Full Year/Fourth Quarter 2018 Results

March 20, 2019

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In 2018 focus was on restructuring; Q4 2018 with positive development

- **In 2018 significant restructuring focused on reduction of complexity; in 2019 focus on sustainable growth**
- **EUR 104.8m in full year revenues and EUR 26.3m in Q4**
  - Lower revenues year-over-year given restructuring (-44% 2018 to 2017, -43% Q4 2018 to Q4 2017)
  - Revenues growth of 18% in Q4 quarter over quarter supported by Xmas season and sales events
- **Adj. EBIT improved year over year to EUR -18.5m after EUR -24.9m in previous year**
  - Adj. other SG&A significantly reduced from EUR 32.3m in 2017 to EUR 22.5m in 2018 (-30% yoy)
  - Q4 adjusted EBIT at EUR -2.5m (-9.7% as % of revenues)
- **Successful capital increase with gross proceeds of EUR 10.1m bringing pro forma liquidity position to EUR 17.7m end of February**
- **Positive outlook for 2019; adj. EBIT break-even target for early 2020**
  - Clear revenue growth, improvement of operating contribution and adj. EBIT in 2019
  - Cash outflow to be further reduced in 2019 despite moderate working capital build up to support growth

Business Highlights and Strategy

Matthias Peuckert

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2018 was a year of restructuring

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Phase 1: transformation/restructuring

Announced February 2018

2018

- Shape the organization and advance corporate culture
- Focus on customers
- Reduce complexity
- Realize synergies

China

- Extend channels/platforms
- Extend assortment
- Improve customer experience

DACH

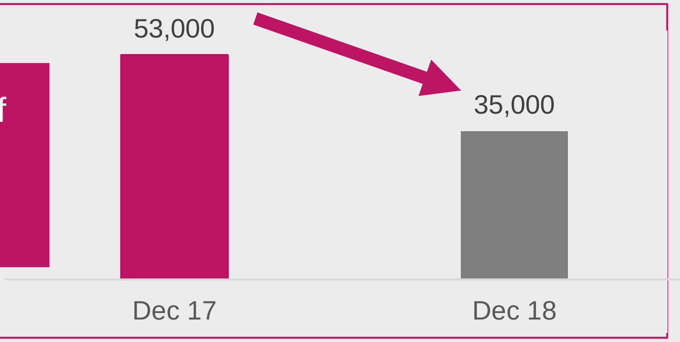
- Reorganization
- Review assortment
- Strengthen direct traffic
- One domain strategy

Rest of Europe

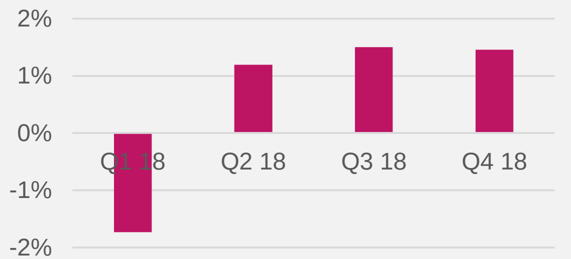
- Review assortment
- Finalize integration Bebitus
- Closure of Italian business pannolini.it
- Divestiture of subsidiary Feedo

Significant topics in 2018 – Europe

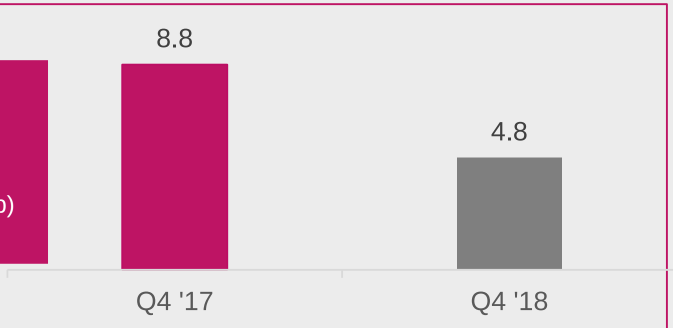
Reduction of assortment complexity
(SKUs DACH)



Margin improvement
(CM 2 DACH)*



SG&A cost reduction
(EUR million Group)



Enhancement of shopping experience	• More personalized product offering (e.g. pregnancy calendar and Storchenbox) • New search tool implemented • New check out process
Category extension	• Focus on family products • Extension of customer lifecycle and shopping basket by implementation of new categories (supplements, drugstore and partnership products)
Introduction of dynamic Pricing tool	• Price monitoring & matching • Margin floor defined • Tailor made pricing strategies for categories
Focus on profitability	• Divestiture of Feedo in August 2018 • Closing of pannolini.it (office and warehouse) in February 2018
Management change	• Reduction from four to two Management Board members in Germany • Significant reduction of senior management team • Change at Bebitus

* Contribution Margin II: gross profit margin minus fulfilment costs to private customers incl. advertising cost subsidies and before returns.

