

elumeo

**The leading electronic retailer for
gemstone jewelry in Europe**

H1 2021 Financials Earnings Call 13.08.2021



Summary of key developments

- The growth from the first quarter of 2021 continued in the second quarter of 2021. Revenues increased significantly by 30.3% in the first half of 2021, driven mainly by the classic web shop, but the development in the TV business also improved. Adjusted EBITDA at +1.8m€, clearly exceeded PY.
- Equity increased by 27.2% to EUR 5.5 million. Cash level on strong 3.6m€.
- Intensive new customer growth and successful birthday event. elumeo's webshops continued to deliver an increasing contribution to the overall result. Higher airtime share of guests and premieres led to stronger profit-per-show-minute in TV business.
- Successful scaling of investment in online marketing generated strong customer growth.
- Positive acceptance of Mein Juwelo. Elumeo continues strategy for non-linear video content. Launch of Jooli. Jooli offers a completely new shopping experience with short, entertaining videos that is unique in Europe to date.
- In 2021, sales growth in the low double-digit percentage range from the further growth of the web shops. Stable development of more than 50% for the gross profit margin. Due to the unpredictable uncertainties due to the COVID-19 pandemic, Adjusted EBITDA will likely be in the low to mid single-digit million range.



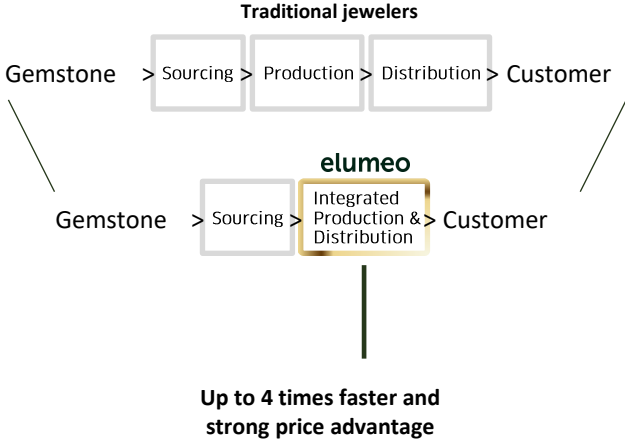
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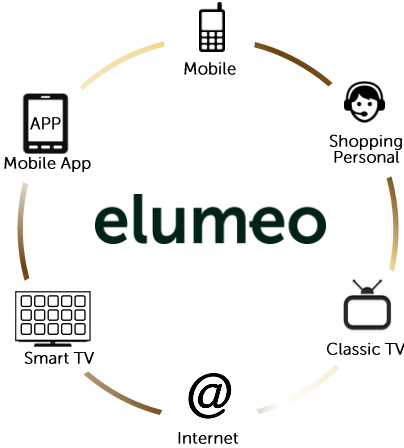
elumeo's business model is founded on three pillars

Vertically integrated and scalable value chain



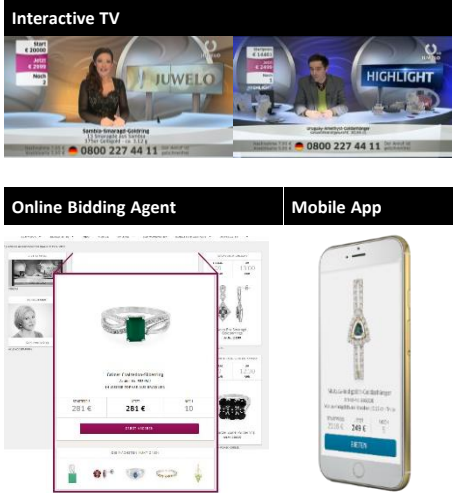
Fast reaction times and low production cost

