

The background is a collage of six images: a Windows 10 desktop, a person's wrist with a watch and a bicycle tattoo, solar panels with a worker, a hand holding a smartphone, a person repairing a smartphone with a magnifying glass, and a stack of green circuit boards.

ENVELA

CORPORATION  NYSE AMERICAN[®]

RECOMMERCE - EXTENDING THE LIFE OF GOODS

NYSE: ELA

Fall 2021
Investor Presentation

Cautionary Statements

This presentation contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that is, statements that address future, not past events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on assumptions of future events that may not prove accurate. They are also based on our current plans and strategy and such plans and strategy could change in the future. Actual results may differ materially from those projected or implied in any forward-looking statements.

Please refer to our most recent SEC filings, including our 2020 Annual Report on Form 10-K, subsequently filed Quarterly reports on Form 10-Q, as well as our other filings with the SEC, for detailed information regarding factors that could cause or contribute to actual results differing materially from those expressed or implied in such forward-looking statements. We do not undertake to update our forward-looking statements, except as required by law.

ENVELA and its subsidiaries engage in diverse business activities within the recommerce sector.

These include recommercializing luxury hard assets, consumer electronics and IT equipment; and end-of-life recycling solutions.

- Ticker Symbol – NYSE American: ELA
 - Company HQ: Irving, Texas
 - Number of employees: 220
 - Annual Revenue Run Rate: \$126.8M
-
- Two Primary Business Segments
 - DGSE Retail Locations: 6
 - ECHG Locations: 2
 - Year Founded: 1965



Industry Problems

Electronic waste is likely the fastest-growing waste stream in the world

- Estimated \$60 billion (50 million tons) of global electronic waste generated annually
- Toxic chemicals from electronic waste (e.g., mercury, lead, beryllium, cadmium) are extremely harmful to people and surrounding environments
- Less than 20% of electronic waste is recycled

Private, individual ownership of devices fragments electronic waste

- Lack of proper recycling channels increases likelihood of improper disposal by individuals

Knowledge and experience required to authenticate jewelry, avoid buying fakes

- Fakes are getting better and more frequent as recommerce market grows
- Accurate authentication mitigates losses and prevents selling counterfeits to customers

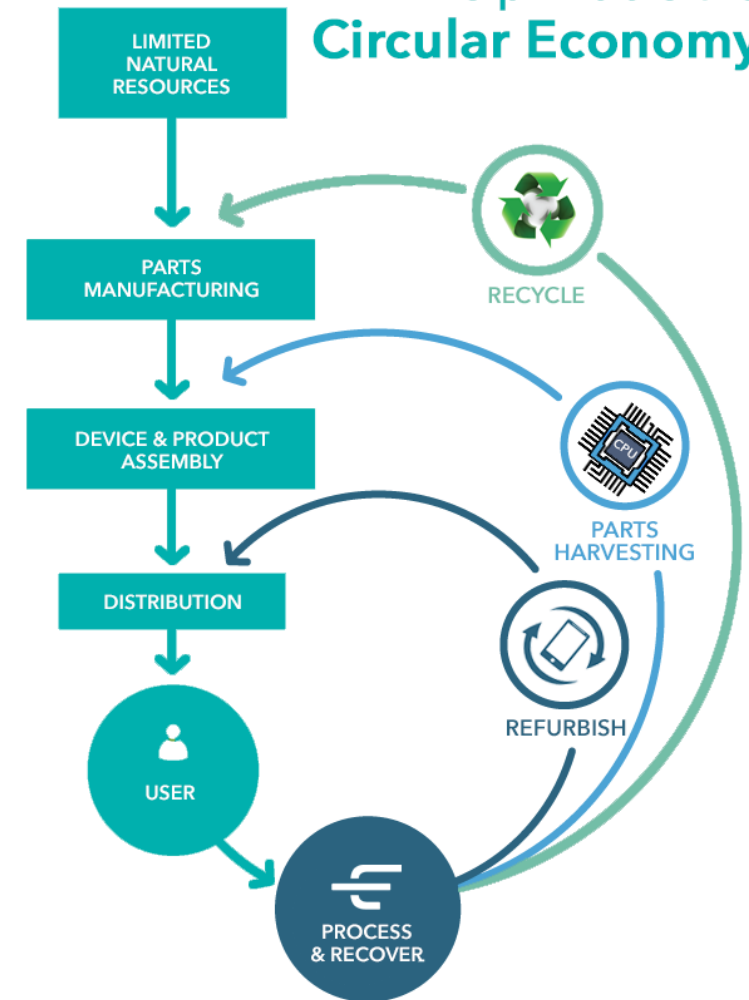
What is Recommerce?

