

elumeo

Half-year financial report
H1/2019

KEY FIGURES

EUR thousand [unless indicated otherwise]	Q2 2019	Q2 2018	YoY	H1 2019	H1 2018	YoY
			0			0
Information related to continuing business						
Revenue	11,302 100.0%	12,729 100.0%	-11.2%	23,262 100.0%	29,338 100.0%	-20.7%
<u>Product revenue by regions</u> [absolutely and in % of product revenue]						
Germany	9,822 86.8%	10,382 81.6%	-5.4%	19,874 85.5%	23,114 78.8%	-14.0%
Italy	1,488 13.2%	1,776 14.0%	-16.2%	3,349 14.4%	4,258 14.5%	-21.3%
Other countries	6 0.1%	558 4.4%	-98.9%	12 0.1%	1,945 6.6%	-99.4%
[The following disclosures represent: absolute values and in % of revenue]						
Gross profit	5,457 48.3%	4,649 36.5%	17.4%	10,705 46.0%	9,170 31.3%	16.7%
EBITDA	-678 -6.0%	-5,551 -43.6%	87.8%	-1,964 -8.4%	-8,610 -29.3%	77.2%
Total Segment EBITDA	-115 -1.0%	-3,048 -23.9%	96.2%	-1,184 -5.1%	-5,561 -19.0%	78.7%
Total segment EBIT	-425 -3.8%	-3,266 -25.7%	87.0%	-1,812 -7.8%	-5,961 -20.3%	69.6%
Selling and administrative expenses [absolutely and in % of balance sheet total]	5,893 52.1%	7,957 62.5%	-25.9%	12,576 54.1%	15,189 51.8%	-17.2%
Total assets ¹				25,511 100.0%	28,827 100.0%	-11.5%
Total equity ¹ [absolutely and in % of balance sheet total]				4,007 15.7%	6,677 23.2%	-40.0%
Working capital ¹ [absolutely and in % of balance sheet total]				9,596 37.6%	11,544 40.0%	-16.9%
¹ Prior year disclosure: 31 Dec 2018						
[The following disclosures represent: absolute values and in % of revenue]						
Net cash flow from operating activities	0.0%	0.0%	n.a	16 0.1%	-7,069 -24.1%	100.2%
Net cash flow from investing activities	0.0%	0.0%	n.a	-106 -0.5%	-157 -0.5%	32.2%
Net cash flow from financing activities	0.0%	0.0%	n.a	-1,541 -6.6%	-132 -0.4%	<-1.000%
Items sold [pieces]	149,520	301,340	-50.4%	313,039	532,793	-41.2%
Average sales price (ASP) [EUR]	76	42	79.0%	74	55	35.0%
Gross profit per item sold [EUR]	36	15	136.6%	34	17	98.7%
<u>New customer breakdown (Germany only)</u>						
[in % of new customers]						
TV only	21%	25%	-18%	25%	25%	-1%
Web only	64%	59%	8%	58%	59%	-1%
Others	15%	16%	-4%	17%	16%	7%



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I. TO OUR SHAREHOLDERS

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Letter from the Chairman of the Executive Board

Dear Shareholders,

The elumeo Group recorded a clearly positive development in the first half of the year. Even though the development of revenue did not quite meet our original expectations, we were able to set clear impulses and even slightly exceed our own expectations with regard to the development of the gross profit margins and the restructuring of our costs.

The changeover difficulties that are also having a negative impact on sales will continue to accompany us to an increasingly lesser extent for some time to come. But even during this difficult transformation process, we will continue to be guided by the "customer first" principle. The focus of our actions will be on the customer, whose expectations we always want to exceed in the context of offering an outstanding customer experience. Many activities have already been launched to this end. The TV programme is being made more attractive and additional new programme formats will be introduced. The online shop, which has been significantly optimised and more closely intermeshed with the TV business, is at the heart of these activities. The first signs of success could already be seen in the second quarter of 2019, in which our web shop clearly stood out with a slightly positive sales trend.

In the future as well, we will continue to launch initiatives aimed at boosting our revenue and raising awareness of the elumeo Group's brands in order to enable us to achieve profitable growth. This includes being able to broadcast more show programmes at the same time in different languages and expanding our activities in the areas of social media and mobile commerce.

Attorney Schaetze's massive media campaign did not make the last quarter easy for us and the employees of the elumeo Group. The Executive Board of elumeo SE was therefore pleased with the development in the ongoing legal disputes with the shareholder Ottoman Strategy Holdings (Suisse) SA ("OSH") and with SWM Treuhand AG in Munich. After the Regional Court of Berlin had already completely rejected OSH's appeal for annulment of the Annual General Meeting of elumeo SE on 9 December 2018, we have now also received positive confirmation from the Berlin Public Prosecutor's Office. The Berlin Public Prosecutor's Office had received a criminal complaint, which was largely identical in wording to the civil complaint that SWM Treuhand AG filed against elumeo SE. By law, the Public Prosecutor's Office had to conduct investigations. After clarifying the facts of the case, it discontinued them in accordance with Section 170 StPO (2), however. We also see no prospects of success for the further proceedings initiated by attorney Schaetze and his colleagues.

We would like to thank you for placing your trust in our company and look forward to working with you on the path to a successful future.

In September 2019

A handwritten signature in black ink, appearing to read 'W. Boyé', with a stylized flourish at the end.

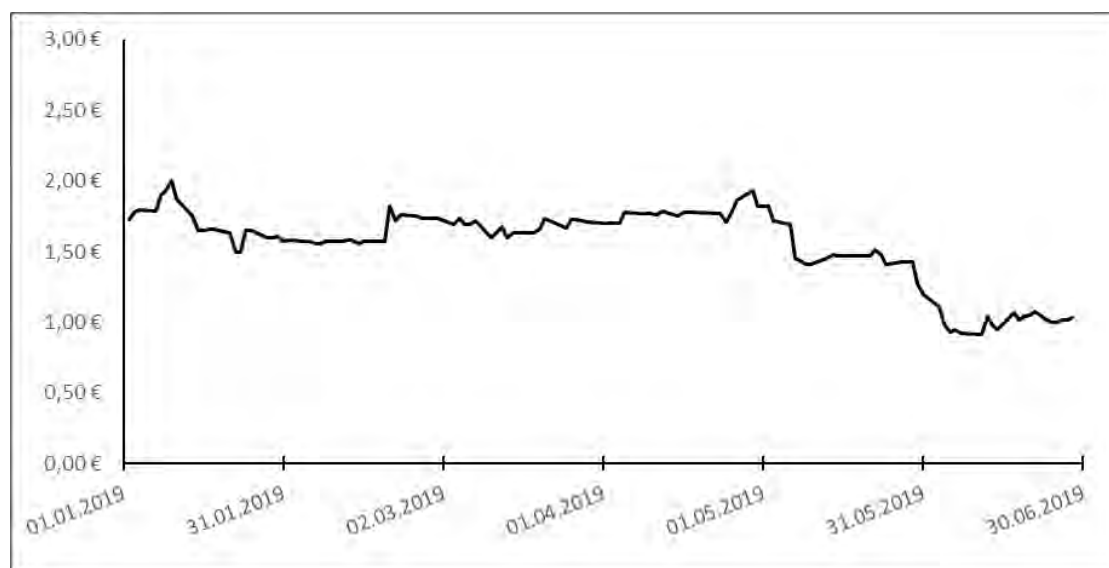
Wolfgang Boyé
(Chairman of the Executive Board)

Capital market information

Basic data and key figures on the share of elumeo SE
(Status: 30 June 2019)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in the first half of 2019	EUR -0.70
Number of outstanding shares	5,500,000
Share price at the end of the reporting period (XETRA)	EUR 1.02
Market capitalisation	EUR 5.61 million

Share price development (1 January to 30 June 2019: XETRA, in EUR)



Shareholder structure
(Status: 30 June 2019)

1. Blackflint Ltd.	26.66%
2. Ottoman Strategy Holdings (Suisse) SA	26.43%
3. Universal-Investment-Luxembourg SA	7.93%
4. Heliad Equity Partners GmbH & Co. KGaA	7.50%
5. Sycomore Asset Management SA	5.09%
6. Verwaltungsratsmitglieder	6.74%
7. Übriger Streubesitz	19.65%



II. INTERIM GROUP MANAGEMENT REPORT

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Principles

The principles of the elumeo Group described in the Annual Report for the financial year 2018 that ended on 31 December ("2018 Annual Report") continue to apply.

Discontinued operations

In December 2017, the elumeo Group initially discontinued the loss-making distribution business in the UK ("discontinued operation UK").

In financial year 2018, the decision was made to terminate all business activities of PWK Jewelry Company Limited, Bangkok, Thailand ("PWK") and to proceed with the orderly liquidation of the own manufacturing company under own management by utilising existing assets ("PWK Discontinued Operation"). The cessation of production activities was associated with economic problems of the production company PWK, which could not be eliminated by implementing targeted restructuring measures in financial year 2018. All business activities of the company were discontinued by the end of 2018.

The discontinued operation is not included in the result from continuing operations and is shown in the Consolidated Statement of Income as a separate item *Result after tax from discontinued operations*.

Economic Report

Macroeconomic environment in the first half of 2019

Based on information from Bloomberg, gross domestic product (GDP) rose by 0.4% in the first quarter of 2019 (Q1) and by 0.2% in the second quarter of 2019 (Q2) compared to the respective previous year's quarters (QoQ).

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

The strongest drivers of growth in the first half of 2018 were Austria and Switzerland with 0.4% in Q1 and 0.3% in Q2 2018. Spain, the Netherlands and Belgium have a partly equally positive GDP development in Q2 after a weak Q1.

According to Bloomberg, GDP in Germany, the most important market for the elumeo Group, rose by 0.4% in Q1 and 0.2 in Q2 2019.

The elumeo Group's other core markets also posted slight GDP growth. GDP in Italy increased by 0.1% in Q1 and by 0.03% in Q2 2019 compared to the same period last year. In France too, GDP rose by 0.3% in Q1 and Q2 2018, respectively.

The UK economy, on the other hand, is unstable in Q2, with GDP at -0.2% year-on-year.

Otherwise, there were no significant changes in the macroeconomic environment compared to the explanations in elumeo SE's 2018 Annual Report.

Industry-specific conditions

According to TechSci Research, a global market research and consulting company, the global jewelry market continues to grow. This trend is also expected to continue in the years to come to form a global annual jewelry market worth EUR 370 billion in 2022, up from EUR 256 billion in 2017. This

corresponds to an average annual growth rate of 7.6% for this period. An analysis published by McKinsey on the global jewelry market also expects a change in distribution channels in favour of eCommerce. Between 2013 and 2020, a doubling of the global share of online trade in the jewelry market is predicted from 5% to 10%. In addition to this development, McKinsey cited further key trends for the global jewelry industry: the internationalisation and consolidation of a still nationally shaped market, an increase in brand jewelry (the majority of jewelry will continue to be non-brand products), the increase in "hybrid consumption," i.e. the tendency to purchase both high and low price products and the acceleration of the value chain ("fast fashion").

The elumeo Group is primarily active in the European jewelry market. According to TechSci Research, the European jewelry market will continue to grow by around 5.5% annually between 2018 and 2022.

The elumeo Group's most important direct sales channels include TV home shopping channels and online shops and apps for smartphones. Internet use via smartphones continues to increase. A report by BI Intelligence assumes that mobile sales will rise to EUR 237.4 billion by 2020 and account for around 45% of total eCommerce sales.

Online trading in Europe continues to develop very positively. The outlook for the coming years is also positive. Forrester Research forecasts average annual growth of 12.3% for Western European online retail from 2017 to 2021. In a report published in 2016, the Ecommerce Foundation also expects the eCommerce share of the European gross national product (2.59% in 2015) to double by 2020.

Overall, no significant changes in industry conditions have been observed compared to the disclosures in the 2018 Annual Report. Therefore, please refer to the 2018 Annual Report for further information.

Business development in the first half of 2019

For the elumeo Group, the first half of 2019 covers the period from 1 January to 30 June 2019 ("first half of 2019" or "the reporting period"). The first half of 2018 refers to the period from 1 January to 30 June 2018 ("first half of 2018" or "prior year period").

In the first half of 2019, the economic development of the elumeo Group was characterised by the following significant events:

Financial year 2018 was already marked by a considerable underutilisation of existing capacities at the Group's own manufacturing facility. By switching from our own production to cooperation with local partners in India and Thailand, we are once again in a position to develop a significantly diversified product range. Our broad range of different designs and price categories will be better defined by the brands and collections we have introduced and will enable customers to better understand our product diversity. The development of brands and collections will play a key role in future growth and in attracting new customers. A further building block for future growth is the much stronger integration of the various sales channels, TV, WEB and mobile, in order to enable our customers to enjoy a comprehensive and contemporary shopping experience. The return to profitability will be supported by a comprehensive cost-cutting programme.

Sales in the first half of 2019 were down on the previous year. At -11.2%, the deviation in the second quarter of 2019 compared to the previous year was much smaller than in the first half of 2019 compared to the previous year at -20.7%. Due to the opening of the web shop also for TV offers and an overall improved product range as well as significantly extended functions, we see a clear shift towards the classic WEB shop. As forecast, the margin has developed significantly better than sales and was already clearly up year-on-year in the second quarter of 2019.

Selling, general and administrative expenses in the first half of 2019 fell significantly year-on-year. Particular mention should be made of broadcasting costs. However, costs were also successfully reduced in the area of marketing expenses and other selling costs (e.g. payment transaction costs). With regard to the development of administrative expenses, it should be noted that last year's report on the first half of 2018 showed an increase of approximately EUR 1.0 million in personnel and administrative expenses. Due to the purchase of goods from third parties, these costs are now no longer incurred. Overall, the personnel costs of the continuing operations in the second quarter are slightly lower than in the previous year.

Overall, total comprehensive income (including discontinued operations) in the first half of 2019 amounted to EUR -2.7 million, compared to EUR -3.4 million in the first half of 2018.

The key financial indicator, **earnings before interest, taxes, depreciation and amortisation** adjusted for non-operating segment reconciliation items (**total segment EBITDA**), improved to EUR -0.1 million in the second quarter of 2019 after EUR -5.2 million in the second quarter of 2018 (first half of 2019: EUR -1.2 million, first half of 2018: EUR -7.7 million).

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

Revenue and earnings position

	Note	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
EUR thousand % of revenue											
Revenue	(4)	11,302	100.0%	12,729	100.0%	-11.2%	23,262	100.0%	29,338	100.0%	-20.7%
Cost of goods sold	(5)	6,171	54.6%	10,173	79.9%	-39.3%	13,182	56.7%	22,936	78.2%	-42.5%
Gross profit		5,132	45.4%	2,556	20.1%	100.8%	10,080	43.3%	6,402	21.8%	57.5%
Selling expenses	(6)	4,200	37.2%	6,159	48.4%	-31.8%	9,121	39.2%	11,793	40.2%	-22.7%
Administrative expenses	(7)	1,708	15.1%	1,846	14.5%	-7.5%	3,455	14.9%	3,506	11.9%	-1.4%
Other operating income	(8)	-107	-0.9%	-148	-1.2%	27.9%	29	0.1%	58	0.2%	-49.7%
Other operating expenses	(9)	104	0.9%	171	1.3%	-39.2%	125	0.5%	171	0.6%	-27.0%
Earnings before interest and taxes (EBIT)		-987	-8.7%	-5,769	-45.3%	82.9%	-2,592	-11.1%	-9,010	-30.7%	71.2%
Interest income		0	0.0%	0	0.0%	-90.1%	0	0.0%	0	0.0%	-90.1%
Interest and similar expenses		-54	-0.5%	-56	-0.4%	3.0%	-118	-0.5%	-111	-0.4%	-5.8%
Financial result	(10)	-54	-0.5%	-56	-0.4%	2.9%	-118	-0.5%	-111	-0.4%	-5.9%
Earnings before from continuing operations		-1,042	-9.2%	-5,825	-45.8%	82.1%	-2,709	-11.6%	-9,121	-31.1%	70.3%
Income tax	(13)	0	0.0%	-402	-3.2%	100.0%	0	0.0%	-171	-0.6%	100.0%
Earnings for the period from continuing operations		-1,042	-9.2%	-6,227	-48.9%	83.3%	-2,709	-11.6%	-9,292	-31.7%	70.8%
Earnings for the period from discontinued operations	(11),(12)	-258	-2.3%	4,780	37.6%	-105.4%	-1,348	-5.8%	5,458	18.6%	-124.7%
Earnings for the period		-1,300	-11.5%	-1,446	-11.4%	10.1%	-4,057	-17.4%	-3,834	-13.1%	-5.8%

Selling expenses decreased significantly to EUR 2.7 million in the first half of 2019 compared to the first half of 2018, with revenues declining by EUR 2.7 million. This figure also includes the reversal of provisions for broadcasting costs. The other distribution costs have also been reduced significantly compared to last year.

