

elumeo

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

Q1 2023 Financial Earnings Call 12.05.2023



Summary of key developments

- **elumeo succeeded in outperforming the market, stabilizing its LIVE business in second half of Q1 and getting back on path of growth with WEB in April.**
- **Sales declined by 13.5% to EUR 10.8 million driven by consumer reticence in a highly inflationary environment. Adjusted EBITDA at EUR -169 k.**
- **elumeo has launched a program to improve the performance in 2023 with a volume of EUR 1.6 million.**
- **After restructuring, the Italian business returned to profitability.**
- **Jooli continues to grow in all main KPIs. Important milestone was the launch of the real-time AI feed in May.**
- **Outlook 2023: Sales are expected to remain stable compared to last year and adjusted EBITDA is expected to be in the positive low single-digit million range.**



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elumeo's business model is founded on three pillars



Videoshopping

- Increased Conversion rates
- Higher Customer Lifetime Value
- Video transports both facts & emotion



Digital Transformation

- Transformation from traditional linear TV to highly personalized individual online product shows



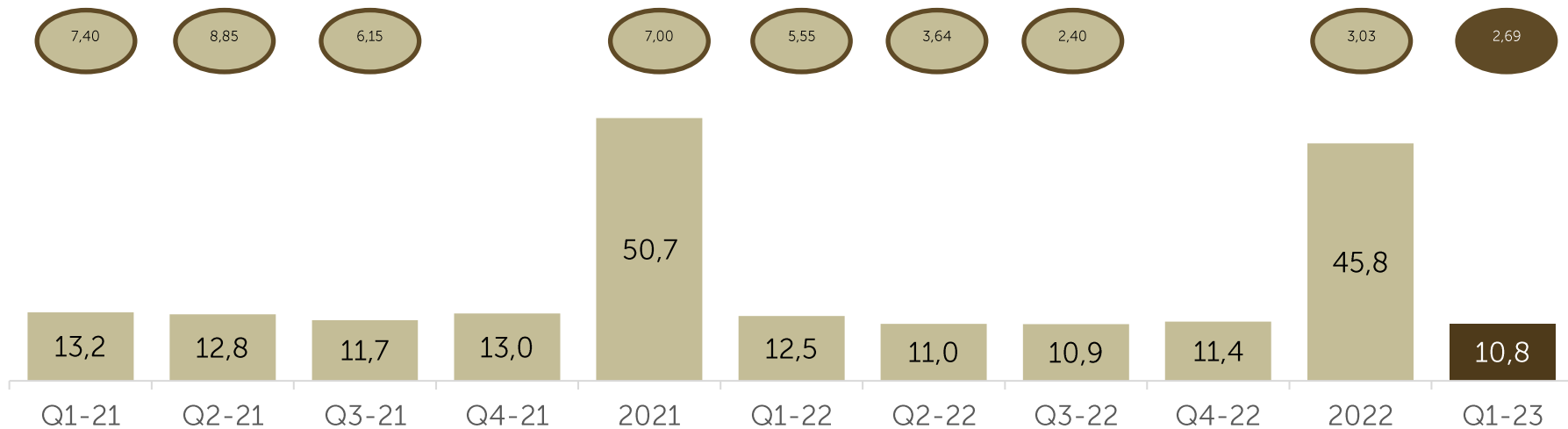
Integrated value chain

- Huge variety of gemstones thanks to more than 30 local manufactories
- Low level of production cost, strong price advantage
- Fast reaction times



After eleven consecutive profitable quarters, Q1 2023 with negative Adjusted EBITDA driven by consumer reticence in a highly inflationary environment

Stock price and Revenues (m€)



Adjusted EBITDA (m€)

