



EMAKINA

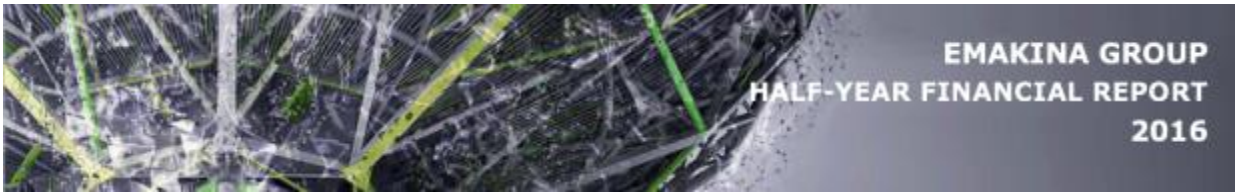


HELPING BUSINESSES SUCCEED IN THEIR  
DIGITAL TRANSFORMATION

**HALF-YEAR FINANCIAL REPORT 2016**

<b>HALF-YEAR INCOME STATEMENT (EUR)</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>30/06/2014</b>
<b>Sales and services</b>	<b>38,594,477</b>	<b>32,462,191</b>	<b>27,132,701</b>
<b>Operating charges (before amortisation)</b>	<b>(35,998,673)</b>	<b>(30,008,601)</b>	<b>(25,484,549)</b>
<i>Raw materials, consumables</i>	<i>5,386,095</i>	<i>5,719,764</i>	<i>4,010,959</i>
<i>Services and other goods</i>	<i>11,412,334</i>	<i>9,580,201</i>	<i>8,828,910</i>
<i>Wages, social security and pensions</i>	<i>19,068,668</i>	<i>14,670,637</i>	<i>12,568,369</i>
<i>Other operating charges</i>	<i>131,576</i>	<i>37,999</i>	<i>76,311</i>
<b>Earnings before interest, depreciation and amortisation = EBITDA</b>	<b>2,595,804</b>	<b>2,453,590</b>	<b>1,648,152</b>
<i>Depreciation and amortisation</i>	<i>505,853</i>	<i>706,655</i>	<i>780,346</i>
<b>Operating profit</b>	<b>2,089,951</b>	<b>1,746,935</b>	<b>867,806</b>
<b>Financial result</b>	<b>(125,721)</b>	<b>(338,053)</b>	<b>(308,367)</b>
<b>Current profit before amortisation of consolidated differences</b>	<b>1,964,230</b>	<b>1,408,882</b>	<b>559,439</b>
<i>Amortisation of consolidated differences</i>	<i>909,263</i>	<i>826,980</i>	<i>860,800</i>
<b>Current profit</b>	<b>1,054,967</b>	<b>581,902</b>	<b>(301,361)</b>
<b>Extraordinary result</b>	<b>-92,974</b>	<b>239</b>	<b>(192,075)</b>
<b>Profit before tax</b>	<b>961,993</b>	<b>582,141</b>	<b>(493,436)</b>
<b>Deferred taxes</b>	<b>3,699</b>	<b>3,909</b>	<b>35,373</b>
<b>Income taxes</b>	<b>(380,231)</b>	<b>(345,346)</b>	<b>(273,622)</b>
<b>Net profit before amortisation of consolidated differences</b>	<b>1,494,724</b>	<b>1,067,684</b>	<b>129,115</b>
<b>Net half-year profit</b>	<b>585,461</b>	<b>240,704</b>	<b>(731,685)</b>
<i>A. Share of minority interests</i>	<i>69,369</i>	<i>195,549</i>	<i>24,916</i>
<i>D. Group share</i>	<i>516,092</i>	<i>45,155</i>	<i>(756,601)</i>

<b>DATA PER SHARE</b>	<b>30/06/2016</b>	<b>30/06/2015</b>	<b>30/06/2014</b>
<b>Share price</b>	<b>10.5</b>	<b>9.00</b>	<b>8.00</b>
<b>Number of shares</b>	<b>3,893,353</b>	<b>3,893,353</b>	<b>3,844,061</b>
<b>Market capitalisation</b>	<b>40,880,207</b>	<b>35,040,177</b>	<b>30,752,488</b>
<b>Number of warrants subscribed</b>	<b>0</b>	<b>38,440</b>	<b>97,720</b>
<i>Current half-year result / share (in EUR)</i>	<i>0.2709</i>	<i>0.1495</i>	<i>-0.0784</i>
<i>Half-year group share / share (in EUR)</i>	<i>0.1325</i>	<i>0.0116</i>	<i>-0.1968</i>
<i>Half-year net profit / share (in EUR)</i>	<i>0.1504</i>	<i>0.0618</i>	<i>-0.1903</i>
<b>Half-year net profit before amortisation of consolidated differences / share (in EUR)</b>	<b>0.3839</b>	<b>0.2742</b>	<b>0.0336</b>



## **INTRODUCTION**

In accordance with the legal provisions incumbent upon issuers listed on Alternext Bruxelles, this half-year report for 2016 includes:

- (i) the highlights of the first half of 2016 as well as the outlook for the rest of the year
- (ii) Emakina Group's half-year condensed consolidated financial statements as at 30 June 2016 with explanatory notes and a comparison with 30 June 2015 for the income statement and with 31 December 2015 for the balance sheet accounts,
- (iii) the Board of Directors' statement regarding the true and fair view of the financial statements,
- (iv) the Auditor's Report on the limited review of the interim condensed consolidated financial statements as at 30 June 2016.

The publication of these half-year consolidated accounts was approved by the Board of Directors on 15 September 2016.

