

Press Release



elumeo prepares to go public

- elumeo, a leading European electronic retailer for gemstone jewelry, plans to go public on the regulated market (Prime Standard) of the Frankfurt Stock Exchange
- Average annual sales growth of around 30% since 2009 (CAGR)
- elumeo is well positioned to benefit from the transformation of the jewelry market
- Vertical integration and direct sales using various channels enable attractive prices and a high degree of customer loyalty
- Société Générale Corporate & Investment Banking and Baader Bank AG are managing the IPO as Joint Global Coordinators and Joint Bookrunners

Berlin, 22 May 2015 – elumeo SE, a leading electronic retailer for fine gemstone jewelry in Europe, is preparing to go public on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. At the present time, it is intended to place new shares from a capital increase in the size of approximately €40 million - €60 million and to use the issue proceeds to broaden the product offering, enhance price leadership and invest in digital and international expansion. For example, elumeo plans to launch further local TV channels and web shops in additional languages. In addition to the new shares, the company plans to offer investors shares held by the current owners. The IPO is planned for 2015.

Since it was founded in 2008, elumeo became one of the leading electronic retailers for fine gemstone jewelry in Europe. With an average annual sales growth of around 30% since 2009, the company is, by its own market observations, one of the fastest-growing jewelry retailers among the top 20 in the European market. The group sells handmade jewelry pieces in currently nine countries under the brand names Juwelo, AMAYANI and Rocks & Co. Customers from outside its core markets can purchase the products under the New York Gemstones brand. The majority of the jewelry is self-produced by the company in Thailand. elumeo offers its customers the products at very competitive prices using various electronic direct distribution channels. The gemstone jewelry can be purchased via the company's own TV channels, web shops, by phone or using apps available on mobile devices and smart TVs. In 2014, around 100,000 international customers purchased almost 1,000,000 products from elumeo and thereby created consolidated sales of around €71 million and an adjusted EBITDA of approximately €4.1 million. elumeo also started the new fiscal year with a strong increase in sales: in the first quarter of 2015, elumeo's sales reached €19.5 million. Compared to first quarter sales in 2014 of €15.4 million, this equates to an increase of around 27%. elumeo's adjusted EBITDA more than doubled compared to the same period in the previous year. From January to March 2015, it totaled €0.7 million (Q1 2014: adjusted EBITDA was €0.3 million). The elumeo Group employs around 1,100 people at five locations in Europe, Thailand and Hong Kong.

Vertically integrated value chain as key competitive advantage

Due to the complexity and extensive know-how required, the production and sales of gemstone jewelry are divided into individual steps that have traditionally been carried out by different intermediaries. From the production to the purchase and processing of the



gemstones up to the design, manufacturing, the wholesaling, and sale of the jewelry, this process usually takes between two and six months. With the vertical integration of essential parts of the value chain – in particular the sourcing, designing, casting, setting and shipping of the jewelry which mainly takes place at the company's production site in Chanthaburi, Thailand – elumeo can capitalize on decisive cost advantages and, by its own estimates, produce the jewelry faster than many competitors. When purchasing the gemstones, elumeo benefits from an extensive supplier network consisting of contacts in more than 40 countries on six continents and a highly specialized, very experienced purchasing team.

Transformation of gemstone market offers great potential

Wolfgang Boyé, founder and Chairman of elumeo SE's Executive Board, considers the planned IPO as a great opportunity to tap the market potential: "The jewelry market is in a state of transformation. Similar to the apparel industry 20 years ago, it is currently characterized by small, national retailers who often sell their collections – usually planned months in advance – using only a single distribution channel, commonly local retail stores. As seen in the past with large innovators in the apparel business, we are now actively driving the change of the gemstone jewelry market. elumeo is already today a major player in the European market. Thanks to our integrated value chain, we benefit from a quick and cost-efficient production process. With a consistent growth strategy, we want to continue to expand this advantage we have compared to many of our competitors."

In Europe alone, sales of gemstone and fashion jewelry are estimated to be over €30 billion annually. Forecasts predict a constant growth for the market: Between 2013 and 2018 studies calculate an annual sales growth of around 4%. Italy, France, UK, and Germany account today for around 70% of the European jewelry market. The elumeo Group is already represented in all of these markets and is well positioned to benefit from the market trends of internationalization, digitalization (e-commerce), and significantly shorter delivery intervals ("fast fashion"). As in the apparel industry, customers expect jewelry collections to change much more frequently. Companies like elumeo that benefit from their own purchasing, production and an established multi-channel distribution have competitive advantages.