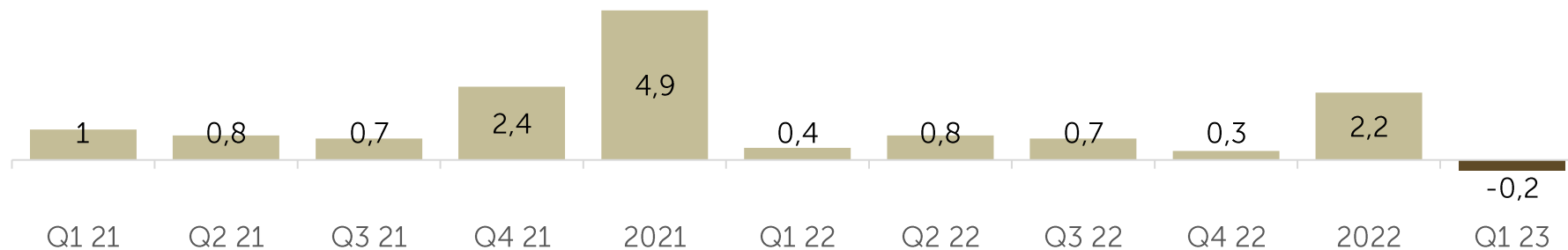


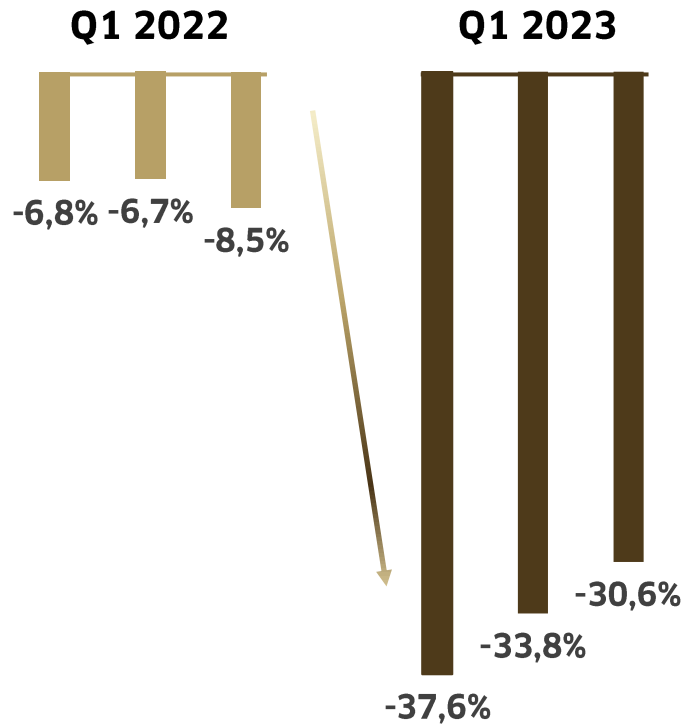
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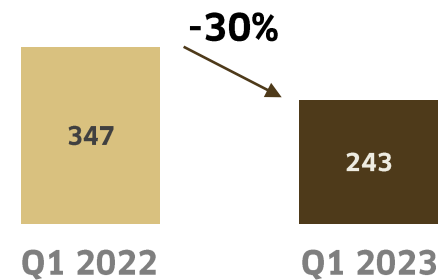
Economic environment in Q1 worse compared to PY causing a significant revenue decline in the market

GfK consumer sentiment index



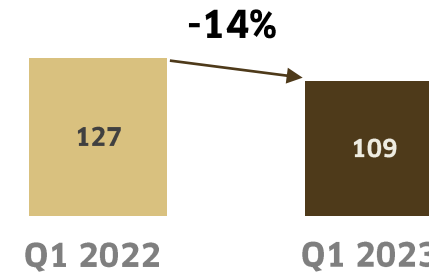
Revenue of German Online Jewelry & Watches Market

in m EUR



Revenue of German Teleshopping Market

in m EUR

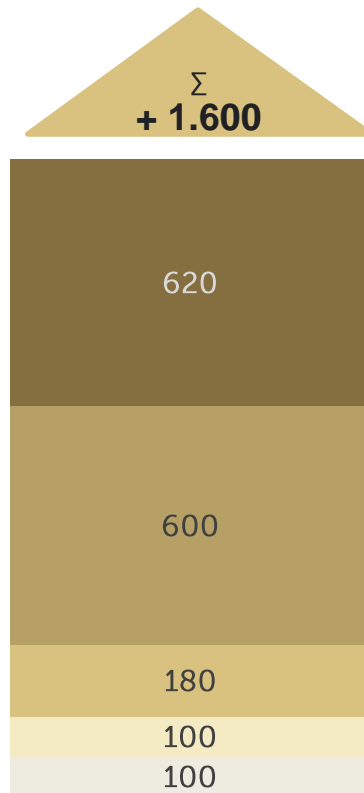


Source: Study conducted by Gesellschaft für Konsumforschung "GfK-Konsumklima MAXX"



