elumeo

9-Month Report 2015

Q3/2015

KEY FIGURES

EUR thousand [otherwise indicated]	Q3 2015		Q3 2014		1 Jan - 30 Sep 2015		1 Jan - 30 Sep 2014	
Revenue	**14.683**		**17.586**		**54.164**		**50.038**	
Product revenue by regions [absolutely and in % of product revenue]								
Germany	8.960	61%	10.556	60%	33.385	62%	30.331	61%
Italy	3.189	22%	2.788	16%	10.160	19%	8.071	16%
United Kingdom	2.454	17%	4.115	23%	10.387	19%	11.128	22%
Other countries	27	0%	126	1%	165	0%	503	1%
Product revenue by distribution channels [absolutely and in % of product revenue]								
TV revenue	11.565	79%	14.896	85%	41.311	76%	42.177	84%
eCommerce revenue	3.065	21%	2.689	15%	12.786	24%	7.856	16%
[The following disclosures represent: absolute values and in % of revenue]								
Gross profit	**6.411**	43,7%	**9.564**	54,4%	**26.256**	48,5%	**26.944**	53,8%
EBITDA	**-3.765**	-25,6%	**136**	0,8%	**-2.424**	-4,5%	**1.984**	4,0%
Adjusted EBITDA	**-3.060**	-20,8%	**1.363**	7,8%	**-1.144**	-2,1%	**2.830**	5,7%
Depreciation and amortization	237	1,6%	188	1,1%	627	1,2%	508	1,0%
EBIT	**-4.002**	-27,3%	**-52**	-0,3%	**-3.051**	-5,6%	**1.476**	2,9%
Adjusted EBIT	**-3.297**	-22,5%	**1.175**	6,7%	**-1.771**	-3,3%	**2.322**	4,6%
Earnings for the period	**-3.370**	-23,0%	**264**	1,5%	**-2.834**	-5,2%	**1.569**	3,1%
Total comprehensive income	**-5.135**	-35,0%	**1.429**	8,1%	**-3.625**	-6,7%	**2.833**	5,7%
Selling and administrative expenses	**9.680**	65,9%	**9.542**	54,3%	**28.457**	52,5%	**26.742**	53,4%
Total assets	**79.087**		**34.498**		–	–	–	–
Total equity [absolutely and in % of balance sheet total]	**55.058**	69,6%	**23.018**	66,7%	–	–	–	–
Working capital [absolutely and in % of revenue]	**36.480**	62,1%	**15.748**	22,4%	–	–	–	–
[The following disclosures represent: absolute values and in % of revenue]								
Cashflow from operating activities	**-14.747**	-100%	**-2.552**	-14,5%	**-24.463**	-45,2%	**-1.982**	-4,0%
Cashflow from investing activities	**-7.191**	-49,0%	**-938**	-5,3%	**-8.665**	-16,0%	**-1.492**	-3,0%
Cashflow from financing activities	**35.287**	240%	**3.586**	20,4%	**46.880**	86,6%	**3.665**	7,3%
Items sold [pieces]	193.237		242.835		795.877		686.363	
Average sales price (ASP) [EUR]	75,99		72,42		68,06		72,90	
Gross profit per item sold [EUR]	33,18		39,39		32,99		39,26	
New customer breakdown for Germany only [in % of new customers]								
TV only	42%		60%		44%		65%	
Web only	47%		31%		46%		25%	

FINANCIAL CALENDAR

27 November 2015	Publication of Quarterly Financial Report Q3/2015
27 November 2015	Telephone Conference for Analysts Q3/2015

TABLE OF CONTENTS

I. TO OUR SHAREHOLDERS

Letter from the Chairman of the Executive Board

Dear Ladies and Gentlemen, Shareholders, Employees and Business Partners,

In the first nine months of 2015 we managed to increase the revenue by around 8% compared with the same period of the prior year. Although unforeseen one-time special effects by relocating its UK subsidiary Rocks and Co. to Birmingham from its previous site in Leamington Spa had a negative impact on the operated business in the third quarter. This effect will have an impact on the consolidated net income and revenue in financial year 2015 as a whole. At the same time, we managed to initiate a number of projects that give us good reason to be optimistic about the future.

The reason for these difficulties was mainly of a technical nature. We experienced delays in storage while moving to the new warehouse in Birmingham. Our products were therefore not available for sale, which is why sales and therefore earnings were significantly lower in the third quarter. The regions of Germany and Italy were not affected significantly by this, however. Moreover, all of these products have now been stored in the meantime and there are no differences in inventory. We already succeeded in increasing our sales figures to the usual levels in November 2015. We do not expect any after effects on the next financial year 2016 now that we have finished looking into this matter. Our new headquarter offers us prospectively many advantages that will have a lasting positive impact on our business. For example, we now have a new studio for producing our own TV show and a fully automated warehouse that allows us to ship our jewelry more efficiently in Birmingham. Fully automatic stock picking will increase our productivity inside the warehouse by about 30%. In addition, this step will give us better access to qualified personnel, which we will need to achieve our targeted growth.

Total revenues for the Group increased in the nine-month period in 2015 by 8.2% to EUR 54.2 million after EUR 50.0 million in the same period of the previous year. Here, the eCommerce segment again proved to be the growth engine. Revenues from eCommerce sales were up by 62.8% to EUR 12.8 million from EUR 7.9 million the previous year. Group revenues from TV sales, however, were down slightly and reached EUR 41.3 million after EUR 42.2 million in the first nine months of 2014. This represents a slight decrease of 2.1%. Mainly due to the non-recurring items related to the move in the UK in the third quarter of 2015, adjusted EBITDA for the first nine months of 2015 was impacted and amounted to EUR -1.1 million (prior-year period: EUR 2.8 million). Non-recurring items during the reporting period were mainly related to administrative expenses caused by losses from currency translation of EUR 0.3 million (prior-year period: EUR 0.9 million) from the IPO and restructuring costs of EUR 0.7 million (prior-year period: EUR 0.3 million), as well as extraordinary expenses in connection with relocating the headquarters of the British subsidiary in the amount of EUR 0.2 million (prior-year period: EUR 0 million).

For 2015 as a whole, we expect consolidated sales to be slightly above last year's figure of EUR 70.8 million and a positive adjusted EBITDA. Negative group result cannot be ruled out, however. Several important projects and measures have already been initiated that should have a positive impact on the business as early as financial year 2016. We therefore see elumeo continuing on its grow course.

One of these measures was the implementation of a new model for procuring raw materials, gemstones, in particular. This model could be realized thanks to our IPO in July 2015, also the implementation has already been largely completed. Here, the existing warehouse has been enhanced by adding a dynamic system that can process incoming and outgoing goods in higher volumes faster. The products that have been sourced and produced under the new model have a gross margin of around 57%. By implementing it to an even greater extent, the share of products that are manufactured based on this model will be continuously increased. This should also gradually increase the gross profit margin of elumeo.

We made significant progress with other projects as well. For example, the domain schmuck.de that elumeo acquired was successfully integrated with effect from 1 October 2015. elumeo has thus not only increased its online presence in Germany, but also now offers an extended product range designed to appeal to the younger generation, in particular. Our subsidiary Juwelo Deutschland's cooperation with the gemstone jewelry line JAHDO is yet another project aimed at sustainably strengthening awareness of Juwelo and should therefore contribute positively to the business. Fully automated warehouses at the sites in Germany, Italy and Great Britain were also put into operation just recently. This should increase the efficiency of internal logistics processes and thus sustainably improve the Group's profitability. In mid-November, we opened a new factory in Thailand and put it into operation. We expect more efficient workflows in the area of jewelry production, which should have a positive impact on the gross margin due to higher capacity and by implementing the most modern technological standards.

We would like to thank our shareholders for their trust in our company. We will continue to work hard to live up to your expectations in the future because we want to continue on our path together with you.

In November 2015

Wolfgang Boyé

Capital market information

Basic data and key figures on the share of elumeo SE (Status: 30 September 2015)

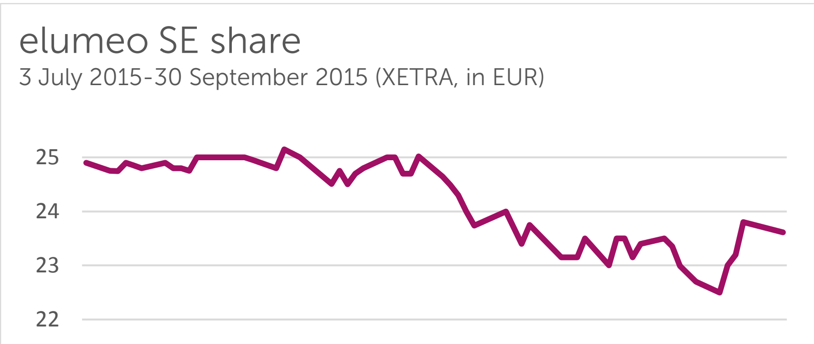
WKN	A11Q05
ISIN	DE000A11Q059
Erster Handelstag	3. Juli 2015
Ausgabepreis	EUR 25,00
Bruttoemissionserlöse nach Basisgebühren der Banken	EUR 35,5 Mio.
Verwendung der Emissionserlöse	Ausweitung des Produktangebots (ca. 50%) Stärkung des Preisführerschaft (ca. 25%) Investitionen in digitale und internationale Expansion (ca. 25%)
Struktur des öffentlichen Angebots	Angebot von 1.725.000 Stammaktien ohne Nennbetrag (Stückaktien) bestehend aus: 1.500.000 neuen Aktien aus einer Kapitalerhöhung und 225.000 bestehenden Aktien aus dem Bestand der verkaufenden Aktionäre zum Zwecke einer Mehrzuteilung

Market capitalisation (30 September 2015)	EUR 128.04 million
Number of shares	5.50 million
Share price on the reporting date (XETRA)	EUR 23.94

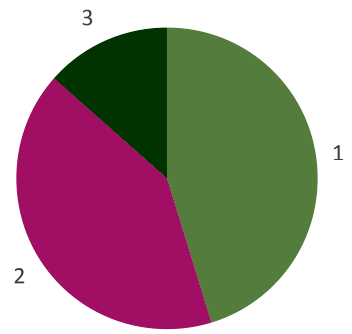
Share price performance since July 2015

On 3 July 2015, elumeo SE completed its IPO as planned, despite the challenging market environment. The shares have been trading in the Prime Standard on the Regulated Market of the Frankfurt Stock Exchange since then. With an issue price of EUR 25.00 per share, the gross proceeds from the IPO totalled EUR 37.5 million. At EUR 25.00, the first trading price corresponded exactly to the issue price. The elumeo Group will use the net proceeds from the IPO to expand its product range, extend its price leadership and to invest in digital and international expansion.

On the first trading day on 3 July 2015, the share of elumeo SE ended with a closing price of EUR 24.90. The share recorded its highest price of EUR 25.15 since the IPO on 28 July 2015. The further development of the share of the manufacturer and electronic retailer of gemstone jewelry up until 14 August 2015 followed a sideways trend. Subsequently, the share price followed a downward trend and reached its previous low at a closing price of EUR 22.50 on 21 September 2015. In the following period, the share price rose again and closed on 30 September 2015 at a price of EUR 23.94.

