



windeln.de SE

February 2019



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Executive Summary



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



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 with our own shop and a flagship store on Tmall Global

- Focus on segments with the highest online and CBEC penetration, size and growth: Baby products, beauty/cosmetics and personal care
- Three fold strategy for the Chinese business:
 - Diversification of channels
 - Diversification of products
 - Exploring strategic partnerships

European restructuring

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

Financials Q4 2018

Preliminary Q4 2018 financials

- Revenues of EUR 26.6 million in Q4 (qoq +18%) and EUR 104.7 million in 2018
- Cash available of EUR 11.1 million as of December 31, 2018


Capital increase

Capital reduction and capital increase with subscription rights (resolved by Extraordinary General Meeting on Jan 9, 2019)

- Subscription period expected to start in February 2019
- Use of proceeds to fund growth in China and to complete restructuring:
 - Projects China
 - Organic growth in additional markets
 - Improving marketing strategy
 - Further organizational and efficiency optimizations DACH

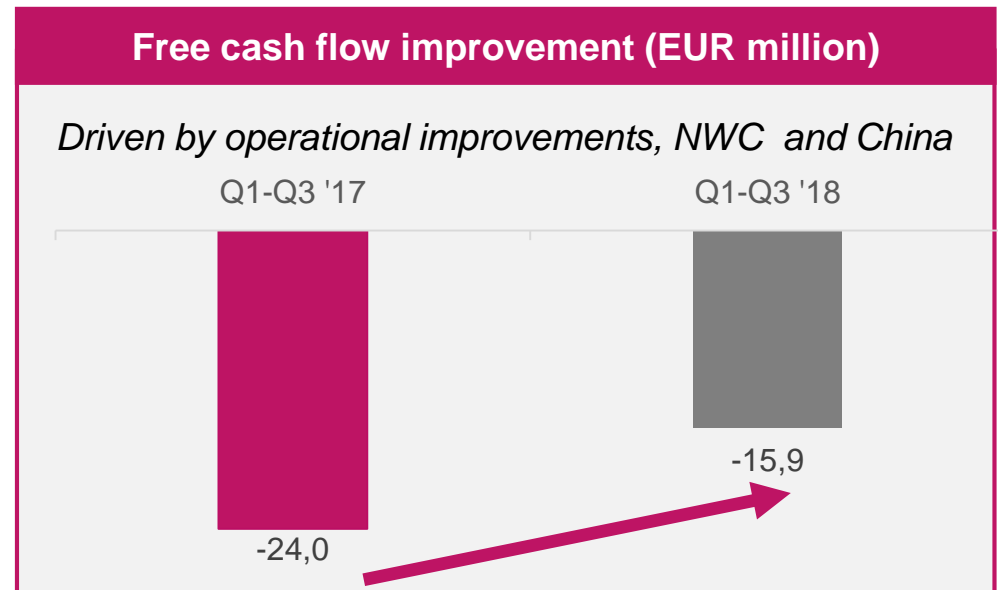
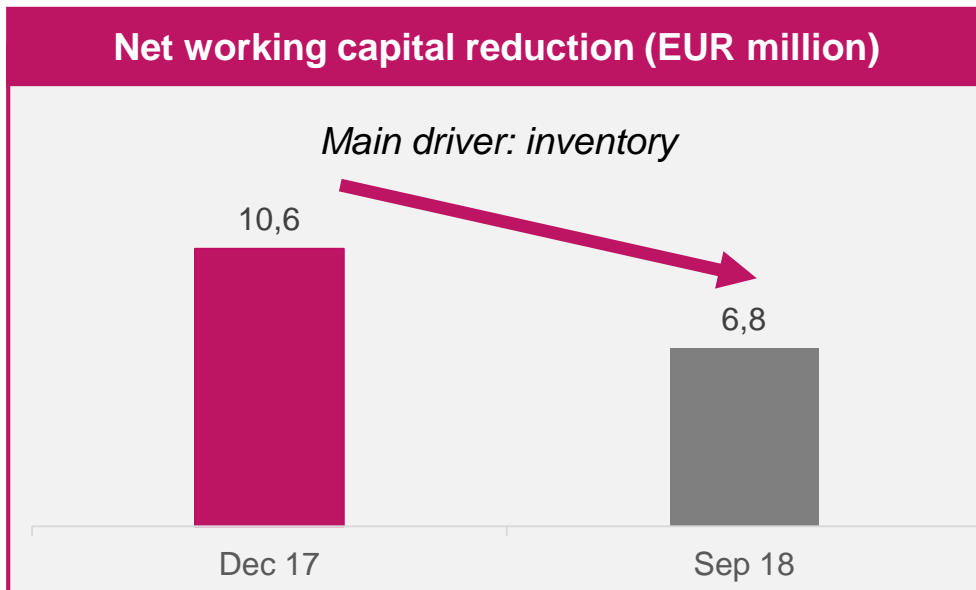
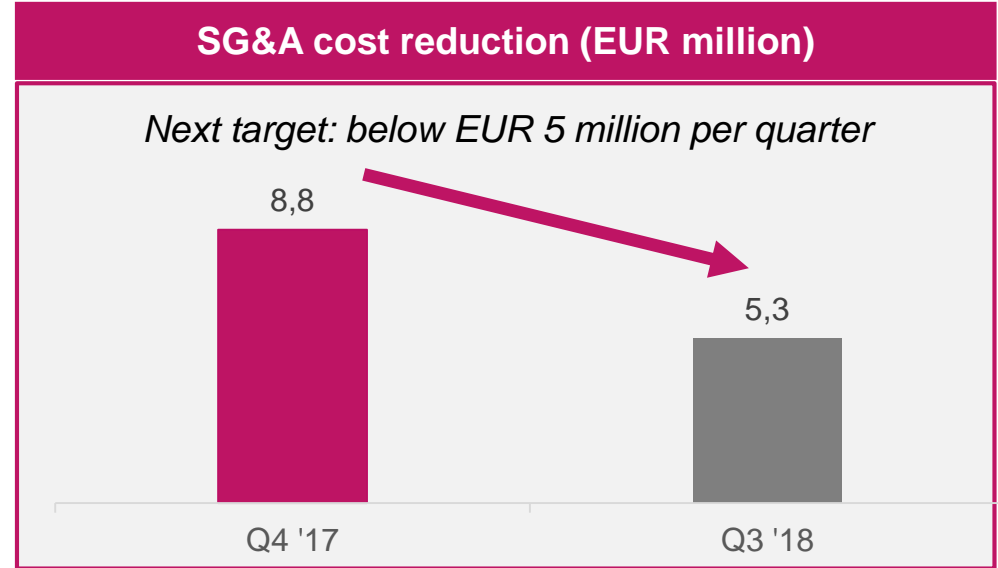
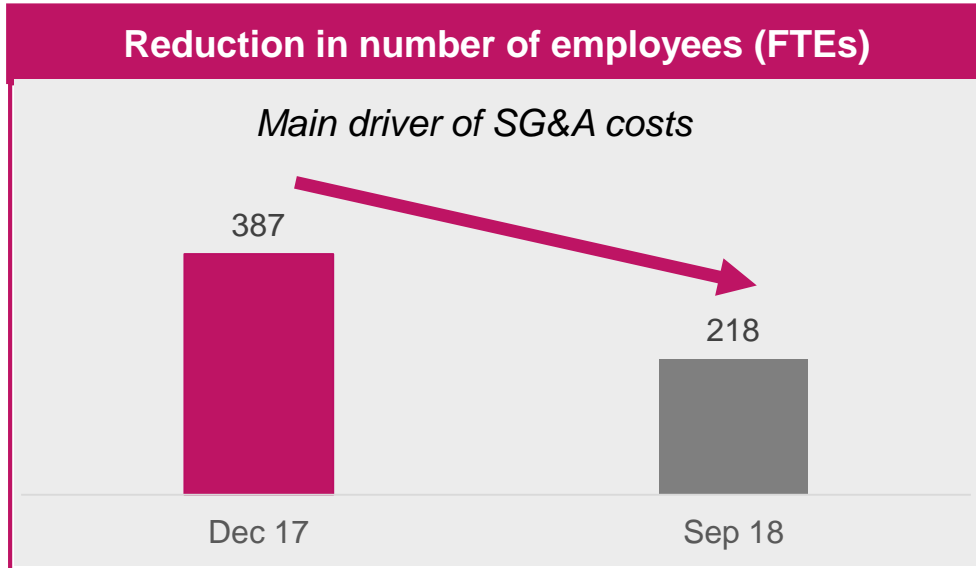
Actions to grow China