The Board of Directors would like to thank the shareholders, employees, clients and partners for their constant and constructive support in the development of Emakina's activities.

Brussels, 15 September 2016.

Mr Brice Le Blévenec

Mr Karim Chouikri

Mr Denis Steisel

Mr John Deprez

Mr François Gillet

Mrs Daisy Foquet

VAPM Consulting SPRL,  
represented by Mr Pierre Cattoir

Mrs Anne Pinchart

Mr Pierre Gatz

## **1. HIGHLIGHTS FROM THE FIRST HALF OF 2016 AND OUTLOOK FOR THE REST OF THE YEAR**

### *New Business*

In 2016, new national and international clients chose an Emakina group agency as their partner. These included, among others: Agrifirm-Nuscience, Aspern Smart City, Balta Group, Bridon Bekaert Ropes Group, Carglass, De Persgroep, Groupe Holder, H el ena Rubinstein, HEMA, H ogl Shoe Group, Kodak Alaris, Louvre H otels, Marktplaats (Ebay), Mr. Green, Naspers, Ores, Parrot, Puratos, Paula's Choice, REWE Group, Sigfox, Ter Beke, and Wolford.

### *Acquisition*

Emakina acquired 100% of the capital in the Swedish digital agency Dempsey in Stockholm. This operation has a workforce of 15 and, by building on the commercial partnership signed in 2013, enables the Emakina group to strengthen its presence in the Scandinavian countries.

### *Internationalisation*

In geographic terms, the share of the turnover recorded outside Belgium now accounts for 57% of the consolidated income for the first half of 2016, compared with 50% in the same period in 2015.

### *Integration et synergies*

The significant expansion of the group in the past few months calls for major efforts as regards integration and synergy among the various entities of the group. In practical terms, this involves deploying joint management platforms and better sharing of respective know-how, available resources and technologies.

### *Talents*

Talent is the main asset within Emakina Group, which does everything possible to attract extraordinary people and help them evolve. At Emakina Group, talented individuals develop their capacities: through contact with their colleagues and with demanding clients; by receiving training; by taking part in research and development programmes.

### *Partnerships*

Through its commercial partners, Emakina Group offers its clients a wide geographic scope as well as unique local know-how. Its partners are: Asiance (Korea); Bubblegum (Spain); Domino (Italy); Metia (Great Britain, United States and Singapore); Piramit (Turkey) and SinnerSchrader (Germany).

*Notes on the results of the first half of 2016*

**Good growth in activities**

During the first half of 2016, total sales amounted to EUR 38,594,477 compared with EUR 32,462,191 in the first half of 2015, representing an increase of 19% (+5% at constant scope). As stressed above, the international expansion continues, with over 57% of income recorded with clients located outside Belgium. At the same time, income recorded with Belgian clients continues to increase, recording a rise of 3% in the first half of 2016 compared with the same period in 2015.

As a reminder, the acquisition in September 2015 of the Diamond:dogs communication group in Vienna, Salzburg, Zurich and Zagreb, as well as the acquisition in January 2016 of the Dempsey agency based in Stockholm are the most recent examples of Emakina's wish to operate more widely in Europe in order to offer its international clients the best possible support.

**Development of EBITDA**

The earnings before interest, depreciation and amortisation (EBITDA) amounted to EUR 2,595,804 (EUR 1,939,479 at constant scope) in the first half of 2016, compared with EUR 2,453,590 in the first half of 2015, an increase in absolute value of 5.8%. Expressed as a percentage of total sales, the EBITDA passed from 7.6% to 6.7% (5.7% at constant scope) in the first half of the year between 2015 and 2016. This development of the operating margin can be attributed to a range of factors (occupancy rate, cost structure, etc.) but the main element to be highlighted is the very strong growth in activity recorded in 2015 (25%) and early 2016 (19%), which required major efforts regarding the integration of new entities into the group as well the structuring of the collaboration process within the group, which inevitably affected performance at the start of 2016.

**Sharp rise in current profit and net profit**

The current profit (EUR 1,054,967) over the first half of 2016 rose by 81% compared with the same period in 2015, aided by 'off-EBITDA' elements such as (i) a reversal of provisions for doubtful claims following the settlement of a dispute, (ii) an improved financial result, (iii) stable amortisation charges on tangible and intangible fixed assets (including goodwill).

The net result (EUR 585,461) for the first half of 2016 more than doubled compared with 2015 due to the favourable development of the current result combined with stable tax charges. Thanks to this net profitability, the group is able to strengthen its equity base.

As a reminder, the amortisation of consolidated differences (compulsory under Belgian accounting standards) had a negative impact of EUR 909,263 on the company's net result in the first half of 2016 compared with EUR 826,980 in the first half of 2015. This element of Belgian accounting law, which imposes systematic amortisation, weighs significantly on the consolidated net result.

#### Financial health

In 2016, the group's financial health is stable thanks to the strengthened equity base, a level of financial indebtedness in line with the group's growth, working capital requirements under control and the availability of credit lines adapted to the strong growth.

#### Outlook for the end of the year

The Emakina Group management is maintaining its forecasts made at the start of the year and expects an increase in its sales for 2016 as a whole based on the current order book.

## 2. CONSOLIDATED FINANCIAL STATEMENTS ON 30 JUNE 2016

### a. Consolidation scope

During the first half of 2016, the Emakina Group consolidation scope developed as follows:

- Acquisition of 100% of the capital in the company Demp Sthlm AB, with its registered office in Stockholm on 19 January 2016, renamed Emakina.SE in June 2016.
- Within the company DD-Group Beteiligungs GmbH, wholly owned since September 2015 (renamed Emakina.AT in February 2016), liquidation of the subsidiary New Media Holding GMBH and purchase of 26% of the remaining shares in the subsidiary Onlinezone Advertising GMBH, now owned by Diamond:dogs Webconsulting GMBH.

