elumeo

Quarterly Release
Q3/2018

Table of Contents

Key Figures

EUR thousand [unless indicated otherwise]	Q3 2018		Q3 2017 restated*		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017 restated*		9Mo9M in %
Revenue	11,229	100.0%	18,118	100.0%	-38.0%	40,567	100.0%	50,215	100.0%	-19.2%
Product revenue by regions [absolutely and in % of product revenue]										
Germany	9,203	82.1%	13,313	73.6%	-30.9%	32,318	79.7%	38,715	77.2%	-16.5%
Italy	1,996	17.8%	2,729	15.1%	-26.9%	6,254	15.4%	7,589	15.1%	-17.6%
Other countries	17	0.2%	2,052	11.3%	-99.2%	1,962	4.8%	3,861	7.7%	-49.2%
Product revenue by distribution channels [absolutely and in % of product revenue]										
TV revenue	6,791	60.5%	10,392	57.4%	-34.7%	23,064	56.9%	29,918	59.6%	-22.9%
eCommerce revenue	4,416	39.4%	5,666	31.3%	-22.0%	15,552	38.3%	16,457	32.8%	-5.5%
B2B revenue	9	0.1%	2,036	11.3%	-99.5%	1,918	4.7%	3,790	7.6%	-49.4%
[The following disclosures represent: absolute values and in % of revenue]										
Gross profit	3,759	33.5%	8,197	45.2%	-54.1%	15,028	37.0%	22,100	44.0%	-32.0%
EBITDA	-5,304	-47.2%	1,257	6.9%	-522.0%	-9,987	-24.6%	388	0.8%	<-1,000%
Total segment EBITDA	-4,272	-38.0%	974	5.4%	-538.5%	-8,421	-20.8%	-44	-0.1%	<-1,000%
Depreciation and amortisation	-383	-3.4%	-396	-2.2%	3.3%	-1,120	-2.8%	-1,231	-2.5%	9.1%
EBIT	-5,687	-50.6%	861	4.7%	-760.9%	-11,106	-27.4%	-844	-1.7%	<-1,000%
Total comprehensive income	-5,314	-47.3%	-753	-4.2%	-606.1%	-8,669	-21.4%	-5,216	-10.4%	-66.2%
Selling and administrative expenses	8,361	74.5%	7,808	43.1%	7.1%	24,683	60.8%	24,131	48.1%	2.3%
Total assets [1]						46,615	100.0%	54,709	100.0%	-14.8%
Total equity [1] [absolutely and in % of balance sheet total]						23,327	50.0%	31,952	58.4%	-27.0%
Working capital [1] [absolutely and in % of balance sheet total]						33,082	71.0%	32,715	59.8%	1.1%
[1] Prior year disclsoure: 31 Dec 2017										
[The following disclosures represent: absolute values and in % of revenue]										
Net cash flow from operating activities	-48	-0.4%	3,351	18.5%	-101.4%	-2,206	10.2%	4,142	8.2%	-153.3%
Net cash flow from investing activities	-245	-2.2%	-80	-0.4%	-206.9%	-434	-0.5%	-195	-0.4%	-122.6%
Net cash flow from financing activities	-640	-3.9%	-955	-5.3%	32.9%	763	-2.2%	-890	-1.8%	185.7%
Items sold [pieces]	180,916		246,912		-26.7%	713,709		714,523		-0.1%
Average sales price (ASP) [EUR]	62		73		-15.4%	57		70		-19.1%
Gross profit per item sold [EUR]	21		33		-37.4%	21		31		-31.9%
New customer breakdown (Germany only) [in % of new customers]										
TV only	27%		27%			27%		29%		
Web only	53%		59%			54%		59%		
Others	19%		14%			19%		12%		

Capital Market Information

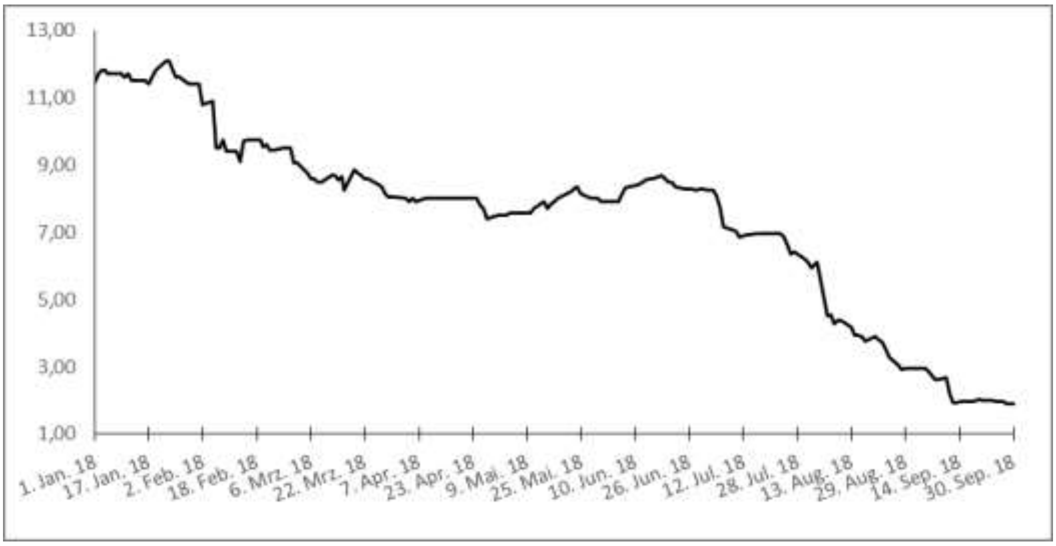
Basic data and key figures on the share of elumeo SE

(Status: 30 September 2018)

WKN	A11Q05
ISIN	DE000A11Q059
Earnings per share in 9M 2018	EUR -1.87
Number of outstanding shares	5,500,000
XETRA closing price at the end of the reporting period	EUR 1.90
Market capitalisation	EUR 10.45 million

Share price development

(1 January to 30 September 2018: XETRA, in EUR)



Shareholder structure

(Status: 30 September 2018)

Shareholders of elumeo SE	Shareholdings
1. Ottoman Strategy Holdings (Suisse) SA	26.23%
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	26.51%

Publication of Results Q3/2018

Principles

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

General information

This unaudited quarterly release covers the period from 1 January to 30 September 2018 ("9M 2018" or "nine-month period"). The quarterly reporting period covers the period from 1 July to 30 September 2018 ("Q3 2018" or "third quarter 2018"). Due to the application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the quarterly release differs from the presentation of the quarterly release Q3/2017 published on 9 November 2017. Unless otherwise stated, the comparative prior-year figures refer to the amounts determined in accordance with the provisions of IFRS 5. The changes in the period comparison are referred to as nine-month period over nine-month period ("9Mo9M") or quarter over quarter ("QoQ").

Discontinued operations

As of 18 December 2017, elumeo SE published an ad-hoc announcement in accordance with Art. 17 MAR and § 4 para. 1 sentence 1 no. 1a WpAIV with the content of discontinuing 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 ("R&C TV"), (also referred to as "Sales business in the United Kingdom") are disclosed as discontinued operations in accordance with IFRS 5. The shares in R&C TV were fully sold on 22 June 2018.

The discontinued operation is not included in the earnings from continuing operations and is 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 operation, which are not carried forward by other entities of the elumeo Group, are disclosed in the consolidated statement of financial position under separate items as *Assets held for sale* and as *Liabilities directly associated with assets held for sale*. The discontinued operation is not included in the detailed information on the composition of cash flows from operating, investing and financing activities and is presented separately in the consolidated statement of cash flows as *Net cash flow from discontinued operations*. The discontinued operation is no longer included in the Group segment reporting. All disclosures in this quarterly release contain the amounts of continuing operations, unless otherwise stated.

Solvent liquidation of the Group's own production facility

On 9 November 2018, the Executive Board decided to close the Group's production activities at the Chanthaburi site in Thailand. The elumeo Group is currently reviewing the recognition of its production activities in accordance with IFRS 5. Accordingly, the assets and liabilities in question must generally be measured at the lower of their carrying amount and fair value. Furthermore, in the event of classification as a discontinued operation, the earnings from the discontinued operation would have to be reported as a single amount in the consolidated statement of income. The information presented in this quarterly release represent, unchanged from the previous report, the carrying amounts of the assets and liabilities of the production activities measured at amortised cost. Expenses and income continue to be allocated to the respective items of the consolidated statement of income. For further information, please refer to the Supplementary Report.

Comparability of disclosures

Compared to the third quarter of financial year 2017, the group of consolidated companies of the elumeo Group changed as follows:

- Founding of the sales company schmuck.de G&S GmbH, Berlin, 100.0% of whose shares are held by Juwelo Deutschland GmbH, Berlin ("Juwelo GmbH");
- Sale of Rocks & Co. Television Ltd., Birmingham, United Kingdom, 100.0% of whose shares were held by Rocks and Co Productions Ltd., Birmingham, United Kingdom, on 22 June 2018.

Deconsolidation of controlling interests

The consolidation of an investee ends when elumeo SE loses control over the investee. The assets, liabilities, income and expenses of an investee sold in the course of a financial year are included in the consolidated financial statements until the date on which elumeo SE ceases to exercise control over the investee.

If elumeo SE loses control over an investee, the respective assets (including goodwill), liabilities, minority interests and other equity components are deconsolidated, with any resulting gain or loss being recognised in the consolidated statement of income. The disposal value must be adjusted for the assets due from and the liabilities due to the investee, which were consolidated as part of the elimination of intercompany balances. Any minority interest remaining with the elumeo Group is remeasured at fair value.

The control of R&C TV by elumeo SE ended with the sale of the shares in R&C TV by R&C P with effect of 22 June 2018. The deconsolidation effects resulting from the sale of the broadcasting operations are generally allocated to discontinued operations. For further information, please refer to section [(9)].

Correction of errors

In financial year 2017, the elumeo Group determined that in the consolidated statement of income of the quarterly release Q3/2017, as published on 9 November 2017, depreciation of selected property, plant and equipment attributable to the administrative area of the elumeo Group was reported under selling expenses. There were no effects on earnings for the period, the consolidated statement of financial position or the consolidated statement of cash flows.

