

# elumeo

Quarterly Release  
Q1/2017



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## Key figures

EUR thousand [unless indicated otherwise]	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
<b>Revenue</b>	<b>17,232</b>	100.0%	<b>14,930</b>	100.0%	15.4%
<u>Product revenue by regions</u> [absolutely and in % of product revenue]					
Germany	11,662	67.7%	8,966	60.1%	30.1%
Italy	2,366	13.7%	2,933	19.7%	-19.3%
United Kingdom	2,522	14.7%	2,699	18.1%	-6.5%
Other countries	665	3.9%	319	2.1%	108.6%
<u>Product revenue by distribution channels</u> [absolutely and in % of product revenue]					
TV revenue	10,322	59.9%	10,143	67.9%	1.8%
eCommerce revenue	6,260	36.3%	4,774	32.0%	31.1%
B2B revenue	634	3.7%	0	0.0%	n.a.
[The following disclosures represent: absolute values and in % of revenue]					
<b>Gross profit</b>	<b>6,625</b>	38.4%	<b>7,570</b>	50.7%	-12.5%
<b>EBITDA</b>	<b>-2,686</b>	-15.6%	<b>-3,005</b>	-20.1%	10.6%
<b>Total segment EBITDA</b>	<b>-1,975</b>	-11.5%	<b>-2,298</b>	-15.4%	14.0%
Depreciation and amortisation	-426	-2.5%	-415	-2.8%	-2.6%
<b>EBIT</b>	<b>-3,112</b>	-18.1%	<b>-3,420</b>	-22.9%	9.0%
<b>Total segment EBIT</b>	<b>-2,401</b>	-13.9%	<b>-2,713</b>	-18.2%	11.5%
<b>Earnings for the period</b>	<b>-3,202</b>	-18.6%	<b>-3,878</b>	-26.0%	17.4%
<b>Total comprehensive income</b>	<b>-2,159</b>	-12.5%	<b>-4,295</b>	-28.8%	49.7%
<b>Selling and administrative expenses</b>	<b>10,042</b>	58.3%	<b>11,002</b>	73.7%	-8.7%
<b>Total assets</b>	<b>63,092</b>	100.0%	<b>71,212</b>	100.0%	-11.4%
<b>Total equity</b> [absolutely and in % of balance sheet total]	<b>36,919</b>	58.5%	<b>46,903</b>	65.9%	-21.3%
<b>Working capital</b> [absolutely and in % of balance sheet total]	<b>34,419</b>	54.6%	<b>36,216</b>	50.9%	-5.0%
<b>Cash flow from operating activities</b>	<b>-807</b>	-4.7%	<b>-4,977</b>	-33.3%	83.8%
<b>Cash flow from investing activities</b>	<b>-57</b>	-0.3%	<b>-546</b>	-3.7%	89.5%
<b>Cash flow from financing activities</b>	<b>770</b>	4.5%	<b>987</b>	6.6%	-22.0%
Items sold [pieces]	240,920		239,667		0.5%
Average sales price (ASP) [EUR]	72		62		14.8%
Gross profit per item sold [EUR]	28		32		-12.9%
<u>New customer breakdown (Germany only)</u> [in % of new customers]					
TV only	30%		45%		
Web only	59%		45%		
Others	11%		9%		



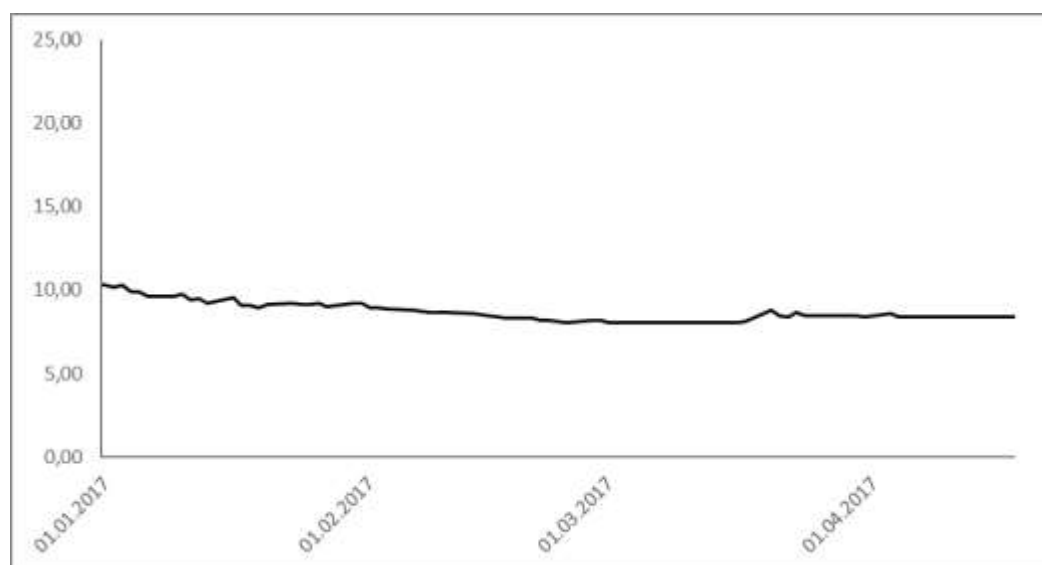
## Capital market information

Basic data and key figures on the share of elumeo SE  
(Status: 31 March 2017)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in Q1 2017	EUR -0.58
Number of shares outstanding	5,500,000
XETRA closing price at the end of the reporting period	EUR 8.50
Market capitalisation	EUR 47.25 million