Significant topics in 2018 – China

Oversupply	• Production oversupply Q1/18 • Oversupply lasted until Q3/18 • High pressure on sales prices	Introduction of China iOS App	• Available since August 1, 2018 • New tools: special category navigation, sorting function and promotion functionalities
Customs	• Change in customs regulation • Very strict controls in Q2 • Solution: 5 port strategy	Category extension with other European high-quality products	Leveraging existing relationships with Chinese customers by adding more European high-quality family products including strategic partnerships
Product relaunch IMF	• Aptamil Profutura and Pronutra Advance • Relaunch on September 19, 2018	Enhancement of shopping experience	• Permanent Bonded Warehouse accelerating delivery times and lowering shipment fees for customers • Improved customer service tools

2019 focus: sustainable growth

Strategy: Develop windeln.de to online retailer for young families (i.e. not only baby products)

Phase 2: growth

2019/ 2020

- Explore new adjacent growth areas (e.g. new product categories, new platforms)
- Increase share of specialties to a maximum level
- Organic growth into additional markets

2022

China

- Extend channels/platforms
- Extend assortment
- Establish permanent bonded warehouse
- Improve customer experience

DACH

- Ongoing assortment management
- New planning & forecasting tool
- Continue strengthen non-paid marketing channels

Southern Europe

- Ongoing assortment management
- New planning & forecasting tool
- Continue strengthen non-paid marketing channels

Financial highlights and outlook

Dr. Nikolaus Weinberger

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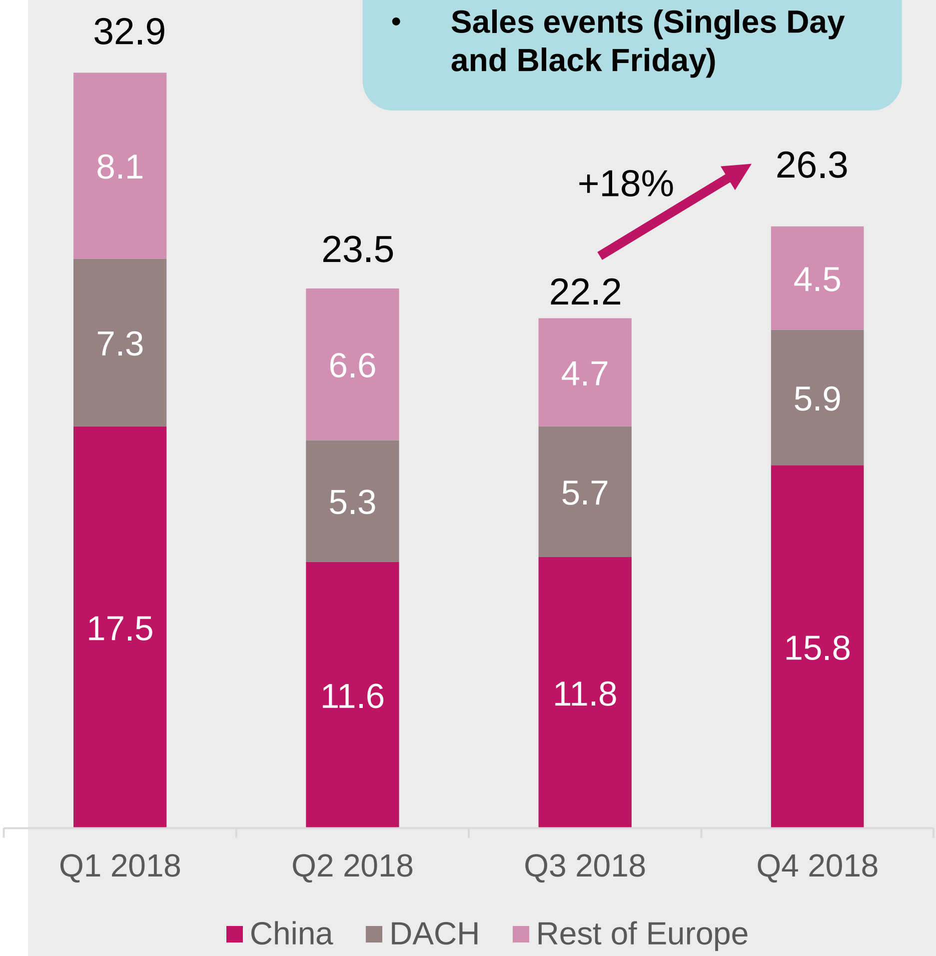
In Q4 2018 positive revenues development after year of restructuring

