

elumeo

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



Presentation at the Annual General Meeting of elumeo SE on 25.6.2021

Summary of key developments

- After a challenging first quarter, elumeo was able to adapt quickly to the new situation caused by the COVID 19 pandemic and was profitable in 2020. Adjusted for the revenues from the closed site in Rome, revenues increased by 10%. Adjusted EBITDA at +0.9m€, clearly exceeded prognosis and PY.
- Cash level on strong 2.3m€ and entire redemption of financial liabilities.
- elumeo's webshops continued to deliver an increasing contribution to the overall result by growing 57% in revenue and 78% in gross profit.
- Successful transition to mobile web, mobile user increased by 31%.
- Mein Juwelo is the first step in elumeo's strategy for non-linear video content
- 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 .



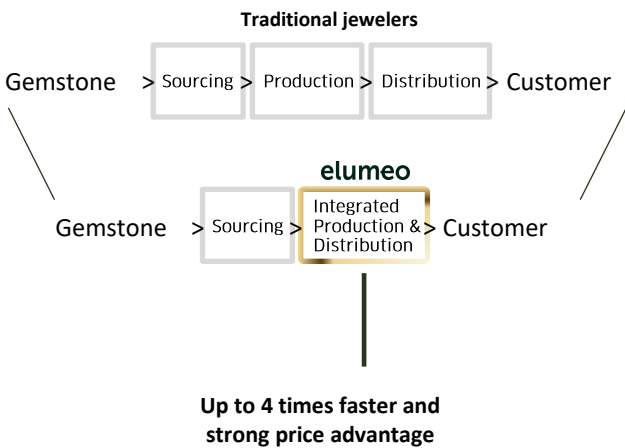
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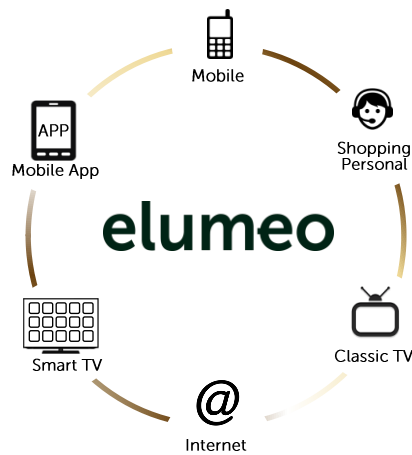
elumeo's business model is founded on three pillars

Vertically integrated and scalable value chain



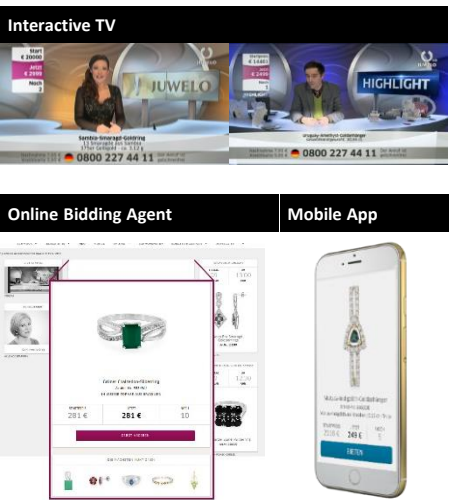
Fast reaction times and low production cost

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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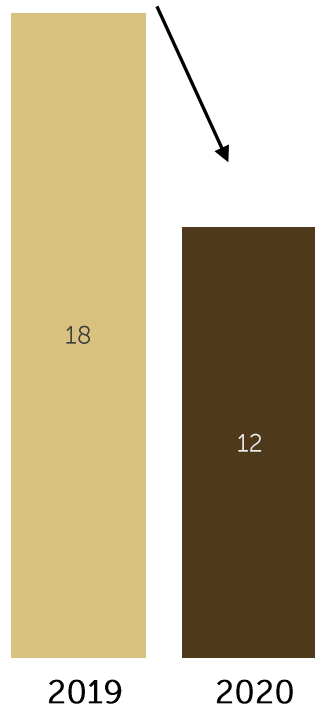
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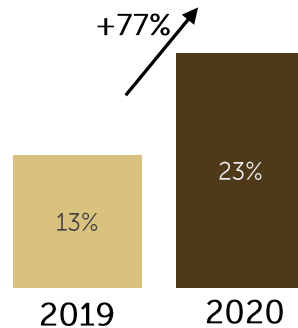
Optimized broadcasting schedule led to cost reduction and increase in profit per show minute (ppm)