The error was corrected by reducing selling expenses in the first nine months of 2017 by EUR 113 thousand (Q3 2017: EUR 37 thousand) and by increasing administrative expenses accordingly. Of the reclassified depreciation, a total of EUR 101 thousand was attributable to continuing operations and EUR 12 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

At -38.0%, revenues in the third quarter of 2018 were significantly lower than in the same period of the previous year. The main decline in revenue was recorded in the sales region Germany (-30.9%). In Italy, revenues in the third quarter of 2018 were also significantly down on the previous year at -26.9%. As in the second quarter of 2018, this decline was mainly due to a lack of diversity in the product range.

TV business also developed strongly negatively compared to the previous year's quarter by posting a revenue decline of -34.7%. Revenue from eCommerce fell by -22.0% in the third quarter of 2018 and thus accounted for approx. 39.5% of revenue (Q3 2017: approx. 31.5%), so that the revenue share of this distribution channel increased. Revenue in the traditional web shop also failed to increase in the first nine months of 2018, falling by -19.7%. As in the TV business, the main reason for this was the lack of diversity in the product range. As expected, B2B revenue did not materialise in the third quarter of 2018 due to the termination of cooperation with TV stations in the US (Q3 2017: EUR 2.0 million).

At 33.5% of revenue, the gross profit margin in the third quarter of 2018 was significantly lower than in the same period of the previous year (45.2%). There are three main reasons for this decline in margins:

- a lack of diversity in the product range,
- underutilisation of production capacities with an unchanged cost structure and
- considerably higher costs per unit and idle costs for own manufacturing.

The key performance indicator total segment EBITDA deteriorated to EUR -4.3 million in the third quarter of 2018 from EUR +1.0 million in the same period of the previous year. In the nine-month period, total segment EBITDA developed from EUR -0.04 million in the first nine months of 2017 to EUR -8.4 million in the first nine months of 2018. Besides reduced revenues and a simultaneously weak gross profit margin, the main driver for the negative overall development was the lack of diversity of the product range, as well as increased selling expenses due to a large number of show specials in the first half year 2018. Selling and administrative expenses increased by EUR 0.6 million from EUR 24.1 million in the first nine months of 2017 to EUR 24.7 million in the first nine months of 2018.

Another reason for the earnings trend in the third quarter of 2018 is the considerable underutilisation of existing capacities at the Group's own manufacturing facility. The necessary measures to reduce capacities and thus cost structures were not implemented to the required extent. As a result, expenses of approx. EUR 0.75 million were incurred compared to the capacity utilisation of the previous quarters. These idle production costs were not capitalised as cost of goods sold of inventories, as production overheads are capitalised on the basis of normal capacity utilisation.

Development of earnings in the third quarter of 2018

In total, consolidated total comprehensive income (earnings for the period plus other comprehensive income) of EUR -5.3 million (Q3 2017: EUR -0.8 million) was achieved in the third quarter of 2018 and of EUR -8.7 million (9M 2017: EUR -5.2 million) in the first nine months. Other comprehensive income exclusively comprises differences from foreign currency translation of foreign subsidiaries and discontinued operations.

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

Extensive program launched for restructuring and strategic realignment

In order to restore the sustainable profitability of elumeo Group, a comprehensive program for restructuring and strategic realignment has been launched.

The turnaround shall be based on a comprehensive cost reduction, which is implemented in all parts of the Group. In addition, the Group will strategically realign and return to its roots. To this end, three packages of measures have been launched, which together shall generate a potential annual effect on net earnings of up to approx. EUR 9.0 million.

1. *"Customer first" – Customer focus is the guiding principle of our business*

Sovereignty over product design, target prices and delivery quantities is reassumed by the sales channels in Europe and is no longer executed by the manufactory in Thailand. Thus, the sales companies of elumeo Group have access to a more relevant product range, which can be sold at higher prices.

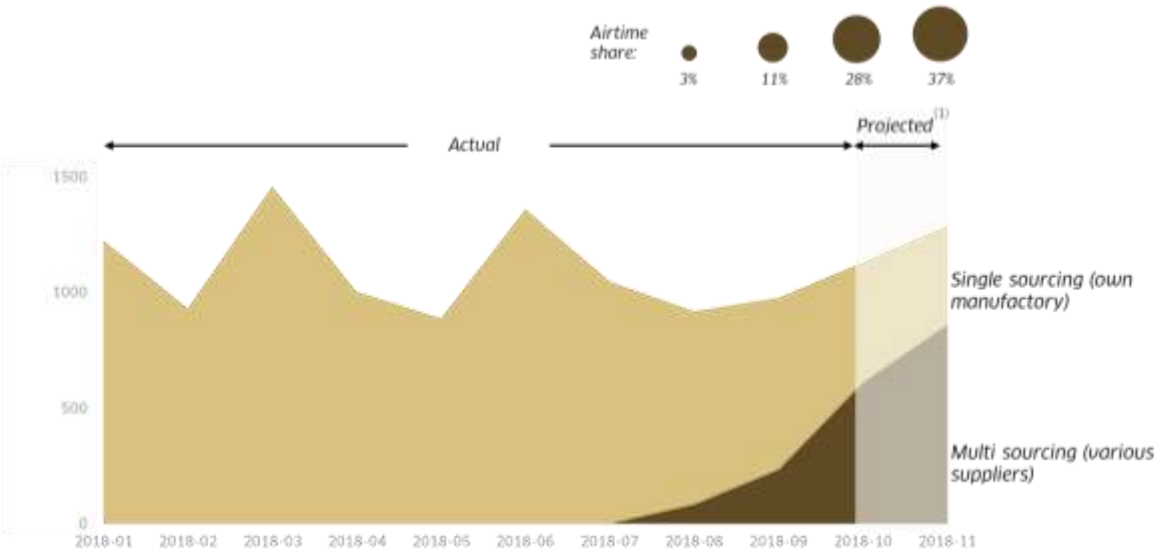
2. *"Multi-manufacturing" instead of "single sourcing" offers new flexibility in vertical integration*

At the same time, procurement channels are diversifying. In order to be able to offer competitive products to the market, various suppliers in Asia are being increasingly used. This includes manufacturing facilities in Jaipur (India) and Bangkok (Thailand), operated in close cooperation with two local partners, to which the remaining Group production will be outsourced. Through this multi-manufacturing, elumeo Group still retains control of the vertically integrated value chain, but does not

need to invest in its own manufacturing facilities. In addition, by purchasing from specialised suppliers, cost advantages shall be achieved.

This strategic repositioning will enable elumeo Group to offer its customers a more attractive product range that is procured at more favourable conditions. The recent customer response demonstrates the success of this new approach. For instance, the average revenue per broadcasting minute in the German TV business improved from approx. EUR 80 with products from the existing manufactory to approx. EUR 120 with products procured under the new model. At the same time, gross profit margin (before incidental costs such as shipping and packaging expenses) ("CM") in the TV business increased from an average of approx. 38% to approx. 58% as a result of the changeover.

The share of new products from multi-manufacturing in total broadcasting time is now being continuously increased. After approx. 10% in September 2018, approx. 37% of the TV broadcasting time will be covered by the more attractive new product offering in November 2018.



1) 10/2018: Actual margin data less projected cancellations and returns. Derived from internal ERP-System. Unaudited
11/2018: Projection based on 1.-11. November

In tests, an average of around 63% CM margin was achieved on premiere shows with products from the new suppliers (see the following table). The potential is particularly indicated by the key figure "contribution margin per minute" (broadcasting minute). Here, the jewellery of new partners reach an average of EUR 120 per broadcasting minute. During the same period, the contribution margin of premiere products from in-house production was only EUR 64 per broadcasting minute.

Origin of product	Revenue EUR thousand	Revenue per minute EUR	CM per minute EUR	Units sold pieces	CM margin % of revenue
Multi manufacturing suppliers	1,251	191	120	12,432	63%
In-house production (Thailand)	683	104	64	9,260	61%

Source: derived from internal ERP system; after cancellation and returns

On the basis of these positive experiences and the planned changes, improved gross profit of up to approx. EUR 5.0 million annually is expected.

3. Cost reduction of up to EUR 6.0 million – Significant contributions from all business areas

The cost base of elumeo Group is to be reduced by up to approx. EUR 6.0 million through a comprehensive program. The required measures have already been initiated. In addition, measures will be monitored to ensure timely implementation of all measures.

Some of the effects of the program will take effect already in Q4 2018, and most of the measures should become effective in 2019. After deduction of countervailing effects (increasing business volume), an annual effect on net earnings of up to approx. 9.0 million is targeted. In the future, elumeo SE will regularly report on the further development and implementation of the transformation program.

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:

Foreign currency	Exchange rate on reporting date			Average exchange rate		
EUR	30 Sep 2018	31 Dec 2017	Change in %	1 Jan - 30 Sep 2018	1 Jan - 30 Sep 2017	9Mo9M in %
Thai baht (THB)	0.0267	0.0256	4.3%	0.0261	0.0262	-0.7%
US dollar (USD)	0.8632	0.8347	3.4%	0.8376	0.8997	-6.9%
British pound (GBP)	1.1260	1.1267	-0.1%	1.1315	1.1463	-1.3%

The translation of income and expenses in the statement of income of the subsidiaries with the weighted average exchange rate of the reporting period had an impact on the earnings position and period comparison disclosed. Furthermore, the translation of assets and liabilities denominated in foreign currencies using the closing rate as of the reporting date, in particular with respect to the subsequent valuation 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	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Revenue from product sales	11,216	99.9%	18,094	99.9%	-38.0%	40,534	99.9%	50,165	99.9%	-19.2%
Other revenue	13	0.1%	24	0.1%	-46.4%	33	0.1%	50	0.1%	-33.5%
Revenue	**11,229**	**100.0%**	**18,118**	**100.0%**	**-38.0%**	**40,567**	**100.0%**	**50,215**	**100.0%**	**-19.2%**

Revenues in the third quarter of 2018 were significantly lower than in the previous year. This is mainly due to a lack of diversity in the product range. Furthermore, in the third quarter of 2017, various special formats for the TV shows also had a clearly positive impact on revenues. Comparable formats were missing in the third quarter of 2018. A major reason was the realignment of the vertical value chain in favour of third-party suppliers.