Multiple electronic distribution channels



Presence in all electronic distribution channels

Live and interactive sales features



Video content transports both facts and emotion



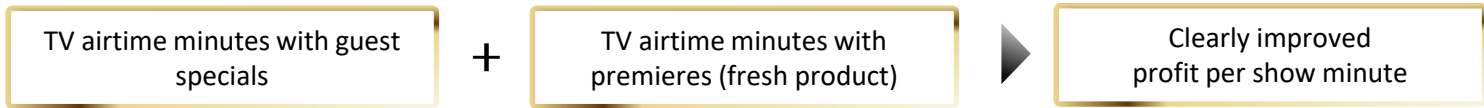
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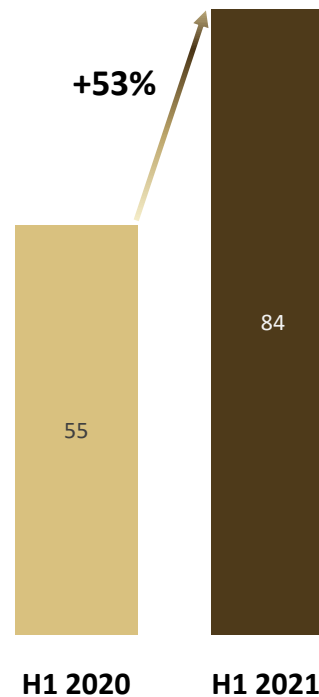
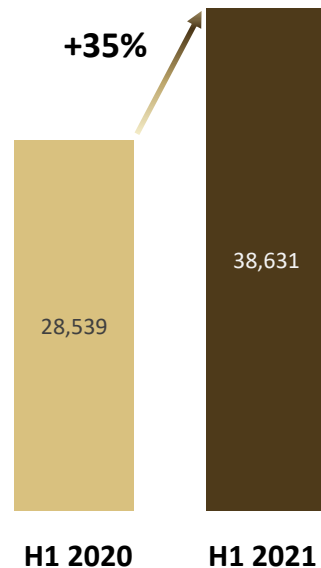
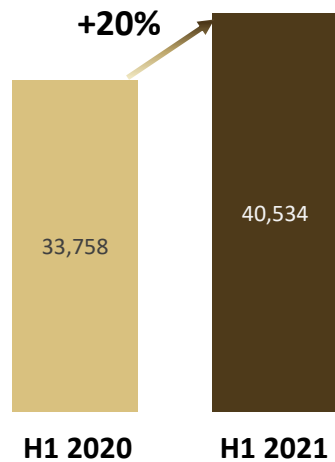
Expansion of guest specials and increase of airtime for premieres led to clear improvement of profit-per-show-minute (ppm)

LIVE



Guests → Higher PPM

Premieres → Higher PPM

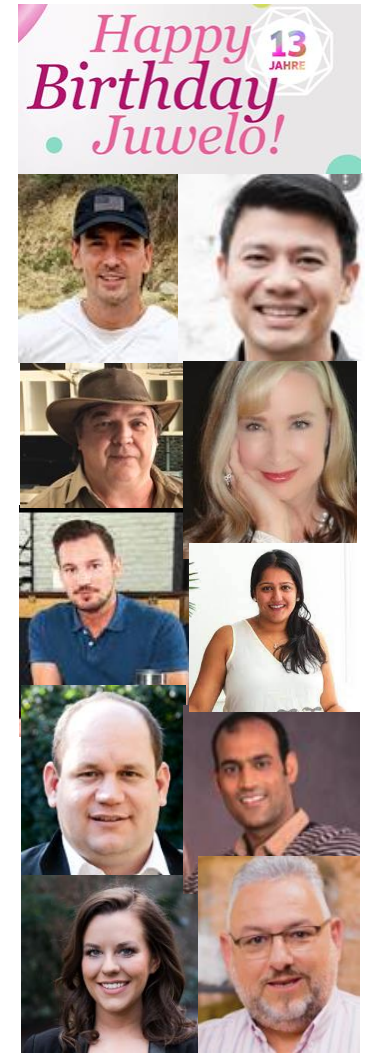


- Guest specials and product premieres (= new product) have a very positive impact on the profit per show minute
- We optimized the broadcasting program by increasing the total airtime minutes of guest shows and premieres
- This led to a clearly improved ppm

