

elumeo

Quarterly Release
Q3/2016



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Key figures

EUR thousand [otherwise indicated]	Q3 2016		Q3 2015		1 Jan - 30 Sep 2016		1 Jan - 30 Sep 2015	
Revenue	18,456	100%	14,683	100%	53,709	100%	54,164	100%
<u>Product revenue by regions</u> [absolutely and in % of product revenue]								
Germany	11,027	60%	8,960	61%	32,375	60%	33,385	62%
Italy	2,564	14%	3,189	22%	7,738	14%	10,160	19%
United Kingdom	3,158	17%	2,454	17%	9,897	18%	10,387	19%
Other countries	1,695	9%	27	0%	3,661	7%	165	0%
<u>Product revenue by distribution channels</u> [absolutely and in % of product revenue]								
TV revenue	10,744	58%	11,565	79%	32,822	61%	41,311	76%
eCommerce revenue	6,035	33%	3,065	21%	17,566	33%	12,786	24%
B2B revenue	1,665	9%	0	0%	3,282	6%	0	0%
[The following disclosures represent: absolute values and in % of revenue]								
Gross profit	8,034	44%	6,411	44%	23,806	44%	26,256	48%
EBITDA	-2,374	-13%	-3,765	-26%	-8,205	-15%	-2,424	-4%
Total segment EBITDA	-1,485	-8%	-3,060	-21%	-5,163	-10%	-1,144	-2%
Adjusted EBITDA	-1,485	-8%	-3,060	-21%	-5,163	-10%	-1,144	-2%
Depreciation and amortization	448	2%	237	2%	1,296	2%	627	1%
EBIT	-2,822	-15%	-4,002	-27%	-9,501	-18%	-3,051	-6%
Adjusted EBIT	-1,933	-10%	-3,297	-22%	-6,459	-12%	-1,771	-3%
Earnings for the period	-2,886	-16%	-3,370	-23%	-10,123	-19%	-2,834	-5%
Total comprehensive income	-2,383	-13%	-5,135	-35%	-8,624	-16%	-3,625	-7%
Selling and administrative expenses	11,013	60%	9,680	66%	33,547	62%	28,457	53%
Total assets	68,213	100%	79,087	100%	—	—	—	—
Total equity	42,836	63%	55,058	70%	—	—	—	—
[absolutely and in % of balance sheet total]								
Working capital	37,427	70%	36,480	67%	—	—	—	—
[in % of 9M 2016 revenue]								
Cashflow from operating activities	-3,888	-21%	-14,747	-100%	-9,590	-18%	-24,463	-45%
Cashflow from investing activities	-266	-1%	-7,191	-49%	-1,008	-2%	-8,665	-16%
Cashflow from financing activities	160	1%	35,283	240%	-811	-2%	46,875	87%
[without current account bank overdrafts]								
Items sold [pieces]	232,725		193,237		698,279		795,877	
Average sales price (ASP) [EUR]	79.30		75.99		76.92		68.06	
Gross profit per item sold [EUR]	34.52		33.18		34.09		32.99	
<u>New customer breakdown (Germany only)</u> [in % of new customers]								
TV only	31%		42%		33%		44%	
Web only	58%		47%		54%		46%	

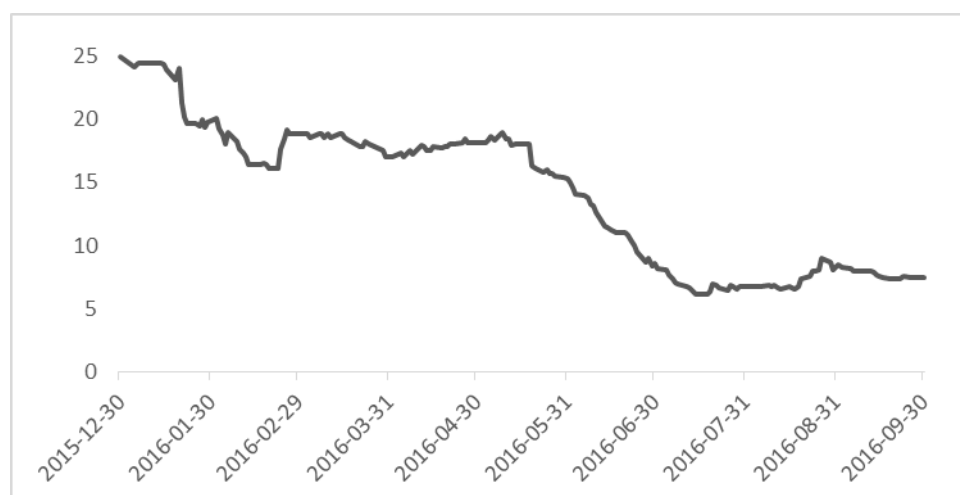


Capital market information

Basic data and key figures on the share of elumeo SE
(Status: 30 September 2016)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in 9M 2016	EUR -1.84
Number of outstanding shares	5,500,000
XETRA closing price at reporting date	EUR 7.50
Market capitalisation	EUR 41.25 million

elumeo SE share price
(1 January - 30 September 2016)