## Share price development

(1 January - 31 March 2017: XETRA, in EUR)



## Shareholder structure

(Status: 31 March 2017)

Shareholders of elumeo SE	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA	36.43%
2. Blackflint Ltd.	26.66%
3. Sycomore Asset Management SA	5.09%
4. Management (thereof Wolfgang Boyé directly 1.24%)	8.92%
5. Free float	22.90%



## Publication of results Q1/2017

### Principles

The principles of the elumeo Group described in the annual report for the financial year 2016 that ended on 31 December 2016 ("Annual Report 2016") continue to apply.

### Comparability of disclosures

Compared to the first quarter of financial year 2016, the group of consolidated companies of the elumeo Group has changed as follows:

- founding of the sales company Juwelo UK Limited, Birmingham, United Kingdom, 100.0% of whose shares are held by Juwelo Deutschland GmbH, Berlin, Germany ("Juwelo Deutschland"); on 21 December 2016, the name was changed to Rocks & Co UK Limited ("R&C UK").

### Explanations on Alternative Performance Measures

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 release as of 31 March 2017 covers the period from 1 January to 31 March 2017 ("Q1 2017", "first quarter of 2017" or "reporting period"). Unless otherwise indicated, the comparative figures presented in parentheses relate to the prior year comparative period ("same period of the previous year"), which comprises the period from 1 January to 31 March 2016. In addition, selected comparative data presented in percentage may refer to the quarterly comparison ("QoQ").

Revenue in the first quarter of 2017 amounted to EUR 17.2 million, an increase of 15.4% over the same period of the previous year (Q1 2016: EUR 14.9 million).

Overall, significant revenue growth was achieved in the sales region Germany (30.1%), which grew significantly compared to the same period of the previous year. The change in the TV distribution structure (reach) in the United Kingdom became effective on 1 March 2017 and is thus not yet fully reflected in the expected revenue decline (-6.5%). Our experience so far shows that revenue may decline by less than 50.0%, with TV distribution costs declining disproportionately higher. In Q1 2017 revenue in Italy was by -19.4% below the same period of the previous year. Measures such as new show programs and strengthened brand presentation, however, have shown first effects and we were able to record about 10.0% revenue growth in March 2017 compared to the same month of the previous year.

With revenue growth of 1.8%, the TV business performed slightly more positively compared to the first quarter of the previous year. eCommerce revenue rose by 31.1% to EUR 6.3 million in the first quarter of 2017 and generated a 36.3% share of revenue (Q1 2016: 32.0%). In the first quarter of 2017,



classic web shop revenue in the European sales region rose by 50.3% compared to the same period of the previous year. Revenue from B2B business was generated by a cooperation with a TV channel in the USA. The concrete further continuation of this cooperation is already planned for the second and third quarter of 2017. The Boutique in London, which was operated by Juwelo Deutschland for Kat Florence Design Limited, was closed in March 2017. The elumeo Group has no burdens and obligations from this. There is currently no new location.

At 38.4% of revenue, the gross profit margin in the first quarter of 2017 was significantly below the level of the previous year's comparative period (50.7%). This is mainly due to three factors:

- an substantial sales period in the United Kingdom in the months of January and February 2017,
- higher shares of revenue from higher priced products from third party suppliers as well as
- B2B revenue.

The intensive sale in the United Kingdom contributed to inventory optimisation. Since 1 March 2017, we have been broadcasting in the United Kingdom with reduced TV distribution and an adapted product line (primarily higher quality customised items that we manufacture inhouse).

The key performance measure total segment EBITDA improved to EUR -2.0 million in the first quarter of 2017 compared to EUR -2.3 million in the same period of the previous year. The loss mainly resulted from the first two months of the quarter 2017 with very low gross profit margins from the sale in the United Kingdom, in particular. March 2017 was already break even with a total segment EBITDA of EUR 30 thousand. The main reason for the positive overall development was the development of costs. Selling and administrative expenses adjusted for segment reconciliation items fell by EUR 1.3 million from EUR 10.3 million in Q1 2016 to EUR 9.0 million in Q1 2017 (including other operating income from direct cost recharges to non-Group third parties). This corresponds to a percentage reduction of 12.3%. This was due to extensive cost-cutting measures in all operational areas.

### **Earnings development in the first quarter of 2017**

Overall, a total comprehensive income (earnings for the period plus other comprehensive income) of EUR -2.2 million was generated in the first quarter of 2017, compared to EUR -4.3 million in the first quarter of 2016.

There were no further significant events or transactions that had a material impact on the earnings, assets and financial position of the elumeo Group in the first quarter of 2017.