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

EUR thousand | % of revenue from product sales	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Germany	9,203	82.1%	13,313	73.6%	-30.9%	32,318	79.7%	38,715	77.2%	-16.5%
Italy	1,996	17.8%	2,729	15.1%	-26.9%	6,254	15.4%	7,589	15.1%	-17.6%
Other countries	17	0.2%	2,052	11.3%	-99.2%	1,962	4.8%	3,861	7.7%	-49.2%
Revenue from product sales	**11,216**	**100.0%**	**18,094**	**100.0%**	**-38.0%**	**40,534**	**100.0%**	**50,165**	**100.0%**	**-19.2%**

The decline in revenue in Germany is mainly due to the lack of diversity of the product range and the reorientation of the vertical value chain towards third-party suppliers, which resulted in a lack of sales impulses comparable to those in the strong third quarter of 2017.

In the sales region Italy, the third quarter of 2018 developed positively with revenue growth of approx. +12.4% compared to the second quarter of 2018, but, at -17.6% in the first nine months of 2018, it remained significantly below the same period of the previous year.

The sales region Other countries mainly comprises B2B revenue in the US. Cooperation with the most significant TV station was terminated, which resulted in a complete loss of revenue.

Revenue from product sales by distribution channel

EUR thousand | % of revenue from product sales	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Television revenue	6,791	60.5%	10,392	57.4%	-34.7%	23,064	56.9%	29,918	59.6%	-22.9%
eCommerce revenue	4,416	39.4%	5,666	31.3%	-22.0%	15,552	38.4%	16,457	32.8%	-5.5%
B2B revenue	9	0.1%	2,036	11.3%	-99.5%	1,918	4.7%	3,790	7.6%	-49.4%
Revenue from product sales	**11,216**	**100.0%**	**18,094**	**100.0%**	**-38.0%**	**40,534**	**100.0%**	**50,165**	**100.0%**	**-19.2%**

TV revenue declined for the reasons explained above. The share of eCommerce revenue in total revenue increased to approx. 39.5% in the third quarter of 2018 (Q3 2017: approx. 31.5%) due to the proportionately lower decline in revenue.

The cooperation with the primary US TV station was terminated, completely ceasing B2B revenue.

(3) Gross profit from product sales by distribution channel

EUR thousand | % of revenue from product sales by distribution channel	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Gross profit from television revenue	2,310	34.0%	4,923	47.4%	-53.1%	9,125	39.6%	13,889	46.4%	-34.3%
Gross profit from eCommerce revenue	1,443	32.7%	2,691	47.5%	-46.4%	5,595	36.0%	7,186	43.7%	-22.1%
Gross profit from B2B revenue	-7	-79.0%	559	27.4%	-101.3%	275	14.3%	976	25.7%	-71.8%
Gross profit from product sales	**3,746**	**33.4%**	**8,173**	**45.2%**	**-54.2%**	**14,994**	**37.0%**	**22,051**	**44.0%**	**-32.0%**

Gross profit from TV revenue and eCommerce revenue declined sharply in the third quarter of 2018 due to the lower revenues. Furthermore, due to the lack of diversity in the product range, the respective revenue could only be achieved by offering discounts, as a result of which the gross profit margin suffered significantly.

Gross profit from B2B revenue was slightly negative in the third quarter of 2018 due to the terminated cooperations and some subsequent returns.

(4) Selling expenses

EUR thousand | % of revenue	Q3 2018		Q3 2017 restated*		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017 restated*		9Mo9M in %
Broadcasting and channel rental costs	2,131	19.0%	1,896	10.5%	12.4%	6,240	15.4%	6,353	12.7%	-1.8%
Personnel expenses	1,666	14.8%	1,559	8.6%	6.9%	5,005	12.3%	4,671	9.3%	7.1%
Expenses for external personnel services	377	3.4%	234	1.3%	61.1%	1,072	2.6%	869	1.7%	23.4%
Sales and marketing expenses	597	5.3%	575	3.2%	3.9%	1,811	4.5%	1,765	3.5%	2.6%
Depreciation and amortisation	97	0.9%	109	0.6%	-11.2%	271	0.7%	307	0.6%	-11.7%
Other selling expenses	1,243	11.1%	1,103	6.1%	12.7%	3,505	8.6%	3,309	6.6%	5.9%
Selling expenses	**6,111**	**54.4%**	**5,476**	**30.2%**	**11.6%**	**17,904**	**44.1%**	**17,273**	**34.4%**	**3.6%**

Selling expenses were up compared to the previous year in both the third quarter of 2018 and the first nine months of 2018. In addition to the development of personnel expenses and expenses for external personnel services, this was due in particular to the increase in third-party services for translation services (other selling expenses), which had risen temporarily due to English show and guest formats. This increase was partly offset by a proportional decline in costs for the telephone platform and for payment transactions in relation to revenue.

(5) Administrative expenses

EUR thousand | % of revenue	Q3 2018		Q3 2017 restated*		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017 restated*		9Mo9M in %
Personnel expenses	1,055	9.4%	878	4.8%	20.2%	3,091	7.6%	2,806	5.6%	10.1%
Depreciation and amortisation	171	1.5%	173	1.0%	-0.9%	508	1.3%	575	1.1%	-11.7%
Equity-settled share-based payments	-64	-0.6%	73	0.4%	-187.8%	44	0.1%	262	0.5%	-83.0%
Losses from foreign currency translation	0	0.0%	0	0.0%	n.a	0	0.0%	0	0.0%	n.a
Other administrative expenses	1,088	9.7%	1,207	6.7%	-9.9%	3,137	7.7%	3,214	6.4%	-2.4%
Administrative expenses	**2,250**	**20.0%**	**2,332**	**12.9%**	**-3.5%**	**6,780**	**16.7%**	**6,857**	**13.7%**	**-1.1%**

Administrative expenses in both the third quarter of 2018 and the first nine months of 2018 were slightly below the respective prior-year periods. Contrary to the decline in other administrative expenses, personnel expenses increased. This was due to investments in personnel for the realisation of strategic projects, including the integration of external jewelry suppliers into the vertical value chain (Business Analysis department) and the implementation of the multi-product offering (IT Development department).

(6) Other operating income

EUR thousand | % of revenue	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Income from cost recharges to distribution partners	2	0.0%	66	0.4%	-97.3%	47	0.1%	426	0.8%	-88.9%
Income from cost recharges to distribution partners	0	0.0%	0	0.0%	n.a	0	0.0%	0	0.0%	n.a
Income from the reversal of allowances for doubtful accounts	2	0.0%	27	0.2%	-92.3%	2	0.0%	30	0.1%	-93.0%
Gains from foreign currency translation	0	0.0%	356	2.0%	-100.0%	0	0.0%	694	1.4%	-100.0%
Miscellanous other operating income	7	0.1%	22	0.1%	-70.4%	19	0.0%	37	0.1%	-48.3%
Other operating income	**10**	**0.1%**	**472**	**2.6%**	**-97.8%**	**69**	**0.2%**	**1,186**	**2.4%**	**-94.2%**

Whereas net gains from foreign currency translation were generated in the same periods of the previous year, net losses from foreign currency translation (other operating expenses) were recorded in the third quarter of 2018 and the first nine months of 2018 respectively. In addition, the cooperation with the distribution partner Kat Florence Design Limited was terminated, as a result of which the income from recharging related administration and selling expenses incurred also ceased to apply.

(7) Other operating expenses

Other operating expenses exclusively include net losses from foreign currency translation (comparable prior-year periods: net gains from foreign currency translation). The net losses mainly result from the currency translation of intra-Group monetary items and the consolidation of income and expenses and are mainly attributable to the appreciation of the THB and USD (see section [(1)]).

(8) Financial result

EUR thousand | % of revenue	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Interest income from bank balances	0	0.0%	0	0.0%	103.0%	0	0.0%	0	0.0%	-20.1%
Other interest and similar income	4	0.0%	0	0.0%	n.a	4	0.0%	0	0.0%	>1,000%
Interest income	**4**	**0.0%**	**0**	**0.0%**	**>1,000%**	**4**	**0.0%**	**0**	**0.0%**	**>1,000%**
Interest expenses from financial debt (bank loans and overdrafts)	-147	-1.3%	-142	-0.8%	-3.5%	-410	-1.0%	-455	-0.9%	9.9%
Interest expenses from finance lease liabilities	-4	0.0%	-7	0.0%	36.9%	-14	0.0%	-23	0.0%	36.6%
Interest expenses	**-151**	**-1.3%**	**-149**	**-0.8%**	**-1.6%**	**-425**	**-1.0%**	**-478**	**-1.0%**	**11.2%**
Financial result	**-148**	**-1.3%**	**-149**	**-0.8%**	**0.8%**	**-421**	**-1.0%**	**-478**	**-1.0%**	**12.0%**

(9) Discontinued operations

On 18 December 2017, the elumeo Group announced the decision by the Executive Board to discontinue the loss-making sales business in the United Kingdom. The sales business was therefore classified as discontinued operation as of 31 December 2017. The assets and liabilities attributable to the discontinued operation are classified as held for sale if it can be assumed that they cannot be used by other continuing operations of the elumeo Group. As a result of the classification as discontinued operation, the sales business in the United Kingdom is no longer included in the segment Sales division Others of the Group Segment Reporting.