All the companies along with their holding percentage are included in Note I of this half-year report.

### b. Consolidation method

The Emakina Group's subsidiaries are consolidated according to the full consolidation method.

The full consolidation method is adopted when the subsidiary is controlled by the parent company insofar as:

- either the parent company directly or indirectly owns more than 50% of the capital;
- or the parent company has control over the management bodies of the company concerned.

This method consists of incorporating into the parent company's accounts every element of the assets and liabilities of the integrated subsidiaries, replacing the balance sheet value of these holdings.

The use of this method leads to the reporting of goodwill on consolidation and of minority interests. Similarly, the expenses and income of these subsidiaries are combined with those of the parent company and their results for the year are divided between the Group and the third parties.

The Group's internal operations affecting the assets and liabilities such as holdings, debts and entitlements, and the results, such as interest, expenses and income, are eliminated in the overall consolidation.

c. Consolidated balance sheet established according to Belgian accounting standards (Belgian GAAP) after appropriation\*

	ASSETS (EUR)	Codes	30/06/2016	31/12/2015
	<b>FIXED ASSETS</b>	<b>20/28</b>	<b>12,955,269</b>	<b>12,922,391</b>
I	Formation expenses (note VII)	20	115,071	141,733
II	Intangible assets (note VIII)	21	1,443,392	1,829,716
III	Consolidation differences (note XII)	9920	9,706,010	9,621,685
IV	Tangible assets (note IX)	22/27	1,402,623	1,069,198
A.	<i>Land and buildings</i>	22	2,851	2,780
B.	<i>Plants, machinery and equipment</i>	23	598,737	322,373
C.	<i>Furniture and vehicles</i>	24	454,456	423,960
E.	<i>Other tangible assets</i>	26	346,579	320,085
V	Financial assets (notes I - IV and X)	28	288,173	260,059
B.	<i>Other companies</i>	284/8	288,173	260,059
	<i>1. Participating interests and shares</i>	284	87,078	91,635
	<i>2. Amounts receivable</i>	285/8	201,095	168,424
	<b>CURRENT ASSETS</b>	<b>29/58</b>	<b>29,402,037</b>	<b>28,822,802</b>
VII	Stocks and contracts in progress	3	6,048,164	2,818,607
B.	<i>Contracts in progress</i>	37	6,048,164	2,818,607
VIII	Amounts receivable within one year	40/41	17,617,664	20,560,092
A.	<i>Trade debtors</i>	40	16,172,839	19,201,876
B.	<i>Other amounts receivable</i>	41	1,444,825	1,358,216
	<i>2. Other</i>	416	1,444,825	1,358,216
IX	Current investments	50/53	1,334,694	65,935
A.	<i>Own shares</i>	50	1,329,056	58,884
B.	<i>Other investments</i>	51/53	5,638	7,051
X	Cash at bank and in hand	54/58	2,607,879	4,314,371
XI	Deferred charges and accrued income	490/1	1,793,636	1,063,797
	<b>TOTAL ASSETS</b>	<b>20/58</b>	<b>42,357,306</b>	<b>41,745,193</b>

\* Article 124 of the Royal Decree of 30 January 2001, implementing the Companies Code



	LIABILITIES (EUR)	Codes	30/06/2016	31/12/2015
	<b>CAPITAL AND RESERVES</b>	<b>10/15</b>	<b>10,535,366</b>	<b>10,116,550</b>
I	Capital	10	9,347,962	9,347,962
A.	<i>Issued capital</i>	<i>100</i>	<i>9,347,962</i>	<i>9,347,962</i>
II	Share premium account	11	3,436,644	3,436,644
IV	Consolidated reserves (note XI)	9910	-2,198,230	-2,634,358
V	Exchange rate variation	9912	-51,010	-33,698
	<b>MINORITY INTERESTS</b>		<b>616,431</b>	<b>760,445</b>
VIII	Minority interests	9913	616,431	760,445
	<b>PROVISIONS, DEFERRED TAXES AND TAX LIABILITIES</b>	<b>16</b>	<b>117,010</b>	<b>113,199</b>
IX	Provisions for liabilities and charges	160/5	0	105,310
A.	<i>1. Pensions and similar obligations</i>		<i>112,820</i>	<i>0</i>
	<i>4. Other liabilities and charges</i>	<i>163/5</i>	<i>0</i>	<i>105,310</i>
IX	Deferred taxes and deferred tax liabilities (note VI, B)	168	4,190	7,889
B.				
	<b>DEBTS</b>	<b>17/49</b>	<b>31,088,499</b>	<b>30,754,999</b>
X	Amounts payable after one year (note XIII)	17	4,410,251	2,515,600
A.	<i>Financial debts</i>	<i>170/4</i>	<i>4,410,251</i>	<i>2,515,600</i>
	<i>4. Credit institutions</i>	<i>173</i>	<i>3,804,001</i>	<i>1,859,458</i>
	<i>5. Other loans</i>	<i>174</i>	<i>606,250</i>	<i>656,142</i>
XI	Amounts payable within one year (note. XIII)	42/48	26,419,606	27,610,416
A.	<i>Current portion of amounts payable after one year</i>	<i>42</i>	<i>682,586</i>	<i>1,513,116</i>
B.	<i>Financial debts</i>	<i>43</i>	<i>5,992,492</i>	<i>3,148,934</i>
	<i>1. Credit institutions</i>	<i>430/8</i>	<i>5,992,492</i>	<i>3,148,934</i>
C,	<i>Trade debts</i>	<i>44</i>	<i>6,597,905</i>	<i>7,040,325</i>
	<i>1. Suppliers</i>	<i>440/4</i>	<i>6,597,905</i>	<i>7,040,325</i>
D.	<i>Advances received</i>	<i>46</i>	<i>5,097,095</i>	<i>6,245,727</i>
E.	<i>Taxes, wages and social security</i>	<i>45</i>	<i>5,615,561</i>	<i>5,520,916</i>
	<i>1. Taxes</i>	<i>450/3</i>	<i>1,573,602</i>	<i>1,873,954</i>
	<i>2. Wages and social security</i>	<i>454/9</i>	<i>4,041,959</i>	<i>3,646,962</i>
F.	<i>Other debts</i>	<i>47/48</i>	<i>2,433,967</i>	<i>4,141,398</i>
XII	Accruals and deferred income	492/3	258,642	628,983