Shareholder structure
(Status: 30 September 2016)

Shareholders of elumeo SE	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA	36.44%
2. Blackflint Ltd.	26.66%
3. Sycomore Asset Management SA	5.09%
4. Management (of which Wolfgang Boyé 1.24%)	8.73%
5. Free float	23.08%



Results release Q3/2016

Principles of the elumeo Group

The principles of the elumeo Group are described in detail in the annual report for the financial year that ended on 31 December 2015 ("Annual Report 2015"). There have been no significant changes to the disclosures shown herein.

Comparability of disclosures

Compared to the third quarter of 2015, the group of consolidated companies of the elumeo Group changed as follows:

- Establishment of the sales company Juwelo USA, Inc., Wilmington, Delaware/USA, 100.0% of whose shares are held by Juwelo TV Deutschland GmbH, Berlin ("Juwelo TV"), and the inclusion of the company in the consolidated financial statements of elumeo SE since November 2015,
- Merger of JTV Services GmbH, Berlin, (the transferring legal entity) by way of a merger by absorption involving dissolution without liquidation with Juwelo TV (the assuming legal entity) retroactively as of 1 January 2016.

Explanations on Alternative Performance Measures

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

Business development

This quarterly release as of 30 September 2016 covers the period from 1 January to 30 September 2016 ("nine-month period of 2016" or "9M 2016"). The quarterly reporting period covers the period from 1 July to 30 September 2016 ("Q3 2016" or "third quarter 2016").

At EUR 18.5 million, revenue in the third quarter of 2016 was significantly (25.9%) higher than in the same quarter of the previous year (Q3 2015: EUR 14.7 million), which was characterised by one-time effects. The revenues of EUR 53.7 million for the nine-month period of 2016 are essentially at the same level as in the previous year (EUR 54.2 million) (slight decrease: -0.9%).

Overall, the significant increase in revenues was realized through eCommerce revenues, which continue to grow disproportionately high compared to the same period of the previous year. Revenue in the area of the classic web shop rose by 42.9% in the third quarter 2016 compared to the same period of the previous year. In addition, the TV business on the German markets also developed positively compared to the previous quarter. To continue this development in the future, elumeo SE intends to restructure its TV distribution and to sell distribution channels which are no longer profitable, as a consequence of the devaluation of the British pound. elumeo SE expects to complete these measures by the end of financial year 2016.



Revenues in Italy were lower than in the comparable periods of 9M 2015 and Q3 2015. However, and as opposed to the development of revenues of the other sales companies, a slight increase was achieved compared to the previous quarter. In the United Kingdom ("UK"), revenues returned to a stable level compared to the same period of the previous year, which was impacted by one-time effects. Overall, the ongoing pressure on the British pound is still heavily affecting business in the UK.

At 43.5% in the third quarter of 2016, the gross profit margin was at the same level of the previous year's period. Gross profit in Q3 2016 thus increased from EUR 6.4 million in Q3 2015 to EUR 8.0 million. With respect to the nine-month period of 2016, gross profit amounted to EUR 23.8 million, which is -9.5% below the same period of the previous year (EUR 26.3 million) and the gross profit margin decreased from 48.5% to 44.3%.

The key performance measure total segment EBITDA declined to EUR -5.2 million in the nine-month period of 2016 compared to EUR -1.1 million in the same period of the previous year. Adjusted EBITDA for the reporting period 9M 2016 corresponds to the total segment EBITDA.

Overall, total comprehensive income of EUR -2.4 million was generated in the third quarter of 2016 after EUR -5.1 million in Q3 2015 and EUR -8.6 million in 9M 2016 (9M 2015: EUR -3.6 million).

Apart from that, there were no other significant events or transactions that had a material impact on the earnings, assets and financial position of the elumeo Group.

A detailed explanation of the various financial key figures can be found in the following sections.



Earnings, assets and financial position

(1.) Foreign currency translation

The exchange rates for foreign currencies with a material effect on the consolidated interim financial statements are as follows:

Currency	Exchange rate on reporting date		Average exchange rate	
	30 Sep 2016	31 Dec 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
EUR				
British pound (GBP)	1.1594	1.3589	1.2481	1.3757
Thai baht (THB)	0.0258	0.0255	0.0254	0.0266
US dollar (USD)	0.8938	0.9183	0.8963	0.8978

As a consequence of the referendum on the withdrawal of the United Kingdom from the European Union ("Brexit") of June 23, 2016, the GBP exchange rate fell against the euro (EUR), the functional currency of the elumeo Group, as well as against the other major currencies USD and THB, which play a major role in production-side procurement.

