

### Positive trend continues for elumeo SE in the third quarter of 2017

- Significant improvement in earnings in the nine-month period
- Higher revenues in Germany and Italy with improved gross profit margin
- New anchor investor gained

**Berlin, 9 November 2017** – elumeo SE, the leading electronic retailer of gemstone jewelry in Europe, published its quarterly release for the third quarter of 2017 today, which continued its focus on returning to profitability. EBITDA of EUR +0.5 million for the third quarter of 2017 was positive. Adjusted for segment reconciliation items (foreign currency translation effects and share-based remuneration), total segment EBITDA in the third quarter 2017 totalled EUR +0.2 million. Selling and administrative expenses adjusted for segment reconciliation items declined by EUR 3.6 million from EUR 30.3 million in the first nine months of 2016 to EUR 26.7 million in the nine-month period of 2017 (including other operating income from direct cost transfers to third parties). This corresponds to a reduction of 12.0%.

Revenue in the third quarter of 2017 was EUR 20.2 million, up 9.4% from the same period of the previous year (Q3 2016: EUR 18.5 million). A substantial overall revenue increase was again achieved in the sales region of Germany (+20.7%), which is growing significantly compared to the same period of the previous year. In Italy, revenue of +6.4% in the third quarter was up from the previous year period for the second successive quarter. Measures such as new show formats and increased brand presentation are proving to be effective. As expected, revenue in the United Kingdom decreased by 34.3% in Q3 2017 compared to Q2 2017. Fortunately, in Q3 2017 revenue increased slightly to EUR 2.1 million from EUR 1.7 million in Q2 2017. Nevertheless, gross profit margins in the United Kingdom remain under pressure.

The TV business was able to develop slightly positively compared to the same quarter of the previous year by posting an increase of 2.0%. Growth came particularly from German TV shows with high-priced items that were not broadcasted in this form in the third quarter of 2016. eCommerce revenues increased by 18.9% to EUR 7.2 million in the third quarter of 2017, accounting for 35.6% of revenue (Q3 2016: 32.7%). Revenues from the classic webshop rose by 19.5% in the European sales region in the first nine months of 2017 compared to the same period of the previous year. Revenue from B2B were mainly generated by a cooperation with TV stations in the US.

The key performance indicator, total segment EBITDA, improved to EUR +0.2 million in the third quarter of 2017 after EUR -1.5 million in the same period of the previous year. In the nine-month period, total segment EBITDA increased from EUR -5.2 million in 2016 to EUR -2.1 million in 2017. Main drivers for the positive overall development were the revenue increase and cost reductions. Overall, in the third quarter of 2017, total comprehensive income (earnings for the period plus other comprehensive income) was EUR -0.8 million

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after EUR -2.4 million in the third quarter of 2016 and EUR -5.2 million in the nine-month period of 2017 (first nine months of 2016: EUR -8.6 million).

Wolfgang Boyé, Chairman of the Executive Board of elumeo SE, commented: "We consider it confirmation of our positive business development that a new anchor investor, Heliad Equity Partners, invested in our share at the end of the third quarter, acquiring 7% of the share capital."

"We now have a total segment EBITDA of only EUR -162 thousand for the second and third quarters of 2017. We're therefore confident that we'll achieve our goal of a positive total segment EBITDA for the second to fourth quarters of 2017," added Bernd Fischer, CFO and Speaker of the Executive Board of elumeo SE.

The complete group quarterly release for the third quarter of 2017 is available for download from the company's website <http://www.elumeo.com> in the section Investor Relations/Financial reports as of today.

### **About elumeo SE:**

The elumeo Group, which has its headquarters in Berlin, is a leading European online retailer of high-quality gemstone jewelry, which the Group mostly produces itself in Thailand. The publicly traded company offers its customers mainly coloured gemstone jewelry at comparatively low prices via a number of electronic distribution channels (including television, the Internet, smart TV and a smartphone app). Its distribution model relies mainly on direct sales. For instance, the elumeo Group has home shopping TV channels in Germany, the UK and Italy, as well as web shops in Germany, the UK, Italy, France, the Netherlands, Spain, Belgium and the USA. Lower cost items are marketed to customers via the New York Gemstones online stores. Furthermore, the company also offers a full line of jewelry on schmuck.de.

The elumeo Group was founded in Berlin, Germany, and Chanthaburi, Thailand, as a joint venture in 2008 and has grown very successfully ever since. In 2014, the companies that comprised the Group underwent a formal merger to bundle the operating business under the holding company elumeo SE. The elumeo Group employs approximately 1,100 people at five locations worldwide.

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