



windeln.de SE

December 2018



We have a significant growth opportunity in China and made good progress on the restructuring in Europe. In order to finance growth in China and to complete the turnaround in Europe we target a capital increase



1.

China growth opportunity

- We are one of the leading infant milk formula (IMF) e-commerce companies in the fast growing USD 129 billion Cross-border e-commerce (CBEC) market to China
- We focus on the segments with the highest online and CBEC penetration, size and growth: Baby products, Beauty/Cosmetics and Personal Care
- We have strong expertise in the Chinese CBEC market with our own shop and on Tmall Global
- We pursue a three fold strategy for the Chinese business:
 - Diversification of channels: by adding presence on platforms Kaola and JD.com
 - Diversification of products: by adding beauty products and selected luxury products
 - Exploring strategic partnerships

2.

European restructuring

- We made good progress on restructuring the European shops since beginning of the year
 - Sold/closed unprofitable businesses in CEE and Italy (EUR -5 to -6-million EBIT contribution)
 - Reduced SG&A costs by 40% from EUR 8.8 million to EUR 5.3 million per quarter
 - Increased margins at European shops by 2 to 3% points since beginning of the year
 - Reduced net working capital from EUR 10.6 million to EUR 6.8 million
- We also expect to grow at a double-digit growth rate in the 4th quarter compared to 3rd quarter
- However, we are missing profit contribution from the China business due to temporary effects and the recovery takes longer

3.

Capital increase

- Capital reduction and capital increase with subscription rights
- Extraordinary general meeting on January 9, 2019
- Trading period of subscription rights starts mid of January 2019
- Large shareholders of windeln.de have signaled their participation in the capital measure





China growth opportunities



Actions to grow China



- Increase of Cross-border e-commerce thresholds from RMB 2k to RMB 5k per order and RMB 26k on annual basis (up 30%) – Rev Potential **EUR 10-15 million**
 - Bonded warehouse effect from lower shipping rates and faster shipping – Rev Potential **EUR 5 million in 2019**
 - Introduction of new categories Beauty, Nutrition, Pharma, Sports Nutrition – Rev Potential **EUR 5-7 million**
 - New cooperations for beauty/luxury products – Rev Potential **EUR 10-20 million**
 - Recovery of milk formula from temporary effects in 2018 – Rev Potential **EUR 15-20 million**
 - New platform business in  网易考拉海购  JD.COM – Rev Potential **EUR 5 million in 2019**
- **Total potential in 2019: EUR 50 million to EUR 72 million**

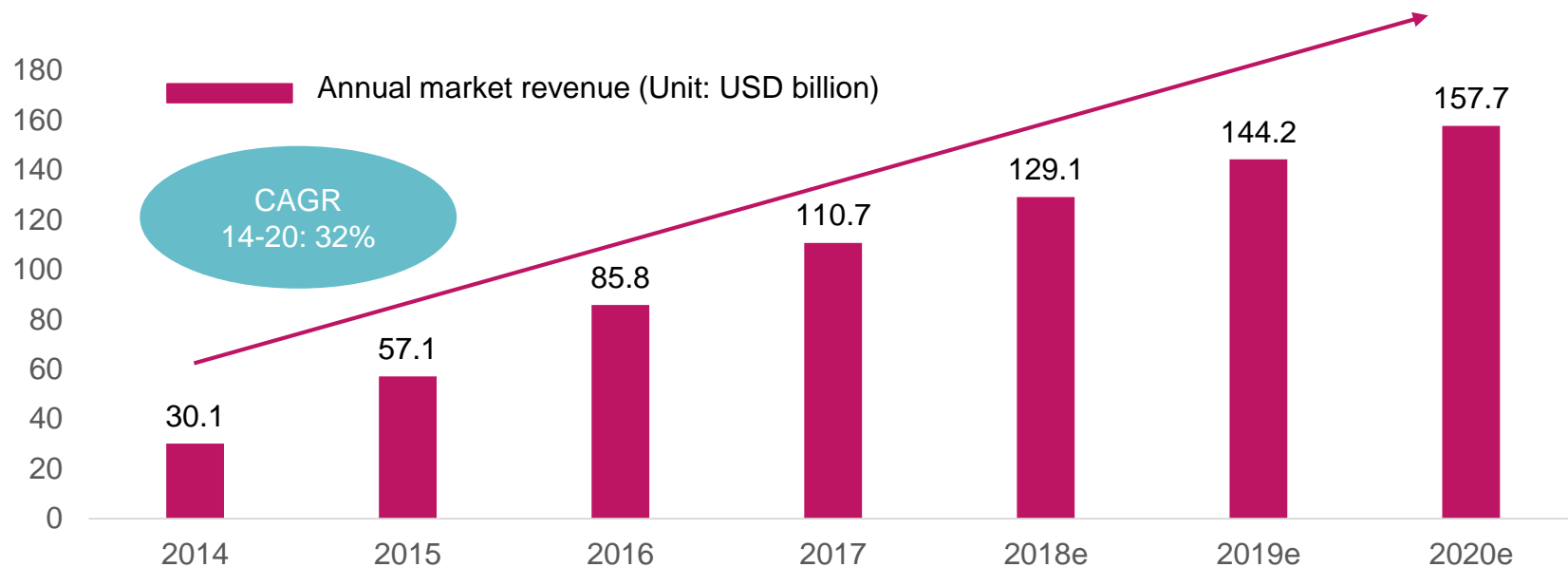
Our China opportunity: a USD 129 billion market growing at 30+% each year



Growth drivers China Cross-border e-commerce (CBEC)

- ✓ Increasing birth rates
- ✓ Rising spend per child
- ✓ Increasing online penetration
- ✓ Rising purchasing power
- ✓ Growing demand for German/European products
- ✓ User rate will grow from 200 million to 500 million in 3 years