The translation of income and expenses in the income statement of the foreign subsidiary in the UK with the weighted average exchange rate for the reporting period has an impact on the earnings position. In addition, as of the reporting date, there have been major shifts in the presentation of the earnings, assets and financial position as a result of the translation of assets and liabilities denominated in foreign currencies, in particular also as a consequence of the subsequent measurement of inter-group foreign currency assets and liabilities, using the exchange rate as of the reporting date.

(2.) Revenue

Revenue can be broken down as follows:

EUR thousand	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Revenue from product sales	18,444	14,630	53,671	54,097
Other revenue	12	53	38	67
Revenue	18,456	14,683	53,709	54,164

At EUR 18.5 million, revenue in the third quarter of 2016 was significantly (25.9%) higher than in the same quarter of the previous year (Q3 2015: EUR 14.7 million), which was characterised by one-time effects. As a result of this increase, the elumeo Group was able to partly compensate for the decline in revenues in the first quarter of 2016. Therefore the total revenues of EUR 53.7 million for the nine-month period of 2016 are essentially at the same level as in the previous year (EUR 54.2 million) (slight decrease: -0.9%).



Revenue from product sales by region
(by registered office of the selling company)

EUR thousand	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Germany	11,027	8,960	32,375	33,385
Italy	2,564	3,189	7,738	10,160
United Kingdom	3,158	2,454	9,897	10,387
Other countries	1,695	27	3,661	165
Revenue from product sales	18,444	14,630	53,671	54,097

Revenue from product sales rose by 26.0% from EUR 14.6 million in Q3 2015 to EUR 18.4 million in the third quarter of 2016 and declined slightly by -0.7% from EUR 54.1 million in 9M 2015 to EUR 53.7 million in 9M 2016. A 22.2% increase from EUR 9.0 million in Q3 2015 to EUR 11.0 million was achieved in the core sales market Germany. In Italy, revenue was -18.8% lower in Q3 2016 compared to Q3 2015. Compared to the previous quarter, however, an 18.2% increase was recorded. In the UK, revenue from product sales of EUR 3.2 million in Q3 2016 was up 28.0% compared to EUR 2.5 million in Q3 2015 due to the one-time effects in the same period of the previous year.

Revenue from product sales by distribution channel

EUR thousand	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Television revenue	10,744	11,565	32,822	41,311
eCommerce revenue	6,035	3,065	17,566	12,786
B2B revenue	1,665	0	3,282	0
Revenue from product sales	18,444	14,630	53,671	54,097

Revenue from TV sales declined by -7.8% from EUR 11.6 million in Q3 2015 to EUR 10.7 million in Q3 2016 and by -20.6% from EUR 41.3 million in 9M 2015 to EUR 32.8 million in 9M 2016.

In the same period, revenue from eCommerce sales rose by 93.5% from EUR 3.1 million in Q3 2015 to EUR 6.0 million in Q3 2016 and by 37.5% from EUR 12.8 million in 9M 2015 to EUR 17.6 million in 9M 2016. Revenues of EUR 2.3 million from a joint venture are attributable to eCommerce in 9M 2015. The classic web shop business grew by EUR 1.9 million or 47.5% to EUR 5.9 million in 9M 2016 (Q3 2016: EUR 0.6 million or 42.9% to EUR 2.0 million).

Furthermore, additional revenue of EUR 1.7 million in B2B revenue was achieved in Q3 2016 and EUR 3.3 million in 9M 2016.



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

EUR thousand	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Gross profit from television revenue	5,212	5,031	15,596	20,738
Gross profit from eCommerce revenue	2,509	1,327	7,362	5,451
Gross profit from B2B revenue	301	0	810	0
Gross profit from product sales	8,022	6,358	23,768	26,189

The gross profit from TV sales in the nine-month period of 2016 amounted to EUR 15.6 million, down from EUR 20.7 million in the same period of the previous year. At EUR 5.2 million in the third quarter of 2016, gross profit was a slight 4.0% higher than in the same period of the previous year (EUR 5.0 million), which was impacted by one-time effects. The gross profit margins in TV sales thus amounted to 47.5% in 9M 2016 and 48.5% in Q3 2016 (9M 2015: 50.2%, Q3 2015: 43.5%). Divided by countries gross profit margins in TV sales in Q3 2016 amounted to 50.6% in Germany, 47.8% in Italy and 37.9% in the UK.

