

elumeo

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

Q3 2021 Financials Earnings Call 11.11.2021



Summary of key developments

- **New customer acquisition in both channels, television and online, led to increased revenues by 15% to EUR 11.7 million in third quarter of 2021. The webshops outperformed the overall market development of ecommerce in Germany by 50%**
- **Gross profit in Q3 2021 grew slightly faster than revenue resulting in an increase of adjusted EBITDA by 36% to EUR 0.7 million**
- **In Q2 2021 elumeo has launched a new Video shopping app called jooli. Since its launch the app grows consistently by well over 100% month-on-month and played more than 41,000 in October**
- **elumeo confirms its revenue and earnings forecast. In 2021 sales growth in the low double-digit percentage range and Adjusted EBITDA in the low to mid single-digit million range.**



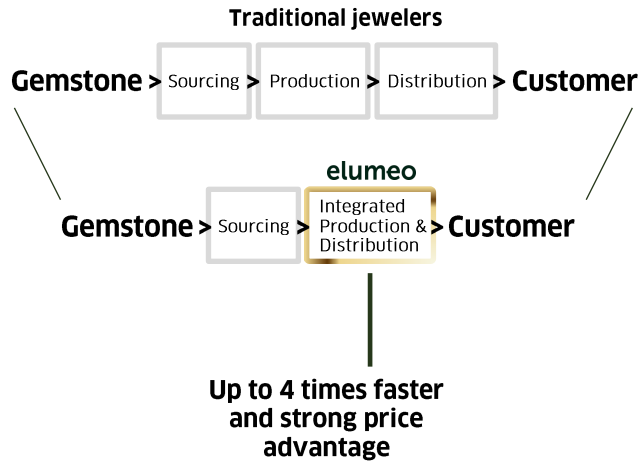
Table of contents

1	elumeo at a glance
2	Key developments in Q3 2021
3	Financials Q3 2021
4	Outlook



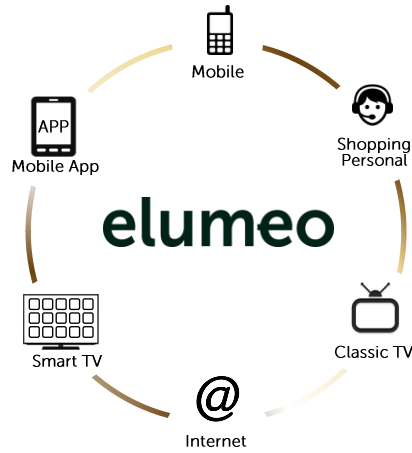
elumeo's business model is founded on three pillars

Vertically integrated and scalable value chain



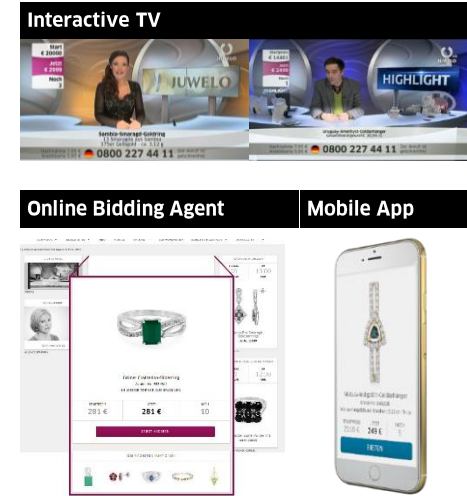
Fast reaction times and low production cost

Multiple electronic distribution channels



Presence in all electronic distribution channels

Live and interactive sales features



Video content transports both facts and emotion



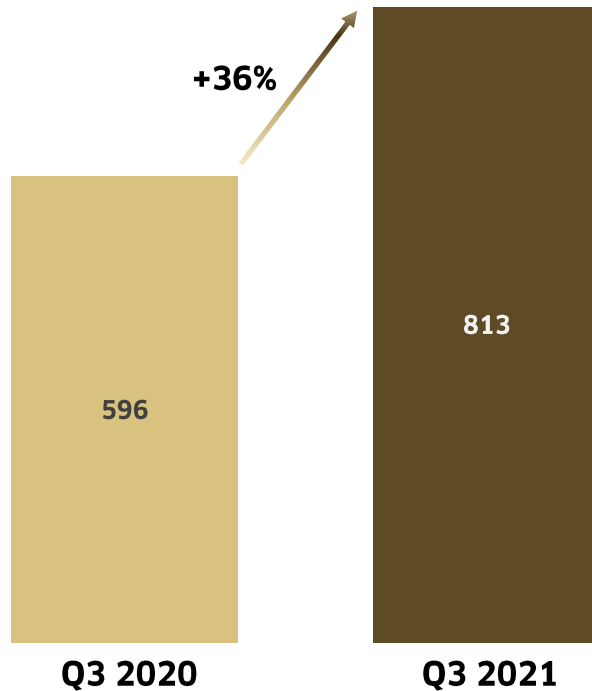
Table of contents

1	elumeo at a glance
2	Key developments in Q3 2021
3	Financials Q3 2021
4	Outlook