Statement of income of discontinued operations

Earnings for the period from discontinued operations are as follows:

EUR thousand | % of revenue	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Revenue	-14	100%	2,075	100%	-100.7%	48	100%	6,297	100%	-99.2%
Cost of goods sold	-1	5%	1,779	86%	-100.0%	134	277%	5,167	82%	-97.4%
Gross profit	**-13**	**95%**	**296**	**14%**	**-104.5%**	**-86**	**-177%**	**1,130**	**18%**	**-107.6%**
Selling expenses	151	n.a.	616	30%	-75.4%	733	n.a.	1,822	29%	-59.8%
Administrative expenses	117	n.a.	455	22%	-74.2%	427	n.a.	1,483	24%	-71.2%
Other operating income	115	n.a.	0	0%	n.a	4,089	n.a.	0	0%	n.a
Other operating expenses	198	n.a.	0	0%	n.a	1,040	n.a.	0	0%	n.a
Earnings before interest and taxes (EBIT) from discontinued operations	**-364**	**n.a.**	**-776**	**-37%**	**53.1%**	**1,803**	**n.a.**	**-2,175**	**-35%**	**182.9%**
Earnings before income taxes (EBT) from discontinued operations	**-364**	**n.a.**	**-776**	**-37%**	**53.1%**	**1,803**	**n.a.**	**-2,175**	**-35%**	**182.9%**
Income tax	0	0%	73	4%	-100.0%	-16	-33%	90	1%	-117.9%
Earnings for the period from discontinued operations	**-364**	**n.a.**	**-703**	**-34%**	**48.2%**	**1,787**	**n.a.**	**-2,086**	**-33%**	**185.7%**
Earnings of shareholders	*-364*	*n.a.*	*-703*	-34%	*48.2%*	*1,787*	*n.a.*	*-2,086*	*-33%*	*185.7%*
Earnings per share in EUR (basis and diluted):										
Earnings of shareholders from discontinued operations	**-0.07**		**-0.13**		**48.2%**	**0.32**		**-0.38**		**185.7%**

The negative revenue results from the unravelling of selected transactions with end customers.

The selling and administrative expenses mainly relate to contractual obligations in connection with the TV broadcasting and signal transmission and the leased premises. Management is currently in discussions regarding the termination of the underlying contracts. No corresponding commitments had been made by the contractual partners by the publication of this report.

Other operating income includes proceeds from the sale of the broadcasting operations in the United Kingdom (Q2 2018). Other operating expenses include a payment obligation to a supplier (Q2 2018) in connection with the sale of the broadcasting business. In the third quarter of 2018, other operating income and other operating expenses were also recognised with R&C TV, which was deconsolidated as of 22 June 2018, for contractual services in connection with the continuation of broadcasting operations on behalf of the purchaser. The contract is expected to end in December 2018.

Assets and liabilities held for sale

The main groups of assets and liabilities of the discontinued operations classified as held for sale comprise the following:

EUR thousand | % of balance sheet total	30 Sep 2018		31 Dec 2017		Change in %
Assets					
Trade receivables	138	0.3%	216	0.4%	-36.1%
Other financial assets	156	0.3%	159	0.3%	-1.8%
Other non-financial assets	76	0.2%	67	0.1%	12.8%
Cash and cash equivalents	79	0.2%	43	0.1%	85.0%
Assets held for sale	449	1.0%	485	0.9%	-7.4%
Current liabilities					
Other financial liabilities	0	0.0%	-9	0.0%	100.0%
Provisions	-28	-0.1%	-260	-0.5%	89.2%
Trade payables	-234	-0.5%	-170	-0.3%	-37.8%
Other non-financial liabilities	-211	-0.5%	-694	-1.3%	69.7%
Liabilities directly associated with assets held for sale	-472	-1.0%	-1,132	0	58.3%
Net assets directly associated with discontinued operations	**-23**	**-0.1%**	**-647**	**-1.2%**	**96.4%**

Trade receivables exclusively relate to receivables from services due from the deconsolidated R&C TV (31 December 2017: receivables from end customers and payment service providers).

Of the other financial assets, EUR 156 thousand relate to deposits and security deposits (31 December 2017: EUR 156 thousand). The purchase price receivable due from the sale of the shares in R&C TV (broadcasting operations) still recognised as of 30 June 2018 was collected in full in July 2018.

Other assets include EUR 58 thousand for advance payments made (31 December 2017: EUR 64 thousand) and EUR 18 thousand for VAT receivables (31 December 2017: EUR 0 thousand).

The other financial liabilities still recognised as of 30 June 2018 related to a payment obligation due to the service provider for the transmission of the TV signal in the United Kingdom. In accordance with an agreement dated 1 February 2017 and a supplement dated 20 March 2018, R&C P agreed to make a (conditional) payment of GBP 750 thousand less deductible payments made under the current agreement on the transmission of the TV signal, in the event of a possible sale of the shares in R&C TV. The conditional payment obligation is related to an agreement dated 15 February 2017, under which the original contract for the transmission of the TV signal was revised in favour of the elumeo Group. The payment (in GBP) was made in August 2018.

Provisions of EUR 28 thousand relate to restoration obligations for the leased premises (31 December 2017: EUR 28 thousand). The provisions of EUR 17 thousand as of 31 December 2017 for expected customer returns and EUR 215 thousand for obligations to employees arising from severance payments and paid release from work were fully utilised in the first nine months of 2018.

Other non-financial liabilities break down as follows:

EUR thousand | **% of balance sheet total**	**30 Sep 2018**		31 Dec 2017		Change in %
Debtors with credit balances	198	0.4%	300	0.5%	-33.9%
Other accrued liabilities	13	0.0%	19	0.0%	-32.3%
Liabilities from value added tax	0	0.0%	324	0.6%	-100.0%
Liabilities from other taxes	0	0.0%	28	0.1%	-100.0%
Miscellanous other liabilities	0	0.0%	24	0.0%	-100.0%
Other non-financial liabilities	**211**	**0.5%**	**694**	**1.3%**	**-69.7%**

All carrying amounts correspond approximately to the fair values as of the reporting dates. Management assumes that no significant transaction or disposal costs are to be taken into account when measuring the fair value.

The unrestricted cash from the purchase price received for the broadcasting operations less the conditional payment obligation (GBP 750 thousand) was used to repay trade payables due to Group companies of the continuing operations. As a result, cash and cash equivalents from discontinued operations amounted to EUR 79 thousand as of the reporting date (31 December 2017: EUR 43 thousand).

Deconsolidation gain

The deconsolidation gain from the sale of the broadcasting business (EUR 3,974 thousand) reported under *Other operating income* of discontinued operations essentially results from a sale price of EUR 3,974 thousand. The fair value of the assets and liabilities disposed of corresponds to the carrying amount (no undisclosed reserves and/or encumbrances) and totals EUR -1 thousand. It is attributable to the disposed input tax receivables of R&C TV and the Group's reviving net receivables due from R&C TV. In addition, as part of the deconsolidation gain an immaterial amount was released from the foreign currency translation reserve to the statement of income of the discontinued operations and thus recognised as income.

(10) Personnel expenses

EUR thousand | % of revenue	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Wages and salaries	2,779	24.8%	3,214	17.7%	-13.5%	9,707	23.9%	9,426	18.8%	3.0%
Social security contributions	446	4.0%	371	2.0%	20.2%	1,239	3.1%	1,125	2.2%	10.1%
Personnel expenses	**3,225**	**28.7%**	**3,586**	**19.8%**	**-10.0%**	**10,946**	**27.0%**	**10,551**	**21.0%**	**3.7%**

In addition to the personnel expenses reported under selling and administrative expenses, personnel expenses also include the personnel expenses of the Group's own manufactory (cost of goods sold). The personnel expenses of the elumeo Group in the third quarter of 2018 are lower than in the same quarter of the previous year. This is attributable to the reduction in variable personnel expenses due to the decline in production in Thailand.

(11) Earnings per share

Earnings and number of shares	Unit	Q3 2018	Q3 2017	QoQ in %	1 Jan - 30 Sep 2018	1 Jan - 30 Sep 2017	9Mo9M in %
Earnings of shareholders of elumeo SE from continuing operations	EUR thousand	-6,060	561	<-1,000%	-12,046	-1,555	-674.4%
Earnings of shareholders of elumeo SE from discontinued operations	EUR thousand	-364	-703	48.2%	1,787	-2,086	185.7%
Earnings of shareholders of elumeo SE	EUR thousand	-6,424	-142	<-1,000%	-10,258	-3,641	-181.7%
Average number of outstanding shares	thousand	5,500	5,500	0.0%	5,500	5,500	0.0%
Earnings per share from continuing operations (basic and diluted)	EUR	**-1.10**	**0.10**	**<-1,000%**	**-2.19**	**-0.28**	**-674.4%**
Earnings per share from discontinued operations (basic and diluted)	EUR	-0.07	-0.13	48.2%	0.32	-0.38	185.7%
Earnings per share (basic and diluted)	EUR	**-1.17**	**-0.03**	**<-1,000%**	**-1.87**	**-0.66**	**-181.7%**

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

The performance targets of all tranches were not met as of 30 September 2018. The potential shares are therefore not to be taken into account in the calculation of diluted earnings per share, irrespective of any pro-rata vesting that has already taken place. As a result, diluted earnings per share correspond to the basic earnings per share.

According to IAS 33 *Earnings per Share,* potential shares are only to be regarded as dilutive if there 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).

(12) Notes to the Group segment reporting

Total segment EBITDA of EUR -8.4 million in the first nine months of 2018 (9M 2017: EUR -0.04 million) is significantly lower than in the same period of the previous year. This was mainly due to declining revenues in the Sales division Germany & Italy, in particular due to a lack of diversity in the product range. In addition, the significant underutilisation of manufacturing capacities had a negative impact on the segment Group functions & eliminations. As a result of the low production volumes, expenses of approx. EUR 0.75 million could not be allocated to unit costs.

The segment reconciliation items eliminated in the calculation of segment EBITDA mainly result from expenses from foreign currency translation of EUR 1.5 million in the first nine months of 2018 and EUR 1.1 million in the third quarter of 2018 (9M 2017: income of EUR +0.7 million, Q3 2017: income of EUR +0.4 million). In addition, immaterial expenses of EUR 0.04 million from the Stock Option Programme 2015 were eliminated in the first nine months of 2018 (9M 2017: EUR 0.3 million).