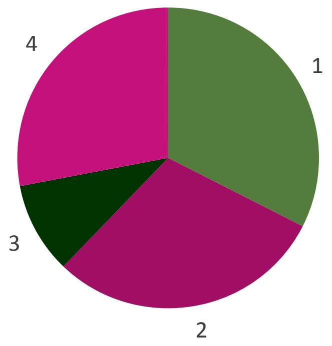


Shareholder structure before IPO



Shareholder structure	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA	45.25%
2. Blackflint Ltd.	41.29%
3. Management (thereof Wolfgang Boyé 1.71%)	13.46%

Shareholder structure after IPO/after greenshoe



Shareholder structure	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA	32.54%
2. Blackflint Ltd.	29.66%
3. Management (thereof Wolfgang Boyé 1.24%)	9.79%
4. Free float	28.01%

II. INTERIM GROUP MANAGEMENT REPORT

Economic report

Macroeconomic environment

According to the Kiel Institute for the World Economy (IfW), the **global gross domestic product** (GDP) increased in the second half of 2014 at an average rate of 0.9% per quarter. Growth slowed, however, at the beginning of 2015 and is expected to amount to 3.3% and thus be somewhat weaker than in the past two years. For 2016 and 2017, the IfW assumes that global GDP growth will amount to 3.7%.

The elumeo Group is active in seven countries of the euro area as well as Switzerland and the United Kingdom. With expected growth rates of 1.5% in the GDP in the euro area in the current year 2015, 1.7% in the following year and 2.0% in 2017, the economic climate is improving.

The economy in **Germany** continued to gain momentum in the first half of the year. The IfW expects GDP growth of 1.8% for 2015. The pace of expansion is expected to accelerate to 2.1% in 2016 and even 2.3% in 2017. According to the IfW, Germany will thus be on its way to experiencing a boom.

The IfW also expects GDP in **Austria** to increase by 1.0% in 2015 and then by 1.6% in 2016 and 2017. The economy in **Italy** is also geared towards further growth. After the economy registered a decline of -0.4% in 2014, the IfW expects an increase of 0.8% in 2015. Further growth is also forecasted for 2016 and 2017 and GDP should therefore rise by 1.3% and 1.6% respectively. For the economy in **France**, the IfW expects GDP growth of 1.0% in 2015 and 2016 and 1.3% in 2017. In **Spain**, the economy is experiencing a strong upward trend in 2015. GDP growth of 3.2% is forecasted for the current year, 3.0% for 2016 and 2.8% for 2017. GDP growth of 2.0% is expected for the **Netherlands** in 2015. However, the IfW expects to see a slight decline in GDP growth to 1.3% in 2016. This is expected to rise again to 1.6% in 2017. GDP in **Belgium** is expected to grow by 1.3% in 2015, by 1.4% in 2016 and by 1.5% in 2017.

According to the IfW, **Switzerland** will most likely register a decline in GDP growth in 2015 to 1.5% from 2.0% the previous year. According to forecasts provided by the IfW, however, the GDP growth rate will rise again to 2.0% in 2016 and even climb to 2.2% in 2017.

The **United Kingdom** is currently experiencing sustained high growth. According to estimates by the IfW, the GDP could well increase by 2.5% in 2015 and 2016 and 2.2% in 2017.

Industry conditions

According to McKinsey & Company, the **global jewelry industry** will evolve in the future in terms of both consumer behaviour and the industry itself. Global jewelry sales that amounted to EUR 148 billion in 2013 will most likely experience a growth trend in the years to come and account for annual sales of EUR 250 billion in 2020. This corresponds to an average annual growth rate of 7.8% for the period from 2013 to 2020. Online jewelry sales are also expected to increase from approximately EUR 6.7 billion in 2013 to EUR 25.0 billion in 2020, which corresponds to average annual growth of 20.8%.

The elumeo Group is primarily active in the **European jewelry market**, which TechSci Research, a global market research and consulting company, says is the third largest in the world and accounts for one fifth of the world's total market. In 2013, the European jewelry market generated revenues of EUR 34.2 billion of which Italy accounted for EUR 7.5 billion, France for EUR 6.5 billion, the United Kingdom for EUR 5.1 billion, Germany for EUR 4.8 billion and other countries for EUR 10.6 billion. Italy, France, Germany and the United Kingdom are the largest markets in Europe with a market share of around 70.0%. Between 2008 and 2012, the European jewelry market grew by 2.3% annually and is expected to grow by 4.1% according to TechSci Research between 2013 and 2018.

elumeo is continuously expanding its online trading, which Euromonitor, a leading global market research institute, feels will be increasingly important to the retail business. In Germany, it is predicted that the **online retail business** will grow from EUR 33.7 billion (2014) to EUR 64.3 billion (2019), which corresponds to an average annual growth rate of 13.8%.

The online retail business will also grow in elumeo's other target markets in Europe. This area will most likely post an annual growth rate of 16.3% and thus an increase from EUR 6.2 billion in 2014 to EUR 13.2 billion in 2019. The online retail business in the United Kingdom should also grow at an average annual growth rate of 11.7% from EUR 41.9 billion in 2014 to EUR 72.7 billion in 2019. The online business will also grow in France. With an average annual growth rate of most likely 13.2%, it is expected to rise to EUR 47.7 billion in 2019 from EUR 25.7 billion in 2014. The Netherlands come in comparatively low with an annual growth rate of 7.7% (EUR 7.4 billion in 2014 to EUR 10.7 billion in 2019). In Spain, the online business is expected to achieve annual growth of 11.9% and increase from EUR 5.7 billion in 2014 to EUR 10.0 billion in 2019.

Business development in the first nine months of 2015

These interim financial statements as at 30 September 2015 cover the period from 1 January to 30 September 2015 ("reporting period of 2015" or "9-month period of 2015"). The quarterly reporting period refers to the period from 1 July to 30 September 2015 ("Q3 2015" or "the third quarter").

In the first three quarters of 2015, the elumeo Group generated **revenues** of EUR 54.2 million (prior year period: EUR 50.0 million), which represents an increase of 8.2%. The eCommerce segment was responsible for this growth. Gross profit decreased by 2.6% to EUR 26.3 million in the reporting period. **Total comprehensive income** for the first nine months of 2015 amounted to EUR -3.6 million (prior-year period: EUR 2.8 million). The main financial indicator, **earnings before interest, taxes, depreciation and amortisation adjusted for non-operative one-off effects (adjusted EBITDA)**, decreased to EUR -1.1 million (prior-year period: EUR 2.8 million).

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

Sales and earnings position

EUR thousand	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Revenue	54.164	50.038
Cost of goods sold	27.909	23.095
Gross profit	**26.256**	**26.944**
Selling expenses	20.871	19.719
Administrative expenses	7.586	7.023
Other operating income	89	1.547
Other operating expenses	940	273
Earnings before interest and taxes (EBIT)	**-3.051**	**1.476**
Financial result	-222	3
Income tax	439	90
Earnings for the period	**-2.834**	**1.569**
Earnings of shareholders of elumeo SE	*-2.834*	*1.569*

In the third quarter of 2015, **revenue** was 16.5% lower at EUR 14.7 million, while sales in the same quarter of the prior year amounted to EUR 17.6 million. For the first three quarters of 2015, the Group achieved total revenue of EUR 54.2 million (prior-year period: EUR 50.0 million), which represents an increase of 8.2%. By region, revenue from Germany in the first nine months of 2015 increased by 10.1% to around EUR 33.4 million (prior-year period: EUR 30.3 million) and thus accounted for around 61.8% of total sales (prior-year: 60.6% of total sales). In the third quarter of 2015, revenues in the region of Germany declined to EUR 9.0 million (prior- year period: EUR 10.6 million) due to planned price increases and lower sales. elumeo expects sales to return to normal in the next few quarters, however. Revenue from the region of Germany comprises revenue from the product sales of Juwelo TV Deutschland GmbH, as well as product sales to end customers in France, Spain, the Netherlands, Belgium, Austria and Switzerland, but also the sales contributions of

web shops in Spain, the Netherlands, France and Belgium. In the UK, revenue is generated from product sales by Rocks & Co. Productions Ltd., Warwick, UK. At EUR 10.4 million, these were 6.7% lower in the first three quarters of 2015 than in the prior-year period (EUR 11.1 million). The challenges that have since been resolved that were related to the move in the UK were mainly responsible for this. This was due, in particular, to technical problems at the storage of the products. These had one-time effects on the operating business in September 2015. The share of total revenue fell from 22.2% in the same period of the previous year to 19.2% in the 9-month period. Revenue in the region of Italy rose by 25.9% in the first nine months of 2015 to EUR 10.2 million or 18.8% of total revenue (prior-year period: EUR 8.1 million or 16.1% of total sales). Revenue for the region of Italy comes from product sales of Juwelo Italia s.r.l. in Rome, Italy.

Cost of goods sold increased disproportionately to sales. These amounted to EUR 27.9 million in the first nine months of 2015 versus EUR 23.1 million in the same period of last year. Gross profit fell accordingly during the reporting period by 2.6% to EUR 26.3 million. This is mainly due to the significant 33.0% decline in gross profit in the third quarter of 2015 to EUR 6.4 million (prior-year period: EUR 9.6 million) due to the overall weaker sales performance caused by a margin drop in UK and a high rate of high-value sales in Germany at low margins.

Selling expenses increased slightly in the reporting period of 2015 to EUR 20.9 million after EUR 19.7 million in the prior-year period. This increase in selling expenses was based firstly on higher personnel costs, which increased substantially by 26.9% to EUR 5.5 million due to expansion of business activities (prior-year period: EUR 4.3 million). In addition, the costs of TV broadcasts rose by 7.6% to EUR 10.1 million (prior-year period: EUR 9.4 million) as a result of the expansion of coverage manly in Italy.

Administrative expenses consist mainly of personnel expenses and other operating expenses. Administrative expenses rose by 8.0% in the reporting period from EUR 7.0 million in the first nine months of 2014 to EUR 7.6 million in the reporting period of 2015. This is mainly due to an increase in personnel-related administrative costs, which increased by 17.3% to EUR 3.4 million in the reporting period (prior year period: EUR 2.9 million). By contrast, losses from currency translation in other material costs decreased significantly to EUR 0.3 million in the first three quarters of 2015 (prior year: EUR 0.9 million). They mainly resulted from the translation of intercompany foreign currency trade receivables on the reporting date. Their level is subject to periodic fluctuations, depending on the development of the respective exchange rates.

Other operating income amounted to EUR 0.1 million in the reporting period of 2015 (prior year period: EUR 1.6 million). Here the figures for the same period of last year were significantly affected by one-off effects, income from television production services (EUR 0.7 million) and the immediate recognition of a negative goodwill of EUR 0.8 million from the advantageous acquisition of the Thai subsidiary in the statement of income.

Other operating expenses amounted to EUR 0.9 million (prior-year period: EUR 0.3 million) in the 9-month period of 2015. They relate exclusively to one-time restructuring, advisory and other non-personnel expenses associated with the establishment of the legal elumeo Group and the preparation of the IPO (IPO and restructuring expenses).

With respect to internal management and external communication of current and future earnings development, the sustainable profitability of the business operations of the elumeo Group is of particular importance. Therefore, **earnings before interest, taxes, depreciation and amortisation adjusted for non-operating special items (adjusted EBITDA)** serves as the main financial measure for presenting and controlling the results of operations and hence as the adjusted earnings figure. To calculate adjusted EBITDA, EBITDA before special items is adjusted for the type and amount of one-time and/or non-operating (special) effects. The adjustment for non-operating effects is carried out for each position of the consolidated statement of income.