Action plan for operational improvement of 1.6 million Euro for 2023

Operational Performance improvement...
in k EUR



... based on an action plan with 38 items

Gross profit margin improvement

- Sales and marketing activities
- Re-negotiation of purchase prices
- New jewelry collections

Personnel cost improvement

- Short-term allowances
- Operating cost reduction

Online marketing cost optimization & other cost

Management salary

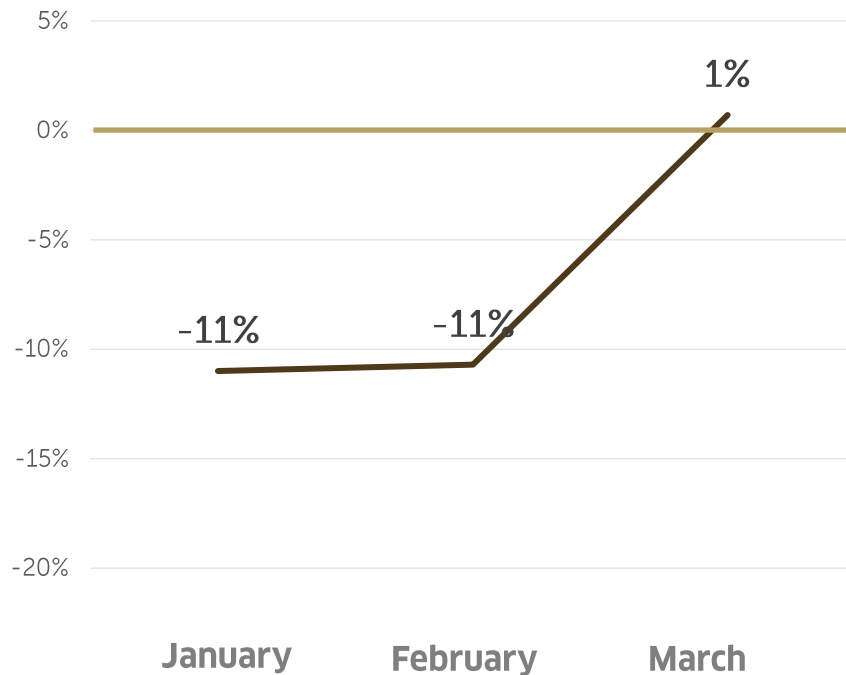
Jooli cost improvements



elumeo LIVE business stabilized in second half of Q1

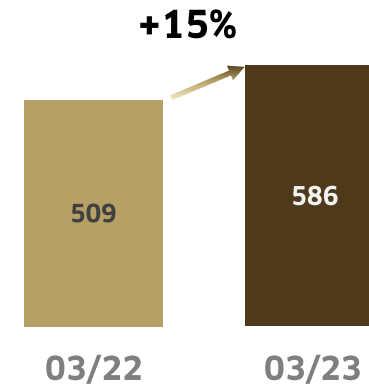
Revenue growth rate of elumeo LIVE business compared to PY quarters

QoQ in %, without ITA LIVE



New LIVE customers in March

MoM, LIVE without ITA



- The first two months in 2022 took place under positive economical circumstances (no war, positive COVID19 effects)
- In 2nd half of Q1, thanks to an increased number of active and new customers, our LIVE business stabilized