Revenues 2018 (quarter over quarter)

in EUR million

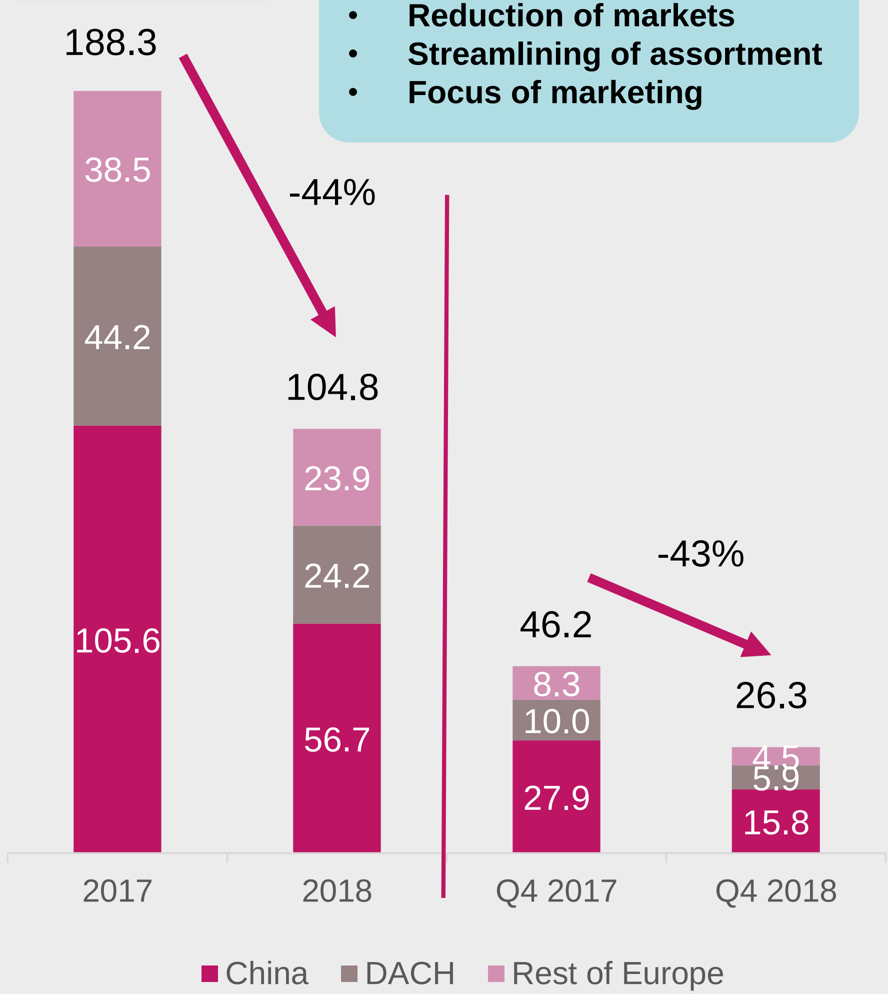
- Xmas season
- Sales events (Singles Day and Black Friday)



Revenues 2018 (year over year)