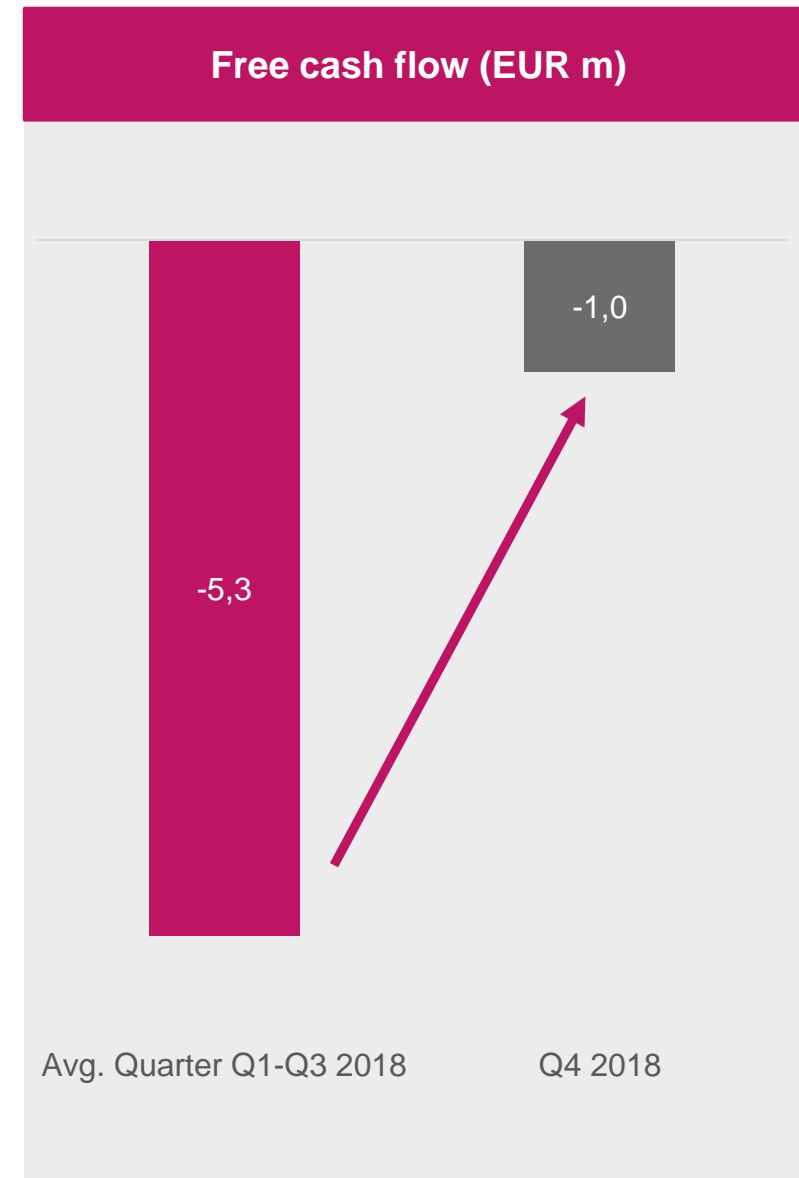
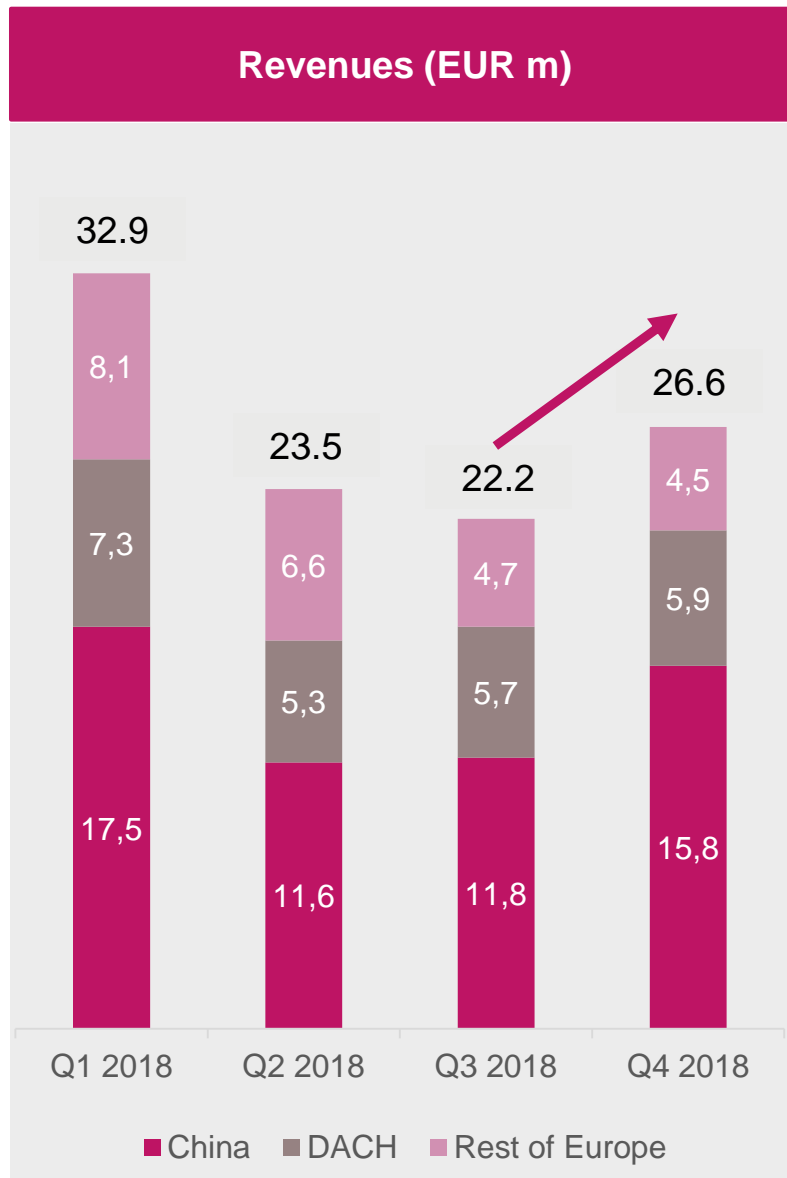
- Increase of cross-border e-commerce thresholds from RMB 2k to RMB 5k per order and RMB 26k on annual basis (up 30%): annual revenue potential **EUR 10-15 million**
- Bonded warehouse effect from lower shipping rates and faster shipping: annual revenue potential **EUR 5 million in 2019**
- Introduction of new categories beauty, nutrition, pharma, sports nutrition: annual revenue potential **EUR 5-7 million (year one)**
- New cooperations for beauty/luxury products: annual revenue potential **EUR 10-20 million**
- Recovery of milk formula from temporary effects in 2018: annual revenue potential **EUR 15-20 million**
- New platform business in  **网易考拉海购**  **JD.COM** annual revenue potential **EUR 5 million (year one)**