The reconciliation of earnings for the period of the Group to adjusted EBITDA and adjusted EBIT is shown below:

EUR thousand	Notes	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Earnings for the period		**-3.370**	**264**	**-2.834**	**1.569**
Income tax	8.	-726	-316	-439	-90
Financial result	7.	95	0	222	-3
EBIT (before special influences)		**-4.002**	**-52**	**-3.051**	**1.476**
Depreciation and amortization on property, plant and equipment and intangible assets	11./12.	237	188	627	508
EBITDA (before special influences)		**-3.765**	**136**	**-2.424**	**1.984**
Effects from foreign currency translation	4.	-131	826	271	872
Directly attributable transaction cost recognised as expenses as well as other IPO and restructuring related expenses	6.	537	88	711	273
Equity-settled share-based remuneration	17./18.	69	0	69	0
Extraordinary expenses attributable to relocation of R&C	6.	229	0	229	0
Extraordinary expenses from re-valuation of stock in connection with relocation of distribution and warehousing centre of R&C	2.	0	0	0	0
Income from TV production services	5.	0	-8	0	-705
Selling and administrative expenses for the provision of TV production services		0	322	0	1.230
Income from the release of the negative goodwill from the acquisition of PWK	5.	0	0	0	-805
Income relating to past accounting periods	5.	0	0	0	-19
Special influences		704	1.228	1.280	846
Adjusted EBITDA		**-3.060**	**1.363**	**-1.144**	**2.830**
Depreciation and amortization on property, plant and equipment and intangible assets	11./12.	-237	-188	-627	-508
Adjusted EBIT		**-3.297**	**1.175**	**-1.771**	**2.322**

Adjusted EBITDA for the 9-month period of 2015 decreased to EUR -1.1 million (prior year period: EUR 2.8 million). Special items in the reporting period in 2015 were mainly due to higher administrative expenses as a result of expenses from losses on foreign currency translation of EUR 0.3 million (prior year period: EUR 0.9 million), as well as IPO and restructuring expenses of EUR 0.7 million (prior year period: EUR 0.3 million) and extraordinary expenses in connection with relocating the headquarters of the British subsidiary in the amount of EUR 0.2 million (prior year period: EUR 0

million). EBTIDA after special items amounted to EUR -2.4 million in the reporting period of 2015 (prior year period: EUR 2.0 million).

Overall, earnings from operating activities (EBIT) for the 9-month period of 2015 were EUR -3.1 million compared to EUR 1.5 million in the same period of last year. Accordingly, earnings before income taxes (EBT) during the reporting period of 2015 were EUR -3.3 million (prior year period: EUR 1.4 million).

Earnings after income taxes amounted to EUR -2.8 million in the first nine months of 2015 compared to EUR 1.6 million in the same period of last year. This means earnings per share were EUR -0.63 in the reporting period of 2015 (prior-year period: EUR 0.39). Based on the sales performance in the third quarter of 2015, which was below expectations as a whole due to the challenges of relocating in the UK and the development in the region of Germany, total comprehensive income for the first nine months of 2015 was EUR -3.6 million (prior year period: EUR 2.8 million).

Asset position

Total assets as at 30 September 2015 increased from EUR 34.9 million as at 31 December 2014 to EUR 79.1 million.

On the asset side of the statement of financial position, **non-current assets** as at 30 September 2015 totalled EUR 16.0 million after EUR 6.2 million as at 31 December 2014. The increase in total assets can be attributed to the increase in property, plant and equipment to EUR 9.6 million (31 December 2014: EUR 2.3 million) and in other financial assets to EUR 2.0 million (31 December 2014: EUR 0.5 million). The increase in other financial assets resulted primarily from the periodic allocation of a one-time tax payment in connection with the granting of an investment promotion certificate by the Thai foreign investment authority (Board of Investment ("BOI")) to the Thai subsidiary PWK.

Current assets increased from EUR 28.7 million as at 31 December 2014 to EUR 63.1 million as at 30 September 2015 largely due to an increase in inventories, trade receivables and other assets. The increase in inventories was primarily based on the conversion of the production-side procurement process and the simultaneous acquisition of a more cost-effective, comprehensive inventory of raw materials (precious gemstones). The increase in trade receivables at the reporting date is mainly due to trade receivables arising from transactions with our Joint Venture partner, who is preparing the entry into the US eCommerce business. Here, we plan to set up our own subsidiary shortly and to sell our products at our own account. The other assets comprise mainly tax receivables and prepaid expenses.

Cash and cash equivalents rose to EUR 16.3 million as at 30 September 2015 (31 December 2014: EUR 2.4 million).

On the liabilities side of the statement of financial position, **equity** amounted to EUR 55.1 million in total as at 30 September 2015 due to the increase in the capital reserves of EUR 32.7 million (31 December 2014: EUR 24.5 million). The equity ratio was 69.6% as at 30 September 2015 compared to 70.4% as at 31 December 2014.

Non-current liabilities increased from EUR 0.6 million as at 31 December 2014 to EUR 12.6 million as at 30 September 2015 due to an increase in financial debt in the form of bank loans of EUR 11.8 million (31 December 2014: EUR 0.0 million) with a term of ten years.

Current liabilities increased to EUR 11.5 million (31 December 2014: EUR 9.8 million). This increase resulted from the short-term bank loans amounting to EUR 1.0 million (31 December 2014: EUR 0.0 million) and from the increase in trade payables to EUR 8.5 million (31 December 2014: EUR 7.3 million) due to the acquisition of the entire stock of precious gemstones and the general expansion of business operations.

Financial position

Cash flow from operating activities was EUR -24.5 million in the first nine months of 2015 and thus well below the prior-year figure of EUR -2.0 million. Starting with EBIT of EUR -3.1 million (prior-year period: EUR 1.5 million), the increase in inventories by EUR 17.1 million resulted in a significant financial commitment (prior-year period: EUR 11.6 million). Non-cash expenses rose to EUR 0.9 million (prior-year period: EUR 0.2 million). Non-cash expenses essentially related to the change in deferred tax assets from the elimination of intercompany profits and to effects of foreign currency translation on the individual positions of the consolidated statement of financial position. In the previous year 2014, the non-cash net income included the income from the recognition of a negative goodwill from the acquisition of PWK and expenses from the recognition of deferred tax assets on tax loss carryforwards which were capitalized upon initial consolidation of PWK. Income tax payments increased to EUR 2.0 million compared to the same period of last year (prior year: EUR 5.0 thousand) mainly due to the one-off tax payment related to the BOI investment promotion certificate.

The elumeo Group invested EUR 8.3 million in property, plant and equipment in the reporting period (prior year period: EUR 0.8 million), including the newly purchased site in the UK as well as the purchase of the new factory in Chanthaburi, Thailand. Another EUR 0.4 million was attributable to investments in intangible assets (prior year period: EUR 0.8 million). As a result, the cash flow from investing activities amounted to EUR -8.7 million (same period of the previous year: EUR -1.5 million).

Cash flow from financing activities amounted to EUR 46.9 million (prior year: EUR 3.7 million) in the reporting period of 2015. This increase was mainly due to the proceeds from the assumption of financial debt in the amount of EUR 12.8 million (prior year period: EUR 0.0 million) and proceeds from the capital increase (less transaction costs) of EUR 34.1 million (prior year: 0.0 million).

As at 30 September 2015, the elumeo Group had cash and cash equivalents (property, plant and equipment and intangible assets) of EUR 16.3 million (30 September 2014: EUR 1.9 million).

Supplementary report

elumeo SE has reduced its forecast for financial year 2015 as part of preparing the interim financial statements for the third quarter of 2015. This adjustment became necessary due to one-off effects in the United Kingdom.

No significant other events occurred after 30 September 2015 before this report was published.

Opportunity and risk report

There were no significant changes in terms of opportunities and risks in the first nine months of 2015. For further information about the specific risks the elumeo Group faces, please refer to section *[3. Risk Factors]* in the Securities Prospectus.

Forecast report

The Executive Board of elumeo SE expects revenue for the full year 2015 to be slightly above the prior year's figure of EUR 70.8 million. Negative consolidated Group profit cannot be ruled out, however.

Several important projects and measures have already been initiated and should have a positive impact on the business as early as the 2016 financial year and thus enable elumeo SE to continue on its growth course. One of these measures is the change from purchasing gemstone on consignment to direct purchases. The gross profit margin of the products purchased and produced using the new model could already be increased to more than 57% in the third quarter. As time goes on, the share of products manufactured using the new model should be continuously increased and therefore increase the gross profit margin of the group. Furthermore, elumeo SE expects its subsidiary Juwelo Deutschland's cooperation with the gemstone jewelry line JAHDO to sustainably strengthen awareness of Juwelo and thus contribute positively to the business. Thanks to the fully automated warehouses that were put into operation at our sites in Germany, Italy and the UK just recently, we should be able to increase the efficiency of our internal logistics processes. In addition, a new factory was opened and put into operation in Thailand in mid-November. elumeo SE expects to have higher capacities and more efficient workflows in jewelry production by implementing the most modern technological standards. Regarding the international expansion the launch of Juwelo in France has been postponed to Q4 2016. All remaining iniatives have been on track so far. That includes the webshops of Juwelo in the USA and Italy effective in Q4 2015.

III. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of income

for the period from 1 July to 30 September 2015 (Q3 2015) and for the period from 1 January to 30 September 2015

EUR thousand	Notes	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Revenue	1.	14.683	17.586	54.164	50.038
Cost of goods sold	2.	8.272	8.022	27.909	23.095
Gross profit		**6.411**	**9.564**	**26.256**	**26.944**
Selling expenses	3.	7.232	6.776	20.871	19.719
Administrative expenses	4.	2.448	2.766	7.586	7.023
Other operating income	5.	34	13	89	1.547
Other operating expenses	6.	766	88	940	273
Earnings before interest and taxes (EBIT)		**-4.002**	**-52**	**-3.051**	**1.476**
Interest income		1	0	4	3
Interest and similar expenses		-95	-0	-226	-0
Financial result	7.	-95	-0	-222	3
Earnings before income taxes (EBT)		**-4.097**	**-52**	**-3.273**	**1.479**
Income tax	8.	726	316	439	90
Earnings for the period		**-3.370**	**264**	**-2.834**	**1.569**
Earnings of shareholders of elumeo SE		*-3.370*	*264*	*-2.834*	*1.569*
Earnings per share in EUR (basis and diluted)	9.	**-0,61**	**0,07**	**-0,63**	**0,39**

Consolidated statement of comprehensive income

for the period from 1 July to 30 September 2015 (Q3 2015) and for the period from 1 January to 30 September 2015

EUR thousand	Notes	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Earnings for the period		-3.370	264	-2.834	1.569
Items which will be reclassified to the consolidated statement of income in subsequent periods:					
Differences from foreign currency translation of foreign subsidiaries		-1.765	1.165	-791	1.264
Other comprehensive income	10.	-1.765	1.165	-791	1.264
Total comprehensive income		-5.135	1.429	-3.625	2.833
Total comprehensive income of shareholders of elumeo SE		*-5.135*	*1.429*	*-3.625*	*2.833*

Consolidated statement of financial position

as at 30 September 2015

ASSETS

EUR thousand	Notes	30 Sep 2015	31 Dec 2014
Non-current assets			
Intangible assets	11.	1.045	727
Property, plant and equipment	12.	9.637	2.286
Receivables due from related parties	15.	0	74
Other financial assets	16.	490	388
Other non-financial assets	16.	2.005	509
Deferred tax assets	24.	2.787	2.167
Total non-current assets		15.964	6.152
Current assets			
Inventories	13.	38.542	21.419
Trade receivables	14.	3.568	1.961
Receivables due from related parties	15.	558	635
Other financial assets	16.	177	77
Other non-financial assets	16.	3.973	2.170
Cash and cash equivalents		16.306	2.431
Total current assets		63.123	28.694
Total assets		79.087	34.846