in EUR million

- Reduction of markets
- Streamlining of assortment
- Focus of marketing



Financials improved in Q4

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EUR million % of revenues	Full year FY 2017	Full year FY 2018	By quarter Q1 2018	By quarter Q2 2018	By quarter Q3 2018	By quarter Q4 2018	Q4 Development
Revenues	***188.3***	***104.8***	***32.8***	***23.5***	***22.2***	***26.3***	Increased
Gross profit[1]	**25.6%**	**24.8%**	**24.7%**	**24.0%**	**22.4%**	**27.7%**	Increased; price adjustment
Fulfilment costs[2]	**(14.9)%**	**(16.3)%**	**(15.9)%**	**(19.7)%**	**(15.8)%**	**(14.0)%**	Lowered
Marketing costs[3]	**(4.8)%**	**(4.8)%**	**(4.6)%**	**(4.6)%**	**(4.8)%**	**(5.1)%**	Stable
Operating contr.	***11.0***	***3.9***	***1.3***	***(0.1)***	***0.4***	***2.3***	Clearly positive
Operating contr.	**5.8%**	**3.8%**	**4.1%**	**(0.2)%**	**1.8%**	**8.7%**	
Other SG&A[4]	***(32.3)***	***(22.5)***	***(6.5)***	***(5.8)***	***(5.3)***	***(4.8)***	Decreased
Other SG&A[4]	**(17.1)%**	**(21.6)%**	**(20.3)%**	**(24.6)%**	**(24.0)%**	**(18.3)%**	
Adj. EBIT[5]	***(21.3)***	***(18.5)***	***(5.2)***	***(5.9)***	***(4.9)***	***(2.5)***	Operating result improved (Q4 price adjustment)
incl. Feedo	*(24.9)*	*(20.4)*	*(5.9)*	*(6.8)*	*(5.1)*	*(2.5)*	
Adj. EBIT[5]	**(11.3)%**	**(17.8)%**	**(16.2)%**	**(24.9)%**	**(22.2)%**	**(9.7)%**	
Total Liquidity	***29.0***	***11.1***	***14.2***	***16.9***	***12.8***	***11.1***	Cash burn reduced

Note: 1,2,3,4,5 see appendix for definitions

EBIT adjustments related to restructruing

kEUR	2018	2017 R
Earnings before interest and taxes (EBIT)	**-27,562**	**-34,281**
adjusted for costs of acquisition, integration and expansion	-	90
adjusted for share-based compensation	-321	8,231
adjusted for costs of reorganization	1,584	94
adjusted for impairment of intangible assets	6,991	4,547
adjusted for closure of pannolini.it	778	-
Adjusted EBIT	**-18,530**	**-21,139**

