

## **HALF YEAR FINANCIAL REPORT**

**AS AT JUNE 30, 2017**

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# A/ CONSOLIDATED INTERIM CONDENSED FINANCIAL STATEMENTS AS AT JUNE 30, 2017

## 1. FINANCIAL STATEMENTS

### 1.1. Statement of net profit or loss and other comprehensive income

<i>in K€</i>	Notes	H1 2017	H1 2016
Net revenues	4.1	306 173	240 330
Cost of goods sold	4.2	- 191 765	- 144 826
<b>Gross margin</b>		<b>114 408</b>	<b>95 504</b>
Gross margin as a percentage of revenue		37,4%	39,7%
Marketing	4.2	- 12 310	- 8 371
Logistics & Fulfillment	4.2	- 70 855	- 55 990
General & Administrative expenses	4.2	- 24 558	- 17 709
<b>Current operating profit</b>		<b>6 685</b>	<b>13 434</b>
Depreciation of assets recognized through business combination		- 753	- 391
Cost of share based payments		- 2 467	- 7 798
Other operating income and expenses	4.4	- 2 776	- 2 216
<b>Operating profit</b>		<b>689</b>	<b>3 029</b>
Income from cash and cash equivalents		- 158	- 183
Cost of financial debt		- 91	- 51
<b>Net finance costs</b>		<b>- 249</b>	<b>- 234</b>
<b>Other financial income and expenses</b>		<b>90</b>	<b>184</b>
<b>Profit before tax</b>		<b>530</b>	<b>2 979</b>
Income taxes		- 740	- 2 274
<b>Net income for the period</b>		<b>- 210</b>	<b>705</b>
<b>Attributable to owners of the Parent</b>		<b>- 354</b>	<b>705</b>
<b>Attributable to third parties</b>		<b>144</b>	

<i>in K€</i>	H1 2017	S1 2016
<b>Net income for the period</b>	<b>- 354</b>	<b>705</b>
Income and expense recognized in equity		
<b>Total comprehensive net income for the period</b>	<b>- 354</b>	<b>705</b>

## 1.2. EBITDA

<i>in K€</i>	Notes	H1 2017	H1 2016
<b>Net income for the period</b>		<b>- 210</b>	<b>705</b>
Amortisation of assets recognized through business combination		753	391
Deprec. & Am. of tangible and intangible assets		4 212	2 307
<i>o/w amort. in Logistics &amp; Fulfillment</i>		959	886
<i>o/w amort. in G&amp;A</i>		3 253	1 421
Cost of share-based payments	5.9	2 467	7 798
Non recurring items	4.4	2 776	2 216
Net finance costs		249	51
Other financial income and expenses		- 90	-
Income taxes		740	2 274
<b>EBITDA</b>		<b>10 897</b>	<b>15 742</b>
<i>EBITDA in % of revenue</i>		3,56%	6,55%

### 1.3. Consolidated balance sheet

<i>in K€</i>	Notes	30/06/2017	31/12/2016
Goodwill	5.1	119 080	102 782
Other intangible assets		48 472	39 289
Tangible assets		15 558	15 626
Financial assets		3 702	3 624
Deferred tax assets		3 276	3 278
<b>Non current assets</b>		<b>190 088</b>	<b>164 599</b>
Inventories	5.2	114 555	82 638
Accounts receivables and similar account	5.3	34 839	36 612
Income tax receivables		4 764	3 519
Other receivables	5.4	24 220	36 915
Cash and cash equivalent	5.5	40 841	97 004
<b>Current assets</b>		<b>219 219</b>	<b>256 688</b>
<b>Total Assets</b>		<b>409 307</b>	<b>421 287</b>

<i>in K€</i>	Notes	30/06/2017	31/12/2016
Share capital		1 374	1 368
Share premium reserves		173 287	172 492
Treasury shares		-	-
Other reserves		29 543	28 944
Net income		- 210	- 250
<b>Total shareholders' equity</b>		<b>203 994</b>	<b>202 554</b>
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>	1.5	<b>203 994</b>	<b>202 554</b>
Long term financial liabilities	5.7	26 767	2 038
Employee benefits		88	88
Deferred tax liabilities		14 033	11 628
<b>Total non current liabilities</b>		<b>40 888</b>	<b>13 754</b>
Short term financial liabilities	5.7	1 050	966
Provision for risks and charges	5.6	1 204	1 324
Accounts payables		103 359	148 504
Income tax liability		649	710
Other current payables	5.4	58 163	53 475
<b>Total current liabilities</b>		<b>164 425</b>	<b>204 979</b>
<b>Total Liabilities</b>		<b>205 313</b>	<b>218 733</b>
<b>Total Equity and Liabilities</b>		<b>409 307</b>	<b>421 287</b>

## 1.4. Consolidated cash-flow statement

<i>in K€</i>	H1 2017	H1 2016	
Net income for the period	- 210	705	
Depreciation & Amortization	4 845	4 307	
Gain / Loss on sale of assets	266	471	
Fair value measurement of stock options	2 046	6 433	
<b>Cash flows from operations before finance costs and income tax</b>	<b>6 947</b>	<b>11 916</b>	
Income taxes for the period	740	2 274	
Net finance costs	249	51	
<i>Change in inventories</i>	- 30 057	- 5 455	
<i>Change in accounts receivables and other current assets</i>	15 485	- 21 828	
<i>Change in other accounts payables and other current liabilities</i>	- 48 179	2 269	
Change in working capital	- 62 751	- 25 014	
<b>Cash flow from operating activities before tax</b>	<b>- 54 815</b>	<b>- 10 773</b>	
Current income tax paid	- 1 218	- 2 764	
<b>Net cash from operating activities</b>	<b>- 56 033</b>	<b>- 13 537</b>	
Change in consolidation scope	- 8 331	-	
Acquisition of intangible and tangible assets	- 5 786	- 3 691	
Acquisition of stakes in associate companies	-	79	
Net change in non current financial assets	- 53	-	
Proceeds from sale of intangible and tangible assets	8	34	
Other flows from investing activities	- 1 017	-	
<b>Net cash from investing activities</b>	<b>- 15 179</b>	<b>- 3 578</b>	
Increase in share capital and share premium reserves	-	-	
Proceeds from stock-options	801	847	
New financial liabilities	15 000	-	
Repayment of financial liabilities	- 503	- 463	
Finance costs paid	- 249	- 51	
Other flows from financing activities	-	-	
<b>Net cash from financing activities</b>	<b>15 049</b>	<b>333</b>	
<b>Total cash flow for the period</b>	<b>- 56 163</b>	<b>- 16 782</b>	
Cash and cash equivalent at the beginning of the period	5.5	97 004	102 982
Cash and cash equivalent at the end of the period	5.5	40 841	86 200

Details of the composition of the closing cash position are provided in Note 4.5. The variation in working capital requirements on 30 June 2016 is mainly due to the seasonality of the activity.