Consolidated statement of financial position

as at 30 September 2015

EQUITY & LIABILITIES

EUR thousand	Notes	30 Sep 2015	31 Dec 2014
Equity			
Issued capital		5.500	4.000
Capital reserve		32.658	0
Retained earnings		16.202	19.037
Foreign currency translation reserve		698	1.489
Total equity	17.	**55.058**	**24.525**
Non-current liabilities			
Financial debt	19.	11.773	0
Bonds		45	0
Other non-current financial liabilities	25.	299	176
Provisions	20.	431	365
Other non-financial liabilities	22.	25	25
Summe non-current labilities		**12.574**	**566**
Current liabilities			
Financial debt	19.	1.014	0
Other financial liabilities	25.	104	10
Provisions	20.	87	320
Liabilities due to related parties	21.	53	9
Trade payables		8.535	7.342
Tax liabilities		0	117
Other non-financial liabilities	22.	1.662	1.957
Summe current liabilities		**11.455**	**9.755**
Total equity & liabilities		**79.087**	**34.846**

Consolidated statement of changes in equity

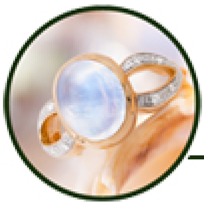
for the period from 1 January to 30 September 2015

Reason for change		Attributable to shareholders of elumeo SE					
EUR thousand	Notes	Net assets	Issued capital	Capital Reserve	Retained earnings	Foreign currency translation reserve	Total equity
1 January 2015		0	4.000	0	19.037	1.489	24.525
Capital increase	17.		1.500	36.000			37.500
Transaction cost net of tax benefit	17.			-3.412			-3.412
Equity-settled share-based remuneration	17./18.			69			69
Other comprehensive income	10.					-791	-791
Earnings for the period					-2.834		-2.834
Total comprehensive income					-2.834	-791	-3.625
30 September 2015		0	5.500	32.658	16.202	698	55.058

Consolidated statement of cash flows

for the period from 1 January to 30 September 2015

EUR thousand		Notes	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
	Earnings before interest and taxes (EBIT)		-3.051	1.476
+/-	Depreciation and amortisation on non-current assets	11./12.	627	508
+/-	Increase/decrease in provisions	20.	-167	-39
+/-	Equity-settled share-based remuneration	17./18.	69	0
+/-	Other non-cash expenses/income		-861	191
+/-	Loss/gain on disposal of non-current assets		0	-7
+	Proceeds from interest income		1	3
-	Interest expenses paid		-232	-0
+	Proceeds from income tax		6	14
-	Income tax paid	8./16.	-1.998	-5
-/+	Increase/decrease in inventories	13.	-17.123	-11.582
-/+	Increase/decrease in other assets		-2.823	2.454
+/-	Increase/decrease in other liabilities		1.088	5.004
=	**Cash flow from operating activities**	23.	**-24.463**	**-1.982**
-	Payments for investments in intangible assets	11.	-393	-750
-	Payments for investments in property, plant and equipment	12.	-8.274	-768
	and property, plant and equipment		1	10
+	Proceeds from acquisition of subsidiaries (including cash and cash equivalents)		0	16
=	**Cash flow from investing activities**	23.	**-8.665**	**-1.492**
+	Proceeds from increase in financial debt	19.	12.787	0
+	Proceeds from increase in financial liabilties	12./23.	4	57
+	Proceeds from capital increase net of transaction cost		34.088	0
+	Other proceeds from shareholders		0	3.608
=	**Cash flow from financing activities**	23.	**46.880**	**3.665**
+/-	Net increase/decrease in cash and cash equivalents		13.751	191
+/-	Effects of foreign currency translation on cash and cash equivalents		123	80
+	Cash and cash equivalents on beginning of reporting period		2.431	1.674
=	**Cash and cash equivalents on end of reporting period**	23.	**16.306**	**1.945**



IV. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

A. Corporate information

Company and registered office

elumeo SE, Berlin, Germany ("company" or "elumeo SE")

Incorporation und commercial register

The parent company of the elumeo Group was founded on 5 March 2014 under the name "Atrium 66. Europäische VV SE" as a European Company (SE) and is filed with the Berlin-Charlottenburg local court in the commercial register Department B under number HRB 157 001.

By resolution of the general shareholders' meeting on 9 July 2014, the company's name was changed to "elumeo SE."

Nature of operations

The elumeo Group is a manufacturer and electronic retailer of gemstone jewelry and sells primarily handcrafted, self-produced jewelry at competitive prices through direct distribution channels such as TV home shopping channels, web shops, personal shopping assistants and mobile and smart TV apps. The wide product range with more than 500 different gemstone varieties is offered mainly in the geographical markets of Germany, Austria, Switzerland, Italy, the United Kingdom (UK), France, Spain, the Netherlands and Belgium. The predominant sales format is interactive live shows which offer customers the opportunity to bid against one another for the jewelry being presented and to influence the price.

Address of management

Erkelenzdamm 59/61, 10999 Berlin, Germany

Authorisation of the interim consolidated financial statements

The Executive Board approved publication of the condensed interim consolidated financial statements for the period from 1 January to 30 September 2015 on 26 November 2015.

Initial Public Offering and capital measures

By resolution of the extraordinary shareholders' meeting on 7 April 2015, the company's shareholders approved a public offering of the company's shares and the subsequent admission of the company's shares to stock exchange trading. On 29 June 2015, elumeo SE requested admission of the shares to stock exchange trading on the Regulated Market of the Frankfurt Stock Exchange and on the Prime Standard, a sub-segment with additional post-admission obligations. The admission offer was for 1,500,000 new shares and 225,000 existing shares. The admission to stock exchange trading was issued on 2 July 2015 and trading activities started on 3 July 2015. The capital measures presented in section *[G.(17.)]* were conducted in connection with the public offering.

B. Basis of preparation

The parent company elumeo SE and its subsidiaries ("elumeo Group") are included in the condensed interim consolidated financial statements as at 30 September 2015 ("interim financial statements").

The elumeo Group was legally founded on 23 October 2014 by the contribution of

- Juwelo TV Deutschland GmbH, Berlin, Germany ("Juwelo"), and its subsidiaries, Juwelo Italia s.r.l., Rome, Italy ("Juwelo Italia"), Rocks & Co Productions Ltd., Birmingham (Warwick up until 7 October 2015), United Kingdom ("R&C"), JTV Services GmbH, Berlin, Germany ("JTV"), and
- Silverline Distribution Ltd., Hong Kong, People's Republic of China ("Silverline"), and its subsidiary Porn Wong Kitt Company Limited, Chanthaburi, Thailand ("PWK")

by the shareholders Wolfgang Boyé, Berlin, Germany ("Mr. Boyé"), and Ottoman Strategy Holdings (Suisse) SA, Zug, Switzerland ("OSH"), to elumeo SE. Prior to the contribution, Juwelo and Silverline were not a legal group for consolidated financial reporting purposes in accordance with IFRS 10 *Consolidated Financial Statements* and IAS 27 *Consolidated and Separate Financial Statements*. The financial information for the comparative period ("combined interim financial statements") is based on an aggregation of Juwelo and Silverline and their subsidiaries as well as all entities operated under the joint control of the shareholders Mr. Boyé and OSH prior to the contribution, and all business activities that were later transferred to entities belonging to the legal elumeo Group ("combined elumeo Group").

For further information on the founding of the legal elumeo Group, please refer to section *[B. Basis of preparation]* of the published consolidated financial statements of elumeo SE for the financial year ended 31 December 2014 ("consolidated financial statements 2014") and the Securities Prospectus of elumeo SE published on 17 June 2015.

C. General principles

Applicable accounting principles

The consolidated financial statements 2014 of elumeo SE were prepared pursuant to the International Financial Reporting Standards ("IFRSs") applicable as at the reporting date. In the interim financial statements as at 30 September 2015, which were prepared based on International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, the same accounting policies as in the consolidated financial statements 2014 were followed.

The option to prepare condensed interim financial statements was exercised. All interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") requiring application as at the reporting date were followed. In addition, the interim reporting is consistent with the German Accounting Standard ("GAS") No. 16 *Interim Financial Reporting* from the German Accounting Standards Committee e.V. ("GASC"). For further information on the accounting policies applied, please refer to the consolidated financial statements 2014 of elumeo SE.

General information

The interim financial statements are prepared based on recognition of assets and liabilities at amortised cost. The consolidated statement of income is prepared using the cost of sales format. The consolidated statement of financial position classifies assets and liabilities as current or non-current according to their maturities.

To improve the clarity of presentation, various items in the consolidated statement of income and consolidated statement of financial position have been combined. These items are reported and explained separately in the notes to the interim consolidated financial statements.

A consolidated statement of comprehensive income is prepared to reconcile the earnings of the period in the consolidated statement of income to the consolidated total comprehensive income.

The interim financial statements are prepared in euros (EUR). Unless otherwise indicated, all figures are rounded up or down to the nearest thousand (EUR thousand). Unless otherwise indicated, the prior-year period information from 2014 presented in parentheses relates to the respective aforementioned comparative period of 2015.

The preparation of the interim financial statements in accordance with the IFRSs requires that assumptions be made and estimates be used. This could impact the amount and presentation of recognised assets and liabilities, income and expenses and contingent liabilities and the related disclosures. All assumptions and estimates are based on the actual circumstances and estimates on the reporting date and the expected future business development of the elumeo Group, reflecting the foreseeable development of its economic environment. The actual results may vary from the assumptions and estimates if the general conditions as of the reporting date develop contrary to expectations. The estimates and the underlying assumptions are therefore continually reviewed.

Disclosure according to § 37w para. 5 WpHG

The interim financial statements as at 30 September 2015 were not audited or subject to an audit review.

D. New accounting standards issued by the IASB

Applicable standards

IFRS accounting is based on the IASB accounting standards which have been adopted for the European Union endorsed by the Commission of the European Community as part of the endorsement proceedings for the EU according to EU directive no. 1606/2002 in connection with section 315a para. (1) and para. (3) German Commercial Code (Handelsgesetzbuch, "HGB"). Application of the IFRSs newly issued by the IASB or revised versions of IFRSs is only mandatory after a corresponding resolution by the Commission in the endorsement proceedings.

New accounting standards issued by the IASB with first-time application in the first three quarters of 2015

First-time application of the following new standards, interpretations or amendments to the IASs/IFRSs became mandatory during the first three quarters of 2015:

Standard/Interpretation		Publication by IASB	Application date IASB	Expected effects on elumeo group
IAS 19	Employee Benefits (Amendments to IAS 19)	21 Nov 2013	1 Jul 2014 [1]	not significant
IFRIC 21	Levies	20 May 2013	1 Jan 2016 [2]	not significant
	Improvements to IFRSs 2010-2012	12 Dec 2013	1 Jul 2014 [1]	not significant
	Improvements to IFRSs 2011-2013	12 Dec 2013	1 Jul 2014 [3]	not significant

[1] Application date EU: Application mandatory for financial years commencing on or after 1 Feb 2015.
[2] Application date EU: Application mandatory for financial years commencing on or after 17 Jun 2015.
[3] Application date EU: Application mandatory for financial years commencing on or after 1 Jan 2015.

New accounting standards issued by the IASB not yet applicable in the first three quarters of 2015

Standards and interpretations announced up to the date of the publication of the interim financial statements, but not yet requiring application are presented below. Unless otherwise indicated, the standards and interpretations and/or amendments to existing standards are applicable for financial years beginning on or after the indicated application date.