Administrative expenses mainly consist of personnel expenses and other material costs. Administrative expenses fell slightly compared to the previous year.

Other operating income in the first half of 2019 does not include any material amounts besides net income from currency translation.

Other operating expenses in the first half of 2019 mainly include net losses from currency translation. The result from currency translation mainly results from the translation of intragroup receivables and liabilities denominated in foreign currencies at the reporting date. Their amount is subject to regular fluctuations depending on the development of the respective exchange rates.

Due to the requirements for the presentation of discontinued operations in accordance with IFRS 5, the profit mark-ups of PWK Jewelry Company Limited are assumed to be the cost of revenues of continuing operations. In order to better present the effects of under-utilisation of production capacities and opportunity costs in distribution in particular, which are allocated to continuing operations as part of the cost of revenues, we will therefore refer to the Reporting segment (IFRS 8) with regard to economic development. Within the scope of segment reporting, we have largely neutralised these effects and allocated expenses and income on the basis of our merchandise management data.

Total segment EBITDA improved significantly in the first half of 2019 to EUR -1.2 million, compared to EUR -5.6 million in the first half of 2018.

In total, **the result from operating activities (EBIT)** improved to EUR -1.0 million in the second quarter of 2019 from EUR -5.8 million in the second quarter of 2018. (first half of 2019: EUR -2.6 million, first half of 2018: -9.0 million) The figures relate in each case to continuing operations.

Earnings per share were EUR -0.74 in the first half of 2019 (first half of 2018: EUR -0.70). **Total consolidated income** improved in the first half of 2019 to EUR -2.7 million after EUR -3.4 million in the first half of 2018.

Asset position

Total assets as of 30 June 2019 decreased from EUR 28.8 million on 31 December 2018 to EUR 25.1 million as of 30 June 2019.

Current assets decreased mainly due to reduced inventories and declining trade receivables from B2B business.

On the liabilities side of the balance sheet, **equity** decreased as of 30 June 2019 due to the negative result after income taxes. The equity ratio as of 30 June 2019 was around 16.0% of total assets, compared to 23.2% as of 31 December 2018.

Non-current liabilities increased due to the change in accounting in accordance with IFRS 16 and include the capitalisation of liabilities from rental agreements for office space.

Current liabilities decreased due to the repayment of financial liabilities totalling approximately EUR 1.2 million. **Liabilities** recognised as of 31 December 2018 **in connection with assets held for sale** decreased slightly. The reduction is mainly related to the winding up of the discontinued operation in the UK.

Financial position

Net cash flow from operating activities from continuing operations totalled EUR +0.02 million in the first half of 2019 (first half of 2018: EUR -7.1 million). The significantly lower cash outflow compared to earnings before taxes (EBT) is mainly attributable to a reduction in inventories and trade receivables. Depreciation and amortisation of fixed assets fell slightly in the comparable period. Non-cash income and items in the first half of 2019 mainly resulted from effects of exchange rates on the individual items of the Consolidated Statement of Financial Position.

Net cash flow from investing activities from continuing operations was low due to the low level of investment activity.

Net cash flow from financing activities from continuing operations amounted to approximately EUR -1.5 million in the first half of 2019 (first half of 2018: EUR -0.1 million) and relates to the agreed repayment of loan liabilities to Berliner Sparkasse.

As of 30 June 2019, the elumeo Group had **cash and cash equivalents** (cash in hand and sight deposits with banks) of EUR 0.7 million (31 December 2018: EUR 2.6 million).

Segment Reporting

With regard to internal management and external communication of current and future earnings trends, the sustained profitability of the elumeo Group's operating business is of particular importance. Therefore, the earnings before interest, taxes, depreciation and amortisation (EBITDA segment) adjusted for non-operating special factors serves as the key financial indicator for the presentation and control of the operating earnings situation. To calculate segment EBITDA before special items, EBITDA before special items is adjusted for non-recurring and/or non-operating (special) items by type and amount. Non-operating items are deferred for each item in the Consolidated Statement of Income. The main factors influencing the segment EBITDA are the costs of underutilisation of the manufacturing plant and the opportunity costs of revenues. The effects of underutilisation (mainly wages) and, in particular, the effects of lack of diversity were taken into account. As a result, the segment EBITDA for continuing operations for the first half of 2019 totalled EUR -1.2 million (first half of 2018: EUR -5.6 million).

Segment reporting follows the internal reporting structures and internal control criteria and complies with IFRS accounting principles. As part of the discontinuation of PWK's production activities, the Executive Board had already changed the segment reporting in the Consolidated Financial Statements 2018, including the comparative information for the previous year. In addition, the possibilities for a fundamental change in segment reporting are currently being examined.

Segment continuing operations

While revenues were negative, the gross profit margin was already clearly positive compared to the previous year (first half of 2019: 46.0%, second quarter of 2019: 48.3% compared to the first half of 2018: 23.9%, second quarter of 2018: 19.6%). As a result of the extensive cost reduction measures, especially in the area of selling expenses, the total EBITDA of the segment already developed positively in both the second quarter of 2019 and the first half of 2019.

Segment discontinued manufacturing division

The segment discontinued manufacturing division includes the business activities of PWK, consolidation effects as well as the costs of underutilisation and opportunity costs of distribution allocated to the division, which are reported in the Consolidated Statement of Income under continuing operations in the context of the discontinued manufacturing division, because they were included in the invoice amounts for jewelry deliveries as part of the Group's internal cost allocation. In the opinion of the Executive Board, these costs will no longer be incurred in the future once the supply chain is changed from PWK's internal supply to that of third parties. For the sake of comparability, these cost components were therefore allocated accordingly as part of internal management reporting.

At EUR -1.2 million in the first half of 2019 (first half of 2018: EUR -5.6 million), total segment EBITDA was clearly positive compared to the same period of the previous year. The development in the second quarter of 2019 of EUR 0.1 million (second quarter of 2018: EUR -4.6 million) was also positive.

Supplementary Report

On 16 August 2019, an order of the Regional Court of Berlin was issued on the conciliation hearing on 4 December 2019 in Berlin. The subject matter of the action and the counterclaim between elumeo SE and Kat Florence Design Ltd. are the non-effective termination of the cooperation agreement, the unauthorised use of customer data by Kat Florence Design Ltd. and claims for damages by Kat Florence Design Ltd. due to the closure of a shop in London in March 2017, which is claimed to be in connection with the closure of the business operations of Rocks & Co UK in the UK in December 2017. In particular, the Executive Board considers it unlikely that the claims for damages will be enforceable after having conferred with legal advisors.

On 27 August 2019, our legal representatives in Bangkok informed us that our efforts to appoint a new management for PWK Jewelry Company Limited, which is in liquidation, had once again failed due to the lack of approval of the competent Ministry of Commerce in Chanthaburi. Despite the contrary legal situation, the prospect of legal enforceability is assessed as very low. The extent to which this could result in potential claims for damages against the local management or other consequences has yet to be examined.

On 8 August 2019, elumeo SE was served with the action brought by SWM Treuhand AG Wirtschaftsprüfungsgesellschaft, Munich, by the Regional Court of Berlin. SWM Treuhand AG hopes to assert an amount of EUR 10,213,660.19 against elumeo SE and individual members of the Executive Board on the basis of various claims. The corresponding action is related to the legal disputes described in the Notes to the Consolidated Financial Statements of elumeo SE as of 31 December 2018 under section [F. Significant Discretionary Decisions and Estimates]. After comprehensive analysis involving legal advisors, the Executive Board of elumeo SE has come to the conclusion that the aforementioned claims are unfounded.

On 24 September 2019, elumeo SE was made aware of a nullity and rescission action brought by Ottoman Strategy Holdings (Suisse) S.A., represented by attorney Roderich Schaeetze, Munich. The subject of the action is the challenge of the resolutions of the Annual General Meeting to ratify the actions of the Chairman of the Executive Board, Wolfgang Boyé, as well as the appointment of Ingo Stober as a member of the Executive Board. The action has not yet been served. According to an initial assessment by our legal advisor, the chances of success of this lawsuit appear to be very low.

On 27 September 2019, the Board of elumeo SE was informed that the Berlin Public Prosecutor's Office, after clarifying the facts due to a criminal complaint for fraud, discontinued the preliminary proceeding pursuant to Section 170 (2) of the German Code of Criminal Procedure (StPO) against

the Chairman of the Board Wolfgang Boyé and the two Managing Directors Thomas Jarmuske and Bernd Fischer.

Opportunity and Risk Report

There were no significant changes in terms of opportunities and risks in the first half of 2019. For more information about the special risks of the elumeo Group, please refer to the 2018 Annual Report.

Forecast Report

The gross profit margin should continue to improve as a result of the multi-manufacturing strategy adopted in 2018 and the discontinuation of B2B business. Here we expect a significant recovery in the % margin and thus disproportionate gross profit growth in the low double-digit percentage range. We attach greater importance to absolute gross profit growth than to revenue growth. As a result, we anticipate a revenue trend that will be lower overall than in the previous year. In addition, we expect our cost base to improve in 2019 both in absolute terms and in relation to revenues. In particular, broadcasting costs and costs for external service providers should be much lower. But we also expect lower expenses with regard to other cost items, especially in relation to revenues (e.g. costs for payment service providers and costs for SEO marketing). The cost-cutting measures that have been introduced are already having an effect and have largely been implemented. The restructuring of the procurement of goods has also been completed and will be further optimised. We will continue to expand our existing supplier network. In order to take account of the associated uncertainties, the Executive Board of the Group is planning an EBITDA earnings corridor for the continuing operations segment for 2019 that will range from a low single-digit million euro figure to break-even.

In order to be able to guarantee the Group's solvency at all times, corresponding reductions in inventories are planned. If the company's profitability cannot be increased or working capital cannot be improved in scenarios that we classify as predominantly unlikely, this could jeopardize the Group's solvency at all times. The top priority in 2019 is to return to a positive development in the profitability of the elumeo Group while at the same time improving liquidity.



III. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statement of Income (unaudited)

for the period from 1 April to 30 June 2019 (Q 2019) and for the period from 1 January to 30 June 2019

	Note	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
EUR thousand % of revenue											
Revenue	(4)	11,302	100.0%	12,729	100.0%	-11.2%	23,262	100.0%	29,338	100.0%	-20.7%
Cost of goods sold	(5)	6,171	54.6%	10,173	79.9%	-39.3%	13,182	56.7%	22,936	78.2%	-42.5%
Gross profit		5,132	45.4%	2,556	20.1%	100.8%	10,080	43.3%	6,402	21.8%	57.5%
Selling expenses	(6)	4,200	37.2%	6,159	48.4%	-31.8%	9,121	39.2%	11,793	40.2%	-22.7%
Administrative expenses	(7)	1,708	15.1%	1,846	14.5%	-7.5%	3,455	14.9%	3,506	11.9%	-1.4%
Other operating income	(8)	-107	-0.9%	-148	-1.2%	27.9%	29	0.1%	58	0.2%	-49.7%
Other operating expenses	(9)	104	0.9%	171	1.3%	-39.2%	125	0.5%	171	0.6%	-27.0%
Earnings before interest and taxes (EBIT)		-987	-8.7%	-5,769	-45.3%	82.9%	-2,592	-11.1%	-9,010	-30.7%	71.2%
Interest income		0	0.0%	0	0.0%	-90.1%	0	0.0%	0	0.0%	-90.1%
Interest and similar expenses		-54	-0.5%	-56	-0.4%	3.0%	-118	-0.5%	-111	-0.4%	-5.8%
Financial result	(10)	-54	-0.5%	-56	-0.4%	2.9%	-118	-0.5%	-111	-0.4%	-5.9%
Earnings before from continuing operations		-1,042	-9.2%	-5,825	-45.8%	82.1%	-2,709	-11.6%	-9,121	-31.1%	70.3%
Income tax	(13)	0	0.0%	-402	-3.2%	100.0%	0	0.0%	-171	-0.6%	100.0%
Earnings for the period from continuing operations		-1,042	-9.2%	-6,227	-48.9%	83.3%	-2,709	-11.6%	-9,292	-31.7%	70.8%
Earnings for the period from discontinued operations	(11),(12)	-258	-2.3%	4,780	37.6%	-105.4%	-1,348	-5.8%	5,458	18.6%	-124.7%
Earnings for the period		-1,300	-11.5%	-1,446	-11.4%	10.1%	-4,057	-17.4%	-3,834	-13.1%	-5.8%
<i>Earnings of shareholders of elumeo SE</i>		<i>-1,300</i>	<i>-11.5%</i>	<i>-1,446</i>	<i>-11.4%</i>	<i>10.1%</i>	<i>-4,057</i>	<i>-17.4%</i>	<i>-3,834</i>	<i>-13.1%</i>	<i>-5.8%</i>
Earnings per share in EUR (basis and diluted) applied to:	(15)										
- Earnings of shareholders total		-0.24		-0.26		10.1%	-0.74		-0.70		-5.8%
- Earnings of shareholders from continuing operations		-0.19		-1.13		83.3%	-0.49		-1.69		70.8%
- Earnings of shareholders from discontinued operations		-0.05		0.87		-105.4%	-0.25		0.99		-124.7%

* Due to the classification of the production activities as discontinued operation PWK in accordance with IFRS 5, some of the amounts disclosed differ from the amounts in the Interim Consolidated Financial Statements for the first half-year 2018 (see section [(1) Principles and methods | General information]).

Consolidated Statement of Comprehensive Income (unaudited)

for the period from 1 April to 30 June 2019 (Q 2019) and for the period from 1 January to 30 June 2019

	Note	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
EUR thousand % of revenue											
Earnings for the period		-1,300	-11.5%	-1,446	-11.4%	10.1%	-4,057	-17.4%	-3,834	-13.1%	-5.8%
<i>Items which will be reclassified to the consolidated statement of income in subsequent periods:</i>											
Differences from foreign currency translation of foreign subsidiaries		11	0.1%	-45	-0.4%	125.6%	-5	0.0%	-31	-0.1%	84.7%
Other comprehensive income from continuing operations	(16)	11	0.1%	-45	-0.4%	125.6%	-5	0.0%	-31	-0.1%	84.7%
Differences from foreign currency translation of foreign subsidiaries		378	3.3%	-13	-0.1%	n.a.	1,363	5.9%	510	1.7%	167.3%
Other comprehensive income from discontinued operations	(16)	378	3.3%	-13	-0.1%	n.a.	1,363	5.9%	510	1.7%	167.3%
Total comprehensive income		-910	-8.1%	-1,504	-11.8%	39.5%	-2,699	-11.6%	-3,355	-11.4%	19.6%
<i>Total comprehensive income of shareholders of elumeo SE</i>		<i>-910</i>	<i>-8.1%</i>	<i>-1,504</i>	<i>-11.8%</i>	<i>39.5%</i>	<i>-2,699</i>	<i>-11.6%</i>	<i>-3,355</i>	<i>-11.4%</i>	<i>19.6%</i>

* Due to the classification of the production activities as discontinued operation PWK in accordance with IFRS 5, some of the amounts disclosed differ from the amounts in the Interim Consolidated Financial Statements for the first half-year 2018 (see section [(1) Principles and methods | General information]).