Re·com·merce / rē kāmərs / Recommercialization

The process of reselling previously-owned products as whole goods, or recycling items' components/materials for reuse.

Recommerce is the foundation of the circular economy – an economic system aimed at eliminating waste and driving continued reuse of existing resources.

ENVELA and Its Subsidiaries
Help Enable the
Circular Economy

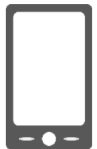


Our Recommerce Solutions: Extract – Resell – Reuse

End-of-life recycling includes traditional recycling performed by waste-management companies. But for specialists like Envela, it also entails extracting, collecting, and reselling high-value components, metals, and other materials.



Jewelry styles change over time, but their high-value metals can be recycled for use in new, future designs



Cellphone technology quickly becomes outdated, but the metals and materials used in their components are like those in newer phones. Recycling these metals and materials delivers value and preserves our environment

Recommerce done right includes not only reselling whole goods, but also recycling end-of-life items to harvest their components or reuse their metals/materials

Recommerce

Recommerce requires accurately assessing prospective inventory for resale, reuse, or recycling

Evaluating potential recommerce inventory includes:

- 1 Determining resale value of items as a whole, perhaps requiring refurbishment or upgrading
- 2 Calculating recycle value of reusable product components

Recommerce Consumer and Market Trends

74%

of 18-29-year-olds favor sustainable, recycled, or reused products

4x

rate at which recommerce merchants are growing faster than retail

56M

women purchased pre-owned handbags in 2018

\$58B

estimated size of e-waste market by 2021

40%

of toxic, heavy metals in landfills are from consumer electronics

78

countries have already passed legislation to control e-waste

Growing Total Addressable Market



Most common recommerce items

Sold as whole goods

- Cars
- Jewelry
- Clothing
- Electronics
- Gym equipment
- Furniture
- Musical instruments

Recycled for component resale or refining

- Printer ink
- Jewelry (precious metals & gems)
- Electronics (copper, metals, and REEs)
- Steel

Global resale has grown into a trillion-dollar marketplace

Our business operates in two primary divisions

Preserving the environment is at the heart of our business model. In a resource-constrained world, we must optimize the use of natural resources. We are committed to help enable the circular economy through recommerce.



Principally operates a portfolio of three proprietary retail brands in the recommerce of luxury assets (jewelry, diamonds, watches, bullion, rare coins & currency)



Two operating subsidiaries in the recommerce of consumer electronics, IT equipment, and valuable components and materials



DGSE Proprietary Retail brands



DALLAS
Est.  1978
Gold & Silver

CHARLESTON
Est.  1999
Gold & Diamond

RETAIL EXCHANGE STORES

A leading marketplace for authenticated luxury hard assets. Our retail stores offer a marketplace for the public and dealers to buy, sell & trade fine jewelry, watches, fine art, and luxury items. An in-house staff of experts, including horologists, gemologists, and authenticators, inspect items for authenticity and resale value as whole goods or for recycling

DGSE Proprietary Retail brands



ONLINE PRECIOUS-METAL SALES

Precious metals garnered from our retail locations are sold through Bullion Express, one of the region's largest precious-metals dealers. Through this channel we offer a wide selection of gold, silver, platinum, and palladium coins, bars, bullion rounds, collectibles, and other numismatic products from mints around the world



DGSE entities recommercialize hard assets (jewelry, diamonds, fine watches, rare coins and currency, precious-metal bullion, collectibles) as refurbished whole goods or recycles them—reusing their components or refining their metals.