## 1.5. Statement of changes in consolidated equity

in K€	Share capital	Additional paid-in	Treasury shares	Other reserves Group			Consolidated retained earnings	Total Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Translation reserves	Other reserves	Total				
<b>At December 31, 2015</b>	<b>1 316</b>	<b>168 532</b>	-	-	<b>3 752</b>	<b>14 447</b>	<b>188 047</b>	-	<b>188 047</b>	
IPO on Euronext	-	-	-	-	-	705	705	-	705	
<b>Total comprehensive net income for the period</b>	-	-	-	-	-	<b>705</b>	<b>705</b>	-	<b>705</b>	
IPO on Euronext	-	-	-	-	-	-	-	-	-	
Proceeds from stock-options	6	841	-	-	-	-	847	-	847	
Free shares and share options charges	-	-	-	-	6 433	-	6 433	-	6 433	
Other changes	-	-	-	-	-	-	-	-	-	
<b>At December 31, 2016</b>	<b>1 322</b>	<b>169 373</b>	-	-	<b>10 185</b>	<b>15 152</b>	<b>196 032</b>	-	<b>196 032</b>	
IPO on Euronext	-	-	-	-	-	-955	-955	-	-955	
<b>Total comprehensive net income for the period</b>	-	-	-	-	-	<b>-955</b>	<b>-955</b>	-	<b>-955</b>	
IPO on Euronext	-	-	-	-	-	-	-	-	-	
Proceeds from stock-options	21	3 119	-	-	-	-	3 140	-	3 140	
Free shares and share options charges	-	-	-	-	4 337	-	4 337	-	4 337	
Other changes	25	-	-	-	-	-25	-	-	-	
<b>At December 31, 2016</b>	<b>1 368</b>	<b>172 492</b>	-	-	<b>14 522</b>	<b>14 172</b>	<b>202 554</b>	-	<b>202 554</b>	
IPO on Euronext	-	-	-	-	-	-210	-210	-	-210	
<b>Total comprehensive net income for the period</b>	-	-	-	-	-	<b>-210</b>	<b>-210</b>	-	<b>-210</b>	
IPO on Euronext	-	-	-	-	-	-	-	-	-	
Proceeds from stock-options	6	795	-	-	-	-	801	-	801	
Free shares and share options charges	-	-	-	-	2 046	-	2 046	-	2 046	
Other changes	-	-	-1 197	-	-	-	-1 197	-	-1 197	
<b>At June 30, 2017</b>	<b>1 374</b>	<b>173 287</b>	<b>-1 197</b>	-	<b>16 568</b>	<b>13 962</b>	<b>203 994</b>	-	<b>203 994</b>	

The variation over the period relates mainly to share based payments.

At December 31st, 2015, the share capital of the company SRP Groupe S.A. consisted of 32,890,324 shares with a nominal value of €0.04 each.

At June 30th, 2016, the share capital of the company SRP Groupe S.A. consisted of 33,055,320 shares with a nominal value of €0.04 each

At June 30st, 2017, the share capital of the company SRP Groupe S.A. consisted of 34,341,582 shares with a nominal value of €0.04 each.

## **2. ACCOUNTING STANDARDS, CONSOLIDATION METHODS, VALUATION METHODS AND PRINCIPLES**

### **2.1. The Group**

The attached consolidated interim condensed financial statements show the operations of the company SRP Groupe S.A. (hereafter referred to as “the Company”) and its subsidiaries, together with the Group’s share in companies over which it exercises a significant influence or joint control (the whole hereafter referred to as “the Group”). The Group’s activity is dedicated to private sales of items on the Internet.

### **2.2. Main events during the period**

During the reporting period the Group acquired 60% of the shares of Beauté Privée SA, France (see Note 3.2 details of the transaction).

### **2.3. Accounting standards**

The consolidated interim condensed financial statements were drawn up in compliance with the international financial reporting standard IAS 34, “Interim Financial Reporting.” They do not include all the information required by the IFRS standard for establishment of complete annual financial statements and must be read together with the Group’s financial statements for the financial year ended on 31 December 2016.

The consolidated interim condensed financial statements for the periods from 1 January 2017 to 30 June 2017 and related notes were approved by the Board of Directors on 25 July 2017.

The accounting principles adopted for drawing up the consolidated interim condensed financial statements for the period from 1 January 2017 to 30 June 2017 are identical to those used for presentation of the annual consolidated accounts for the financial year ended on 31 December 2016.

IFRS accounting standards allow the application in advance of the following new accounting standards, amendments to standards and interpretations adopted by the European Union:

- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial instruments

The following IFRS standards, amendments to standards and interpretations, not yet adopted by the European Union on 30 June 2016 and the application of which is not mandatory, were not applied in advance by the Group:

- IAS 7 (amendements) Disclosure Initiative
- IAS 12 (amendements) Recognition of Deferred Tax Assets for Unrealised Losses
- IFRIC 22 (interpretation) Foreign currency transactions and advance consideration
- IFRIC 23 (interpretation) Uncertainty over income tax treatment
- Annual improvements 2014-2016

The following IFRS standards, amendments to standards and interpretations have been published but are not yet applicable on 30 June 2017:

- IFRS 14 Regulatory Deferral Accounts
- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IFRS 10 et IAS 28 Sale or asset contribution between an investor and an associated company or joint venture (amendements)
- IFRS 15 (clarification) Revenue from regular business contracts concluded with customers
- IFRS 2 (modifications) Classification and evaluation of transactions where the payment is share-based
- IFRS 4 (modifications) Application of IFRS 9 and IFRS 4

The Group is currently pursuing an analysis in order to measure the impact from these new accounting standards, in particular IFRS 9, 15 and 16.

## 2.4. Use of estimates and assumptions

Preparation of the financial statements in accordance with IFRS standards requires Management to exercise judgements, make estimates and assumptions that may have an impact on application of accounting methods and on the amounts of assets and liabilities, income and expenditure.

These estimates take into account economic data and hypotheses that are likely to vary over time and may contain some uncertainties. They mainly concern the valuation methods and hypotheses used for the purpose of identifying intangible assets in relation to business combinations, monitoring the Goodwill value, valuation of intangible assets, stock valuation and estimates of provisions, assets and liabilities resulting from finance lease contracts.

In the context of preparation of the consolidated interim condensed financial statements, the significant assumptions made by Management in order to apply the Group's accounting methods and the main sources of uncertainty relative to estimates are identical to those described in the consolidated financial statements for the financial year closed on 31 December 2016.

## 2.5. Accounting principles and valuation methods

In the context of preparation of the consolidated interim condensed financial statements, the accounting principles and valuation methods are identical to those described in the consolidated financial statements for the financial year closed on 31 December 2016.

## 2.6. Seasonality

Performance in the 2<sup>nd</sup> half-year is better than in the 1<sup>st</sup> half-year since the seasonality of the activity and demand usually reach a peak in the fourth quarter of the year, before the Christmas period. During this period, the Group usually realizes its highest volume of sales and acquires its largest number of new members.

This seasonality has an impact on cash-flow and working capital requirements in the 1<sup>st</sup> half-year. During the first half-year, the Group pays its suppliers for major conditional sales volumes and reconstitute its stocks and marketing costs incurred during the fourth quarter of the previous year are settled during this period.

