

elumeo

Quarterly Release
Q1/2018



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Key Figures

EUR thousand [unless indicated otherwise]	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		Change in %
Revenue	16,609	100.0%	14,710	100.0%	12.9%
<u>Product revenue by regions</u> [absolutely and in % of product revenue]					
Germany	12,732	76.7%	11,662	79.4%	9.2%
Italy	2,483	14.9%	2,366	16.1%	4.9%
Other countries	1,386	8.3%	665	4.5%	108.4%
<u>Product revenue by distribution channels</u> [absolutely and in % of product revenue]					
TV revenue	9,068	54.6%	9,221	62.7%	-1.7%
eCommerce revenue	6,171	37.2%	4,839	32.9%	27.5%
B2B revenue	1,362	8.2%	634	4.3%	114.9%
[The following disclosures represent: absolute values and in % of revenue]					
Gross profit	6,487	39.1%	6,364	43.3%	1.9%
EBITDA	-1,497	-9.0%	-1,947	-13.2%	23.1%
Total segment EBITDA	-916	-5.5%	-1,239	-8.4%	26.1%
Depreciation and amortisation	-348	-2.1%	-419	-2.8%	17.1%
EBIT	-1,845	-11.1%	-2,366	-16.1%	22.0%
Earnings for the period from continuing operations	-1,805	-10.9%	-2,583	-17.6%	30.1%
Total comprehensive income	-1,851	-11.1%	-2,159	-14.7%	14.3%
Selling and administrative expenses [absolutely and in % of balance sheet total]	-7,827	-47.1%	-8,430	-57.3%	7.2%
Total assets ¹	57,743	100.0%	54,709	100.0%	5.5%
Total equity ¹ [absolutely and in % of balance sheet total]	30,161	52.2%	31,952	58.4%	-5.6%
Working capital ¹ [absolutely and in % of balance sheet total]	28,830	49.9%	28,518	52.1%	1.1%
¹ Prior year disclosure: 31 Dec 2017					
Net cash flow from operating activities	-2,095	-12.6%	2,831	19.2%	-174.0%
Net cash flow from investing activities	-70	-0.4%	-57	-0.4%	-22.0%
Net cash flow from financing activities	1,584	9.5%	778	5.3%	103.4%
Items sold [pieces]	231,453		210,219		10.1%
Average sales price (ASP) [EUR]	72		70		2.6%
Gross profit per item sold [EUR]	28		30		-7.4%
<u>New customer breakdown (Germany only)</u> [in % of new customers]					
TV only	25%		30%		
Web only	59%		59%		
Others	16%		11%		



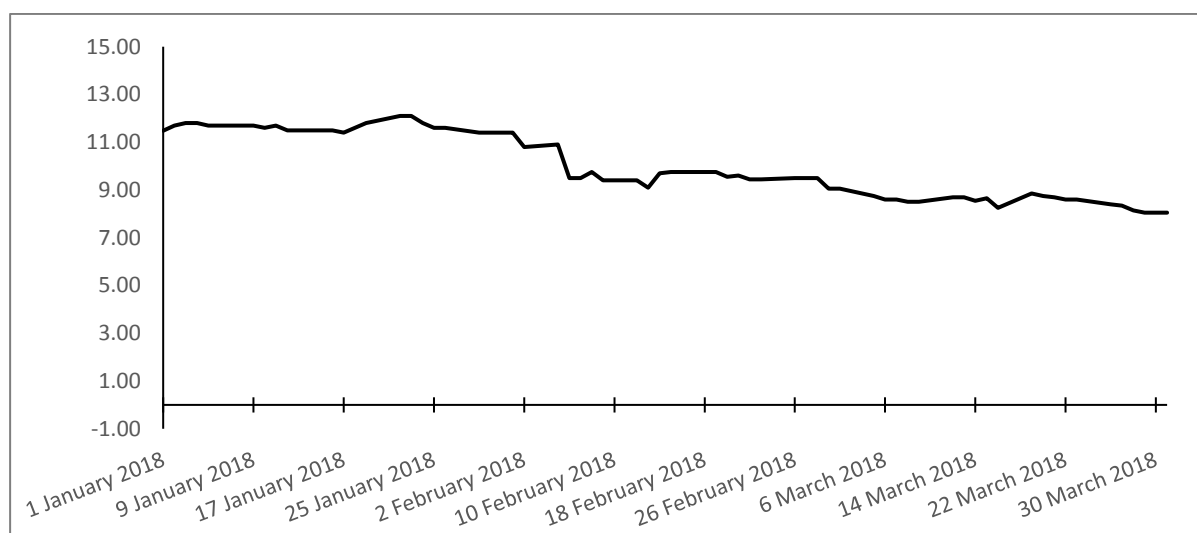
Capital Market Information

Basic data and key figures on the share of elumeo SE
(Status: 31 March 2018)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in Q1 2018	EUR -0.43
Number of shares outstanding	5,500,000
XETRA closing price at the end of the reporting period	EUR 8.05
Market capitalisation	EUR 44.28 million

Share price development

(1 January to 31 March 2018: XETRA, in EUR)



Shareholder structure

(Status: 31 March 2018)

Shareholders of elumeo SE	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA	26.43%
2. Blackflint Ltd.	26.66%
3. Heliad Equity Partners GmbH & Co. KGaA	7.50%
4. Sycomore Asset Management SA	5.09%
5. Management (thereof Wolfgang Boyé directly 1.24%)	8.01%
6. Free float	25.39%



Publication of Results Q1/2018

Principles

The principles of the elumeo Group described in the annual report for fiscal year 2017 that ended on 31 December 2017 ("Annual Report 2017") essentially continue to apply.