Where we acquire recommerce inventory



Individuals selling items provide most of refurbished/repaired inventory of whole goods, recycled components, certified gems, and precious metals (gold, silver, platinum and palladium) for extraction/refining/resale

Inventory-assessment methods and ROI



Professional jewelers evaluate customers' items for authenticity and their market value as whole goods, or the recycled value of the items' component parts, precious metals or gems



~35% gross profit resold whole goods at retail

~5% gross profit recycled components, certified gems, or refined metals

ECHG Subsidiaries



- Custom-designed, comprehensive end-of-life electronics-recycling solutions meet customers' specific needs
- Separation and shredding processes reduce materials into their commodity components (e.g., plastic, metal, glass) for resale and remanufacture into new products



- Tailored solutions return reusable whole products into the supply chain
- Electronics-trade-in programs, IT asset disposition, OEM electronics repair and refurbishment, reverse logistics/consumer-returns liquidation



ECHG

SUSTAINABILITY

Sustainability is the core of our business. We help industries securely and responsibly reuse, recycle and manage the disposal of IT equipment and electronic products. Continually innovating to extract more value from end-of-life assets and ensure a more sustainable future.



We work with companies that are committed to a low-carbon future. They appreciate our help in achieving their sustainability goals.

This year we received the *2021 Verizon Sustainability Award*.

ECHG's Clients are some of Biggest & Most Valuable Companies in the World

ECHG helps world-leading brands and retailers accelerate their sustainability transformations by extending their assets' life cycles.

- Reverse Logistics
- Returns Management
- Product Refurbishment
- Consumer Trade-Ins
- Product Demanufacturing
- End-of-Life Recycling
- IT Asset Disposition
- Recommerce

ECHG entities recommercialize consumer electronics and IT equipment; and produce the highest values via resale as whole goods, or recycling components or metals/materials.

Where we acquire recommerce inventory



Businesses that upgrade software or systems



Educational and other organizations that upgrade systems



Manufacturers with returned goods or raw materials



Individuals with resale items

Inventory assessment and ROI



A team of industry experts assess inventory for its whole-good or recycled-market value. Items that meet threshold requirements are acquired by lots as recommerce inventory.



~60% gross profit refurbished goods

~45% gross profit recycled components or refined materials

Fee-based services for disposing sundry items or materials

Growth Strategy

Continually broaden our participation in the environmental sector.

- 1 Focus on most profitable B2B and B2C segments for reselling and recycling
- 2 Leverage economies of scale, develop interdivisional synergies, reduce marketing costs for whole and recycled goods
- 3 Utilize our extensive network to discover new recommerce sectors
- 4 Consistently communicate and align with downstream material/component recyclers to increase margins and markets for our inventories
- 5 Capitalize on the expanding ESG movement

Growth & Expansion Initiatives



DGSE

- Increase number of operating stores by opening new locations in current markets (Dallas/Fort Worth and Charleston, SC) and new markets.
- New-store additions depends on internal-investment success, availability of preferred sites, regulatory environments, zoning ordinances, capital access, and availability of qualified personnel.

ECHG

- Expand organically and through acquisitions while building customer loyalty.
- Focus on increasing recurring revenues and expanding margins; help fund acquisitions.

ESG



- Core focus of company is recycling, reusing and sustainability
- Reducing electronic waste helps reduce CO2 emissions and harmful chemicals in our environment
- ECHG companies audited and certified to ISO 14001:2015 standard (environmental management)




- Workforce gender and racial diversity
- ECHG subsidiary named *Top 100 Places to Work in DFW*
- ECHG companies audited and certified to ISO 45001 standard (Occupational Health & Safety)
- Help local homeless shelter provide jobs and transportation, get folks back on their feet