Explanations on the various 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 material impact on the consolidated interim financial statements are as follows:

Currency	Exchange rate on reporting date			Average exchange rate		
	31 Mar 2017	31 Dec 2016	Change in %	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016	QoQ in %
British pound (GBP)	1.1694	1.1687	0.1%	1.1628	1.2974	-10.4%
Thai baht (THB)	0.0272	0.0265	2.7%	0.0267	0.0255	5.1%
US dollar (USD)	0.9354	0.9498	-1.5%	0.9390	0.9070	3.5%

As a consequence of the referendum on the withdrawal of the United Kingdom from the European Union ("Brexit") on 23 June 2016, the British pound (GBP) depreciated against the euro (EUR), the functional currency of the elumeo Group, as well as the US dollar (USD) and the Thai baht (THB), which play a key role in production-side procurement.

The translation of income and expenses in the income statement of the subsidiaries in the United Kingdom 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 asset, financial and earnings position.

### (2.) Revenue

Revenue was as follows:

EUR thousand   % of revenue	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
Revenue from product sales	17,216	99.9%	14,917	99.9%	15.4%
Other revenue	16	0.1%	13	0.1%	29.2%
<b>Revenue</b>	<b>17,232</b>	<b>100.0%</b>	<b>14,930</b>	<b>100.0%</b>	<b>15.4%</b>

Revenue of EUR 17.2 million in the first quarter of 2017 was 15.4% higher than in the same period of the previous year (Q1 2016: EUR 14.9 million).



### 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 2017		1 Jan - 31 Mar 2016		QoQ in %
Germany	11,662	67.7%	8,966	60.1%	30.1%
Italy	2,366	13.7%	2,933	19.7%	-19.4%
United Kingdom	2,522	14.7%	2,699	18.1%	-6.5%
Other countries	665	3.9%	319	2.1%	108.3%
<b>Revenue from product sales</b>	<b>17,216</b>	<b>100.0%</b>	<b>14,917</b>	<b>100.0%</b>	<b>15.4%</b>

Revenue from product sales in the first quarter of 2017 rose by 15.4% from EUR 14.9 million in Q1 2016 to EUR 17.2 million. In the core sales market Germany, a 30.1% increase from EUR 9.0 million in Q1 2016 to EUR 11.7 million was recorded. In Italy, revenue in Q1 2017 declined by -19.4% compared to Q1 2016. However, the negative trend in Italy was brought to a halt with positive growth of 10.3% in March 2017 compared to the same month of the previous year. In the United Kingdom, revenue from product sales of EUR 2.5 million in Q1 2017 was down by -6.5% from EUR 2.7 million in Q1 2016. Adjusted for foreign currency translation, revenue in the United Kingdom rose by 8.3%.

### Revenue from product sales by distribution channel

EUR thousand   % of revenue	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
Television revenue	10,322	60.0%	10,143	68.0%	1.8%
eCommerce revenue	6,260	36.4%	4,774	32.0%	31.1%
B2B revenue	634	3.7%	0	0.0%	n.a
<b>Revenue from product sales</b>	<b>17,216</b>	<b>100.0%</b>	<b>14,917</b>	<b>100.0%</b>	<b>15.4%</b>

Revenue from TV sales rose by 1.8% from EUR 10.1 million in Q1 2016 to EUR 10.3 million in Q1 2017.

In the same period, eCommerce revenue rose by 31.1% from EUR 4.8 million in Q1 2016 to EUR 6.3 million in Q1 2017. The classic European web shop business rose in Q1 2017 by EUR 0.7 million to EUR 2.2 million and thus by 50.3%.

Furthermore, additional B2B revenue of EUR 0.6 million was generated in Q1 2017.





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

EUR thousand   % of revenue	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
Gross profit from television revenue	4,191	24.3%	5,193	34.8%	-19.3%
Gross profit from eCommerce revenue	2,233	13.0%	2,364	15.8%	-5.6%
Gross profit from B2B revenue	185	1.1%	0	0.0%	n.a
<b>Gross profit from product sales</b>	<b>6,609</b>	<b>38.4%</b>	<b>7,558</b>	<b>50.6%</b>	<b>-12.6%</b>

Gross profit from TV revenue declined to EUR 4.2 million in the first quarter of 2017 following EUR 5.2 million in the same period of the previous year.

Gross profit from eCommerce revenue declined in Q1 2017 by -5.6% from EUR 2.4 million in Q1 2016 to EUR 2.2 million.

Gross profit from B2B revenue amounted to EUR 0.2 million in the first quarter of 2017.

Overall, the decline in gross profit in the first quarter of 2017 was mainly due to the sale in the United Kingdom. Correspondingly, the proportionate share of the segment's gross profit allocated to the United Kingdom fell by EUR 1.2 million from EUR 1.4 million in Q1 2016 to EUR 0.2 million in Q1 2017.

### (4.) Selling expenses

EUR thousand   % of revenue	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
Broadcasting and channel rental costs	2,614	15.2%	3,634	24.3%	-28.1%
Personnel expenses	1,627	9.4%	1,587	10.6%	2.5%
Expenses for external personnel services	334	1.9%	354	2.4%	-5.5%
Sales and marketing expenses	667	3.9%	397	2.7%	67.9%
Depreciation and amortisation	140	0.8%	142	0.9%	-1.1%
Other selling expenses	1,273	7.4%	1,249	8.4%	1.9%
<b>Selling expenses</b>	<b>6,655</b>	<b>38.6%</b>	<b>7,363</b>	<b>49.3%</b>	<b>-9.6%</b>

At EUR 6.7 million in Q1 2017, selling expenses were significantly below Q1 2016 (EUR 7.4 million). In line with the stronger focus on the eCommerce business, there was an increase in sales and marketing expenses, which essentially include costs for online marketing and other operating expenses of the web shops. On the other hand, TV broadcasting costs declined. This is mainly the result of the restructuring of the TV distribution contracts in the United Kingdom.