Discontinued operations

As of 18 December 2017, elumeo SE published an ad-hoc notification in accordance with Art. 17 MAR and § 4 para. 1 sentence 1 no. 1a WpAIV with the content to discontinue its loss-making sales business in the United Kingdom. As a result, the business activities of the indirectly controlled subsidiaries Rocks & Co UK Ltd., Birmingham, United Kingdom ("R&C UK") and Rocks and Co Productions Ltd., Birmingham, United Kingdom ("R&C P"), as well as Rocks & Co. Television Ltd., Birmingham, United Kingdom, are disclosed in the quarterly release of elumeo SE for the first quarter 2018 as discontinued operations (also referred to as "Sales business in the United Kingdom") in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Discontinued operations are not included in the earnings from continuing operations and are presented in the consolidated statement of income in a separate item as *Earnings for the period from discontinued operations*. The assets and liabilities related to the discontinued operations, which are not carried forward by other companies of the elumeo Group, are disclosed in the consolidated statement of financial position as of 31 March 2018 under separate items as *Assets held for sale* and as *Liabilities directly associated with assets held for sale*. The discontinued operations are not included in the detailed information on the composition of cash flows from operating, investing and financing activities and are presented separately in the consolidated statement of cash flows as *Net cash flow from discontinued operations*. All disclosures in this quarterly release contain the amounts of continuing operations, unless otherwise stated.

Comparability of disclosures

Compared to the first quarter of fiscal year 2017, the group of consolidated companies of the elumeo Group has changed as follows:

- Founding of Rocks & Co. Television Ltd., Birmingham, United Kingdom, 100.0% of whose shares are held by Rocks and Co Productions Ltd.;
- Founding of the sales company schmuck.de G&S GmbH, Berlin, 100.0% of whose shares are held by Juwelo Deutschland GmbH, Berlin, and inclusion of the company in the consolidated financial statements of elumeo SE since December 2017.



Correction of errors

In financial year 2017, the elumeo Group determined that in the consolidated statement of income of the Consolidated Financial Statements 2016 published on 23 March 2017, depreciation of selected property, plant and equipment attributable to the elumeo Group's administrative division was reported under selling expenses. There were no effects on earnings after taxes, the consolidated statement of financial position or the consolidated statement of cash flows.

For the first quarter 2017, the error was corrected by reducing the selling expenses and by increasing the administrative expenses by depreciation in the amount of EUR 38 thousand. From the amount of depreciation that was reclassified, EUR 34 thousand were attributable to continuing operations and EUR 4 thousand to discontinued operations.

Explanation of alternative performance indicators

The elumeo Group uses alternative performance measures ("APMs") in its regulatory and mandatory publications that are not regulated in the applicable International Financial Reporting Standards ("IFRSs"). For further information on the definition, use and limitations of the usability of the alternative performance measures, the accounting methods used, and the reconciliations, please refer to <http://www.elumeo.com/ir/publications/explanation-alternative-performance-measures>.

Business Development

The quarterly reporting period of this quarterly report as of 31 March 2018, comprises the period from 1 January to 31 March 2018 ("Q1 2018" or "the first quarter 2018"). Unless otherwise stated, the comparative figures disclosed relate to the same period of the previous year, which covers the period from 1 January to 31 March 2017. In addition, individual comparative percentages may refer to the quarterly comparison ("QoQ").

At EUR 16.6 million, revenue in the first quarter of 2018 was +12.9% higher than in the same period of the previous year (Q1 2017: EUR 14.7 million).

Overall, significant revenue growth was achieved in the sales region Germany (+9.2%), which grows significantly compared to same period of the previous year. In Italy, revenue in the first quarter of 2018 was up by +4.9% QoQ. Revenue from the other countries mainly comprises B2B revenue from the USA.

TV business developed slightly negatively compared to the same quarter of the previous year with a decrease of -1.7%. In contrast, revenue from eCommerce sales rose by +27.5% to EUR 6.2 million in the first quarter of 2018, accounting for 37.2% of revenue (Q1 2017: 32.9%). In the first quarter of 2018, revenue from classic web shops remained at the prior year's level. As in the previous year, revenue from B2B sales was generated from a cooperation with a TV station in the USA.

At 39.1% of revenue, the gross profit margin in the first quarter of 2018 was lower than in the same period of the previous year (43.3%), which was due to lower gross profit margins in the B2B and eCommerce business.



The key performance indicator, total segment EBITDA, improved to EUR -0.9 million in the first quarter of 2018 compared to EUR -1.2 million in the same period of the previous year. The growth in revenue was offset by lower gross profit margins. Selling and administrative expenses adjusted for segment reconciliation items decreased in total by EUR -0,2 million from EUR 8.0 million in the first quarter of 2017 to EUR 7.8 million in the first quarter of 2018 (including other operating income from direct cost recharges to third parties). This corresponds to a reduction by -3.4%.

Overall, earnings for the period from continuing operations amounted to EUR -1.8 million in the first quarter of 2018, compared to EUR -2.6 million in the first quarter of 2017. Total comprehensive income including discontinued operations developed from EUR -2.2 million in the first quarter of 2017 to EUR -1.9 million in the first quarter of 2018.

There were no other significant events or transactions with a material impact on the earnings, assets and financial position of the elumeo Group in the first quarter of 2018.

Explanations on the individual key financial figures are provided in the following sections.



Earnings, Assets and Financial Position

(1.) Foreign currency translation

The exchange rates for foreign currencies with a significant impact on the Interim Consolidated Financial Statements are illustrated below:

Currency	Exchange rate on reporting date			Average exchange rate		
	31 Mar 2018	31 Dec 2017	Change in %	1 Jan - 31 Mar 2018	1 Jan - 31 Mar 2017	QoQ in %
EUR						
Thai baht (THB)	0.0260	0.0256	1.5%	0.0258	0.0267	-3.6%
US dollar (USD)	0.8105	0.8347	-2.9%	0.8136	0.9390	-13.3%
British pound (GBP)	1.1410	1.1267	1.3%	1.1321	1.1628	-2.6%

The translation of income and expenses in the income statement of the subsidiaries with the weighted average exchange rate of the reporting period had an impact on the earnings situation and the quarterly comparison disclosed. Furthermore, the translation of assets and liabilities denominated in foreign currencies using the closing rate as of the reporting date, in particular also with respect to the subsequent assessment of intra-Group receivables and liabilities, resulted in shifts in the presentation of the earnings, assets and financial position.