Consolidated Statement of Financial Position (unaudited)

as of 30 June 2019

A S S E T S						
EUR thousand % of balance sheet total	Note	30 Jun 2019		31 Dec 2018		Change in %
Non-current assets						
Intangible assets	(17)	4,330	17.0%	578	2.0%	649.4%
Property, plant and equipment	(17)	1,987	7.8%	2,207	7.7%	-10.0%
Other financial assets	(19)	368	1.4%	409	1.4%	-9.8%
Total non-current assets		6,686	26.2%	3,193	11.1%	109.4%
Current assets						
Inventories	(18)	16,182	63.4%	20,453	71.0%	-20.9%
Trade receivables		862	3.4%	1,416	4.9%	-39.1%
Receivables due from related parties		0	0.0%	12	0.0%	-100.0%
Other financial assets	(19)	70	0.3%	58	0.2%	21.2%
Other non-financial assets	(20)	992	3.9%	905	3.1%	9.7%
Cash and cash equivalents		681	2.7%	2,608	9.0%	-73.9%
Total current assets		18,787	73.6%	25,451	88.3%	-26.2%
Assets held for sale	(11),(12)	38	0.1%	183	0.6%	-79.2%
Total assets		25,511	100.0%	28,827	100.0%	-11.5%

Consolidated Statement of Financial Position (unaudited)

as of 30 June 2019

EQUITY & LIABILITIES						
EUR thousand % of balance sheet total	Note	30 Jun 2019		31 Dec 2018		Change in %
Equity						
Issued capital		5,500	21.6%	5,500	19.1%	0.0%
Capital reserve		34,409	134.9%	34,380	119.3%	0.1%
Accumulated losses		-42,913	-168.2%	-38,856	-134.8%	-10.4%
Foreign currency translation reserve		7,011	27.5%	5,653	19.6%	24.0%
Total equity	(21)	4,007	15.7%	6,677	23.2%	-40.0%
<i>Attributable to shareholders of elumeo SE</i>						
		4,007	15.7%	6,677	23.2%	-40.0%
Non-current liabilities						
Other financial liabilities	(23)	3,420	13.4%	0	0.0%	n.a.
Provisions	(24)	7,488	29.4%	7,455	25.9%	0.4%
Other non-financial liabilities	(26)	25	0.1%	25	0.1%	0.0%
Total non-current liabilities		10,933	42.9%	7,480	25.9%	46.2%
Current liabilities						
Financial debt	(22)	833	3.3%	2,000	6.9%	-58.3%
Other financial liabilities	(23)	548	2.1%	260	0.9%	110.9%
Provisions	(24)	465	1.8%	868	3.0%	-46.4%
Liabilities due to related parties		6	0.0%	57	0.2%	-88.6%
Trade payables		6,229	24.4%	8,950	31.0%	-30.4%
Advance payments received		55	0.2%	59	0.2%	-6.2%
Tax liabilities	(25)	100	0.4%	100	0.3%	0.0%
Other non-financial liabilities	(26)	1,755	6.9%	1,366	4.7%	28.5%
Total current liabilities		9,992	39.2%	13,660	47.4%	-26.8%
Liabilities directly associated with assets held for sale	(11),(12)	579	2.3%	1,011	3.5%	-42.8%
Total equity & liabilities		25,511	100.0%	28,827	100.0%	-11.5%

Consolidated Statement of Changes in Equity (unaudited)

for the period from 1 January to 30 June 2019

Reason for change	Note	Attributable to shareholders of elumeo SE				Total equity
		Issued capital	Capital reserve	Accumulated losses	Foreign currency translation reserve	
EUR thousand						
1 January 2019		5,500	34,380	-38,856	5,653	6,677
Equity-settled share-based remuneration	(21)		29			29
Other comprehensive income	(16)				1,358	1,358
Earnings for the period				-4,057		-4,057
Total comprehensive income				-4,057	1,358	-2,699
30 June 2019		5,500	34,409	-42,913	7,011	4,007

Consolidated Statement of Changes in Equity (unaudited) (continuation)

for the period from 1 January to 30 June 2018

Reason for change	Note	Attributable to shareholders of elumeo SE				Total equity
		Issued capital	Capital reserve	Accumulated losses	Foreign currency translation reserve	
EUR thousand						
1 January 2018		5,500	34,179	-11,452	3,725	31,952
Equity-settled share-based remuneration	(21)		109			109
Other comprehensive income	(16)				479	479
Earnings for the period				-3,834		-3,834
Total comprehensive income				-3,834	479	-3,355
30 June 2018		5,500	34,288	-15,285	4,204	28,706

Consolidated Statement of Cash Flows (unaudited)

for the period from 1 January to 30 June 2019

EUR thousand	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018 restated*	HoH in %
Earnings before taxes (EBT) of continuing operations	-2,709	-9,121	70.3%
Earnings before taxes (EBT) of discontinued operations	-1,348	+5,596	-124.1%
Earnings before taxes (EBT)	-4,057	-3,525	-15.1%
+/- Depreciation and amortization on non-current assets	+628	+400	57.0%
+/- Increase/decrease in provisions	-418	-448	6.8%
+/- Equity-settled share-based remuneration	+29	+109	-72.9%
+/- Other non-cash expenses/income	+25	-37	166.7%
+ Non-cash current interest expenses	+33	0	n.a.
-/+ Increase/decrease in inventories	+4,271	+488	775.6%
-/+ Increase/decrease in other assets	+548	+1,750	-68.7%
+/- Increase/decrease in other liabilities	-2,391	-210	n.a.
= Net cash flow from operating activities of continuing operations	+16	-7,069	100.2%
= Net cash flow from operating activities from discontinued operations	-384	+5,132	-107.5%

* Due to the classification of the production activities as discontinued operation PWK in accordance with IFRS 5, some of the amounts disclosed differ from the amounts in the Interim Consolidated Financial Statements for the first half-year 2018 (see section [(1) Principles and methods | General information]).

Consolidated Statement of Cash Flows (unaudited) (continuation)

for the period from 1 January to 30 June 2019

EUR thousand	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018 restated*	HoH in %
- Payments for investments in intangible assets	-5	-20	74.1%
- Payments for investments in property, plant and equipment	-101	-137	26.0%
= Net cash flow from investing activities of continuing operations	-106	-157	32.2%
= Net cash flow from investing activities from discontinued operations	0	-32	100.0%
- Payments for the redemption of financial debt	-1,200	0	n.a.
- Payments (net) for the redemption of other financial liabilities	-341	-132	-158.2%
= Net cash flow from financing activities of continuing operations	-1,541	-132	n.a.
= Net cash flow from financing activities from discontinued operations	0	+1,526	-100.0%
+/- Net increase/decrease in cash and cash equivalents	-2,015	-731	-175.5%
+/- Effects of foreign currency translation on cash and cash equivalents	+4	+7	-47.6%
+/- Changes in cash and cash equivalents reclassified as part of a disposal group	+84	-51	264.8%
+ Cash and cash equivalents at beginning of period	+2,608	+1,511	72.6%
= Cash and cash equivalents at end of period	+681	+735	-7.4%
Reconciliation of cash and cash equivalents			
Cash and cash equivalents	+681	+991	-31.3%
- Current account overdrafts	0	-256	100.0%
= Cash and cash equivalents at end of period	+681	+735	-7.4%

* Due to the classification of the production activities as discontinued operation PWK in accordance with IFRS 5, some of the amounts disclosed differ from the amounts in the Interim Consolidated Financial Statements for the first half-year 2018 (see section [(1) Principles and methods | General information]).



IV. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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(1) Principles and methods

Information on the company

elumeo SE (hereinafter also referred to as “the Company”) is a publicly 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 Erkelenzdamm 59/61, 10999 Berlin, Germany.

Continuing operations of the elumeo Group

The elumeo Group is active in designing, producing and selling jewelry, jewelry articles, precious gemstones and related products via television and other, primarily electronic distribution channels (Internet) in the main markets of Germany, Austria, Switzerland, Italy, France, Spain, the Netherlands, Belgium and the USA. The main means of distribution are live interactive offerings that enable customers to bid against each other to compete for the pieces of jewelry presented and set the price.

Discontinued operations of the elumeo Group

In December 2017, the elumeo Group initially discontinued the loss-making distribution business in the United Kingdom (“discontinued operation UK”).

In financial year 2018, it was decided to discontinue the business activities of the production company PWK Jewelry Company Limited, Bangkok, Thailand (“PWK”), and to liquidate the production company in an orderly manner under its own management by selling the existing assets (“discontinued operation PWK”). The discontinuation of the production activities was linked to economic problems at the production company PWK, which could not be resolved in financial year 2018 by the anticipated restructuring measures. The production activities of the company were completely discontinued by the end of 2018.

As a consequence of events after the reporting date, there are indications that the orderly liquidation of PWK under its own management is not feasible. The Executive Board is currently evaluating the further steps. The elumeo Group recognised provisions for the potential risks in connection with a possible insolvency of PWK in its Consolidated Financial Statements as of 31 December 2018.

Basis of preparation and accounting policies

The Condensed Interim Consolidated Financial Statements as of 30 June 2019, (“Interim Consolidated Financial Statements”) have been prepared for the purpose of half-year financial reporting pursuant to section 115 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 Interim Consolidated 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 2018, according to IFRSs (“Consolidated Financial Statements 2018”).

The option of preparing Condensed Interim 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 (“GAS”) No. 16 *Half-Yearly Financial Reporting* of the German Accounting Standards Committee e.V. (“GASC”).

For more information on the accounting policies that were applied, please refer to the Consolidated Financial Statements 2018.

General information

The unaudited Interim Consolidated Financial Statements comprise the period from 1 January to 30 June 2019 ("H1 2019"). The quarterly reporting period comprises the period from 1 April to 30 June 2019 ("Q2 2019"). Due to the application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the Interim Consolidated Financial Statements differ from the presentation of the published Half-Year Financial Report 2018. Unless stated otherwise, the comparative figures for the previous respective periods relate to the restated Interim Consolidated Financial Statements prepared in accordance with IFRS 5. The changes in the period comparison are referred to as half-year to half-year ("HoH") or quarter to quarter ("QoQ").

The discontinued operations are not included in the earnings from continuing operations and are presented in a separate item in the Consolidated Statement of Income as *Earnings for the period from discontinued operations*. Discontinued operations are not included in the detailed disclosures on the composition of cash flows from operating activities, investing activities and financing activities and are presented in separate items in the Consolidated Statement of Cash Flows as *Net cash flows from discontinued operations*. All disclosures in the Notes to the Interim Consolidated Financial Statements include the amounts of continuing operations to the extent that these could be determined or unless indicated otherwise.

The Interim Consolidated Financial Statements are prepared in euro ("EUR"). Unless indicated otherwise, all amounts are rounded to thousands ("EUR thousand") or millions ("EUR million") in accordance with commercial rounding. The presentation of selected prior-period comparative information in the Interim Consolidated Financial Statements differ from the presentation in the Interim Consolidated Financial Statement for the reporting period from 1 January to 30 June 2018 published on 13 August 2018 ("Interim Consolidated Financial Statements H1 2018" or "previous year"). The respective prior-period comparative information was restated in accordance with the requirements of IFRS 5 ("restated*") to ensure comparability and transparency of disclosures.

For computational reasons, rounding differences may occur in tables and text references to the mathematically exact values (monetary units, percentages, etc.).

The preparation of the Interim Consolidated Financial Statements is in principle based on the recognition of assets and liabilities at amortized cost. The Consolidated Statement of Income has been prepared using the cost of sales method. The Consolidated Statement of Financial Position classifies assets and liabilities to current or non-current according to their maturities. The Consolidated Statement of Comprehensive Income is prepared to reconcile the earnings for the period of the Consolidated Statement of Income to the total comprehensive income.

The elumeo Group classifies assets or disposal groups as held for sale if the related carrying amount will not be recovered through continuing use. Assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. All assets and liabilities classified as held for sale in the elumeo Group are related to a disposal group classified as a discontinued operation. Further information on the discontinued operation please refer to Section [(12)].

As part of the consolidation of intra-group receivables and liabilities and intra-group expenses and income, all intra-group balances and transactions have been eliminated. The consolidation of expenses and income between continuing and discontinued operations is performed, for a more informative presentation of the financial implications in the Consolidated Statement of Income, from an economic point of view, as the existing delivery and service relations of the continuing operations will continue in the future (with the discontinued operation or also) by nature with a third party. As a result, the continuing operations will disclose both sales revenue with third parties and the cost of goods sold from the discontinued operation PWK.

The Interim Consolidated Financial Statements contain all information necessary for a fair presentation and assessment of the assets, financial and earnings position of the Group. The results presented in interim reporting periods are not necessarily indicative of the results in future reporting periods or the full financial year.

Preparing the Interim Consolidated Financial Statements in accordance with IFRSs requires that the Executive Board and extended management team make certain discretionary decisions, estimates and assumptions that have an impact on the accounting and valuation methods applied and the asset, financial and earnings position presented as well as the related disclosures. Although these discretionary decisions, estimates and assumptions are made to the best knowledge of the Executive Board and extended management, based on current events and measures, actual results may differ from these discretionary decisions, estimates and assumptions. All discretionary decisions, estimates and assumptions are therefore reviewed continuously.

The Interim Consolidated Financial Statements were not subjected to either an audit or an audit review.

The Executive Board approved the Interim Consolidated Financial Statements on 26 September 2019.

Adoption of new accounting standards of the IASB

The following new and revised standards and interpretations of the IASB were applied as required or voluntarily to the Interim Consolidated Financial Statements for the first time:

Standard/Interpretation	Publication by the IASB	Application date of the IASB	Effects on the elumeo Group
IFRS 16 Leases	13 January 2016	1 January 2019	significant

IFRS 16 – Leases

With effect from 1 January 2019, the elumeo Group has applied the new standard for accounting for lease liabilities in accordance with *IFRS 16 – Leases*. The new standard requires lessees to recognise leases in the statement of financial position. In accordance with IAS 17, the transfer of significant risks and rewards incidental to ownership of a leased asset was critical to the recognition of a lease in the balance sheet. IFRS 16 now provides for a uniform accounting model for the lessee. According to the new accounting standard, the lessee must recognise all leases as a financing transaction in the statement of financial position by recognising corresponding assets and liabilities.

If the modified retrospective transition to IFRS 16 is used, additional simplifications may be applied. By exercising an option, leases with a term of up to twelve months and leases with low-value assets are exempted from accounting (facilitation for short-term leases and low-value leasing assets). In addition, the situation at the time of conversion can be used as a basis for assessing the lease so that the lease does not have to be reassessed retroactively to the original commencement date (grand-fathering clause).

For the lessor, IFRS 16 continues to distinguish between finance and operating leases for accounting purposes.

In accordance with IFRS 16, leases are recognised as right of use assets and lease liabilities with effect from the date on which the leased asset becomes available for use by the lessee.

The initial cost of a right of use asset is calculated as the sum of the present value of future lease payments, any initial direct costs incurred by the lessee and the estimated costs of removing or

restoring the leased asset. Any potential lease incentives received from the lessor are to be deducted. Right of use assets are depreciated on a straight-line basis over the shorter of the underlying asset's useful life and the expected lease term. The depreciation expense is allocated to costs by function (cost of sales method). All lease arrangements recognised by the elumeo Group as of 1 January 2019 represent real estate contracts (rental of premises). The rights of use are reported in the Consolidated Statement of Financial Position under the item Intangible assets and the amortization is recognised in the Consolidated Statement of Income under the item Administrative expenses. For further information on the rights of use, please refer to Section [(17)].

Lease liabilities are measured on initial recognition on the basis of the present value of the future lease payments. Each future lease payment comprises principal repayment and finance expense. Subsequent to initial recognition, the carrying amount of the lease liability is compounded to reflect interest on the lease liability and reduced, without impact to the statement of income, by the lease payments made. Lease liabilities are included in the Consolidated Statement of Financial Position under the item Other financial liabilities, while the financing expense is included in the Consolidated Statement of Income in the item Financial result as interest expense. For further information on the lease liabilities, please refer to Section [(23)].

Lease payments of the elumeo Group comprise fixed payments and variable lease payments that depend on an index. Contract extension and termination options are taken into account in the lease liability if their exercise is reasonably certain.

The first-time application of IFRS 16 by the elumeo Group is based on the modified retrospective transition method without taking into account previous reporting periods and without adjusting prior-period comparative information. The elumeo Group applied the following practical expedients for lessees provided by IFRS 16:

- At the date of initial application it is not reassessed whether or not existing contracts constituted a lease based on IFRS 16 (grandfathering clause). The previous assessment made under IAS 17 is retained.
- The transition of existing lease arrangements is done by recognizing both the right of use asset and the lease liability subject to the same amount. Therefore, the first time adoption of IFRS 16 does not impact on the Group's equity.
- Initial direct costs are not taken into account when measuring right of use assets at the time of initial application.
- When the lease term of contracts that contain options to extend or terminate the lease is determined, current information is taken into account.
- Leases of low value assets are not recognised.