LIVE

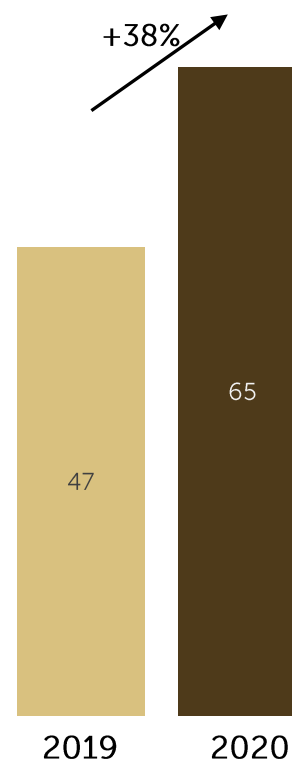
Reduced hours of live broadcasting



Airtime Share Premieres (=fresh product)



Total PPM Live



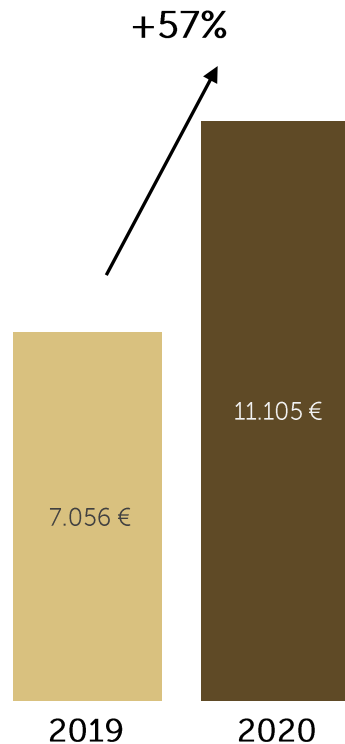
- Since April, live broadcasting time was reduced from 18 to 12 hours per day, with similar reduction in broadcasting cost
- Overall revenue and margin of LIVE business remained stable
- The airtime share of premieres (=fresh product) increased.
- Premieres have a ppm which is twice as good as the ppm of non-premieres.
- This led leading to a higher revenue and margin per show minute