Pioneer in live commerce

elumeo is also characterized by its multiple distribution channels and a high degree of customer loyalty. Operating own TV channels in Germany, Italy and UK, web shops in other European countries, apps available on mobile devices and smart TVs and the possibility for customers to place orders via phone, elumeo enables its customers to take advantage of the company's offers around the clock. These various distribution channels allow for a total reach of c. 126 million households so far (total reach of all channels based on television and broadband connections excluding mobile communications devices in Germany, the United Kingdom, Italy, Austria, Switzerland, France, Spain and the Netherlands).

elumeo

elumeo considers the fact that customers can help create prices and offers in live commerce in TV shows to be one of its competitive advantages. This interactive format with a comprehensive and educational presentation of the products by the moderator caters to the increasing trend of moving pictures in e-commerce. Besides the attractive price-performance ratio, a scarcity of products and time-limited discounts improve sales and, as part of the shopping experience, ensure that more than two-thirds of 2014 sales were created by loyal repeat customers.

Consistently continuing growth strategy

Wolfgang Boyé summarizes elumeo's growth strategy as follows: "We are present in the most important European markets. With our vertically integrated value chain, we benefit from a high cost-efficiency, and we have a business model that is easily scalable and allows us to address current market trends. Having already started the expansion of our production capacities, we laid the foundation for further growth. With the replication of our successful German business model in additional markets combined with new digital sales formats in existing and new markets, and the enhancement of price leadership, our strategy is clearly defined. Our mission is to make fine jewelry an affordable luxury for everyone."

Société Générale Corporate & Investment Banking and Baader Bank AG will manage the IPO as Joint Global Coordinators and Joint Bookrunners. Co-Lead Managers are equinet Bank AG and M.M. Warburg & CO KGaA.

Further information on elumeo SE, the business model, and the management can be found on elumeo's website www.elumeo.com under Investor Relations.

About elumeo SE:

The elumeo Group, which has its headquarters in Berlin, is a leading European online retailer of fine gemstone jewelry, which is produced by the elumeo Group in Thailand. Via a number of electronic distribution channels (including television, the Internet, smart TV and smartphone app), the group offers its customers in Europe colored gemstone jewelry at comparatively low prices. The distribution model used relies exclusively on direct sales made via the elumeo Group's home-shopping TV channels in Germany, the UK and Italy, and via online stores in Germany, the UK, Italy, France, the Netherlands, Spain and Belgium. Low-value items are marketed to customers worldwide via the Hong Kong-based "New York Gemstones" online stores.

The elumeo Group's product range includes jewelry made from a variety of different gemstones, with some of the pieces designed partly by the customers themselves. The Group is also represented in the market for high-end gemstone jewelry by the premium brand AMAYANI.

The elumeo Group was founded as a joint venture in 2008 in Berlin and Chanthaburi, Thailand, and has grown very successfully ever since. In 2014, the companies involved underwent a formal merger to bundle the operating business under the holding company elumeo SE. The elumeo Group employs approximately 1,100 people in five different locations worldwide and in 2014 achieved consolidated sales of around €71 million. As well as elumeo SE, which is based in Berlin, Germany, the Group's subsidiaries include Juwelo TV Deutschland GmbH (also in Berlin); Juwelo Italia, s.r.l. in Rome, Italy; Rocks and Co Productions Limited in Leamington Spa/Warwick, United Kingdom; PWK Limited with sites in Chanthaburi and Bangkok, Thailand; and Silverline Distribution Limited, Hong Kong, China.

Not for distribution in the United States, Canada, Australia or Japan

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For further information, see our websites <http://www.elumeo.com>, <http://www.juwelo.de>, <http://www.amayani.de>, <http://www.rocksandco.com>, <http://www.juwelo.it>, <http://www.juwelo.fr>, <http://www.juwelo.nl>, <http://www.juwelo.es>, <http://www.juwelo.be> and <http://newyorkgemstones.com>.

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