Strong development in China CBEC retail sales

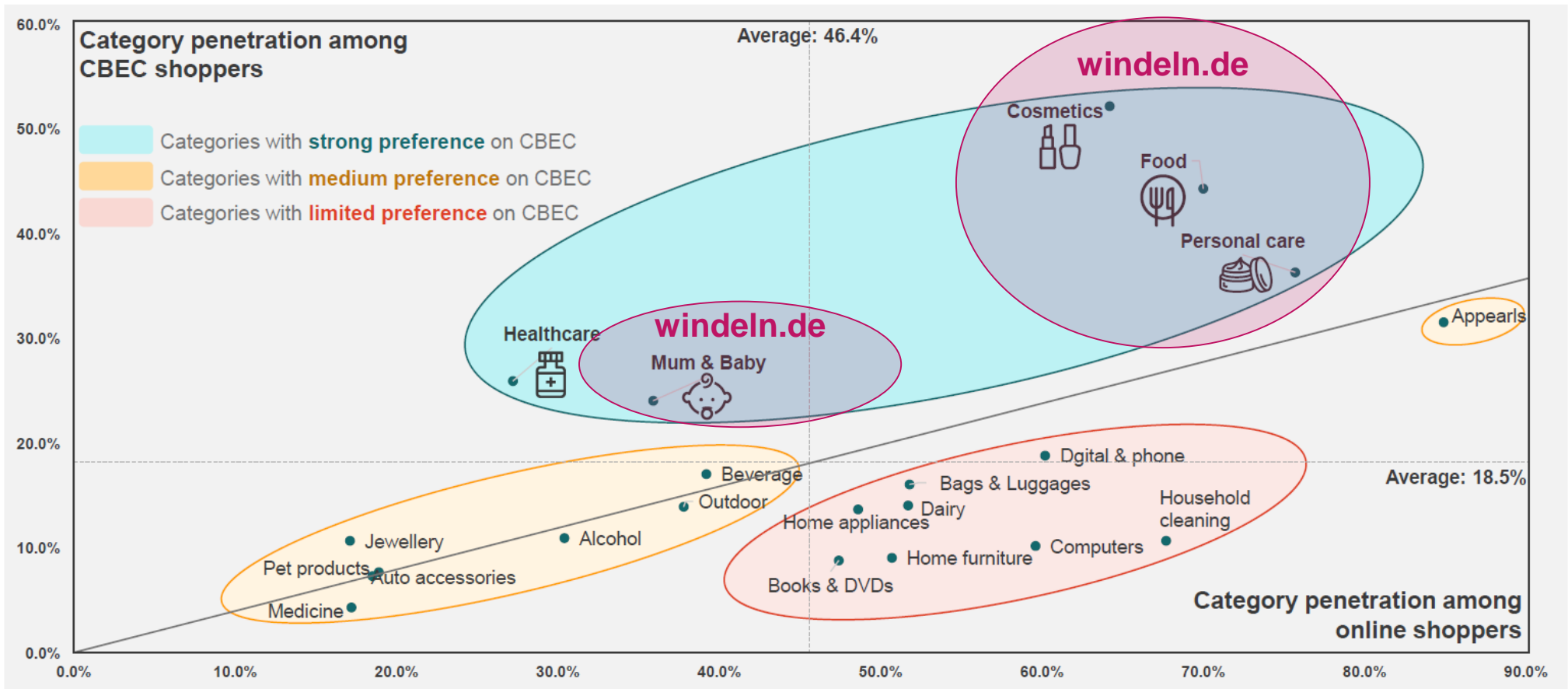


Source: Statista; eMarketer (China cross-border)

We focus on the categories with the highest penetration for CBEC....



Category Penetration Comparison (Cross-border eCommerce vs Domestic eCommerce)

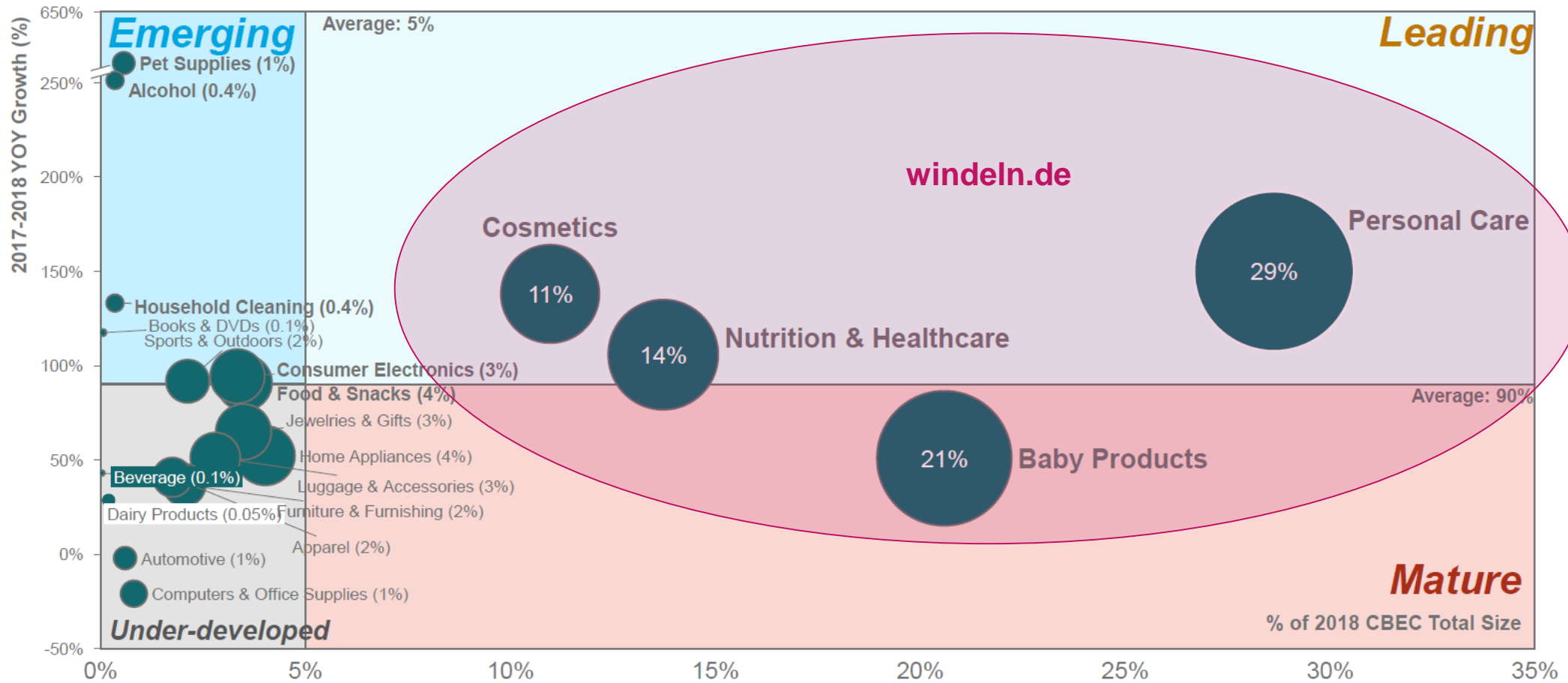


Source: KantarConsulting

...and growth rates above 10%



Category Landscape of Cross-border eCommerce Market in China



Source: KantarConsulting

We have a strong expertise for CBEC to China



Our Chinese expertise...