Selling expenses in Q1 2017 also include expenses directly attributable and rechargeable to non-Group third parties, which are contrasted by other operating income in the same amount.



**(5.) Administrative expenses**

EUR thousand   % of revenue	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
Personnel expenses	1,264	7.3%	1,431	9.6%	-11.7%
Depreciation and amortisation	168	1.0%	192	1.3%	-12.6%
Equity-settled share-based remuneration	103	0.6%	141	0.9%	-26.9%
Net losses from foreign currency translation	608	3.5%	567	3.8%	7.2%
Other administrative expenses	1,245	7.2%	1,309	8.8%	-4.9%
<b>Administrative expenses</b>	<b>3,387</b>	<b>19.7%</b>	<b>3,639</b>	<b>24.4%</b>	<b>-6.9%</b>

At EUR 3.4 million in the first quarter of 2017, administrative expenses were down by -6.9% compared to the same period of the previous year. The main reasons for this cost decline are lower personnel and other general administrative expenses. Adjusted for net losses from foreign currency translation and share-based remuneration, administrative expenses in the first quarter of 2017 were -8.7% below the same period of the previous year.

Other administrative expenses in Q1 2017 also include expenses directly attributable and rechargeable to non-Group third parties, which are contrasted by other operating income in the same amount.

**(6.) Personnel expenses**

EUR thousand   % of revenue	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
Wages and salaries	3,338	19.4%	3,454	23.1%	-3.3%
Social security contributions	418	2.4%	420	2.8%	-0.3%
<b>Personnel expenses</b>	<b>3,757</b>	<b>21.8%</b>	<b>3,873</b>	<b>25.9%</b>	<b>-3.0%</b>

Personnel expenses of the elumeo Group (excluding share-based remuneration) decreased by a total of EUR 0.1 million.

**(7.) Other operating income**

In the first quarter of 2017, other operating income of EUR 0.3 million (Q1 2016: EUR 0.0 million) mainly comprised income from recharging administrative and selling expenses to non-Group third parties.



**(8.) Earnings per share**

Earnings and number of shares	Unit	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016	QoQ in %
Earnings of shareholders of elumeo SE	EUR thousand	-3,202	-3,878	17.4%
Average number of outstanding shares	thousands	5,500	5,500	0.0%
<b>Earnings per share (basic and diluted)</b>	EUR	<b>-0.58</b>	<b>-0.71</b>	<b>17.4%</b>

In financial years 2015 and 2016, the Executive Board issued option rights to purchase shares of elumeo SE from a total of three tranches from the Stock Option Programme 2015 ("SOP 2015"). The exercise of the option rights of each tranche after completion of the vesting period is linked to capital market-based performance targets.

The performance targets for the first tranche ("Tranche I/2015") and the second tranche ("Tranche II/2015") issued in financial year 2015 have not been met as of the balance sheet date. The potential shares are therefore not to be taken into account in determining the diluted earnings per share, regardless of any possible pro rata vesting that has already occurred.

The performance target for the third tranche ("Tranche III/2015") issued in financial year 2016, was met as of the balance sheet date. As of the balance sheet date, the option rights were not exercisable, because the service period condition has not been fulfilled yet. According to the International Accounting Standard IAS 33 *Earnings per share*, potential shares are only to be considered dilutive if their conversion into shares reduces earnings per share or increases the loss per share (IAS 33.41). If, however, the conversion to shares results in an increase in earnings per share or a reduction in the loss per share, this is a case of dilution protection and the diluted earnings per share must be adjusted to the amount of basic earnings per share (IAS 33.43). The conversion of the options rights from Tranche III/2015 would result in a reduction of loss per share in Q1 2017 (dilution protection). The number of potential shares which would have to be taken into account in the event of non-existent dilution protection is 31,441 shares (notional free shares).

As a result, the diluted earnings per share corresponds to the basic earnings per share.

**(9.) Notes to the segment reporting**

Total segment EBITDA in Q1 2017 was at EUR -2.0 million (Q1 2016: EUR -2.3 million) above the same period of the previous year. In the reporting period, the segment reconciliation items that were adjusted for in determining the segment EBITDA mainly comprise foreign exchange losses of EUR 0.6 million (Q1 2016: EUR 0.6 million) and share-based remuneration of EUR 0.1 million (Q1 2016: EUR 0.1 million).

**Segment Sales division Germany & Italy**

In the segment Sales division Germany & Italy, revenue of EUR 14.0 million (Q1 2016: EUR 11.9 million) was generated in Q1 2017. This amounts to about 81.5% of the elumeo Group's total revenue (Q1 2016: about 80.0%). Gross profit in the first quarter of 2017 was EUR 5.5 million (Q1 2016: EUR 5.7 million), which resulted in a gross profit margin of 39.4% in Q1 2017 (Q1 2016: 47.5%) for the segment



Sales division Germany & Italy. The decline in gross profit margin resulted from a higher proportion of high-priced products from third party suppliers, as well as a more intensive winter closing sale. At EUR -1.0 million, segment EBITDA in Q1 2017 remained at the about the same level of the same period of the previous year. This corresponds to a segment EBITDA margin of -7.3% in Q1 2017 (Q1 2016: -8.1%).