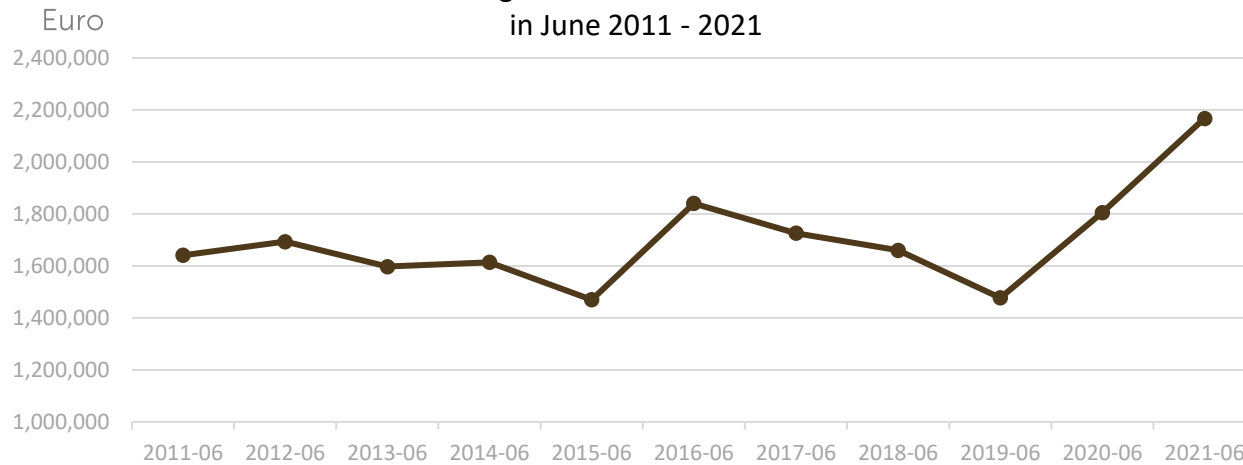
Source: Internal ERP system, ppm = gross margin per show minute



Highest gross margin in June in the history of German LIVE business thanks to successful Juwelo birthday event



Gross margin of German LIVE TV business in June 2011 - 2021



Main driver: Juwelo birthday event

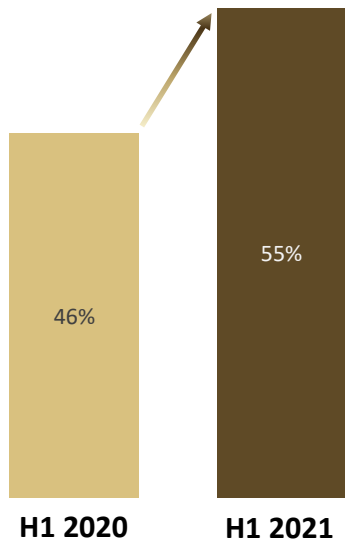
- 2 weeks of Juwelo birthday event with high density of special guests and high airtime share of premieres (=fresh products), generating the highest ppm in the history of the German TV business
- Successful launch of two new guests & their jewelry collection

Source: Internal ERP system

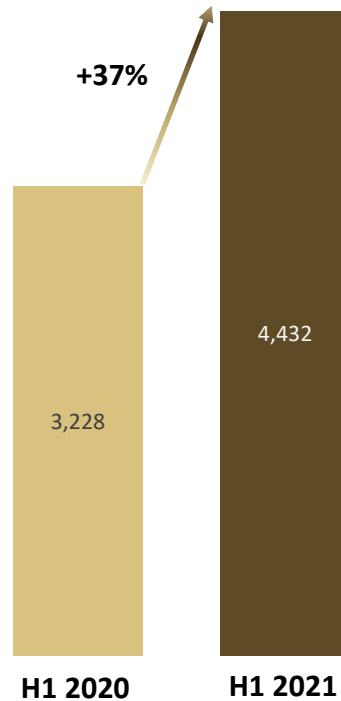


Expansion of airtime share for products below 100 EUR contributed to increase of new LIVE TV customers