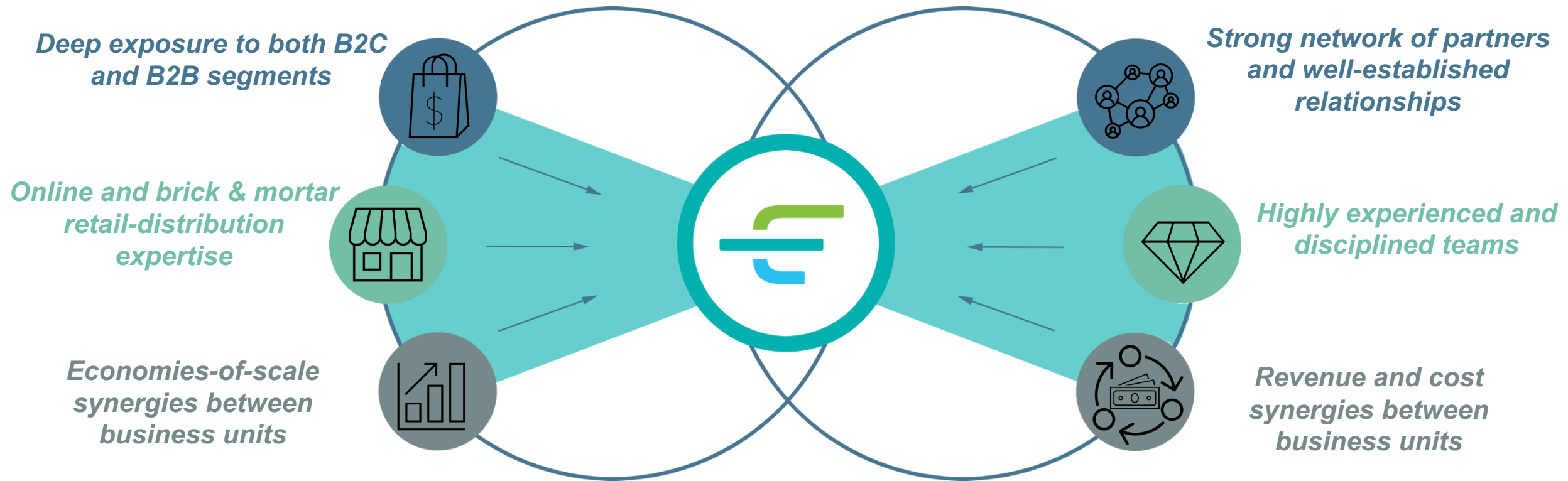
- Board is 40% Women
- Average board-member tenure less than six years
- Female lead independent director
- CEO receives no salary or stock compensation

Valuation Benchmarking

Company	Ticker	EV	Sales TTM	EPS TTM	EV / Sales	P/E TTM	Sector	Product focus	Distribution
THE REALREAL	REAL	\$1.79B	\$320M	\$-1.81	5.59x	-	Recommerce	Luxury clothing for men and women	Online and Retail
THREDUP	TDUP	\$2.34B	\$193M	\$-3.75	12.13x	-	Recommerce	Consignment luxury clothing for men and women	Online and Retail (pending)
POSHMARK	POSH	\$2.74B	\$286M	\$-2.37	9.59x	-	Recommerce	Clothing and home goods	Online
WINMARK CORPORATION	WINA	\$737M	\$73M	\$9.25	10.10x	21.95x	Recommerce	Clothing and sporting goods	Retail
LI-CYCLE HOLDINGS CORP.	LICY	\$2.05B	\$14M e	\$-8.79	146.4x	-	Recycling	Lithium-ion battery recycling	Wholesale
 ENVELA	ELA	\$131M	\$127M	\$0.33	1.03x	15.2x	Recommerce & Recycling	Luxury hard assets, electronics, IT equipment, end-of-life goods	Online and Retail

At the current price, Envela trades well below the multiple of other recommerce and recycling peers

Competitive Advantages



Investment Highlights



The recommerce sector is growing 4x faster than retail and expected to accelerate after coronavirus pandemic



Two divisions with operating companies focused on the highest volume/value recommerce products



Robust network of partners to quickly sell valuable inventory to wholesale customers and third-party refiners



Online and brick & mortar retail-distribution expertise; experienced evaluators quickly and accurately assess recommerce values