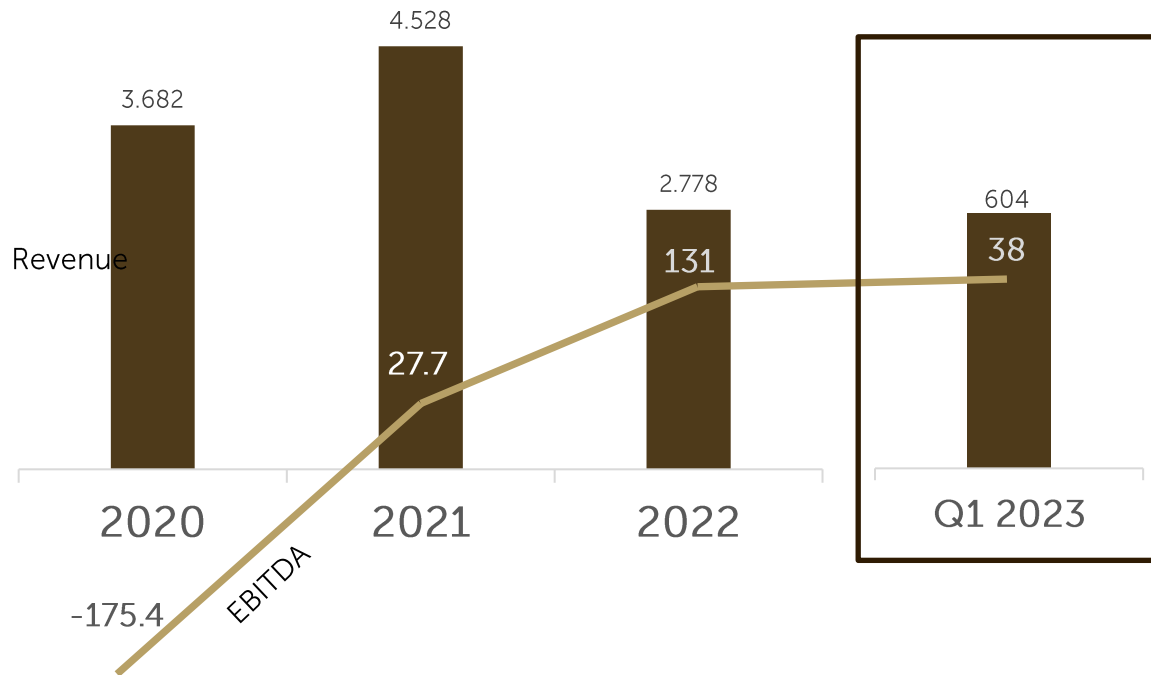
Source: Internal ERP system



After restructuring, Italian business returned to profitability

Revenue and EBITDA development of Italian market

TV + Online business



- After a strong sales decline in Q1 2022, Italian business was restructured, reducing the 24-hour broadcasting to a 7-hour transmission window.
- This was accompanied in disproportionately high savings in broadcasting range costs.
- Since then, our Italian business has returned to profitability