Airtime share for U100 EUR product ¹⁾



New customers LIVE TV



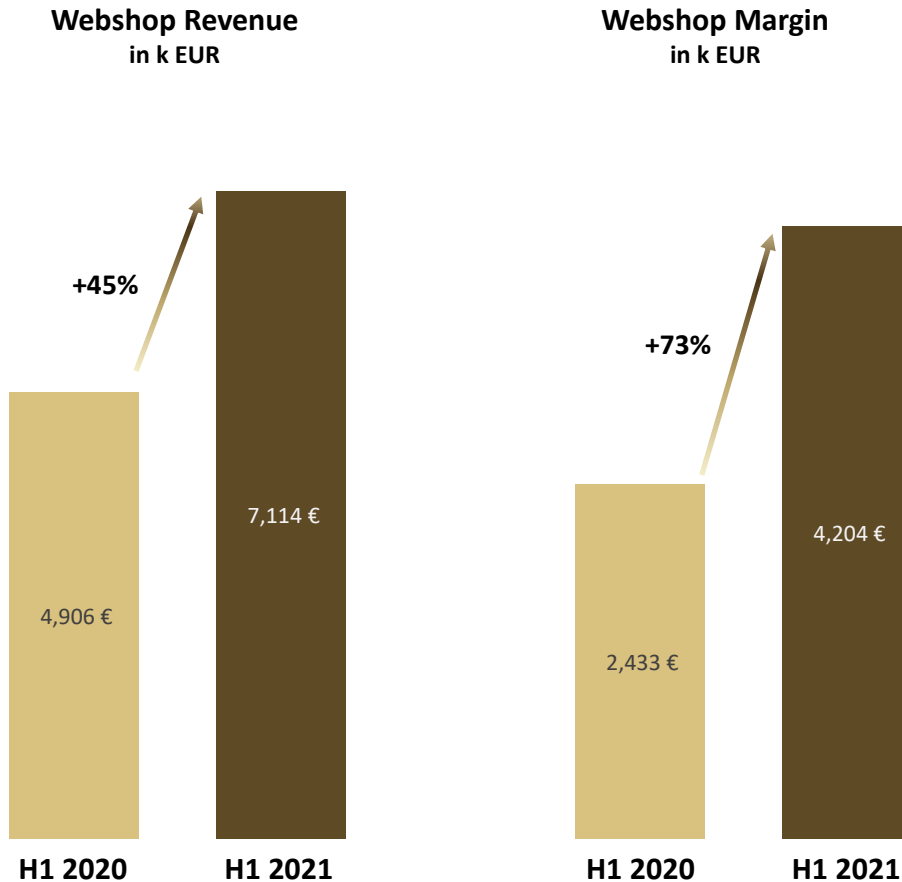
Optimized LIVE program for new customer acquisition

- More than 70% of new customers spent less than 100 EUR on their first purchased article at elumeo. Therefore, articles with price points below 100 EUR are very important for new customer acquisition
- In H1 2021, we expanded the airtime share for articles at this price point, increasing the number of new customers

Source: Internal ERP system ¹⁾ Products with selling price below 100 Euro



Webshop continues its strong growth in Revenue and Margin in H1 2021 vs. H1 2020



Main developments

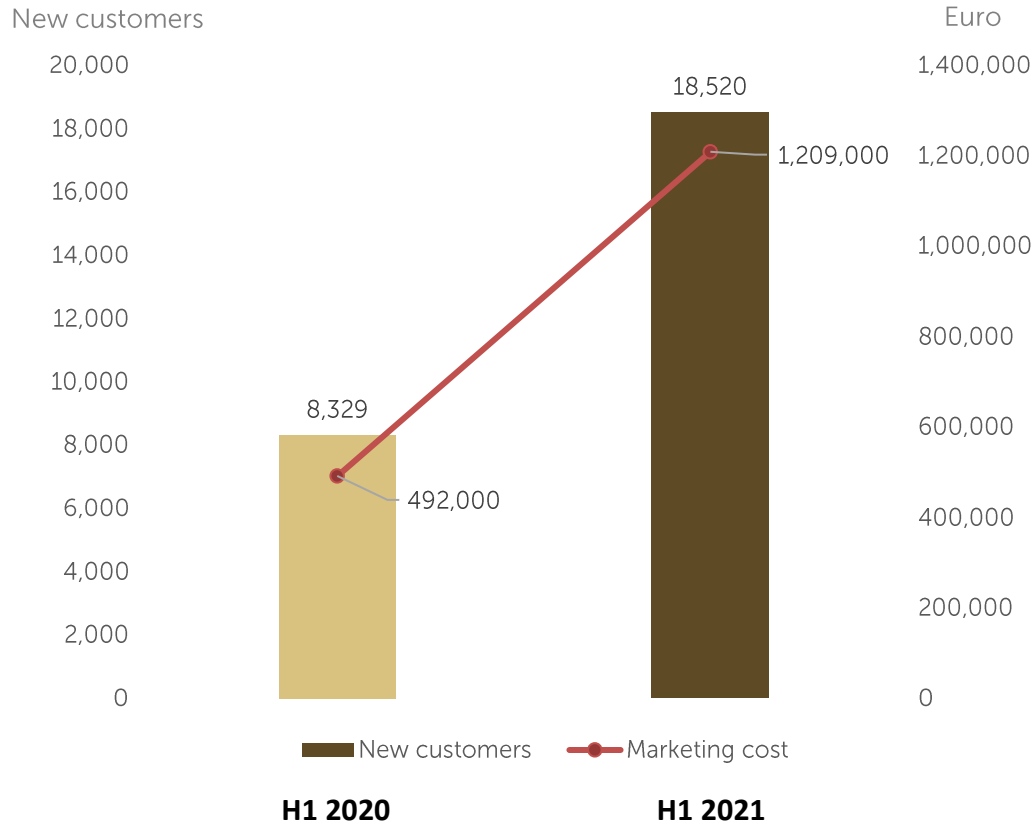
- Optimizations in all main online marketing channels
- Improved navigation, making it easier for customers to find what they are looking for
- Technical improvements in checkout, improving the payment procedure
- New product categories based on the preferences of the customers
- Expansion of gamification elements
- Increase of high value sales
- Product videos for >90% of all products