Online bidding agent was strong growth driver for LIVE TV business

LIVE revenue of bidding agent
(online livestream)
in k EUR



Bidding agent customers
increased by 22%

- The online bidding agent is a tool of the webshop that allows customers to participate in the LIVE auction
- With a simple click, customers can directly buy the presented products without needing to call a telephone number and/or speak to a customer service agent
- The amount of bidding agent customers increased by 22% in Q3 vs. PY period
- Bidding agent users are coming from both Web and TV

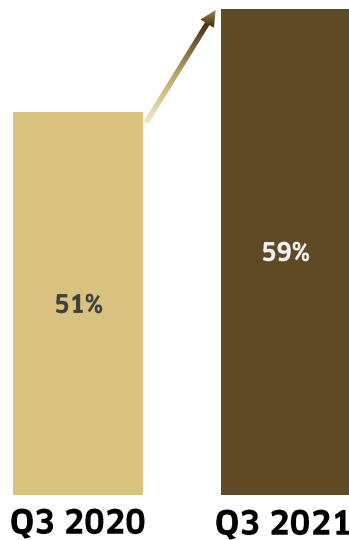
Source: Internal ERP system ¹⁾ Products with selling price below 100 Euro



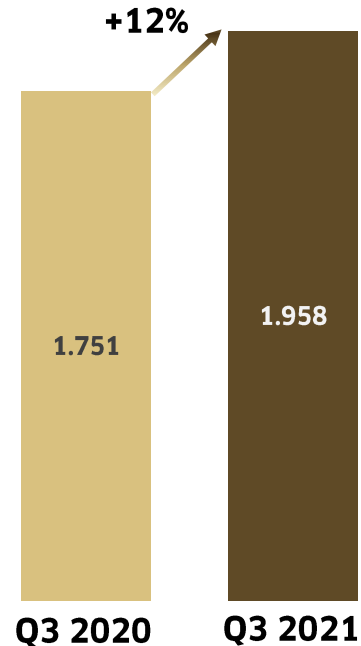
Expansion of airtime share for products below 100 EUR contributed to increase of new LIVE TV customers

LIVE

Airtime share for U100 EUR product¹⁾



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
- Since beginning of 2021, we expanded the airtime share for articles at this price point, increasing the number of new LIVE TV customers

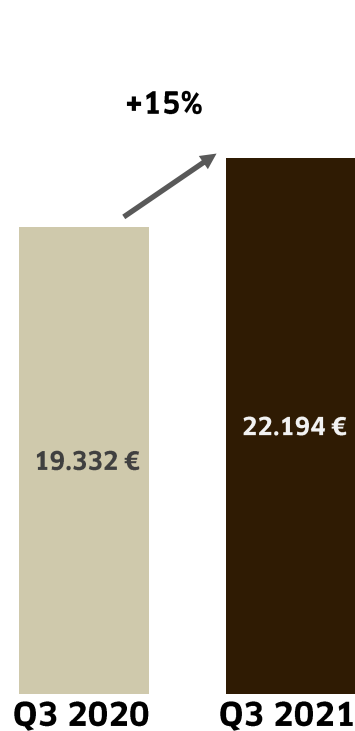
Source: Internal ERP system ¹⁾ Products with selling price below 100 Euro



The static Webshop continues its growth in revenue and margin, outperforming the growth rate of total eCommerce in Germany

WEB

Revenue of total German eCommerce
in m EUR
(Bundesverband E-Commerce und Versandhandel e.V.)