(2.) Revenue

Revenue comprises the following:

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Revenue from product sales	16,601	100.0%	14,693	99.9%	13.0%
Other revenue	7	0.0%	16	0.1%	-56.3%
Revenue	16,609	100.0%	14,710	100.0%	12.9%

Revenue from product sales by region

(recorded by the registered office of the selling company)

EUR thousand % of revenue from product sales	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Germany	12,732	76.7%	11,662	79.4%	9.2%
Italy	2,483	15.0%	2,366	16.1%	4.9%
Other countries	1,386	8.4%	665	4.5%	108.4%
Revenue from product sales	16,601	100.0%	14,693	100.0%	13.0%



Revenue from product sales increased by +13.0% from EUR 14.7 million in Q1 2017 to EUR 16.6 million in Q1 2018. In the core sales market Germany, an increase from EUR 11.7 million in Q1 2017 to EUR 12.7 million was recorded. In Italy, revenue improved slightly in Q1 2018. The increase in revenue in the other countries was due to the B2B sales business with a US TV station.

Revenue from product sales by distribution channel

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Television and other channel revenue	9,068	54.6%	9,221	62.8%	-1.7%
eCommerce-Vertrieb	6,171	37.2%	4,839	32.9%	27.5%
B2B revenue	1,362	8.2%	634	4.3%	114.9%
Revenue from product sales	16,601	100.0%	14,693	100.0%	13.0%

Revenue from TV sales decreased by -1.7% from EUR 9.2 million in Q1 2017 to EUR 9.1 million in Q1 2018.

During the same period, revenue from eCommerce sales increased by +27.5% from EUR 4.8 million in Q1 2017 to EUR 6.2 million in Q1 2018, while revenue from classic web shop business remained on prior year level. This was the result of a substantial relaunch of our websites, to which customers need to adapt first from our experience. The revenue from B2B sales was generated from a cooperation with a TV station in the USA.

(3.) Gross profit from product sales by distribution channel

EUR thousand % of revenue by distribution channel	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Gross profit from television revenue	3,870	42.7%	4,053	44.0%	-4.5%
Gross profit from eCommerce revenue	2,355	38.2%	2,109	43.6%	11.7%
Gross profit from B2B revenue	254	18.7%	185	29.3%	37.0%
Gross profit from product sales	6,480	39.0%	6,347	43.2%	2.1%

At EUR 3.9 million, gross profit from TV revenue declined in the first quarter of 2018 compared to EUR 4.1 million in the same period of the previous year. Gross profit from eCommerce revenue increased in Q1 2018 by +11.7% from EUR 2.1 million in Q1 2017 to EUR 2.4 million. Gross profit from B2B business amounted to EUR 0.3 million in the first quarter of 2018.



(4.) Selling expenses

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017 restated*		QoQ in %
Broadcasting and channel rental costs	1,840	11.1%	2,383	16.2%	-22.8%
Personnel expenses	1,589	9.6%	1,581	10.7%	0.5%
Expenses for external personnel services	339	2.0%	334	2.3%	1.4%
Sales and marketing expenses	632	3.8%	588	4.0%	7.6%
Depreciation and amortisation	69	0.4%	103	0.7%	-32.4%
Other selling expenses	1,164	7.0%	1,100	7.5%	5.8%
Selling expenses	5,633	33.9%	6,089	41.4%	-7.5%

Selling expenses of EUR 5.6 million in Q1 2018 were below Q1 2017 at EUR 6.1 million. In line with the stronger focus on the eCommerce business, there was an increase in marketing costs, which mainly comprised costs for online marketing and other operating costs of the web shops. The broadcasting and channel rental cost decreased in the first quarter due to refunds from a service partner. Other selling expenses increased due to more frequent guest specials and the associated additional costs. Overall, the expense ratio decreased significantly from 41.4% of revenue in Q1 2017 to 33.9% in Q1 2018.

(5.) Administrative expenses

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017 restated*		QoQ in %
Personnel expenses	976	5.9%	974	6.6%	0.3%
Depreciation and amortisation	167	1.0%	198	1.3%	-15.9%
Equity-settled share-based remuneration	60	0.4%	103	0.7%	-41.4%
Net losses from foreign currency translation	0	0.0%	605	4.1%	-100.0%
Other administrative expenses	990	6.0%	1,066	7.2%	-7.1%
Administrative expenses	2,194	13.2%	2,946	20.0%	-25.5%

At EUR 2.2 million, administrative expenses in the first quarter of 2018 were lower than in the same period of the previous year. Adjusted for the net losses from foreign currency translation and expenses from share-based remunerations, administrative expenses in the first quarter of 2018 were -4.7% lower compared to the same period of the previous year. Overall, the expense ratio (adjusted for the aforementioned items) decreased from 15.2% of revenue in Q1 2017 to 12.8% in Q1 2018.

Starting in financial year 2018, the net losses from foreign currency translation are reported under other operating expenses.



(6.) Personnel expenses

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Wages and salaries	3,450	20.8%	3,038	20.7%	13.6%
Social security contributions	390	2.4%	382	2.6%	2.1%
Personnel expenses	3,841	23.1%	3,420	23.3%	12.3%

Personnel expenses of the elumeo Group (excluding share-based remuneration) rose compared to the same quarter of the previous year. The development is attributable to the labour costs of production. As a consequence of the vertical integration of the elumeo Group, the personnel expenses ratio, however, must always be evaluated taking into account the changes in inventories of finished products. In addition, the quarterly rise shall be put into perspective by a reduced total annual capacity in the course of the 2018 financial year.