Web-Shop in Chinese



Alipay payment method



Customer service in Vietnam



Bonded warehouse



Shop on Tmall Global



Team China in Munich (15 FTEs)



Direct Express Delivery



China UnionPay payment method



Present in social media



Server in China



Office in Shanghai



China App

...based on a strong European business

Achievements



Tmall Global Award 2018



Tmall Global Award 2017



Honored @Alibaba's 18th birthday



Certification agreement



windeln.de shop in Chinese
www.windeln.com.cn



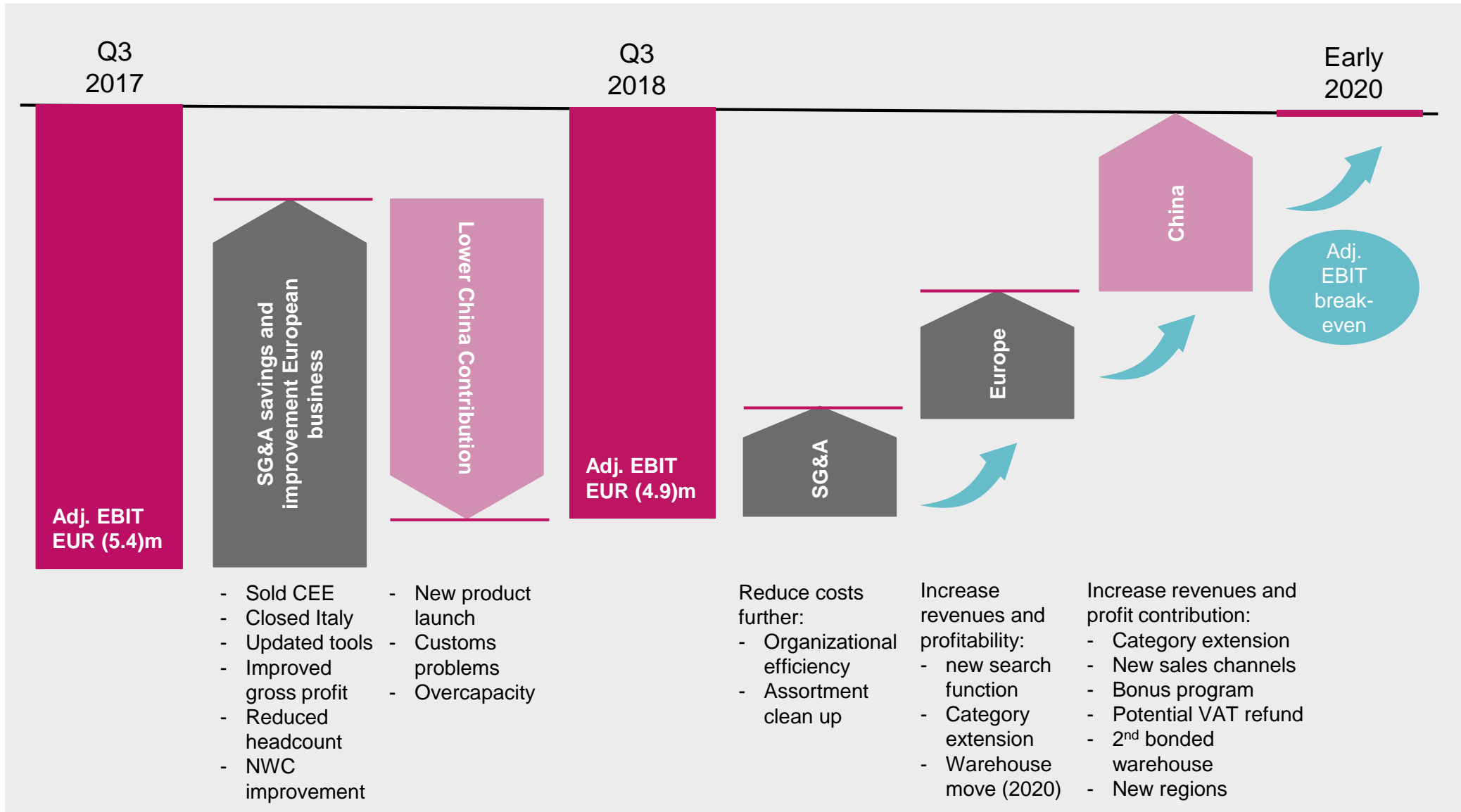
windeln.de Flagship store on Tmall Global
<https://windeln.de.tmall.hk/>



European restructuring



We made good progress on the restructuring but are missing contribution from the China business