Elumeo Webshop revenue
in k EUR



Main developments

- elumeo Web continues to grow by 21% in Q3 vs. PY period
- In comparison, total eCommerce in Germany has reached a growth of 15% in Q3 vs. PY period according to Bundesverband E-Commerce und Versandhandel e.V.
- Main driver for elumeo Web growth were optimizations of mobile navigation and checkout, improving the CVR of smartphone traffic by 7%, and new ROAS-based retargeting campaigns focusing on bringing existing customers back into the shop¹⁾

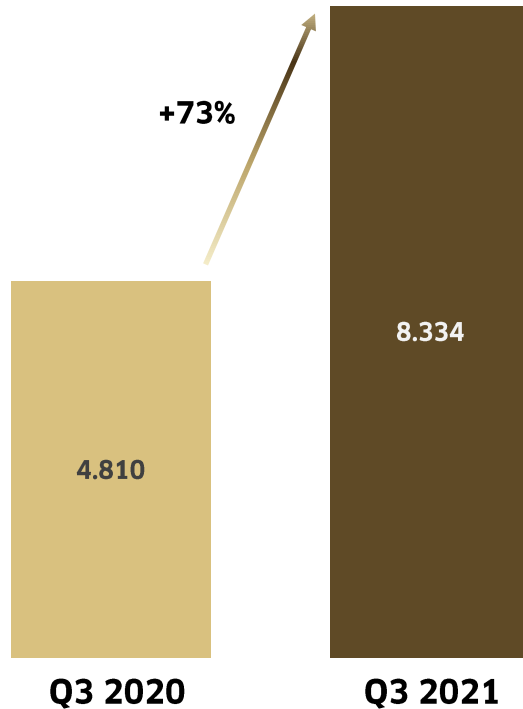
Source: Internal ERP system, based on static webshop performance (=without TV livestream)

¹⁾ Source: Google Analytics, data for German webshop



Number of new WEB customers continues to grow significantly

New web customer growth



Online marketing optimizations

- Improvement of several new customer campaigns in our main online marketing channels
- Improved re-targeting of potential customers, who have already visited the shop
- Optimized registration process for new customers, improving the CVR of new users by 24% in Q3 2021 vs. PY period

Source: Internal ERP system



elumeo launched the new videoshopping app „jooli“ in Q2 2021



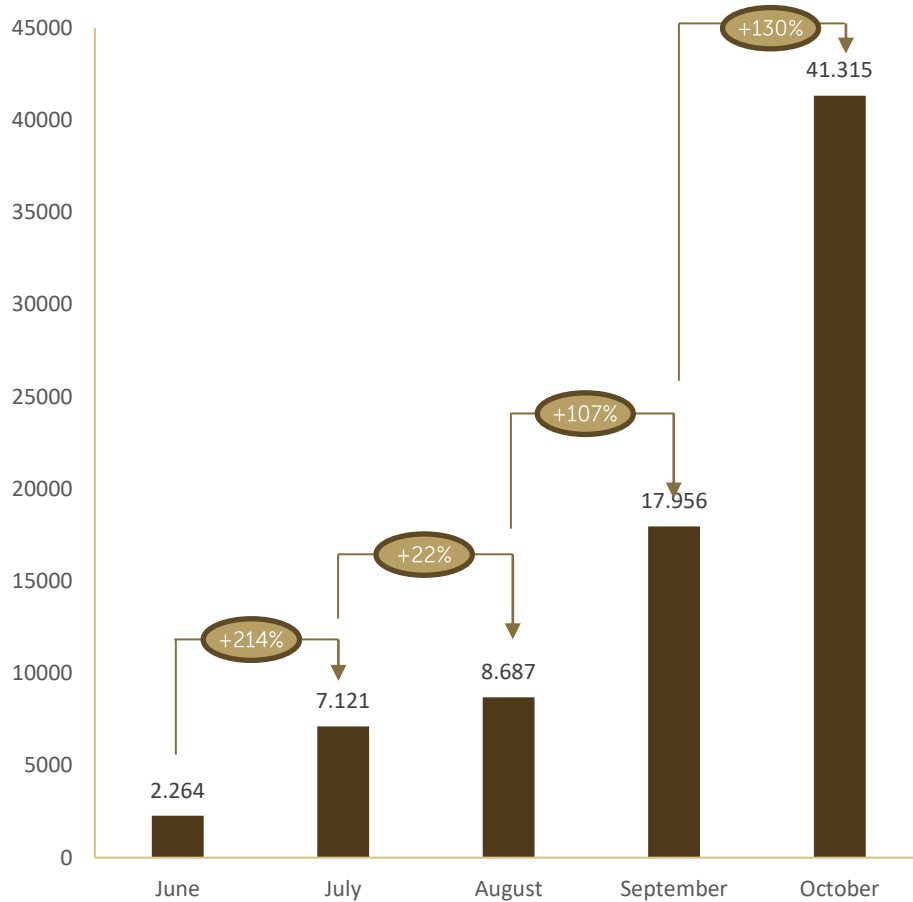
jooli is a multi-dimensional video-shopping App with AI-curated product videos