<b>TOTAL LIABILITIES</b>	<b>10/49</b>	<b>42,357,306</b>	<b>41,745,193</b>
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**d. Consolidated income statements established according to Belgian accounting standards (Belgian GAAP)**

	<b>HALF-YEAR INCOME STATEMENT (EUR)</b>	<b>Codes</b>	<b>30/06/2016</b>	<b>30/06/2015</b>
<b>I.</b>	<b>Operating income</b>			
<b>1.</b>	<b>Sales and services</b>	<b>70/74</b>	<b>38,594,477</b>	<b>32,462,191</b>
	<i>A. Turnover (note XIV, A)</i>	70	<i>33,950,888</i>	<i>29,053,804</i>
	<i>B. Variations in contracts in progress</i>	71	<i>3,226,441</i>	<i>2,210,411</i>
	<i>C. Capitalised production</i>	72	<i>50,835</i>	<i>9,016</i>
	<i>D. Other operating income</i>	74	<i>1,366,313</i>	<i>1,188,960</i>
<b>2.</b>	<b>Cost of sales and services</b>	<b>60/64</b>	<b>(36,504,526)</b>	<b>(30,715,256)</b>
	<i>A. Raw materials, consumables</i>	60	<i>5,386,095</i>	<i>5,719,764</i>
	<i>1. Purchases</i>	600/8	<i>5,386,095</i>	<i>5,719,764</i>
	<i>B. Services and other goods</i>	61	<i>11,412,334</i>	<i>9,580,201</i>
	<i>C. Remuneration, social security charges and pensions (note XIV, B)</i>	62	<i>19,068,668</i>	<i>14,670,637</i>
	<i>D. Depreciation and other amounts written off formation expenses, intangible and tangible fixed assets</i>	630	<i>690,762</i>	<i>681,652</i>
	<i>E. Amounts written off stocks, work in progress and trade debts (increase +, decrease -)</i>	631/4	<i>-192,419</i>	<i>25,003</i>
	<i>F. Provisions for liabilities and charges (increase +, decrease -)</i>	635/7	<i>7,510</i>	<i>0</i>
	<i>G. Other operating expenses</i>	640/8	<i>131,576</i>	<i>37,999</i>
<b>3.</b>	<b>Operating profit</b>	<b>9901</b>	<b>2,089,951</b>	<b>1,746,935</b>
	<b><i>Operating profit before interest, taxes, depreciation and amortisation = EBITDA</i></b>		<b><i>2,595,804</i></b>	<b><i>2,453,590</i></b>
<b>II.</b>	<b>Financial results</b>			
<b>1.</b>	<b>Financial income</b>	<b>75</b>	<b>284,002</b>	<b>187,068</b>
	<i>A. Income from financial fixed assets</i>	750	<i>16,771</i>	<i>3,048</i>
	<i>B. Income from current assets</i>	751	<i>8</i>	<i>9,575</i>
	<i>C. Other financial income</i>	752/9	<i>267,223</i>	<i>174,445</i>
<b>2.</b>	<b>Financial charges</b>	<b>65</b>	<b>(1,318,986)</b>	<b>(1,352,101)</b>
	<i>A. Interest and debt charges</i>	650	<i>169,308</i>	<i>223,454</i>
	<i>B. Amortisation of positive consolidation differences</i>	9961	<i>909,263</i>	<i>826,980</i>
	<i>D. Other financial charges</i>	652/9	<i>240,415</i>	<i>301,667</i>
<b>3.</b>	<b>Profits on ordinary activities before taxes</b>	<b>70/65</b>	<b>1,054,967</b>	<b>581,902</b>