## 3. CONSOLIDATION SCOPE

### 3.1. Scope on 30 June 2016

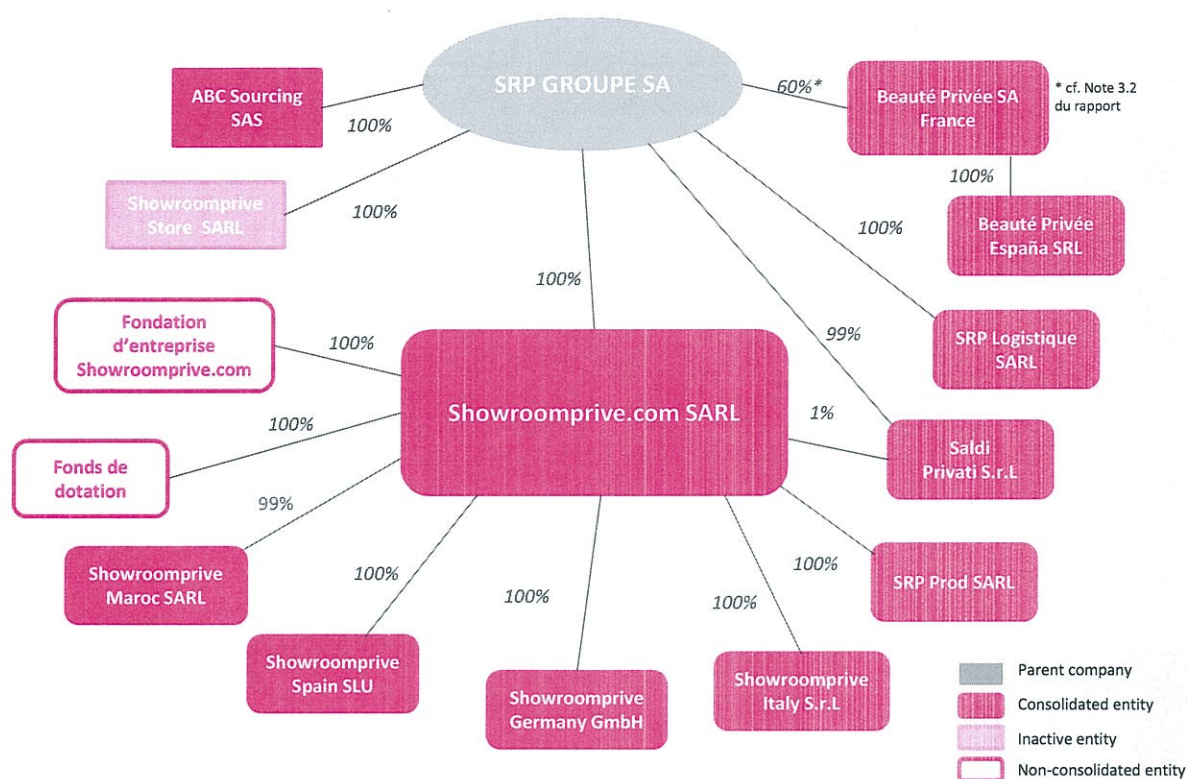
Legal entities	Conso. method	30/06/2017		31/12/2016		31/12/2015		31/12/2014	
		Share-holding	Controlling interest	Share-holding	Controlling interest	Share-holding	Controlling interest	Share-holding	Controlling interest
Showroom 30	France	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
Showroomprivé.com S.à r.l.*	France	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
SRP Groupe	France	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
SRP Logistique S.à r.l.	France	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
Beauté Privée SA	France	Full	60,00 %	60,00 %	-	-	-	-	-
Beauté Privée ESPAÑA, S.LU.	Spain	Full	60,00 %	60,00 %	-	-	-	-	-
SRP Spain	Spain	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
SRP GmbH	Germany	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
SRP Italy	Italy	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
SRP Prod	France	Full	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
Saldi Privati S.r.l.	Italy	Full	100,00 %	100,00 %	100,00 %	100,00 %	-	-	-
ABC Sourcing SAS	France	Full	100,00 %	100,00 %	100,00 %	100,00 %	-	-	-
SRP Maroc	Morocco	Full	100,00 %	99,99 %	100,00 %	99,99 %	-	-	-

\*ex- SRP Trading

Full = Fully consolidated



The following is the Group's organizational chart on June 30, 2016:



The five subsidiaries SRP LOG, SRP Prod, SRP Spain, SRP GmbH and SRP Italy provide support to the business activity of Showroomprivé.com.

### 3.2. Development of scope during the period

On March 15, 2017 the Group acquired a controlling share in Beauté Privée SA, France, by purchasing 60% of the share capital of that company. Beauté Privée is active in the sale of beauty products on the internet.

The consideration comprises the price already paid as well as a variable price component to be paid at a later stage to the seller (« Earn-out »). The amount of the earn-out depends on the performance of the acquired company in 2017. The share purchase agreement also includes a put and a call option for the seller and the acquirer which makes an acquisition of the remaining shares (40%) by the Group in the future virtually certain.

Against this background the Group has opted for the following accounting treatment of this acquisition:

- The goodwill is based on the price already paid or yet to be paid for the 60% already acquired as well as a fair value estimate for the remaining 40% in accordance with IFRS 3R.
- The Group has recognized in its balance sheet as of June 30, 2017 a debt for the earn-out linked to the purchase of the 60% share as well as for the future acquisition of the remaining 40% of shares in accordance with IAS 32. Both will be revalued regularly to reflect any changes in value until their respective expiry dates.
- In line with this accounting treatment no non-controlling interests will be shown in Group's balance sheet as they are deemed already acquired by the Group.

In this context the total consideration for this acquisition presents itself as follows:

<i>Share</i>	<i>Item</i>	<i>in M€</i>
60%	Payment in cash	11.4
	Earn-out	2.0
40%	Put / call option recognized as debt	9.9
<b>Total consideration</b>		<b>23.3</b>

On this basis the allocation of purchase consideration to all assets and liabilities acquired at the acquisition date yielded the following result:

<i>Balance sheet item</i>	<i>En M€</i>
Trademark	1,3
Customer relationships	7,2
Fixed assets	0,1
Working capital (including cash & cash equivalents)	0,9
Differed taxes	(2,7)
Goodwill	16,5
<b>Total assets and liabilities acquired</b>	<b>23,3</b>

The purchase price allocation is provisional at the half-year closing date. It will be finalized in accordance with IFRS 3R at the end of the adjustment period of twelve months following the acquisition date.

Beauté Privée SA France has a subsidiary in Spain (Beauté Privé España SRL). Both Beauté Privée and its subsidiary are included in the consolidated financial statements as of June 30, 2017 with their respective contributions to the Group's business since the acquisition date.

## 4. NOTES TO THE PROFIT AND LOSS ACCOUNT

### 4.1. Information by customer geographic area

The geographies presented according to the customers' geographic origin cover the following areas:

France	International
France mainland and overseas regions (DOM-TOM)	Belgium, Spain, Italy, Portugal, Netherlands, Poland, UK, Germany and Morocco

The Group deploys its offer in France and in nine foreign countries through a multi-currency offer from its single platform based in France. Sales in Italy are generated through the sales platform of Saldi Privati:

in K€	30/06/2017			30/06/2016		
	Total consolidated	France	Internat.	Total consolidated	France	Internat.
Internet sales	297 551	243 476	54 075	234 406	205 499	28 908
Other	8 622	8 107	515	5 924	5 924	-
<b>Total net revenue</b>	<b>306 173</b>	<b>251 583</b>	<b>54 590</b>	<b>240 330</b>	<b>211 423</b>	<b>28 908</b>
<b>EBITDA</b>	<b>10 897</b>	<b>17 107</b>	<b>- 6 210</b>	<b>15 742</b>	<b>15 719</b>	<b>23</b>
<i>Growth</i>	27,4%	19,0%	88,8%	20,5%	26,0%	-8,4%
<i>EBITDA in % of net revenue</i>	3,6%	6,8%	-11,4%	6,6%	7,4%	0,1%

The EBITDA per geographic area is based on an allocation of operating expenses according to turnover related to the area's business activity.

## 4.2. Operating expenses by type

in K€	H1 2017	H1 2016
Cost of goods sold	- 191 765	- 144 826
Purchases and sub-contracting expenses	- 74 730	- 57 066
Personnel expenses	- 26 048	- 21 396
Tax expenses	- 2 785	- 1 871
Deprec. & Am, of tangible and intangible assets	- 4 212	- 2 307
Other provisions and depreciations	101	- 223
Other operating income and expense	- 49	793
<b>Current operating expenses</b>	<b>-299 488</b>	<b>-226 896</b>

## 4.3. Income Tax

The income tax is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full year.

Based on the weighted average rate (tax based on pre-tax profit), i.e. the forecast tax charge (excluding CVAE) in relation to the expected profit before tax for the whole year and estimated at 44%, the income tax amounts 0.2M€ at 30 June 2017. The CVAE tax amounted to 0.5M€ in the first half of the financial year.

The projected rate is still impacted by a significant charge for IFRS 2 which is not deductible from taxable income.

#### 4.4. Other operating income and expenditure

For the first half of 2017, other operating income and expenditure (not counting amortization of assets recognized through business combination) amounted to 5.2 M€ and essentially include the following non-recurring elements:

▪ Shares and stock options allocated to employees	2.5M€
▪ Restructuring measures	1.1M€
▪ Integration Saldi Privati	0.6M€
▪ Fees linked to litigations	0.5M€

For the same period in 2016, other operating income and expenditure included:

▪ Shares and stock options allocated to employees	7.8M€
▪ Fees linked to litigations	1.0M€
▪ Closedown of the SR30 business activity	0.7M€
▪ Fees linked to the 2015 IPO process	0.5M€

## 5. NOTES TO THE BALANCE SHEET

### 5.1. Goodwill

<i>in K€</i>	31/12/2016	Scope entry	Exit from the scope	Depreciation	Other changes	31/12/2016
Goodwill	102 782	16 547	-	-	- 249	119 080
Goodwill depreciation	-	-	-	-	-	-
<b>Net book value</b>	<b>102 782</b>	<b>16 547</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119 080</b>

The movement during the reporting period is mainly linked to the first-time consolidation of Beauté Privée (see Note 3.2). Other changes relate to a change in the acquisition price of Saldi.