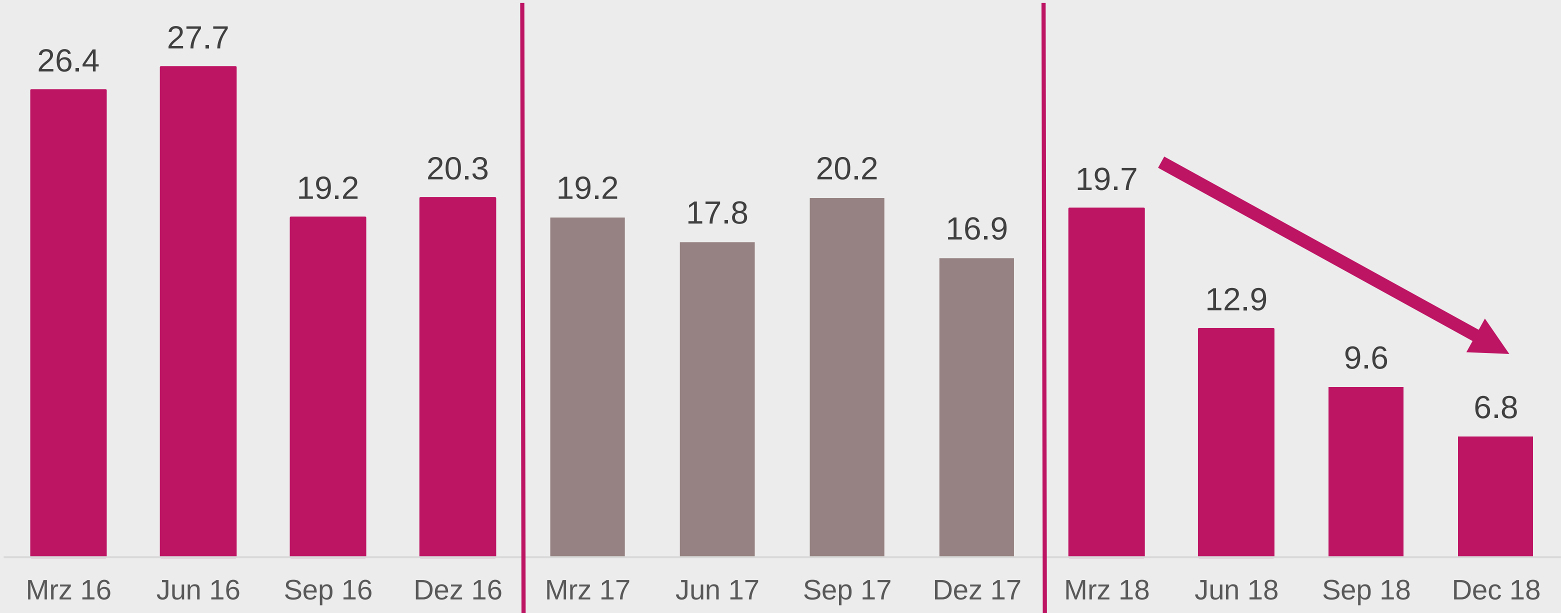
Group restructuring costs

Feedo sale and Bebitus restructuring

Pannolini closure

Net working capital significantly reduced

Inventory (EUR million)



	Mrz 16	Jun 16	Sep 16	Dez 16	Mrz 17	Jun 17	Sep 17	Dez 17	Mrz 18	Jun 18	Sep 18	Dec 18
Days inventory (DIO)	80	90	59	47	49	46	53	45	71	65	51	33
Accrued advertising revenues + vendors with credit balance (EUR m)	1.5	2.7	2.8	3.0	2.1	2.6	2.6	3.9	7.2	1.8	1.7	1.8
Net Working Capital (EUR million)	**11.9**	**15.7**	**6.1**	**8.0**	**6.6**	**7.5**	**11.3**	**10.6**	**19.1**	**9.2**	**6.8**	**5.9**
as % of LTM revenues	**6.5%**	**8.3%**	**3.1%**	**4.2%**	**3.5%**	**3.9%**	**5.8%**	**5.7%**	**10.9%**	**6.1%**	**5.5%**	**5.6%**

Note: Net Working Capital (NWC) defined as inventories, prepayments, trade receivables, accrued advertising subsidies, vendors with credit balance minus trade payables and deferred revenues. Continued operations shown (excl. Feedo Group).

Succesful capital increase to fund the further progress of the company

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Transaction Details

- 6,850,023 new shares; oversubscription of private offering
- Two new Asian investors subscribed 4.5 million shares
- Gross proceeds: EUR 10.1 million
- 9,963,670 total number of shares post capital increase
- Registration of capital increase on 14th of March 2019
- Trading admission of new shares expected in Q2 2019