We have now the management team in place to drive the improvements



Since
1-May 18



Matthias Peuckert

CEO,
Mgmt. Board

Drive China growth and European restructuring



Since
1-Oct 18



Nick Weinberger

CFO,
Mgmt. Board

Secure financing, work on further cost efficiency projects



Stephan Bölte

Head of
DACH

Bring regions to break-even, after that drive growth again



Julia-Caroline Schmidt

Head of
China

Extending categories and channels. Drive recovery of Infant Milk Formula



Part of Your World

China



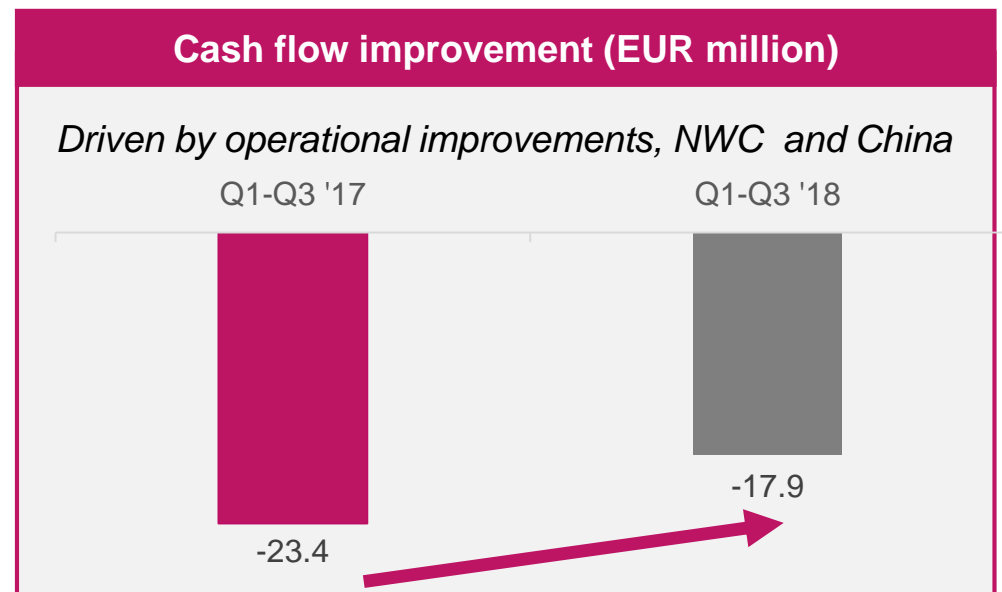
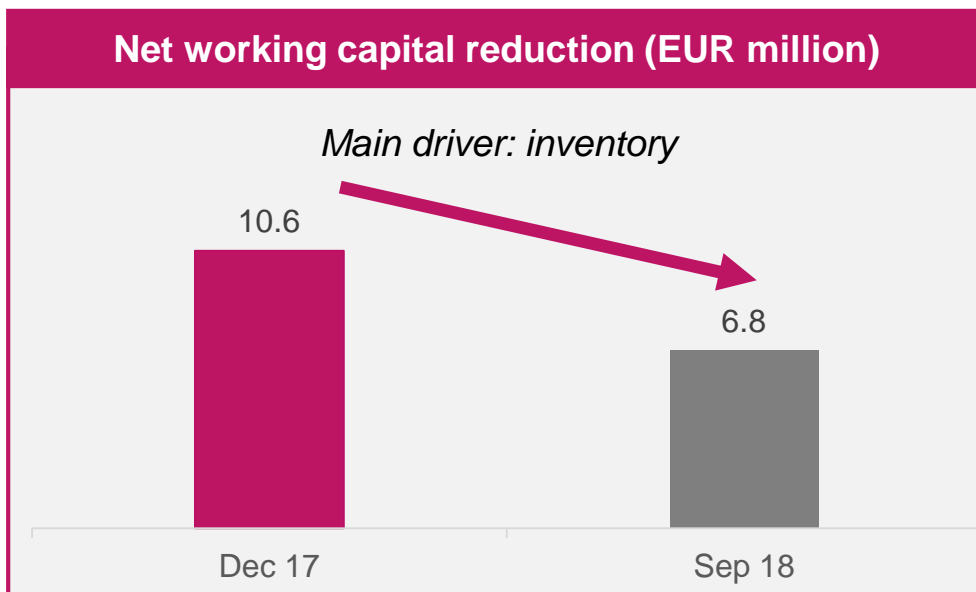
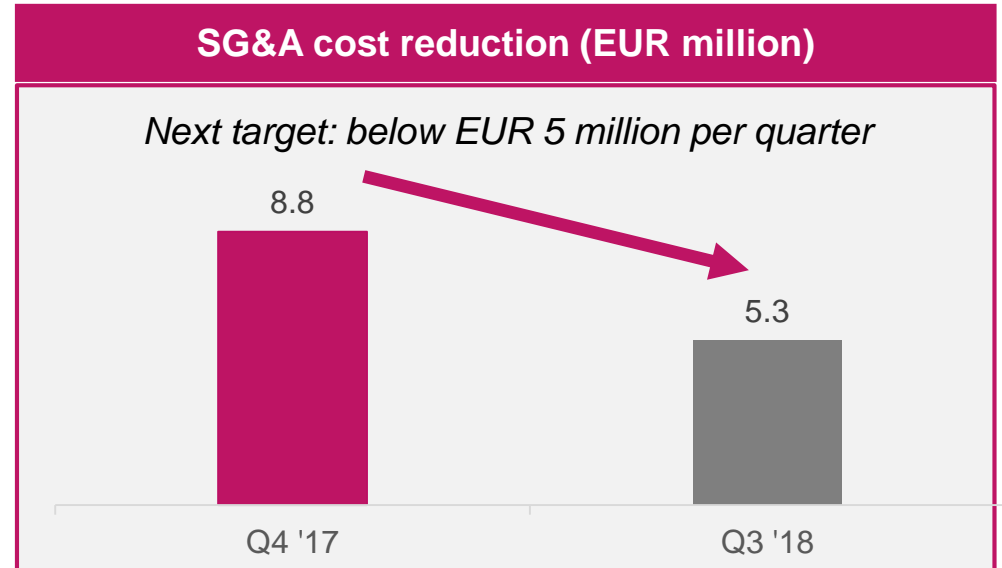
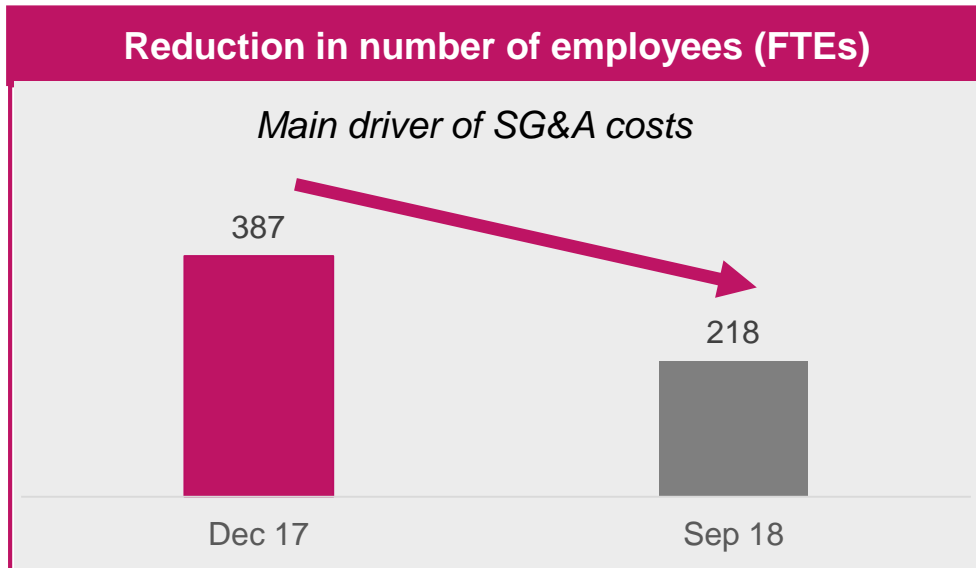
Erich Renfer