The group did not identify any loss of value indicators that would justify an impairment test for goodwill and other assets and liabilities.

### 5.2. Inventories

Stocks and work-in-progress break down as follows:

<i>in K€</i>	30/06/2017			31/12/2016		
	Gross book value	Dep.	Net book value	Gross book value	Dep.	Net book value
Packaging and supplies inventory	717	-	717	426	-	426
Goods inventory	115 448	- 1 610	113 838	84 201	- 1 989	82 212
<b>Total Inventories</b>	<b>116 165</b>	<b>- 1 610</b>	<b>114 555</b>	<b>84 627</b>	<b>- 1 989</b>	<b>82 638</b>

### 5.3. Customer receivables and related assets

This item breaks down as follows:

in K€	30/06/2017			31/12/2016		
	Gross book value	Provisions for doubtful accounts	Net book value	Gross book value	Provisions for doubtful accounts	Net book value
Accrued income	-	-	-	3 083	-	3 083
Accounts receivable	5 725	- 560	5 165	7 920	- 914	7 006
Advances and prepayments	29 674	-	29 674	26 523	-	26 523
<b>Total receivables and related accounts</b>	<b>35 399</b>	<b>- 560</b>	<b>34 839</b>	<b>37 526</b>	<b>- 914</b>	<b>36 612</b>

All customer receivables are due within less than one year.

### 5.4. Other current assets and liabilities

in K€	30/06/2017	31/12/2016
Prepaid expenses	2 568	20 886
Tax and social security receivables	10 004	17 022
Other receivables	11 648	- 993
<b>Other current receivables</b>	<b>24 220</b>	<b>36 915</b>
Deferred revenues	25 450	30 663
Tax and social security liabilities	15 044	20 639
Other liabilities	17 669	2 173
<b>Other current liabilities</b>	<b>58 163</b>	<b>53 475</b>

### 5.5. Cash and cash equivalents

en K€	30/06/2017	31/12/2016
Placements à court terme	394	19 574
Banques	40 447	77 430
Découverts bancaires	-	-
<b>Trésorerie nette</b>	<b>40 841</b>	<b>97 004</b>

On 30 June 2016, short-term investments are essentially made up of immediately-available short-term deposits, as was the case in the previous financial years.

In the first half of 2017, the decrease in cash, amounting to €55.9M, is mainly due to

- Cash flows from operating activities that are structurally negative in the first half of every financial year due to the cyclical activity of the Group;
- Purchasing opportunities that the Group seized in the first half of the year in order to fuel its second-half growth trend (increase in purchases of 42 M€ of purchases for SRP-owned inventory compared H1 2016).

- The acquisition of a 60% share in Beauté Privée for an amount of 11.4M€ (cf. Note 3.2).

## 5.6. Provisions

<i>in K€</i>	31/12/2016	Provisions	Reversals of used provisions	Reversals of unused provisions	Exchange rate fluctuations	Change in scope of consolidation	30/06/2017
Provision for litigation (< 1 year)	587	192	- 312				467
<b>Total Provision for risks</b>	<b>587</b>	<b>192</b>	<b>- 312</b>	-	-	-	<b>467</b>
Miscellaneous	737						737
<b>Total Provisions for charges</b>	<b>737</b>	-	-	-	-	-	<b>737</b>

## 5.7. Borrowings and financial liabilities

<i>in K€</i>	31/12/2016	Loans raised	Loans repaid	Other	30/06/2017
Bank borrowings	2 038	15 000	- 25	- 171	16 867
	-	9 900	-		9 900
<b>Mid- and long-term financial liabilities</b>	<b>2 038</b>	<b>24 900</b>	<b>- 25</b>	<b>- 171</b>	<b>26 767</b>
Bank borrowings due in less than 1 year	934	589	- 478	-	1 045
Other borrowings due in less than 1 year	5	-	-	-	5
Bank overdrafts	27		- 27	-	-
<b>Short-term financial liabilities</b>	<b>966</b>	<b>589</b>	<b>- 505</b>	-	<b>1 050</b>
<i>o/w finance lease</i>	<i>2 965</i>		<i>- 465</i>		<i>2 500</i>
<b>Total Loans and financial debts</b>	<b>3 004</b>	<b>25 489</b>	<b>- 530</b>	<b>- 171</b>	<b>27 817</b>

Les main changes during the reporting period are linked to the financing of the Group's acquisitions:

- A bank borrowing of 15 M€ in order to finance the 2016 acquisition of Saldi Privati.
- A debt of 9,9M€ towards the minority shareholders which represents the best estimate of the future payment for the acquisition the remaining shares (40%) in Beauté Privée (see Note 3.2).

Remaining bank borrowings are almost exclusively related to finance lease contracts.

As part of the 15 M€ bank borrowing SRP Groupe S.A. has committed itself to comply with certain financial ratios:

- The first is calculated on the basis of financial debt to EBITDA,
- The second is calculated on the basis of financial net debt to net equity.

These ratios are calculated at each annual closing date (starting with the financial year ended 31 December 2017) based on the annual consolidated accounts, certified by the Group auditors.

## 5.8. Definition of classes of financial assets and liabilities by accounting category

Categories of financial assets and liabilities	Financial assets/ Liabilities measured at fair value through profit or loss	Loans and receivables	Liabilities measured at amortized cost	Financial assets/ Liabilities measured at fair value through equity	Financial derivatives classified as cash flow hedges for accounting purposes	Total carrying amount	Fair value of the category
Financial assets		3 702				3 702	3 702
Operating receivables and other current receivables		59 059				59 059	59 059
Derivative instruments						0	0
Other non current assets						0	0
Cash and Cash equivalents	40 841					40 841	40 841
<b>TOTAL ASSETS</b>	<b>40 841</b>	<b>62 761</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103 602</b>	<b>103 602</b>
Long term financial liabilities			26 767			26 767	26 767
Other non-current liabilities				88		88	88
Short term financial liabilities			1 050			1 050	1 050
Operating liabilities and other current liabilities			161 522			161 522	161 522
Derivative instruments						0	0
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>189 339</b>	<b>88</b>	<b>0</b>	<b>189 427</b>	<b>189 427</b>

Categories of financial assets & liabilities	Financial assets/ Liabilities measured at fair value through profit or loss	Loans & receivables	Liabilities measured at amortized cost	Financial assets/ Liabilities measured at fair value through equity	Financial derivatives classified as cash flow hedges for accounting purposes	Total carrying amount	Fair value of the category
Financial assets		3 624				3 624	3 624
Operating receivables and other current receivables		73 527				73 527	73 527
Derivative instruments						0	0
Other non current assets						0	0
Cash and Cash equivalents	97 004					97 004	97 004
<b>TOTAL ASSETS</b>	<b>97 004</b>	<b>77 151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>174 155</b>	<b>174 155</b>
Long term financial liabilities			2 038			2 038	2 038
Other non-current liabilities				88		88	88
Short term financial liabilities			966			966	966
Operating liabilities and other current liabilities			201 979			201 979	201 979
Derivative instruments						0	0
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>0</b>	<b>204 983</b>	<b>88</b>	<b>0</b>	<b>205 071</b>	<b>205 071</b>

## 5.9. Stock option schemes

On 5 August 2010, the General Meeting of Shareholders authorised the Board of Directors to grant to a certain number of associates of the Group, on one or more occasions and over a period of 38 months, options entitling them to subscribe for shares

On 27 October 2014, the General Meeting of Shareholders authorised the Board of Directors to grant to a given number of employees of the Group, on one or more occasions, and over a period of 38 months, options entitling them to subscribe for new shares.