Standard/Interpretation		Publication by IASB	Application date IASB	Expected effects on elumeo group
IFRS 9	Financial Instruments	12 Nov 2009/ 28 Oct 2010/ 16 Dec 2011/ 19 Nov 2013/ 24 Jul 2014	1 Jan 2018	not significant
IFRS10/ IAS 28	(Amendments to IFRS 10 and IAS 28)	11 Sep 2014	1 Jan 2016	not significant
IFRS10/ IFRS12/ IAS 28	Investment Entities: Expemtion from Consolidation (Amendments to IFRS 10, IFRS 12 and IAS 28)	18 Dec 2014	1 Jan 2016	not significant
IFRS 11	Acquisition of an Interest in a Joint Operation (Amendments to IFRS 11)	6 May 2014	1 Jan 2016	not significant
IFRS 14	Regulatory Deferral Accounts	30 Jan 2014	1 Jan 2016	not significant
IFRS 15	Revenue from Contracts with Customers	28 May 2014	1 Jan 2018	not significant
IAS 1	Presentation of Financial Statements (Disclosure Initiative - Amendments to IAS 1)	18 Dec 2014	1 Jan 2016	fundamentally significant
IAS 16/ IAS 38	Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	12 May 2014	1 Jan 2016	not significant
IAS 16/ IAS 41	Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	30 Jun 2014	1 Jan 2016	none

Standard/Interpretation		Publication by IASB	Application date IASB	Expected effects on elumeo group
IAS 27	Equity Method in Separate Financial Statements (Amendments to IAS 27)	12 Aug 2014	1 Jan 2016	none
	Improvements to IFRSs 2012-2014	25 Sep 2014	1 Jan 2016	not significant
	Amendments to "IFRSs for small and medium enterprises" (IFRSs for SMEs)	21 May 2015	1 Jan 2017	none

IFRS 9 – Financial instruments

In July 2014, the IASB published the final version of IFRS 9. The standard harmonises the guidelines for the classification and measurement of financial assets and financial liabilities and introduces a new model for the impairment of financial assets. Classification is based primarily on the company's business model and the contractual cash flows of the financial instrument in question. IFRS 9 contains a new measurement model that requires recognition of expected losses in addition to incurred losses. Furthermore, the new provisions on hedge accounting published on 19 November 2013 were included in the final version of IFRS 9, thus replacing the previous provisions of IAS 39. The standard, which has not yet been approved as part of the EU endorsement proceedings, requires first-time application in financial years beginning on or after 1 January 2018. The elumeo Group does not expect the first-time application of the standard to result in any material changes in the presentation or recognition of financial assets and liabilities.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to the recognition of revenue from contracts with customers. Under IFRS 15, revenue is recognised at the amount that reflects the consideration which the entity expects to receive in exchange for transferring goods or services to the customer. Revenue is recognised when the customer receives control over the goods or services. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard, which has not yet been approved in the EU endorsement proceedings, is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018, with early adoption permitted. The elumeo Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date. The elumeo Group does not expect the first-time application of the standard to result in any material changes.

In addition, the IASB has released other standards and amendments to standards requiring future application but which will not have any impact on the elumeo Group's consolidated financial statements.

E. Principles of consolidation

Basis of consolidation

In 2015, Juwelo France S.A.S., Paris, France ("Juwelo France"), a newly-founded subsidiary of Juwelo, was included in the basis of consolidation for the first time.

The interim financial statements as at 30 September 2015 therefore include the separate financial statements of elumeo SE and its directly or indirectly wholly-owned subsidiaries (Juwelo, Juwelo France, Juwelo Italia, JTV, R&C, Silverline and PWK). The entities included in the interim financial statements as at 30 September 2015 are referred to as the elumeo Group.

The combined interim financial statements as at 30 September 2014 include the entities under the common control of Mr. Boyé and OSH (elumeo SE, Juwelo, Juwelo Italia, JTV, R&C, Rox Gulf Ltd., Dubai, United Arab Emirates ("Rox Gulf"), Rocks Holding Ltd., Dubai, United Arab Emirates ("Rocks Holding"), Silverline and PWK). The entities included in the combined interim financial statements are referred to as the combined elumeo Group.

The basis of consolidation was reduced from nine entities as at 30 September 2014 to seven entities as at 31 December 2014 with the transfer of the business activities of Rox Gulf and Rocks Holding to Silverline and the discontinuation of the business activities of Rox Gulf and Rocks Holding (loss of control as at 23 October 2014). As at 30 September 2015, the basis of consolidation increased to eight entities by the founding of an entity.

Reporting date of the interim consolidated financial statements

These interim financial statements as at 30 September 2015 comprise the period from 1 January to 30 September 2015 ("first nine months of 2015" or "the first three quarters"). The quarterly reporting period comprises the period from 1 July to 30 September 2015 ("Q3 2015" or "the third quarter").

Foreign currency translation

Foreign currency translation is based on the concept of functional currency pursuant to IAS 21 *The Effects of Changes in Foreign Exchange Rates* using the modified-closing-rate-method. The exchange rates with a significant influence on the interim financial statements are presented below:

Currency	Exchange rate on reporting date		Average exchange rate	
EUR	**30 Sep 2015**	31 Dec 2014	**1 Jan - 30 Sep 2015**	1 Jan - 30 Sep 2014
British pound	1,3545	1,2839	1,3757	1,2323
Thai baht	0,0246	0,0251	0,0266	0,0228
US dollar	0,8937	0,8240	0,8978	0,7384

Please refer to section *[E.: Foreign currency translation]* in the notes to the consolidated financial statements 2014 for further information on foreign currency translation.

F. Notes to the interim consolidated statement of comprehensive income

(1.) Revenue

In the first nine months of 2015, the elumeo Group increased its revenue by 8.2% compared to the prior-year period. In the third quarter of 2015, revenue declined by -16.5% mainly due to lower sales volumes in UK and Germany.

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Revenue from product sales	14.630	17.586	54.097	50.033
Other revenue	53	0	67	5
Revenue	**14.683**	**17.586**	**54.164**	**50.038**

With respect to revenue from product sales in the first nine months of 2015, the sales companies in Germany (first nine months of 2015: + 10.1%) and Italy (first nine months of 2015: + 25.9%) posted growth compared to the same period last year. With sales growth of 15.1% in Q3 2015 in Germany and + 14.4% in Italy, the strong growth from the first half of 2015 could not be continued. In addition, the subsidiary in the UK posted a temporary drop in sales of -40.4% due to the relocation of the head office. The following table shows the distribution of revenue from product sales by region (by registered domicile of the selling company):

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Germany	8.960	10.556	33.385	30.331
Italy	3.189	2.788	10.160	8.071
United Kingdom	2.454	4.115	10.387	11.128
Other countries	27	126	165	503
Revenue from product sales	**14.630**	**17.586**	**54.097**	**50.033**

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Television revenue	11.565	14.896	41.311	42.177
eCommerce revenue[1]	3.065	2.689	12.786	7.856
Revenue from product sales	**14.630**	**17.586**	**54.097**	**50.033**

[1] The revenue in 9M 2015 includes revenue of EUR 2.252 thousand from Q2 2015 with an Joint-Venture-Partner, with whom the establishment of an eCommerce distribution in the USA is currently being planned.

In Q3 of 2015, revenue from product sales of EUR 11,565 thousand (Q3 2014: EUR 14,896 thousand) was generated through TV sales channels and EUR 3,065 thousand (Q3 2014: EUR 2,689 thousand) via eCommerce sales channels. In the first nine months of 2015, revenue from eCommerce sales (adjusted) increased overall by 62.75% to EUR 12,786 thousand (first three months of 2014: EUR 7,856 thousand). The European web shop business attributable to eCommerce revenue increased in the first nine months of 2015 by 103.6% to EUR 3,849 thousand (first nine months of 2014: EUR 1,890 thousand). In the end, the revenue share of the eCommerce sales channels (adjusted) rose in the first nine months of 2015 to 23.6% (first nine months of 2014: 15.7%) of total revenue.

(2.) Cost of goods sold

The cost of goods sold is composed of the following:

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Material costs	5.363	5.287	18.628	15.317
Freight costs	954	1.117	3.280	3.199
Personnel expenses	1.008	835	3.314	2.416
Customs duties and similar charges	673	507	1.740	1.365
Other auxiliary material and consumable costs	103	142	384	428
Other manufacturing overhead costs	139	114	475	334
Depreciation and amortisation	32	20	88	35
Cost of goods sold	8.272	8.022	27.909	23.095

(3.) Selling expenses

The selling expenses comprise the following items:

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Broadcasting and channel rental cost	3.645	3.232	10.109	9.399
Personnel expenses	1.857	1.524	5.459	4.303
Other selling expenses	911	1.326	3.160	4.107
Personnel services	357	348	1.059	967
Marketing expenses	400	292	907	781
Depreciation and amortisation	62	55	177	162
Selling expenses	7.232	6.776	20.871	19.719

The other selling expenses are composed essentially of expenses for moderators, producers and similar freelance activities in TV production, for the telephone platform, for payment transactions, for packaging and for operating the web shops.

(4.) Administrative expenses

The administrative expenses contain the following items:

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Personnel expenses	1.196	948	3.403	2.901
Depreciation and amortisation	143	113	362	310
Other administrative expenses	1.109	1.705	3.820	3.811
Losses [+]/gains [-] from foreign currency translation	-131	826	271	872
External service expenses and similar fees	224	125	542	722
Rent and lease expenses	167	144	465	396
Repair and maintenance expenses	84	15	135	64
Bad debt allowances and write-downs	2	1	15	3
Losses on disposal of non-current assets	0	3	0	3
Other administrative expenses	764	592	2.393	1.752
Administrative expenses	2.448	2.766	7.586	7.023

Other operating expenses include, among other items, remuneration for the members of the Executive Board (first nine months of 2015: EUR 129 thousand).

(5.) Other operating income

Other operating income is comprised of the following:

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Income from the reversal of allowances for doubtful accounts	30	0	31	0
Gains on disposal of non-current assets	1	1	1	9
Income from TV production services	0	0	0	697
Income from the release of a negative goodwill from acquisition of PWK	0	0	0	805
Income resulting from past reporting periods	0	0	30	19
Miscellanous other operating income	2	13	27	17
Other operating income	34	13	89	1.547

(6.) Other operating expenses

Other operating expenses in the third quarter of 2015 were EUR 766 thousand (Q3 2014: EUR 88 thousand) and in the first nine months of 2015 EUR 940 thousand (first nine months of 2014: EUR 273 thousand). They pertain for the most part to one-off restructuring, consulting and other non-personnel expenses in connection with the establishment of the elumeo Group as well as preparations for the admission of the shares of elumeo SE to the Regulated Market of the Frankfurt Stock Exchange (IPO and restructuring expenses).

Furthermore, in the third quarter of 2015 and the first nine months of 2015, non-recurring expenses totalling EUR 229 thousand (first nine months of 2014: EUR 0 thousand) in connection with the relocation of R&C's headquarters in Warwick to Birmingham and a concomitant change in the ERP system are included. The expenses relate to travel costs as well as mainly costs for legal and consulting services and architect and demolition work.

(7.) Financial result

The financial result includes the following income and expense items:

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Interest income from bank balances	-0	1	1	1
Other interest income	1	-1	3	2
Interest income	1	0	4	3
Interest expenses from bank loans	-92	0	-215	0
Interest expenses from finance leases	-1	0	-1	0
Other interest and similar expenses	-3	-0	-11	-0
Interest expenses	-95	-0	-226	-0
Financial result	-95	-0	-222	3

(8.) Income tax

Income taxes in the first nine months of 2015 mainly include current taxes on income paid or payable in the individual countries of EUR -181 thousand (first nine months of 2014: EUR -53 thousand) and deferred taxes of EUR 620 thousand (first nine months of 2014: EUR 143 thousand).

