) of EUR -2,298 thousand in the first quarter of 2016 were reduced by EUR 918 thousand to EUR -1,379 thousand in the second quarter of 2016. The special factors eliminated in determining the segment EBITDA are primarily from expenses from losses on foreign currency conversions of EUR 1,903 thousand in the first half of 2016 (H1 2015: EUR 402 thousand) and EUR 1,336 thousand in the second quarter of 2016 (Q2 2015: currency gains of EUR 1,083 thousand) and expenses for the Stock Option Programme 2015 of EUR 250 thousand in the first half of 2016 (H1 2015: EUR 0 thousand) and EUR 110 thousand in the second quarter of 2016.

Segment Sales division Germany and Italy

Turnover of EUR 26,548 thousand or about 75% of the elumeo Group's total sales were generated in the segment Sales division Germany and Italy in the first half of 2016 (H1 2015: EUR 31,410 thousand, or approximately 80%). This corresponds to a decline in sales of EUR -4,862 thousand or -15.5% HoH. At EUR 14,636 thousand, revenues in the second quarter of 2016 were EUR -916 thousand or -5.9% below the level of the first quarter of 2015 QoQ (EUR 15,552 thousand), but were able to recover overall compared to the first quarter of 2016 (EUR 11,912 thousand).

Gross profit in the first half of 2016 amounted to EUR 11,266 and was thus -24.3% below the prior year period HoH (H1 2015: EUR 14,878 thousand) so that a decline in the gross profit margin of 47.4% in the first half of 2015 to 42.4% in the first half of 2016 had to be recorded in the segment. One main reason was the decline in the gross profit margin of 47.4% in the second quarter of 2015 to 38.3% in the second quarter of 2016 as part of the significant increase in revenue from the sale of purchased merchandise (especially KAT FLORENCE), that has a lower gross margin than the products the company makes itself.

Segment EBITDA was EUR -1,843 thousand in the first half of 2016, clearly lower than in the first half of 2015 (EUR 2,794 thousand). The segment's EBITDA margin thus amounted to -6.9% (H1 2015: 8.9%). Segment EBITDA in the results improved slightly from EUR -966 thousand or -8.1% of segment revenue in the first quarter of 2016 to EUR -876 thousand or -6.0% in the second quarter of 2016.

Segment Sales division Others (UK, Asia, USA)

Sales in the Others segment sales division amounted to EUR 8,706 thousand in the first half of 2016 or approximately 25% of the elumeo Group's total turnover (H1 2015: EUR 8,072 thousand or approximately 20%) and thus increased by EUR 634 thousand or 7.9% HoH. In particular, in the second quarter of 2016, sales increased from EUR 3,018 thousand in the first quarter of 2016 to EUR 5,687 thousand in the second quarter of 2016 mainly due to the sale of leftover products to business customers (B2B Sales) (Q1 2015: EUR 3,620 thousand / Q2 2015: EUR 4,451 thousand).

Despite the increase in sales compared to the first half of 2015, gross profit dropped by -EUR 468 thousand or -12.5% HoH in the first half of 2016 to EUR 3,281 thousand (H1 2015: EUR 3,748 thousand). This represents a 46.4% decrease in the gross margin in the first half of 2015 to 37.7% in the first half of 2016. The main margin decline from 40.8% in the first quarter of 2016 to 36.0% in the second quarter of 2016 was also partly caused by the lower gross margins in the area of B2B Sales.



Segment EBITDA was EUR -1,543 thousand in total in the first half of 2016 (H1 2015: EUR -804 thousand). The segment's EBITDA margin was 17.7% (H1 2015: -10.0%). Segment EBITDA thus improved by EUR -1,153 thousand or -38.2% of segment sales in the first quarter of 2016 to EUR -390 thousand or -6.9% in the second quarter of 2016.

Segment Group Functions & Eliminations

To offset the administrative costs of production, gross profit of EUR 1,225 thousand was allocated to the segment in the first half of 2016 (H1 2015: EUR 1,218 thousand) and EUR 542 thousand in the first quarter of 2016 (Q2 2015: EUR 611 thousand), which can no longer be assigned to the segments Sales in Germany and Italy and the Other segment sales division.