Gross profit from eCommerce sales rose in 9M 2016 by 34.5% from EUR 5.5 million in 9M 2015 to EUR 7.4 million and in Q3 2016 by 92.3% from EUR 1.3 million in Q3 2015 to EUR 2.5 million. Gross profit margin was thus 41.9% in 9M 2016 and 41.6% in Q3 2016 (9M 2015: 42.6%, Q3 2015: 43.3%).

Gross profit from B2B revenue amounted to EUR 0.8 million (gross profit margin: 24.7%) for the nine-month period of 2016 and EUR 0.3 million in the third quarter of 2016 (gross profit margin: 18.1%).

(4.) Selling expenses

EUR thousand	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Broadcasting and channel rental costs	3,284	3,645	10,374	10,109
Personnel expenses	1,729	1,857	4,949	5,459
Expenses for external personnel services	365	357	1,081	1,059
Sales and marketing expenses	444	400	1,301	907
Depreciation and amortisation	189	62	471	177
Other selling expenses	1,253	911	3,746	3,160
Selling expenses	7,264	7,232	21,923	20,871

Selling expenses amounted to EUR 7.3 million in Q3 2016 and were thus at the same level as in Q3 2015 (EUR 7.2 million). With respect to the nine-month period of 2016, a slight 4.8% increase from EUR 20.9 million in 9M 2015 to EUR 21.9 million was recorded. Due to the stronger focus on the eCommerce business, there was an increase in other selling expenses, which mainly included costs for online marketing and other costs of operating the web shops. Broadcasting and channel rental costs, on the other hand, decreased.



(5.) Administrative expenses

EUR thousand	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Personnel expenses	1,337	1,127	4,307	3,334
Depreciation and amortisation	142	143	493	362
Equity-settled share-based remuneration	153	69	403	69
Losses [+)/gains [-] from foreign currency translation	736	-131	2,639	271
Other administrative expenses	1,381	1,240	3,782	3,549
Administrative expenses	3,749	2,448	11,624	7,586

At EUR 11.6 million, administrative expenses were 52.6% higher in 9M 2016 and at EUR 3.7 million 54.2% higher in Q3 2016 compared to the same period of the previous year of EUR 7.6 million in 9M 2015 and EUR 2.4 million in Q3 2015. The main reason for the increase in costs, besides increased personnel costs and expenses for equity-settled share-based remuneration under IFRS 2 *Share-based payments* were mainly losses from foreign currency translation. Other administrative expenses also include expenses directly attributable to non-Group third parties, which are offset by other operating income in the same amount. Adjusted for foreign currency translation losses, rechargeable expenses and equity-settled share-based remuneration, administrative expenses in the third quarter of 2016 were slightly higher than in the same period of the previous year.

(6.) Personnel expenses

EUR thousand	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Wages and salaries	3,528	3,603	10,570	10,957
Social security contributions	433	389	1,288	1,149
Personnel expenses	3,960	3,992	11,858	12,107

The personnel expenses of the elumeo Group (excluding share-based remuneration) were slightly lower. The increase in administrative personnel expenses was compensated for by a reduction in the personnel expenses in the area of production and sales.

(7.) Other operating income

In 9M 2016, other operating income mainly includes income from recharges of administrative and selling expenses to non-Group third parties.



(8.) Other operating expenses

Other operating expenses in 9M 2015 include transaction costs as well as other IPO and restructuring related expenses and one-off expenses attributable to the relocation of the foreign subsidiary in the UK. There were no comparable expenses in 9M 2016.

(9.) Earnings per share

Earnings and number of shares	Unit	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Earnings of shareholders of elumeo SE	EUR thousand	-2,886	-3,370	-10,123	-2,834
Average number of outstanding shares	thousands	5,500	5,484	5,500	4,500
Earnings per share (basic and diluted)	EUR	-0.52	-0.61	-1.84	-0.63

In financial year 2015 and in 9M 2016, the Executive Board issued option rights to purchase shares of elumeo SE under the Stock Option Programme 2015 ("SOP 2015") in three tranches in total. The exercising of the option rights is linked to capital market-based performance targets that were not yet met for all three of the tranches as of the reporting date. The potential shares are therefore not to be considered in the calculation of diluted earnings per share. As a result, diluted earnings per share equal basic earnings per share.

(10.) Notes to the segment reporting

The total segment EBITDA of EUR -5.2 million in 9M 2016 was lower than in the same period of the previous year (9M 2015: EUR -1.1 million). In Q3 2016, the loss was reduced significantly to EUR -1.5 million compared to the previous year's quarter of EUR -3.1 million. The special influences that were adjusted for in determining the segment EBITDA comprise expenses from losses from foreign currency translation of EUR -2.6 million in 9M 2016 and EUR -0.7 million in Q3 2016 (9M 2015: EUR -0.3 million, Q3 2015: gains of EUR 0.1) in addition to share-based remuneration. Adjusted EBITDA for the reporting period 9M 2016 corresponds to the total segment EBITDA.