Use of Proceeds

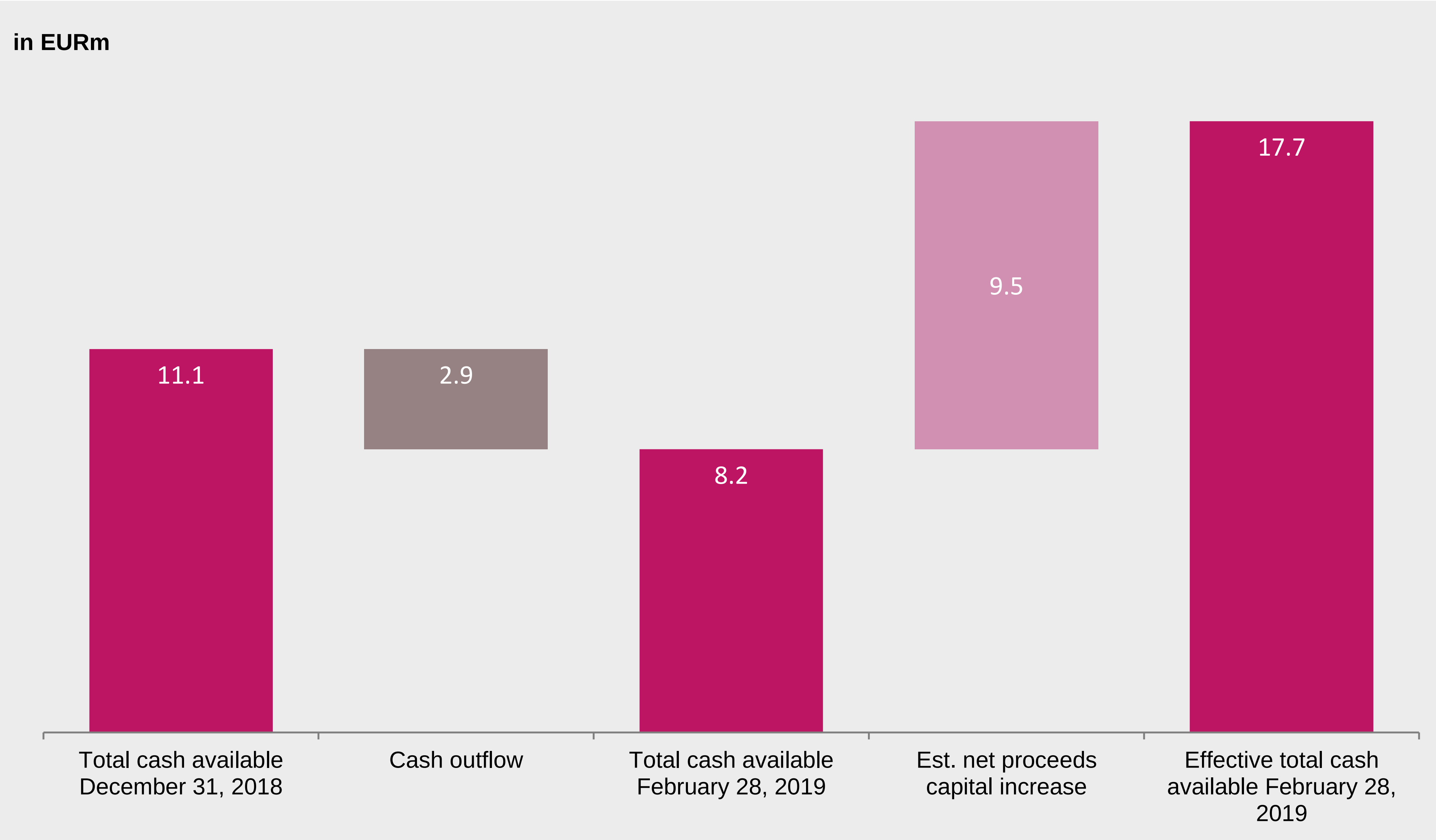
Growth in China

- Second bonded warehouse
- Channel/platform extension
- Category extension
- Collaborations with other German high-quality brands
- Organic growth in additional markets
- Net working capital