At the time of first application, total assets of the elumeo Group increased by approximately EUR 4.0 million as a result of lease liabilities formerly classified as operate lease. This resulted from the leasing contracts previously classified as operating leases. This resulted in a decrease in the Group's equity ratio by approximately 2.9 percentage points as of 1 January 2019. As a result of the changes in presentation due to IFRS 16, the elumeo Group expects a clearly positive effect on earnings before interest, taxes, depreciation and amortisation (EBITDA) and an opposite negative effect on amortization and the financial result with respect to the current and to future reporting periods. In addition, a clearly positive effect on the cash flow from operating activities and an opposite negative effect on the cash flow from financing activities will arise. The impact on the segments is described in Section [(30)].

Other financial obligations from operating leases as of 31 December 2018 can be reconciled to the lease liabilities from former operating leases as of 1 January 2019 as follows:

EUR thousand	1 Jan 2019
Other financial obligations from operating leases as of 31 Dec 2018 (minimum gross lease payments including value added tax to be paid)	5,229
Effects from non-recognition of value added tax to be paid	-859
Application exemption for short-term leases	0
Application exemption for low-value assets	0
Changes from assessment of leases	12
Changes from assessment of leases	164
Gross lease liabilities for former operating leases as of 1 Jan 2019	4,547
Effect from discounting	-498
Lease liabilities for former operating leases as of 1 Jan 2019	4,049

The lease liabilities as of 1 January 2019 were discounted using a weighted average incremental borrowing rate of approximately 3.29%.

There were no effects on the finance leases of the elumeo Group.

Explanations of alternative performance indicators

The elumeo Group uses alternative performance measures ("APMs") in its regulatory and mandatory publications that are not regulated in the applicable IFRSs. For further information on the definition, use and limitations of the usability of the alternative performance measures, the accounting methods used and reconciliations, please refer to <http://www.elumeo.com/ir/publications/explanation-alternative-performance-measures>.

(2) Scope of consolidation

Comparability of disclosures

The parent company elumeo SE and its directly or indirectly controlled subsidiaries (collectively "the elumeo Group") are included in the Interim Consolidated Financial Statements.

Compared to the first half of 2018, the scope of consolidation changed as follows:

- Rocks & Co. Television Ltd., Birmingham, United Kingdom – 100% of whose shares were held by Rocks & Co Productions Ltd., Birmingham, United Kingdom, – was founded on 21 February 2018. On 22 June 2018, Rocks & Co. Television Ltd. was sold again, including the remaining broadcasting operations of the discontinued operation UK.

The classification of PWK's business activities as discontinued operation, has resulted in significant changes to the basic principles of the elumeo Group and, thus, to the presentation of the Interim Consolidated Financial Statements. The prior-period comparative information was restated in accordance with IFRS 5 to ensure comparability and transparency of disclosures.

PWK remains within the scope of consolidation as of 30 June 2019. The scope of consolidation comprised 10 companies as of 30 June 2019 and 30 June 2018.

Deconsolidation of associated companies

The consolidation of an associated company ends when elumeo SE loses control over the investee. The assets, liabilities, income and expenses of an investee sold in the course of a financial year are included in the Consolidated Financial Statements until the date on which elumeo SE ceases to exercise control over the investee.

If elumeo SE loses control of an associated company, the respective assets (including goodwill), liabilities, minority interests and other equity components are deconsolidated and any resulting gain or loss is recognised in the Consolidated Statement of Income. The disposal value must be adjusted for the assets and liabilities from the relationship with the associated company neutralised in the course of debt consolidation. Any minority interest remaining with the elumeo Group is re-measured at fair value.

(3) Foreign currency translation

The exchange rates for foreign currencies with a significant impact on the Interim Consolidated Financial Statements are as follows:

Currency	Exchange rate on reporting date			Average exchange rate		
	30.06.2019	31.12.2018	Abw. in %	01.01. - 30.06.2019	01.01. - 30.06.2018	HoH in %
Thai baht (THB)	0.0286	0.0270	6.2%	0.0280	0.0260	7.6%
British pound (GBP)	1.1160	1.1133	0.2%	1.1458	1.1370	0.8%
US dollar (USD)	0.8790	0.8733	0.7%	0.8857	0.8265	7.2%

As of the reporting date, the translation of the assets and liabilities denominated in foreign currencies using the closing rate as of the reporting date, in particular also with respect to the subsequent valuation of intra-Group receivables and payables, resulted in shifts in the presentation of the asset, financial and earnings position.

(4) Revenue

The elumeo Group was unable to increase revenues in the first half of 2019 compared to the previous year. In the second quarter of 2019, however, the decline could already be reduced significantly.

	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
EUR thousand % of revenue										
Revenue from product sales	11,317	100.1%	12,716	99.9%	-11.0%	23,236	99.9%	29,317	99.9%	-20.7%
Other revenue	-14	-0.1%	13	0.1%	-206.2%	27	0.1%	20	0.1%	31.3%
Revenue	11,302	100.0%	12,729	100.0%	-11.2%	23,262	100.0%	29,338	100.0%	-20.7%

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

EUR thousand %	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Germany	9,822	86.8%	10,382	81.6%	-5.4%	19,874	85.5%	23,114	78.8%	-14.0%
Italy	1,488	13.2%	1,776	14.0%	-16.2%	3,349	14.4%	4,258	14.5%	-21.3%
Other countries	6	0.1%	558	4.4%	-98.9%	12	0.1%	1,945	6.6%	-99.4%
Revenue from product sales	11,317	100.0%	12,716	100.0%	-11.0%	23,236	100.0%	29,317	100.0%	-20.7%

Revenue from product sales by distribution channel

EUR thousand %	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Television and other channel revenue	6,700	59.2%	7,205	56.7%	-7.0%	14,101	60.7%	16,273	55.5%	-13.3%
eCommerce revenue	4,616	40.8%	4,965	39.0%	-7.0%	9,132	39.3%	11,136	38.0%	-18.0%
B2B revenue	0	0.0%	546	4.3%	-100.0%	2	0.0%	1,908	6.5%	-99.9%
Revenue from product sales	11,317	100.0%	12,716	100.0%	-11.0%	23,236	100.0%	29,317	100.0%	-20.7%

Whereas eCommerce revenue in total decreased considerably by -7.0% (QoQ) in Q2 2019, revenue from the classic European web shop business included herein increase slightly by 0.6% (QoQ).

(5) Cost of goods sold

EUR thousand % of revenue	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Material costs	3,909	34.6%	690	5.4%	466.8%	8,972	38.6%	6,134	20.9%	46.3%
Cost of finished goods purchased from the discontinued operation PWK	0	0.0%	4,234	33.3%	-100.0%	0	0.0%	15,725	53.6%	-100.0%
Change in inventory of finished goods, work in progress and merchandise	2,261	20.0%	5,249	41.2%	-56.9%	4,210	18.1%	1,077	3.7%	291.1%
Cost of goods sold	6,171	54.6%	10,173	79.9%	-39.3%	13,182	56.7%	22,936	78.2%	-42.5%

(6) Selling expenses

EUR thousand % of revenue	Q2 2019		Q2 2018		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018		HoH in %
Broadcasting and channel rental costs	1,046	9.3%	2,268	17.8%	-53.9%	2,682	11.5%	4,109	14.0%	-34.7%
Personnel expenses	1,618	14.3%	1,750	13.7%	-7.5%	3,222	13.9%	3,339	11.4%	-3.5%
Expenses for external personnel services	268	2.4%	357	2.8%	-24.8%	578	2.5%	695	2.4%	-16.8%
Sales and marketing expenses	336	3.0%	582	4.6%	-42.3%	694	3.0%	1,214	4.1%	-42.8%
Depreciation and amortization	88	0.8%	104	0.8%	-15.8%	182	0.8%	174	0.6%	4.9%
Other selling expenses	845	7.5%	1,098	8.6%	-23.1%	1,763	7.6%	2,262	7.7%	-22.1%
Selling expenses	4,200	37.2%	6,159	48.4%	-31.8%	9,121	39.2%	11,793	40.2%	-22.7%

Selling expenses were significantly lower than in previous periods. Broadcasting and channel rentals costs include income from the reversal of provisions for cost of reach. Due to comparable savings in cost of reach in the second half of 2019, however, no significant changes are expected compared to the first half of 2019. Thus, broadcasting and channel rental costs will decrease significantly overall. The other selling expenses were also significantly reduced compared to the previous respective period.

(7) Administrative expenses

EUR thousand % of revenue	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Personnel expenses	734	6.5%	709	5.6%	3.5%	1,477	6.3%	1,320	4.5%	11.9%
Depreciation and amortization	222	2.0%	114	0.9%	95.4%	446	1.9%	226	0.8%	96.9%
Equity-settled share-based remuneration	15	0.1%	49	0.4%	-68.8%	29	0.1%	109	0.4%	-72.9%
Other administrative expenses	736	6.5%	974	7.7%	-24.5%	1,503	6.5%	1,851	6.3%	-18.8%
Administrative expenses	1,708	15.1%	1,846	14.5%	-7.5%	3,455	14.9%	3,506	11.9%	-14%

Administrative expenses decreased slight compared to the previous periods. This was mainly impacted by the first time adoption of IFRS 16, under which the rental expenses for leased premises (other administrative expenses) are now accounted for as financing transactions with lease payments that comprise a repayment component (cash flow from financing activities) and a financing component (interest expenses). In the first half year of 2019 a total of EUR 277 thousand (Q1 2019: EUR 138 thousand) in lease payments for former operate leasing (real estate contracts) were recorded.

(8) Other operating income

EUR thousand % of revenue	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Income from cost recharges to distribution partners	0	0.0%	35	0.3%	-100.0%	0	0.0%	46	0.2%	-100.0%
Income from the reversal of allowances for doubtful accounts	0	0.0%	0	0.0%	n.a.	1	0.0%	0	0.0%	n.a.
Net gains from foreign currency translation	-118	-1.0%	-190	-1.5%	38.2%	0	0.0%	0	0.0%	n.a.
Other income resulting from past periods	4	0.0%	0	0.0%	n.a.	3	0.0%	0	0.0%	n.a.
Miscellaneous other operating income	7	0.1%	6	0.0%	14.2%	26	0.1%	13	0.0%	108.2%
Other operating income	-107	-0.9%	-148	-1.2%	27.9%	29	0.1%	58	0.2%	-49.7%

Other operating income in Q1 2019 and Q1 2018 included net gains from foreign currency translation. Due to the specific development of the exchange rates for foreign currencies as of the respective reporting dates, the net gains from the first quarters were reversed to net losses from foreign currency translation, as a result of which net gains from foreign currency translation comprise negative amounts in Q2 2019 and Q2 2018.

(9) Other operating expenses

	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
EUR thousand % of revenue										
Net losses from foreign currency translation	35	0.3%	171	1.3%	-79.4%	35	0.2%	171	0.6%	-79.4%
Legal and consulting fees related to ongoing legal disputes in connection with the discontinued operation PWK	69	0.6%	0	0.0%	n.a.	90	0.4%	0	0.0%	n.a.
Other operating expenses	104	0.9%	171	1.3%	-39.2%	125	0.5%	171	0.6%	-27.0%

Other operating expenses comprise net losses from foreign currency translation, which resulting in particular from the translation of intra-Group monetary items and the consolidation of income and expenses. In addition, in the first half year of 2019 legal and consulting expenses were incurred in connection with the legal dispute concerning the discontinued manufactory in Thailand.

(10) Financial result

	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
EUR thousand % of revenue										
Interest income from bank balances	0	0.0%	0	0.0%	70.0%	0	0.0%	0	0.0%	70.0%
Other interest and similar income	0	0.0%	0	0.0%	-100.0%	0	0.0%	0	0.0%	-100.0%
Interest income	0	0.0%	0	0.0%	-90.1%	0	0.0%	0	0.0%	-90.1%
Interest expenses from financial debt (bank loans)	-14	-0.1%	-51	-0.4%	72.8%	-33	-0.1%	-101	-0.3%	66.9%
Interest expenses from from finance lease liabilities	-2	0.0%	-5	0.0%	66.6%	-4	0.0%	-10	0.0%	62.4%
Interest expenses from from oeprate lease liabilities	-37	-0.3%	0	0.0%	n.a.	-74	-0.3%	0	0.0%	n.a.
Other interest and similar expenses	-2	0.0%	0	0.0%	n.a.	-7	0.0%	0	0.0%	n.a.
Interest expenses	-54	-0.5%	-56	-0.4%	3.0%	-118	-0.5%	-111	-0.4%	-5.8%
Financial result	-54	-0.5%	-56	-0.4%	2.9%	-118	-0.5%	-111	-0.4%	-5.9%

As a result of the first time adoption of IFRS 16, interest expenses for the first time comprise interest expenses from lease liabilities from former operating leases (real estate contracts).

(11) Discontinued operation PWKStatement of income for the discontinued operation

Earnings for the period from the discontinued operation PWK are as follows:

EUR thousand % of revenue	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Result from ordinary business activities of the discontinued operation	-202	n.a.	1,210	n.a.	-116.7%	-1,130	n.a.	3,190	n.a.	-135.4%
Result from consolidation	7	n.a.	806	n.a.	-99.1%	-221	n.a.	238	n.a.	-192.8%
Earnings before income taxes (EBT) from the discontinued operation	-195	n.a.	2,016	n.a.	-109.7%	-1,351	n.a.	3,428	n.a.	-139.4%
Income tax	0	n.a.	-62	n.a.	100.0%	0	n.a.	-122	n.a.	100.0%
Earnings for the period from the discontinued operation	-195	n.a.	1,954	n.a.	-110.0%	-1,351	n.a.	3,306	n.a.	-140.9%
<i>Earnings of shareholders of elumeo SE</i>	<i>-195</i>	<i>n.a.</i>	<i>1,954</i>	<i>n.a.</i>	<i>-110.0%</i>	<i>-1,351</i>	<i>n.a.</i>	<i>3,306</i>	<i>n.a.</i>	<i>-140.9%</i>
Earnings per share in EUR (basis and diluted) applied to the earnings of shareholders from the discontinued operation	-0.04		0.36		-110.0%	-0.25		0.60		-140.9%

The result from ordinary business activities of the discontinued operations in the first half year of 2019 solely comprises net losses from the end-of period foreign currency translation of intra-Group monetary items (trade receivables due from the direct parent company Silverline Distribution Ltd., Hong Kong, People's Republic of China).

Earnings for the period from the discontinued operation PWK in the first half of 2018 is based on the regular financial reporting provided by PWK's management.

In addition, directly attributable consolidation measures were taken into account.

(12) Discontinued operation UKStatement of income for the discontinued operation

Earnings for the period from the discontinued operation UK are as follows:

EUR thousand % of revenue	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Revenue	0	n.a.	14	100.0%	-100.0%	0	n.a.	62	100.0%	-100.0%
Cost of goods sold	0	n.a.	-2	-11.5%	100.0%	0	n.a.	135	216.0%	-100.0%
Gross profit	0	n.a.	15	111.5%	-100.0%	0	n.a.	-72	-116.0%	100.0%
Selling expenses	0	n.a.	202	n.a.	-100.0%	0	n.a.	582	934.1%	-100.0%
Administrative expenses	-1	n.a.	128	922.3%	-100.8%	-2	n.a.	310	497.0%	-100.6%
Other operating income	0	n.a.	3,974	n.a.	-100.0%	0	n.a.	3,974	n.a.	-100.0%
Other operating expenses	65	n.a.	834	n.a.	-92.3%	-2	n.a.	842	n.a.	-100.2%
Earnings before interest and taxes (EBIT) from the discontinued operation	-64	n.a.	2,826	n.a.	-102.2%	3	n.a.	2,168	n.a.	-99.8%
Interest and similar expenses	0	n.a.	0	0.0%	n.a.	0	n.a.	0	0.0%	n.a.
Financial result	0	n.a.	0	0.0%	n.a.	0	n.a.	0	0.0%	n.a.
Earnings before income taxes (EBT) from the discontinued operation	-64	n.a.	2,826	n.a.	-102.2%	3	n.a.	2,168	n.a.	-99.8%
Income tax	0	n.a.	0	0.0%	n.a.	0	n.a.	-16	-25.8%	100.0%
Earnings for the period from the discontinued operation	-64	n.a.	2,826	n.a.	-102.2%	3	n.a.	2,151	n.a.	-99.8%
<i>Earnings of shareholders of elumeo SE</i>	<i>-64</i>	<i>n.a.</i>	<i>2,826</i>	<i>n.a.</i>	<i>-102.2%</i>	<i>3</i>	<i>n.a.</i>	<i>2,151</i>	<i>n.a.</i>	<i>-99.8%</i>
Earnings per share in EUR (basis and diluted) applied to the earnings of shareholders from the discontinued operation	-0.01		0.51		-102.2%	0.00		0.39		-99.8%

The costs incurred under other operating expenses in the first half year of 2019 relate to the winding up of the remaining companies in the United Kingdom, which are to be closed by the end of the year.