Segment Sales division Germany & Italy

In the segment Sales division Germany & Italy, EUR 40.2 million in revenue was generated in 9M 2016 and EUR 13.6 million in Q3 2016 (9M 2015: EUR 43.6 million, Q3 2015: EUR 12.2 million). This corresponds to approx. 75% of the elumeo Group's total revenue (9M 2015: about 80%). Gross profit in 9M 2016 was EUR 17.1 million and 5.8 million in Q3 2016 (9M 2015: EUR 20.3 million, Q3 2015: EUR 5.4 million), which corresponds to a gross profit margin of 42.5% in 9M 2016 and 42.6% in Q3 2016 for the segment Sales division Germany & Italy. Segment EBITDA was EUR -2.5 million in 9M 2016 and EUR -0.6 million in Q3 2016 (9M 2015: EUR 1.9 million, Q3 2015: EUR -0.9 million). This corresponds to a segment EBITDA margin of -6.2% in 9M 2016 and -4.4% in Q3 2016.



Segment Sales division Others (UK, Asia, USA)

Revenue in the segment Sales division Others amounted to EUR 13.6 million in 9M 2016 and EUR 4.9 million in Q3 2016 (9M 2015: EUR 10.6 million, Q3 2015: EUR 2.5 million) and was thus higher than the same period of the previous year, which was impacted by one-time effects in the UK. In addition, revenue from B2B business was allocated to this segment in 9M 2016 and Q3 2016. Segment revenues equate to a share of around 25% of the elumeo Group's total revenue (9M 2015: about 20%). Gross profit amounted to EUR 4.9 million in 9M 2016 and EUR 1.6 million in Q3 2016 (9M 2015: EUR 4.3 million, Q3 2015: EUR 0.5 million). Segment EBITDA totalled EUR -2.2 million in 9M 2016 and EUR -0.7 million in Q3 2016 (9M 2015: EUR -2.8 million, Q3 2015: EUR -2.0 million). The segment EBITDA margin correspondingly amounted to -16.2% in 9M 2016 and -14.3% in Q3 2016.

Segment Group functions & eliminations

To offset the administrative expenses of production, a gross profit of EUR 1.8 million was allocated to the segment in 9M 2016 and EUR 0.6 million in Q3 2016 (9M 2015: EUR 1.7 million, Q3 2015: EUR 0.5 million) and thus not assigned to the segments Sales division Germany & Italy and Sales division Others.

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

In Q3 2016, the elumeo Group primarily made replacement investments.

(12.) Inventories

Inventories increased by 5.2% to EUR 42.5 million as of the reporting date of 30 September 2016 compared to EUR 40.4 million as of 31 December 2015.

(13.) Equity

Issued capital

The issued capital of elumeo SE as of 30 September 2016 totalled EUR 5,500,000 (31 December 2015: 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.

Capital reserve

The capital reserve of elumeo SE as of 30 September 2016 amounted to EUR 33.8 million and increased compared to 31 December 2015 (EUR 33.4 million) due to equity-settled share-based remuneration in accordance with IFRS 2.

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

There were no changes compared to 31 December 2015.

Share-based remuneration

On 18 July 2016, the Executive Board issued an additional 128,500 option rights under the SOP 2015 that entitle to the subscription of 128,500 shares of elumeo SE with a proportionate amount of the issued capital of EUR 128,500.00 ("Tranche 2015/III"). 20,000 of these option rights were granted to a Managing Director. The exercise price to be paid is uniformly EUR 6.39.



Taking into account the option rights newly issued in 9M 2016 and the option rights forfeited, the number of option rights issued through the three tranches as of 30 September 2016 amounts to 263,500 in total. The average number of outstanding shares weighted pro rata temporis was 238,868 in 9M 2016. The weighted average remaining maturity of the outstanding option rights up until the expiry date is approximately 9.30 years (31 December 2015: approx. 9.50 years). The average exercise price is EUR 15.72. As of the reporting date, no option rights were exercisable.

Expenses of EUR 0.4 million in total were recognised as equity-settled share-based remuneration for the three tranches in 9M 2016 and EUR 0.2 million in Q3 2016 (9M 2015: EUR 0.1 million and Q3 2015: EUR 0.1 million).

(14.) Deferred taxes

Deferred taxes arise from differences between the carrying amount recognised under IFRS 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 on 30 September 2016 and 31 December 2015 are attributable to the elimination of intercompany profits included in the inventories.