→ **Total revenue potential: EUR 50 million to EUR 72 million**

Progress on shaping the organization, reducing complexity and realizing synergies



Preliminary financials for Q4 2018 show positive development



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



- To fund the growth in China and to complete the European restructuring we did an ordinary capital reduction by way of reverse stock split and plan a capital increase with subscription rights

Use of proceeds	<p>Growth in China</p> <ul style="list-style-type: none"> • Second bonded warehouse • Channel/platform extension • Category extension • Collaborations German brands • Organic growth in additional markets 	<p>Complete Restructuring</p> <ul style="list-style-type: none"> • Assortment optimization • Warehouse move • Strengthen direct traffic • Intensify social media marketing
Structure	<ul style="list-style-type: none"> • Capital increase with subscription rights • Up to EUR 9 million increase of share capital 	
Subscription period	<ul style="list-style-type: none"> • February 2019 • Trading admission of shares expected in Q2 	
Subscription price	tbd	
Subscription ratio	tbd	



China growth opportunities



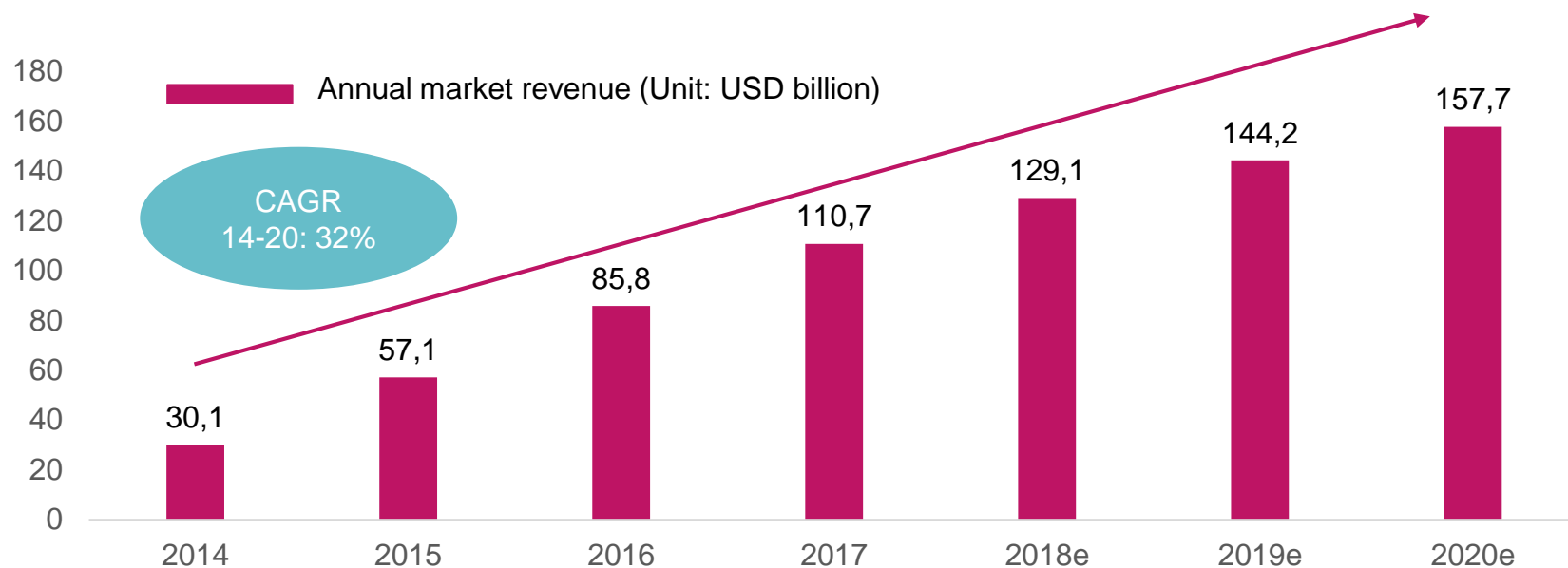
Our China opportunity: a USD 129 billion market growing at 30+% each year