Head of
Bebitus

Bring regions to break-even, after that drive growth again



Progress on shaping the organization, reducing complexity and realizing synergies

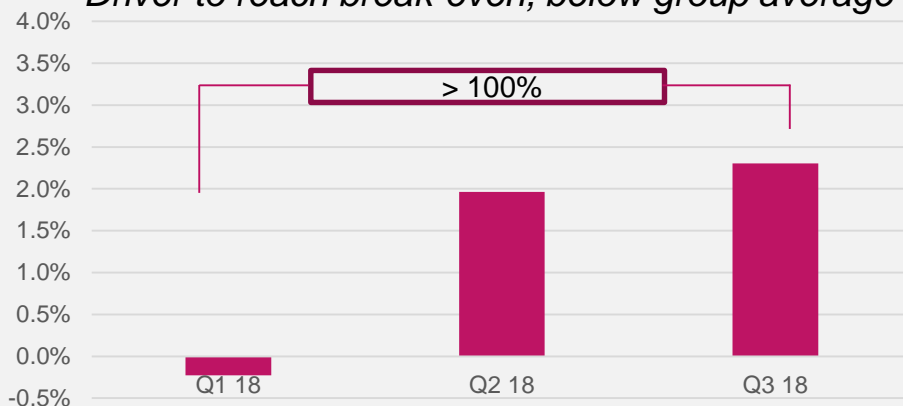


Focus for Europe in 2018: Increase margins, operational cost improvements and customers focus



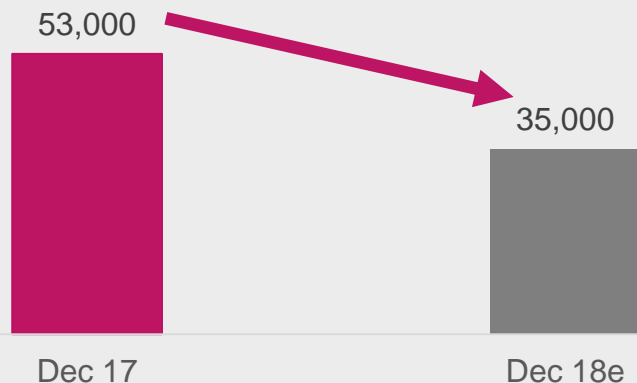
Margin improvement (CM 2)

Driver to reach break-even, below group average



Reducing assortment complexity (SKUs DACH)

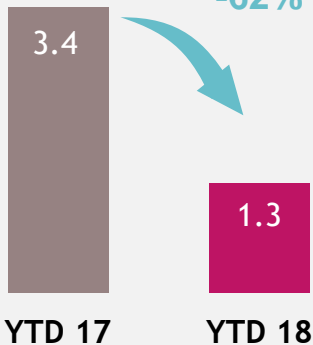
Main driver of warehousing (rental) costs



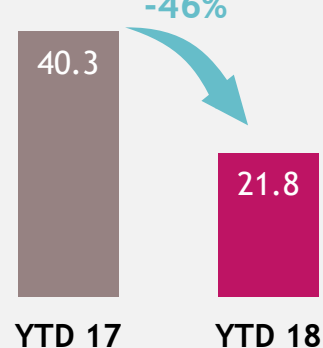
Focussing of marketing spend (DACH)