Assets and liabilities held for sale

The main groups of assets and liabilities of the discontinued operation classified as held for sale are as follows:

EUR thousand % of balance sheet total	30 Jun 2019		31 Dec 2018		Change in %
Assets					
Trade receivables	0	0.0%	37	0.1%	-100.0%
Other financial assets	0	0.0%	0	0.0%	0.2%
Other non-financial assets	1	0.0%	24	0.1%	-95.1%
Cash and cash equivalents	37	0.1%	121	0.4%	-69.7%
Assets held for sale	38	0.1%	183	0.6%	-79.2%
Current liabilities					
Provisions	-352	-1.4%	-573	-2.0%	38.5%
Trade payables	-28	-0.1%	-240	-0.8%	88.5%
Other non-financial liabilities	-199	-0.8%	-198	-0.7%	-0.3%
Liabilities directly associated with assets held for sale	-579	-2.3%	-1,011	-3.5%	42.8%
Net assets directly associated with the discontinued operation	-541	-2.1%	-828	-2.9%	34.7%

The provisions mainly relate to rental obligations from non-terminable contracts for leased premises. The respective operating lease was not recognised in accordance with IFRS 16 because no benefits are discernible (right of use). The other non-financial liabilities result primarily from accrued liabilities due to customers.

All carrying amounts approximate fair values as of the balance sheet dates. Management assumes that no significant transaction or liquidation costs are to be taken into account when measuring at fair value.

(13) Income tax

The current income taxes paid or owed in the individual countries as well as deferred taxes are recognised as income tax. Income tax is comprised of trade tax and corporation tax plus the solidarity surcharge in Germany and of the corresponding foreign income taxes.

EUR thousand % of revenue	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Deferred tax expense (-)/income (+)	0	0.0%	-402	-3.2%	100.0%	0	0.0%	-171	-0.6%	100.0%
Income tax directly recognised as income or expense	0	0.0%	-402	-3.2%	100.0%	0	0.0%	-171	-0.6%	100.0%

(14) Personnel expenses

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

EUR thousand % of revenue	Q2 2019		Q2 2018 restated*		QoQ in %	1 Jan - 30 Jun 2019		1 Jan - 30 Jun 2018 restated*		HoH in %
Wages and salaries	1,975	17.5%	2,088	16.4%	-5.4%	3,940	16.9%	3,927	13.4%	0.3%
Social security contributions	378	3.3%	371	2.9%	1.8%	759	3.3%	732	2.5%	3.7%
Personnel expenses	2,353	20.8%	2,459	19.3%	-4.3%	4,699	20.2%	4,658	15.9%	0.9%

Despite the increasingly difficult recruitment of skilled personnel, personnel costs remained stable overall.

(15) Earnings per share

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

Basic and diluted earnings per share are as follows:

Earnings and number of shares	Unit	Q2 2019	Q2 2018 restated*	QoQ	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2018 restated*	HoH
Earnings of shareholders of elumeo SE from continuing operations	EUR thousand	-1,042	-6,227	83.3%	-2,709	-9,292	70.8%
Earnings of shareholders of elumeo SE from discontinued operations	EUR thousand	-258	4,780	-105.4%	-1,348	5,458	-124.7%
Earnings of shareholders of elumeo SE	EUR thousand	-1,300	-1,446	10.1%	-4,057	-3,834	-5.8%
Average number of outstanding shares	thousands	5,500	5,500	0.0%	5,500	5,500	0.0%
Earnings per share from continuing operations (basic and diluted)	EUR	-0.19	-1.13	83.3%	-0.49	-1.69	70.8%
Earnings per share from discontinued operations (basic and diluted)	EUR	-0.05	0.87	-105.4%	-0.25	0.99	-124.7%
Earnings per share (basic and diluted)	EUR	-0.24	-0.26	10.1%	-0.74	-0.70	-5.8%

In the financial years 2015 to 2018, the Executive Board issued option rights to purchase shares of elumeo SE in a total of seven tranches under the Stock Option Programme 2015 ("SOP 2015"). As of the reporting date, no option rights were exercisable as the service period criterion was not met. The service period criterion will for the first time be met in Juli 2019 for a total of 113,660 option rights from the first tranche. Exercising of the options of each tranche after the vesting period has expired, however, is linked to capital market-based performance targets.

The performance targets of all issued tranches were not met as of 30 June 2019. The potential shares are therefore not included in the calculation of diluted earnings per share, regardless of whether they have already been vested on a pro rata basis. Irrespectively, according to IAS 33 *Earnings per Share* potential shares are only to be considered dilutive if their conversion into shares reduces earnings per share or increases the loss per share (IAS 33.41). If, however, the conversion into shares results in

an increase in earnings per share or a reduction in the loss per share, dilution protection is applied and the diluted earnings per share are to be adjusted to the amount of basic earnings per share (IAS 33.43). In conclusion, the diluted earnings per share correspond to the basic earnings per share.

(16) Other comprehensive income

Earnings for the period in the Consolidated Statement of Income can be reconciled to total comprehensive income in the Consolidated Statement of Comprehensive Income by including other comprehensive income. Other comprehensive income includes foreign currency translation differences arising from the translation of equity of foreign subsidiaries (including discontinued operations) at the respective historical exchange rate as well as the financial statements prepared in foreign currencies and is recognised directly in equity in the foreign currency translation reserve.

(17) Intangible assets and property, plant and equipment

Intangible assets acquired and rights of use from real estate contracts initially recognised in accordance with the first time application of IFRS 16 developed as follows in the first half of 2019:

EUR thousand	Intangible assets	Rights of use	Total
<u>Historical cost</u>			
Balance: 1 Jan 2019	1,415	0	1,415
Additions	5	4,049	4,054
Balance: 30 Jun 2019	1,420	4,049	5,469
<u>Amortization</u>			
Balance: 1 Jan 2019	837	0	837
Additions	53	249	302
Balance: 30 Jun 2019	890	249	1,139
<u>Carrying amount</u>			
Balance: 31 Dec 2018	578	0	578
Balance: 30 Jun 2019	530	3,800	4,330

Property, plant and equipment developed as follows in the first half of 2019:

EUR thousand	Own land and buildings, leasehold improvements	Construction in progress	Plant and machinery	Other equipment, furniture and fixtures	Plant and machinery (Finance Lease)	Total property, plant and equipment
<u>Historical cost</u>						
Balance: 1 Jan 2019	1,474	13	1,835	2,257	1,091	6,671
Additions	4	14	2	86	0	106
Foreign currency translation differences	0	0	0	0	0	0
Balance: 30 Jun 2019	1,478	27	1,837	2,344	1,091	6,776
<u>Depreciation</u>						
Balance: 1 Jan 2019	1,007	0	1,362	1,678	416	4,464
Additions	67	0	80	110	69	326
Foreign currency translation differences	0	0	0	0	0	0
Balance: 30 Jun 2019	1,074	0	1,442	1,788	485	4,789
<u>Carrying amount</u>						
Balance: 31 Dec 2018	467	13	472	579	675	2,207
Balance: 30 Jun 2019	404	27	394	556	607	1,987

(18) Inventories

Inventories comprise the following items:

EUR thousand % of balance sheet total	30 Jun 2019		31 Dec 2018		Change in %
Raw materials, consumables and supplies	390	1.5%	467	1.6%	-16.4%
Unfinished goods	861	3.4%	566	2.0%	52.2%
Finished goods and merchandise	14,922	58.5%	19,411	67.3%	-23.1%
Advance payments	9	0.0%	9	0.0%	-0.2%
Inventories	16,182	63.4%	20,453	71.0%	-20.9%

(19) Other financial assets

Other financial assets comprise the following items:

EUR thousand % of balance sheet total	30 Jun 2019		31 Dec 2018		Change in %
Security deposits and other warranties	3	0.0%	3	0.0%	0.3%
Receivables due from employees	68	0.3%	55	0.2%	22.3%
Current other financial assets	70	0.3%	58	0.2%	21.2%
Security deposits and other warranties	353	1.4%	392	1.4%	-9.9%
Receivables due from employees	15	0.1%	17	0.1%	-8.7%
Non-current other financial assets	368	1.4%	409	1.4%	-9.8%
Other financial assets	439	1.7%	467	1.6%	-6.0%

(20) Other non-financial assets

Other non-financial assets comprise the following items:

EUR thousand % of balance sheet total	30 Jun 2019		31 Dec 2018		Change in %
Receivables from taxes	279	1.1%	448	1.6%	-37.8%
Deferred expenses	197	0.8%	137	0.5%	44.1%
Other advance payments	366	1.4%	305	1.1%	19.8%
Creditors with debit balances	122	0.5%	2	0.0%	n.a.
Miscellaneous other receivables	29	0.1%	13	0.0%	129.0%
Current other non-financial assets	992	3.9%	905	3.1%	9.7%
Other non-financial assets	992	3.9%	905	3.1%	9.7%

(21) Equity**Issued capital**

The issued capital of elumeo SE as of 30 June 2019 totalled EUR 5,500,000 (31 December 2018: EUR 5,500,000) and is divided into 5,500,000 no-par value shares with a theoretical share in the issued capital of EUR 1.00 per share.

There were no changes compared the disclosures as of 31 December 2018.

Capital reserve

The capital reserve of elumeo SE as of 30 June 2019 amounts to EUR 34,409 thousand and increased by EUR 29 thousand compared to 31 December 2018, (EUR 34,380 thousand) due to share-based remuneration in accordance with IFRS 2 *Share-based Payment*.

Accumulated losses

Accumulated losses reported as of 30 June 2019 comprise accumulated retained losses from previous years in the amount of EUR -38,856 thousand and the current earnings for the period of the first half of 2019 in the amount of EUR -4,057.

Authorised capital, conditional capital, convertible bonds and bonds with warrants

There were no changes compared to the disclosures as of 31 December 2018.

Share-based remuneration

The number of outstanding option rights under the SOP 2015 amounted to 249,507 option rights on 30 June 2019 (30 June 2018: 257,879 option rights):

Reason for change	Number of option rights	Weighted average exercise price in EUR
Number of option rights outstanding on 1 January 2019	263,819	14.31
Option rights granted during the reporting period	0	0.00
Option rights forfeited during the reporting period	-14,312	7.63
Number of option rights outstanding on 30 June 2019	249,507	14.70
Number of option rights outstanding on 1 January 2018	257,879	14.93
Option rights granted during the reporting period	0	0.00
Option rights forfeited during the reporting period	0	0.00
Number of option rights outstanding on 30 June 2018	257,879	14.93

As of 30 June 2019, the weighted average remaining term of the outstanding option rights up to the expiration date is approximately 6.80 years (30 June 2018: approx. 7.60 years). The average exercise price is EUR 14.70 (30 June 2018: EUR 14.93) and the weighted average fair value of an option right on the issue date is EUR 5.76 (30 June 2018: EUR 5.78). No option rights can be exercised as of the reporting date.

A total of EUR 29 thousand was recognised in the first half of 2019 (first half of 2018: EUR 109 thousand) for the share-based remuneration commitments of the seven tranches from the SOP 2015.

There have been no other changes compared to 31 December 2018.

(22) Financial debt

EUR thousand % of balance sheet total	30 Jun 2019		31 Dec 2018		Change in %
Bank liabilities:					
Interest liabilities	33	0.1%	0	0.0%	n.a.
Current loans and current portion of non-current loans	800	3.1%	2,000	6.9%	-60.0%
Current financial debt	833	3.3%	2,000	6.9%	-58.3%
Financial debt	833	3.3%	2,000	6.9%	-58.3%

As of 31 December 2019, elumeo SE had EUR 2.0 million in loan liabilities, of which EUR 1.0 million were repaid as scheduled in April 2019. An additional EUR 0.2 million was repaid in June 2019. The remaining amount of EUR 0.8 million is to be reduced by EUR 0.3 million in September 2019 and by EUR 0.5 million in December 2019.

(23) Other financial liabilities

Other financial liabilities are as follows:

EUR thousand % of balance sheet total	30 Jun 2019		31 Dec 2018		Change in %
Current portion of non-current finance lease liabilities	116	0.5%	253	0.9%	-54.1%
Current portion of non-current operating lease liabilities	425	1.7%	0	0.0%	n.a.
Credit card liabilities	7	0.0%	7	0.0%	-3.7%
Current other financial liabilities	548	2.1%	260	0.9%	110.9%
Operating lease liabilities	3,420	13.4%	0	0.0%	n.a.
Non-current other financial liabilities	3,420	13.4%	0	0.0%	n.a.
Other financial liabilities	3,968	15.6%	260	0.9%	n.a.

(24) Provisions

Provisions have developed as follows in the first half of 2018:

EUR thousand	Carrying amount 1 Jan 2019	Addi- tions	Effects from interest	Reversal	Usage	Carrying amount 30 Jun 2019
Expected customer returns In terms of type, amount and utilization uncertain obligations in connection with the discontinued operation PWK	568	165	0	0	-568	165
Current provisions	868	165	0	0	-568	465
Liabilities due to employees from benefits related to to retirement In terms of type, amount and utilization uncertain obligations in connection with the discontinued operation PWK	50	8	0	0	0	58
Non-current provisions	7,405	0	25	0	0	7,430
Provisions	8,323	173	25	0	-568	7,953

(25) Tax liabilities

As of 30 June 2019, the elumeo Group reported unchanged accrued tax liabilities (EUR 100 thousand) for potential risks in connection with a pending tax audit at a Group company. The elumeo Group assumes that the tax liabilities could fall due within one year.

(26) Other non-financial liabilities

Other non-financial liabilities as of the respective reporting date are as follows:

EUR thousand % of balance sheet total	30 Jun 2019		31 Dec 2018		Change in %
Debtors with credit balances	225	0.9%	235	0.8%	-4.3%
Other accrued liabilities	635	2.5%	562	1.9%	13.1%
Liabilities from value added tax	636	2.5%	272	0.9%	133.9%
Liabilities from other taxes	60	0.2%	109	0.4%	-45.3%
Liabilities to employees	190	0.7%	160	0.6%	19.0%
Miscellaneous other liabilities	9	0.0%	29	0.1%	-68.0%
Current other non-financial liabilities	1,755	6.9%	1,366	4.7%	28.5%
Other accrued liabilities	25	0.1%	25	0.1%	0.0%
Non-current other non-financial liabilities	25	0.1%	25	0.1%	0.0%
Other non-financial liabilities	1,780	7.0%	1,391	4.8%	28.0%

(27) Notes to the Consolidated Statement of Cash FlowsGeneral information

The Consolidated Statement of Cash Flows was prepared in accordance with IAS 7 *Statement of Cash Flows* and shows the change in unrestricted cash and cash equivalents of the elumeo Group through cash inflows and outflows in the course of the reporting period.

The elumeo Group has decided to present a Consolidated Statement of Cash Flows that contains detailed information on the composition of cash flows from operating activities, investing activities and financing activities solely with respect to the cash inflows and outflows from continuing operations (net cash flows from continuing operations). The cash inflows and outflows from discontinued operations are presented separately for each area of operations in a separate cumulative item.

In accordance with IAS 7, cash flows are reported separately according to their origin and use from operating, investing and financing activities. Cash inflows and outflows from operating activities are derived indirectly from earnings before taxes (EBT). Cash inflows and outflows from investing and financing activities are determined directly. Cash and cash equivalents comprise freely available cash on hand and bank balances. Bank overdrafts regularly used as short-term financing instruments are included as negative components in cash and cash equivalents.

The even net cash flow from operating activities from continuing operations in the first half of 2019 mainly results from a significant improvement in earnings before taxes (EBT) of the continuing operations and a significant decrease in inventories.

The inflow of funds was opposed by a decrease in provisions and an increase in other liabilities (here primarily trade payables). In addition, non-cash income/expenses and transactions amounting to EUR +25 thousand were recorded. Overall, net cash flow from operating activities from continuing operations amounted to EUR +16 thousand in the first half of 2019, compared to EUR -7,069 thousand in the first half of 2018.

Net cash flow from investing activities from continuing operations totalled EUR -106 thousand in the first half of 2019 (first half of 2018: EUR -157 thousand).