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

- ✓ Stable 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

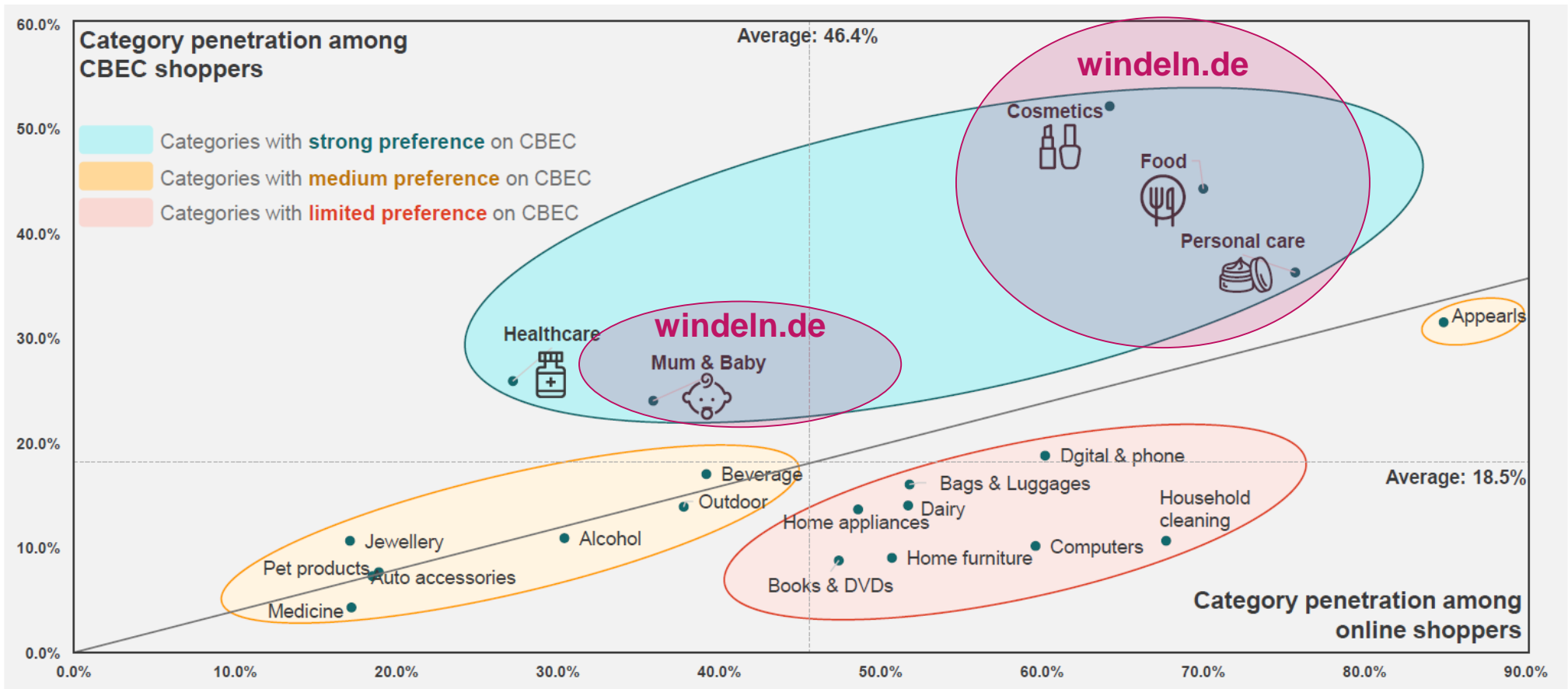


Source: Statista; eMarketer (China cross-border)