(7.) Other operating income

In the first quarter of 2018, other operating income of EUR 17 thousand (Q1 2017: EUR 0.3 million) mainly comprised income from cost recharges to non-Group third parties (Q1 2018: EUR 10 thousand, Q1 2017: EUR 0.3 million).

(8.) Other operating expenses

The other operating expenses of EUR 0.5 million (Q1 2017: EUR 0 thousand) relate exclusively to net losses from foreign currency translation, in particular from the translation of intra-Group monetary items and the elimination of intercompany income and expenses. The position is changed compared to the previous year. In the previous year, expenses (EUR 0.6 million) were recorded under administrative expenses.

(9.) Discontinued operations

On 18 December 2017, the elumeo Group announced the decision of its Executive Board to discontinue its loss-making sales business in the United Kingdom. The operative sales business (broadcasting) was discontinued on 18 December 2017. The sales business (including related administrative activities) was therefore classified as a discontinued operation already as of 31 December 2017. Assets and liabilities directly associated with discontinued operations are classified as held for sale, provided that they cannot be used by other continuing operations of the elumeo Group. As part of its classification as a discontinued operation, the United Kingdom sales business is no longer included in the segment Sales division Others.



Statement of income of discontinued operations

Earnings for the period from discontinued operations are as follows:

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Revenue	48	100.0%	2,522	100.0%	-98.1%
Cost of goods sold	44	91.5%	2,261	89.6%	-98.0%
Gross profit	4	8.5%	261	10.4%	-98.4%
Selling expenses	380	785.0%	528	20.9%	-28.0%
Administrative expenses	182	375.4%	479	19.0%	-62.0%
Other operating expenses	9	17.9%	0	0.0%	n.a
Earnings before interest and taxes (EBIT) from discontinued operations	-567	n.a.	-746	-29.6%	24.0%
Earnings before income taxes (EBT) from discontinued operations	-567	n.a.	-746	-29.6%	24.0%
Income tax	-16	-33.2%	127	5.0%	-112.7%
Earnings for the period from discontinued operations	-583	n.a.	-619	-24.5%	5.9%
<i>Earnings of shareholders of elumeo SE</i>	<i>-583</i>	<i>n.a.</i>	<i>-619</i>	<i>-24.5%</i>	<i>5.9%</i>
Earnings per share in EUR (basis and diluted) applied to the earnings of shareholders from discontinued operations	-0.11		-0.11		5.9%

Selling and administrative expenses mainly relate to contractual obligations in connection with the TV broadcasting and the rented premises. The Executive Board is currently negotiating the termination of the underlying contracts. Until publication of these interim consolidated financial statements, no commitments were made by the contracting parties.



Assets and liabilities held for sale

The main groups of assets and liabilities of the discontinued operations classified as held for sale are composed of as follows:

EUR thousand % of balance sheet total	31 Mar 2018		31 Dec 2017		Change in %
Assets					
Trade receivables	5	0.0%	216	0.4%	-97.6%
Other financial assets	138	0.2%	159	0.3%	-13.4%
Other non-financial assets	190	0.3%	67	0.1%	181.0%
Cash and cash equivalents	134	0.2%	43	0.1%	213.5%
Assets held for sale	466	0.8%	485	0.8%	-4.0%
Current liabilities					
Other financial liabilities	0	0.0%	-9	0.0%	100.0%
Provisions	-29	0.0%	-260	-0.4%	89.0%
Trade payables	-268	-0.5%	-170	-0.3%	-58.1%
Other non-financial liabilities	-225	-0.4%	-694	-1.2%	67.6%
Liabilities directly associated with assets held for sale	-521	-0.9%	-1,132	0	54.0%
Net assets directly associated with discontinued operations	-55	-0.1%	-647	-1.1%	91.4%

Other non-financial liabilities consist of the following:

EUR thousand % of balance sheet total	31 Mar 2018		31 Dec 2017		Change in %
Debtors with credit balances	186	0.3%	300	0.5%	-38.1%
Other accrued liabilities	6	0.0%	19	0.0%	-65.7%
Liabilities from value added tax	26	0.0%	324	0.6%	-91.8%
Liabilities from other taxes	1	0.0%	28	0.0%	-97.9%
Miscellaneous other liabilities	6	0.0%	24	0.0%	-77.1%
Other non-financial liabilities	225	0.4%	694	1.2%	-67.6%



Net cash flows from discontinued operations

The net cash flows from discontinued operations are presented as a separate item in the consolidated statement of cash flows. As a result of the economic view of trade relationships, net cash flows include, in addition to the assets and liabilities classified as held for sale, the utilisation of selected assets and liabilities of the elumeo Group. The net cash flow from operating activities includes depreciation on property, plant and equipment in the amount of EUR 0 thousand (Q1 2017: EUR 7 thousand).

(10.) Earnings per share

Earnings and number of Shares	Unit	1 Jan - 31 Mar 2018	1 Jan - 31 Mar 2017	QoQ in %
Earnings of shareholders of elumeo SE from continuing operations	EUR thousand	-1,805	-2,583	30.1%
Earnings of shareholders of elumeo SE from discontinued operations	EUR thousand	-583	-619	5.9%
Earnings of shareholders of elumeo SE	EUR thousand	-2,388	-3,202	25.4%
Average number of outstanding shares	thousands	5,500	5,500	0.0%
Earnings per share from continuing activities (basic and diluted)	EUR	-0.33	-0.47	30.1%
Earnings per share from discontinued activities (basic and diluted)	EUR	-0.11	-0.11	5.9%
Earnings per share (basic and diluted)	EUR	-0.43	-0.58	25.4%

In fiscal years 2017, 2016 and 2015, the Executive Board issued option rights to subscribe to shares in elumeo SE in a total of five tranches from the stock option program 2015 ("SOP 2015"). As of the balance sheet date, no option rights are exercisable because the service time criterion was not met. The exercise of the option rights of each tranche after expiry of the vesting period is linked to capital market-based performance targets ("performance targets").