Segment Sales division Germany & Italy

Revenues of EUR 11.2 million were generated in the segment Sales division Germany & Italy in the third quarter of 2018 and EUR 38.6 million in the first nine months of 2018 (Q3 2017: EUR 16.1 million, 9M 2017: EUR 46.4 million). This corresponds to approx. 99.8% of the total revenue of the elumeo Group in the third quarter of 2018 (Q3 2017: approx. 88.7%). Gross profit amounted to EUR 3.9 million in the third quarter of 2018 and EUR 13.5 million in the first nine months of 2018 (Q3 2017: EUR 7.0 million, 9M 2017: 19.2 million), with the result that the gross profit margin for the segment Sales division Germany & Italy fell to 34.4% in the third quarter of 2018 and 35.0% in the first nine months of 2018 (Q3 2017: 43.7%, 9M 2017: 41.5%). At EUR -3.3 million in the third quarter of 2018 and EUR -7.1 million in the first nine months of 2018, segment EBITDA was significantly lower than in the same periods of the previous year (Q3 2017: EUR +0.8 million, 9M 2017: EUR -0.02 million).

Segment Sales division Others (Asia, USA)

At EUR 0.02 million in the third quarter of 2018 and EUR 2.0 million in the first nine months of 2018, revenues in the segment Sales division Others were significantly below the prior-year period (Q3 2017: EUR 2.1 million, 9M 2017: EUR 3.9 million). Revenues from B2B business are allocated to this segment. The previous revenues from B2B business mainly resulted from a cooperation with a US TV station, which was terminated. As a result, segment EBITDA also declined from EUR 0.4 million in the third quarter of 2017 to EUR -0.03 in the third quarter of 2018.

Segment Group functions & eliminations

To offset the administrative and financing expenses of production, gross profit of EUR -0.1 million was allocated to the segment in the third quarter of 2018 and EUR 1.2 million in the first nine months of 2018 (Q3 2017: EUR 0.6 million, 9M 2017: EUR 1.9 million) and was therefore not allocated to the segments Sales division Germany & Italy and Sales division Others. In the third quarter of 2018,

idle production costs of approx. EUR 0.75 million were allocated to the segment for the first time in connection with the considerable underutilisation of production capacity.

(13) Intangible assets and property, plant and equipment

In the first nine months of 2018, capital expenditures were limited to small-scale replacement investments.

(14) Inventories

Inventories declined by -21.3% to EUR 26.4 million as of 30 September 2018 (31 December 2017: EUR 33.5 million).

(15) Equity

Issued capital

The issued capital of elumeo SE as of 30 September 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 the disclosures as of 31 December 2017.

Capital reserve

The capital reserve of elumeo SE as of 30 September 2018 amounted to EUR 34.2 million and increased slightly compared to 31 December 2017 (EUR 34.2 million) due to equity-settled share-based remuneration commitments in accordance with IFRS 2.

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

There were no changes compared to the disclosures as of 31 December 2017.

Share-based remuneration

As of 30 September 2018, the number of outstanding option rights from the SOP 2015 was 256,004 option rights (30 September 2017: 253,065 option rights) due to option rights forfeited in the third quarter of 2018 (1,875 option rights). The weighted average remaining term of the outstanding option rights up to the expiration date is approx. 7.40 years as of 30 September 2018 (30 September 2017: approx. 8.30 years). The average exercise price is EUR 14.99 (30 September 2017: EUR 15.09) and the weighted average fair value of an option right at the issue date is EUR 5.80 (30 September 2017: EUR 5.83). No option rights were exercisable as of the reporting date.

In the first nine months of 2018, expenses totalling EUR 0.04 million (9M 2017: EUR 0.3 million) were recognised for the share-based remuneration commitments of the total of five tranches from SOP 2015. The income in the third quarter of 2018 (EUR +0.1 million) resulted from the adjustment of the quantity structure during the year, in particular in the form of the fluctuation assumption on the percentage of employees that will remain in service (non-market-dependent performance condition).

There were no further changes compared to the disclosures as of 31 December 2017.

(16) Financial debt

EUR thousand | % of balance sheet total	30 Sep 2018		31 Dec 2017		Change in %
Bank liabilities:					
Bank overdrafts	805	1.7%	1	0.0%	>1,000%
Interest liabilities	29	0.1%	17	0.0%	77.3%
Current loans and current portion of non-current loans	9,109	19.5%	7,560	13.8%	20.5%
Current financial debt	**9,943**	**21.3%**	**7,577**	**13.9%**	**31.2%**
Bank liabilities:					
Loans	3,133	6.7%	3,382	6.2%	-7.4%
Non-current financial debt	**3,133**	**6.7%**	**3,382**	**6.2%**	**-7.4%**
Financial debt	**13,076**	**28.1%**	**10,959**	**20.0%**	**19.3%**

As of 30 September 2018, the Thai subsidiary reported overdue current loans in the amount of EUR 1.6 million. At the time of publication of this quarterly release, another EUR 0.6 million were overdue. The respective bank currently charges an overdraft interest rate of 15.0% p.a. The loan is secured by a land charge on the acquired property at the production site in Chanthaburi including the buildings located thereon, by personal guarantees from related parties (including the members of the local executive management) and by land charges on various properties of another related party including the buildings located thereon. For further information, please refer to the Supplementary Report.

Based on the information currently available, the total credit facility of EUR 5.0 million of elumeo SE, which matures on 31 December 2018, will not be extended. The elumeo Group is currently taking measures to improve operating cash flow and to secure short-term liquidity. The Executive Board intends to repay the working capital loan at due date. As on the previous reporting dates, the loan is fully secured by subsidiaries of elumeo SE in the form of a storage assignment of inventories (merchandise) and directly enforceable guarantees. The collateral risk in connection with inventories corresponds to the amount of the loan.

(17) Other financial liabilities

EUR thousand | % of balance sheet total	30 Sep 2018		31 Dec 2017		Change in %
Current portion of non-current finance lease liabilities	274	0.6%	298	0.5%	-8.2%
Credit card liabilities	1	0.0%	5	0.0%	-74.3%
Current other financial liabilities	**275**	**0.6%**	**304**	**0.6%**	**-9.4%**
Finance lease liabilities	47	0.1%	273	0.5%	-82.9%
Non-current other financial liabilities	**47**	**0.1%**	**273**	**0.5%**	**-82.9%**
Other financial liabilities	**322**	**0.7%**	**577**	**1.1%**	**-44.2%**

In the third quarter of 2018, the elumeo Group fully repaid the remaining lease liability for the semi-automated picking, storage and conveyor system (plant and machinery) at the site in the United Kingdom. The reason for this is the relocation of the system to the location in Germany for the purpose of further use after a general overhaul.

(18) 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 30 September 2018 and 31 December 2017 are attributable solely to the elimination of intercompany profits included in the inventories from intra-Group deliveries.

(19) 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 unrestricted cash and cash equivalents of the elumeo Group through cash inflows and outflows during the reporting period.

The elumeo Group presents a consolidated statement of cash flows in which the detailed information on the composition of the 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.

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

Negative net cash flow from operating activities from continuing operations in the first nine months of 2018 was mainly due to a significant deterioration in earnings before taxes (EBT) to EUR -11.5 million (9M 2017: EUR -1.3 million) (Q3 2018: EUR -5.8 million, Q3 2017: EUR +0.7 million). In addition, the decrease in provisions by EUR -0.3 million (9M 2017: EUR -0.2 million) (Q3 2018: EUR +0.1 million, Q3 2017: EUR +0.1 million) and the decrease in other liabilities by EUR -0.4 million (9M 2017: EUR +4.4 million) (Q3 2018: EUR -0.7 million, Q3 2017: EUR +2.0 million) led to an outflow of funds.

The cash outflow was partly offset by depreciation and amortisation on non-current assets of EUR +1.1 million (9M 2017: EUR +1.2 million) (Q3 2018: EUR +0.4 million, Q3 2017: EUR +0.4 million) as well as significant decreases in inventories of EUR +5.3 million (9M 2017: EUR +2.8 million) (Q3 2018: EUR +4.7 million, Q3 2017: EUR +1.4m) and in other assets of EUR +1.9 million (9M 2017: EUR -1.4 million) (Q3 2018: EUR +0.3 million, Q3 2017: EUR -0.8 million).

In addition, non-cash income/expenses and transactions (mainly foreign currency translation effects) of EUR +1.6 million (9M 2017: EUR -1.6 million) (Q3 2018: EUR +1.1 million, Q3 2017: EUR -0.5 million) were recognised. The net cash flow also includes non-cash deferred tax expenses of EUR -0.3 million (9M 2017: EUR -0.1 million) (Q3 2018: EUR -0.2 million, Q3 2017: EUR -0.1 million) (consolidated statement of income), which are related to the change in the deferred tax assets from continuing operations (consolidated statement of financial position). The net amount (EUR 0.0 million) is reported under the item Increase/decrease in other assets. Overall, net cash flow from operating activities from continuing operations was EUR -2.2 million in the first nine months of 2018, compared to EUR +4.1 million in the first nine months of 2017 (Q3 2018: EUR -0.05 million, Q3 2017: EUR +3.4 million).

Net cash flow from operating activities from discontinued operations totalled EUR -0.9 million in the first nine months of 2018 and includes the cash outflow from the conditional payment obligation in connection with the sale of the broadcasting operations of R&C TV.

Net cash flow from investing activities from continuing operations totalled EUR -0.4 million in the first nine months of 2018 (9M 2017: EUR -0.2 million) (Q3 2018: EUR -0.3 million, Q3 2017: EUR -0.1 million).

Net cash flow from investing activities from discontinued operations totalled EUR +3.9 million in the first nine months of 2018 and includes the purchase price payment for the broadcasting operations of R&C TV. The unrestricted cash and cash equivalents (after deduction of the payment obligation in connection with the sale of the broadcasting business) were used to repay trade payables due to Group companies of the continuing operations. As a result, these cash and cash equivalents are included in the change in cash and cash equivalents of the continuing operations.

Net cash flow from financing activities from continuing operations consists of proceeds from financial debt of EUR +3.9 million (9M 2017: EUR +2.3 million) and of payments from the repayment of financial debt of EUR -2.9 million (9M 2017: EUR -3.0 million) and other financial liabilities (finance lease liabilities and credit card liabilities).