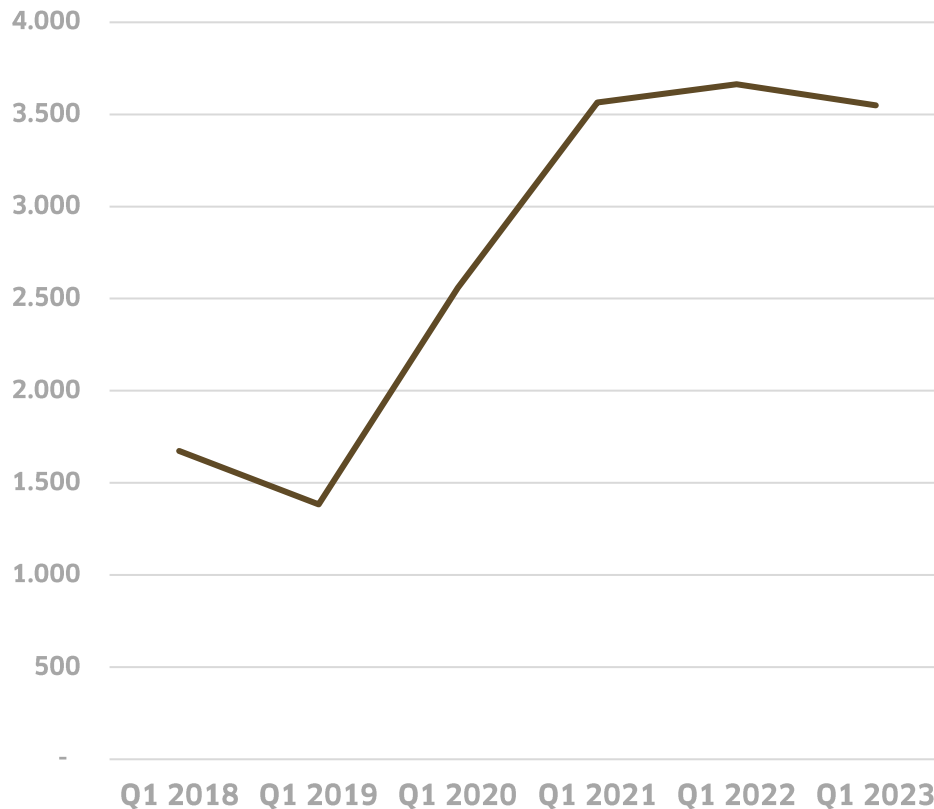
Source: Internal ERP system



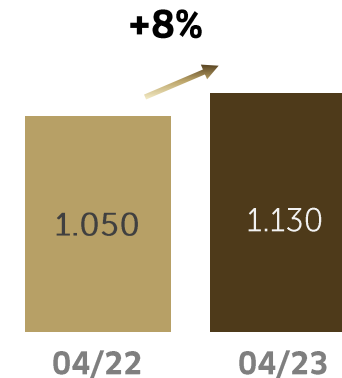
Revenue of elumeo webshop remains above pre-pandemic level and returned to growth in April

WEB

Webshop revenues in Q1 2018-2023 in k EUR



Webshop returned to growth 04/2022 vs. 04/2023 in k EUR



- Web revenue decreased by only 3% vs. Q1 2022
- New customers above PY since 2nd half of Q1
- Successfully launched new on-page search

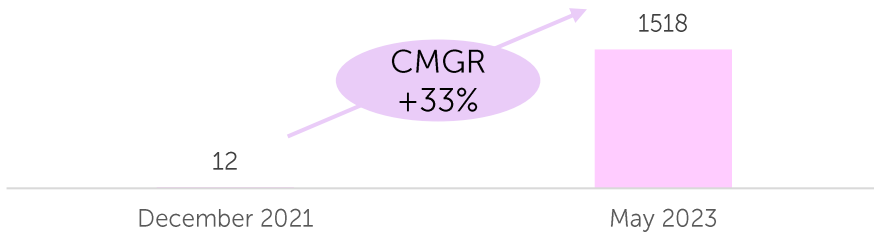
Source: Internal ERP system, based on static webshop performance (=without livestream or other online non-linear channels)



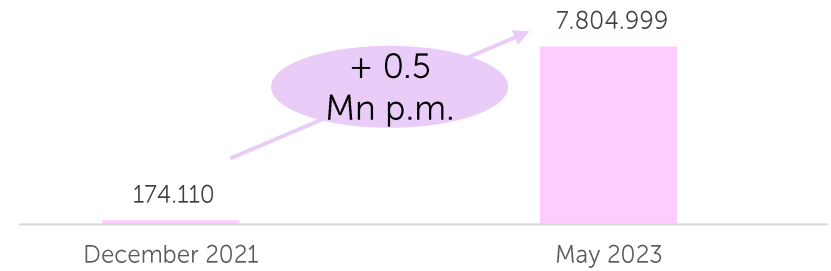
Video shopping app Jooli continues to grow in all main KPIs

Active in India and Europe

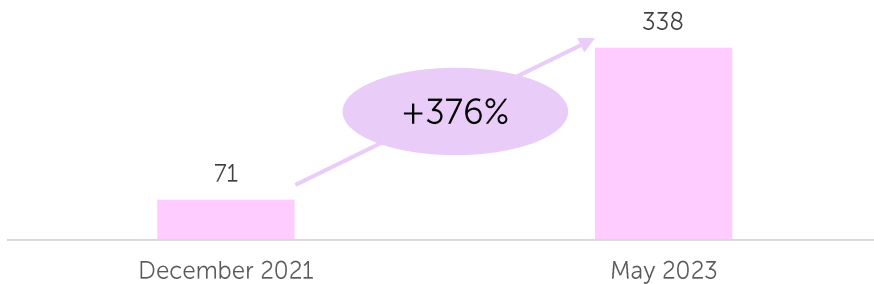
Fast Growth of Channels
(Example: India)