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

The consolidated statement of cash flows was prepared in compliance with IAS 7 *Statement of Cash Flows* and shows the changes in the level of unrestricted 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. Cash and cash equivalents include unrestricted cash and bank balances. Current amount bank overdrafts that are regularly used as short-term financing instruments are included as negative components in the cash and cash equivalents.

In addition to the negative earnings, the cash outflow from operating activities in 9M 2016 includes an increase in inventories in the amount of EUR -2.1 million (30 September 2015: EUR -17.1 million) and in other assets by EUR -2.1 million (30 September 2015: EUR -2.8 million). This was opposed by depreciation and amortization on non-current assets in the amount of EUR +1.3 million (30 September 2015: EUR +0.6 million), non-cash expenses/income and transactions in the amount of EUR +1.6 million (30 September 2015: EUR -0.9 million) and an increase in other liabilities in the amount of EUR +1.4 million (30 September 2015: EUR +1.1 million). Overall, the cash flow from operating activities as of 30 September 2016 was EUR -9.6 million after EUR -24.5 million as of 30 September 2015.

The cash flow from investing activities amounted to EUR -1.0 million as of 30 September 2016 (30 September 2015: EUR -8.7 million). This comprises payments for investments in intangible assets in the amount of EUR -0.1 million (30 September 2015: EUR -0.4 million) and payments for investments in property, plant and equipment in the amount of EUR -0.9 million (30 September 2015: EUR -8.3 million).

The cash flow from financing activities mainly consists of proceeds from an increase in financial debt in the amount of EUR +1.9 million (30 September 2015: EUR +15.3 million) and of payments for the redemption of financial debt in the amount of EUR -2.6 million (30 September 2015: EUR -2.5 million).



Cash and cash equivalents as of the reporting date arise mainly from the positive components of unrestricted bank account balances and cash in the amount of EUR 2.1 million (31 December 2015: EUR 13.6 million). In addition, there were EUR 2.8 million of unused credit lines available as of the reporting date.



Supplementary report

There were no major events after the end of the reporting period up until the publication of this quarterly release, which would require a supplementary report.

Risk and opportunity report

The elumeo Group's risk management system is comprehensively described in the Annual Report 2015. Compared to the risks and opportunities presented herein, the Executive Board currently sees no identifiable additional significant changes.

Forecast report

When it published its ad hoc announcement dated 24 June 2016, elumeo SE revised all of the past forecasts for 2016. Due to the fact that the consequences of the United Kingdom's planned withdrawal from the European Union are still uncertain, no revenues and earnings forecast is possible for the British subsidiary Rocks & Co. Productions Ltd. and thus for the Group as a whole.

The elumeo Group will restructure its business in the UK in light of the developments in the last few months. As a result hereof, elumeo SE expects the Group's EBITDA to be negatively impacted in the fourth quarter of 2016. As a result, elumeo SE expects a decline in revenues in the segment Sales division Others with a substantial reduction in losses in this segment. The segment Sales division Germany & Italy continued its positive revenue trend in the third quarter of 2016 compared to the third quarter of 2015, whereby revenues in Germany were significantly up compared to the previous year's period. The revenues in Italy increased compared to the previous quarter. Management expects a moderate increase in revenues for the segment Sales division Germany & Italy. In the third quarter of 2016, the segment EBITDA also developed positively compared to the same period of the previous year. However no positive segment EBITDA is expected for the total financial year 2016. Negative segment EBITDA is still expected in the segment Group functions & eliminations (no revenue). In the third quarter of 2016, the gross profit margin in the segment Sales division Germany & Italy was below the previous year's figure. The segment Sales division Others, however, showed an increased gross profit margin in the third quarter of 2016 compared to the previous year's figure.

In particular due to the development in the UK and Italy within the first 6 month of 2016, elumeo SE expects only slightly increased Group revenues for the total financial year 2016 compared to the previous year.

At the end of the financial year, a reduction in inventories to the level of 31 December 2015 is planned, which is expected to be supported by a temporary reduction in production. This is expected to have a positive effect on the operating liquidity in the first quarter of 2017 at the latest.