The main features of these schemes and the basis of calculation are summarised in the table below:

	Plan n°1	Plan n°2	Plan n°3	Plan n°4	Plan n°5	Plan n°6	Plan n°7	Plan n°8	Plan n°9
Date of the General Meeting	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	05/08/10	27/10/14
Date of the executive board	05/08/10	05/08/10	31/01/11	30/11/11	15/10/12	15/01/13	15/04/13	04/10/13	27/10/14
Total number of options authorized	544 320								84 500
									1 260 000
Total number of options attributed over the previous periods	544 320	315 000	293 750	38 750	342 500	50 000	167 500	50 000	70 000
Total number of options attributed over the current year	-	-	-	-	-	-	-	-	-
Total number of options exercised over the previous periods	- 544 320	- 315 000	- 136 440	-	- 102 311	- 43 570	- 46 126	- 14 084	- 18 925
Total number of options exercised over the current year	-	-	- 20 458	-	- 58 501	-	- 27 530	- 26 291	- 17 333
Total number of options cancelled	-	-	- 100 000	- 38 750	- 126 406	- 6 430	- 48 438	- 2 343	- 15 624
Total number of remaining options at 30th June 2017	-	-	36 852	-	55 282	-	45 407	7 302	18 118
Weighted average vesting period (in year)	-	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0
Share price at the granting date / considering as equal to the exercise price	4,00	4,00	4,00	4,60	5,20	5,20	5,20	5,60	7,20
Exercise price (€)	4,00	4,00	4,00	4,60	5,20	5,20	5,20	5,60	7,20
Expected volatility	32%	32%	32%	32%	35%	35%	35%	35%	35%
Weighted average fair value at grant date	-	0,29	0,32	0,37	0,42	0,38	0,37	0,77	1,24

It is specified that Scheme Nos. 1 and 2 are intended for senior executives.

In the case of Scheme No. 1, the rights were immediately acquired on the date of incorporation of SRP Groupe and completion of contributions.

Scheme Nos. 2, 3 and 4 provide for the gradual acquisition of rights over a period of 4 years, subject to continued employment with the Group.

Depending on the calculation parameters used in determining the fair value based on the Black & Scholes model and on the basis of an updated assumption of the turnover rate of beneficiary employees, the expense recognised in "Other operating expenditure" amounts to:

- €18k for the first half of 2016.
- €6k for the first half of 2017.

The total amount remaining to be amortised between the 2<sup>nd</sup> half of 2016 and 2018 with regard to these schemes amounts to €13k.



## 5.10. Bonus share plans

On September 25, 2015 and then on May 30, 2016, the General Meeting of Shareholders authorized the Board of Directors to grant bonus shares to a given number of employees of the Group, on one or more occasions, and over a period of 38 months. These plans were decided at the same time as the IPO on the Euronext regulated market.

The main features of these plans and the basis of calculation are summarized in the table below:

	Plan n°2	Plan n°3	Plan n°4	Plan n°5	Plan n°6	Plan n°7	Plan n°8	Plan n°9
Date of the General Meeting	25/09/15		30/05/16	30/05/16	30/05/16	30/05/16	30/05/16	30/05/16
Date of the executive board	29/10/15		30/05/16	30/05/16	14/02/17	14/02/17	26/06/17	26/06/17
Total number of free shares authorized	100 000	400 000	52 500	24 003	57 990	46 653	17 675	95 450
Total number of free shares attributed over the previous periods	100 000	250 585	52 500	24 003				
Total number of free shares attributed over the current year	-	-	-	-	57 990	46 653	17 675	95 450
Total number of free shares exercised over the current year	-	-	-	-				
Total number of free shares cancelled	-	- 60 835	-	- 3 028	- 3 225	-	-	-
Total number of remaining free shares at 30th June 2017	100 000	189 750	52 500	20 975	54 765	46 653	17 675	95 450
Weighted average vesting period (in year)	2,0	2,0	2,0	2,0	2,0	2,0	2,0	2,0
Share price at the granting date	17,62	17,62	19,19	19,19	22,69	22,69	23,50	23,50
Exercise price (€)	-	-	-	-	-	-	-	-
Weighted average fair value at grant date	16,86	15,18	13,78	13,78	17,02	17,02	17,63	17,63

All free shares of Plan no. 1 were exercised in the financial year 2016.

Depending on the calculation parameters used in determining the fair value, and on the basis of an updated assumption of the turnover rate of recipient employees, the expense recognized as "Cost of share based payments" amounts to 2,046k€ for the first half of 2017.

The total amount to be amortized until 2019 in respect of these plans is 4,743k€.

## 5.11. Earnings per share

### Basic earnings per share

<i>in K€</i>	H1 2017	H1 2016
Total comprehensive net income for the period - part attributable to owners of the consolidating entity	- 354	705
Average number of ordinary shares	34 266 526	32 972 822
Basic earnings per share (in €)	- 0,010	0,0214

## Diluted earnings per share

<i>in K€</i>	S1 2017	S1 2016
Total comprehensive net income for the period - part attributable to owners of the consolidating entity	- 354	705
Average number of ordinary shares	34 266 526	32 972 822
Impact of dilutive instruments:	760 065	1 528 985
Average number of diluted ordinary shares	35 026 591	34 501 807
Diluted earnings per share (in €)	- 0,010	0,0204

## 6. GROUP EXPOSURE TO FINANCIAL RISKS

### 6.1. Market risk

#### Foreign exchange risk

The Group is not highly exposed to foreign-exchange risk with respect to its operational activities. The vast majority of transactions (Internet) undertaken by its customers is invoiced or paid in Euros. Most purchases made from suppliers are invoiced or paid in Euros.

If the Euro appreciates (or depreciates) against another currency, the value in Euros of items of assets and liabilities, income and expenditure initially recognized in this other currency will decrease (or increase). Hence, fluctuations in the value of the Euro may have an impact on the Euro value of items of assets and liabilities, income and expenditure not denominated in Euros, even if the value of these items has not changed in the original currency.

A 10% variation in the exchange-rate parity of currencies other than the functional currencies of the subsidiaries would not have a significant impact on the Group's net income for the first half of 2017.

#### Interest rate risk

The Group is exposed to an interest rate risk with regard to its short-term investments.

The impact of a fall in interest rate by 1 point applied to short-term rates would have had a non-significant impact on the Group's net income for the first half of 2017.

### 6.2. Liquidity risk

In order to manage the liquidity risk which may result from repayment of financial liabilities, whether at their contractual maturity or in advance, the Group implements a prudent financial policy based, in particular, on the investment of its surplus free cash flow in risk-free financial investments.

The group is not subject to any bank guarantee.

### 6.3. Credit risk

The financial assets which may, by their nature, expose the Group to a credit or counterparty risk essentially concern:

- Customer receivables: this risk is monitored on a daily basis through the collection and recovery processes. B2B customers are submitted to a regular follow-up in order to minimize the collection risk.
- Financial investments: the Group's policy is to spread its investments over monetary instruments with short-term maturity, in general for a period of less than 1 month, in compliance with the rules governing diversification and the quality of counterparties

- Advance payments to suppliers as part of the Group purchasing process

The book value of financial assets recognized in the financial statements, which is stated after deduction of impairment losses, represents the Group's maximum exposure to credit risk.

The Group does not hold any significant financial assets that are overdue and not amortized.

## 7. RELATED PARTIES

### 7.1. Related parties having control over the Group

On 30 June 2016, the SRP Group had not granted any loan or borrowing in favor of members of the Group's Management.

During the first half of 2016, no significant transaction had been carried out with shareholders and members of management bodies.