Use marketing spend efficiently and for profitable business

Marketing costs



Revenues

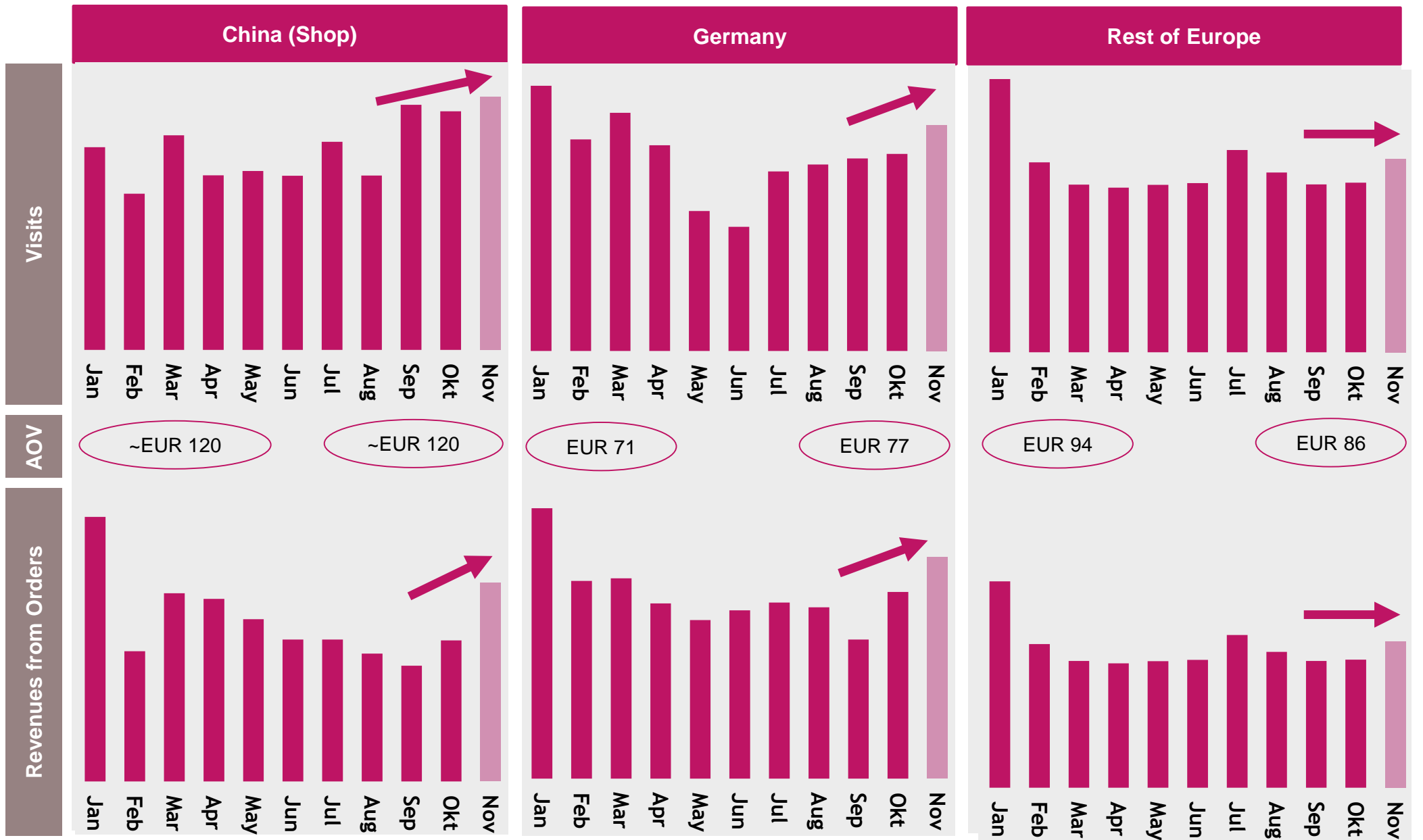


New offerings for our customers

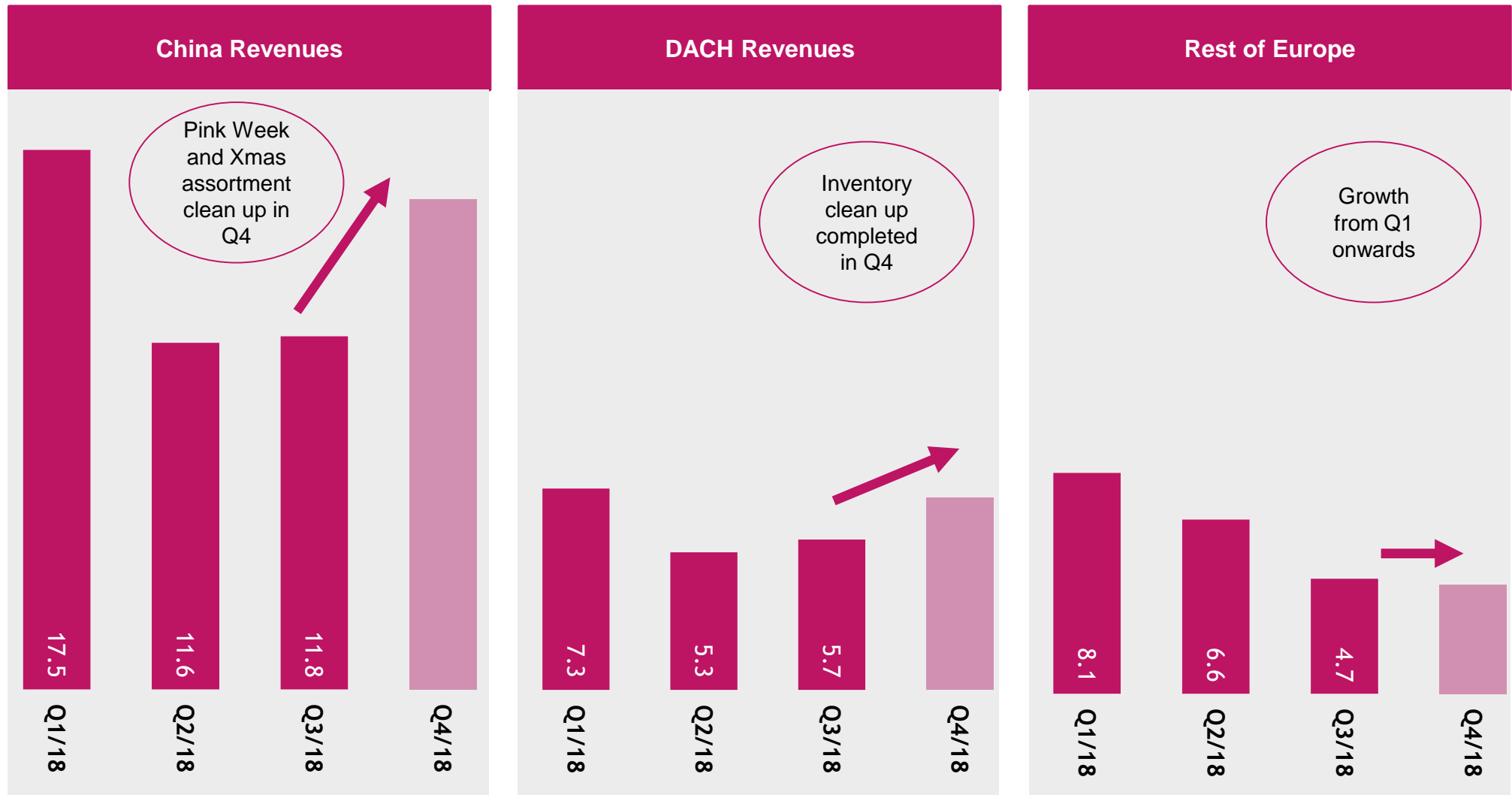
Pregnancy app, Storchenbox, new search, new categories



We have gained growth traction in KPIs for China and DACH again; Rest of Europe to come



We expect double-digit revenue growth in Q4 compared to Q3





Capital increase



To fund the further progress of the company we plan to do a capital increase



- Liquidity is expected to be at around EUR 7/8 million by yearend
- To fund the growth in China and to complete the restructuring we plan to do an ordinary capital reduction, reverse stock split and capital increase with subscription rights
- Large shareholders of windeln.de have signalized their participation in the capital measure

| | |
|-----------------------------------|------------------|
| Extraordinary shareholder meeting | January 9, 2019 |
| Number of shares (current) | 31,136,470 |
| Share price | EUR 0.39 |
| Market capitalization | EUR 11.6 million |
| Reverse stock split | 10:1 |
| Number of shares (new) | 3,113,647 |
| Calculated share price | EUR 3.90 |



Thank you!