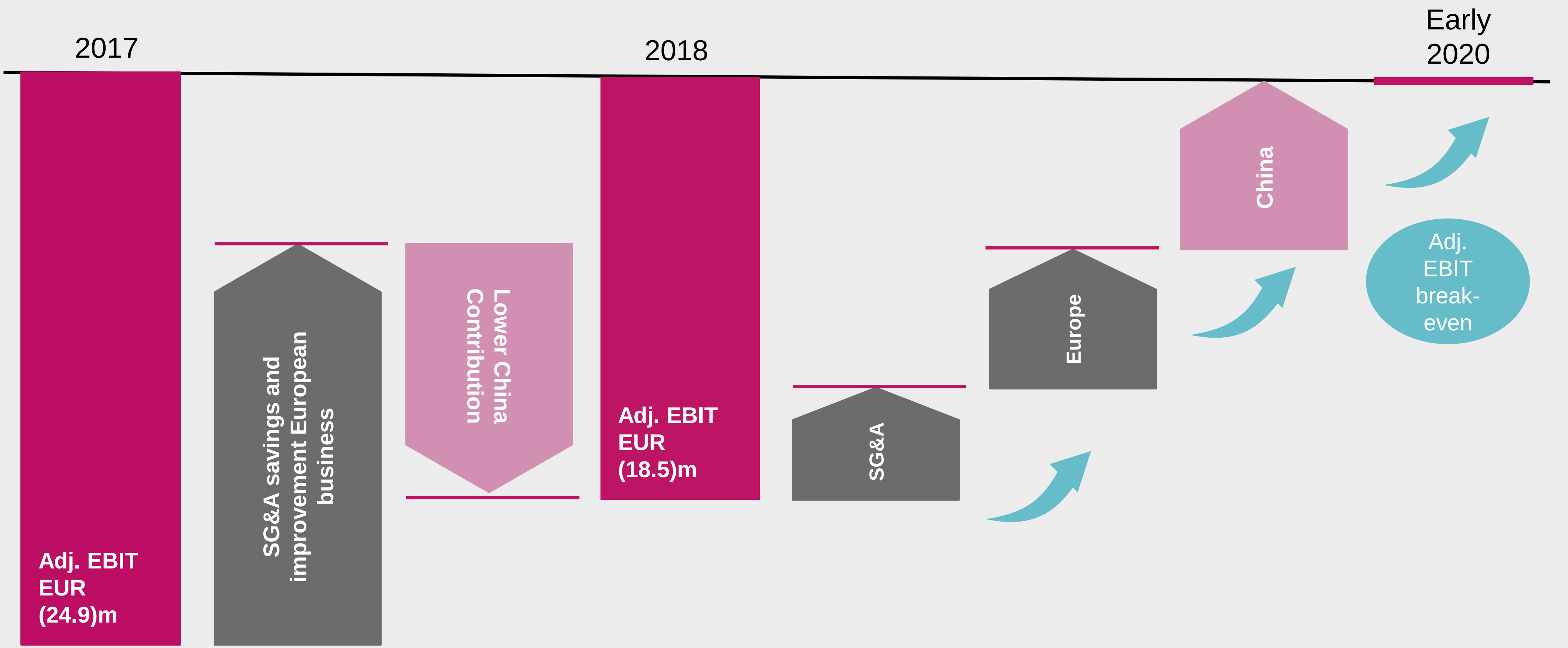
Complete Restructuring

- Assortment optimization
- Warehouse move
- Strengthen direct traffic
- Intensify social media marketing

Liquidity position strengthened with capital increase



Our target is to reach adj. EBIT break-even early next year



- Sold CEE
- Closed Italy
- Updated tools
- Improved gross profit
- Reduced headcount

- New product launch
- Customs problems
- Overcapacity
- Less freight forwarder

+ NWC improvement

Reduce costs further:
- Organizational efficiency
- Assortment clean up

Increase revenues and profitability:
- new search function
- Category extension
- Warehouse move

Increase revenues and profit contribution:
- Category extension
- New sales channels
- Potential VAT refund
- 2nd permanent bonded warehouse
- New regions

Outlook 2019

Operational

- Expand in Chinese market supported by Asian investors (new platforms, new categories, new partners)
- Enhance customer offering, drive gross profit margin extension

Financial

- Clear revenue growth compared to 2018
- Clear improvement of operating contribution margin
- Further improvement in adj. EBIT
- Clear reduction of cash outflow (despite moderate increase in net working capital)

Adj. EBIT break-even early 2020

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Questions

Appendix

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Key performance indicators quarter over quarter (continuing operations)

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Excl. pannolini and Feedo	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4'18
Site Visits (in thousand) [1]	22,549	18,119	18,340	16,800	12,255	9,127	9,907	10,073
Mobile Visit Share (in % of Site Visits) [2]	70.5%	71.4%	74.1%	75.0%	72.3%	71.8%	70.3%	75,5%
Mobile Orders (in % of Number of Orders) [3]	47.9%	48.8%	49.6%	52.7%	53.3%	55.2%	55.1%	58,7%
Active Customers (in thousand) [4]	900	915	919	859	742	681	615	544
Number of Orders (in thousand) [5]	523	468	457	464	330	283	244	258
Average Orders per Active Customer (in number of Orders) [6]	2.2	2.2	2.2	2.2	2.0	2.2	2.1	2,0
Orders from Repeat Customers (in thousand) [7]	391	354	424	352	302	233	192	195
Share of Repeat Customer Orders (in % of Number of Orders) [7]	75.7%	76.2%	84.6%	76.6%	87.0%	74.9%	79.8%	75.9%
Gross Order Intake (in kEUR) [8]	45,166	45,712	43,463	43,214	29,774	25,514	21,916	23,655
Average Order Value (in EUR) [9]	86.3	97.6	95.1	93.2	90.2	90.0	90.0	91.8
Returns (in % of Gross Revenues from orders) [10]	3.9%	2.8%	2.9%	3.0%	3.4%	3.6%	4.3%	3.1%

Footnotes to page 11

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 shops 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 shops 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 shops 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, impairments of intangible assets and income and expenses incurred in the shop pannolini.it until the shops 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, impairments of intangible assets and income and expenses of the closed shop pannolini.it. In the prior year comparative period, expenses for the integration of subsidiaries were adjusted.