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

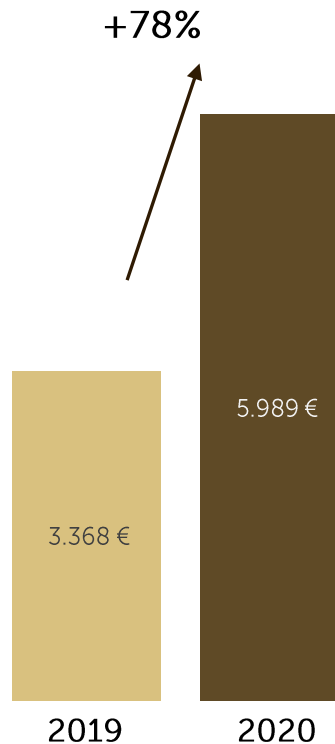


Webshop continues its strong growth in Revenue and Margin in 2020 vs. 2019

Webshop Revenue
in k EUR



Webshop Margin
in k EUR



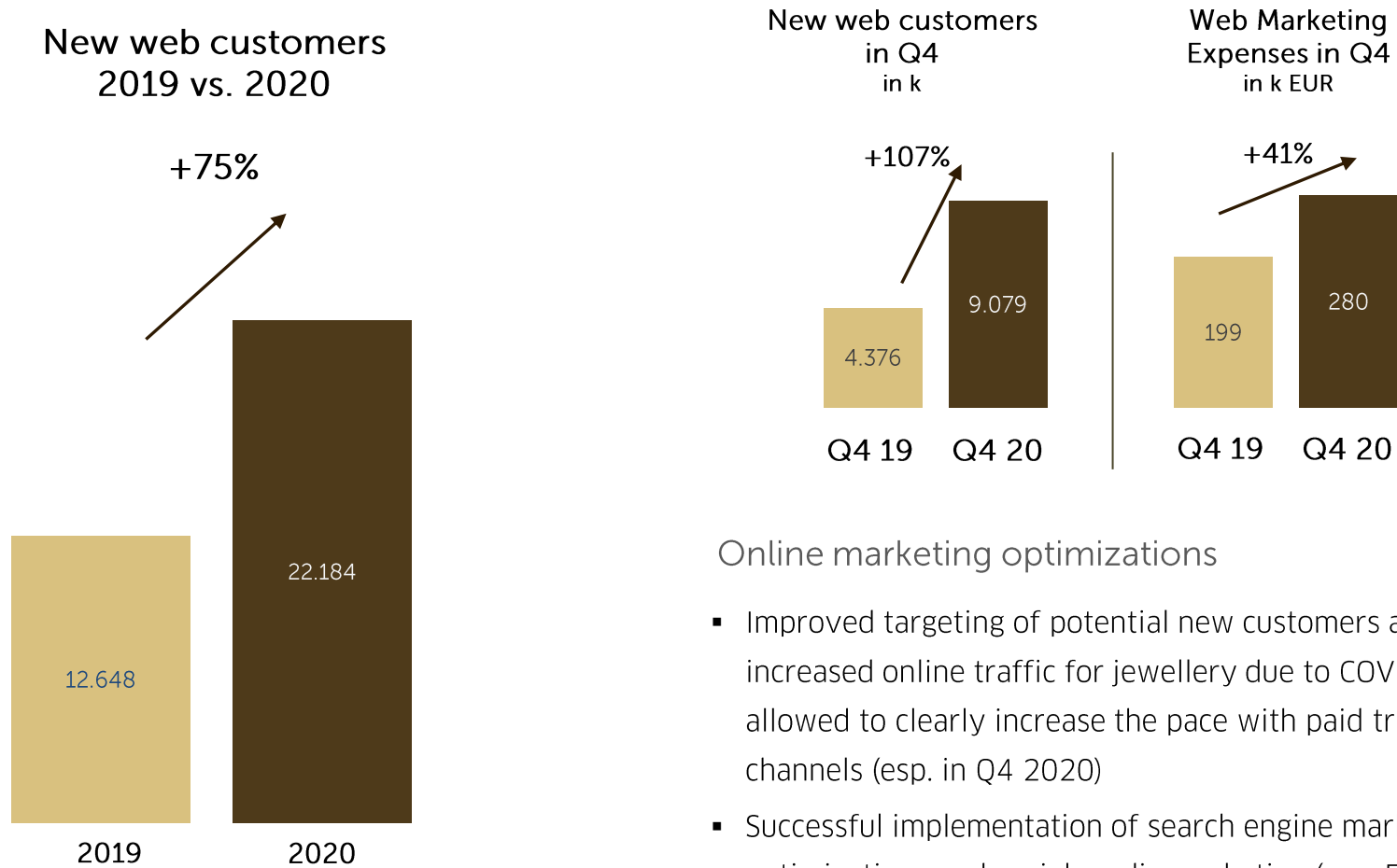
Main growth driver

- Optimizations in all main online marketing channels
- Improvement of web shop experience, using product video content and interactive gamification elements
- Technical improvements of website usability, putting the focus on mobile optimizations
- Personalized and KPI-based product sorting
- Increase of high value sales