Condensed interim consolidated financial statements

Consolidated statement of income (unaudited)

for the period from 1 July to 30 September 2016 (Q3 2016) and for the period from 1 January to 30 September 2016

EUR thousand	Note	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Revenue	(2.)	18,456	14,683	53,709	54,164
Cost of goods sold	(3.)	10,422	8,272	29,904	27,909
Gross profit		8,034	6,411	23,806	26,256
Selling expenses	(4.)	7,264	7,232	21,923	20,871
Administrative expenses	(5.)	3,749	2,448	11,624	7,586
Other operating income	(7.)	157	34	241	89
Other operating expenses	(8.)	0	766	0	940
Earnings before interest and taxes (EBIT)		-2,822	-4,002	-9,501	-3,051
Interest income		0	1	1	4
Interest and similar expenses		-142	-95	-427	-226
Financial result		-142	-95	-426	-222
Earnings before income taxes (EBT)		-2,964	-4,097	-9,927	-3,273
Income tax		78	726	-196	439
Earnings for the period		-2,886	-3,370	-10,123	-2,834
<i>Earnings of shareholders of elumeo SE</i>		<i>-2,886</i>	<i>-3,370</i>	<i>-10,123</i>	<i>-2,834</i>
Earnings per share in EUR (basis and diluted)	(9.)	-0.52	-0.61	-1.84	-0.63



Consolidated statement of comprehensive income (unaudited)

for the period from 1 July to 30 September 2016 (Q3 2016) and for the period from 1 January to 30 September 2016

EUR thousand	Note	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Earnings for the period		-2,886	-3,370	-10,123	-2,834
<i>Items which will be reclassified to the consolidated statement of income in subsequent periods:</i>					
Differences from foreign currency translation of foreign subsidiaries		504	-1,765	1,499	-791
Other comprehensive income		504	-1,765	1,499	-791
Total comprehensive income		-2,383	-5,135	-8,624	-3,625
<i>Total comprehensive income of shareholders of elumeo SE</i>		<i>-2,383</i>	<i>-5,135</i>	<i>-8,624</i>	<i>-3,625</i>



Consolidated statement of financial position (unaudited)

as of 30 September 2016

A S S E T S			
	Note	30 Sep 2016	31 Dec 2015
EUR thousand			
Non-current assets			
Intangible assets	(11.)	980	1,011
Property, plant and equipment	(11.)	11,374	11,676
Other financial assets		460	420
Other non-financial assets		2,018	2,088
Deferred tax assets	(14.)	2,627	2,645
Total non-current assets		17,459	17,840
Current assets			
Inventories	(12.)	42,495	40,428
Trade receivables		3,946	2,216
Receivables due from related parties		478	574
Other financial assets		123	224
Other non-financial assets		1,660	1,282
Cash and cash equivalents		2,051	13,590
Total current assets		50,754	58,313
Total assets		68,213	76,153



Consolidated statement of financial position (unaudited)

as of 30 September 2016

EQUITY & LIABILITIES

	Note	30 Sep 2016	31 Dec 2015
EUR thousand			
Equity			
Issued capital	(13.)	5,500	5,500
Capital reserve	(13.)	33,800	33,397
Retained earnings		-8	10,115
Foreign currency translation reserve		3,545	2,045
Total equity		42,836	51,057
Non-current liabilities			
Financial debt		4,023	11,771
Other non-current financial liabilities		860	1,071
Provisions		542	466
Other non-financial liabilities		25	25
Total non-current liabilities		5,450	13,333
Current liabilities			
Financial debt		8,334	1,198
Other financial liabilities		317	568
Provisions		147	42
Liabilities due to related parties		26	100
Trade payables		9,253	7,422
Tax liabilities		0	164
Other non-financial liabilities		1,850	2,269
Total current liabilities		19,927	11,762
Total equity & liabilities		68,213	76,153



Consolidated statement of changes in equity (unaudited)

for the period from 1 January to 30 September 2016

Reason for change		Attributable to shareholders of elumeo SE				
	Note	Issued capital	Capital Reserve	Retained earnings	Foreign currency translation reserve	Total equity
EUR thousand						
1 January 2016		5,500	33,397	10,115	2,045	51,057
Equity-settled share-based remuneration	(13.)		403			403
Other comprehensive income					1,499	1,499
Earnings for the period				-10,123		-10,123
Total comprehensive income				-10,123	1,499	-8,624
30 September 2016		5,500	33,800	-8	3,545	42,836



Consolidated statement of changes in equity (unaudited)

for the period from 1 January to 30 September 2015

Reason for change		Attributable to shareholders of elumeo SE				
	Note	Issued capital	Capital Reserve	Retained earnings	Foreign currency translation reserve	Total equity
EUR thousand						
1 January 2015		4,000	0	19,037	1,489	24,525
Capital increase		1,500	36,000			37,500
Transaction cost net of tax benefit			-3,412			-3,412
Equity-settled share-based remuneration	(13.)		69			69
Other comprehensive income					-791	-791
Earnings for the period				-2,834		-2,834
Total comprehensive income				-2,834	-791	-3,625
30 September 2015		5,500	32,658	16,202	698	55,058