	INCOME STATEMENT (cont.) (EUR)		30/06/2016	30/06/2015
<b>III.</b>	<b>Extraordinary results</b>			
<b>1.</b>	<b>Extraordinary income</b>	<b>76</b>	<b>1,767</b>	<b>421</b>
	<i>D. Gains on disposal of fixed assets</i>	<i>763</i>	<i>0</i>	<i>372</i>
	<i>E. Other extraordinary income</i>	<i>764/9</i>	<i>1,767</i>	<i>49</i>
<b>2.</b>	<b>Extraordinary charges</b>	<b>66</b>	<b>(94,741)</b>	<b>(182)</b>
	<i>A. Depreciation and other amounts written off formation expenses, intangible and tangible fixed assets</i>	<i>660</i>	<i>6,902</i>	<i>(5,121)</i>
	<i>E. Other extraordinary charges (note XIV, C)</i>	<i>664/8</i>	<i>87,839</i>	<i>4,685</i>
	<i>F. Operating expenses recorded under assets as restructuring costs</i>	<i>669</i>	<i>0</i>	<i>618</i>
<b>IV.</b>	<b>Profit before tax</b>	<b>70/66</b>	<b>961,993</b>	<b>582,141</b>
<b>V.</b>	<b>Deferred taxes</b>	<b>68/78</b>	<b>3,699</b>	<b>3,909</b>
	<i>A. Transfers from deferred taxes</i>	<i>780</i>	<i>3,699</i>	<i>3,909</i>
	<i>B. Transfers</i>	<i>680</i>		<i>0</i>
			<b>(380,231)</b>	
<b>VI.</b>	<b>Income tax</b>	<b>67/77</b>	<b>(380,231)</b>	<b>(345,346)</b>
	<i>A. Taxes (note XIV, D)</i>	<i>670/3</i>	<i>0</i>	<i>(353,176)</i>
	<i>B. Adjustment of income taxes and write-back of tax provisions</i>	<i>77</i>		<i>7,830</i>
<b>VII</b>	<b>Profit (Loss) of consolidated companies</b>	<b>70/67</b>	<b>585,461</b>	<b>240,704</b>
<b>VIII</b>	<b>Share in the results of companies consolidated by the equity method</b>	<b>9976</b>	<b>0</b>	<b>0</b>
<b>IX</b>	<b>Consolidated result</b>	<b>9976</b>	<b>585,461</b>	<b>240,704</b>
	<i>A. Share of minority interests</i>	<i>99761</i>	<i>69,369</i>	<i>195,549</i>
	<i>D. Group share</i>	<i>99762</i>	<i>516,092</i>	<i>45,155</i>

**e. Cash flow statement (EUR)**

<b>OPERATING CASH FLOW</b>	<b>30/06/2016</b>	<b>31/12/2015</b>
Group result	516,092	557,122
Result of minority interests	69,369	590,055
Amortisation	1,600,025	2,988,045
<i>Amortisation of goodwill</i>	<i>909,263</i>	<i>1,645,235</i>
<i>Other depreciation charges</i>	<i>690,762</i>	<i>1,342,810</i>
Write-downs	-192,419	500,482
Provisions	7,510	27,520
Transfers to deferred taxes	0	79,136
Transfers from deferred taxes	-3,700	-4,178
Net gains or losses on disposal of assets	0	53,415
Other movements (conversion variation, subsidies, etc.)	-97,374	48,225
<b>Operating cash flow before working capital</b>	<b>1,899,503</b>	<b>4,839,822</b>
Variations in current assets	-2,093,308	-2,373,330
Stocks	-3,229,557	436,797
Amounts receivable < 1 an	3,134,847	-2,585,797
Deferred charges and accrued income	-729,839	-472,596
Investments	-1,268,759	248,266
Variations in liabilities (short-term)	-3,574,179	6,038,452
Trade debts	-442,420	2,350,083
Tax and social security debts	94,646	287,227
Contracts in progress	-1,148,633	845,606
Other amounts payable	-1,707,431	2,367,783
Accrued charges and deferred income	-370,341	187,753
<b>Variation in working capital</b>	<b>-5,667,487</b>	<b>3,665,122</b>
<b>Net cash flow from operating activities (A)</b>	<b>-3,767,984</b>	<b>8,504,944</b>

<b>INVESTMENT CASH FLOW</b>	<b>30/06/2016</b>	<b>31/12/2015</b>
Acquisition of fixed assets		
<i>Tangible and intangible assets</i>	-611,201	-1,149,786
<i>Financial assets</i>	-1,022,158	-4,401,425
<b>Total investments</b>	<b>-1,633,359</b>	<b>-5,551,211</b>
Disposal of fixed assets		
<i>Tangible and intangible assets</i>	0	0
<i>Financial assets</i>	0	217,660
<b>Total disposals</b>	<b>0</b>	<b>217,660</b>
<b>Net cash flow from investment activities (B)</b>	<b>-1,633,359</b>	<b>-5,333,551</b>

<b>FINANCING CASH FLOW</b>	<b>30/06/2016</b>	<b>31/12/2015</b>
Dividends paid to third parties	-212,828	-499,737
Dividends paid by the parent company	0	0
Variations in long-term loans and debts	3,907,679	-402,154
Capital increase in cash	0	0
<b>Net cash flow from financial activities (C)</b>	<b>3,694,851</b>	<b>-901,891</b>

	<b>30/06/2016</b>	<b>31/12/2015</b>
<b>Variation in cash flow over the period (A+B+C)</b>	<b>-1,706,492</b>	<b>2,269,502</b>
<b>Cash flow at start of period</b>	<b>4,314,371</b>	<b>2,044,869</b>
<b>Cash flow at end of period</b>	<b>2,607,879</b>	<b>4,314,371</b>