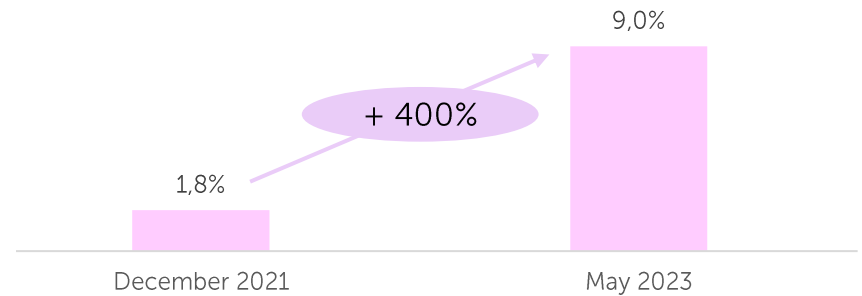
Cumulative video views India



Improved watchtime per user, in seconds



Significant improvement in daily retention



Daily retention: significant improvement on next day retention



Major progress on product maturity also in 2023



The real-time feed recalculates every 5 interactions
It will increase:

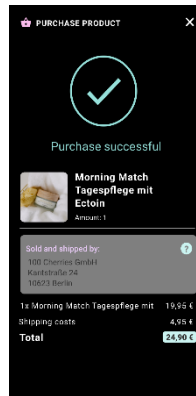
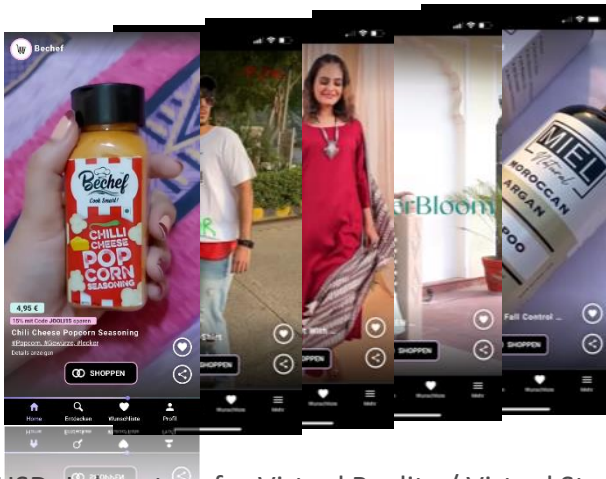
- video impressions
- retention
- conversion

In-app payment solution & logistics:

- Major payment methods
- Cash on delivery

Upcoming features:

- AI-supported voice assistant
- Merchant self-onboarding
- Metaverse app in collaboration with HSD



HSD: Laboratory for Virtual Reality / Virtual Studio of University of Applied Sciences Düsseldorf



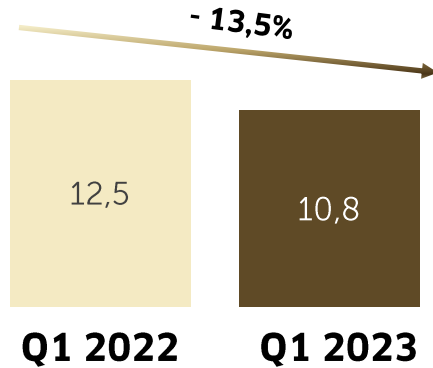
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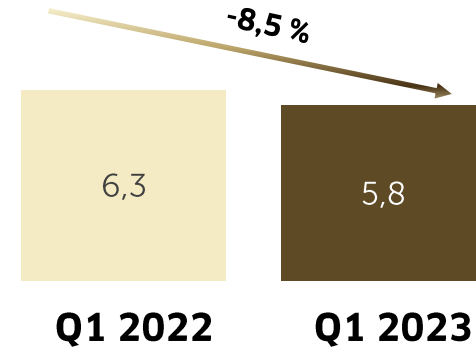


In Q1 2023 decline in sales driven by customer reticence

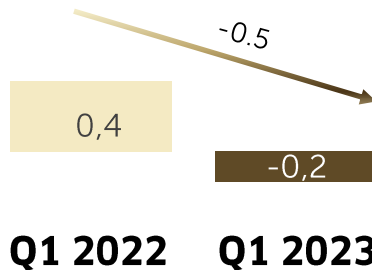
Revenues (m€)



Gross profit (m€)



Adjusted EBITDA (m€)



Revenue: Decline in sales driven by customer reticence in Q1 2023. The decline can also be partly explained by the strong growth until the war in Ukraine in the same period of the previous year when European countries were in Corona lockdown.

Gross profit: Gross margin above 50%.

Adjusted EBITDA: Stable personal costs, nevertheless after eleven consecutive quarters, Adjusted EBITDA negative.