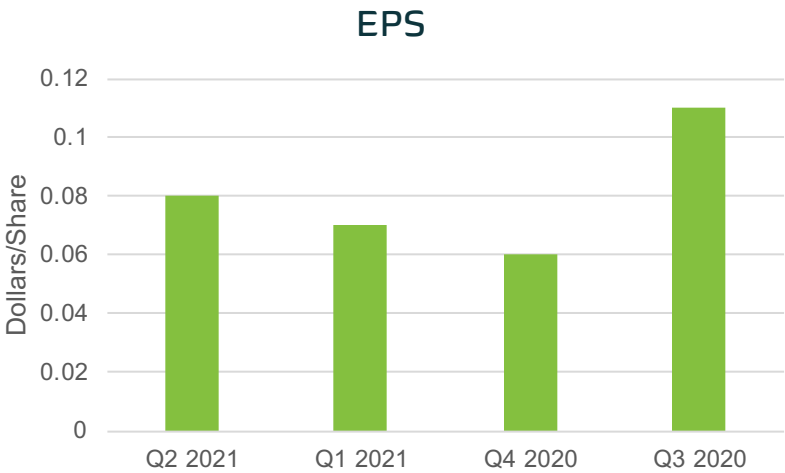
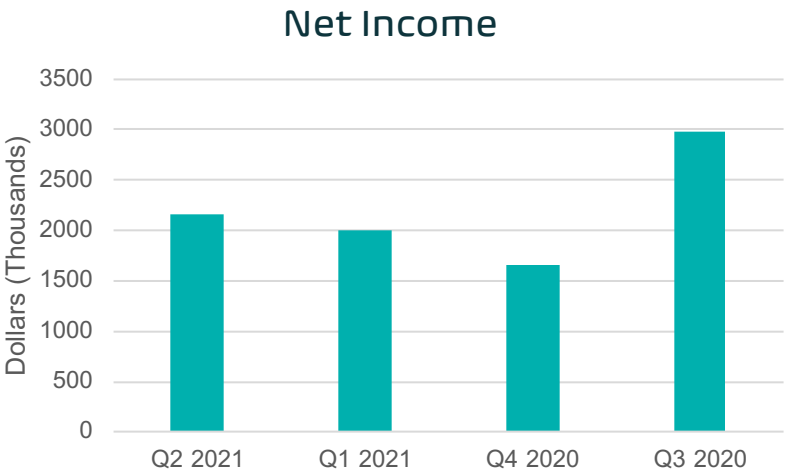
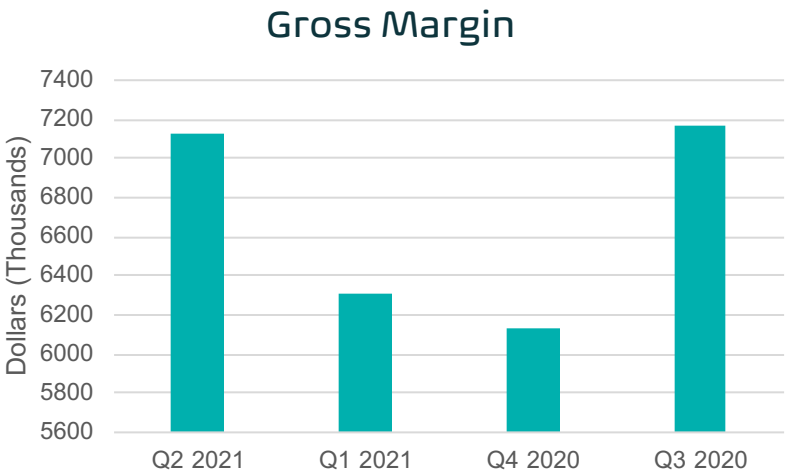
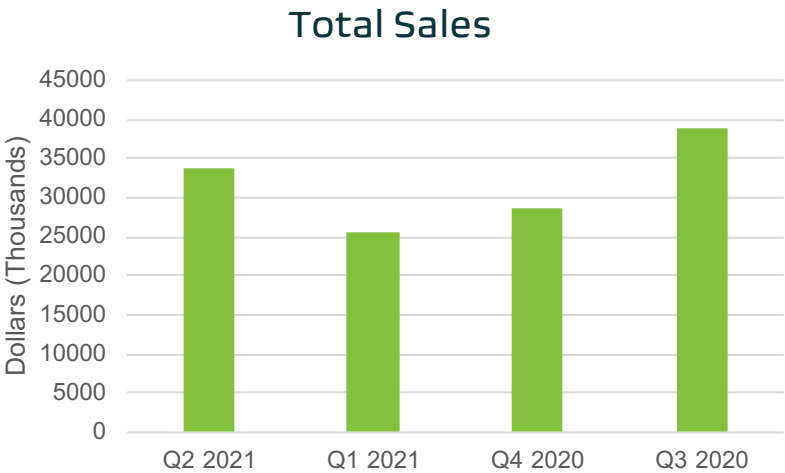