- 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



jooli is the fastest growing video shopping app in Europe

Number of videos played during month



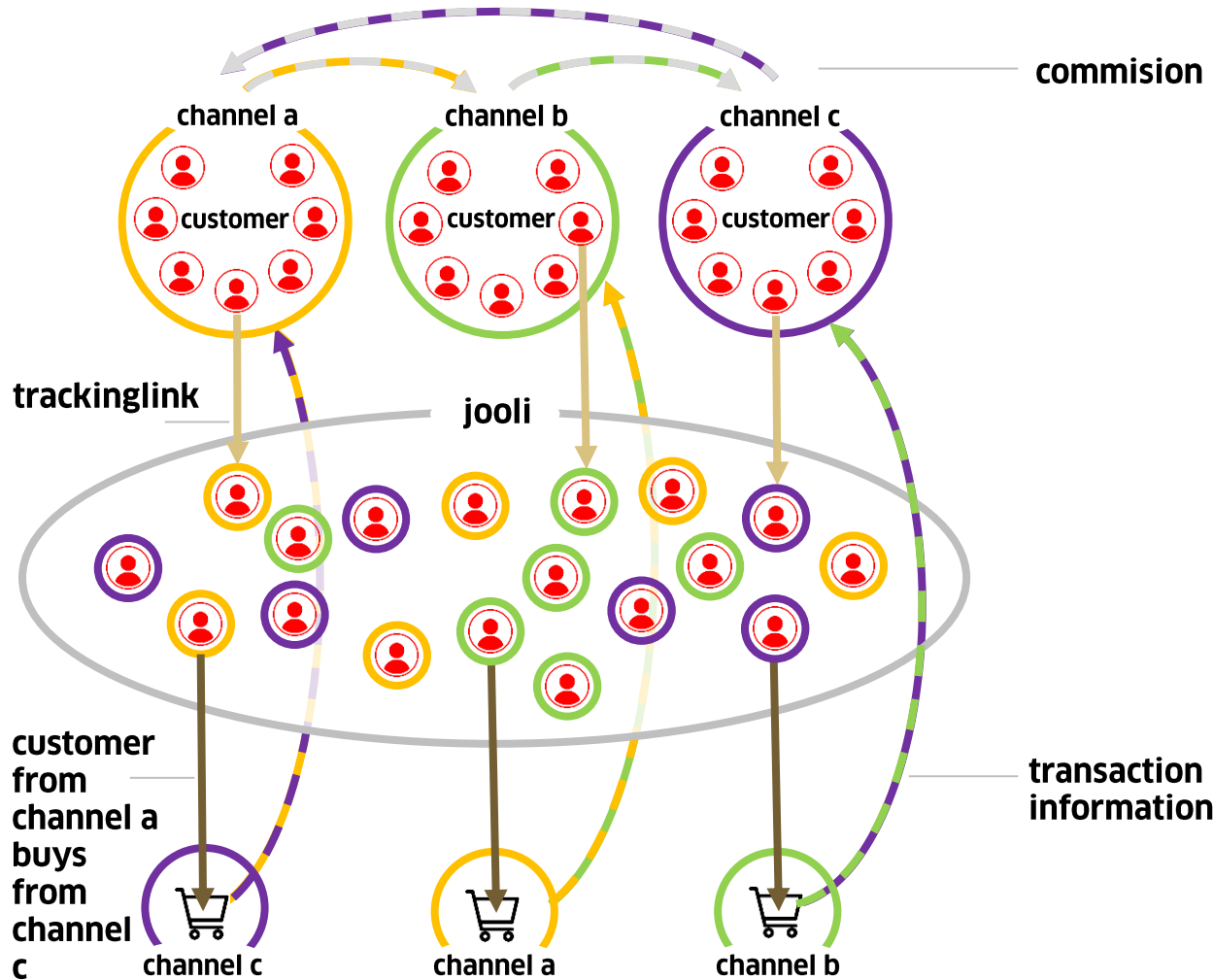
Main developments since the launch

- Since launch jooli has added more than 20 new channels
- In November jooli has reached more than 10.000 users
- Version 1.3.5. has been published with substantially improved video streaming performance and social media sharing features