Cash and cash equivalents of continuing operations as of the reporting date comprise positive components of EUR 3.4 million (31 December 2017: EUR 1.5 million) in unrestricted cash and cash equivalents and negative components of EUR -0.8 million (31 December 2017: EUR 0.0 million) in current account overdrafts. There were no usable credit facilities available as of the reporting date.

Supplementary Report

25 October 2018 – elumeo SE issued an ad-hoc announcement informing that the Company has been requested by one of its shareholders to convene an extraordinary general meeting. In accordance with the shareholder's request, the subject matter is to be the dismissal of four acting members of the Executive Board, namely the Chairman of the Executive Board and the three Managing Directors.

1 November 2018 – elumeo SE was notified by formal notice that Mr. Don Kogen (plaintiff), member of the Executive Board, has filed a lawsuit against elumeo SE (defendant) with the aim of declaring a resolution of the Executive Board null and void. The decision concerns the appointment of a new managing director of Silverline Distribution Ltd, Hong Kong, People's Republic of China.

9 November 2018 – elumeo SE issued an ad-hoc announcement informing that the Executive Board has decided to close production activities at the Chanthaburi site in Thailand by way of solvent liquidation. The elumeo Group is currently reviewing the recognition of its production activities in accordance with IFRS 5. Accordingly, the assets and liabilities in question must generally be measured at the lower of carrying amount and fair value. Because the resolution date is so close to the date of this quarterly release, the fair values of the respective assets and liabilities could not yet be finally estimated. Therefore, the following table presents the carrying amounts as of 30 September 2018 of the material assets available for sale and the material liabilities to be serviced in the event of solvent liquidation. The carrying amounts presented are generally measured at amortised cost. In the event of liquidation, there may be the risk of valuation discounts.

EUR thousand | % of balance sheet total	30 Sep 2018	
Assets		
Property, plant and equipment	5,906	12.7%
Other non-financial assets	1,152	2.5%
Inventories	4,530	9.7%
Material assets available for sale in the event of liquidation (measured at amortised cost)	11,588	24.9%
Liabilities		
Financial debt	-8,075	-17.3%
Provisions	-759	-1.6%
Trade payables	-2,241	-4.8%
Material liabilities to be serviced in the event of liquidation (measured at amortised cost)	-11,075	-23.8%
Net assets in the event of liquidation (measured at amortised cost)	**513**	**1.1%**

Furthermore, as of 9 November 2018, additional liabilities in the amount of approx. EUR 0.4 million, mainly resulting from unpaid wages and salaries and interest expenses, were recognised.

Property, plant and equipment relate to a plot of land, the buildings located on the plot, and technical equipment and machinery. Other equipment, furniture and fixtures amounting to approx. EUR 0.7 million was not recognised for reasons of prudence, but is generally recoverable.

Other non-financial assets represent receivables from the deduction of VAT, some of which date back to the 2014 financial year. The Executive Board assumes that these receivables are fully recoverable, but anticipates delays in the processing and payment by the respective tax authority.

Inventories relate to raw materials and supplies (mainly precious gem stones) (EUR 3.0 million), work in progress (EUR 0.3 million) and finished goods (EUR 1.2 million).

Trade payables of EUR 2.0 million or approx. 91.0% of the liabilities are attributable to three large suppliers of the Thai subsidiary. Specifically, these are CTC Limited (approx. 42.5%), Bright Future Gems Co., Ltd. (approx. 27.5%) and Gemvault Limited (approx. 21.0%).

At present, the Executive Board assumes that the liabilities can mainly be repaid by liquidating the assets available for sale. The fair values of the assets and/or liabilities may possibly differ from the carrying amounts recognised in the interim consolidated financial statements. As a result, additional financial recourses may be required, which may then need to be financed by elumeo Group.

Risk and Opportunity Report

The elumeo Group comprehensively describes its risk management system in the Annual Report 2017. The following significant changes to the risks presented therein took place in the third quarter of 2018.

Financing and liquidity risks

elumeo SE's final maturity credit facility of EUR 5.0 million must be repaid in full by 31 December 2018. The cash and cash equivalents that will required are not yet fully available at the time of this quarterly release. In addition, the Executive Board assumes that equivalent follow-up financing (debt rescheduling) will not be possible in view of the significantly deteriorated earnings situation. Against this backdrop, the liquidity risk has increased significantly and can now be regarded as a threat to the Company as a going concern. The complete repayment of the credit line and a persistently poor earnings situation could necessitate sales measures (liquidation of inventories) in the fourth quarter of 2018, which could have a negative impact on the gross profit margins of the elumeo Group on into subsequent periods. By integrating external jewelry suppliers into the vertical value chain and thus improving product diversity, the Executive Board has created an important basis for improving the earnings situation from the fourth quarter of 2018 onwards. On the basis of the current sales and liquidity planning, the Executive Board therefore assumes that a full repayment of the total credit line of elumeo SE can be ensured. Failure to achieve the earnings and liquidity forecast without appropriate countermeasures could, however, lead to the insolvency of the elumeo Group.

Risks in connection with the liquidation of the Group's own production facility

Fair value of net assets and creditor readiness

The elumeo Group is currently investigating the possibility of liquidating the production facility at the Chanthaburi site in Thailand by way of solvent liquidation. According to an initial preliminary assessment by the Executive Board and subject to a detailed determination of the fair value of the net assets of the Thai subsidiary, the liabilities can mainly be repaid through the liquidation of assets available for sale.

Higher than expected valuation discounts in the liquidation of assets available for sale or fundamental impairment problems in the case of monetary receivables due from third parties (e. g. VAT receivables) may result in the elumeo Group having to provide additional funds to satisfy the monetary creditors' claims. In view of the tense liquidity situation, this may require the liquidation of further assets of the Group or may, without appropriate countermeasures, lead to the insolvency of the elumeo Group.

The success of the planned liquidation will in particular also depend on the willingness of the main creditor groups (banks, (raw material) suppliers and employees) to participate in the preparation of a liquidation plan (including corresponding deferment agreements).There is the risk of possible failure of the creditor talks and thus of the liquidation as a whole, which cannot yet be assessed at the time of this quarterly report. At the present time, the amount of liabilities due to the Thai subsidiary resulting from deliveries to Silverline Distribution Ltd. is disputed. As a precaution, the affected sales companies and Silverline Distribution Ltd. have agreed to subordinate all inter-Group liabilities due to Silverline Distribution Ltd. to prevent the exposure to potential risks associated with the insolvency of the Thai subsidiary.

Loss of control risks

The control of an investee is generally deemed to exist if an investor firstly has the power over the investee (assessment of the management of relevant business activities), secondly has a right to the variable returns from the investee and thirdly has the possibility of exercising its power over the investee in such a way that the returns (in terms of amount) from the investee can be influenced (principal-agent assessment).

Due to the geographical distance, the elumeo Group as the decision-maker (principal) is dependent on the implementation of its decisions (e. g. the planned liquidation) and the representation of its interests vis-à-vis creditors and debtors by the local management of the Thai subsidiary (agent). In the course of the further process, facts and circumstances may arise which would require a reassessment of the control of the Thai subsidiary.

The elumeo Group currently assumes to exercise full control over the Thai subsidiary. At the same time, the Group has begun to take measures to reduce the risks of a loss of control (e. g. by change of management).

Regulatory and legal risks

In connection with the implementation of the planned liquidation of the production facility, the elumeo Group may be exposed to various regulatory and legal risks that could have a material impact on the earnings, assets and financial position of the elumeo Group. These could include risks in connection with Thai insolvency law and labour law, the investment promotion certificate issued by the Thai investment authority on 1 July 2014 or other Thai regulations and laws (e. g. company law, creditor protection).

The elumeo Group will examine the regulatory and legal risks and requirements in detail in the coming weeks.

Procurement risks

The regular supply and the functioning of the elumeo Group's supply chain has depended to a large extent on the purchasing team in Thailand to date. As a result of the planned liquidation of the production site, the sustainable availability of gemstone jewelry would be at considerable risk. The vertical value chain of the elumeo Group must therefore be secured in the short-term by establishing sustainable, compliant and profitable supplier relationships. In the third quarter of 2018, the partnering with new suppliers and cooperation partners in purchasing created important foundations for this.

The future earnings, assets and financial position of the elumeo Group will depend to a large extent on ensuring permanent product availability at competitive prices via the new procurement channels to be developed and on the success of the organisational integration of the changed purchasing processes at the sales entities.

Beyond this, there are currently no further significant changes apparent to the Executive Board compared to the risks and opportunities for the elumeo Group described in the Annual Report 2017.

Forecast Report

By resolution of 28 May 2018, the Executive Board of elumeo SE limited the monthly production of jewelry in the Chanthaburi factory to a maximum of 25,000 pieces in order to counteract the loss of sales capacity from the discontinued business and the significantly reduced business volume from B2B sales. The local management of PWK Jewelry Ltd. was then requested to submit an appropriate restructuring plan to the Executive Board. Despite several urgent requests from the Executive Board of elumeo SE, this was not the case and, at its meeting on 9 November 2018, the Executive Board decided to outsource its remaining production to two smaller sites operating in close cooperation with local partners. This is intended to further reduce fixed costs and increase production flexibility. Production will be continued at the new sites and terminated at the present site. In addition, the management of the Group's production company will be requested to commence a solvent liquidation of the company, utilising the available assets. As a result, the expected development for the individual segments is as follows:

In the segment Sales division Germany & Italy, the decline in revenue amounted to -16.7% in the first nine months of 2018 compared to the same periods of the previous year. Gross profit in the first nine months of 2018 also developed negatively at -29.7% compared to the previous year. As a result of the measures initiated (increased opening up of the vertical value chain to third party suppliers and multi-products), we expect a substantial improvement in revenue and earnings in the Sales division Germany & Italy for the fourth quarter of 2018 compared to the third quarter of 2018. The main driver is expected to be a significantly improved gross profit margin compared with the previous quarters.