Source: Internal ERP system, based on static webshop performance (=without TV livestream)



Successfully scaled online marketing for new WEB customers, +122% new WEB customers H1 2021 vs. H1 2020

New customers and online marketing spending (in EUR)
H1 2020 to H1 2021



Online marketing optimizations

- Improved targeting of potential new customers and increased online traffic for jewelry due to COVID19 allowed to increase the pace with paid traffic channels
- Successful implementation of search engine marketing optimizations and social media marketing (esp. Facebook)
- Produced platform-specific content videos for our Youtube account
- Added new paid marketing channels: Taboola and Pinterest

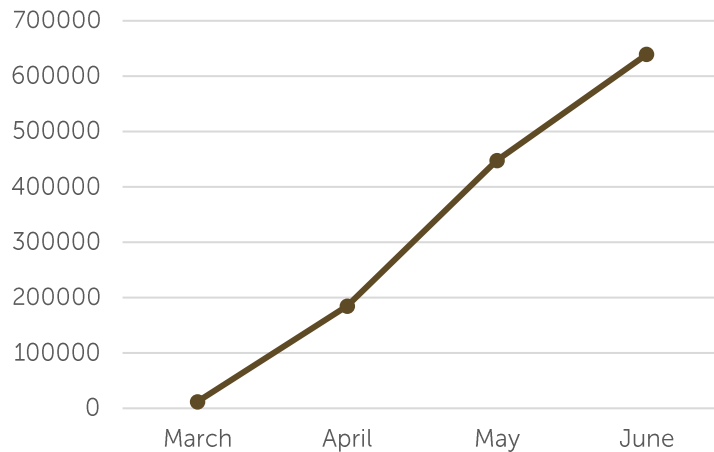
Source: Internal ERP system



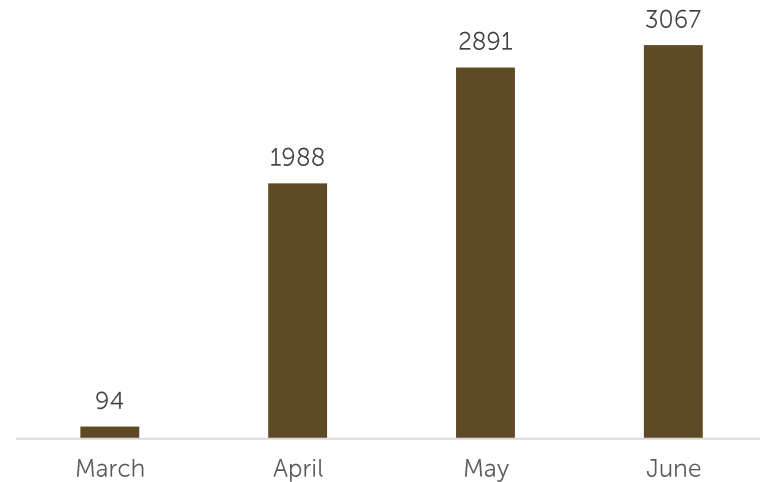
Already more than 600k watched videos in Mein Juwelo in H1 2021. Next milestone is launch of optimized KI.