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



Number of new web customers clearly increased in 2020 vs 2019

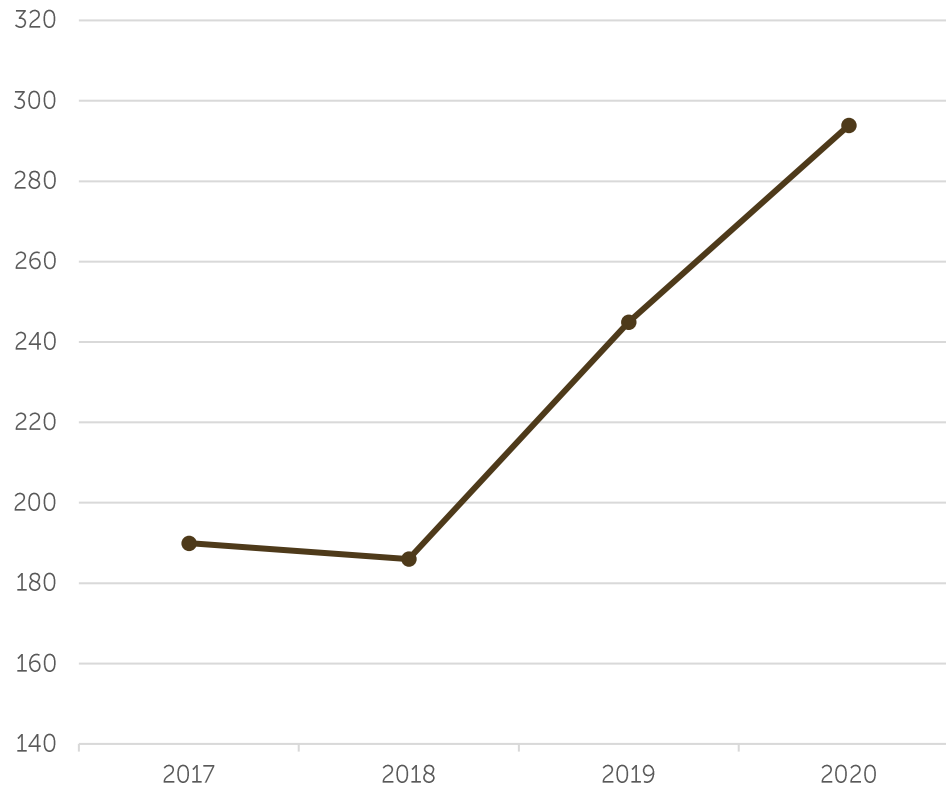


Source: Internal ERP system, new web customers with at least one demand order

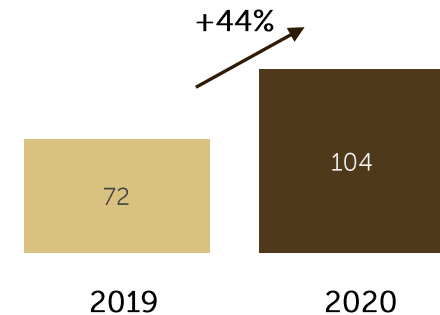


Revenue per web customer is continuously growing

Average revenue per web customer



Average order value in EUR



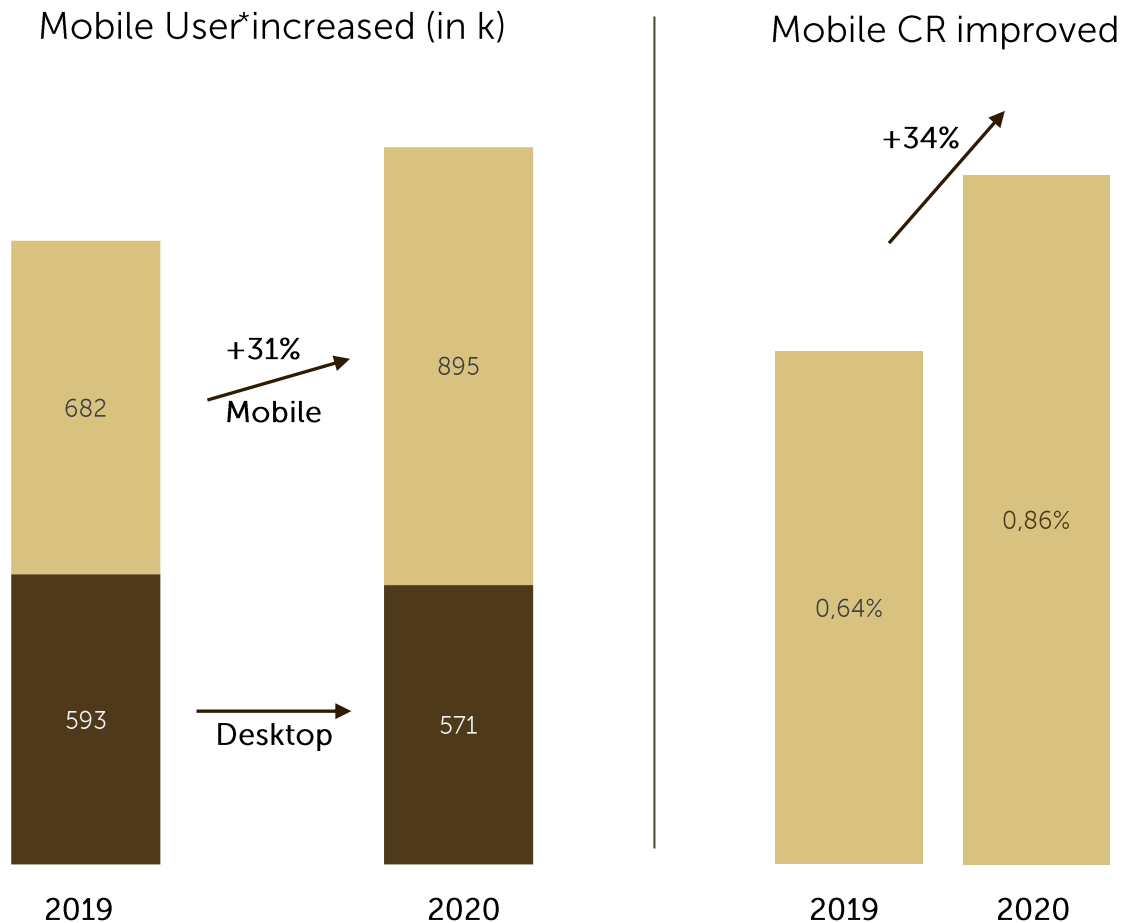
Main success driver:

- Product videos for >90% of all products
- Personalized and KPI-based product sorting
- Increase of high value sales
- Gamification elements, giving customers a good reason to come back on a regular basis
- Improved online and email marketing

Source: Internal ERP system, showing revenue per active customer



Successful transition to mobile web design



- Mobile user increased by 31%; now accounting for more than 60% of all web user
- Mobile-first design was successfully released in 2020, improving the navigation, article detail page and the checkout
- Improvement of mobile-friendly filter-widget for easier product search
- Conversion rate of mobile traffic improved by 34%

*User = number of web users, who started a session on juwelo.de. User can be tracked several times, depending on device or tracking settings. Data from Google Analytics



Way forward: Mein Juwelo is the first step in elumeo's strategy for non-linear video content



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
- Individualized greetings
- Article details taken from central database



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Financial KPIs - Adjusted-EBITDA clearly above prognosis and 2019