### **Segment Sales division Others (United Kingdom, Asia, USA)**

At EUR 3.2 million revenue in the segment Sales division Others was slightly higher than in the same period of the previous year (Q1 2016: EUR 3.0 million). Revenue from B2B transactions is allocated to the segment. The segment's revenue accounts for about 18.5% of the elumeo Group's total revenue (Q1 2016: about 20.0%). In total, gross profit amounted to EUR 0.4 million in Q1 2017 (Q1 2016: EUR 1.2 million). The significant reduction is the result of the sale in the first two months in the United Kingdom. Segment EBITDA in the first quarter of 2017 was EUR -0.8 million (Q1 2016: EUR -1.2 million). The reduction in loss, despite the lower levels of gross profit, is due to cost reductions. The segment EBITDA margin was -25.6% compared to -38.2% in Q1 2016.

### **Segment Group functions & eliminations**

To cover for the administrative and financing expenses of production, gross profit of EUR 0.7 million (Q1 2016: EUR 0.7 million) was allocated to the segment in the first quarter of 2017 and therefore not assigned to the segments Sales division Germany & Italy and Sales division Others.

## **(10.) Intangible assets and property, plant and equipment**

In Q1 2017, capital expenditures were limited to small-scale replacement investments.

## **(11.) Inventories**

Inventories increased by 2.1% from EUR 38.9 million as of 31 December 2016 to EUR 39.8 million as of 31 March 2017. This increase is mainly due to the inventory built-up for the B2B business launched in the USA.

## **(12.) Equity**

### **Issued capital**

The issued capital of elumeo SE as of 31 March 2017 totalled EUR 5,500,000 (31 December 2016: 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 disclosures as of 31 December 2016.

### **Capital reserve**

The capital reserve of elumeo SE as of 31 March 2017 amounted to EUR 34.0 million and thus increased compared to 31 December 2016 (EUR 33.9 million) due to equity-settled share-based remuneration commitments in accordance with IFRS 2.



### Authorised Capital, Conditional Capital, convertible bonds and bonds with warrants

There were no changes compared to the disclosures as of 31 December 2016.

### Share-based remuneration

The weighted average number of outstanding option rights of the three tranches from the SOP 2015 as of 31 March 2017 totalled 245,065 (31 March 2016: 136.875). The weighted average remaining maturity of the outstanding option rights up until the expiration date is approximately 8.75 years. The average exercise price is EUR 15.33 (31 March 2016: EUR 24.61) and the weighted average fair value of an option right at the time granted is EUR 5.90 (31 March 2016: EUR 8.68). As of the balance sheet date, no option rights are exercisable.

Expenses totalling EUR 0.1 million in the first quarter of 2017 (Q1 2016: EUR 0.1 million) were recorded for the share-based remuneration commitments of the three tranches from the SOP 2015.

There were no further changes compared to the disclosures as of 31 December 2016.

### (13.) 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 sufficiently probable. Deferred tax assets as of 31 March 2017 and 31 December 2016 are attributable solely to the elimination of intercompany profits included in the inventories.

### (14.) 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.

The inflows and outflows from operating activities are derived indirectly based on earnings before interest and taxes (EBIT). The inflows and outflows from investing and financing activities are determined directly. The cash and cash equivalents comprise the unrestricted cash on hand and bank account balances. Current account credits used as short-term financing instruments are included as negative components in the financial funds.

In addition to the negative EBIT of EUR -3.1 million (Q1 2016: EUR -3.4 million), the cash outflow from operating activities in the first quarter of 2017 included an increase in inventories of EUR -0.8 million (Q1 2016: EUR +0.7 million). The outflow was contrasted by depreciation and amortisation of non-current assets in the amount of EUR +0.4 million (Q1 2016: EUR +0.4 million), non-cash expenses/income and transactions in the amount of EUR +0.8 million (Q1 2016: EUR +0.0 million) and the increase in other liabilities in the amount of EUR +2.2 million (Q1 2016: EUR -1.5 million). In total, the cash flow from operating activities in Q1 2017 amounted to EUR -0.8 million after EUR -5.0 million in Q1 2016.

Cash flow from investing activities in Q1 2017 amounted to EUR -0.1 million (Q1 2016: EUR -0.5 million).



The cash flow from financing activities mainly consisted of proceeds from an increase in financial debt in the amount of EUR +1.5 million (Q1 2016: EUR +1.8 million) and of payments for the redemption of financial debt and other financial liabilities in the amount of EUR -0.8 million (Q1 2016: EUR -0.8 million).

Cash and cash equivalents as of the reporting date arise from the positive components of unrestricted cash and bank account balances of EUR 2.0 million (31 December 2016: EUR 1.8 million) and from the negative components of current account overdrafts of EUR -221 thousand (31 December 2016: EUR -0.3 thousand). In addition, as of the reporting date unused credit lines in the total amount of EUR 2.0 million were available.