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



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

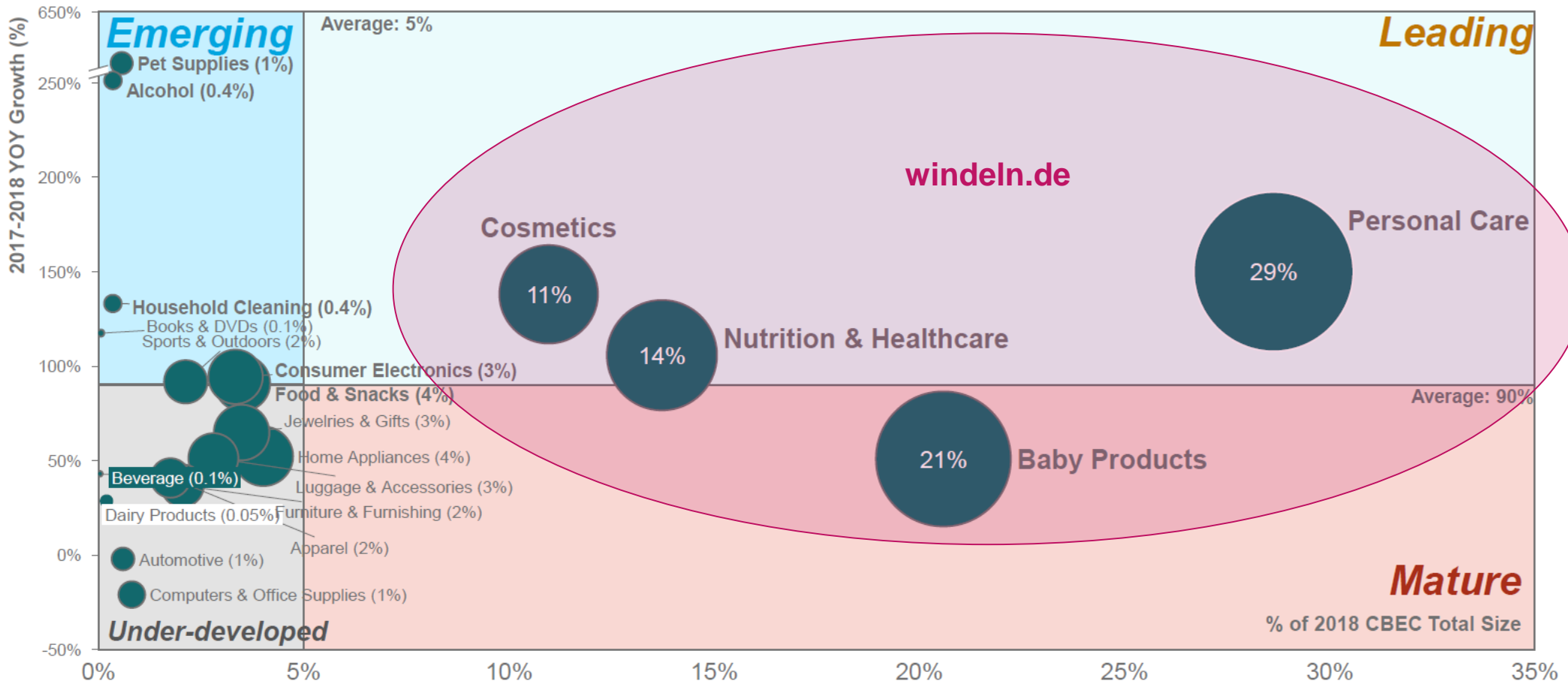


Source: KantarConsulting



...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



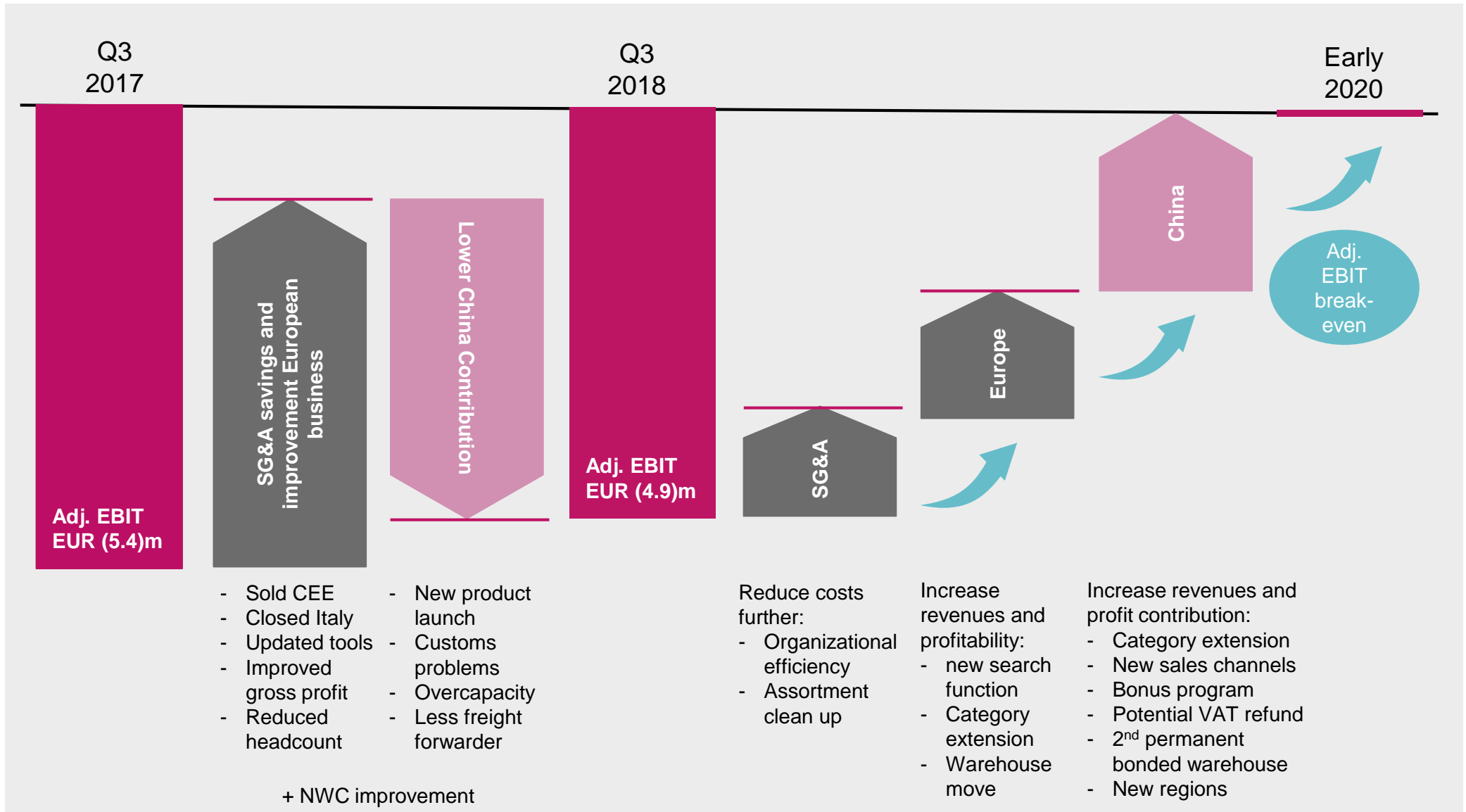
windeln.de Flagship store on Tmall Global
<https://windeln.de.tmall.hk/>



European restructuring



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