**f. Notes on the consolidated accounts**

NOTE I. LIST OF CONSOLIDATED SUBSIDIARIES AND COMPANIES CONSOLIDATED USING THE EQUITY METHOD

				30 June 2016* (EUR)		
Name and address	Consolidation method	Holding %	Variation %	Capital and reserves	EBITDA**	Net result
Emakina.BE SA Rue Middelbourg 64 A 1170 Brussels Belgium BE 0463.478.965	Full	100%	0%	1,104,292	962,649	-792,705
Emakina.CH SA Quai du Seujet 16-18 1201 Geneva Switzerland	Full	64%	0%	-939,465	-286,285	-389,483
Emakina.FR SA Rue Atlantis 4 Parc d'Esther BP 26840 87068 Limoges France	Full	100%	0%	573,119	479,926	75,622
Emakina.NL BV*** Willem de Zwijgerlaan 350 1055 RD Amsterdam The Netherlands	Full	65.6%	0%	4,718,786	1,582,035	1,033,509
Emakina.TR Dokuz Eylül Üniversitesi Tinaztepe Yerleşkesi DEPARK Beta Binası Buca-İzmir TURKEY	Full	65.6%**	0%			
Emakina/Insights SPRL Rue Middelbourg 64 A 1170 Brussels BE 0556.801.279	Full	100%	0%	-2,077	-8,411	-8,846
The Reference NV Stapelplein 70 9000 Ghent Belgium BE 0474.475.203	Full	100%	0%	558,745	765,704	-64,239
Design Is Dead BVBA Duboisstraat 50 2060 Antwerp Belgium BE 0457.419.732	Full	100%	0%	528,653	562,090	169,213
Your Agency SA Rue de Bois-Seigneur-Isaac 40/3 1421 Ophain Belgium BE 0437.615.005	Full	100%	0%	174,837	178,773	51,801

Name and address	Consolidation method	Holding %	Variation %	30 June 2016* (EUR)		
				Capital and reserves	EBITDA**	Net result
Emakina Central & Eastern Europe Gmbh**** (Emakina.AT) Weyringergasse 30 A-1040 Vienna Austria	Full	100%	0%	2,250,000	560,881	310,352
Diamond:dogs Web Consulting Gmbh Weyringergasse 30 A-1040 Vienna Austria	Full	100%***	0%			
Netlounge Internet Media Services Gmbh Weyringergasse 30 A-1040 Vienna Austria	Full	100%***	0%			
Onlinezone Advertising Gmbh Robinigstrasse 26A A-5020 Salzburg Austria	Full	100%*****	26%			
Diamond:dogs Switzerland Gmbh Weyringergasse 30 A-1040 Vienna Austria	Full	100%***	0%			
Emakina.hr doo Strojarska cesta 20 HR-10000 Zagreb Croatia	<i>Other holding (startup end 2015)</i>	75.2%***	0%			
Emakina AB (Emakina.AT) Birger Jarlsgatan 55 5TR 111 45 STOCKHOLM Sweden	Full	100%	100%	77,438	95,445	60,771

\* "Statutory" or "consolidated" data as at 30 June 2016. These statutory results do not take account of reprocessing or of the consolidation method, but provide a view of their respective profitability over the first half of 2016.

\*\* Company held via Emakina.NL BV

\*\*\* Company held via Emakina Central & Eastern Europe GmbH

\*\*\*\* Consolidated data, six months 2016

\*\*\*\*\* Company held via Diamond:Dogs Webconsulting GmbH



NOTE VI B. DEFERRED AND LATENT TAXES

	<u>30/06/2016</u>	<u>31/12/2015</u>
<b>Breakdown of Liabilities heading 168</b>		
<b>Latent taxes (pursuant to Article 129 of the Royal Decree of 30 January 2001)</b>		
At the end of the previous financial year	7,889	12,068
Latent taxes on acquisition costs of assets	0	0
Adjustment of latent taxes	-3,699	-4,179
At the end of the financial year	4,190	7,889

Latent tax liabilities acknowledged at Emakina Group relating to the capitalisation in the consolidated account (only) of costs related to acquisitions.

	<u>30/06/2016</u>	<u>31/12/2015</u>
<b>Breakdown of Assets item 291 – Deferred taxes</b>		
At the end of the previous financial year	0	79,136
Capitalisation of deferred taxes	0	0
Use of deferred taxes	0	-79,136
Transfer of heading	0	0
At the end of the financial year	0	0

Deferred tax assets acknowledged at Emakina.NL corresponding to the balances of tax losses that can be recovered over five years.

**NOTE VII. STATEMENT OF FORMATION EXPENSES**

	<u>30/06/2016</u>	<u>31/12/2015</u>
Net book value at the end of the previous financial year	141,733	195,055
Movements during the financial year:		
- New expenses incurred	0	0
- Amortisation (-)	-26,662	-53,322
- Variation in the consolidation scope (+)		0
Net book value at the end of the financial year	115,071	141,733
<i>Including formation expenses and capital increase costs</i>	<i>706</i>	<i>821</i>
<i>Including restructuring costs</i>	<i>114,365</i>	<i>140,912</i>

**NOTE VIII. STATEMENT OF INTANGIBLE FIXED ASSETS**

	<b><u>R &amp; D</u></b>		<b><u>Concession, patents, licences</u></b>		<b><u>Goodwill</u></b>	
	<u>30/06/2016</u>	<u>31/12/2015</u>	<u>30/06/2016</u>	<u>31/12/2015</u>	<u>30/06/2016</u>	<u>31/12/2015</u>
a/ Acquisition value						
At the end of the previous financial year	2,564,221	2,564,221	2,272,199	2,277,532	1,632,132	1,260,813
Movements during the financial year:						
- Entries into the scope of consolidation	0	0	0	13,280	0	152
- Acquisitions	15,000	0	183,886	273,809	0	90,087
- Disposals and withdrawals (-)	0	0	-128,902	164,316	-40,000	-116,035
- Transfers	0	0	-238,921	73,820	-136,600	312,890
- Other	0	0	-1,636	54,286	-2,508	84,225
At the end of the financial year	2,579,221	2,564,221	2,086,626	2,272,199	1,453,024	1,632,132
C/ Amortisation and write-downs						
At the end of the previous financial year	1,963,137	1,677,261	1,847,934	1,847,934	635,748	513,874
Movements during the financial year:						
- Entries into the scope of consolidation	0	0	0	0	0	0
- Recorded	118,171	285,876	133,111	352,108	27,947	132,061
- Cancelled further to disposals and withdrawals (-)	0	0	-75,468	-136,601	-35,121	-100,000
- Transfers	0	0	-130,363	97,551	0	65,446
- Other	0	0	-1,636	-121,041	0	24,367
At the end of the financial year	2,081,308	1,963,137	1,965,596	2,039,951	628,574	635,748
d/ Net book value at the end of the financial year: a - c	585,611	886,960	121,030	232,248	824,450	996,384