01 Jan to 31 Dec 2020

EUR thousand [unless indicated otherwise]	2020		2019		YoY in %
Revenue	42.418	83,0%	44.088	65,3%	-3,8%
[The following disclosures represent: absolute values and in % of revenue]					
Gross profit	22.202	52,3%	20.633	46,8%	7,6%
EBITDA	1.223	2,9%	-298	-0,7%	510,3%
Adjusted-EBITDA	877	2,1%	-2.131	-4,8%	141,2%
Depreciation and amortisation	935	2,2%	1.226	2,8%	-23,7%
EBIT	288	0,7%	-2.347	-5,3%	112,3%
Total comprehensive income	209	0,5%	-2.601	-5,9%	108,0%
Selling and administrative expenses	22.596	53,3%	26.431	60,0%	-14,5%
[absolutely and in % of balance sheet total]					
Total assets¹	21.164	100,0%	21.583	100,0%	-1,9%
Total equity¹	4.346	20,5%	4.118	19,1%	5,5%
[absolutely and in % of balance sheet total]					

Source: Audited financials 2020



Topline – Growth by 10% adjusted by site Rome

	2020			2019			Delta					
	Without Site Rome	Site Rome (closed)	elumeo Group	Without Site Rome	Site Rome (closed)	elumeo Group	Without Site Rome		Site Rome (closed)		elumeo Group	
KEUR												
Revenue	42.432	-14	42.418	38.544	5.544	44.088	3.887	10,1%	-5.558	-100,3%	-1.671	-3,8%
Cost of goods sold	20.236	-20	20.216	20.134	3.322	23.455	102	0,5%	-3.342	-100,6%	-3.239	-13,8%
Gross profit	22.195	6	22.202	18.411	2.223	20.633	3.785	20,6%	-2.216	-99,7%	1.569	7,6%
Gross margin	52,3%	-45,0%	52,3%	47,8%	40,1%	46,8%						

Source: Audited financials 2020



P&L - elumeo is profitable!

	01.01. - 31.12.2020		01.01. - 31.12.2019		YoY in %
Revenue	42.418	100,0%	44.088	100,0%	-3,8%
Cost of goods sold	20.216	47,7%	23.455	53,2%	-13,8%
Gross profit	22.202	52,3%	20.633	46,8%	7,6%
Selling expenses	15.584	36,7%	18.137	41,1%	-14,1%
Administrative expenses	7.012	16,5%	8.294	18,8%	-15,5%
Other operating income	862	2,0%	4.687	10,6%	-81,6%
Other operating expenses	179	0,4%	1.236	2,8%	-85,5%
Earnings before interest and taxes (EBIT)	288	0,7%	-2.347	-5,3%	112,3%
Interest and similar expenses	134	0,3%	238	0,5%	-43,5%
Financial result	-134	-0,3%	-237	-0,5%	43,6%
Earnings before income taxes (EBT)	154	0,4%	-2.585	-5,9%	106,0%
Income tax	0	0,0%	0	0,0%	n.a.
Earnings for the period	154	0,4%	-2.585	-5,9%	106,0%

Source: Audited financials 2020



Assets - Cash level on 2.3m€

	31.12.2020		31.12.2019		YoY in %
Non-current assets					
Intangible assets	429	2,0%	480	2,2%	-10,5%
Property, plant and equipment	3.965	18,7%	4.483	20,8%	-11,6%
Other financial assets	77	0,4%	177	0,8%	-56,7%
Other non-financial assets	225	1,1%	247	1,1%	-8,6%
Total non-current assets	4.696	22,2%	5.386	25,0%	-12,8%
Current assets					
Inventories	12.147	57,4%	13.392	62,0%	-9,3%
Trade receivables	1.230	5,8%	1.398	6,5%	-12,0%
Receivables due from related parties	0	0,0%	1	0,0%	-100,0%
Other financial assets	276	1,3%	198	0,9%	39,7%
Other non-financial assets	507	2,4%	328	1,5%	54,8%
Cash and cash equivalents	2.307	10,9%	880	4,1%	162,2%
Total current assets	16.468	77,8%	16.197	75,0%	1,7%
Total assets	21.164	100%	21.583	100%	-1,9%