In the segment Sales division Others, we were not able to continue cooperation in the B2B business with our partner in the US at the level originally assumed. We therefore do not expect any impetus here. Profitability, which has recently fallen significantly short of expectations, no longer offers us any significant advantages. We therefore no longer expect any revenue in this segment in the fourth quarter of 2018. Although the segment EBITDA will be slightly positive overall, it will be significantly lower than in the previous year.

In the segment Group functions & elimination, negative effects due to the lack of utilisation of production capacities amounting to approx. EUR 0.75 million (idle costs) are taken into account so far. With reference to the targeted solvent liquidation of the present production company, a forecast for the segment Group functions & eliminations and, therefore, for the total Group can currently not be made for the year 2018. The previous forecasts were revoked in the ad-hoc release published on 9 November 2018.

In order to be able to guarantee the solvency of the Group at all times, corresponding reductions in inventories will continue to be necessary. If the profitability of the elumeo Group cannot be increased again and working capital cannot be improved, the solvency of the elumeo Group may be jeopardised at any time. Based on the current information, the EUR 5.0 million working capital loan of elumeo SE, which matures on 31 December 2018, will not be extended. The elumeo Group is taking measures to secure short-term liquidity. The Executive Board intends to repay the working capital loan on the due date. The top priority continues to be the return of the elumeo Group to profitability while at the same time improving liquidity.

Condensed Interim Consolidated Financial Statements

Consolidated Statement of Income (unaudited)

for the period from 1 July to 30 September 2018 (Q3 2018) and for the period from 1 January to 30 September 2018

EUR thousand | % of revenue	Note	Q3 2018		Q3 2017 restated*		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017 restated*		9Mo9M in %
Revenue	(2)	11,229	100.0%	18,118	100.0%	-38.0%	40,567	100.0%	50,215	100.0%	-19.2%
Cost of goods sold		7,470	66.5%	9,921	54.8%	-24.7%	25,539	63.0%	28,114	56.0%	-9.2%
Gross profit	(3)	**3,759**	**33.5%**	**8,197**	**45.2%**	**-54.1%**	**15,028**	**37.0%**	**22,100**	**44.0%**	**-32.0%**
Selling expenses	(4)	6,111	54.4%	5,476	30.2%	11.6%	17,904	44.1%	17,273	34.4%	3.6%
Administrative expenses	(5)	2,250	20.0%	2,332	12.9%	-3.5%	6,780	16.7%	6,857	13.7%	-1.1%
Other operating income	(6)	10	0.1%	472	2.6%	-97.8%	69	0.2%	1,186	2.4%	-94.2%
Other operating expenses	(7)	1,096	9.8%	0	0.0%	n.a	1,520	3.7%	0	0.0%	n.a
Earnings before interest and taxes (EBIT)		**-5,687**	**-50.6%**	**861**	**4.7%**	**-760.9%**	**-11,106**	**-27.4%**	**-844**	**-1.7%**	**<-1,000%**
Interest income		4	0.0%	0	0.0%	>1,000%	4	0.0%	0	0.0%	>1,000%
Interest and similar expenses		-151	-1.3%	-149	-0.8%	-1.6%	-425	-1.0%	-478	-1.0%	11.2%
Financial result	(8)	-148	-1.3%	-149	-0.8%	-0.8%	-421	-1.0%	-478	-1.0%	-12.0%
Earnings before income taxes (EBT)		**-5,835**	**-52.0%**	**712**	**3.9%**	**-919.9%**	**-11,527**	**-28.4%**	**-1,322**	**-2.6%**	**-772.1%**
Income tax		-225	-2.0%	-151	-0.8%	-49.3%	-518	-1.3%	-234	-0.5%	-121.8%
Earnings for the period from continuing operations		**-6,060**	**-54.0%**	**561**	**3.1%**	**<-1,000%**	**-12,046**	**-29.7%**	**-1,555**	**-3.1%**	**-674.4%**
Earnings for the period from discontinued operations	(9)	**-364**	**-3.2%**	**-703**	**-3.9%**	**48.2%**	**1,787**	**4.4%**	**-2,086**	**-4.2%**	**185.7%**
Earnings for the period		**-6,424**	**-57.2%**	**-142**	**-0.8%**	**<-1,000%**	**-10,258**	**-25.3%**	**-3,641**	**-7.3%**	**-181.7%**
Earnings of shareholders		*-6,424*	*-57.2%*	*-142*	*-0.8%*	*<-1,000%*	*-10,258*	*-25.3%*	*-3,641*	*-7.3%*	*-181.7%*
Earnings per share in EUR (basis and diluted) applied to:	(11)										
- **Earnings of shareholders total**		**-1.17**		**-0.03**		**<-1,000%**	**-1.87**		**-0.66**		**-181.7%**
- Earnings of shareholders from continuing operations		-1.10		0.10		<-1,000%	-2.19		-0.28		-674.4%
- Earnings of shareholders from discontinued operations		-0.07		-0.13		48.2%	0.32		-0.38		185.7%

Consolidated Statement of Comprehensive Income (unaudited)

for the period from 1 July to 30 September 2018 (Q3 2018) and for the period from 1 January to 30 September 2018

EUR thousand | % of revenue	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Earnings for the period	**-6,424**	**-57.2%**	**-142**	**-0.8%**	**<-1,000%**	**-10,258**	**-25.3%**	**-3,641**	**-7.3%**	**-181.7%**
Items which will be reclassified to the consolidated statement of income in subsequent periods:										
Differences from foreign currency translation of foreign subsidiaries	1,117	10.0%	-608	-3.4%	283.8%	1,598	3.9%	-1,682	-3.4%	195.0%
Other comprehensive income from continuing operations	**1,117**	**10.0%**	**-608**	**-3.4%**	**283.8%**	**1,598**	**3.9%**	**-1,682**	**-3.4%**	**195.0%**
Differences from foreign currency translation of foreign subsidiaries	-7	-0.1%	-3	0.0%	-182.9%	-9	0.0%	107	0.2%	-108.3%
Other comprehensive income from discontinued operations	**-7**	**-0.1%**	**-3**	**0.0%**	**-182.9%**	**-9**	**0.0%**	**107**	**0.2%**	**-108.3%**
Total comprehensive income from discontinued operations	**-5,314**	**-47.3%**	**-753**	**-4.2%**	**-606.1%**	**-8,669**	**-21.4%**	**-5,216**	**-10.4%**	**-66.2%**
Total comprehensive income of shareholders	*-5,314*	*-47.3%*	*-753*	*-4.2%*	*-606.1%*	*-8,669*	*-21.4%*	*-5,216*	*-10.4%*	*-66.2%*

Consolidated Statement of Financial Position (unaudited)

as of 30 September 2018

A S S E T S

EUR thousand | % of balance sheet total	Note	30 Sep 2018		31 Dec 2017		Change in %
Non-current assets						
Intangible assets	(13)	741	1.6%	755	1.4%	-1.8%
Property, plant and equipment	(13)	8,980	19.3%	9,374	17.1%	-4.2%
Other financial assets		457	1.0%	394	0.7%	16.1%
Other non-financial assets		1,840	3.9%	1,871	3.4%	-1.6%
Deferred tax assets	(18)	1,515	3.2%	1,866	3.4%	-18.8%
Total non-current assets		**13,533**	**29.0%**	**14,258**	**26.1%**	**-5.1%**
Current assets						
Inventories	(14)	26,408	56.7%	33,548	61.3%	-21.3%
Trade receivables		1,007	2.2%	2,963	5.4%	-66.0%
Receivables due from related parties		224	0.5%	224	0.4%	0.0%
Other financial assets		54	0.1%	43	0.1%	26.4%
Other non-financial assets		1,522	3.3%	1,675	3.1%	-9.1%
Cash and cash equivalents		3,418	7.3%	1,512	2.8%	126.1%
Total current assets		**32,633**	**70.0%**	**39,965**	**73.1%**	**-18.3%**
Assets held for sale	(9)	449	1.0%	485	0.9%	-7.4%
Total assets		**46,615**	**100.0%**	**54,709**	**100.0%**	**-14.8%**

Consolidated Statement of Financial Position (unaudited)

as of 30 September 2018

EQUITY & LIABILITIES

EUR thousand | % of balance sheet total	Note	30 Sep 2018		31 Dec 2017		Change in %
Equity						
Issued capital	(15)	5,500	11.8%	5,500	10.1%	0.0%
Capital reserve	(15)	34,223	73.4%	34,179	62.5%	0.1%
Retained losses		-21,710	-46.6%	-11,452	-20.9%	-89.6%
Foreign currency translation reserve	(15)	5,314	11.4%	3,725	6.8%	42.7%
Total equity		**23,327**	**50.0%**	**31,952**	**58.4%**	**-27.0%**
Attributable to shareholders of elumeo SE		*23,327*	*50.0%*	*31,952*	*58.4%*	*-27.0%*
Non-current liabilities						
Financial debt	(16)	3,133	6.7%	3,382	6.2%	-7.4%
Other financial liabilities	(17)	47	0.1%	273	0.5%	-82.9%
Provisions		806	1.7%	676	1.2%	19.2%
Other non-financial liabilities		25	0.1%	25	0.0%	0.0%
Total non-current labilities		**4,010**	**8.6%**	**4,355**	**8.0%**	**-7.9%**
Current liabilities						
Financial debt	(16)	9,943	21.3%	7,577	13.9%	31.2%
Other financial liabilities	(17)	275	0.6%	304	0.6%	-9.4%
Provisions		108	0.2%	547	1.0%	-80.4%
Liabilities due to related parties		19	0.0%	7	0.0%	169.2%
Trade payables		7,146	15.3%	7,340	13.4%	-2.6%
Advance payments received		8	0.0%	158	0.3%	-95.3%
Tax liabilities		100	0.2%	100	0.2%	0.0%
Other non-financial liabilities		1,207	2.6%	1,236	2.3%	-2.3%
Total current liabilities		**18,805**	**40.3%**	**17,270**	**31.6%**	**8.9%**
Liabilities directly associated with assets held for sale	(9)	472	1.0%	1,132	2.1%	-58.3%
Total equity & liabilities		**46,615**	**100.0%**	**54,709**	**100.0%**	**-14.8%**