**NOTE IX. STATEMENT OF TANGIBLE FIXED ASSETS**

	<b><u>Constructions</u></b>		<b><u>Plants, machines, equipment</u></b>	
	<u>30/06/2016</u>	<u>31/12/2015</u>	<u>30/06/2016</u>	<u>31/12/2015</u>
a/ Acquisition value				
At the end of the previous financial year	8,837	0	2,276,149	2,005,989
Movements during the financial year:				
- Entries into the scope of consolidation	0	3,089	26,796	17,307
- Acquisitions	631	0	281,077	211,437
- Disposals and withdrawals (-)	0	0	-743	-113,908
- Transfers	0	5,748	216,422	120,041
- Other	0	0	-1,270	35,283
At the end of the financial year	9,468	8,837	2,798,431	2,276,149
C/ Amortisation and write-downs				
At the end of the previous financial year	6,057	0	1,953,777	1,686,437
Movements during the financial year:				
- Entries into the scope of consolidation	0	0	19,024	0
- Recorded	560	309	116,696	226,038
- Cancelled further to disposals and withdrawals (-)	0	0	-310	-114,280
- Transfers	0	5,748	110,528	120,041
- Other	0	0	-22	35,540
At the end of the financial year	6,617	6,057	2,199,694	1,953,776
d/ Net book value at the end of the financial year: a - c	2,851	2,780	598,737	322,373

**NOTE IX. STATEMENT OF TANGIBLE FIXED ASSETS**

	<b><u>Furniture, vehicles</u></b>		<b><u>Other fixed assets</u></b>	
	<b><u>30/06/2016</u></b>	<b><u>31/12/2015</u></b>	<b><u>30/06/2016</u></b>	<b><u>31/12/2015</u></b>
a/ Acquisition value				
At the end of the previous financial year	2,366,311	2,605,950	932,981	872,538
Movements during the financial year:				
- Entries into the scope of consolidation	10,581	523		
- Acquisitions	158,918	309,996	93,690	146,882
- Disposals and withdrawals (-)	0	-264,482	0	-44,568
- Transfers	0	21,852	0	47,220
- Other	-90	-307,528	0	-89,091
At the end of the financial year	2,535,720	2,366,311	1,026,671	932,981
C/ Amortisation and write-downs				
At the end of the previous financial year	1,942,350	2,212,669	612,895	619,434
Movements during the year:				
- Entries into the scope of consolidation	5,100	0	0	0
- Recorded	133,814	194,917	67,197	98,178
- Cancelled further to disposals and withdrawals (-)	0	-210,950	0	-25,734
- Transfers	0	-6,477	0	0
- Other	0	260,762	0	-78,983
At the end of the financial year	2,081,263	1,942,351	680,092	612,896
d/ Net book value at the end of the financial year: a - c	454,456	423,960	346,579	320,085

**NOTE X. STATEMENT OF FINANCIAL ASSETS**

	<u>30/06/2016</u>	<u>31/12/2015</u>
<b>B. Other companies</b>		
1/ Participating interests	91,635	74,585
Net book value at the end of the previous financial year		
Movements during the financial year:	0	21,035
- Acquisitions	-4,557	-3,985
- Disposals	0	0
- Write-downs	0	0
- Reversals of write-downs		
	87,078	91,635
Net book value at the end of the financial year		
2/ Amounts receivable	168,424	232,513
Net book value at the end of the previous financial year		
Movements during the financial year:	32,671	0
- Additions	0	-64,089
- Reimbursements	0	0
- Other		
Net book value at the end of the financial year	201,095	168,424

**NOTE XI. STATEMENT OF CONSOLIDATED RESERVES**

	<u>30/06/2016</u>	<u>31/12/2015</u>
Consolidated reserves at the end of the previous financial year	-2,634,358	-3,191,387
Movements during the financial year		
- Group's share in the consolidated result	516,092	557,122
- Other variations	-79,964	-93
Net book value at the end of the financial year	-2,198,230	-2,634,358

**NOTE XII. STATEMENT OF CONSOLIDATION DIFFERENCES**

	Net book value at the end of the previous financial year	Variations due to a change in the % held or price supplement	Amortisation	Other	Net book at the end of the financial year
Emakina.BE	0	0	0	0	0
Emakina.EU	427,312	0	31,554	0	395,758
Design Is Dead	0	0	0	0	0
Emakina.FR	1,658,951	0	247,059	-16,400	1,395,492
The Reference	0	0	0	0	0
Emakina Media	343,208	0	30,111	0	313,097
Your Agency	169,128	0	22,199	0	146,929
Emakina.CH	1,068,734	556,812	122,260	0	1,503,286
Emakina.NL	2,765,097	0	230,806	9,133	2,543,424
Emakina.AT (DDG)	3,189,255	391,000	221,959	0	3,358,296
Emakina.SE	0	53,043	3,315	0	49,728
<b>TOTAL</b>	<b>9,621,685</b>	<b>1,000,855</b>	<b>909,263</b>	<b>-7,267</b>	<b>9,706,010</b>

The amount of the variations may be attributed to new acquisitions, price supplements and ancillary costs related to previous acquisitions.