Management team to drive the improvements



Since
1-May 18



Matthias Peuckert

CEO,
Mgmt. Board

*Drive China growth
and European
restructuring*



**Nick
Weinberger**

CFO,
Mgmt. Board

*Secure financing,
work on further
cost efficiency projects*



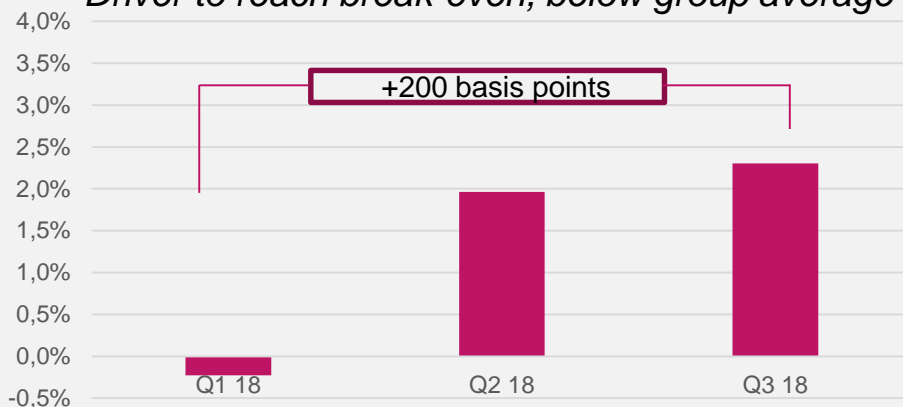
+ Broader
Mgmt. Team

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



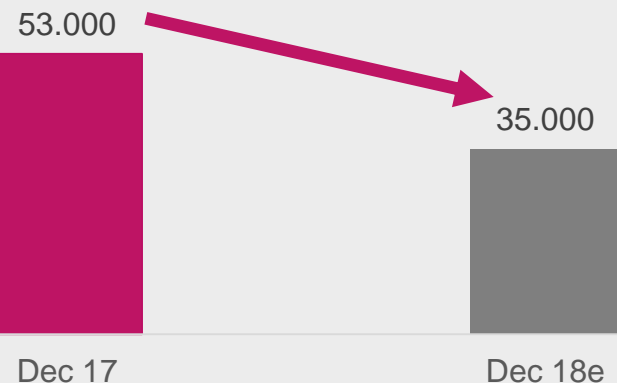
Margin improvement (CM 2)