Consolidated statement of cash flows (unaudited)

for the period from 1 January to 30 September 2016

EUR thousand	Note	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Earnings before interest and taxes (EBIT)		-9,501	-3,051
+/- Depreciation and amortization on non-current assets	(11.)	+1,296	+627
+/- Increase/decrease in provisions		+181	-167
+/- Equity-settled share-based remuneration	(13.)	+403	+69
+/- Other non-cash expenses/income and transactions		+1,639	-861
+ Proceeds from interest income		+1	+1
- Interest expenses paid		-658	-232
+ Proceeds from income tax		0	+6
- Income tax paid		-164	-1,998
-/+ Increase/decrease in inventories		-2,067	-17,123
-/+ Increase/decrease in other assets		-2,072	-2,823
+/- Increase/decrease in other liabilities		+1,352	+1,088
= Cash flow from operating activities		-9,590	-24,463
- Payments for investments in intangible assets	(11.)	-121	-393
- Payments for investments in property, plant and equipment	(11.)	-888	-8,274
+ Proceeds from sale of non-current assets		0	+1
= Cash flow from investing activities		-1,008	-8,665
+ Proceeds from increase in financial debt		+1,933	+15,314
- Payments for the redemption of financial debt		-2,554	-2,531
+ Proceeds from increase in financial liabilities		-190	+4
+ Proceeds from capital increase net of transaction cost		0	+34,088
= Cash flow from financing activities		-811	+46,875
+/- Net increase/decrease in cash and cash equivalents		-11,409	+13,747
+/- Effects of foreign currency translation on cash and cash equivalents		-61	+123
+ Cash and cash equivalents on beginning of reporting period		+13,498	+2,431
= Cash and cash equivalents on end of reporting period		+2,028	+16,302
Reconciliation of cash and cash equivalents			
Cash and cash equivalents		2,051	16,306
- Current account bank overdrafts		-23	-4
= Cash and cash equivalents at end of period		2,028	16,302



Segment reporting (unaudited)

Segment information

for the period from 1 July to 30 September 2016 (Q3 2016) and for the period from 1 January to 30 September 2016

EUR thousand	Q3 2016			1 Jan - 30 Sep 2016		
	Revenue	Gross profit	Segment-EBITDA	Revenue	Gross profit	Segment-EBITDA
Sales division Germany & Italy	13,603	5,831	-635	40,150	17,098	-2,478
Sales division Others	4,853	1,610	-652	13,559	4,890	-2,195
Group functions & eliminations	0	593	-199	0	1,818	-490
Total	18,456	8,034	-1,485	53,709	23,806	-5,163

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	Q3 2015			1 Jan - 30 Sep 2015		
	Revenue	Gross profit	Segment-EBITDA	Revenue	Gross profit	Segment-EBITDA
Sales division Germany & Italy	12,202	5,407	-894	43,612	20,285	1,901
Sales division Others	2,481	538	-2,029	10,553	4,286	-2,833
Group functions & eliminations	0	467	-138	0	1,685	-212
Total	14,683	6,411	-3,060	54,164	26,256	-1,144



Segment reconciliation to Group earnings

for the period from 1 July to 30 September 2016 (Q3 2016) and for the period from 1 January to 30 September 2016

EUR thousand	Note	Q3 2016	Q3 2015	1 Jan - 30 Sep 2016	1 Jan - 30 Sep 2015
Total segment EBITDA		-1,485	-3,060	-5,163	-1,144
Effects from foreign currency translation	(5.)	-736	131	-2,639	-271
Equity-settled share-based remuneration	(13.)	-153	-69	-403	-69
Directly attributable transaction cost recognised as expenses as well as other IPO and restructuring related expenses	(8.)	0	-537	0	-711
Extraordinary expenses attributable to relocation of R&C		0	-229	0	-229
Segment reconciliation items		-889	-704	-3,042	-1,280
EBITDA		-2,374	-3,765	-8,205	-2,424
Depreciation and amortization on property, plant and equipment and intangible assets	(11.)	-448	-237	-1,296	-627
EBIT		-2,822	-4,002	-9,501	-3,051
Income tax		78	726	-196	439
Financial result		-142	-95	-426	-222
Earnings for the period		-2,886	-3,370	-10,123	-2,834



Berlin, 16 November 2016

elumeo SE

The Executive Managing Directors



Bernd Fischer

Thomas Jarmuske

Boris Kirn



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Publisher

elumeo SE
Erkelenzdammm 59/61
10999 Berlin
Germany

Investor Relations

Alexander Enge
Phone: +49 30 69 59 79 - 231
Fax: +49 30 69 59 79 - 650
E-Mail: ir@elumeo.com
www.elumeo.com

Photos

elumeo SE

This 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.