According to the International Accounting Standard IAS 33 *Earnings per share*, potential shares are only to be regarded as dilutive if their conversion into shares reduces earnings per share or increases the loss per share (IAS 33.41). If, however, the conversion into shares results in an increase in earnings per share or a reduction in the loss per share, this provides protection against dilution and the diluted earnings per share must be adjusted to the amount of basic earnings per share (IAS 33.43). The performance targets of all tranches were not met as of the balance sheet date. The potential shares are therefore not to be taken into account in calculating the diluted earnings per share, irrespective of any pro rata vesting that may have already taken place. As a result, diluted earnings per share correspond to basic earnings per share.



(11.) Notes to the segment reporting

The following disclosures refer to the development of the segment-specific financial performance indicators of the continuing operations.

At EUR -0.9 million, total segment EBITDA in the first quarter of 2018 was improved compared to the same period of the previous year (Q1 2017: EUR -1.2 million). The segment reconciliation items eliminated in the reporting period in determining segment EBITDA mainly resulted from foreign currency losses of EUR 0.5 million (Q1 2017: EUR 0.6 million) and expenses from share-based remuneration of EUR 0.1 million (Q1 2017: EUR 0.1 million).

Segment Sales division Germany & Italy

The segment Sales division Germany & Italy generated revenue of EUR 15.2 million in Q1 2018 (Q1 2017: EUR 14.0 million), which corresponds to approximately 91.5% of total revenue of the elumeo Group (Q1 2017: approximately 95.5%). Gross profit in the first quarter of 2018 was EUR 5.6 million (Q1 2017: EUR 5.5 million), resulting in a gross profit margin of 36.5% (Q1 2017: 39.4%) for the segment Sales division Germany & Italy Sales. The reduction in the gross profit margin is also the result of special campaigns with fashion jewelry (TV business) that was sold at significantly lower margins. Segment EBITDA of EUR -0.8 million in Q1 2018 is slightly above the level of the previous year.

Segment Sales division Others (USA, Asia, UK no longer included)

At EUR 1.4 million, revenue in the segment Sales division Others was considerable higher than in the same period of the previous year (Q1 2017: EUR 0.6 million). Revenues from B2B transactions are allocated to this segment. Segment revenue accounted for approximately 8.5% of the elumeo Group's total revenue (Q1 2017: approximately 4.5%). Total gross profit in the first quarter of 2018 amounted to EUR 0.3 million (Q1 2017: EUR 0.2 million). The reduction in the gross profit margin resulted from a first-time sell-off of products from the elumeo Group as part of the B2B business in the USA. Segment EBITDA improved slightly by EUR 50 thousand in the first quarter of 2018.

Segment Group functions & eliminations

To offset the administrative and financing expenses of production, gross profit of EUR 0.7 million (Q1 2017: EUR 0.6 million) was allocated to the segment in the first quarter of 2018 and therefore not allocated to the segments Sales division Germany & Italy and Sales division Others.

(12.) Intangible assets and property, plant and equipment

In Q1 2018, capital expenditures were limited to small-scale replacement investments.

(13.) Inventories

Inventories increased to EUR 36.0 million as of 31 March 2018 (31 December 2017: EUR 33.5 million). Inventories are expected to decrease again over the course of the year.



(14.) Equity

Issued capital

The issued capital of elumeo SE as of 31 March 2018 totalled EUR 5,500,000 (31 December 2017: EUR 5,500,000) and is divided into 5,500,000 no-par value bearer shares with a theoretical share in the issued capital of EUR 1.00 per share.

There were no changes compared to 31 December 2017.

Capital reserve

The capital reserve of elumeo SE as of 31 March 2018 amounted to EUR 34,239 thousand and thus increased compared to 31 December 2017 (EUR 34,179 thousand) due to equity-settled share-based remuneration commitments in accordance with IFRS 2 (EUR 60 thousand).

Authorised Capital, Contingent Capital, convertible bonds and bonds with warrants

There were no changes compared to 31 December 2017.

Share-based remuneration

The pro rata weighted average number of outstanding option rights under the SOP 2015 as of 31 March 2018 amounts to 257,879 option rights (31 March 2017: 245,065 option rights). As of 31 March 2018, the weighted average remaining term of the outstanding option rights until the expiration date is approximately 7.90 years. The average exercise price is EUR 14.93 (31 March 2017: EUR 15.33) and the weighted average fair value of an option right on the issue date is EUR 4.08 (31 March 2017: EUR 5.90). No option rights were exercisable as of the balance sheet date.

In the first quarter of 2018, expenses totalling EUR 60 thousand were recorded for the share-based remuneration commitments of the five tranches from the SOP 2015 (Q1 2017: EUR 103 thousand).

There were no further changes compared to 31 December 2017.

(15.) Deferred taxes

Deferred taxes arise from differences between the carrying amount recognised in the IFRS consolidated financial statements and the carrying amount recognised for tax purposes as well as from tax loss carryforwards to the extent to which future utilisation is expected. Deferred tax assets as of 31 March 2018 and 31 December 2017, are attributable solely to the elimination of intercompany profits included in the inventories.

(16.) Notes to the consolidated statement of cash flows

The consolidated statement of cash flows was prepared in compliance with IAS 7 *Statement of Cash Flow* and shows the changes in the cash and cash equivalents of the elumeo Group due to inflows and outflows during the reporting period under review.