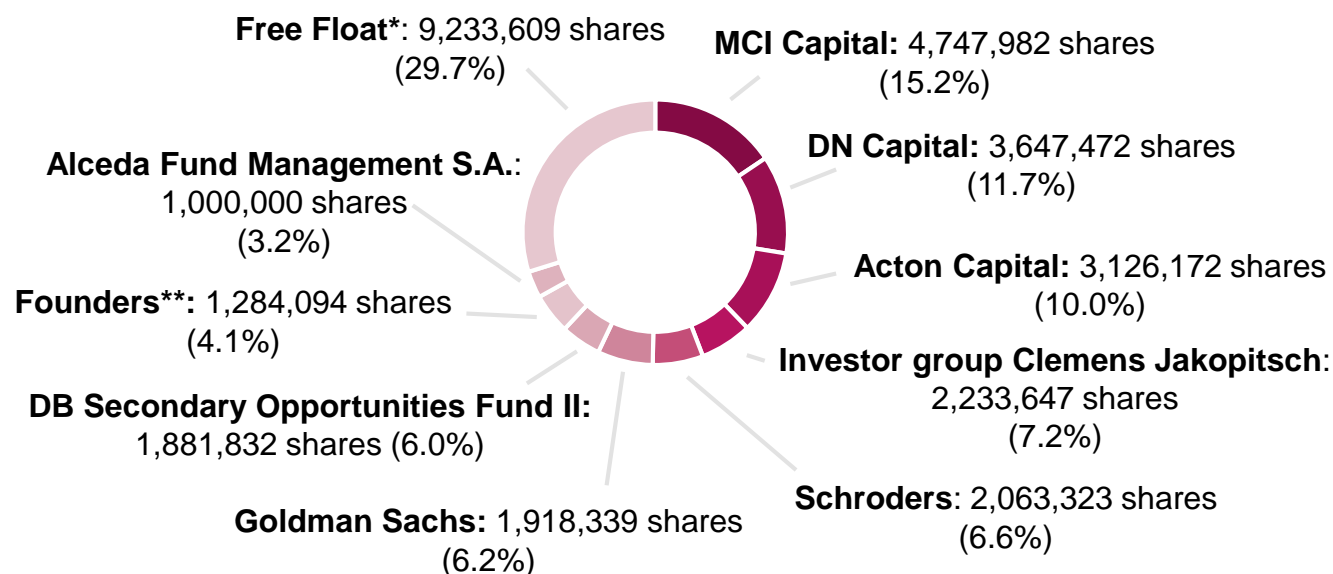


Appendix



Shareholder structure

Shareholder structure¹⁾



Basic share data

| | |
|-----------------------------------|----------------------------|
| WKN | WNDL11 |
| ISIN | DE000WNDL110 |
| Market place | Frankfurt Stock Exchange |
| Type of share | No-par value bearer shares |
| Initial listing | May 6, 2015 |
| Designated Sponsor | Pareto DSP |
| Number of shares as of June, 2018 | 31,136,470 |
| Share capital | EUR 31,136,470 |

Supervisory Board members

| | |
|-------------------------------------|---|
| Willi Schwerdtle (Chairman) | Dr. Hanna Eisinger (get2trade) |
| Dr. Christoph Braun (Acton Capital) | Tomasz Czechowicz (MCI Capital) |
| Dr. Edgar Carlos Lange (Lekkerland) | Clemens Jakopitsch (Behördenengineering Jakopitsch) |

As of October 15, 2018

Disclaimer: The shareholder structure pictured above is based on the published voting rights announcements and company information. windeln.de SE assumes no responsibility for the correctness, completeness or currentness of the figures. Total number of shares: 31,136,470

*Free float according to the definition of Deutsche Börse

** Aggregate shareholding of the founders Alexander Brand & Konstantin Urban

Key performance indicators quarter over quarter



| Excl. pannolini and Feedo | Q1 '18 | Q2 '18 | Q3 '18 |
|--|--------|--------|--------|
| Site Visits (in thousand) ¹ | 12,255 | 9,127 | 9,907 |
| Mobile Visit Share (in % of Site Visits) ² | 72.3% | 71.8% | 70.3% |
| Mobile Orders (in % of Number of Orders) ³ | 53.3% | 55.2% | 55.1% |
| Active Customers (in thousand) ⁴ | 742 | 681 | 615 |
| Number of Orders (in thousand) ⁵ | 330 | 283 | 244 |
| Average Orders per Active Customer (in number of Orders) ⁶ | 2.0 | 2.2 | 2.1 |
| Orders from Repeat Customers (in thousand) ⁷ | 302 | 233 | 192 |
| Share of Repeat Customer Orders (in % of Number of Orders) ⁸ | 87.0% | 74.9% | 79.8% |
| Gross Order Intake (in kEUR) ⁹ | 29,774 | 25,514 | 21,916 |
| Average Order Value (in EUR) ¹⁰ | 90.2 | 90.0 | 90.0 |
| Returns (in % of Gross Revenues from orders) ¹¹ | 3.4% | 3.6% | 4.3% |

Definitions of key performance indicators



- 1) We define Site Visits as the number of series of page requests from the same device and source in the measurement period and include visits to our online magazine. A visit is considered ended when no requests have been recorded in more than 30 minutes. The number of site visits depends on a number of factors including the availability of the products we offer, the level and effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics.
- 2) We define Mobile Visit Share (in % of Site Visits) as the number of visits via mobile devices (smartphones and tablets) to our mobile optimized websites and mobile apps divided by the total number of Site Visits in the measurement period. We have excluded visits to our online magazine and until the end of 2016 we also excluded visits from China. We excluded visits from China because the most common online translation services on which most of our customers who order for delivery to China rely to translate our website content are not able to do so from their mobile devices, and therefore very few of such customers order from their mobile devices. As we have started a customized website for our Chinese customers in December 2016 we include visits from China from Q1 2017 onwards. Measured by Google Analytics.
- 3) We define Mobile Orders (in % of Number of Orders) as the number of orders via mobile devices to our mobile optimized websites and mobile apps divided by the total Number of Orders in the measurement period. We have included orders from China from Q1 2017 onwards. Measured by Google Analytics.
- 4) We define Active Customers as the number of unique customers placing at least one order in one of our shops in the 12 months preceding the end of the measurement period, irrespective of returns.
- 5) We define Number of Orders as the number of customer orders placed in the measurement period irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled. Every order which has been placed, but for which the products in the order have not been shipped (e.g., the products are not available or the customer cancels the order), is considered "cancelled". Cancelled orders are not included in the Number of Orders.
- 6) We define Average Orders per Active Customer as Number of Orders in the last twelve months divided by the number of Active Customers.
- 7) We define Orders from Repeat Customers as the number of orders from customers who have placed at least one previous order, irrespective of returns.
- 8) We define Share of Repeat Customer Orders as the number of orders from Repeat Customers divided by the Number of Orders in the last twelve months.
- 9) We define Gross Order Intake as the aggregate Euro amount of customer orders placed in the measurement period minus cancellations. The Euro amount includes value added tax and excludes marketing rebates.
- 10) We define Average Order Value as Gross Order Intake divided by the Number of Orders in the measurement period.
- 11) We define Returns (in % of Gross Revenues from Orders (until Q1 2017 in % of Net Merchandise Value)) as the returned amount in Euro divided by Gross Revenues from Orders in the measurement period. From Q2 2016 onwards including Bebitus and Feedo returns. Gross Revenues from Orders are defined as the total aggregated Euro amount spent by our customers minus cancellations but irrespective of returns. The Euro amount does not include value added tax. As the Gross Revenues from Orders do not exclude returns and include all marketing rebates it is more reasonable to use this KPI for the return rate calculation than the Net Merchandise Value. The change of the calculation logic has no material impact on the reported return rate. Therefore, the calculation has been changed accordingly from Q2 2017 onwards.