Mobile

Product videos watched March - June
(cumulative)



Unique users increasing every month



Personalized video-playout of individual, AI-curated product videos in the mobile app

- Automatic generation and storage of videos in Juwelos Database during live shows
- Proprietary algorithm determines program for each viewer individually
- More than 600k videos watched; unique users are increasing, very positive feedback from customers
- Next milestone is launch of optimized AI

Source: Internal ERP system



Our new app „jooli“ successfully launched in Q2 2021



Jooli is a multi-dimensional video-shopping App with AI-curated product videos

- First app of its kind in Europe
- Videos are produced by cooperation partners offering their products on the platform
- Jooli is organized in channels and 2-dimensional: Up and down changes channels, left and right changes products in channels
- Proprietary algorithm determines program for each viewer individually
- Checkout for purchases in the webshops of cooperation partners



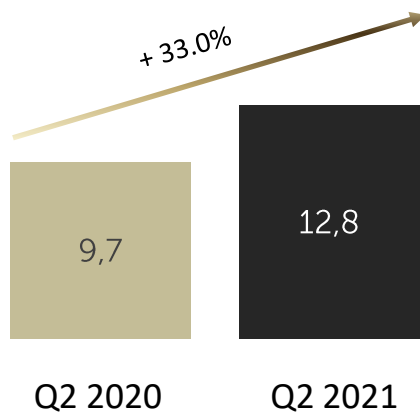
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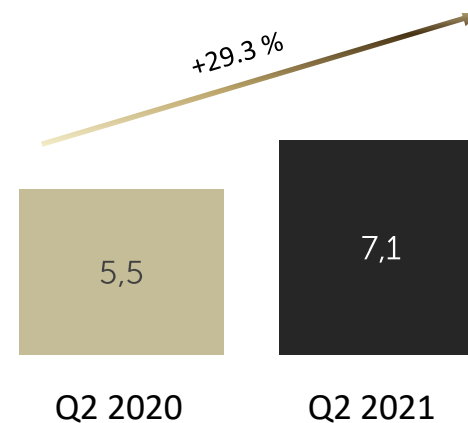


Q2 2021 vs. Q2 2020 performance – Overview

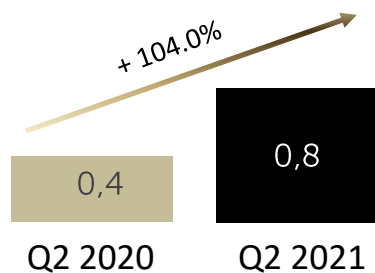
Revenues (m€)



Gross profit (m€) and margin



Adjusted EBITDA (m€)



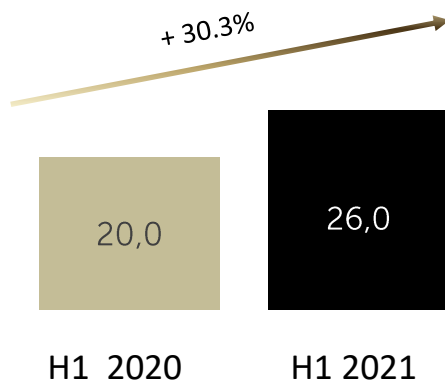
- Revenues growth by 33.0%
- Gross profit increased by 1.6m€
- Adjusted EBITDA significantly improved 0.4m€