Driver to reach break-even, below group average



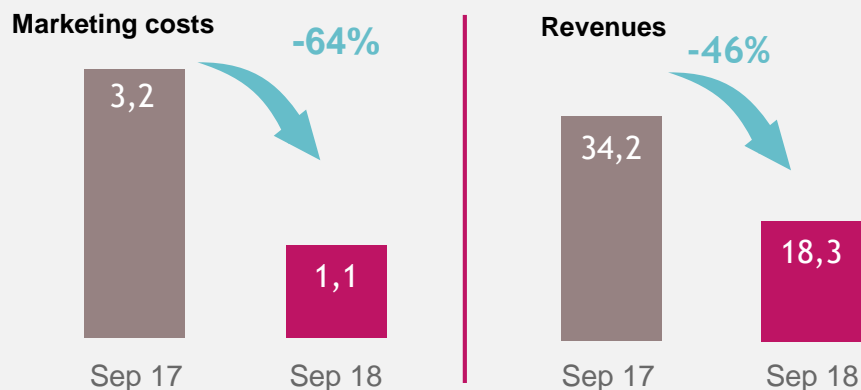
Reducing assortment complexity (SKUs DACH)

Main driver of warehousing (rental) costs



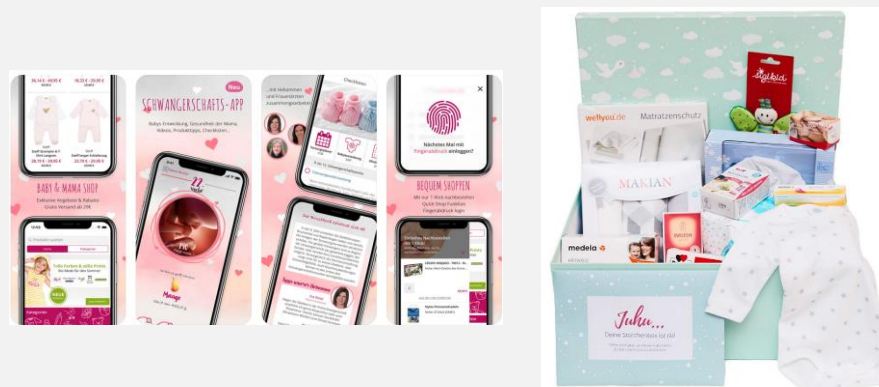
Focussing of marketing spend (DACH)