Exposure to both B2C and B2B segments provides deep insight into market demand and pricing



Knowledgeable management team with deep industry experience and expertise

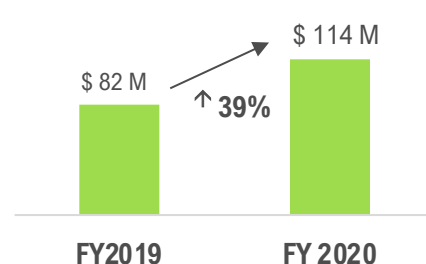
Financial Performance



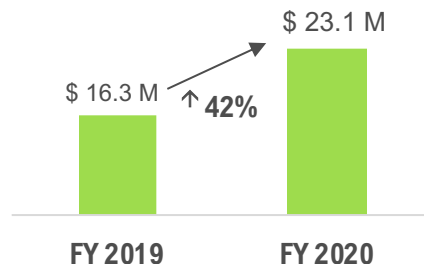
ELA income statement

	For the YEARS Ended December 31		For the THREE MONTHS Ended June 30	
	FY 2019	FY 2020	2 Q 2020	2 Q 2021
TOTAL SALES	\$ 82,024,497	\$ 113,922,015	\$ 20,545,607	\$ 33,724,006
Cost of Sales	65,768,655	90,853,052	16,074,349	26,596,116
Gross Margin	\$ 16,255,842	\$ 23,068,963	\$ 4,471,258	\$ 7,127,890
EXPENSES				
Sales, General and Administrative Expenses	12,494,510	15,553,274	3,616,670	4,831,225
Loss on Disposal of Equipment	-	-	-	-
Depreciation and Amortization	520,298	728,626	179,706	216,219
Total Cost of Revenue	13,014,808	16,281,900	3,796,376	5,047,444
Operating Income/(Loss)	3,241,034	6,787,063	674,882	2,080,446
Other Income, net	49,756	306,997	51,866	283,055
Interest Expense	(414,961)	(620,499)	144,297	177,704
INCOME BEFORE TAXES	2,875,829	6,473,561	582,451	2,185,797
Income Tax Expense	95,116	89,618	16,277	32,685
NET INCOME	\$ 2,780,713	\$ 6,383,943	\$ 566,174	\$ 2,153,112 ↑ 280%
Earning Per Share	0.10	0.24	0.02	0.08
Basic	26,924,381	26,924,631	26,924,381	26,924,381
Diluted	26,924,631	26,924,631	26,924,381	26,924,381

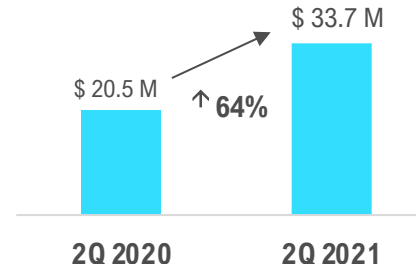
2019 v. 2020 Sales Growth (in \$ Millions)



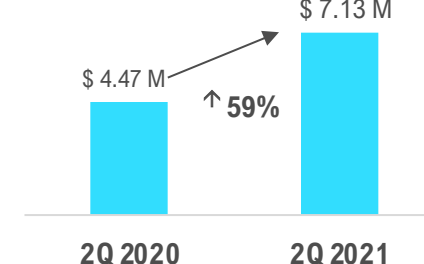
2019 v. 2020 Gross Profit Growth (in \$ Millions)