(25.) Related party disclosures

The elumeo Group engaged in the following significant transactions with related parties in the first half of 2016:

- On 30 June 2016, the elumeo Group recognised the amount of EUR 33 thousand (31 December 2015: EUR 71 thousand) under short-term liabilities to related parties owed to UV Interactive Services GmbH, Berlin ("UVIS"), a company fully owned by Mr. Wolfgang Boyé (Chairman of the Executive Board of elumeo SE).

Furthermore, the elumeo Group reported expenses of EUR 23 thousand in the first half of 2016 under Selling expenses (H1 2015: Administrative costs) (H1 2015: EUR 25 thousand) for services in the area of TV broadcasting by UVIS. On the other hand, income of EUR 6 thousand (H1 2015: EUR 0 thousand) was generated from providing supportive programme broadcasting services for UVIS.

- In financial year 2015, the Managing Directors on the Executive Board were granted 17,000 option rights under the SOP 2015. A total of EUR 31 thousand (H1 2015: EUR 0 thousand) was expensed for this purpose in the first half of 2016.
- Selling expenses include EUR 37 thousand (H1 2015: EUR 42 thousand) in fees for a non-managing member of the Executive Board for professional services as a TV presenter. The resulting liabilities are recognised under the liabilities due to related parties. These were paid in full on the reporting date, however (31 December 2015: EUR 29 thousand).
- In financial year 2015, a member of the family of a non-managing member of the Executive Board in the organ function of the Managing Director of R&C was granted a total of 15,000 option rights under the SOP 2015. EUR 47 thousand in total (H1 2015: EUR 0 thousand) was expensed for this purpose in the first half of 2016.
- With respect to the securities of subsidiaries and related companies and individuals granted for the financial liabilities of elumeo SE and PWK, there have been no changes compared to the information provided in the 2015 consolidated financial statements.

The elumeo Group engaged in significant transactions with related parties during the course of operations before its restructuring and the establishment of the legal elumeo Group on 23 October 2014. The as yet not fully paid amounts of receivables from related companies and persons are reported under the relevant heading in the consolidated balance sheet as of 30 June 2016.



(26.) Executive Board**The Executive Board**

By order of the Executive Board on 29 March 2016, the appointment of Mr. Bernd Fischer as Managing Director has been extended until 9 July 2018.

Otherwise there have been no changes in the composition of the Executive Board compared to 31 December 2015.

Shareholdings of the Executive Board and managers' transactions pursuant to Art. 19 MMVO

The members of the Executive Board and their related persons pursuant to Art. 19 MMVO are obliged to report transactions involving shares of elumeo SE (so-called managers' transactions) to the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Agency for Financial Services Supervision) and to elumeo SE. For information on managers' transactions, we refer you to publications on the Internet under <http://www.elumeo.com/investor-relations/aktuelle-mitteilungen/directors-dealings>.

On the reporting date, the direct shareholdings of Executive Board members did not individually exceed more than 2.56% and not more than 7.10% of the issued shares of elumeo SE in total.

(27.) Operating leases and other financial obligations

The operating leases and other financial obligations have not changed substantially compared to 31 December 2015, taking into account the continuation of the contractual obligations on the reporting date.

(28.) Events after the reporting date

On 18 July 2016, the Executive Board issued an additional 128,500 stock options to purchase 128,500 shares of elumeo SE with a proportionate amount of the subscribed capital of EUR 128,500 ("Tranche 2016 / I") from the 2015 SOP. Of these, 20,000 options were granted to a Managing Director. The exercise price to be paid is uniformly EUR 6.39.

Otherwise, there were no significant events that have a significant impact on the financial position and results of the elumeo Group.





V. RESPONSIBILITY STATEMENT

Statement in accordance with Section 37w para. 2 no. 3 WpHG in conjunction with Sections 264 para. 2 sentence 3, 289 para. 1 sentence 5 HGB (German Commercial Code)

"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 elumeo 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 elumeo Group for the remaining months of the financial year."

Berlin, 16 August 2016

elumeo SE

The Executive Managing Directors

Bernd Fischer

Thomas Jarmuske

Boris Kirn