## 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 2016. Compared to the risks and opportunities presented herein, the Executive Board currently sees no identifiable additional significant changes.

## Forecast report

For the segment Sales division Germany & Italy, management is aiming for a revenue increase in the high single-digit percentage range in 2017. The gross profit is likely to develop slightly disproportionately lower due to impacts of the product mix on overall gross profit margin. In addition to a higher proportion of the classic web shop business, this will also be attributable to a higher proportion of high-priced products with lower percentage margins. In connection with cost reductions, particularly in the area of personnel costs and reach costs, a positive segment EBITDA in the low single-digit million range is expected for the year 2017.

In the segment Sales division Others, revenue is expected to decline in 2017. This is the result of the adapted TV distribution contracts in the United Kingdom. Revenue from B2B business is planned at the previous year's level. As a result of the restructuring of the business activities in the United Kingdom, elumeo SE expects a considerably reduced cost base in this segment. Overall, we are forecasting a significantly improved segment EBITDA.

In the segment Group functions & eliminations (no revenue), negative segment EBITDA in the low single-digit million range is expected for 2017.

For the elumeo Group in total, we expect slight revenue growth for 2017 with a stable gross profit margin. At the same time, we expect a significant reduction in cumulative selling, administrative and general expenses. Savings are planned, in particular, in the area of reach costs and personnel costs. Following the successful restructuring of the Group, the elumeo Group plans to achieve a slight positive segment EBITDA in the remaining quarters of 2017.

In order to be able to guarantee the Group's ability to pay at any time, reducing inventories is essential in 2017. If the profitability of the elumeo Group cannot be increased and an improvement in working capital cannot be achieved, this can jeopardize the Group's ability to pay at all times. Therefore, returning the elumeo Group to profitability while improving liquidity is a top priority in 2017.



## Condensed interim consolidated financial statements

### Consolidated statement of income (unaudited)

for the period from 1 January to 31 March 2017 (Q1 2017) and 2016 (Q1 2016)

EUR thousand   % of revenue	Note	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
Revenue	(2.)	17,232	100.0%	14,930	100.0%	15.4%
Cost of goods sold		10,607	61.6%	7,360	49.3%	44.1%
<b>Gross profit</b>	(3.)	<b>6,625</b>	<b>38.4%</b>	<b>7,570</b>	<b>50.7%</b>	<b>-12.5%</b>
Selling expenses	(4.)	6,655	38.6%	7,363	49.3%	-9.6%
Administrative expenses	(5.)	3,387	19.7%	3,639	24.4%	-6.9%
Other operating income	(7.)	305	1.8%	11	0.1%	>1,000%
<b>Earnings before interest and taxes (EBIT)</b>		<b>-3,112</b>	<b>-18.1%</b>	<b>-3,420</b>	<b>-22.9%</b>	<b>9.0%</b>
Interest and similar expenses		-166	-1.0%	-140	-0.9%	-18.8%
Financial result		-166	-1.0%	-140	-0.9%	-18.8%
<b>Earnings before income taxes (EBT)</b>		<b>-3,278</b>	<b>-19.0%</b>	<b>-3,560</b>	<b>-23.8%</b>	<b>7.9%</b>
Income tax		75	0.4%	-318	-2.1%	123.8%
<b>Earnings for the period</b>		<b>-3,202</b>	<b>-18.6%</b>	<b>-3,878</b>	<b>-26.0%</b>	<b>17.4%</b>
<i>Earnings of shareholders of elumeo SE</i>		<i>-3,202</i>	<i>-18.6%</i>	<i>-3,878</i>	<i>-26.0%</i>	<i>17.4%</i>
<b>Earnings per share in EUR (basis and diluted)</b>	(8.)	<b>-0.58</b>		<b>-0.71</b>		<b>17.4%</b>





## Consolidated statement of comprehensive income (unaudited)

for the period from 1 January to 31 March 2017 (Q1 2017) and 2016 (Q1 2016)

EUR thousand   % of revenue	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016	QoQ in %
<b>Earnings for the period</b>	<b>-3,202 -18.6%</b>	<b>-3,878 -26.0%</b>	<b>17.4%</b>
<i>Items which will be reclassified to the consolidated statement of income in subsequent periods:</i>			
Differences from foreign currency translation of foreign subsidiaries	1,043 6.1%	-417 -2.8%	350.0%
<b>Other comprehensive income</b>	<b>1,043 6.1%</b>	<b>-417 -2.8%</b>	<b>350.0%</b>
<b>Total comprehensive income</b>	<b>-2,159 -12.5%</b>	<b>-4,295 -28.8%</b>	<b>49.7%</b>
<i>Total comprehensive income of shareholders of elumeo SE</i>	<i>-2,159 -12.5%</i>	<i>-4,295 -28.8%</i>	<i>49.7%</i>