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 offered products, the effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics.
2) We define mobile visit share (as % 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. Site visits of our online magazine are excluded. Additionally, we excluded visits from China until end of 2016, 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. Therefore, only few Chinese customers ordered via their mobile devices. Due to the launch of our website in Chinese language in December 2016, site visits from China are included since Q1 2017. Measured by Google Analytics.
3) We define mobile orders (as % 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. Since Q1 2017, orders from China are included. 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’’. Cancellations are deducted from the number of orders.
6) We define average orders per active customer as number of orders divided by the number of active customers in the last 12 months.
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. The share of repeat customer orders represents the number of orders from repeat customers in the last twelve months divided by the number of orders in the last twelve months.
8) 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.
9) We define average order value as gross order intake divided by the number of orders in the measurement period..
10) We define returns (as % of gross revenues from orders) as the returned amount in Euro divided by gross revenues from orders in the measurement period. Since Q2 2016 including Bebitus 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.Until Q1 2017 returns were calculated in relation to the net merchandise value. As the gross revenues from orders do not exclude returns and include all marketing rebatesdiscounts, 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. The new calculation method is applied from Q2 2017 onwards.

Income statement (continuing operations)

kEUR	FY 2018	FY 2017 R*	Q4 2018	Q4 2017
Revenues	**104,818**	**188,332**	**26,269**	**46,223**
Cost of sales	-79,151	-140,206	-18,984	-34,289
Gross profit	**25,667**	**48,126**	**7,285**	**11,934**
% margin	*24.5%*	*25.6%*	*27.7%*	*25.8%*
Selling and distribution expenses	-44,751	-62,089	-15,178	-19,054
Administrative expenses	-8,626	-20,377	-2,017	-2,888
Other operating income	954	708	181	204
Other operating expenses	-806	-649	-167	-52
EBIT	**-27,562**	**-34,281**	**-9,896**	**-9,856**
% margin	*-26.3%*	*-18.2%*	*-37.7%*	*-21.3%*
Financial result	-3	1,081	12	-8
EBT	**-27,565**	**-33,200**	**-9,884**	**-9,864**
% margin	*-26.3%*	*-17.6%*	*-37.6%*	*-21.3%*
Income taxes	446	2,954	462	2,924
Profit or loss from continuing operations	**-27,119**	**-30,246**	**-9,422**	**-6,940**
% margin	*-25.9%*	*-16.1%*	*-35.9%*	*-15.0%*
Profit or loss from discontinued operations	**-10,573**	**-7,573**	**2**	**-5,399**
Profit or loss for the period	**-37,692**	**-37,819**	**-9,420**	**-12,399**
EBIT	**-27,562**	**-34,281**	**-9,896**	**-9,856**
Share-based compensation	-321	8,231	2	98
Acquisition, integration and expansion costs	-	90	-	-14
Reorganization	1,584	94	357	197
Intangible assets	6,991	4,547	6,991	4,296
Closure pannolini.it	778	-	7	-
Adjusted EBIT	**-18,530**	**-21,319**	**-2,539**	**-5,279**
% margin	*-17.8%*	*-11.3%*	*-9.7%*	*-11.4%*

* Restated for presentation of discontinued operations in connection with the divestiture of Feedo Group, and restated for the effects of the first application of IFRS 9
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Balance sheet and cash flow statement

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Consolidated statement of financial position

kEUR	December 31, 2018	December 31, 2017 R[3]
Total non-current assets	**5,345**	**22,714**
Inventories	6,820	19,174
Prepayments	-	332
Trade receivables	1,417	2,258
Miscellaneous other current assets[1]	5,254	11,052
Cash and cash equivalents	11,136	26,465
Total current assets	**24,627**	**59,281**
Total assets	**29,972**	**81,995**
Issued capital	31,136	28,472
Share premium	170,391	168,486
Accumulated loss	-181,119	-143,427
Cumulated other comprehensive income	186	-298
Total equity	**20,594**	**53,233**
Total non-current liabilities	**38**	**2,289**
Other provisions	235	315
Financial liabilities	39	3,575
Trade payables	4,573	14,779
Deferred revenue	1,581	3,057
Miscellaneous current liabilities[2]	2,912	4,747
Total current liabilities	**9,340**	**26,473**
Total equity & liabilities	**29,972**	**81,995**

Consolidated statement of cash flows

kEUR	FY 2018	FY 2017	Q4 2018	Q4 2017
Net cash flows from/used in operating activities	**-18,729**	**-27,963**	**-1,468**	**-4,607**
Net cash flows from/used in investing activities	1,846	-201	475	484
Net cash flows from/used in financing activities	1,543	3,339	-9	3,434
Cash and cash equivalents at the beginning of the period	26,465	51,302	12,135	27,152
Net increase/decrease in cash and cash equivalents	**-15,340**	**-24,825**	**-1,002**	**-689**
Cash and cash equivalents at the end of the period	**11,136**	**26,465**	**11,136**	**26,465**

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