Source: Quarterly release Q1 2021, unaudited

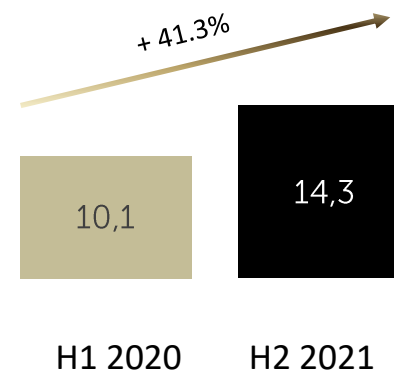


H1 2021 vs. H1 2020 performance – Overview

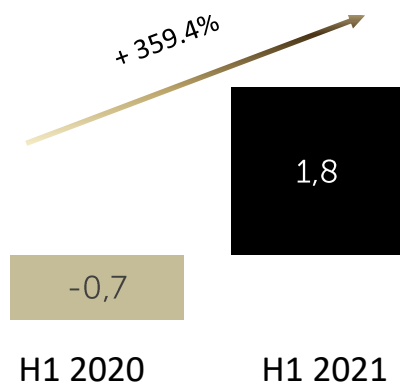
Revenues (m€)



Gross profit (m€) and margin



Adjusted EBITDA (m€)



- Revenues growth by 6.1m€
- Gross profit increased 4.2m€
- Adjusted EBITDA significantly improved 2.5m€

Source: Quarterly release Q1 2021, unaudited



Key performance indicators (I)

EUR thousand [unless indicated otherwise]	H1 2021		H1 2020		HoH in %	Q2 2021		Q2 2020		QoQ in %
Revenue	26.051	100,0%	19.986	100,0%	30,3%	12.842	100,0%	9.656	100,0%	33,0%
[The following disclosures represent: absolute values and in % of revenue]										
Gross profit	14.312	54,9%	10.127	50,7%	41,3%	7.102	55,3%	5.492	56,9%	29,3%
EBITDA	1.726	6,6%	-798	-4,0%	316,3%	652	5,1%	316	3,3%	106,4%
Adjusted-EBITDA	1.836	7,0%	-708	-3,5%	359,4%	763	5,9%	374	3,9%	104,0%
Depreciation and amortisation	482	1,9%	472	2,4%	2,1%	250	1,9%	233	2,4%	7,3%
EBIT	1.244	4,8%	-1.270	-6,4%	198,0%	402	3,1%	83	0,9%	384,6%
Total comprehensive income	1.179	4,5%	-1.269	-6,3%	192,9%	363	2,8%	72	0,7%	404,3%
Selling and administrative expenses	13.163	50,5%	11.363	56,9%	15,8%	6.693	52,1%	5.365	55,6%	24,8%
[absolutely and in % of balance sheet total]										
Total assets¹	22.048	100,0%	21.164	100,0%	4,2%					
Total equity¹	5.530	25,1%	4.346	20,5%	27,2%					
[absolutely and in % of balance sheet total]										
Working capital¹	4.184	19,0%	4.142	19,6%	1,0%					
[absolutely and in % of balance sheet total]										

¹ Prior year disclosure: 31 Dec 2020



Key performance indicators (II)

EUR thousand [unless indicated otherwise]	H1 2021		H1 2020		HoH in %	Q2 2021		Q2 2020	QoQ in %
Net cash flow from operating activities	1.617	6,2%	1.049	5,2%	54,2%				
Net cash flow from investing activities	-177	-0,7%	-114	-0,6%	-55,4%				
Net cash flow from financing activities	-196	-0,8%	-605	-3,0%	67,7%				
Items sold [pieces]	288.668		255.305		13,1%	142.559	108.143		31,8%
Average sales price (ASP) [EUR]	90		78		15,3%	90	89		0,9%
Gross profit per item sold [EUR]	50		40		25,0%	50	51		-1,9%
<u>New customer breakdown (Germany only)</u>									
[in % of new customers]									
TV only	13%		25%		-11,5 p.p.	14%	23%		-8,5 p.p.
Web only	76%		64%		11,9 p.p.	76%	65%		10,6 p.p.
Others	11%		12%		-1,4 p.p.	10%	11%		-1,1 p.p.



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Outlook 2021 – low double-digit growth, Adjusted EBITDA low to mid single-digit million

Sales

The management of the elumeo Group expects sales growth in the low double-digit percentage range from the further growth of the web shops and the Italian TV business.

Gross Margin and Adjusted EBITA

The company expects the gross profit margin to be > 50% for the gross profit margin. Due to the unpredictable uncertainties due to the COVID-19 pandemic, management is assuming that the Adjusted EBITDA will likely be in the low to mid single-digit million range in 2021.