## Consolidated statement of financial position (unaudited)

as of 31 March 2017 and 31 December 2016

<b>ASSETS</b>						
EUR thousand   % of balance sheet total	Note	31 Mar 2017		31 Dec 2016		Change in %
<b>Non-current assets</b>						
Intangible assets	(10.)	879	1.4%	925	1.5%	-4.9%
Property, plant and equipment	(10.)	11,117	17.6%	11,244	18.1%	-1.1%
Other financial assets		527	0.8%	522	0.8%	1.0%
Other non-financial assets		2,046	3.2%	2,020	3.3%	1.3%
Deferred tax assets	(13.)	1,610	2.6%	1,465	2.4%	9.9%
<b>Total non-current assets</b>		<b>16,180</b>	<b>25.6%</b>	<b>16,177</b>	<b>26.1%</b>	<b>0.0%</b>
<b>Current assets</b>						
Inventories	(11.)	39,769	63.0%	38,933	62.7%	2.1%
Trade receivables		3,130	5.0%	3,473	5.6%	-9.9%
Receivables due from related parties		236	0.4%	279	0.4%	-15.2%
Other financial assets		84	0.1%	82	0.1%	2.4%
Other non-financial assets		1,731	2.7%	1,309	2.1%	32.2%
Cash and cash equivalents		1,961	3.1%	1,837	3.0%	6.8%
<b>Total current assets</b>		<b>46,912</b>	<b>74.4%</b>	<b>45,912</b>	<b>73.9%</b>	<b>2.2%</b>
<b>Total assets</b>		<b>63,092</b>	<b>100.0%</b>	<b>62,089</b>	<b>100.0%</b>	<b>1.6%</b>



## Consolidated statement of financial position (unaudited)

as of 31 March 2017 and 31 December 2016

EQUITY & LIABILITIES						
EUR thousand   % of balance sheet total	Note	31 Mar 2017		31 Dec 2016		Change in %
<b>Equity</b>						
Issued capital	(12.)	5,500	8.7%	5,500	8.9%	0.0%
Capital reserve	(12.)	33,964	53.8%	33,862	54.5%	0.3%
Retained losses	(12.)	-8,611	-13.6%	-5,408	-8.7%	-59.2%
Foreign currency translation reserve		6,065	9.6%	5,022	8.1%	20.8%
<b>Total equity</b>		<b>36,919</b>	<b>58.5%</b>	<b>38,975</b>	<b>62.8%</b>	<b>-5.3%</b>
<b>Non-current liabilities</b>						
Financial debt		3,994	6.3%	4,011	6.5%	-0.4%
Other non-current financial liabilities		499	0.8%	573	0.9%	-12.9%
Provisions		657	1.0%	602	1.0%	9.2%
Other non-financial liabilities		25	0.0%	25	0.0%	0.0%
<b>Total non-current liabilities</b>		<b>5,176</b>	<b>8.2%</b>	<b>5,211</b>	<b>8.4%</b>	<b>-0.7%</b>
<b>Current liabilities</b>						
Financial debt		10,160	16.1%	8,904	14.3%	14.1%
Other financial liabilities		305	0.5%	311	0.5%	-1.8%
Provisions		384	0.6%	684	1.1%	-43.9%
Liabilities due to related parties		57	0.1%	11	0.0%	443.3%
Trade payables		7,918	12.6%	6,181	10.0%	28.1%
Advance payments received		671	1.1%	111	0.2%	502.6%
Other non-financial liabilities		1,502	2.4%	1,701	2.7%	-11.7%
<b>Total current liabilities</b>		<b>20,998</b>	<b>33.3%</b>	<b>17,903</b>	<b>28.8%</b>	<b>17.3%</b>
<b>Total equity &amp; liabilities</b>		<b>63,092</b>	<b>100.0%</b>	<b>62,089</b>	<b>100.0%</b>	<b>1.6%</b>



## Consolidated statement of changes in equity (unaudited)

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

Reason for change	Note	Attributable to shareholders of elumeo SE				Total equity
		Issued capital	Capital Reserve	Retained losses	Foreign currency translation reserve	
<b>EUR thousand</b>						
<b>1 January 2017</b>		<b>5,500</b>	<b>33,537</b>	<b>6,237</b>	<b>1,628</b>	<b>46,903</b>
Equity-settled share-based remuneration	(12.)		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
<b>31 March 2017</b>		<b>5,500</b>	<b>33,964</b>	<b>-8,611</b>	<b>6,065</b>	<b>36,919</b>



## Consolidated statement of changes in equity (unaudited)

for the period from 1 January to 31 March 2016 (Q1 2016)

Reason for change	Note	Attributable to shareholders of elumeo SE				Total equity
		Issued capital	Capital Reserve	Retained earnings	Foreign currency translation reserve	
<b>EUR thousand</b>						
<b>1 January 2016</b>		<b>5,500</b>	<b>33,397</b>	<b>10,115</b>	<b>2,045</b>	<b>51,057</b>
Equity-settled share-based remuneration	(12.)		141			141
Other comprehensive income					-417	-417
Earnings for the period				-3,878		-3,878
Total comprehensive income				-3,878	-417	-4,295
<b>31 March 2016</b>		<b>5,500</b>	<b>33,537</b>	<b>6,237</b>	<b>1,628</b>	<b>46,903</b>



## Consolidated statement of cash flows (unaudited)

for the period from 1 January to 31 March 2017 (Q1 2017) and 2016 (Q1 2016)