Use marketing spend efficiently and for profitable business



New offerings for our customers

Pregnancy app, Storchenbox, new search, new categories

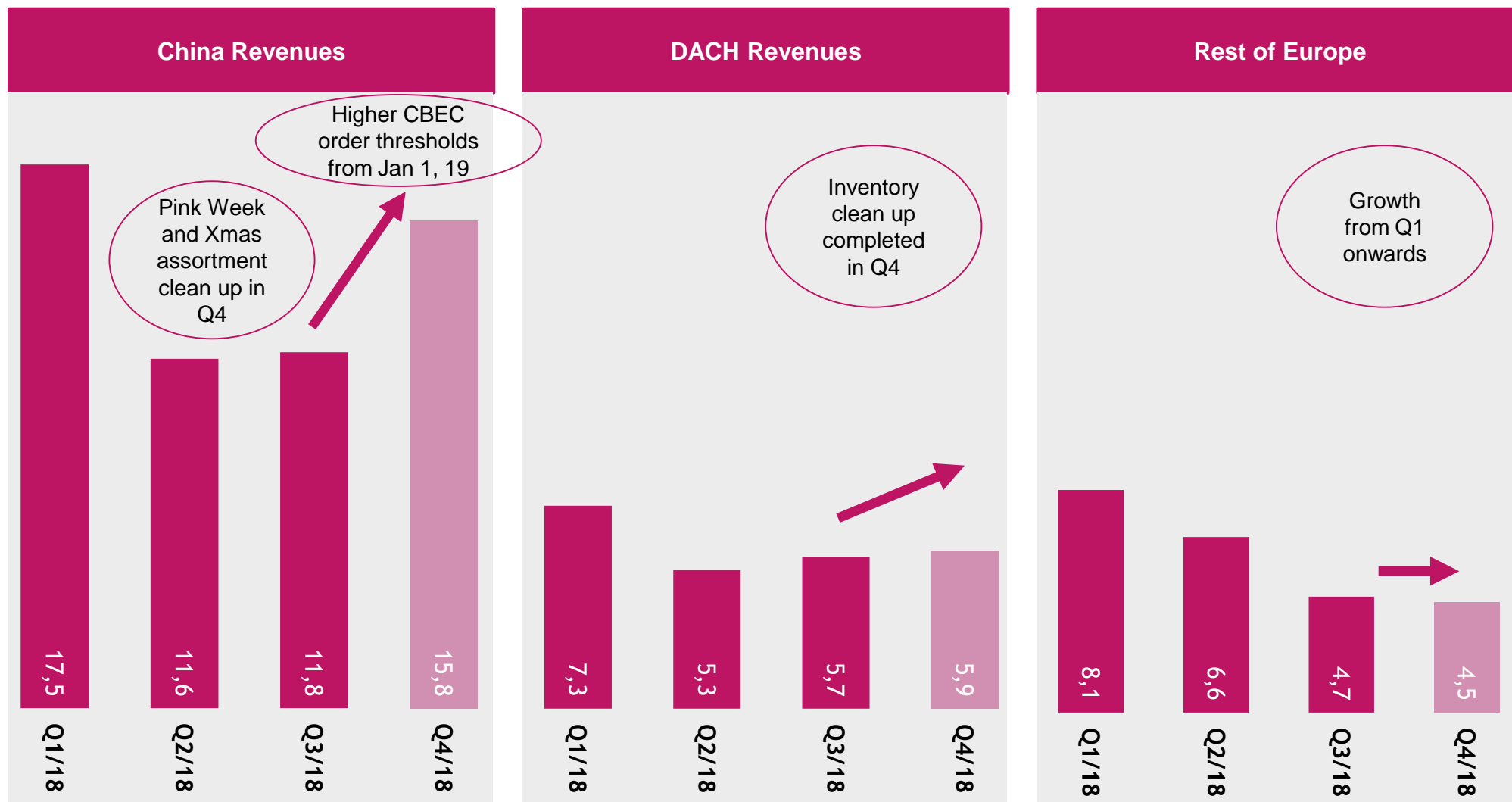


We generated significant revenue growth in Q4 2018; liquidity of EUR 11.1 million



Revenues in Q4 2018 on preliminary numbers amounted to EUR 26.2 million, which is an increase of +18% compared to the previous quarter.

Liquidity as of December 31, 2018, was EUR 11.1 million compared to EUR 12.8 million as of September 30, 2018. (EUR -1,7 million).



■ Preliminary numbers



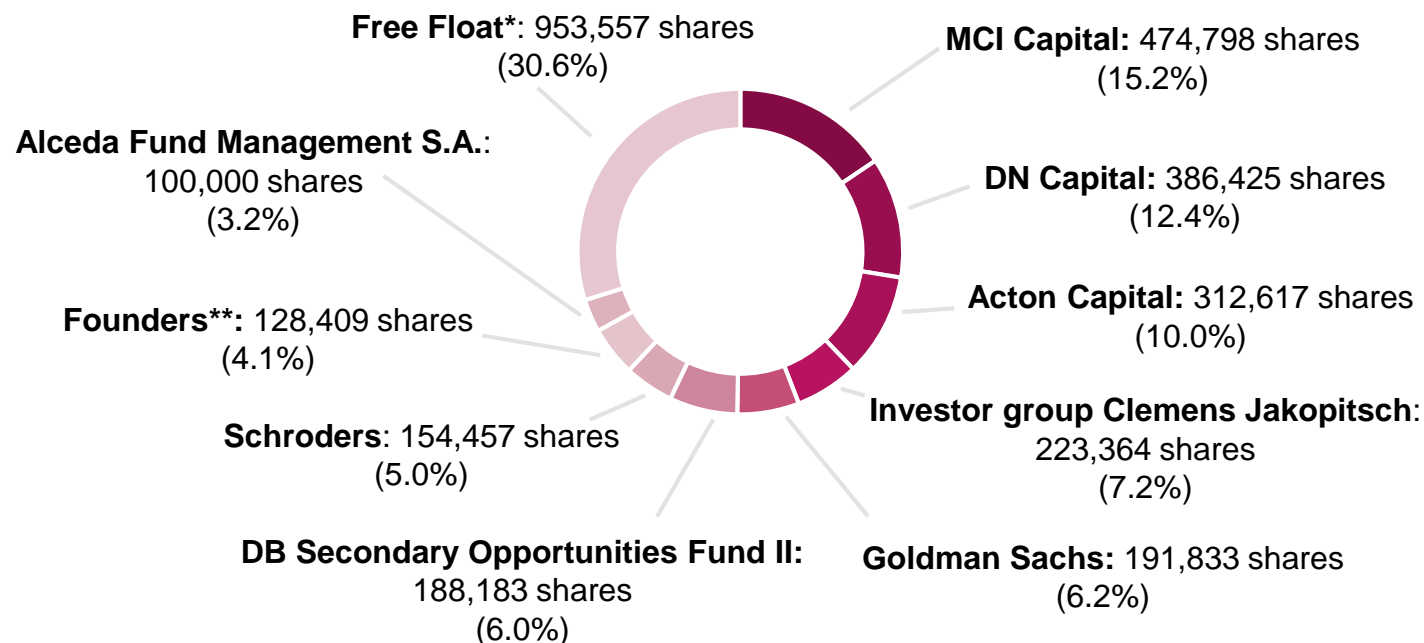
Thank you!



Appendix



Shareholder structure



Basic share data

WKN	WNDL19
ISIN	DE000WNDL193
Market place	Frankfurt Stock Exchange
Type of share	No-par value bearer shares
Initial listing	May 6, 2015
Designated Sponsor	Pareto Securities
Number of shares as of January, 2019	3,113,647
Share capital	EUR 3,113,647

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 January 23, 2019

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: 3,113,647

*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