Source: Audited financials 2020



Equity & liabilities – financial liabilities completely paid back

	31.12.2020		31.12.2019		YoY in %
Equity					
Issued capital	5.500	26,0%	5.500	25,5%	0,0%
Accumulated losses	34.441	162,7%	34.423	159,5%	0,1%
Retained losses	-37.809	-178,6%	-37.963	-175,9%	0,4%
Foreign currency translation reserve	2.214	10,5%	2.159	10,0%	2,6%
Total equity	4.346	20,5%	4.118	19,1%	5,5%
Non-current liabilities					
Other non-current financial liabilities	2.413	11,4%	2.596	12,0%	-7,0%
Provisions	3.972	18,8%	4.528	21,0%	-12,3%
Other non-financial liabilities	25	0,1%	25	0,1%	0,0%
Total non-current liabilities	6.410	30,3%	7.148	33,1%	-10,3%
Current liabilities					
Financial debt	0	0,0%	447	2,1%	-100,0%
Other financial liabilities	389	1,8%	319	1,5%	21,7%
Provisions	1.113	5,3%	1.400	6,5%	-20,5%
Liabilities due to related parties	0	0,0%	43	0,2%	-100,0%
Trade payables	6.775	32,0%	5.639	26,1%	20,1%
Advance payments received	133	0,6%	248	1,1%	-46,2%
Tax liabilities	100	0,5%	100	0,5%	0,0%
Other non-financial liabilities	1.899	9,0%	2.119	9,8%	-10,4%
Total current liabilities	10.408	49,2%	10.316	47,8%	0,9%
Total equity & liabilities	21.164	100,0%	21.583	100,0%	-1,9%

Source: Audited financials 2020



Operating cashflow – clear increase driven by positive result and decrease of SSC inventory

	01.01. - 31.12.2020	01.01. - 31.12.2019	YoY in %
Earnings before taxes (EBT)	288	-2.347	112,3%
+/- Depreciation and amortisation on non-current assets	+935	+2.049	-54,4%
+/- Increase/decrease in provisions	-288	+608	-147,3%
+/- Increase/decrease in provisions from obligations resulting from the orderly liquidation of the Group owned factory	-556	-3.033	81,7%
+/- Equity-settled share-based remuneration	+18	+43	-56,9%
+/- Other non-cash expenses/income	0	-1.464	100,0%
+/- Loss/gain on disposal of non-current assets	0	-9	100,0%
+ Non-cash current interest expenses	+34	+31	10,6%
-/+ Increase/decrease in inventories	+1.212	+7.061	-82,8%
-/+ Increase/decrease in other assets	+12	+571	-98,0%
+/- Increase/decrease in other liabilities	+937	-2.490	137,6%
- Paid interests	-165	-236	30,2%
= Cash flow from operating activities	+2.428	+784	209,5%

Source: Audited financials 2020



Investing and financing cashflow – redemption of entire financial liabilities

	01.01. - 31.12.2020	01.01. - 31.12.2019	YoY in %
- Payments for investments in intangible assets	-48	-8	-472,2%
- Payments for investments in property, plant and equipment	-175	-170	-2,7%
+ Incoming payments from disposals	0	+9	-100,0%
= Cash flow from investing activities	-222	-169	-31,5%
- Payments for the redemption of financial debt	-446	-1.554	71,3%
+/- Proceeds from increase in financial liabilities	-330	-670	50,7%
= Cash flow from financing activities	-777	-2.224	-65,1%
+/- Net increase/decrease in cash and cash equivalents	+1.429	-1.609	188,8%
+/- Effects of foreign currency translation on cash and cash equivalents	-1	+2	-170,2%
+/- Changes in cash and cash equivalents due to changes in scope of consolidation	0	-121	100,0%
+ Cash and cash equivalents on beginning of reporting period	+880	+2.608	-66,3%
= Cash and cash equivalents on end of reporting period	+2.307	+880	162,2%
Reconciliation of cash and cash equivalents			
Cash and cash equivalents	+2.307	+880	162,2%
= Cash and cash equivalents at end of period	+2.307	+880	162,2%

Source: Audited financials 2020



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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 EBIT

The company forecasts a stable development of more than 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.



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