EUR thousand	Note	1 Jan - 31 Mar 2017	1 Jan - 31 Mar 2016
<b>Earnings before interest and taxes (EBIT)</b>		<b>-3,112</b>	<b>-3,420</b>
+/- Depreciation and amortisation on non-current assets		+426	+415
+/- Increase/decrease in provisions		-245	+34
+/- Equity-settled share-based remuneration	(12.)	+103	+141
+/- Other non-cash expenses/income		+817	+16
+/- Loss/gain on disposal of non-current assets		0	+11
+ Proceeds from interest income		0	+0
- Interest expenses paid		-157	-383
- Income tax paid		-7	-164
-/+ Increase/decrease in inventories	(11.)	-837	+686
-/+ Increase/decrease in other assets		+49	-777
+/- Increase/decrease in other liabilities		+2,155	-1,535
<b>= Cash flow from operating activities</b>	(14.)	<b>-807</b>	<b>-4,977</b>
- Payments for investments in intangible assets		-7	-34
- Payments for investments in property, plant and equipment		-50	-512
<b>= Cash flow from investing activities</b>	(14.)	<b>-57</b>	<b>-546</b>
+ Proceeds from increase in financial debt		+1,538	+1,782
- Payments for the redemption of financial debt		-689	-740
+ Proceeds from increase in financial liabilities		-79	-54
<b>= Cash flow from financing activities</b>	(14.)	<b>+770</b>	<b>+987</b>
+/- Net increase/decrease in cash and cash equivalents		-95	-4,536
+/- Effects of foreign currency translation on cash and cash equivalents		-2	-61
+ Cash and cash equivalents on beginning of reporting period		+1,836	+13,498
<b>= Cash and cash equivalents on end of reporting period</b>		<b>+1,740</b>	<b>+8,901</b>
<b>Reconciliation of cash and cash equivalents</b>			
Cash and cash equivalents		+1,961	+9,262
- Current account overdrafts		-221	-361
<b>= Cash and cash equivalents at end of period</b>	(14.)	<b>+1,740</b>	<b>+8,901</b>



## Segment reporting (unaudited)

### Segment information

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	81.5%	5,537	39.4%	-1,030	-7.3%
Sales division Others	3,188	18.5%	426	13.4%	-816	-25.6%
Group functions & eliminations	0	0.0%	662	n.a.	-129	n.a.
<b>Total</b>	<b>17,232</b>	<b>100.0%</b>	<b>6,625</b>	<b>38.4%</b>	<b>-1,975</b>	<b>-11.5%</b>

for the period from 1 January to 31 March 2016 (Q1 2016)

EUR thousand   % of (segment) revenue	1 Jan - 31 Mar 2016					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	11,912	79.8%	5,656	47.5%	-966	-8.1%
Sales division Others	3,018	20.2%	1,232	40.8%	-1,153	-38.2%
Group functions & eliminations	0	0.0%	682	n.a.	-178	n.a.
<b>Total</b>	<b>14,930</b>	<b>100.0%</b>	<b>7,570</b>	<b>50.7%</b>	<b>-2,298</b>	<b>-15.4%</b>

Quarterly comparison of the period from 1 January to 31 March 2017 (Q1 2017) and 2016 (Q1 2016)

EUR thousand   in %	QoQ					
	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	2,133	17.9%	-119	-2.1%	-63	-6.5%
Sales division Others	170	5.6%	-806	-65.4%	337	29.2%
Group functions & eliminations	0	n.a.	-20	-3.0%	49	27.4%
<b>Total</b>	<b>2,302</b>	<b>15.4%</b>	<b>-945</b>	<b>-12.5%</b>	<b>322</b>	<b>14.0%</b>



## Segment reconciliation to Group earnings

for the period from 1 January to 31 March 2017 (Q1 2017) and 2016 (Q1 2016)

EUR thousand   % of revenue	Note	1 Jan - 31 Mar 2017		1 Jan - 31 Mar 2016		QoQ in %
<b>Total segment EBITDA</b>		<b>-1,975</b>	<b>-11.5%</b>	<b>-2,298</b>	<b>-15.4%</b>	<b>14.0%</b>
Effects from foreign currency translation	(5.)	-608	-3.5%	-567	-3.8%	-7.2%
Equity-settled share-based remuneration	(12.)	-103	-0.6%	-141	-0.9%	26.9%
Segment reconciliation items		-710	-4.1%	-707	-4.7%	-0.4%
<b>EBITDA</b>		<b>-2,686</b>	<b>-15.6%</b>	<b>-3,005</b>	<b>-20.1%</b>	<b>10.6%</b>
Depreciation and amortisation on property, plant and equipment and intangible assets	(10.)	-426	-2.5%	-415	-2.8%	-2.6%
<b>EBIT</b>		<b>-3,112</b>	<b>-18.1%</b>	<b>-3,420</b>	<b>-22.9%</b>	<b>9.0%</b>
Income tax		75	0.4%	-318	-2.1%	123.8%
Financial result		-166	-1.0%	-140	-0.9%	-18.8%
<b>Earnings for the period</b>		<b>-3,202</b>	<b>-18.6%</b>	<b>-3,878</b>	<b>-26.0%</b>	<b>17.4%</b>





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elumeo SE

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### Photos

elumeo SE

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](http://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.