Net cash flow from financing activities from continuing operations consists cash outflows from the repayment of financial debt and other financial liabilities (lease liabilities (finance leases and operate leases) and credit card liabilities).

The cash and cash equivalents of the continuing operations as of the balance sheet date result from the active inventory items of unrestricted cash and cash equivalents. As of 30 June 2019 there are no negative components such as short-term overdrafts.

Changes in liabilities from financing activities

EUR thousand	Carrying amount 1 Jan 2019	Cash flow from financ- ing activities	Foreign currency trans- lation effects (OCI)	Changes in fair value measure- ment	Reclassi- fications and Other	Carrying amount 30 Jun 2019
Current other financial liabilities (excluding following item)	7	0	0	0	0	7
Current portion of non-current finance lease liabilities	253	-137	0	0	0	116
Current portion of non-current operating lease liabilities	0	-203	0	521	108	425
Non-current operating lease liabilities	0	0	0	3,528	-108	3,420
Current financial debt (excluding following item)	0	0	0	0	33	33
Current loans and current portion of non-current loans	2,000	-1,200	0	0	0	800
Liabilities from financing activities of continuing operations	2,260	-1,541	0	4,049	33	4,802
Liabilities from financing activities of discontinued operations	0	0	0	0	0	0
Total liabilities from financing activities	2,260	-1,541	0	4,049	33	4,802

The item *Changes in fair value measurement* comprises the first time recognition of lease liabilities in accordance with IFRS 16 based on the fair value of the future lease payments.

The item *Reclassifications and Other* includes the effects of the reclassification of non-current other financial liabilities (lease liabilities) to current liabilities as well as accrued and unpaid interest on interest-bearing loans. The elumeo Group classifies interest paid as cash flows from operating activities.

(28) Deferred taxes

Deferred taxes arise from differences between the carrying amount recognised in the IFRS Interim Consolidated Financial Statements and the carrying amount recognised for tax purposes as well as on unused tax loss carryforwards to the extent to which future utilisation is sufficiently probable.

The deferred tax expenses reported in the first half of 2018 still resulted from the elimination of intercompany profits of the Group's own production and supply companies included in inventories. With the discontinuation of the production activities of PWK, there will be no further deliveries in the future that would require a continuous elimination of intercompany profits. As a result, intercompany profits in the elumeo Group will no longer lead to temporary differences that will reverse in the future in a tax-efficient or tax-relieving manner. Against the backdrop of the existing tax loss carryforwards of the sales companies, it can rather be assumed that the temporary differences will be reversed before any tax burden of the sales companies occurs. Deferred tax assets were therefore recognised in full as income taxes as of 31 December 2018.

(29) Further disclosures on financial instrumentsDisclosure of the fair values of financial instruments

The following tables show the carrying amounts and fair values of the financial instruments of the elumeo Group broken down by measurement category and by category of financial instrument in accordance with IFRS 9:

EUR thousand	Category acc. IFRS 9		
	Carrying amount	Measured at amortized cost	Fair value
Financial assets			
Statement of financial position as of 30 Jun 2019			
Non-current assets:			
Other financial assets	368	368	368
Current assets:			
Cash and cash equivalents	681	681	681
Trade receivables	862	862	862
Other financial assets	70	70	70
Total	1,981	1,981	1,981
Statement of financial position as of 31 Dec 2018			
Non-current assets:			
Other financial assets	409	409	409
Current assets:			
Cash and cash equivalents	2,608	2,608	2,608
Trade receivables	1,416	1,416	1,416
Receivables due from related parties	12	12	12
Other financial assets	58	58	58
Total	4,502	4,502	4,502

The elumeo Group has determined that the carrying amounts of the financial assets in the category "measured at amortized cost" approximate their fair values as of the reporting dates.

With regard to cash and cash equivalents, trade receivables, receivables due from related parties and other current financial assets, the assessment of fair value is mainly attributable to the short maturities of these instruments or, with regard to other non-current financial assets, to interest at market interest rates.

EUR thousand	Measurement of fair value in accordance with IFRS 13 by applying input parameters of ...			
	Total	Level 1 (quoted prices in active markets)	Level 2 (significant other observable input parameter)	Level 3 (significant un-observable input parameter)
Statement of financial position as of 30 Jun 2019				
Non-current liabilities:				
Other financial liabilities	0	0	0	0
Current liabilities:				
Financial debt	833	0	833	0
Payables due to related parties	6	0	6	0
Trade payables	6,229	0	6,229	0
Other financial liabilities	548	0	548	0
Debtors with credit balances	225	0	225	0
Total	7,842	0	7,842	0
Statement of financial position as of 31 Dec 2018				
Current liabilities:				
Financial debt	2,000	0	2,000	0
Payables due to related parties	57	0	57	0
Trade payables	8,950	0	8,950	0
Other financial liabilities	260	0	260	0
Debtors with credit balances	235	0	235	0
Total	11,502	0	11,502	0

The elumeo Group has determined that the carrying amounts of financial liabilities classified as "measured at amortized cost" approximate their fair values as of the reporting dates.

Non-current other financial liabilities include the interest-bearing lease liabilities for former operating leases recognised for the first time in accordance with IFRS 16. The fair value of the lease liabilities was determined on the basis of the effective interest method on the basis of the incremental borrowing rate of the respective lessee (group entity). Due to the usual market interest conditions, the carrying amount approximates the fair value.

Current financial liabilities include interest-bearing loan liabilities to banks. The fair values of the relevant loan liabilities were determined on the basis of the effective interest method and current interest conditions. Due to the short remaining term of the loans until final maturity and the customary market interest rates, the carrying amounts approximate their fair values.

Other financial liabilities include interest-bearing leasing liabilities from finance lease and operating leases. Due to the usual market interest rates, the carrying amounts approximate fair values.

For trade payables and other current liabilities, it was determined that the carrying amounts as of the reporting dates approximate fair values due to the short maturities of the instruments.

Measurement hierarchy in accordance with IFRS 13

With regard to the determination of the fair values of the financial instruments of the elumeo Group that are not measured at fair value in the Consolidated Statement of Financial Position but whose fair value is disclosed in the Notes, there were no reclassifications between the measurement hierarchies in accordance with IFRS 13 in the first half of 2019 compared to the disclosures in the Notes to the Consolidated Financial Statements 2018:

EUR thousand	Measurement of fair value in accordance with IFRS 13 by applying input parameters of ...			
	Total	Level 1 (quoted prices in active markets)	Level 2 (significant other observable input parameter)	Level 3 (significant un-observable input parameter)
Statement of financial position as of 30 Jun 2019				
Non-current assets:				
Other financial assets	368	0	368	0
Current assets:				
Cash and cash equivalents	681	0	681	0
Trade receivables	862	0	862	0
Other financial assets	70	0	70	0
Total	1,981	0	1,981	0
Statement of financial position as of 31 Dec 2018				
Non-current assets:				
Other financial assets	409	0	409	0
Current assets:				
Cash and cash equivalents	2,608	0	2,608	0
Trade receivables	1,416	0	1,416	0
Receivables due from related parties	12	0	12	0
Other financial assets	58	0	58	0
Total	4,502	0	4,502	0

EUR thousand	Measurement of fair value in accordance with IFRS 13 by applying input parameters of ...			
	Total	Level 1 (quoted prices in active markets)	Level 2 (significant other observable input parameter)	Level 3 (significant un-observable input parameter)
Liabilities, for which a fair value is disclosed (Measured at amortized cost)				
Statement of financial position as of 30 Jun 2019				
Non-current financial liabilities:				
Other financial liabilities	0	0	0	0
Current financial liabilities:				
Financial debt	833	0	833	0
Payables due to related parties	6	0	6	0
Trade payables	6,229	0	6,229	0
Other financial liabilities	548	0	548	0
Debtors with credit balances	225	0	225	0
Total	7,842	0	7,842	0
Statement of financial position as of 31 Dec 2018				
Current financial liabilities:				
Financial debt	2,000	0	2,000	0
Payables due to related parties	57	0	57	0
Trade payables	8,950	0	8,950	0
Other financial liabilities	260	0	260	0
Debtors with credit balances	235	0	235	0
Total	11,502	0	11,502	0

(30) Segment reporting

As part of the discontinuation of the production activities of PWK, the Executive Board changed the segment reporting in its Consolidated Financial Statements 2018. The changes also apply correspondingly to the Interim Consolidated Financial Statements, including the restated comparative information for the previous year.

Presentation of segments

In the past, organisation-driven, cross-entity integration and difference in the respective functions of the value chain formed the basis for the identification of the reportable segments. The business activities of the elumeo Group were differentiated into the three operational segments Sales division Germany & Italy, Sales division Others and Group functions & eliminations. In principle, the cash-generating units defined on the basis of the legal entities of the elumeo Group were allocated to these segments.

The classification of PWK as a discontinued operation made it necessary to adjust the reportable segments. This is intended to take account of the forecasting and information function standardised in IFRS 5. As a result, the following new segments were identified:

Continuing operations

The segment *Continuing operations* comprises the two units *Sales division* and *Group functions & eliminations*.

The previous segments Sales division Germany & Italy and Sales division Others were combined to form one unit *Sales division*. The gross profits in excess of the full cost coverage of the cash-generating unit "PWK" (up until the third quarter 2018 including realised intercompany profits) that were originally allocated to the former sales divisions segments were eliminated from the *Sales division* and allocated to the segment *Discontinued operation Manufactory*. The costs of jewelry deliveries purchased from PWK were allocated to the *Sales division* after deduction of the cost of underutilisation of PWK's production capacities and the opportunity cost of distribution.

The *Group functions & eliminations* aggregates the Group-wide administrative, controlling and management functions, particularly in the form of the parent company elumeo SE, as well as the eliminations of the remaining intercompany business relationships of the continuing operations.

Discontinued operation Manufactory

The segment *Discontinued operation Manufactory* contains the business activities of PWK, consolidation effects as well as the cost of underutilisation and opportunity cost of distribution allocated to the operations, which are reported in the Consolidated Statement of Income in the continuing operations as part of the disclosure requirements of the discontinued operation PWK, because these cost were included in the invoice amounts for jewelry deliveries as part of the Group's internal cost allocation and because profit realisation in principle takes place in the sales division. In the opinion of the Executive Board, these costs will no longer be incurred in the future once the supply chain is changed from PWK's intra-Group supply to third parties. For this reason, the internal management reporting was based on a corresponding allocation of these cost components to ensure future comparability of information disclosed.

In the first half of 2019, the segment was not operational. The cost of underutilisation and opportunity cost of distribution allocated to the segment relate to goods from the manufactory recognised as of 31 December 2018 that were sold in the first half of 2019.

Definition of segment result and impact of IFRS 16

The Executive Board assesses the success of the segments and establishes performance targets for the future based on the revenue, gross profit and segment EBITDA (adjusted earnings figure). The adjusted earnings figure Segment EBITDA is basically defined as earnings after before interest, taxes and depreciation and amortization (EBITDA) after adjustment for segment reconciliation items. In assessing the operating performance of the segments, the segment reconciliation items illustrated under Section [I.: Segment reporting] of the Notes to the Consolidated Financial Statement 2018 are generally identified as non-operational items.

As a result of the first time adoption of IFRS 16, the real estate contracts of the elumeo Group are to be accounted for as a financing transactions. This ultimately results in an elimination of rental expenses (administrative expenses) from the Consolidated Statement of Income and thus in an improvement of the present Segment EBITDA, since neither amortization on the newly recognised rights of use nor the interest expenses for the newly recognised lease liabilities form part of the Segment EBITDA.

In view of these implication, the Executive Board has reviewed the definition of the segment result. It has decided, that the internal management reporting and segment information shall continue to comply with the same accounting principles used to prepare and present the Consolidated Financial Statements of the elumeo Group. By applying the accounting principles on a consistent basis, elumeo Group, also with respect to its external communication with shareholders, investors, rating agencies, banks and other shareholders, takes account of the IFRSs' purpose to provide a uniform general standard.

With respect to internal information requirements, the Executive Board has decided to amend its internal management reporting as to regularly include for each respective reporting period the total amount of lease payments (total of repayment and interest component) as a separate financial performance indicator.

Intra-group leasing agreements, which would not be reflected on an IFRS 16 basis for the purpose of internal control and management reporting, are not existent in the elumeo Group.

Segment information

In the first half of 2019, a total of EUR 277 thousands in lease payments under IFRS 16 arising from former operating leases are attributable to the *Sales division* (Q2 2019: EUR 138 thousand). In the first half of 2018, the *Sales division* recognised a total of EUR 191 thousand in rental expenses paid under administrative expenses (Q2 2018: EUR 96 thousand).

The following tables show the development of the segment-specific financial performance indicators of the new segments *Continuing operations* and *Discontinued operation Manufactory* in Q2 2019 and Q2 2018 and H1 2019 and H1 2018 respectively as well as the period-over-period comparison (QoQ and HoH):

EUR thousand % of (segment) revenue	Q2 2019					
	Revenue		Gross profit		Segment EBITDA	
Sales division	11,302	100.0%	5,455	48.3%	390	3.5%
Group functions & eliminations	0	0.0%	2	n.a.	-506	n.a.
Continuing operations	11,302	100.0%	5,457	48.3%	-115	-1.0%
Discontinued operation Manufactory	0	0.0%	-325	n.a.	-325	n.a.
Total	11,302	100.0%	5,132	45.4%	-440	-3.9%
EUR thousand % of (segment) revenue	Q2 2018					
	Revenue		Gross profit		Segment EBITDA	
Sales division	12,729	100.0%	4,646	36.5%	-2,557	-20.1%
Group functions & eliminations	0	0.0%	3	n.a.	-491	n.a.
Continuing operations	12,729	100.0%	4,649	36.5%	-3,048	-23.9%
Discontinued operation Manufactory	0	0.0%	42	n.a.	-276	n.a.
Total	12,729	100.0%	4,691	36.8%	-3,325	-26.1%
EUR thousand in %	QoQ					
	Revenue		Gross profit		Segment EBITDA	
Sales division	-1,427	-11.2%	809	17.4%	2,947	115.3%
Group functions & eliminations	0	n.a.	-1	-31.8%	-14	-2.9%
Continuing operations	-1,427	-11.2%	808	17.4%	2,933	96.2%
Discontinued operation Manufactory	0	n.a.	-367	-879.2%	-49	-17.6%
Total	-1,427	-11.2%	441	9.4%	2,884	86.8%

EUR thousand % of (segment) revenue	1 Jan - 30 Jun 2019					
	Revenue		Gross profit		Segment EBITDA	
Sales division	23,262	100.0%	10,689	45.9%	-168	-0.7%
Group functions & eliminations	0	0.0%	17	n.a.	-1,016	n.a.
Continuing operations	23,262	100.0%	10,705	46.0%	-1,184	-5.1%
Discontinued operation Manufactory	0	0.0%	-625	n.a.	-625	n.a.
Total	23,262	100.0%	10,080	43.3%	-1,809	-7.8%
EUR thousand % of (segment) revenue	1 Jan - 30 Jun 2018					
	Revenue		Gross profit		Segment EBITDA	
Sales division	29,338	100.0%	9,164	31.2%	-4,595	-15.7%
Group functions & eliminations	0	0.0%	6	n.a.	-967	n.a.
Continuing operations	29,338	100.0%	9,170	31.3%	-5,561	-19.0%
Discontinued operation Manufactory	0	0.0%	2,099	n.a.	1,413	n.a.
Total	29,338	100.0%	11,269	38.4%	-4,148	-14.1%
EUR thousand in %	HoH					
	Revenue		Gross profit		Segment EBITDA	
Sales division	-6,075	-20.7%	1,525	16.6%	4,427	96.3%
Group functions & eliminations	0	n.a.	11	184.4%	-49	-5.1%
Continuing operations	-6,075	-20.7%	1,536	16.7%	4,377	78.7%
Discontinued operation Manufactory	0	n.a.	-2,724	-129.8%	-2,038	-144.2%
Total	-6,075	-20.7%	-1,189	-10.5%	2,339	56.4%

Detailed statement of income of the newly defined segments for the period from 1 April to 30 June 2019 (Q2 2019) and the prior-year comparative period