According to IAS 7, cash flows are reported separately according to their source and use in operating activities, investing and financing activities. The inflows and outflows from operating activities are derived indirectly based on earnings before income taxes (EBT). The inflows and outflows from investing and financing activities are determined directly. Cash and cash equivalents include unrestricted cash and bank balances. Current account overdrafts regularly used as short-term financing instruments are included as negative components in the financial funds.

The elumeo Group has decided to present a consolidated statement of cash flows in which the detailed information on the composition of cash flows from operating, investing and financing activities exclusively includes the cash inflows and outflows from continuing operations (net cash flows from continuing operations). The cash inflows and outflows from discontinued operations are presented separately for each activity in a separate cumulative item.

In addition to the negative EBT of EUR -2.0 million (Q1 2017: EUR -2.5 million), the cash outflow from operating activities from continuing operations in the first quarter of 2018 includes an increase in inventories. The cash outflow was offset by depreciation and amortisation on non-current assets, non-cash expenses/income and transactions (mainly foreign currency translation effects) and the increase in other liabilities (mainly trade payables). Overall, net cash flow from operating activities from continuing operations in the first quarter of 2018 was EUR -2.1 million after EUR +2.8 million in the first quarter of 2017.

Net cash flow from investing activities in the first quarter of 2018 totalled EUR -0.1 million (Q1 2017: EUR -0.1 million).

Net cash flow from financing activities mainly comprises proceeds from taking up financial debt and payments from the redemption of financial debt and other financial liabilities.

Cash and cash equivalents as of the balance sheet date mainly resulted from positive components in the form of unrestricted bank account balances and cash in the amount of EUR 1.3 million (31 December 2017: EUR 2.0 million) and from negative components in the form of current account overdrafts of EUR -0.2 million (31 December 2017: EUR -0.2 million). In addition, EUR 0.5 million of unused credit lines were available as of the balance sheet date.



Supplementary Report

There were no major events between the balance sheet date and the date of publication of this quarterly release which would require a supplementary report.

Risk and Opportunity Report

The elumeo Group comprehensively describes its risk management system in the Annual Report 2017. Compared to the risks and opportunities presented herein, the Executive Board currently sees no identifiable additional significant changes.

Forecast Report

For the Group, we expect slight revenue growth accompanied by an improved gross profit margin in 2018. We also expect our cost base to improve in relation to revenue. We forecast clearly positive segment EBITDA for 2018 and a steady improvement in quarterly results, particularly over the course of the year.

For the segment Sales division Germany & Italy, management is aiming for moderate single-digit revenue growth in 2018 and positive segment EBITDA in the low single-digit million range. A significant impetus is expected from the development of the gross profit margin in 2018.

In the segment Sales division Others, we expect revenue to increase by a lower single-digit percentage in 2018 due to the development of B2B business, with a slightly improved gross profit margin and an overall improvement in segment EBITDA.

For the segment Group function & eliminations (no revenue), segment EBITDA in 2018 is expected to be negative at a level comparable to 2017.

In order to ensure the Group's ability to pay at all times, corresponding reductions in inventories are planned once again in 2018. If the profitability of the Group cannot be increased or an improvement in working capital cannot be achieved, scenarios that we consider to be largely unlikely, this could jeopardise the Group's ability to pay at all times. The top priority in 2018 continues to be the positive development of the elumeo Group's profitability while at the same time improving liquidity. Following the successful restructuring, the Group's management expects a positive segment EBITDA in the low single-digit million range in 2018.



Condensed Interim Consolidated Financial Statements

Consolidated Statement of Income (unaudited)

for the period from 1 January to 31 March 2018 (Q1 2018) and 2017 (Q1 2017)

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017 restated*		OoQ in %
Revenue	16,609	100.0%	14,710	100.0%	12.9%
Cost of goods sold	10,122	60.9%	8,346	56.7%	21.3%
Gross profit	6,487	39.1%	6,364	43.3%	1.9%
Selling expenses	5,633	33.9%	6,089	41.4%	-7.5%
Administrative expenses	2,194	13.2%	2,946	20.0%	-25.5%
Other operating income	17	0.1%	305	2.1%	-94.5%
Other operating expenses	522	3.1%	0	0.0%	n.a
Earnings before interest and taxes (EBIT)	-1,845	-11.1%	-2,366	-16.1%	22.0%
Interest and similar expenses	-130	-0.8%	-166	-1.1%	21.7%
Financial result	-130	-0.8%	-166	-1.1%	-21.7%
Earnings before income taxes (EBT)	-1,975	-11.9%	-2,532	-17.2%	22.0%
Income tax	170	1.0%	-51	-0.3%	433.6%
Earnings for the period from continuing operations	-1,805	-10.9%	-2,583	-17.6%	30.1%
Earnings for the period from discontinued operations	-583	-3.5%	-619	-4.2%	5.9%
Earnings for the period	-2,388	-14.4%	-3,202	-21.8%	25.4%
<i>Earnings of shareholders of elumeo SE</i>	<i>-2,388</i>	<i>-14.4%</i>	<i>-3,202</i>	<i>-21.8%</i>	<i>25.4%</i>
Earnings per share in EUR (basis and diluted) applied to:					
- Earnings of shareholders total	-0.43		-0.58		25.4%
- Earnings of shareholders from continuing operations	-0.33		-0.47		30.1%
- Earnings of shareholders from discontinued operations	-0.11		-0.11		5.9%



Consolidated Statement of Comprehensive Income (unaudited)

for the period from 1 January to 31 March 2018 (Q1 2018) and 2017 (Q1 2017)