Consolidated Statement of Changes in Equity (unaudited)

for the period from 1 January to 30 September 2018

Reason for change		Attributable to shareholders of elumeo SE				
EUR thousand	Note	Issued capital	Capital reserve	Retained losses	Foreign currency translation reserve	Total equity
1 January 2018		**5,500**	**34,179**	**-11,452**	**3,725**	**31,952**
Equity-settled share-based remuneration	(15)		44			**44**
Other comprehensive income					1,589	**1,589**
Earnings for the period				-10,258		**-10,258**
Total comprehensive income				-10,258	1,589	**-8,669**
30 September 2018		**5,500**	**34,223**	**-21,710**	**5,314**	**23,327**

for the period from 1 January to 30 September 2017

Reason for change		Attributable to shareholders of elumeo SE				
EUR thousand	Note	Issued capital	Capital reserve	Retained losses	Foreign currency translation reserve	Total equity
1 January 2017		**5,500**	**33,862**	**-5,408**	**5,022**	**38,975**
Equity-settled share-based remuneration	(15)		262			**262**
Other comprehensive income					-1,575	**-1,575**
Earnings for the period				-3,641		**-3,641**
Total comprehensive income				-3,641	-1,575	**-5,216**
30 September 2017		**5,500**	**34,123**	**-9,049**	**3,447**	**34,021**

Consolidated Statement of Cash Flows (unaudited)

for the period from 1 January to 30 September 2018

EUR thousand	Note	1 Jan - 30 Sep 2018	1 Jan - 30 Sep 2017	9Mo9M in %
Earnings before taxes (EBT) of continuing operations		**-11,527**	**-1,322**	**-772.1%**
Earnings before taxes (EBT) of discontinued operations		+1,803	-2,175	182.9%
Earnings before taxes (EBT)		**-9,724**	**-3,497**	**-178.1%**
+/- Depreciation and amortisation on non-current assets	(13)	+1,120	+1,239	-9.6%
+/- Increase/decrease in provisions		-310	-189	-64.3%
+/- Equity-settled share-based remuneration	(15)	+44	+262	-83.0%
+/- Other non-cash expenses/income and transactions		+1,571	-1,628	196.5%
+/- Loss/gain on disposal of non-current assets	(13)	+2	+4	-63.4%
- Non-cash current interest income		-0	-0	99.5%
- Interest expenses paid related to prior accounting periods		-21	-64	66.9%
+ Non-cash current interest expenses		+33	+32	2.4%
-/+ Increase/decrease in inventories	(14)	+5,320	+2,797	90.2%
-/+ Increase/decrease in other assets		+1,931	-1,375	240.4%
+/- Increase/decrease in other liabilities		-368	+4,386	-108.4%
= Net cash flow from operating activities from continuing operations	(19)	**-2,206**	**+4,142**	**-153.3%**
= Net cash flow from operating activities from discontinued operations	(9)	-878	-3,539	75.2%

Consolidated Statement of Cash Flows (unaudited) (continuation)

for the period from 1 January to 30 September 2018

	EUR thousand	Note	1 Jan - 30 Sep 2018	1 Jan - 30 Sep 2017	9Mo9M in %
-	Payments for investments in intangible assets	(13)	-81	-2	<-1,000%
-	Payments for investments in property, plant and equipment	(13)	-355	-194	-83.3%
+	Proceeds from sale of intangible assets and property, plant and equipment	(13)	+2	+1	90.6%
=	**Net cash flow from investing activities from continuing operations**	(19)	**-434**	**-195**	**-122.6%**
=	Net cash flow from investing activities from discontinued operations	(9)	+3,919	-1	>1,000%
+	Proceeds from increase in financial debt	(16)	+3,908	+2,336	67.3%
-	Payments for the redemption of financial debt	(16)	-2,890	-3,009	4.0%
-	Payments (net) for redemption of financial liabilties	(17)	-255	-217	-17.5%
=	**Net cash flow from financing activities from continuing operations**	(19)	**+763**	**-890**	**-185.7%**
=	Net cash flow from financing activities from discontinued operations	(9)	-9	+2	-673.7%
+/-	Net increase/decrease in cash and cash equivalents		+1,155	-481	340.0%
+/-	Effects of foreign currency translation on cash and cash equivalents cash and cash equivalents		-17	-22	23.8%
+/-	Changes in cash and cash equivalents relassified as part of a disposal group	(9)	-36	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**		**+2,613**	**+1,333**	**96.0%**
	Reconciliation of cash and cash equivalents				
	Cash and cash equivalents		+3,418	+1,832	86.6%
-	Current account overdrafts	(16)	-805	-499	-61.3%
=	**Cash and cash equivalents at end of period**		**+2,613**	**+1,333**	**96.0%**

Group Segment Reporting (unaudited)

Segment information

for the period from 1 July to 30 September 2018 (Q3 2018)

	Q3 2018					
EUR thousand | % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	11,212	99.8%	3,852	34.4%	-3,330	-29.7%
Sales division Others	17	0.2%	-7	-38.6%	-17	-100.8%
Group functions & eliminations	0	0.0%	-86	n.a.	-926	n.a.
Total	**11,229**	100.0%	**3,759**	33.5%	**-4,272**	-38.0%

	Q3 2017					
EUR thousand | % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	16,066	88.7%	7,025	43.7%	788	4.9%
Sales division Others	2,052	11.3%	561	27.3%	395	19.2%
Group functions & eliminations	0	0.0%	611	n.a.	-208	n.a.
Total	**18,118**	100.0%	**8,197**	45.2%	**974**	5.4%

	QoQ					
EUR thousand | in %	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	-4,853	-30.2%	-3,173	-45.2%	-4,118	-522.7%
Sales division Others	-2,035	-99.2%	-567	-101.2%	-412	-104.4%
Group functions & eliminations	0	n.a	-698	-114.1%	-717	-344.5%
Total	**-6,888**	**-38.0%**	**-4,438**	**-54.1%**	**-5,247**	**-538.5%**

Segment information

for the period from 1 January to 30 September 2018

	1 Jan - 30 Sep 2018					
EUR thousand | % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	38,604	95.2%	13,522	35.0%	-7,124	-18.5%
Sales division Others	1,962	4.8%	279	14.2%	-25	-1.3%
Group functions & eliminations	0	0.0%	1,226	n.a.	-1,272	n.a.
Total	**40,567**	100.0%	**15,028**	37.0%	**-8,421**	-20.8%

	1 Jan - 30 Sep 2017					
EUR thousand | % of (segment) revenue	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	46,354	92.3%	19,233	41.5%	-16	0.0%
Sales division Others	3,861	7.7%	985	25.5%	447	11.6%
Group functions & eliminations	0	0.0%	1,883	n.a.	-476	n.a.
Total	**50,215**	100.0%	**22,100**	44.0%	**-44**	-0.1%

	9Mo9M					
EUR thousand | in %	Revenue		Gross profit		Segment-EBITDA	
Sales division Germany & Italy	-7,749	-16.7%	-5,711	-29.7%	-7,108	<-1,000%
Sales division Others	-1,899	-49.2%	-705	-71.6%	-473	-105.6%
Group functions & eliminations	0	n.a	-657	-34.9%	-796	-167.4%
Total	**-9,648**	**-19.2%**	**-7,073**	**-32.0%**	**-8,377**	**<-1,000%**

Segment Reconciliation to Group Earnings

for the period from 1 July to 30 September 2018 (Q3 2018) and for the period from 1 January to 30 September 2018

EUR thousand | % of revenue	Q3 2018		Q3 2017		QoQ in %	1 Jan - 30 Sep 2018		1 Jan - 30 Sep 2017		9Mo9M in %
Total segment EBITDA	**-4,272**	**-38.0%**	**974**	**5.4%**	**-538.5%**	**-8,421**	**-20.8%**	**-44**	**-0.1%**	**<-1,000%**
Effects from foreign currency translation	-1,096	-9.8%	356	2.0%	-408.0%	-1,520	-3.7%	694	1.4%	-319.1%
Equity-settled share-based remuneration	64	0.6%	-73	-0.4%	187.8%	-44	-0.1%	-262	-0.5%	83.0%
Segment reconciliation items	-1,032	-9.2%	282	1.6%	-465.2%	-1,566	-3.9%	432	0.9%	-462.4%
EBITDA	**-5,304**	**-47.2%**	**1,257**	**6.9%**	**-522.0%**	**-9,987**	**-24.6%**	**388**	**0.8%**	**<-1,000%**
Depreciation and amortisation and intangible assets	-383	-3.4%	-396	-2.2%	3.3%	-1,120	-2.8%	-1,231	-2.5%	9.1%
EBIT	**-5,687**	**-50.6%**	**861**	**4.7%**	**-760.9%**	**-11,106**	**-27.4%**	**-844**	**-1.7%**	**<-1,000%**
Financial result	-148	-1.3%	-149	-0.8%	0.8%	-421	-1.0%	-478	-1.0%	12.0%
Income tax	-225	-2.0%	-151	-0.8%	-49.3%	-518	-1.3%	-234	-0.5%	-121.8%
Earnings for the period from continuing operations	**-6,060**	**-54.0%**	**561**	**3.1%**	**<-1,000%**	**-12,046**	**-29.7%**	**-1,555**	**-3.1%**	**-674.4%**
Earnings for the period from discontinued operations	**-364**	**-3.2%**	**-703**	**-3.9%**	**48.2%**	**1,787**	**4.4%**	**-2,086**	**-4.2%**	**185.7%**
Earnings for the period	**-6,424**	**-57.2%**	**-142**	**-0.8%**	**<-1,000%**	**-10,258**	**-25.3%**	**-3,641**	**-7.3%**	**-181.7%**

Berlin, 9 November 2018

elumeo SE

The Executive Managing Directors

Bernd Fischer	Thomas Jarmuske	Boris Kirn

Imprint

Publisher
elumeo SE
Erkelenzdamm 59/61
10999 Berlin
Germany

Investor Relations
Claudia Erning
Phone: +49 30 69 59 79 - 231
Fax: +49 30 69 59 79 - 650
email: 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.