The remuneration of senior executives is detailed in the table below:

<i>en K€</i>	30/06/2017	30/06/2016
Rémunérations fixes	501	546
Rémunérations variables	214	-
Coûts des paiements fondés sur des actions	-	-
<b>Total</b>	<b>715</b>	<b>546</b>

Subsidiaries within the Group's consolidation scope carry out transactions between themselves, which are eliminated in the context of the consolidated financial statements

### 7.2. Other related parties

As part of its normal business, the Group carries out transactions with entities partly owned by some executives of the Group. These transactions, conducted at market prices, essentially relate to the renting of the following real estate properties:

- Saint-Witz (warehouse)
- La Plaine Saint-Denis (Head Office)

<i>en K€</i>	30/06/2017	31/12/2016
Créances/ (Dettes)	-	-
Achats de biens et services	1 318	1 914

## 8. OFF-BALANCE SHEET COMMITMENTS

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### 8.1. Commitments received

No commitments were received by the Group during the periods mentioned.

### 8.2. Commitments given

The amount of commitments given is limited to the future payments on lease contracts amounting to 10,073k€ on 30 June 2017, of which with a duration of more than one year:

<i>in K€</i>	< 1 an	de 1 à 5 ans	> 5 ans
Rent to be paid	2 372	6 695	1 006

The Group is in the process of organizing the reporting of off-balance sheet commitments of its subsidiaries ABC, Beauté Privée and Saldi Privati.

### 8.3. Employees

<i>No. of employees</i>	30/06/2017	31/12/2016
Officials	465	380
Employees	508	369
<b>Total Staff</b>	<b>973</b>	<b>749</b>

## 9. EVENTS AFTER THE BALANCE SHEET DATE

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On July 3, 2017 Groupe Conforama, a subsidiary of Steinhoff Group, finalized the acquisition of a strategic shareholding of 17% in the share capital of SRP Groupe as announced by a press statement on May 12, 2017.

This transaction was carried out by way of a private sale of shares by the founders of Showroomprivé at a price of 27 euros per share, for an amount totaling 157.5M€. After this transaction the founders still own a share of 27.17% in the capital and 40.66% of voting rights in SRP Groupe.

The shareholder group formed by the founders has concluded a shareholder agreement with Conforama / Steinhoff to form a second group of shareholders holding 44.15% of the capital and 54.47% of voting rights in SRP Groupe.

This transaction benefited from an exception granted by the French stock market regulator AMF to the acquirer as to the obligation of making a public offer.

## B/ HALF YEAR BUSINESS REPORT

The consolidated interim condensed financial statements are established pursuant to the IFRS norms.

### 1. KEY FIGURES FOR H1 2017

(€ million)	H1 2016	H1 2017	% Growth
<b>Net revenue</b>	<b>240.3</b>	<b>306.2</b>	<b>27.4%</b>
Total Internet revenue	234.4	297.6	26.9%
<b>EBITDA</b>	<b>15.7</b>	<b>10.9</b>	<b>-30.8%</b>
EBITDA as a % of revenue	6.6%	3.6%	
<b>Adjusted EBITDA1 excluding Saldi Privati</b>	<b>-</b>	<b>15.2</b>	<b>-</b>
Adjusted EBITDA <sup>1</sup> as a % of revenue	-	5.3%	-
<b>Net income excluding Saldi Privati</b>	<b>0.7</b>	<b>3.6</b>	<b>+411.4%</b>

### 2. KEY HIGHLIGHTS FROM H1 2017

In the first half of 2017, Showroomprivé posted solid revenue growth, driven in particular by the acceleration of International operations. Showroomprivé consolidated its strategy aiming to respond to all the needs of digital women by acquiring Beauté Privée and implementing a strategic and commercial partnership with Steinhoff/Conforama.

#### 1. Group transformation with the signing of a strategic partnership with Steinhoff/Conforama

- A strategic and commercial partnership with Steinhoff / Conforama was announced on May 17<sup>th</sup> and finalized on July 3<sup>rd</sup>.
- This strategic partnership will allow Showroomprivé to accelerate the implementation of its growth ambitions in France and on an international level.
- Thanks to this partnership, Showroomprivé will: (i) reinforce itself in the household equipment sector; (ii) have access to an exceptional network of physical stores for the click-and-collect of Showroomprivé products, and (iii) benefit from the support in terms of sourcing and the international presence of the Steinhoff group.
- Operational teams have begun to work more closely while synergies and joint commercial development have just started. First synergies are to be implemented as early as in the 3rd quarter.

#### 2. Earlier integration of Saldi Privati

- The important integration work undertaken in November 2016 has been successfully completed, allowing the merger of the two platforms Showroomprivé and Saldi Privati, as well as of their infrastructure and member databases.
- All Group employees now use the same tools, interfaces, and platforms to facilitate interaction and sharing of sales.
- The completion of this stage, that has had a one-off impact on the EBITDA margin of Saldi Privati in H1, will enable the announced cost and revenue synergies to be implemented as early as in the second half of 2017. Profitability will therefore be achieved in 2018.

#### 3. Continuous improvement in service quality and in customer experience

- **Customer navigation**
  - All the digital innovations developed in France (new UX, new mobile website, new search engine) have been rolled out internationally.
  - Launch of a new sponsorship module

1 EBITDA retreated from anticipated marketing investments from H2 in H1 (€1.2 million) and storage costs related to firm purchase opportunities grasped in H1 (€1 million)

- New functionality with creation of the Gift Finder that will offer a more convenient experience to our members
- **Delivery and service quality**
  - 7,000 new additional pick-up points have been established in Europe and a specific network for delivery of heavy products has also been created.
  - The Group's logistics systems in Belgium, Spain, and Portugal were reorganised, enabling a 30% reduction in delivery times for H1.
  - Launch of Infinity in Belgium and Italy
- **Payment**
  - One-click payment and payment in four instalments (in partnership with ONEY) have been widely rolled out to drive and facilitate purchases.

#### 4. Solid growth

- The Group's revenue increased by 27% from €240.3 million in H1 2016 to €306.2 million.
- Organic growth was 16.8%.
- EBITDA margin excluding Saldi Privati was 4.5% (3.6% with Saldi Privati).
- Group's EBITDA margin excluding Saldi Privati was impacted by marketing investments anticipated from H2 in H1 (+€1.2 million), and by storage costs related to firm purchase opportunities grasped in H1 in order to foster year-end growth.
- Excluding these exceptional items, the adjusted EBITDA margin excluding Saldi Privati was 5.3%.

#### 5. Acceleration of International growth

- The Group's international growth was 87% over H1 (28% like-for-like) with a revenue of €54 million.
- As a result of the multi-local strategy (recruitment of local teams, redesign of logistics for the international segment, and rollout of new functionalities already launched in France) started in 2016, this strong growth has confirmed the acceleration seen within the International segment since Q4 2016.
- The Group has continued to strengthen its international sourcing teams in order to provide an even better offer adapted to its international customers' expectations.

#### 6. Strengthening of CSR initiatives on innovation

- Adding value to its fashion-based model and its brand partners, Showroomprivé has stayed a step ahead by continuing to develop its initiatives regarding Fashion Tech.
  - In line with its social involvement, the Showroomprivé Foundation opened the first e-commerce school in Roubaix. Over the next five years, the school will offer more than 4,000 hours of free training to nearly 100 students isolated from the labour market.
- From June 28<sup>th</sup> to July 3<sup>rd</sup>, Showroomprivé organised the 2<sup>nd</sup> annual "Look Forward Fashion Tech Festival", bringing together more than 10,000 visitors at the Gaité Lyrique.

## INITIATIVES FOR H2

Showroomprivé will continue to innovate and improve its customer experience during H2 with the rollout of a range of strategic initiatives aimed at boosting members' activity.

- **Operational synergies and optimizations**
  - Steinhoff / Conforama: the first effects are expected as from the 3rd quarter, thanks to:
    - The roll-out of the Click & Collect system in several pilot sites as from September
    - The launch of cross-business operations (web exclusives, flash sales with Conforama, traffic sharing, etc.) as from the 3rd quarter.
  - Saldi Privati: implementation of cost and revenue synergies announced as from the second half of 2017.
  - The Group has identified an operational optimization plan of €2 million over H2.

- **International Development**
  - Appointment of an international director in charge of development outside France and coordination with the rest of the group;
  - Further strengthening of international sourcing teams, particularly in Italy.
  