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Earnings for the period	-2,388	-14.4%	-3,202	-21.8%	25.4%
<i>Items which will be reclassified to the consolidated statement of income in subsequent periods:</i>					
Differences from foreign currency translation of foreign subsidiaries	588	3.5%	1,027	7.0%	-42.8%
Other comprehensive income from continuing operations	588	3.5%	1,027	7.0%	-42.8%
Differences from foreign currency translation of foreign subsidiaries	-51	-0.3%	16	0.1%	-426.0%
Other comprehensive income from discontinued operations	-51	-0.3%	16	0.1%	-426.0%
Total comprehensive income	-1,851	-11.1%	-2,159	-14.7%	14.3%
<i>Total comprehensive income of shareholders of elumeo SE</i>	<i>-1,851</i>	<i>-11.1%</i>	<i>-2,159</i>	<i>-14.7%</i>	<i>14.3%</i>



Consolidated Statement of Financial Position (unaudited)

as of 31 March 2018 and 31 December 2017

ASSETS					
EUR thousand % of balance sheet total	31 Mar 2018		31 Dec 2017		Change in %
Non-current assets					
Intangible assets	745	1.3%	755	1.4%	-1.4%
Property, plant and equipment	9,218	16.0%	9,374	17.1%	-1.7%
Other financial assets	420	0.7%	394	0.7%	6.7%
Other non-financial assets	1,878	3.3%	1,871	3.4%	0.4%
Deferred tax assets	2,080	3.6%	1,866	3.4%	11.5%
Total non-current assets	14,341	24.8%	14,258	26.1%	0.6%
Current assets					
Inventories	35,954	62.3%	33,548	61.3%	7.2%
Trade receivables	3,682	6.4%	2,963	5.4%	24.2%
Receivables due from related parties	226	0.4%	224	0.4%	0.8%
Other financial assets	36	0.1%	43	0.1%	-15.6%
Other non-financial assets	1,736	3.0%	1,675	3.1%	3.6%
Cash and cash equivalents	1,302	2.3%	1,512	2.8%	-13.9%
Total current assets	42,936	74.4%	39,965	73.1%	7.4%
Assets held for sale	466	0.8%	485	0.9%	-4.0%
Total assets	57,743	100.0%	54,709	100.0%	5.5%



Consolidated Statement of Financial Position (unaudited)

as of 31 March 2018 and 31 December 2017

EQUITY & LIABILITIES

EUR thousand % of balance sheet total	31 Mar 2018		31 Dec 2017		Change in %
Equity					
Issued capital	5,500	9.5%	5,500	10.1%	0.0%
Capital reserve	34,239	59.3%	34,179	62.5%	0.2%
Retained earnings/losses	-13,839	-24.0%	-11,452	-20.9%	-20.8%
Foreign currency translation reserve	4,261	7.4%	3,725	6.8%	14.4%
Total equity	30,161	52.2%	31,952	58.4%	-5.6%
<i>Attributable to shareholders of elumeo SE</i>	<i>30,161</i>	<i>52.2%</i>	<i>31,952</i>	<i>58.4%</i>	<i>-5.6%</i>
Non-current liabilities					
Financial debt	3,304	5.7%	3,382	6.2%	-2.3%
Other non-current financial liabilities	196	0.3%	273	0.5%	-28.0%
Provisions	729	1.3%	676	1.2%	7.8%
Other non-financial liabilities	25	0.0%	25	0.0%	0.0%
Summe non-current liabilities	4,254	7.4%	4,355	8.0%	-2.3%
Current liabilities					
Financial debt	9,652	16.7%	7,577	13.9%	27.4%
Other financial liabilities	306	0.5%	304	0.6%	0.8%
Provisions	180	0.3%	547	1.0%	-67.1%
Liabilities due to related parties	19	0.0%	7	0.0%	169.2%
Trade payables	11,056	19.1%	7,340	13.4%	50.6%
Advance payments received	105	0.2%	158	0.3%	-33.6%
Tax liabilities	100	0.2%	100	0.2%	0.0%
Other non-financial liabilities	1,389	2.4%	1,236	2.3%	12.4%
Total current liabilities	22,807	39.5%	17,270	31.6%	32.1%
Liabilities held for sale	521	0.9%	1,132	2.1%	-54.0%
Total equity & liabilities	57,743	100.0%	54,709	100.0%	5.5%



Consolidated Statement of Changes in Equity (unaudited)

for the period from 1 January to 31 March 2018 (Q1 2018)

Reason for change	Attributable to shareholders of elumeo SE				
	Issued capital	Capital Reserve	Retained losses	Foreign currency translation reserve	Total equity
EUR thousand					
1 January 2018	5,500	34,179	-11,452	3,725	31,952
Equity-settled share-based remuneration		60			60
Other comprehensive income				537	537
Earnings for the period			-2,388		-2,388
Total comprehensive income			-2,388	537	-1,851
31 March 2018	5,500	34,239	-13,839	4,261	30,161



Consolidated Statement of Changes in Equity (Continuation) (unaudited)

for the period from 1 January to 31 March 2017 (Q1 2017)

Reason for change	Attributable to shareholders of elumeo SE				
	Issued capital	Capital Reserve	Retained losses	Foreign currency translation reserve	Total equity
EUR thousand					
1 January 2017	5,500	33,862	-5,408	5,022	38,975
Equity-settled share-based remuneration		103			103
Other comprehensive income				1,043	1,043
Earnings for the period			-3,202		-3,202
Total comprehensive income			-3,202	1,043	-2,159
31 March 2017	5,500	33,964	-8,611	6,065	36,919



Consolidated Statement of Cash Flows (unaudited)

for the period from 1 January to 31 March 2018 (Q1 2018) and 2017 (Q1 2017)

