

Corporate News

elumeo SE: 30. August 2019: elumeo SE publishes Quarterly Release on Q1 2019 and comments on the situation of PWK Jewelry Company Ltd.

- Strongly improved result of total segment EBITDA
- Cost-cutting programme largely implemented and successful
- Continuous improvement of the gross profit margin
- Allegations on the situation of PWC in Thailand unfounded

(Berlin, 30 August 2019):

elumeo SE, the leading European company in the area of electronic distribution of high-quality gemstone jewelry, generated revenue of EUR 12,0million (previous year: EUR 16.6 million) in the first quarter of financial year 2019. Total segment EBITDA improved from EUR -2.5 million to EUR -1.0 million.

The significant improvement in EBITDA is the result of the consistent implementation of the cost reduction and restructuring programme. Online business also grew quite significantly in terms of the margin.

Significant savings were achieved above all in the areas of personnel costs, general administrative expenses and TV broadcasting costs. elumeo SE had already relocated production from Chanthaburi in Thailand to the capital of Bangkok and to Jaipur in India in November 2018. In addition, a comprehensive restructuring and transformation programme was adopted. "On the cost side our restructuring is making good progress" says Ingo Stober, CEO of elumeo. "The fast change from our own factory to a network of alternative suppliers in Thailand and India is a very complex task. We will therefore only be able to use the full potential of the new supply chain with a time delay."

Bernd Fischer, CFO of elumeo SE: "We expect the results to continue to improve compared to the previous year and that the fourth quarter of 2019 will make a positive contribution to our earnings. We are therefore confident that we will be able to meet our annual forecast for sales growth in the single-digit percentage range and gross profit growth in the low double digit percentage range."

At present, elumeo is also strategically reorganizing itself and expanding its online offer. "With our focus on restructuring in recent months, we now want to focus more on elumeo's digital transformation. We see great growth opportunities in the online business that we as a leader in high-quality gemstone jewelry want to take advantage of," said Ingo Stober, "In doing so, we want to return the company to sustainable profitability."

In addition to its current financial reporting, elumeo SE has also commented on the current situation of the former employees of PWK Jewelry Ltd. in Thailand. Last week, at a demonstration in Bangkok, they drew attention to their critical situation following the loss of their jobs. elumeo SE emphasises that the responsibility for this lies solely with PWK in Thailand and the former Managing Directors. In the opinion of the company in Berlin, the former Managing Directors implemented the closure of the factory without discussing this move with the shareholder of PWK or with elumeo SE, thereby causing the collapse of PWK. elumeo SE emphasises that the company is not aware of any precise details, as the former management has refused constructive dealings with elumeo and

its shareholder since the end of 2018. According to elumeo, PWC's auditors were even denied access to the business documents on 13 September 2018.

Wolfgang Boyé, Chairman of the Executive Board of elumeo SE: "The fate of the former PWK employees is very close to our hearts. For this reason, elumeo SE paid the wages of PWK employees directly from Germany as early as September 2018, without being obliged to do so, despite the arbitrary actions of the local management of PWK. Nevertheless, the behaviour of the local management unfortunately prevented this in the following months of October and November 2018." According to elumeo SE, the Thai employees are being used by the former management of PWK to assert the interests of the former management and the shareholder Ottoman Strategy Holdings (Suisse) S.A. behind them.

elumeo SE continues to be very interested in the orderly conduct of PWK's business. However, the appointment of new directors would be blocked so far, which would prevent elumeo SE from constructively supporting the orderly liquidation of PWK. Payments to PWK can be ruled out, however, as long as the former PWK management does not give an account of the whereabouts of a total of EUR 4.5 million in current assets as well as another EUR 1.1 million in credit balances to the Thai tax office and grant elumeo SE unrestricted access to PWK's business documents. Contrary to statements to the contrary, according to elumeo SE, there were also no instructions from the company in Berlin not to sell the current assets. Rather, the opposite was the case. Boyé: "In the past, the Executive Board of elumeo SE has repeatedly requested the former management of PWK to draw up a liquidation plan. This plan has not yet been drawn up."

About elumeo SE:

The elumeo Group, headquartered in Berlin, is the leading European Company in the electronic distribution of high-quality gemstone jewelry, most of which is produced in India and Thailand. Via a variety of electronic distribution channels, such as TV, the Internet, Smart TV and Smartphone apps, the listed Company offers its European customers coloured gemstone jewelry in particular at best prices. The products are sold through direct sales. For example, the elumeo Group operates home shopping television channels in Germany and Italy as well as web shops in Germany, the UK, Italy, France, the Netherlands, Spain, Belgium and the US.

Contact:

elumeo SE

Investor Relations

Claudia Erning

Erkelenzdamm 59/61, 10999 Berlin

Phone: +49 30 69 59 79-231

Fax: +49 30 69 59 79-650

e-mail: ir@elumeo.com