- **Business Development**
  - Preparation of an ambitious commercial strategy plan that will be deployed throughout the second half of the year centred around key timings (beginning of the new school year, Halloween, Black Friday and Christmas).
  
- **Improved customer experience**
  - Improvement of the conversion rate: Showroomprivé will offer personalisation of all its purchasing platforms (website, mobile site) to provide its members with an environment adapted to their preferences, as well as a selection of ever more relevant offers.
  - Rationalisation of the purchasing process: The Group will launch a *Personal Shopper* search engine that will allow customers to refine their searches as they wish. *Personal Shopper* will be implemented progressively from September.
  
- **Logistics**
  - Showroomprivé will open a new footwear-dedicated warehouse in Q3 in partnership with ADS and will significantly reshape its Saint Witz site, improving delivery timeframes and making significant operating cost reductions.

### 3. DETAILED COMMENTARY FOR EACH TYPE OF INDICATORS

#### 3.1 Revenues

(€ millions)	H1 2016	H1 2017	% Growth
Internet revenue			
France	205.5	243.5	+18.5%
International	28.9	54.1	+87.1 %
<b>Total Internet revenues</b>	234.4	297.6	+26.9%
Other revenues	5.9	8.6	+45.5%
<b>Net revenues</b>	240.3	306.2	+27.4%

(€ millions)	Q2 2016	Q2 2017	% Growth
Net revenues	123.0	152.4	+23.9%

The 27.4% increase in Group revenues to more than €306.2 million is driven by France and by the strong performance of the International group activities.

Revenues in France were up by 18% to reach €243.5 million, and continue to out-perform the e-commerce market.

International revenues grew by 87% (28% on a like-for-like basis) confirming the strong rebound observed since the end of 2016.

In Q2, the Group had revenues of €152.4 million, representing a growth of 24% compared with 2016.

### 3.2 Key performance indicators<sup>1</sup>

	H1 2016	H1 2017	% Growth
Cumulative buyers (in millions)	6.0	7.3	+20.7
Buyers over the half-year (in millions)	2.0	2.2	+9.4
Number of orders (in millions)	6.0	6.9	+14.3
Revenue per buyer	117.0	124.5	+6.4
Average number of orders per buyer	3.0	3.1	+4.4
Average basket size	38.9	39.6	+1.8
Share of revenue from mobile	57%	60%	+3pts

<sup>1</sup> Excluding Saldi Privati from Jan-May and Beauteprimee

Revenue growth in H1 2017 was driven by both an increase in the number of buyers and by the average revenue per buyer.

The number of buyers in H1 2017 reached 2.2 million, an increase of 9.4% vs. 2016.

Average revenue per buyer continued to significantly increase (+6.4%), to reach €124. This was driven by both an increase in the average number of orders per buyer (+4.4%) and a rise in the average basket size compared with H1 2016, which was €39.6 (+1.8%). These trends demonstrate the attractiveness of the Group's offer and the growing loyalty of its members.

The Group's growth remains underpinned by the mobile segment that now generates 81% of traffic and 60% of net revenue, i.e. 13 points more than the previous year.

### 3.3 EBITDA

(€ millions)	H1 2016	H1 2017	% Growth
France	15.7	17.1	-8.8%
France EBITDA as a % of revenue	7.4%	6.8%	-
International	0.0	-6.2	n.m.
International EBITDA as a % of revenue	0.1%	n.m.	nm.
<b>Total EBITDA</b>	<b>15.7</b>	<b>10.9</b>	<b>-30.8%</b>
Total EBITDA as a % of revenue	6.6%	3.6%	
<b>EDITDA excluding Saldi Privati</b>		<b>13.0</b>	
EDITDA excluding Saldi Privati as a % of revenue		4.5%	
<b>Adjusted EBITDA<sup>2</sup> excluding Saldi Privati</b>		<b>15.2</b>	
Adjusted EBITDA <sup>2</sup> excluding Saldi Privati as a % of revenue		5.3%	

EBITDA for the first six months reached €10.9 million. Excluding the impact of Saldi Privati's acquisition, whose performance was impacted by non-recurring costs related to the ePRICE group's carve-out and the integration on Showroomprivé platform (successfully finalized in early June), EBITDA reached €13 million.

EBITDA excluding Saldi Privati was punctually impacted by marketing investments anticipated from H2 in H1 (+€1.2 million), and by storage costs (+€1 million) related to firm purchase opportunities grasped in H1 in order to prepare for the year-end (€42 million increase in firm purchases compared to H1 2016).

Retreated of these items, EBITDA excluding Saldi Privati reached €15.2 million, a margin of 5.3%.

Profitability in France reached 6.8% in H1 2017. Excluding storage costs related to firm purchase opportunities, and anticipation of marketing expenses from H2 in H1, it was 7.4%, in line with H1 2016.

International operations amounted to a loss of €6.2 million, due to Saldi Privati (€-2.1 million due to the costs associated with the integration of Saldi Privati) and the increase in international marketing expenses.

<sup>2</sup> EBITDA retreated from anticipated marketing investments from H2 in H1 (€1.2 million) and storage costs related to firm purchase opportunities grasped in H1 (€1 million)



### 3.4 Cost structure

(€ million)	H1 2016	H1 2017	% Growth
<b>Net revenues</b>	<b>240.3</b>	<b>306.2</b>	<b>+27.4%</b>
Cost of goods sold	-144.8	-191.8	+32.4%
<b>Gross margin</b>	<b>95.5</b>	<b>114.4</b>	<b>+19.8%</b>
<i>Gross margin as % of revenue</i>	39.7%	37.4%	
Marketing	-8.4	-12.3	+47.1%
<i>As % of revenues</i>	3.5%	4.0%	
Logistics & fulfilment	-56.0	-70.9	+26.5%
<i>As % of revenues</i>	23.3%	23.1%	
General & administrative expenses	-17.7	-24.6	+38.7%
<i>As % of revenues</i>	7.4%	8.0%	
<b>Total Opex</b>	<b>-82.1</b>	<b>-107.7</b>	<b>+31.3%</b>
<i>As % of revenues</i>	34.1%	35.2%	
<b>Current operating profit</b>	<b>13.4</b>	<b>6.7</b>	<b>-50.2%</b>

Gross margin went up by 20% to reach €114.4 million, representing 37.4% of net revenues, a level similar to the one recorded in H2 2016.

The decline since H1 2016 (39.7%) is explained by the consolidation of Saldi Privati (40bps impact) and the reallocation from the second half of 2016 of a portion of marketing expenses to initiatives promoting conversion such as the Infinity program, the single basket, and some price investments.

Operating costs were up 110bps, rising from 34.1% to 35.2% of revenue due to changes in scope, storage costs linked to firm purchase opportunities taken to drive growth in the second half of the year and higher marketing expenses:

- Marketing expenses rose from 3.5% to 4.0% of revenue due to the increase in international marketing expenses, media investments initially planned in the second half of the year being brought forward to the first half (impact of €1.2 million) and scope effects (impact of €1.3 million).
- Expenses linked to logistics and fulfilment followed the group's growth and remained stable as a percentage of revenue compared with H1 2016 (23.3% vs. 23.1%), despite additional storage costs (€1 million) linked to firm purchase opportunities taken in H1.
- Finally, general and administrative costs increased as a percentage of revenue from 7.4% to 8.0% due to changes in scope linked to the acquisitions of Saldi Privati and Beauté Privée. Excluding the impact of changes in scope, these amounted to 7.5% of revenue.