EUR thousand	1 Jan - 31 Mar 2018	1 Jan - 31 Mar 2017	QoQ in %
Earnings before taxes (EBT) of continuing operations	-1,975	-2,532	22.0%
Earnings before taxes (EBT) of discontinued operations	-567	-746	24.0%
Earnings before taxes (EBT)	-2,542	-3,278	22.5%
+/- Depreciation and amortisation on non-current assets	+348	+419	-17.1%
+/- Increase/decrease in provisions	-315	-182	-72.6%
+/- Equity-settled share-based remuneration	+60	+103	-41.4%
+/- Other non-cash expenses/income	+579	+803	-27.9%
- Non-cash current interest income	-0	0	n.a
- Interest expenses paid related to prior accounting periods	-17	-65	74.2%
+ Non-cash current interest expenses	+26	+74	-65.0%
- Income tax paid	0	-7	100.0%
-/+ Increase/decrease in inventories	-3,766	+964	-490.8%
-/+ Increase/decrease in other assets	-851	+116	-833.7%
+/- Increase/decrease in other liabilities	+3,817	+3,138	21.6%
= Net cash flow from operating activities of continuing operations	-2,095	+2,831	-174.0%
= Net cash flow from operating activities from discontinued operations	+246	-3,638	106.8%



Consolidated Statement of Cash Flows (Continuation) (unaudited)

for the period from 1 January to 31 March 2018 (Q1 2018) and 2017 (Q1 2017)

EUR thousand	1 Jan - 31 Mar 2018	1 Jan - 31 Mar 2017	QoQ in %
- Payments for investments in intangible assets	-20	-7	-179.1%
- Payments for investments in property, plant and equipment	-50	-50	0.6%
= Net cash flow from investing activities of continuing operations	-70	-57	-22.0%
= Net cash flow from investing activities from discontinued operations	0	0	n.a
+ Proceeds from increase in financial debt	+3,867	+1,538	151.5%
- Payments for the redemption of financial debt	-2,209	-689	-220.8%
- Payments (net) for redemption of financial liabilities	-75	-71	-5.7%
= Net cash flow from financing activities of continuing operations	+1,584	+778	103.4%
= Net cash flow from financing activities from discontinued operations	-9	-9	2.3%
+/- Net increase/decrease in cash and cash equivalents	-344	-95	-263.2%
+/- Effects of foreign currency translation on cash and cash equivalents	-5	-2	-236.8%
+/- Changes in cash and cash equivalents reclassified as part of a disposal group	-91	0	n.a
+ Cash and cash equivalents on beginning of period	+1,511	+1,836	-17.7%
= Cash and cash equivalents on end of period	+1,070	+1,740	-38.5%
Reconciliation of cash and cash equivalents			
Cash and cash equivalents	+1,302	+1,961	-33.6%
- Current account overdrafts	-232	-221	-5.0%
= Cash and cash equivalents on end of period	+1,070	+1,740	-38.5%



Segment Reporting (unaudited)

Segment information

for the period from 1 January to 31 March 2018 (Q1 2018)

EUR thousand % of (segment) revenue	1 Jan - 31 Mar 2018					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	15,222	91.6%	5,558	36.5%	-799	-5.2%
Sales division Others	1,387	8.4%	257	18.5%	57	4.1%
Group functions & eliminations	0	0.0%	672	n.a.	-175	n.a.
Total	16,609	100.0%	6,487	39.1%	-916	-5.5%

for the period from 1 January to 31 March 2017 (Q1 2017)

EUR thousand % of (segment) revenue	1 Jan - 31 Mar 2017					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	14,044	95.5%	5,530	39.4%	-1,118	-8.0%
Sales division Others	665	4.5%	190	28.5%	8	1.2%
Group functions & eliminations	0	0.0%	644	n.a.	-129	n.a.
Total	14,710	100.0%	6,364	43.3%	-1,239	-8.4%

Quarterly comparison for the period from 1 January to 31 March 2018 (Q1 2018) and 2017 (Q1 2017)

EUR thousand in %	1 Jan - 31 Mar QoQ					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	1,177	8.4%	28	0.5%	319	28.5%
Sales division Others	721	108.4%	67	35.3%	50	646.7%
Group functions & eliminations	0	n.a.	28	4.3%	-45	-35.0%
Total	1,899	12.9%	123	1.9%	324	26.1%



Segment Reconciliation to Group Earnings

for the period from 1 January to 31 March 2018 (Q1 2018) and 2017 (Q1 2017)

EUR thousand % of revenue	1 Jan - 31 Mar 2018		1 Jan - 31 Mar 2017		QoQ in %
Total segment EBITDA	-916	-5.5%	-1,239	-8.4%	26.1%
Effects from foreign currency translation	-522	-3.1%	-605	-4.1%	13.8%
Equity-settled share-based remuneration	-60	-0.4%	-103	-0.7%	41.4%
Segment reconciliation items	-582	-3.5%	-708	-4.8%	17.8%
EBITDA	-1,497	-9.0%	-1,947	-13.2%	23.1%
Depreciation and amortisation on property, plant and equipment and intangible assets	-348	-2.1%	-419	-2.8%	17.1%
EBIT	-1,845	-11.1%	-2,366	-16.1%	22.0%
Financial result	-130	-0.8%	-166	-1.1%	21.7%
Income tax	170	1.0%	-51	-0.3%	433.6%
Earnings for the period from continuing operations	-1,805	-10.9%	-2,583	-17.6%	30.1%
Earnings for the period from discontinued operations	-583	0.0%	-619	0.0%	5.9%
Earnings for the period	-2,388	-14.4%	-3,202	-21.8%	25.4%



Berlin, 9 May 2018

elumeo SE

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The quarterly release is also available in German. In case of discrepancies, the German version takes precedence. A digital version of this elumeo SE quarterly release and other financial publications are available on the Internet at www.elumeo.com in the column entitled "Investor Relations / Publications / Financial Reports."

Disclaimer

This release contains forward-looking statements. These statements are based on current experience, presumptions, and projections of the Executive Board and the information it currently has available. These forward-looking statements are not to be considered guarantees of the future developments and events described in them. Future developments and results are dependent on a variety of factors. They involve various risks and uncertainties and are based on assumptions that may prove to be incorrect. We assume no obligation to update the forward-looking statements made in this release.