**NOTE XIII. STATEMENT OF AMOUNTS INITIALLY PAYABLE AT MORE THAN ONE YEAR**

	Due within one year		> 1 year and < 5 years		> 5 years			
	Heading 42		Heading 17		Heading 17		Total	
	<u>30/06/2016</u>	<u>31/12/2015</u>	<u>30/06/2016</u>	<u>31/12/2015</u>	<u>30/06/2016</u>	<u>31/12/2015</u>	<u>30/06/2016</u>	<u>31/12/2015</u>
Credit institutions	682,586	1,513,116	3,134,466	1,035,021	495,654	1,480,579	4,312,706	4,028,716
Other loans	0	0	0	0	606,251	0	606,251	0
<b>TOTAL</b>	<b>682,586</b>	<b>1,513,116</b>	<b>3,134,466</b>	<b>1,035,021</b>	<b>1,101,905</b>	<b>1,480,579</b>	<b>4,918,957</b>	<b>4,028,716</b>

**NOTE XIV. RESULTS**

	30/06/2016 (6 months)	30/06/2015 (6 months)
A, Group turnover in Belgium (heading 70/74)	21,598,088	21,460,521
B11, Average number of persons employed (FTE)	699	540
<i>Workers</i>	0	0
<i>Employees</i>	573	448
<i>Management</i>	30	19
<i>Other</i>	96	73
B12, Personnel costs (heading 62)	19,068,668	14,670,637
B13, Average number of persons in Belgium employed by the companies concerned (FTE)		3,330
C2, Other extraordinary expenses (heading 664/8)	94,741	4,685
<i>Restructuring costs</i>	87,839	0
<i>Exits from scope</i>		0
<i>Other</i>	6,902	4,685



**NOTE XV. RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET**

A	RIGHTS RESULTING FROM TRANSACTIONS RELATING TO:
	interest rates: EUR 3,886,668

B	COMMITMENTS RESULTING FROM TRANSACTIONS RELATING TO:
	interest rates: EUR 3,886,668

C	OTHER MAJOR COMMITMENTS:
	<p><i>Miscellaneous commitments :</i></p> <ul style="list-style-type: none"> <li>· <i>Pledges on goodwill of EUR 504,422</i></li> <li>· <i>Rental guarantees of EUR 202,245</i></li> <li>· <i>Bank guarantees of EUR 87,603</i></li> <li>· <i>Credit lines of EUR 3,017,000</i></li> </ul>
	<p><i>Major commitments pertaining to participating interests:</i></p> <ul style="list-style-type: none"> <li>· Joint guarantee from Emakina Group to affiliated companies: EUR 2,100,000</li> <li>· Commitment in respect of minority shareholders in Emakina.CH and Emakina BV for the purchase of the remaining shares for an amount that varies depending on profitability.</li> <li>· Commitment in respect of former shareholders in Toy Agency and DD Group regarding price supplements: amount variable depending on profitability</li> </ul>

## **g. Summary of the main consolidated valuation rules**

### **I - SCOPE AND CONSOLIDATION METHODS**

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Please refer to section 2. a and b, as well as Note I. above.

### **II - VALUATION RULES**

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The valuation rules applied to the consolidated accounts closed as at 30 June 2016 are identical to the rules applied on 31 December 2015. Please refer, therefore, to the annual report of 31 December 2015 available on our website ([www.emakina.com](http://www.emakina.com) - financial section).

### **3. DIRECTORS' STATEMENT**

The Board of Directors of the company declares that, to the best of its knowledge, the interim condensed consolidated financial statements as at 30 June 2016, established in accordance with Belgian accounting standards, give a true and fair view of the assets, financial status and results of the Emakina Group. The interim financial report contains an accurate description of the information that must be included in it.

### **4. AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMAKINA GROUP SA ON THE LIMITED REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF THE YEAR AS AT 30 JUNE 2016**

#### **Introduction**

We have reviewed the interim condensed consolidated balance sheet of EMAKINA GROUP SA (the "Company"), and its subsidiaries (referred to jointly as the "Group"), attached, as at 30 June 2016, as well as the interim income statement, summarised and consolidated as at this date and the explanatory notes, referred to jointly as the "Interim and Consolidated Financial Information". This information shows a consolidated balance sheet total of EUR 42,357,306 and a consolidated profit for the six-month period of EUR 585,461. The preparation and presentation of the interim condensed consolidated financial statements in accordance with the legal and statutory provisions applicable in Belgium are the responsibility of the company's management body. Our responsibility consists of issuing a report on these interim condensed consolidated financial statements, based on our limited review.

#### **Scope of our review**

We have written our limited review in accordance with the International Standards on Review Engagements - ISREs. A limited review of interim financial information consists of conducting interviews, primarily with staff members responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of the review is substantially less than in an audit performed in accordance with the International Standards on Auditing - ISAs and consequently offer less assurance of finding all the major elements that would come to light further to a full audit. Consequently, we shall refrain from expressing an audit opinion.

#### **Conclusion**

On the basis of our limited review, no element has come to light which leads us to believe that the attached Interim and Consolidated Financial Information is not presented, as regards all significant aspects, in accordance with the reference accounting system applicable in Belgium.

***Diegem, 15 September 2016***

Ernst & Young Réviseurs d'Entreprises SCCRL  
Auditor  
represented by

Eric Golenvaux  
Partner\*

\*Acting on behalf of an SPRL (private limited company)

## 5. INVESTOR RELATIONS

- **Share price fluctuation in the first six months of 2016**



- **Financial calendar**

Annual Press Release 2016: 24 March 2017

Annual Report 2016: 1 April 2017

Ordinary Meeting of Shareholders 2017: 24 April 2017

Half-year Financial Report 2017: 15 September 2017

## 6. CONTACTS

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