Q2 2019	Sales division	Group functions & eliminations	Con- tinuing operations		Group owned manu- factory (stand alone)	Interseg- mental correc- tions	Group owned manufactory (economic "as-if" presen- tation)	Interseg- mental consoli- dation	Discon- tinued operation Manu- factory	
EUR thousand % of revenue										
Revenue	11,302	0	11,302	100.0%	0	-325	-325	100.0%	325	0
Cost of goods sold	5,848	-2	5,846	51.7%	0		0	0.0%	325	325
Gross profit	5,455	2	5,457	48.3%	0	-325	-325	100.0%	0	-325
Selling expenses	4,200	0	4,200	37.2%	0		0	0.0%		0
Administrative expenses	1,178	514	1,693	15.0%	0		0	0.0%		0
Other operating income	8	2	11	0.1%	0		0	0.0%		0
Other operating expenses	0	0	0	0.0%	0		0	0.0%		0
Earnings before interest and taxes (EBIT)	85	-510	-425	-3.8%	0	-325	-325	100.0%	0	-325
Interest and similar expenses	-40	-14	-54	-0.5%	0		0	0.0%		0
Financial result	-40	-14	-54	-0.5%	0	0	0	0.0%	0	0
Earnings before income taxes (EBT)	44	-524	-480	-4.2%	0	-325	-325	100.0%	0	-325
Earnings for the period	44	-524	-480	-4.2%	0	-325	-325	100.0%	0	-325
<i>Earnings of shareholders of elumeo SE</i>	44	-524	-480	-4.2%	0	-325	-325	100.0%	0	-325
Earnings before interest and taxes (EBIT)	85	-510	-425	-3.8%	0	-325	-325	100.0%	0	-325
Depreciation and amortization on property, plant and equipment and intangible assets	306	4	310	2.7%	0		0	0.0%		0
Segment EBITDA	390	-506	-115	-1.0%	0	-325	-325	100.0%	0	-325

Q2 2018	Sales division	Group functions & eliminations	Con- tinuing operations		Group owned manu- factory (stand alone)		Interseg- mental correc- tions		Group owned manufactory (economic "as-if" presen- tation)		Interseg- mental consoli- dation	Discon- tinued operation Manu- factory
EUR thousand % of revenue												
Revenue	12,729	0	12,729	100.0%	4,294	100.0%	-1,308	2,986	100.0%	-2,986	0	0
Cost of goods sold	8,083	-3	8,080	63.5%	2,944	68.6%		2,944	98.6%	-2,986		-42
Gross profit	4,646	3	4,649	36.5%	1,350	31.4%	-1,308	42	1.4%	0		42
Selling expenses	6,159	1	6,159	48.4%	0	0.0%		0	0.0%			0
Administrative expenses	1,294	504	1,798	14.1%	489	11.4%		489	16.4%			489
Other operating income	38	4	42	0.3%	0	0.0%		0	0.0%			0
Other operating expenses	0	0	0	0.0%	0	0.0%		0	0.0%			0
Earnings before interest and taxes (EBIT)	-2,769	-498	-3,266	-25.7%	861	20.1%	-1,308	-447	-15.0%	0		-447
Interest income	0	0	0	0.0%	0	0.0%		0	0.0%			0
Interest and similar expenses	-5	-51	-56	-0.4%	-88	-2.0%		-88	-2.9%			-88
Financial result	-5	-51	-56	-0.4%	-88	-2.0%	0	-88	-2.9%	0		-88
Earnings before income taxes (EBT)	-2,773	-549	-3,322	-26.1%	774	18.0%	-1,308	-534	-17.9%	0		-534
Income tax	-402	0	-402	-3.2%	-62	-1.4%		-62	-2.1%			-62
Earnings for the period	-3,175	-549	-3,724	-29.3%	712	16.6%	-1,308	-596	-20.0%	0		-596
<i>Earnings of shareholders of elumeo SE</i>	-3,175	-549	-3,724	-29.3%	712	16.6%	-1,308	-596	-20.0%	0		-596
Earnings before interest and taxes (EBIT)	-2,769	-498	-3,266	-25.7%	861	20.1%	-1,308	-447	-15.0%	0		-447
Depreciation and amortization on property, plant and equipment and intangible assets	212	6	218	1.7%	171	4.0%		171	5.7%			171
Segment EBITDA	-2,557	-491	-3,048	-23.9%	1,032	24.0%	-1,308	-276	-9.3%	0		-276

Detailed statement of income of the newly defined segments for the period from 1 January to 30 June 2019 (H1 2019) and the prior-year comparative period

1 Jan - 30 Jun 2019	Sales division	Group functions & eliminations	Con- tinuing operations		Group owned manu- factory alone)	Interseg- mental correc- tions	Group owned manufactory (economic "as-if" presen- tation)	Interseg- mental consoli- dation	Discon- tinued operation Manu- factory	
EUR thousand % of revenue										
Revenue	23,262	0	23,262	100.0%	0	-625	-625	100.0%	625	0
Cost of goods sold	12,574	-17	12,557	54.0%	0		0	0.0%	625	625
Gross profit	10,689	17	10,705	46.0%	0	-625	-625	100.0%	0	-625
Selling expenses	9,121	0	9,121	39.2%	0		0	0.0%		0
Administrative expenses	2,379	1,047	3,426	14.7%	0		0	0.0%		0
Other operating income	25	4	29	0.1%	0		0	0.0%		0
Other operating expenses	0	0	0	0.0%	0		0	0.0%		0
Earnings before interest and taxes (EBIT)	-786	-1,026	-1,812	-7.8%	0	-625	-625	100.0%	0	-625
Interest and similar expenses	-84	-33	-118	-0.5%	0		0	0.0%		0
Financial result	-84	-33	-118	-0.5%	0	0	0	0.0%	0	0
Earnings before income taxes (EBT)	-870	-1,060	-1,930	-8.3%	0	-625	-625	100.0%	0	-625
Earnings for the period	-870	-1,060	-1,930	-8.3%	0	-625	-625	100.0%	0	-625
<i>Earnings of shareholders of elumeo SE</i>	-870	-1,060	-1,930	-8.3%	0	-625	-625	100.0%	0	-625
Earnings before interest and taxes (EBIT)	-786	-1,026	-1,812	-7.8%	0	-625	-625	100.0%	0	-625
Depreciation and amortization on property, plant and equipment and intangible assets	618	10	628	2.7%	0		0	0.0%		0
Segment EBITDA	-168	-1,016	-1,184	-5.1%	0	-625	-625	100.0%	0	-625

1 Jan - 30 Jun 2018	Sales division		Group functions & eliminations	Con- tinuing operations		Group owned manu- factory (stand alone)		Interseg- mental correc- tions	Group owned manufactory (economic "as-if" presen- tation)		Interseg- mental consoli- dation	Discon- tinued operation Manu- factory
EUR thousand % of revenue												
Revenue	29,338	100.0%	0	29,338	100.0%	15,678	100.0%	-2,453	13,225	100.0%	-13,225	0
Cost of goods sold	20,174	68.8%	-6	20,168	68.7%	11,126	71.0%		11,126	84.1%	-13,225	-2,099
Gross profit	9,164	31.2%	6	9,170	31.3%	4,553	29.0%	-2,453	2,099	15.9%	0	2,099
Selling expenses	11,792	40.2%	1	11,793	40.2%	0	0.0%		0	0.0%		0
Administrative expenses	2,404	8.2%	992	3,397	11.6%	1,023	6.5%		1,023	7.7%		1,023
Other operating income	50	0.2%	8	58	0.2%	0	0.0%		0	0.0%		0
Other operating expenses	0	0.0%	0	0	0.0%	0	0.0%		0	0.0%		0
Earnings before interest and taxes (EBIT)	-4,982	-17.0%	-980	-5,961	-20.3%	3,530	22.5%	-2,453	1,077	8.1%	0	1,077
Interest income	0	0.0%	0	0	0.0%	0	0.0%		0	0.0%		0
Interest and similar expenses	-10	0.0%	-101	-111	-0.4%	-162	-1.0%		-162	-1.2%		-162
Financial result	-10	0.0%	-101	-111	-0.4%	-162	-1.0%	0	-162	-1.2%	0	-162
Earnings before income taxes (EBT)	-4,992	-17.0%	-1,081	-6,072	-20.7%	3,368	21.5%	-2,453	914	6.9%	0	914
Income tax	-171	-0.6%	0	-171	-0.6%	-122	-0.8%		-122	-0.9%		-122
Earnings for the period	-5,162	-17.6%	-1,081	-6,243	-21.3%	3,246	20.7%	-2,453	792	6.0%	0	792
Earnings of shareholders of elumeo SE	-5,162	-17.6%	-1,081	-6,243	-21.3%	3,246	20.7%	-2,453	792	6.0%	0	792
Earnings before interest and taxes (EBIT)	-4,982	-17.0%	-980	-5,961	-20.3%	3,530	22.5%	-2,453	1,077	8.1%	0	1,077
Depreciation and amortization on property, plant and equipment and intangible assets	387	1.3%	13	400	1.4%	336	2.1%		336	2.5%		336
Segment EBITDA	-4,595	-15.7%	-967	-5,561	-19.0%	3,866	24.7%	-2,453	1,413	10.7%	0	1,413

Segment reconciliation to Group earnings

Segment reconciliation for the period from 1 April to 30 June 2019 (Q2 2019) and the prior-year comparative period

The segment EBITDA of the reportable segment *Continuing operations* can be reconciled to earnings for the period from continuing operations and earnings for the period of the elumeo Group as follows (Q2 2019 and Q2 2018):

Q2 2019	Segment informationen (Continuing operations)	Effects from foreign currency trans-lation	Equity-settled share-based remun-eration	Legal and consulting fees related to the orderly liquidation of the Group owned manu-factory	Cost of under-utilization charged by the manu-factory and opportunity cost of distribution	Earnings for the period from discon-tinued operations	Segment recon-ciliation items of con-tinuing operations	Group information (Continuing operations)
EUR thousand % of revenue								
Revenue	11,302 100.0%						0	11,302 100.0%
Cost of goods sold	5,846 51.7%	0			325		325	6,171 54.6%
Gross profit	5,457 48.3%	0	0	0	-325	0	-325	5,132 45.4%
Selling expenses	4,200 37.2%						0	4,200 37.2%
Administrative expenses	1,693 15.0%		15				15	1,708 15.1%
Other operating income	11 0.1%	-118					-118	-107 -0.9%
Other operating expenses	0 0.0%	35		69			104	104 0.9%
Earnings before interest and taxes (EBIT)	-425 -3.8%	-153	-15	-69	-325	0	-562	-987 -8.7%
Interest and similar expenses	-54 -0.5%						0	-54 -0.5%
Financial result	-54 -0.5%	0	0	0	0	0	0	-54 -0.5%
Earnings before income taxes (EBT) from continuing operations	-480 -4.2%	-153	-15	-69	-325	0	-562	-1,042 -9.2%
Earnings for the period from continuing operations	-480 -4.2%	-153	-15	-69	-325	0	-562	-1,042 -9.2%
Earnings for the period from discontinued operations	0 0.0%					-258	-258	-258 -2.3%
Earnings for the period	-480 -4.2%	-153	-15	-69	-325	-258	-820	-1,300 -11.5%
<i>Earnings of shareholders of elumeo SE</i>	-480 -4.2%	-153	-15	-69	-325	-258	-820	-1,300 -11.5%
Earnings before interest and taxes (EBIT)	-425 -3.8%	-153	-15	-69	-325	0	-562	-987 -8.7%
Depreciation and amortization on property, plant and equipment and intangible assets	310 2.7%						0	310 2.7%
EBITDA	-115 -1.0%	-153	-15	-69	-325	0	-562	-678 -6.0%

Q2 2018	Segment informationen (Continuing operations)		Effects from foreign currency translation	Equity-settled share-based remuneration	Cost of under-utilization charged by the manufactory and opportunity cost of distribution	Earnings for the period from discontinued operations	Segment reconciliation items of continuing operations	Group information (Continuing operations)
EUR thousand % of revenue								
Revenue	12,729	100.0%					0	12,729 100.0%
Cost of goods sold	8,080	63.5%	-60		2,153		2,093	10,173 79.9%
Gross profit	4,649	36.5%	60	0	-2,153	0	-2,093	2,556 20.1%
Selling expenses	6,159	48.4%					0	6,159 48.4%
Administrative expenses	1,798	14.1%		49			49	1,846 14.5%
Other operating income	42	0.3%	-190				-190	-148 -1.2%
Other operating expenses	0	0.0%	171				171	171 1.3%
Earnings before interest and taxes (EBIT)	-3,266	-25.7%	-302	-49	-2,153	0	-2,503	-5,769 -45.3%
Interest income	0	0.0%					0	0 0.0%
Interest and similar expenses	-56	-0.4%					0	-56 -0.4%
Financial result	-56	-0.4%	0	0	0	0	0	-56 -0.4%
Earnings before income taxes (EBT) from continuing operations	-3,322	-26.1%	-302	-49	-2,153	0	-2,503	-5,825 -45.8%
Income tax	-402	-3.2%					0	-402 -3.2%
Earnings for the period from continuing operations	-3,724	-29.3%	-302	-49	-2,153	0	-2,503	-6,227 -48.9%
Earnings for the period from discontinued operations	0	0.0%				4,780	4,780	4,780 37.6%
Earnings for the period	-3,724	-29.3%	-302	-49	-2,153	4,780	2,277	-1,446 -11.4%
<i>Earnings of shareholders of elumeo SE</i>	-3,724	-29.3%	-302	-49	-2,153	4,780	2,277	-1,446 -11.4%
Earnings before interest and taxes (EBIT)	-3,266	-25.7%	-302	-49	-2,153	0	-2,503	-5,769 -45.3%
Depreciation and amortization on property, plant and equipment and intangible assets	218	1.7%					0	218 1.7%
EBITDA	-3,048	-23.9%	-302	-49	-2,153	0	-2,503	-5,551 -43.6%

The segment EBITDA of the reportable segment *Discontinued operation Manufactory* can be reconciled to earnings for the period from the discontinued operation PWK as follows (Q2 2019 and Q2 2018):

Q2 2019	Segment information (Discontinued operation Manufactory)	Effects from foreign currency translation	In terms of type, amount & utilization uncertain obligations in connection with the discontinued operation	Cost of under-utilization charged by the manufactory and opportunity cost of distribution	Reconciliation items of the discontinued operation	Group information (Discontinued operation PWK)
EUR thousand % of revenue						
Revenue	0				0	0
Cost of goods sold	325	0		-325	-325	0
Gross profit	-325	0	0	325	325	0
Other operating expenses	0	182			182	182
Earnings before interest and taxes (EBIT)	-325	-182	0	325	143	-182
Interest and similar expenses	0		-13		-13	-13
Financial result	0	0	-13	0	-13	-13
Earnings before income taxes (EBT) from the discontinued operation	-325	-182	-13	325	130	-195
Earnings for the period from the discontinued operation	-325	-182	-13	325	130	-195
<i>Earnings of shareholders of elumeo SE</i>	-325	-182	-13	325	130	-195
Earnings before interest and taxes (EBIT)	-325	-182	0	325	143	-182
Depreciation and amortization on property, plant and equipment and intangible assets	0				0	0
EBITDA	-325	-182	0	325	143	-182

Q2 2018	Segment information (Discontinued operation Manufactory)	Effects from foreign currency translation	Cost of under-utilization charged by the manufactory and opportunity cost of distribution	Reconciliation items of the discontinued operation	Group information (Discontinued operation PWK)
EUR thousand % of revenue					
Revenue	0			0	0
Cost of goods sold	-42	60	-2,153	-2,093	-2,134
Gross profit	42	-60	2,153	2,093	2,134
Administrative expenses	489			2	490
Other operating income	0	0		0	0
Other operating expenses	0	-459		-459	-459
Earnings before interest and taxes (EBIT)	-447	400	2,153	2,550	2,104
Interest income	0			0	0
Interest and similar expenses	-88			0	-88
Financial result	-88	0	0	0	-88
Earnings before income taxes (EBT) from the discontinued operation	-534	400	2,153	2,550	2,016
Income tax	-62			0	-62
Earnings for the period from the discontinued operation	-596	400	2,153	2,550	1,954
<i>Earnings of shareholders of elumeo SE</i>	-596	400	2,153	2,550	1,954
Earnings before interest and taxes (EBIT)	-447	400	2,153	2,550	2,104
Depreciation and amortization on property, plant and equipment and intangible assets	171			0	171
EBITDA	-276	400	2,153	2,550	2,274

Segment reconciliation for the period from 1 January to 30 June 2019 (H1 2019) and the prior-year comparative period