2021 Q2 Sales Growth (in \$ Millions)



2021 Q2 Gross Profit Growth (in \$ Millions)



Division Sales Performance



	Q2 2020	Margin	Q2 2021	Margin
Resale of Whole Goods	\$ 13,421,969	10.8%	\$ 20,893,838	12.8%
Resale of Recycled Components / Materials	\$ 927,060	18.3%	\$ 2,118,486	19.7%
TOTAL	\$ 14,349,029		\$ 23,012,324	

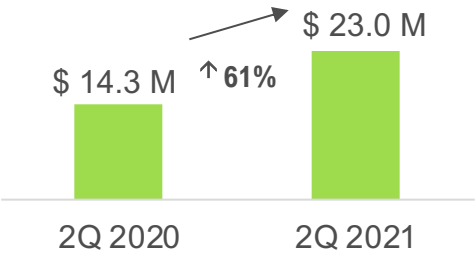


	Q2 2020	Margin	Q2 2021	Margin
Resale of Whole Goods	\$ 4,257,032	47.5%	\$ 8,595,910	35.1%
Resale of Recycled Components / Materials	\$ 1,939,546	43.0%	\$ 2,115,772	47.8%
TOTAL	\$ 6,196,578		\$ 10,711,682	

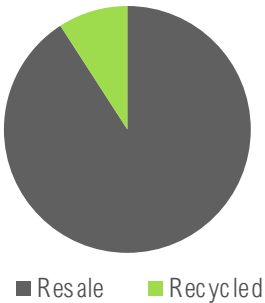
Q2 2021 Quarter Highlights

- Gross Profit increased to \$7.1 million
- Net income was \$2.15 million, or \$0.08 per basic and diluted share versus \$0.02 per share in 2Q 2020.
- Consolidated Gross Profit Margin was 21.1%
- DGSE's operations increased by \$8.7 million or 60% to \$23.0 million
- Resale revenue at DGSE, such as bullion, jewelry, watches, and rare coins, increased \$7.5 million, or 55% compared to the same period last year.
- Recycled-material sales at DGSE increased 128% to \$2.1 million.
- Revenues related to ECHG's operations were \$10.7 million.
- Resale revenue at ECHG accounted for 80% of its total sales at \$8.6 million.
- Recycled-material sales at ECHG accounted for 20% of its total sales at \$2.1 million.

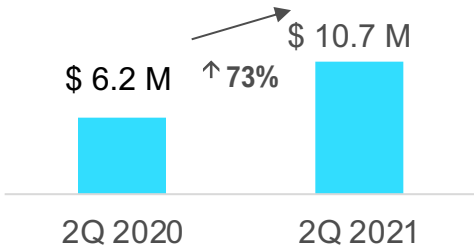
DGSE 2021 Q2 Sales Growth (in \$ Millions)



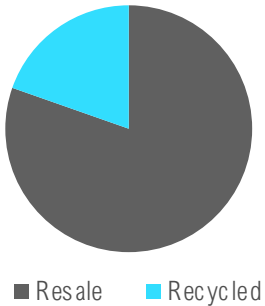
DGSE 2021 Q2 Sales Mix



ECHG 2021 Q2 Sales Growth (in \$ Millions)



ECHG 2021 Q2 Sales Mix



Corporate Snapshot

\$8.4M

Total Cash and Cash
Equivalents
(3-31-21)

~71%

Insider Ownership
(7-16-21)

\$104.3M

Market Cap
(7-16-21)

26.9M

Shares Outstanding
(5-4-21)

\$139M

Forecasted 2021
Revenue

11

Straight Quarters of
Profitability



Headquarters Campus:

Envela Corporation
1901 Gateway Drive
Irving, Texas 75038

Investor Relations Contact:

Matt Glover and John Yi
Gateway Investor Relations
949-574-3860
ELA@gatewayir.com