Source: Internal ERP system, data until October 31, 2021



Innovative customer pooling technology will drive growth of users and channels



Full launch planned for Q1 2022

Channels can promote their videos to their own customers via email-marketing or social media

jooli tracks the origin of customers via firebase dynamic links

Channels do not pay anything for sales to their own customers on jooli

Channels receive a 2,5% commission for all sales to their customers on other jooli channels plus a 10€ new customer bonus for the first buy (in 2022 5€)



Next steps

- jooli has launched a dedicated B2B marketing campaign in November 2021 to attract more channels
- In Q1 2022 jooli will use its customer pooling technique and introduce an ambassador program dedicated at social media influencers in order to drive user growth
- Starting in November/December 2021 jooli will internationalize by launching localized beta-versions of its App in Hindi, Italian, French and English
- Standard APIs for the main eCommerce Shop Systems will be developed and launched until the end of Q1 2022

Source: Internal ERP system, data until October 31, 2021



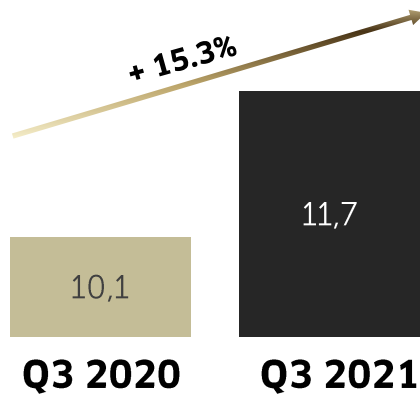
Table of contents

1	elumeo at a glance
2	Key developments in Q3 2021
3	Financials Q3 2021
4	Outlook

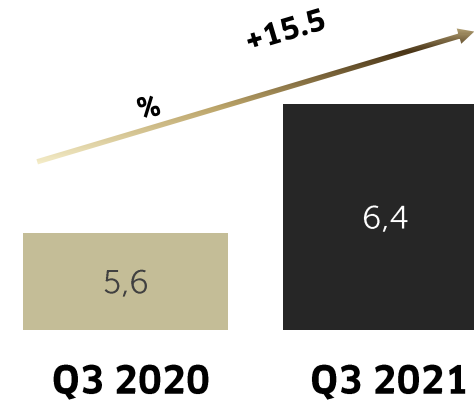


Q3 2021 vs. Q3 2020 performance – Overview

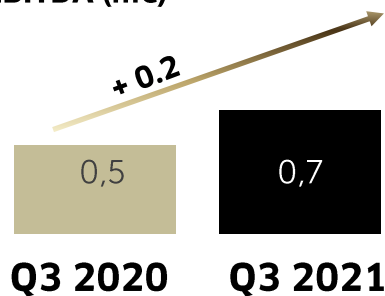
Revenues (m€)



Gross profit (m€) and margin



Adjusted EBITDA (m€)



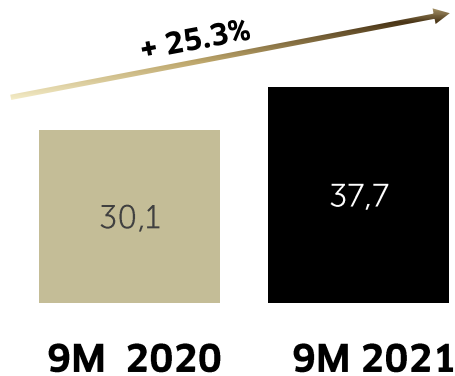
- Revenues growth by 15.3%
- Gross profit increased by 0.9m€
- Adjusted EBITDA improved 0.2m€

Source: Quarterly release Q3 2021, unaudited

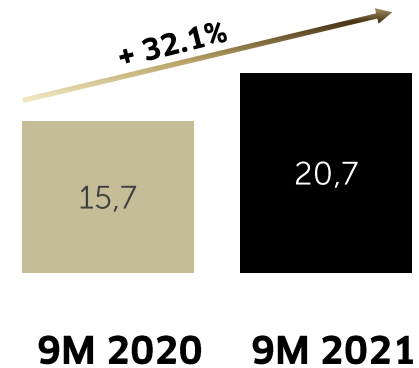


9M 2021 vs. 9M 2020 performance – Overview

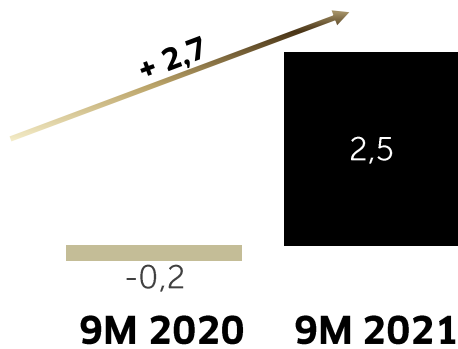
Revenues (m€)