Negative Adjusted EBITDA, after eleven consecutive quarters

	Q1/2023	Q1/2022
EBITDA (TEUR)	-575	366
(+/-) Currency translation expenses and income	-70	-98
(+) Expenses for share-based payments	39	84
(+) Research, development and sales expenses Jooli	250	400
(+) Expenses for termination of Italian range contract	0	-406
(+) Expenses Juwelo Italia s.r.l.	4	27
(+) Expenses dismissal of lawsuit Kat Florence	183	0
Adjusted EBITDA	-169	373



In Q1 2023 positive operative cashflow

EUR thousand [unless indicated otherwise]	Q1 2023		Q1 2022		QoQ in %
Revenue	10.779	100,0%	12.460	100,0%	-13,5%
<u>Product revenue by regions</u> [absolutely and in % of product revenue]					
Germany	8.867	82,4%	9.224	74,1%	-3,9%
Italy	604	5,6%	874	7,0%	-30,9%
Other countries	1.294	12,0%	2.349	18,9%	-44,9%
[The following disclosures represent: absolute values and in % of revenue]					
Gross profit	5.762	53,5%	6.295	50,5%	-8,5%
EBITDA	-575	-5,3%	366	2,9%	-257,0%
Adjusted-EBITDA	-169	-1,6%	373	3,0%	-145,3%
Depreciation and amortisation	231	2,1%	236	1,9%	-2,2%
EBIT	-806	-7,5%	131	1,1%	-715,0%
Total comprehensive income	-374	-3,5%	105	0,8%	-456,0%
Selling and administrative expenses	6.688	62,0%	6.617	53,1%	1,1%
Total assets¹	22.316		25.161		-11,3%
Total equity¹	10.399	46,6%	13.902	55,3%	-25,2%
[absolutely and in % of balance sheet total]					
Working capital¹	6.609	29,6%	7.892	31,4%	-16,3%
[absolutely and in % of balance sheet total]					
Net cash flow from operating activities	47		-1.008		104,6%
Net cash flow from investing activities	-13		-16		21,6%
Net cash flow from financing activities	-111		-91		-21,7%



Stable new customer development, despite headwind by customer reticence

EUR thousand [unless indicated otherwise]	Q1 2023	Q1 2022	QoQ in %
[The following disclosures represent: KPIs of the internal controlling system]			
Items sold [pieces] ²	154.577	145.574	6,2%
Average sales price (ASP) [EUR]	70	86	-18,5%
Gross profit per item sold [EUR]	37	43	-13,8%
Average basket [EUR] ³	175	188	-7,1%
Share marketing expenses of revenue webshop	23,0%	19,6%	3,4 p.p.
Customer Value after one year ⁴	323	373	-13,4%
Customer Value after five years ⁴	835	1.030	-18,9%
<u>Web traffic breakdown</u>			
[in % of channel]			
Organic	15,5%	22,5%	-7,0 p.p.
Direct	9,8%	10,0%	-0,2 p.p.
Paid	49,9%	39,8%	10,1 p.p.
Mail	5,5%	6,8%	-1,3 p.p.
Other	19,4%	20,9%	-1,5 p.p.
<u>New customers breakdown</u>			
TV	2.028	2.083	-2,6%
Web	8.396	8.431	-0,4%
Sonstige	9	37	-75,7%



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Outlook 2023 - stable development Adjusted EBITDA low single-digit million

- In light of the operating performance in Q1 2023, elumeo has launched a program to improve the performance in 2023. The total volume of the program in 2023 is 1.6 million Euro.
- Management expects high volatility also in 2023 due to the economical effects caused by the war in Ukraine.
- As a result, the forecast is based on a cautious approach to future development and takes into account possible further negative influences from collapses in demand and supply bottle-necks.
- The first two months of 2022 were still marked by positive COVID effects before the outbreak of the war in Ukraine.



Outlook 2023 - stable development

Adjusted EBITDA low single-digit million

- Management expects sales to develop between a mid-positive and mid-negative single-digit % corridor.
- For the webshop, sales growth in 2023 is expected to be in the low single-digit percentage range.
- The gross profit margin is expected to remain stable at > 50%
- Adjusted EBITDA is expected to be in the low single-digit million range.



Points of contact

Executive Board

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