Income from current taxes on income and profit in Germany pertains to tax refunds from the tax authorities.

The current income taxes essentially relate to the proper periodic allocation of a one-time tax payment in connection with the awarding of an investment promotion certificate by the Thai investment authorities (Board of Investment ("BOI")). For further information about the tax exemption of the Thai subsidiary, please refer to section *[13.16. Public aid – Tax grant from the Thai BOI]* in the Securities Prospectus.

The deferred tax assets of EUR 765 thousand from tax loss carryforwards recognised during first-time consolidation of PWK as at 1 January 2014 were recognised in full as a tax expense in the first nine months of 2014 because the tax loss carryforwards were utilised.

EUR thousand	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Deferred tax expense (-)/income (+)	786	370	620	143
Current tax - Germany	6	-0	6	-0
Current tax - other countries	-66	-53	-187	-53
Income tax	726	316	439	90

(9.) Earnings per share

Earnings per share are presented below:

Earnings and Number of Shares	Unit	Q3 2015	Q3 2014	1 Jan - 30 Sep 2015	1 Jan - 30 Sep 2014
Earnings of shareholders of elumeo SE	EUR thousand	-3.370	264	-2.834	1.569
Average number of outstanding shares	thousands	5.484	4.000	4.500	4.000
Earnings per share (basic and diluted)	EUR	**-0,61**	**0,07**	**-0,63**	**0,39**

The basic earnings per share correspond to the earnings attributable to shareholders divided by the weighted average number of shares outstanding. The calculation of the average number of outstanding shares was carried out taking into account the pro rata weighting of intra-year issuance of new shares by way of a capital increase on 1 July 2015.

As at 3 July 2015, the Executive Board issued option rights to subscribe for shares of elumeo SE under the Stock Option Programme 2015. Exercising of the options after the vesting period has ended is subject to capital market-based performance targets that have not yet been met as of the reporting date. The potential shares are therefore not to be included in the calculation of diluted earnings per share, regardless of any pro rata vesting that has already taken place. As a result, diluted earnings per share equal basic earnings per share.

For more information on how equity has developed, please refer to section *[G.(17.)]* and for more information on the Stock Option Programme 2015 section *[G.(18.)]*.

(10.) Other comprehensive income

The earnings for the period of the elumeo Group in the consolidated statement of income can be reconciled to the total comprehensive income in the consolidated statement of comprehensive income by adding back the other comprehensive income. The other comprehensive income includes the foreign currency translation differences from the translation of the equity of foreign subsidiaries at the respective historical exchange rate as well as of the annual financial statements prepared in foreign currency and is presented directly in equity in the foreign currency translation reserve.

G. Notes to the interim consolidated statement of financial position

(11.) Intangible assets

As at 30 September 2015, intangible assets amounted to EUR 1,045 thousand (31 December 2014: EUR 727 thousand). They essentially concern a broadcasting license, an Internet domain (including a depreciable usage license) and software that were purchased. EUR 393 thousand were invested in total in the nine month period of 2015 (first nine months of 2014: EUR 750 thousand), mainly to acquire the Internet domain “schmuck.de.” Amortisation in the same period was EUR 75 thousand (first nine months of 2014: EUR 25 thousand).

The Internet domain “schmuck.de” has an indefinite useful life and is not amortised in accordance with IAS 38. In addition, a test is performed every reporting period for whether there is evidence of permanent impairment of the asset.

The elumeo Group does not conduct any research. Development activities are limited to the maintenance and enhancement of corporate software used, consisting of internal web applications and user software such as mobile apps and smart TV apps. The costs for development activities incurred essentially encompass personnel costs that are expensed because the recognition requirements for capitalisation are not met.

(12.) Property, plant and equipment

Capital expenditures on property, plant and equipment were EUR 8,426 thousand in the first nine months of 2015 (first nine months of 2014: EUR 768 thousand). Depreciation amounted to EUR 552 thousand in the same period (first nine months of 2014: EUR 483 thousand).

Investments amounting to EUR 3,437 thousand pertain to a plot of land and EUR 1,640 thousand to an office and factory building from the acquisition of the production site in Chanthaburi, Thailand, by the production company PWK. For more information on the acquisition, we refer to section *[H.: Related party disclosures].*

In addition, payments were made for assets or assets under construction in the amount of EUR 1,901 thousand (first nine months of 2014: EUR 0 thousand) for which their depreciation has not yet started. The assets primarily relate to buildings and factory installations of the production company PWK (EUR 1,201 thousand), semi-automated warehouse and logistics infrastructures for the distribution company Juwelo (EUR 226 thousand) as well as tenant fixtures and facilities under construction at the newly relocated headquarters of the sales company R&C (EUR 474 thousand). Commercial entry into service started in the fourth quarter.

As a result of the refinancing of asset purchases at Juwelo in the form of a lease purchase agreement, EUR 361 thousand in prepayments were refunded in the third quarter of 2015. This differs from the disclosure made in the consolidated statement of financial position as at 30 June 2015.

Finance lease assets are also recognised in the tangible assets of the elumeo Group for the first time as at 30 September 2015. IAS 17 *Leases* contains rules on how to determine whether beneficial ownership of the leased asset is to be attributed to the lessee (finance leases) or the lessor (operating leases) on the basis of risks and rewards.

The tangible assets leased through finance leases are accounted for at the lower value of the fair value of the asset and the present value of minimum lease payments at the time of acquisition in accordance with IAS 17. Depreciation takes place on a linear basis over the expected useful life or the shorter lease term. The payment obligations resulting from future lease payments are recognised under other financial liabilities. The lease payments are shown under financing activities in the elumeo Group's consolidated cash flow statement and the interest element is shown under operations.

The elumeo Group is a lessee of semi-automated warehouse and logistics infrastructures that are attributable to the elumeo Group as the beneficial owner due to the form of their underlying lease (lease contract). The technical installations were accounted for at the time of acquisition with a total of EUR 152 thousand. The lease had a net book value of EUR 146 thousand and a term until 2017 as at 30 September 2015.

The elumeo Group's minimum lease payments from finance leases are shown in the table below:

EUR thousand	30.09.2015	31.12.2014
Future minimum leasing payments		
Due date within 1 year	41	0
Due date between 1 and 5 years	117	0
Due date more than 5 years	0	0
Sum	158	0
In future minimum leasing payments included interest component		
Due date within 1 year	6	0
Due date between 1 and 5 years	8	0
Due date more than 5 years	0	0
Sum	14	0
Cash value of future minimum leasing payments		
Due date within 1 year	35	0
Due date between 1 and 5 years	109	0
Due date more than 5 years	0	0
Sum	144	0

(13.) Inventories

The inventories are comprised of the following:

EUR thousand	30 Sep 2015	31 Dec 2014
Raw materials, consumables and supplies	10.518	479
Unfinished goods	625	1.049
Finished goods and merchandise	27.399	19.892
Advance payments	0	0
Inventories	38.542	21.419

(14.) Trade receivables

As at 30 September 2015, the trade receivables include a receivable in the amount of EUR 2,252 thousand (31 December 2014: EUR 0 thousand) due from a joint venture partner in connection with the establishment of a US eCommerce distribution channel. This amount has been paid off as per November 2015.

(15.) Receivables due from related parties

The receivables due from related parties of EUR 558 thousand (31 December 2014: EUR 709 thousand) concern receivables from the purchase and sale of merchandise and the rendering of services. The non-current receivables due from related parties of EUR 74 thousand as at 31 December 2014 are interest bearing and were offset with trade payables to the relevant related parties in the third quarter of 2015 by taking transactions during the year into account.

(16.) Other financial assets and other non-financial assets

The other financial assets are comprised of the following:

EUR thousand	30 Sep 2015	31 Dec 2014
Security deposits and other warranties	635	433
Receivables due from employees	31	32
Ohter financial assets	667	465
thereof long-term	490	388
thereof short-term	177	77

The other non-financial assets contain the following items:

EUR thousand	30 Sep 2015	31 Dec 2014
Receivables from taxes	3.085	1.170
Deferred expenses - investment promotion certificate	1.555	0
Deferred expenses - others	1.063	1.504
Other advance payments	103	0
Creditors with debit balances	165	5
Miscellanous other receivables	7	0
Other non-financial assets	5.978	2.679
thereof long-term	2.005	509
thereof short-term	3.973	2.170

(17.) Equity

Stock exchange listing

On 29 June 2015, elumeo SE requested admission of its shares to stock exchange trading on the Regulated Market of the Frankfurt Stock Exchange and on the Prime Standard, a sub-segment with additional post-admission obligations. The admission offer was for 1,500,000 new shares and 225,000 existing shares that were held by the shareholders listed in section *[18. Shareholder structure (before and after the offering)]* in the Securities Prospectus.

The shares were offered to investors for purchase in the period from 18 June to 1 July 2015 in a price spread of EUR 25.00 to EUR 33.00. The company fixed the offering price at EUR 25.00 on 1 July 2015. The admission to stock exchange trading was issued on 2 July 2015 and trading activities started successfully on 3 July 2015. Since then, elumeo SE's shares have traded under the International Securities Identification Number (ISIN) DE000A11Q059 and the German Securities Identification Number (SIN) A11Q05.

In the course of the initial public offering and the complete placement of 1,500,000 new shares, elumeo SE received cash and cash equivalents in the amount of EUR 33,586 thousand after deducting the base fee retained by the syndicate banks and other costs related to the transaction (including charges related to placement of the shares recognised in the income statement). The greenshoe offered to the placing syndicate banks of 225,000 shares from the shareholders' portfolio, which was exercisable up to and including 3 August 2015, was exercised in the amount of 40,482 shares.

In preparation of the initial public offering of elumeo SE's shares, the following material resolutions were adopted.

Issued capital

By resolution of the extraordinary shareholders' meeting on 15 June 2015, the company's share capital was increased by up to EUR 1,500 thousand to EUR 5,500 thousand by issuing up to 1,500,000 new no-par value bearer shares against cash contributions. The shares were issued at a price of EUR 1.00 per share or for a total issue amount of EUR 1,500 thousand. For the purpose of the subsequent placement of the shares, only one syndicate bank was engaged to manage subscription to the new shares. The capital increase was carried out with a cash contribution from 1 July 2015 in the amount of EUR 1,500 thousand and the Articles of Incorporation were amended by resolution on 1 July 2015. In connection with the IPO, the new shares were fully placed on the capital market. Each share entitles to one vote at the company's General Meeting. There are no restrictions on voting rights. The shares are fully entitled to dividends for financial years beginning on 1 January 2015.

The share capital of elumeo SE was EUR 5,500,000 as at 30 September 2015 and is divided into 5,500,000 no-par value bearer shares each with a nominal value of EUR 1.00. Before the capital increase was carried out, the shares were converted from no-par value registered shares into no-par value bearer shares at a 1:1 ratio by resolution of the extraordinary shareholders' meeting on 7 April 2015. In addition, the company was authorised to acquire treasury shares pursuant to section 71 para. (1) no. 8 German Stock Corporation Act (Aktiengesetz, "AktG") until 6 April 2020 in a volume of up to 10% of the share capital existing as of the date of the resolution.

Capital reserve

The capital reserve as at 30 September 2015 amounted to EUR 32,658 thousand (31 December 2014: EUR 0 thousand).

In the course of the capital increase in connection with the IPO, EUR 32,588 thousand was allocated to the capital reserve. The expenses incurred in connection with the directly attributable initial listing transaction costs of procuring the capital of EUR 3,412 thousand were recognised as a deduction from the capital reserve. No reduction in the transaction costs to account for an income tax benefit was made on the closing date of the interim financial statements. The reason for this is the management's current assessment of the expected future tax ratios of elumeo SE.