Income statement (continuing operations)

| kEUR | 9M 2018 | Q3 2018 |
|--|----------------|---------------|
| Revenues | 78,549 | 22,178 |
| Cost of sales | -60,167 | -17,255 |
| Gross profit | 18,382 | 4,923 |
| % margin | 23.4% | 22.2% |
| Selling and distribution expenses | -29,573 | -7,936 |
| Administrative expenses | -6,609 | -2,318 |
| Other operating income | 773 | 294 |
| Other operating expenses | -639 | -183 |
| EBIT | -17,666 | -5,220 |
| % margin | -22.5% | -23.5% |
| Financial result | -15 | 5 |
| EBT | -17,681 | -5,215 |
| % margin | -22.5% | -23.5% |
| Income taxes | -16 | -2 |
| Profit or loss from continuing operations | -17,697 | -5,217 |
| % margin | -22.5% | -23.5% |
| Profit or loss from discontinued operations | -10,575 | -713 |
| Profit or loss for the period | -28,272 | -5,930 |
| EBIT | -17,666 | -5,220 |
| Share-based compensation | -323 | 64 |
| Acquisition, integration and expansion costs | - | - |
| Reorganization | 1,227 | 169 |
| Intangible assets | - | - |
| Closure pannolini.it | 771 | 57 |
| Adjusted EBIT | -15,991 | -4,930 |
| % margin | -20.5% | -22.2% |

| EUR m % of Revenues | 9M 2018 | Q3 2018 |
|-------------------------------------|----------------|----------------|
| Revenues | 78.5 | 22.2 |
| Gross profit¹ | 23.8% | 22.4% |
| Fulfilment costs² | (17.0)% | (15.8)% |
| Marketing costs³ | (4.7)% | (4.8)% |
| Operating contr. | 1.7 | 0.4 |
| Operating contr. | 2.1% | 1.8% |
| Other SG&A⁴ | (17.7) | (5.3) |
| Other SG&A⁴ | (22.7)% | (24.0)% |
| Adj. EBIT⁵ | (16.0) | (4.9) |
| Adj. EBIT⁵ | (20.5)% | (22.2)% |

* Restated for presentation of discontinued operations in connection with the planned divestiture of Feedo Group, and restated for the effects of the first application of IFRS 9

Income statement (continuing operations)



Note: Adjusted continuing operations shown (i.e. excluding discontinued operation Feedo Group).

- 1 The adjustments of gross profit relate to income expenses of the shop pannolini.it until the shop's closure, and expenses for share-based compensation.
- 2 Fulfilment costs consist of logistics and warehouse rental expenses which are recognized within selling and distribution expenses in the consolidated statement of profit and loss. Fulfilment expenses incurred in the shop pannolini.it are adjusted until the shop's closure. In 2017, costs related to the closure of the Swiss location and income from the release of provisions for onerous contracts are adjusted.
- 3 Marketing costs mainly consist of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for the marketing tools of the Group. Marketing expenses incurred in the shop pannolini.it are adjusted until the shop's closure.
- 4 Other selling, general and administration expenses (other SG&A expenses) consist of selling and distribution expenses, excluding marketing costs and fulfilment costs, and administrative expenses as well as other operating income and expenses. Adjusted SG&A expenses exclude expenses from share-based compensation, reorganization measures and income and expenses incurred in the shop pannolini.it until the shop's closure. Furthermore, expenses for the integration of subsidiaries were adjusted in the comparative period.
- 5 Adjusted for expenses and income in connection with share-based compensation, reorganization measures and income and expenses of the closed shop pannolini.it. In the prior year comparative period, expenses for the integration of subsidiaries were adjusted.

Balance sheet and cash flow statement



Consolidated statement of financial position

| kEUR | September 30, 2018 |
|---|-----------------------|
| Total non-current assets | 12,617 |
| Inventories | 9,573 |
| Prepayments | 19 |
| Trade receivables | 942 |
| Miscellaneous other current assets ¹ | 5,739 |
| Cash and cash equivalents | 12,135 |
| Total current assets | 28,408 |
| Total assets | 41,025 |
| Issued capital | 31,136 |
| Share premium | 170,488 |
| Accumulated loss | -171,699 |
| Cumulated other comprehensive income | 180 |
| Total equity | 30,105 |
| Total non-current liabilities | 522 |
| Other provisions | 137 |
| Financial liabilities | 51 |
| Trade payables | 5,456 |
| Deferred revenue | 1,840 |
| Miscellaneous current liabilities ² | 2,914 |
| Total current liabilities | 10,398 |
| Total equity & liabilities | 41,025 |

Consolidated statement of cash flows

| kEUR | 9M 2018 | Q3 2018 |
|---|----------------|---------------|
| Net cash flows from/used in operating activities | -17,261 | -3,477 |
| Net cash flows from/used in investing activities | 1,371 | -16 |
| Net cash flows from/used in financing activities | 1,552 | -38 |
| Cash and cash equivalents at the beginning of the period | 26,465 | 15,656 |
| Net increase/decrease in cash and cash equivalents | -14,338 | -3,531 |
| Cash and cash equivalents at the end of the period | 12,135 | 12,135 |

1 Miscellaneous other current assets include income tax receivables, other current financial assets and other current non-financial assets.

2 Miscellaneous other current liabilities include income tax payables, other current financial liabilities and other current non-financial liabilities.

3 Restated for the effects of the first application of IFRS 9