The segment EBITDA of the reportable segment *Continuing operations* can be reconciled to earnings for the period from continuing operations and earnings for the period of the elumeo Group as follows (H1 2019 and H1 2018):

1 Jan - 30 Jun 2019	Segment informationen (Continuing operations)	Effects from foreign currency translation	Equity-settled share-based remuneration	Legal and consulting fees related to the orderly liquidation of the Group owned manu-factory	Cost of under-utilization charged by the manu-factory and opportunity cost of distribution	Earnings for the period from discontinued operations	Segment reconciliation items of continuing operations	Group information (Continuing operations)
EUR thousand % of revenue								
Revenue	23,262 100.0%						0	23,262 100.0%
Cost of goods sold	12,557 54.0%	0			625		625	13,182 56.7%
Gross profit	10,705 46.0%	0	0	0	-625	0	-625	10,080 43.3%
Selling expenses	9,121 39.2%						0	9,121 39.2%
Administrative expenses	3,426 14.7%		29				29	3,455 14.9%
Other operating income	29 0.1%	0					0	29 0.1%
Other operating expenses	0 0.0%	35		90			125	125 0.5%
Earnings before interest and taxes (EBIT)	-1,812 -7.8%	-35	-29	-90	-625	0	-780	-2,592 -11.1%
Interest and similar expenses	-118 -0.5%						0	-118 -0.5%
Financial result	-118 -0.5%	0	0	0	0	0	0	-118 -0.5%
Earnings before income taxes (EBT) from continuing operations	-1,930 -8.3%	-35	-29	-90	-625	0	-780	-2,709 -11.6%
Earnings for the period from continuing operations	-1,930 -8.3%	-35	-29	-90	-625	0	-780	-2,709 -11.6%
Earnings for the period from discontinued operations	0 0.0%					-1,348	-1,348	-1,348 -5.8%
Earnings for the period	-1,930 -8.3%	-35	-29	-90	-625	-1,348	-2,127	-4,057 -17.4%
<i>Earnings of shareholders of elumeo SE</i>	<i>-1,930 -8.3%</i>	<i>-35</i>	<i>-29</i>	<i>-90</i>	<i>-625</i>	<i>-1,348</i>	<i>-2,127</i>	<i>-4,057 -17.4%</i>
Earnings before interest and taxes (EBIT)	-1,812 -7.8%	-35	-29	-90	-625	0	-780	-2,592 -11.1%
Depreciation and amortization on property, plant and equipment and intangible assets	628 2.7%						0	628 2.7%
EBITDA	-1,184 -5.1%	-35	-29	-90	-625	0	-780	-1,964 -8.4%

1 Jan - 30 Jun 2018	Segment informationen (Continuing operations)	Effects from foreign currency translation	Equity-settled share-based remuneration	Cost of under-utilization charged by the manufactory and opportunity cost of distribution	Earnings for the period from discontinued operations	Segment reconciliation items of continuing operations	Group information (Continuing operations)
EUR thousand % of revenue							
Revenue	29,338 100.0%					0	29,338 100.0%
Cost of goods sold	20,168 68.7%	47		2,721		2,768	22,936 78.2%
Gross profit	9,170 31.3%	-47	0	-2,721	0	-2,768	6,402 21.8%
Selling expenses	11,793 40.2%					0	11,793 40.2%
Administrative expenses	3,397 11.6%		109			109	3,506 11.9%
Other operating income	58 0.2%	0				0	58 0.2%
Other operating expenses	0 0.0%	171				171	171 0.6%
Earnings before interest and taxes (EBIT)	-5,961 -20.3%	-218	-109	-2,721	0	-3,048	-9,010 -30.7%
Interest income	0 0.0%					0	0 0.0%
Interest and similar expenses	-111 -0.4%					0	-111 -0.4%
Financial result	-111 -0.4%	0	0	0	0	0	-111 -0.4%
Earnings before income taxes (EBT) from continuing operations	-6,072 -20.7%	-218	-109	-2,721	0	-3,048	-9,121 -31.1%
Income tax	-171 -0.6%					0	-171 -0.6%
Earnings for the period from continuing operations	-6,243 -21.3%	-218	-109	-2,721	0	-3,048	-9,292 -31.7%
Earnings for the period from discontinued operations	0 0.0%				5,458	5,458	5,458 18.6%
Earnings for the period	-6,243 -21.3%	-218	-109	-2,721	5,458	2,409	-3,834 -13.1%
<i>Earnings of shareholders of elumeo SE</i>	<i>-6,243 -21.3%</i>	<i>-218</i>	<i>-109</i>	<i>-2,721</i>	<i>5,458</i>	<i>2,409</i>	<i>-3,834 -13.1%</i>
Earnings before interest and taxes (EBIT)	-5,961 -20.3%	-218	-109	-2,721	0	-3,048	-9,010 -30.7%
Depreciation and amortization on property, plant and equipment and intangible assets	400 1.4%					0	400 1.4%
EBITDA	-5,561 -19.0%	-218	-109	-2,721	0	-3,048	-8,610 -29.3%

The segment EBITDA of the reportable segment *Discontinued operation Manufactory* can be reconciled to earnings for the period from the discontinued operation PWK as follows (H1 2019 and H1 2018):

1 Jan - 30 Jun 2019	Segment information (Discontinued operation Manufactory)	<i>Effects from foreign currency translation</i>	<i>In terms of type, amount & utilization uncertain obligations in connection with the discontinued operation</i>	<i>Cost of under-utilization charged by the manufactory and opportunity cost of distribution</i>	Reconciliation items of the discontinued operation	Group information (Discontinued operation PWK)
EUR thousand % of revenue						
Revenue	0				0	0
Cost of goods sold	625	0		-625	-625	0
Gross profit	-625	0	0	625	625	0
Other operating expenses	0	1,326			1,326	1,326
Earnings before interest and taxes (EBIT)	-625	-1,326	0	625	-701	-1,326
Interest and similar expenses	0		-25		-25	-25
Financial result	0	0	-25	0	-25	-25
Earnings before income taxes (EBT) from the discontinued operation	-625	-1,326	-25	625	-726	-1,351
Earnings for the period from the discontinued operation	-625	-1,326	-25	625	-726	-1,351
<i>Earnings of shareholders of elumeo SE</i>	-625	-1,326	-25	625	-726	-1,351
Earnings before interest and taxes (EBIT)	-625	-1,326	0	625	-701	-1,326
Depreciation and amortization on property, plant and equipment and intangible assets	0				0	0
EBITDA	-625	-1,326	0	625	-701	-1,326

1 Jan - 30 Jun 2018	Segment information (Discontinued operation Manufactory)	Effects from foreign currency translation	Cost of under-utilization charged by the manufactory and opportunity cost of distribution	Reconciliation items of the discontinued operation	Group information (Discontinued operation PWK)
EUR thousand % of revenue					
Revenue	0			0	0
Cost of goods sold	-2,099	-47	-2,721	-2,768	-4,867
Gross profit	2,099	47	2,721	2,768	4,867
Administrative expenses	1,023			2	1,024
Other operating income	0	0		0	0
Other operating expenses	0	252		252	252
Earnings before interest and taxes (EBIT)	1,077	-206	2,721	2,514	3,591
Interest income	0			0	0
Interest and similar expenses	-162			0	-162
Financial result	-162	0	0	0	-162
Earnings before income taxes (EBT) from the discontinued operation	914	-206	2,721	2,514	3,428
Income tax	-122			0	-122
Earnings for the period from the discontinued operation	792	-206	2,721	2,514	3,306
<i>Earnings of shareholders of elumeo SE</i>	792	-206	2,721	2,514	3,306
Earnings before interest and taxes (EBIT)	1,077	-206	2,721	2,514	3,591
Depreciation and amortization on property, plant and equipment and intangible assets	336			0	336
EBITDA	1,413	-206	2,721	2,514	3,927

(31) Related party disclosures

The elumeo Group identifies related parties in accordance with IAS 24 *Related Party Disclosures*. For further information on the identified group of significant related parties, please refer to the Notes to the Consolidated Financial Statements 2018.

The following significant transactions with related parties were carried out:

- The elumeo Group recognised in the first half of 2019 selling expenses of EUR 24 thousand (first half of 2018: EUR 102 thousand) for TV broadcasting services provided by related parties. In the previous year, the services were rendered by UV Interactive Services GmbH, Berlin, Germany ("UVIS") – 100.0% of whose shares are held by Mr. Wolfgang Boyé. The respective contract was assigned to Spreekanal Berlin GmbH, Berlin, Deutschland ("Spreekanal") – 100.0% of whose shares are held by UVIS – and was adapted with effect from 1 January 2019.

In addition, income of EUR 6 thousand (first half of 2018: EUR 6 thousand) was generated from the provision of supporting broadcast processing services for Spreekanal (prior year: UVIS).

In this connection, the elumeo Group recognises liabilities of EUR 6 thousand (Spreekanal) under current liabilities due to related parties as of 30 June 2019 (31 December 2018: EUR 57 thousand (UVIS)).

- In financial years 2015, 2016 and 2018, Managing Directors were granted a total of 57,000 option rights from Tranches I/2015 (17,000 option rights) and III/2015 (20,000 option rights) and VII/2015 (20,000 option rights) under the SOP 2015. The option rights granted had an estimated fair value of EUR 266 thousand at the time they were granted, assuming full vesting (30 June 2018: 37,000 option rights with a fair value of EUR 213 thousand at the time they were granted). In the first half of 2019, expenses of EUR 18 thousand were recognised under administrative expenses (first half of 2018: EUR 15 thousand).

Executive Board

The following changes have taken place in the Executive Board since 31 December 2018 up until the publication of these Interim Consolidated Financial Statements:

- Mr. Thomas Jarmuske resigned as a member of the Executive Board with effect from 7 August 2019; Mr. Jarmuske remains Managing Director.
- Mr. Ingo Stober was appointed a member of the Executive Board by the Annual General Meeting on 7 August 2019.
- Mrs. Anette Bronder resigned as a member of the Executive Board with effect from 6 September 2019.
- Mr. Bernd Fischer resigned as a member of the Executive Board with effect from 6 September 2019; Mr. Jarmuske remains Managing Director.

Shareholdings of the Executive Board and reportable securities transactions pursuant to Article 19 MAR

As of the balance sheet date and on the basis of reportable securities transactions, the direct shareholdings of the members of the Executive Board amounted to no more than 2.63% (31 December 2018: 2.56%) and in total no more than 6.88% (31 December 2018: 6.36%) of the shares issued by elumeo SE.

The members of the Executive Board and Managing Directors that are not members of the Executive Board and persons closely associated with them pursuant to Article 19 MAR are obliged to disclose transactions involving shares of elumeo SE (so-called Managers' Transactions) to the German Federal Financial Supervisory Authority (BaFin) and elumeo SE. elumeo SE is obliged to publish these transactions immediately after notification.

In the first half of 2019, elumeo SE was notified of the following reportable securities transactions:

- On 13 June 2019 Mr. Wolfgang Boyé purchased 2,500 shares of elumeo SE at a price of EUR 1.00 per share in an on-exchange transaction.
- On 13 June 2019 Mr. Boris Kirn purchased 1,000 shares of elumeo SE at a price of EUR 1.02 per share in an on-exchange transaction.
- On 14 June 2019 Mr. Boris Kirn purchased 1,000 shares of elumeo SE at a price of EUR 0.97 per share in an on-exchange transaction.
- On 14 June 2019 Mr. Wolfgang Boyé purchased 2,000 shares of elumeo SE at a price of EUR 1.09 per share in an on-exchange transaction.
- On 14 June 2019 Mr. Wolfgang Boyé purchased 750 shares of elumeo SE at a price of EUR 1.10 per share in an on-exchange transaction.
- On 14 June 2019 Mr. Wolfgang Boyé purchased 2,500 shares of elumeo SE at a price of EUR 1.05 per share in an on-exchange transaction.
- On 14 June 2019 Mr. Wolfgang Boyé purchased 2,500 shares of elumeo SE at a price of EUR 0.99 per share in an on-exchange transaction.
- On 18 June 2019 Mr. Wolfgang Boyé purchased 1,000 shares of elumeo SE at a price of EUR 1.05 per share in an on-exchange transaction.
- On 18 June 2019 Mr. Boris Kirn purchased 2,000 shares of elumeo SE at a price of EUR 1.05 per share in an on-exchange transaction.
- On 19 June 2019 Mr. Wolfgang Boyé purchased 2,000 shares of elumeo SE at a price of EUR 1.05 per share in an on-exchange transaction.
- On 20 June 2019 Mr. Wolfgang Boyé purchased 1,000 shares of elumeo SE at a price of EUR 1.02 per share in an on-exchange transaction.
- On 21 June 2019 Mr. Wolfgang Boyé purchased 1,000 shares of elumeo SE at a price of EUR 1.00 per share in an on-exchange transaction.
- On 24 June 2019 Mr. Wolfgang Boyé purchased 1,600 shares of elumeo SE at a price of EUR 1.05 per share in an on-exchange transaction.

For further information on Managers' Transactions, please refer to the publications on the Company's website at <http://www.elumeo.com/investor-relations/aktuelle-mitteilungen/directors-dealings>.

(32) Operating lease and other financial obligations

The obligations from operating leases for leased properties (minimum gross lease payments of EUR 5.229 thousand including value added tax) disclosed in the Notes to the Consolidated Financial Statement 2018 relate to operating lease contracts in accordance with IAS 17. As of 1 January 2019, these contracts are recognised in accordance with IFRS 16. The reconciliation of the other financial obligations from operating leases as of 31 December 2018 to the lease liabilities from former operating leases as of 1 January 2019 is illustrated under Section [(1) Adoption of new accounting standards of the IASB | IFRS 16 – Leases].

The other financial obligations arising from non-terminable contractual agreements on the multiplexing, distribution and transmission of broadcasted TV programmes as well as the administration of program channels have not changed materially since 31 December 2018, taking into account the updating (i.e. reduction) of the contractual obligations up until the reporting date.

(33) Events after the reporting date

On 8 August 2019, elumeo SE was served with the suit filed by SWM Treuhand AG Wirtschaftsprüfungsgesellschaft, Munich, by the Regional Court of Berlin. SWM Treuhand AG is hoping to assert an amount of EUR 10,213,660.19 against elumeo SE and individual members of the Executive Board on the basis of various claims. The respective suit relates to the legal disputes described in the Notes to the Consolidated Financial Statements of elumeo SE as of 31 December 2018 under Section [F. Significant Discretionary Decisions and Estimates]. Following extensive analysis involving legal advisors, the Executive Board of elumeo SE has come to the conclusion that the aforementioned claims are unfounded.

On 16 August 2019, the Regional Court of Berlin issued an order for a conciliation hearing on 4 December 2019 in Berlin. The subject matter of the action and the counterclaim between elumeo SE and Kat Florence Design Ltd. are the non-effective termination of the cooperation agreement, the unauthorised use of customer data by Kat Florence Design Ltd. and claims for damages by Kat Florence Design Ltd. due to the closure of a shop in London in March 2017, which is alleged to be related to the closure of the business operations of Rocks & Co UK in the UK in December 2017. In particular, the Executive Board considers it unlikely that the claims for damages will be enforceable after consulting with legal advisors.

On 27 August 2019, our legal representatives in Bangkok informed us that our efforts to appoint a new management for PWK Jewelry Company Limited, which is in liquidation, had once again failed due to the lack of approval by the competent Ministry of Commerce in Chanthaburi. Despite the contrary legal situation, the prospect of legal enforceability is assessed to be very low. The extent to which this could result in potential claims for damages against the local management or other consequences has yet to be assessed.

On 24 September 2019, elumeo SE learned of an action for annulment and rescission brought by Ottoman Strategy Holdings (Suisse) S.A., represented by attorney Roderich Schaezle, Munich. The subject of the action is the challenge of the resolutions of the Annual General Meeting to ratify the actions of the Chairman of the Executive Board, Wolfgang Boyé, as well as the appointment of Ingo Stober as a member of the Executive Board. The action has not yet been served. According to an initial assessment by our legal advisor, the chances of success of this lawsuit appear to be very low.

No other events of special significance have occurred since the reporting date that would have a material impact on the net assets, financial position and results of operations of the elumeo Group.



V. ASSURANCE OF LEGAL REPRESENTATIVES

Statement in accordance with Section 115 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 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 fiscal year."

Berlin, 30 September 2019

elumeo SE

The Executive Managing Directors

Bernd Fischer

Thomas Jarmuske

Boris Kirn

Ingo Stober