Furthermore, stock-based compensation plans in the amount of EUR 69 thousand (first nine months of 2014: EUR 0 thousand) were paid into the capital reserve by 30 September 2015 in accordance with IFRS 2.

Authorised and conditional capital

By resolution of the extraordinary shareholder meeting on 7 April 2015, the Executive Board was authorised to increase the share capital of elumeo SE by up to a total of EUR 2,000 thousand by issuing up to 2,000,000 new no-par value bearer shares in exchange for cash contributions and/or contributions in kind (Authorised Capital 2015).

The Executive Board was also authorised to issue convertible bearer bonds or bearer bonds with warrants in a total nominal amount of up to EUR 150.0 million and to grant the bearers or creditors conversion rights or options to acquire up to a total of 1,600,000 new, no-par value bearer shares

of the company with a pro rata interest in share capital totalling up to EUR 1,600 thousand (Contingent Capital 2015/I).

The Executive Board was also authorised to grant options to acquire up to a total of 400,000 new, no-par value bearer shares of the company (Stock Option Programme 2015). In this connection, the company's share capital may be increased contingently by up to EUR 400 thousand by issuing new shares (Contingent Capital 2015/II). The Contingent Capital 2015/II serves solely to grant new shares to option holders from the Stock Option Programme 2015.

As at 3 July 2015, the Executive Board had issued a total of 151,000 options for the purchase of a total of 151,000 shares with a pro-rata interest in share capital of EUR 151,000 thousand from the Stock Option Programme 2015. The options were issued under the condition precedent of the launch of trading of the company's shares on the Frankfurt Stock Exchange. The exercise price to be paid upon each exercise of the options following expiration of the vesting period corresponds to the share's offering price. As at 30 September 2015, the number of option rights issued is 140,688 in total due to the departure of beneficiaries.

For more information on the Stock Option Programme 2015, we refer you to section *[G. (18.)]*.

For further information on the historical development of the consolidated equity, also in particular on the more detailed development of the equity item "Net assets attributable to shareholders" in the consolidated statement of changes in equity, please refer to section *[I.(17.)]* and *[J.: Related party disclosures]* in the notes to the consolidated financial statements 2014 as well as the Securities Prospectus.

(18.) Share-based Payment

Preliminary remarks

The accounting of share-based compensation programs is carried out under the provisions of IFRS 2 *Share-based Payment*. IFRS 2 distinguishes between share-based compensation settled by own capital instruments and cash-settlement. The granting of share-based payments is always recognised at fair value.

The share-based payment commitments from the Stock Option Programme granted by the elumeo Group in the first nine months of 2015 represent remuneration through its own equity instruments.

Share-based payments settled with equity instruments

The fair value of share-based compensation commitments settled with equity instruments (option rights) is recognised as a personnel expense in the consolidated income statement and as a corresponding increase in equity (capital reserves). The fair value is expensed over the contractually agreed vesting period. The fair value (price component) of the options issued is determined on the grant date and is therefore not adjusted.

The cumulative expenses from the granting of stock options reported on each reporting date reflect the already expired part of the vesting period and the number of stock options that are exercisable at the end of the vesting period based on the best estimate of the elumeo Group.

The fair value of stock options has been determined by the elumeo Group by means of a Black-Scholes option pricing model and supplemented to include a scenario calculation with regard to the time of occurrence of the performance target or the exercise date. The fair value of stock options is made up of the intrinsic value and the time value of the option right of the scenarios multiplied by the best estimated probability of the scenarios.

Stock Option Programme 2015

The Stock Option Programme launched in the first nine months of 2015 entitles executive directors and senior staff of elumeo SE as well as managing directors and certain employees of the Group companies to purchase 140,688 shares of elumeo SE on the reporting date. The options are exercisable as long as the recipients firstly serve the intended service of a tranche serve, secondly the performance target laid down in the Stock Option Programme 2015 is met, thirdly the standstill period has elapsed, and fourthly a fixed overall gain from the exercise of option rights is not exceeded. Each option right entitles the beneficiary to acquire one share.

Beneficiaries can earn the option rights in 16 sub-tranches over a period of four years. The service criterion of a sub-tranche is met if the beneficiary is an employee of the elumeo Group for the vesting period of the respective sub-tranche. The target assumes that the share price of elumeo SE reached a minimum average closing price specified in an option rights agreement when the option is to be exercised. If the contractual performance target is not achieved, the options do not expire, but there will be a change in the exercise date. The standstill period begins on the date of option rights granted and shall be four years. The beneficiaries may exercise their exercisable option rights within six weeks after the publication of interim reports, quarterly, semi-annual and annual financial statements after the expiry of the standstill period in a period of six years. The exercise gain criterion is met if all of the individual exercises do not exceed the sum of a specified total within a calendar year.

The number of outstanding option rights developed as follows in the first nine months of 2015:

Reason for change	Number of option rights	Weighted average exercise price in EUR
Number of option rights outstanding on 1 January 2015	**0**	**0,00**
Option rights granted during the reporting period	151.000	25,00
Option rights forfeited during the reporting period	-10.312	25,00
Option rights exercised during the reporting period	0	0,00
Option rights expired during the reporting period	0	0,00
Number of option rights outstanding on 1 September 2015	**140.688**	**25,00**

The weighted average remaining term until the expiry date of the outstanding options is around 9.75 years as at 30 September 2015. The exercise price of the option rights is a uniform price of EUR 25.00 as at 30 September 2015.

A fair value of EUR 1,109 thousand was calculated for the outstanding option rights, assuming full vesting. Personnel expenses of EUR 69 thousand were incurred by the remuneration commitments in the first nine months of 2015 (first nine months of 2014: EUR 0 thousand). For payment commitments that are not exercisable due to the departure of beneficiaries, no compensation expense was recognised. The disclosure of personnel expenses takes place depending on the area that the employees belong to under sales, selling expenses or administrative expenses.

The parameters set to calculate the fair value of the options issued are shown in the following table:

Parameter SOP 2015	Scenario calculation A	Scenario calculation B	Scenario calculation C
Weighted average share price in EUR	23,76	23,76	23,76
Weighted average exercise price in EUR	25,00	25,00	25,00
Expected volatility in %	31,50%	31,50%	31,50%
Expected option term in years	5,75	7,75	9,75
Expected dividend in %	0,00%	0,00%	0,00%
Risk-free interest rate with equivalent term incl. risk-premium in %	2,22%	2,62%	2,95%
Weighted average rate of fluctuation in %	7,42%	7,42%	7,42%
Occurance probability of performance target in %	100,00%	100,00%	100,00%
Occurance probability of scenario calculation in %	60,00%	25,00%	15,00%

The weighted average share value was determined in a transaction-related manner based on historical share purchases before the reporting date. The expected volatility is based on historical data of listed peer companies. The expected option term and the probability of the scenario calculations was estimated taking into account the factors set out in IFRS 2 for early exercise. The runtime equivalent, risk-free interest rate was calculated based on the Svensson Method and increased to include a flat-rate risk premium due to the generally low interest rates and the current capital market situation. The probability with which the performance target is expected to be met was determined based on the market to the extent possible.

(19.) Financial debt

On 11 February 2015, elumeo SE was granted a working capital loan with a total credit line of up to EUR 5,000 thousand for financing the growth of the elumeo Group. In addition, the elumeo Group was granted an overdraft facility of up to EUR 2,500 thousand. The loans have a term of two years and were recognised as non-current financial debt. As at 30 September 2015, the lines of credit had been utilised in full in the amount of EUR 7,500 thousand.

On 13 March 2015, PWK was granted an overdraft facility for financing working capital in the amount of up to EUR 491 thousand (disclosure in the consolidated financial statements 2014: EUR 501 thousand due to exchange rate changes). On 10 September 2015, the credit line was increased to up to EUR 737 thousand. In addition, PWK was also granted a short-term working capital loan of up to EUR 2,948 thousand (disclosure in the consolidated financial statements: EUR 3,006 thousand due to exchange rate changes). As at September 2015, the overdraft facility had been utilised in the amount of EUR 1 thousand and the working capital loan had been utilised in the amount of EUR 614 thousand and were presented as current financial debt.

The build-up of inventories of precious stones in the first nine months of 2015, which were acquired in the course of the extensive restructuring of the procurement process in the production company in Thailand, was financed to a significant extent by the above lines of credit.

On 15 September 2015, the production company PWK purchased a plot of land as well as a business building and a factory building in connection with the acquisition of the production site in Chanthaburi, Thailand, for a purchase price (before acquisition costs) of THB 190.0 million or EUR 5,077 thousand purchased (converted at the average exchange rate for the reporting period). The purchase represents a transaction involving a related party according to IAS 24. The purchase was financed by taking out a long-term, variable-rate loan in the amount of THB 190.0 million or EUR 4,668 thousand (converted at the closing rate of the reporting period). The loan will be paid back on a monthly basis starting in October 2015 and has a term until 2025.

For further information on financial debt, please refer to section *[J.: Events after the end of the reporting period]* in the notes to the consolidated financial statements 2014 of elumeo SE and section *[8. Capitalisation, indebtedness and debt financing requirements]* in the Securities Prospectus.

(20.) Provisions

Provisions relate mainly to long-term statutory payment obligations in the amount of EUR 431 thousand (31 December 2014: EUR 365 thousand) to employees of foreign subsidiaries that are payable when the employment relationship ends, customer returns in the amount of EUR 33 thousand (31 December 2014: EUR 295 thousand) and obligations to dismantle tenant improvements in the amount of EUR 54 thousand (31 December 2014: EUR 26 thousand).

(21.) Liabilities due to related parties

Liabilities due to related parties relate to trade accounts payable towards a related party for services rendered in the area of TV broadcasting. The original liability as at 30 September 2015 of EUR 164 thousand was offset by receivables from goods and services of EUR 34 thousand (31 December 2014: EUR 24 thousand) and interest-bearing financial receivables of EUR 77 thousand (31 December 2014: EUR 74 thousand).

(22.) Other non-financial liabilities

The other non-financial liabilities comprise the following items:

EUR thousand	30 Sep 2015	31 Dec 2014
Liabilities from value added tax	257	289
Liabilities from other taxes	157	141
Liabilities to employees	290	121
Debtors with credit balances	785	720
Other accrued liabilities	149	560
Miscellanous other liabilities	48	151
Other non-financial liabilities	1.687	1.982
thereof long-term	25	25
thereof short-term	1.662	1.957

Debtors with credit balances result from customer returns not yet reimbursed or from credits that are netted with future orders at the express wish of the customer.

(23.) Notes to the condensed interim consolidated statement of cash flows

The negative cash flow from operating activities in the first nine months of 2015 in the amount of EUR -24,463 thousand (first nine months of 2014: EUR -1,982 thousand) results from a negative result from operating activities (EBIT) of EUR -3,051 thousand (first nine months of 2014: EUR 1,476 thousand) and from the build-up of inventories in the amount of EUR -17,123 thousand (30 September 2014: EUR -11.582 thousand). In addition, trade receivables increased on the reporting date by EUR -1,607 thousand as a result of receivables due from a Joint Venture partner. This cash outflow was offset by an increase in trade payables in the amount of EUR 1,238 thousand (30 September 2014: EUR 3,396 thousand). In addition, the cash outflow includes income taxes paid in the amount of EUR -1,998 thousand (first nine months of 2014: EUR -5 thousand). These can be attributed to a one-time tax payment related to a tax exemption for the Thai subsidiary PWK granted on 1 July 2014 for a period of eight years.