### 3.5 Other financial information

(€ million)	H1 2016	H1 2017	% Growth
<b>Current operating profit</b>	<b>13.4</b>	<b>6.7</b>	<b>-50.2%</b>
Amortisation of intangible assets recognised upon business reorganisation	-0.4	-0.8	92.6%
Other operating income and expenses	-10.0	-5.2	-47.6%
<b>Operating profit</b>	<b>3.0</b>	<b>0.7</b>	<b>-77.2%</b>
Net finance costs	-0.2	-0.2	6.4%
Other financial income and expenses	0.2	0.1	-51.1%
<b>Profit before tax</b>	<b>3.0</b>	<b>0.5</b>	<b>-82.2%</b>
Income taxes	-2.3	-0.7	-67.5%
<b>Net income</b>	<b>0.7</b>	<b>-0.2</b>	<b>-129.7%</b>
<b>Net income excluding Saldi Privati</b>	<b>0.7</b>	<b>3.6</b>	<b>+411.4%</b>

Other operating income and expenses (€5.2 million) can be broken down as follows:

- €2.8 million in non-recurrent charges corresponding mostly to the integration of Saldi Privati, to internal reorganization costs and to litigations and fees
- €2.4 million in costs linked to the free share allocation mainly at the time of the Group's initial public offering at the end of 2015.

The Group's tax charge fell by 68% to €0.7 million.

As a result, net income, Group share was -€0.2 million. Excluding the impact of the acquisition of Saldi Privati, it rose to €3.6 million versus €0.7 million in H1 2016.

### 3.6 Cash flow items

(€ million)	H1 2016	H1 2017
Cash flows from operating activities	-13.5	-56.0
Cash flows from investing activities	-3.6	-15.2
Cash flows from financing activities	0.3	15.0
<b>Net change in cash and cash equivalents</b>	<b>-16.8</b>	<b>-56.2</b>
<b>Recurring cash from operating activities after capex and before tax<sup>1</sup></b>	<b>-10.8</b>	<b>-15.3</b>

<sup>1</sup>Cash flow from operating activities after capex and before tax restated from non-recurring operating items (€2.8 million linked to non-recurring costs and €42.5 million linked to stock purchasing opportunities grasped in H1 to prepare for H2)

The net change in cash in H1 2017 was -€56 million due to:

- Cash flow linked to operating activities, structurally negative in the first half of each financial year (and offset in the second half) given the cyclical nature of the Group's business;
- Firm purchase opportunities seized in the first half to drive the growth at the end of the year (increase of €42 billion of firm purchases compared to H1 2016). At 30/06/2017, the group's inventories were very young, as, on this date, 30% had not yet been put on sale and 60% were less than 6 months old.
- The acquisition of 60% of Beauté Privée for a consideration of €11.4 million.

Cash flows from operating activities amounted to -€56.0 million. Excluding the impact of stock purchasing opportunities from H1, these amounted to -€13.5 million, remaining at a comparable level to H1 2016.

Cash flows from investing activities amounted to -€15.2 million. Excluding the impact of Beauté Privée, these totalled €3.8 million.

Cash flows from financing activities amounted to €15.0 million due to the securing of €15.0 million in bank funding to finance part of the acquisition of Saldi Privati at the end of 2016.

## 4. MAJOR DEVELOPMENTS SINCE JUNE 30, 2017

On July 3, 2017, the Conforama Group, a Steinhoff subsidiary, had finalized its 17% strategic stake in the capital of SRP Groupe which had been disclosed by press release on 12 May 2017.

This operation was performed via an off-market transfer of shares by Showroomprivé's founders at a unit price of 27 euros, for a total amount of 157.5 million euros. The founders retain a share of 27.17% of Showroomprivé's capital and 40.66% of its voting rights<sup>3</sup>.

The already-existing concert between the founders entered into a shareholders' agreement with Conforama / Steinhoff establishing a second concert party owning 44.15% of the capital and 54.47% of the voting rights of Showroomprivé<sup>4</sup>.

This operation was granted an exemption from the obligation to file a takeover bid by AMF to the purchaser.

<sup>3</sup> Based on share capital of 34,341,582 shares representing 42,239,481 voting rights (taking into account the impact of the transactions carried out today on the number of voting rights held as of 30 June) according to Article 223-11 of the General Regulation.

<sup>4</sup> Idem

## 5. MAIN RISKS AND UNCERTAINTIES FOR THE SECOND SEMESTER 2017

Risks and uncertainties for the second semester 2017 are of the same nature than those described in paragraph 4 of the 2016 registered document.

## 6. MAIN RELATED PARTIES TRANSACTIONS

The first half year has seen two new material transactions, which are considered transactions between related parties.

### 6.1 Altermind Agreement

Showroomprive.com Sarl has concluded an agreement with the company Altermind, of which Mr. Mathieu Laine is Chairman. Showroomprive.com and Altermind being parties to this agreement, it is governed by Article L. 225-38 of the French Commercial Code.

Pursuant to this agreement Altermind's mission is to assist Showroomprivé.com by providing personalized advice, assistance and support for the execution of one to three surveys, in support of its legal strategy.

The agreement provides that, according to (i) the performance of the surveys, (ii) the obtaining of convincing results in support of the legal demonstrations, and (iii) the effective use of each survey, Altermind will receive a success fee.

The conclusion of this agreement has been authorized by the Board of Directors during its meeting held on January 31, 2017 and approved by the General meeting on June 26, 2017.

Mr. Mathieu Laine Has resigned from its office of Director with effect as from May 30, 2017.

### 6.2 Shareholders agreement

As part of the 17% interest in SRP Groupe by the Conforama group company, the founders of SRP Groupe concluded a Shareholders agreement with Steinhoff and Conforama whereby they will act in concert towards Company in the framework of a second circle of concert.

The shareholders agreement, which entered into force as from the completion of the acquisition of the participation of 17% to the capital by Conforama, on July 3, 2017, is concluded in the presence of the Company SRP Groupe.

Insofar as are parties to this agreement Mrs David Dayan, Thierry Petit, Michael Dayan and Eric Dayan, directors, his signature was submitted, to the prior approval of the Board of Directors acting under the conditions of article L. 225 - 38 of the French Commercial Code, during its meeting held on May 31, 2017.

## 7. GROUPE TARGETS FOR 2017 ONWARDS

Strengthened by the build-up of quality inventories and marketing investments made over H1 to drive growth in H2, by improvement in customer experience and by the first effects of synergies from completion of Saldi Privati integration and of a strategic partnership agreed with Steinhoff Group and its subsidiary Conforama, Showroomprivé confirms its revenue targets for 2017.

- Revenues between €690 million and €720 million (+28% to +33% growth).

The Group now anticipates an EBITDA margin between 5.5% and 6.0% for 2017, excluding Saldi Privati. Showroomprivé also confirms its 2020 targets:

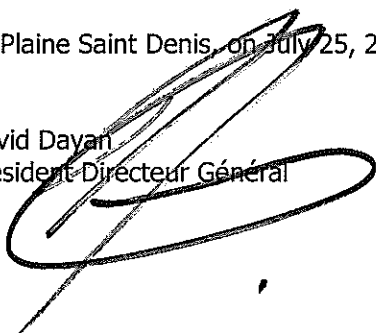
- Revenues of c. €1.1 billion by 2020.
- EBITDA margin exceeding 7.5%.
- Ratio of cash flows from operating activities to EBITDA higher than 100%.

## **C/ ATTESTATION OF THE PARTY RESPONSIBLE FOR THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

I certify that to the best of my knowledge the consolidated interim financial statements for the first half-year of 2017 were drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets liabilities, financial position and results of the company and the consolidated group of entities and that the half year financial report included herein gives a fair and true view of the significant events that occurred during the first six months of the year, of their effect on the consolidated interim financial statements and of the main related-party transactions as well as a description of the main risks and uncertainties in the remaining six months of the year

La Plaine Saint Denis, on July 25, 2017

David Dayan  
Président-Directeur Général

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

## D/ STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

*This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

### SRP Groupe S.A.

Registered office: ZAC Montjoie – 1 rue des Blés – 93212 la Plaine Saint-Denis Cedex

### Statutory Auditors' Review Report on the Half-yearly Financial Information

For the six-month period ended 30 June 2017

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of SRP Groupe S.A., for the period from January 1 to June 30 2017,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review

#### I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim condensed financial information

#### II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements

Paris La Défense, on July 26, 2017

Paris, on July 26, 2017

KPMG Audit IS

Jérôme Benainous

Jean-Pierre Valensi  
*Partner*