Gross profit (m€) and margin



Adjusted EBITDA (m€)



- Revenues growth by 25.3%
- Gross profit increased 32.1%
- Adjusted EBITDA significantly improved 2.7m€

Source: Quarterly release Q1 2021, unaudited



Key performance indicators (I)

EUR thousand [unless indicated otherwise]	Q3 2021		Q3 2020		QoQ in %	9M 2021		9M 2020		QoQ in %
Revenue	11.675	100,0%	10.129	100,0%	15,3%	37.725	100,0%	30.115	100,0%	25,3%
[The following disclosures represent: absolute values and in % of revenue]										
Gross profit	6.432	55,1%	5.571	55,0%	15,5%	20.744	55,0%	15.698	52,1%	32,1%
EBITDA	573	4,9%	417	4,1%	37,3%	2.299	6,1%	-307	-1,0%	848,8%
Adjusted-EBITDA	665	5,7%	489	4,8%	35,9%	2.501	6,6%	-218	-0,7%	>1.000%
Depreciation and amortisation	244	2,1%	228	2,3%	7,0%	726	1,9%	700	2,3%	3,7%
EBIT	329	2,8%	189	1,9%	73,8%	1.573	4,2%	-1.007	-3,3%	256,2%
Total comprehensive income	290	2,5%	199	2,0%	45,9%	1.469	3,9%	-1.071	-3,6%	237,2%
Selling and administrative expenses	6.132	52,5%	5.320	52,5%	15,3%	19.294	51,1%	16.683	55,4%	15,7%
Total assets¹						21.933	58,1%	21.164	70,3%	3,6%
Total equity¹						5.822	15,4%	4.346	14,4%	34,0%
[absolutely and in % of balance sheet total]										
Working capital¹						4.782	12,7%	4.142	13,8%	15,5%
[absolutely and in % of balance sheet total]										
[The following disclosures represent: absolute values and in % of revenue]										
Net cash flow from operating activities						1.578	4,2%	1.102	3,7%	43,2%
Net cash flow from investing activities						-271	-0,7%	-132	-0,4%	-105,3%
Net cash flow from financing activities						-292	-0,8%	-685	-2,3%	57,4%



Key performance indicators (II)

EUR thousand (unless indicated otherwise)	Q3 2021	Q3 2020	QoQ in %	9M 2021	9M 2020	QoQ in %
[The following disclosures represent: based on the internal controlling system]						
Items sold [pieces] ²	141.867	107.800	31,6%	430.535	296.747	45,1%
Average sales price (ASP) [EUR] ²	82	94	-12,4%	88	101	-13,7%
Gross profit per item sold [EUR] ²	45	52	-12,3%	48	53	-8,9%
Average basket [EUR] ³	181	214	-15,7%	195	215	-9,6%
Share marketing expenses of revenue webshop	15%	9%	5,4 p.p.	15%	10%	5,4 p.p.
Customer Value after one year ⁴	456	559	-18,5%			
Customer Value after five years ⁴	1.036	1.091	-5,0%			
<u>Web traffic breakdown</u>						
[in % of channel]						
Organic	25%	32%	-7,2 p.p.	26%	32%	-5,4 p.p.
Direct	10%	14%	-4,1 p.p.	11%	14%	-3,7 p.p.
Paid	36%	22%	13,2 p.p.	37%	22%	15,2 p.p.
Mail	8%	8%	0,2 p.p.	7%	6%	1,1 p.p.
Other	21%	23%	-2,1 p.p.	19%	26%	-7,1 p.p.
<u>New customers breakdown</u>						
TV	1.958	1.751	11,8%	6.391	4.977	28,4%
Web	8.334	4.810	73,3%	26.925	13.210	103,8%

¹ Prior year disclosure: 31.12.2020

² Change of prior year numbers from sent pieces
to ordered pieces after cancellations and returns

³ Average basket before cancellations and returns

⁴ Based on rolling cohorts



Table of contents

1	elumeo at a glance
2	Key developments Q3 2021
3	Financials Q3 2021
4	Outlook



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.



Points of contact

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