The negative cash flow from investing activities amounts to EUR -8.665 thousand (first nine months of 2014: EUR -1.492 thousand). The acquisition of the tangible fixed assets by way of the finance lease explained in section *[G. (12.)]* was not properly presented as cash outflow in the area of investment and not as a cash inflow in financing activities.

Cash flow from financing activities amounted to EUR 46,880 thousand (first nine months of 2014: EUR 3,665 thousand) and consists mainly of the net borrowings of EUR 12,787 thousand (first nine months of 2014: EUR 0 thousand) and inflows of EUR 34,088 thousand from the public offering of new shares after deduction of the attributable transaction costs. The transaction costs directly attributable to old shares were expensed in the consolidated income statement and thus recognised under cash flow from operating activities.

As at 30 September 2015, the cash flows from operating, investing and financing activities as well as the effects from foreign currency translation on cash and cash equivalents led to a total increase in freely disposable cash and cash equivalents of EUR 13,875 thousand compared to 31 December 2014 (30 September 2015: EUR 271 thousand) to EUR 16,306 thousand (30 September 2014: EUR 1,945 thousand).

(24.) Deferred taxes

Deferred taxes are recognised on differences between the IFRS carrying amount and the carrying amount for tax purposes as well as on tax loss carryforwards. Deferred tax assets as at 30 September 2015 and as at 31 December 2014 can be attributed entirely to the elimination of intercompany profits included in inventories.

(25.) Additional disclosures on financial instruments

The table below shows the carrying amounts and the fair values (amortised cost) of the individual assets and liabilities for each measurement category of financial instruments in accordance with IAS 39.

	Category [1] IAS 39	Carrying amount		Fair value	
EUR thousand		30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
Non-current financial assets					
Receivables due from related parties	LaR	0	74	0	74
Other financial assets	LaR	490	388	490	388
Total		490	463	490	463
Current financial assets					
Receivables due from related parties	LaR	558	635	558	635
Other financial assets	LaR	177	77	177	77
Total		734	712	734	712
Cash and cash equivalents		16.306	2.431	16.306	2.431
Non-current financial liabilities					
Fincanical debt	FLAC	11.773	0	11.773	0
Other financial liabilities	FLAC	299	176	299	176
Financial derivatives with hedge relationship	FLAC	45	0	0	0
Total		12.117	176	12.072	176
Currrent financial liabilities					
Fincanical debt	FLAC	1.014	0	1.014	0
Other financial liabilities	FLAC	104	10	104	10
Receivables due to related parties	FLAC	53	9	53	9
Trade receivables	FLAC	8.535	7.342	8.535	7.342
Debtors with credit balances	FLAC	785	720	785	720
Total		10.491	8.081	10.491	8.081

[1] Category acc. to IAS 39:
LaR - Loans and Receivables
FLAC - Financial Liabilities measured at Amortised Cost

For unlisted financial instruments with short remaining terms such as trade receivables, cash and cash equivalents and current liabilities, it was assumed that the carrying amounts correspond roughly to the fair value as at the reporting date.

Non-current receivables due from related parties and other long-term financial assets are not measured regularly at fair value due to immateriality. The carrying amounts correspond roughly to the fair value as at the reporting date.

Due to immateriality, the carrying amounts for non-current financial debt and other non-current financial liabilities were presumed to correspond roughly with the fair value as at the reporting date due to their maturities, which do not exceed a remaining term of two years.

For the long-term interest-bearing financial liabilities and long-term interest-bearing other financial liabilities, it was assumed that the carrying amount on the reporting date is the fair value due to their standard interest rate.

There were no derivative financial instruments in the first nine months of 2015 and the first nine months of 2014.

H. Other disclosures

Segment reporting

The elumeo Group has only one line of business: the marketing of genuine gemstone jewelry. The structure of the intra-group controlling and management system does not provide for reporting by segments at this time. The products marketed by the elumeo Group are homogeneous and cannot be differentiated systematically. A breakdown by geographic consumer groups with independent marketing strategies is not practicable. Therefore, the elumeo Group does not identify any reportable segments and does not prepare a segment report in accordance with IFRS 8.

Related party disclosures

The elumeo Group identifies the related parties of elumeo SE in compliance with IAS 24.

Significant related parties of elumeo SE include:

- All consolidated companies of the elumeo Group,
- the shareholders Mr. Boyé and OSH as well as holding companies directly or indirectly controlled by these parties that in turn hold investments in companies of the elumeo Group, in particular also Rox Gulf and Rocks Holding, which were removed from the basis of consolidation with the transfer of their business activities to Silverline and with the discontinuation of entrepreneurial activities on 23 October 2014,
- the Serifos Foundation, Liechtenstein, which holds 100% of the shares in OSH as well as its benefiting members of the Jamratkittiwan family,
- other major shareholders of elumeo SE,
- River City Company Limited, Chanthaburi, Thailand, a company whose shares are fully held by a member of the Jamratkittiwan family,

- Moving Colours Limited, Dubai, United Arab Emirates, which, as the predecessor of the production company PWK, is indirectly controlled by OSH and which maintained significant business activities with the combined elumeo Group and the elumeo Group in the prior reporting periods, as well as
- the members of the Executive Board and select members of the wider management team of the elumeo Group.

Transactions with subsidiaries included in the interim financial statements were eliminated during consolidation.

In the first nine months of 2014, the combined elumeo Group still executed significant transactions with related parties as part of its normal operating activities (in particular the purchase of finished goods and merchandise). These transactions were carried out at arm's length and led to the purchase of merchandise in the total amount of EUR 2,650 thousand which is reported in the consolidated statement of income under costs of goods sold. The companies from which merchandise was purchased are classified as related parties on the reporting dates. With the restructuring of the value adding processes and the establishment of the elumeo Group as a legal group on 23 October 2014, comparable transactions were no longer executed. Consequently, no merchandise was purchased from related parties in the first nine months of 2015.

As at 30 September 2015, the elumeo Group recognised receivables due from and liabilities due to related parties. The relevant amounts are reported under the corresponding line items in the consolidated statement of financial position.

In the first nine months of 2015, the following transactions were executed with related parties:

- A contract on renting newly built business and factory buildings for production purposes was originally signed between PWK and the River City Company Limited, Chanthaburi, Thailand ("RCCL") - a company whose shares are all held by a member of the Jamratkittiwan family. It was agreed that the contract would start on 1 September 2015 and have a contractual term of ten years. After review and the decision made by the Executive Board of elumeo SE on 8 September 2015 and the purchase agreement dated 10 September 2015, PWK acquired the production site in Chanthaburi, Thailand, from RCCL. The payment of the purchase price of EUR 5,077 thousand was made on 15 September 2015. The transaction was concluded at arm's length.
- As at 28 May 2015, Juwelo received a loan in the amount of EUR 500 thousand from Kiwosaja Deutschland GmbH, Berlin – a company whose shares are held entirely by Mr. Boyé. The loan served as bridge financing for the advance payments on warehouse and logistics infrastructures presented in section *[G.(12.)]*. The interest-bearing loan was repaid on 8 July 2015. The interest expense payments amounted to EUR 3 thousand.
- As at 30 September 2015, the elumeo Group no longer recognised any long-term financial claims against UV Interactive Services GmbH, Berlin ("UVIS"), a company which is wholly owned by Mr. Boyé, as opposed to 31 December 2014 (EUR 74 thousand). The claims were subject to an interest rate of 5.50% in first nine months of 2015 (first nine months of 2014: 5.50%) and increased compared to 31 December 2014 due to unpaid interest income of EUR 2.5 thousand to EUR 76 thousand initially as at 30 September 2015.

As at 31 December 2014, the short-term receivables from related parties also included trade receivables against UVIS in the amount of EUR 24 thousand.

In addition, a contract for the provision of services in the field of TV broadcasting to the elumeo Group was signed again with UVIS with effect from 1 January 2015. The resulting expenses of EUR 153 thousand in the first nine months of 2015 (first nine months of 2014: EUR 40 thousand) were recognised under selling expenses and resulted in short-term-liabilities due to related parties of EUR 164 thousand on the reporting date.

Effective 1 January 2015, a contract for the provision of program management services to the elumeo Group was also signed with UVIS. The resulting income of EUR 9 thousand (first nine months of 2014: EUR 0 thousand) was recorded in other revenues and led to receivables from related parties and companies of EUR 10 thousand on the reporting date.

After the outstanding claims against UVIS (EUR 111 thousand in total) were offset against the liabilities due to UVIS (EUR 164 thousand in total), a remaining liability of EUR 53 thousand is shown under current liabilities due to related parties on the reporting date.

- Selling expenses on the reporting date included fully paid fees for freelance TV moderation services of EUR 41 thousand (first nine months of 2014: EUR 0 thousand) as well as unpaid consulting services of EUR 3 thousand (first nine months of 2014: EUR 0 thousand) to a member of the Executive Board, who at the same time is a shareholder of the company.

For further information on significant transactions with related parties in the financial year ended 31 December 2014, please refer to section *[J.: Related party disclosures]* in the notes to the consolidated financial statements 2014 as well as the presentations in the Securities Prospectus.

Executive Board

The members of elumeo SE's Executive Board were identified as the management of the elumeo Group in compliance with IAS 24. As at 30 September 2015, the Executive Board of elumeo SE comprises the following individuals:

Executive Board	Profession	Appointment
Executive managing directors		
Bernd Fischer (sole powers of representation since 13 Feb 2015)	Managing director	21 Jul 2014
Boris Kirn (sole powers of representation since 13 Feb 2015)	Managing director	13 Feb 2015
Thomas Jarmuske (sole powers of representation since 14 Jun 2015)	Managing director	14 Jun 2015
Non-executive managing directors		
Wolfgang Boyé	Merchant	21 Jul 2014
Deborah Cavill	Merchant	21 Jul 2014
Don Kogen	Merchant	13 Feb 2015
Roland Sand	Merchant	7 Apr 2015
Anette Bronder	Merchant	29 May 2015

In the first nine months of 2015, the members of the Executive Board received remuneration based on their function as individuals in key positions of the elumeo Group. Furthermore, the executive directors were granted a total of 17,000 option rights under the Stock Option Programme 2015. The options granted in the reporting period have a fair value of EUR 145 thousand. The proportionate personnel expense during the period of EUR 9 thousand was expensed. For further information on the Stock Option Programme 2015, we refer to the section *[G. (18.)]*.

In addition, with the exception of the reimbursement of expenses and the transactions presented in section *[H.: Related party disclosures]*, no other transactions were recognised.

Operating leases and other obligations

With the beginning of the contract in September 2015, a new lease of premises at the new headquarters (Birmingham) of R&C was concluded. The contract has a term of fifteen years and contains a price adjustment clause. Moreover, there were no significant changes in the obligations under operating leases for rental of properties and objects of office furniture and equipment as at 30 September 2015 compared to 31 December 2014.

In addition, the other payment obligations from contractual arrangements over the multiplexing, distribution and transmission of broadcasted television programs that cannot be terminated also remained essentially unchanged.

Events after the end of the reporting period

There were no significant events after the end of the reporting period which would materially have an impact on the elumeo Group's net assets, financial position and results of operations.

V. RESPONSIBILITY STATEMENT

Statement in accordance with § 37y WpHG in conjunction with §37w para. 2 no. 3 WpHG

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting and with German accepted accounting principles, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and results of operations of the Group and the interim management report of the Group includes a fair review of the development and performance of the business and the current position of the Group, together with a description of the principal opportunities and risks associated with the prospective future development of the Group for the remaining months of the financial year."

Berlin, 26 November 2015

elumeo SE

The Executive Managing Directors

Bernd Fischer | Thomas Jarmuske | Boris Kirn