



First Quarter 2020 Results

May 28, 2020



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Q1 2020 Summary



- **Revenues of EUR 14.9m in Q1 2020 after EUR 17.2m in Q1 previous year; strong April revenues**
 - Slightly lower revenues yoy given focus on profitability improvement in DACH/Europe (EUR 4.7m compared to EUR 4.9m in Q1 2019) and lower purchasing volume of products for China before capital increase for liquidity reasons (revenues EUR 10.2m compared to EUR 12.4m previous year)
 - Reported group revenues exclude Bebitus given accounting as “Assets Held for Sale”; Bebitus revenues EUR 2.5m compared to EUR 3.5m in Q1 2019 due to focus on profitability improvement
 - Strong April financials with preliminary revenues of EUR 15.3m due to Covid-19 situation and EUR 7.1m sale of health products sourced from China
- **Adj. EBIT improved year over year to EUR -2.4m in Q1 2020 after EUR -3.0m in Q1 previous year**
 - Operating contribution of EUR 1.6m after EUR 0.9m in previous year; supported also by China VAT refund
 - Adj. other SG&A stable in Q1 2020 (EUR 4.0m) vs Q1 2019 (EUR 4.0m); team build-up in China in progress (37 employees end of May) which will lead to higher SG&A costs in Q2
 - Target of reaching adj. EBIT break-even early 2021 unchanged
- **Liquidity of EUR 11.9m as of 31 March 2020 (EUR 9.1m as of 30 April 2020)**
 - Successful capital increase with gross proceeds of EUR 6.2m in February
 - Required build up of inventory to finance growth in China leads to lower current cash balance; net working capital financing required given longer cash conversion cycle of Chinese business

Business Highlights and Strategy

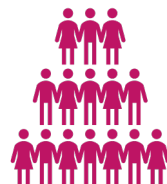
Matthias Peuckert



Highlights on business and financial topics in Q1



Successful capital increase with gross proceeds of EUR 6.2 million



Build-up of new office and team in Beijing/China (37 employees as of end of May)



Introduction of WeChat Pay for Chinese Shops



Logistics expenses 43% lower in Q1 2020 yoy*



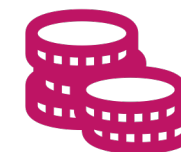
Revenues EUR 14.9 million in Q1 2020*



Adjusted EBIT EUR -2.4 million in Q1 2020*



Total cash available of EUR 9.1 million as of April 30



China VAT refund of EUR 0.8 million in Q1

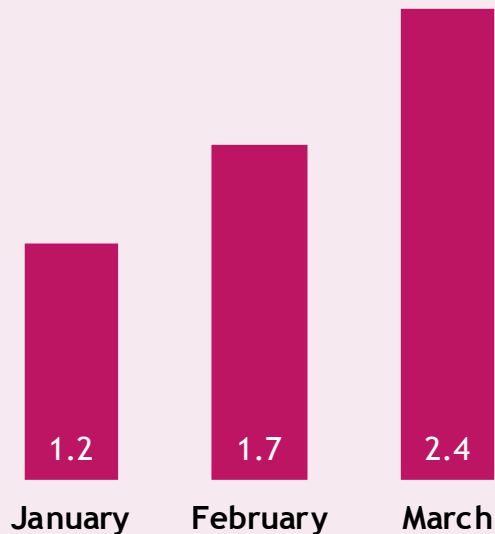
* From continuing operations (excl. Bebitus)

COVID-19 Update



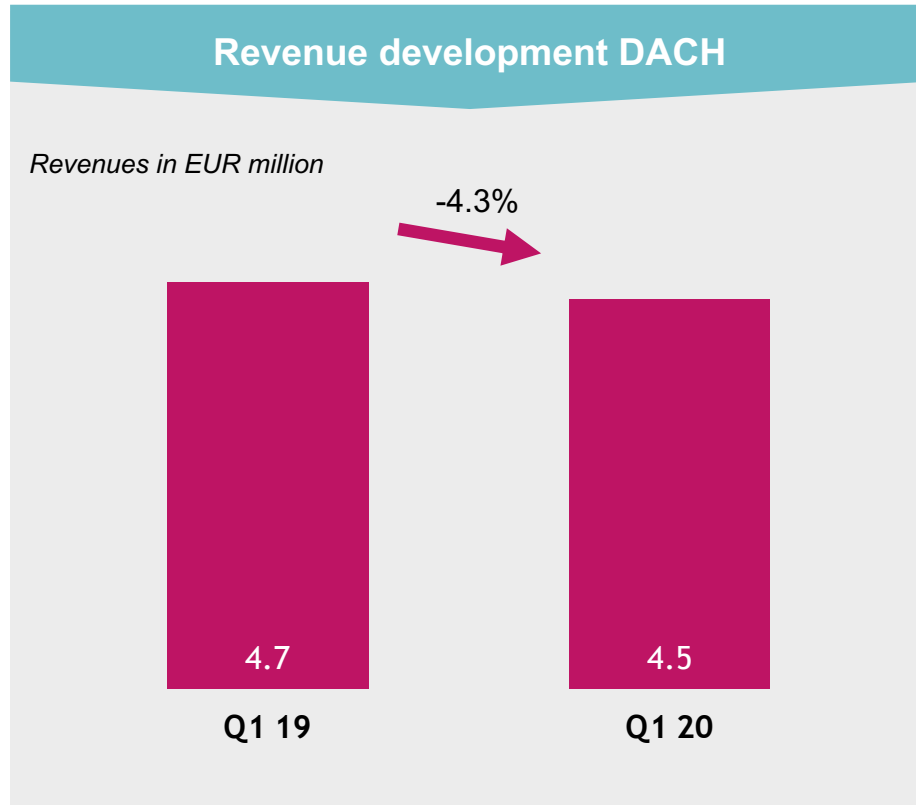
Order Intake Q1 2020 German Shop

in EUR million



- **Employees:** Safety first for our employees. All colleagues can work from home since March
- **Customers:** Top priority is to guarantee fast and secure delivery; order backlog in German warehouse reduced to normal levels after temporary increase; sale of health products (Covid-19 related) from China
- **Suppliers:** Ensure stability in our supply chain; pre-and higher stocking of certain, top-selling products
- **Service providers:** Quick reaction to insolvency of KFG; existing warehouse contract extended; other options being explored

In Q1 2020, focus in DACH region on margin and cost improvements



- Further revenue reduction as a result of
 - **Reducing the product assortment:** 23,000 SKUs end of March 2020 compared to 40,000 SKUs for DE one year before
 - **Lowering of marketing spent:** -13% compared to Q1 previous year
- Revenue increase starting in March due to COVID-19
 - **Order intake in March +42%** compared to February for German speaking region (but revenues partially only accounted for in April due to temporary order backlog in warehouse)

Other topics

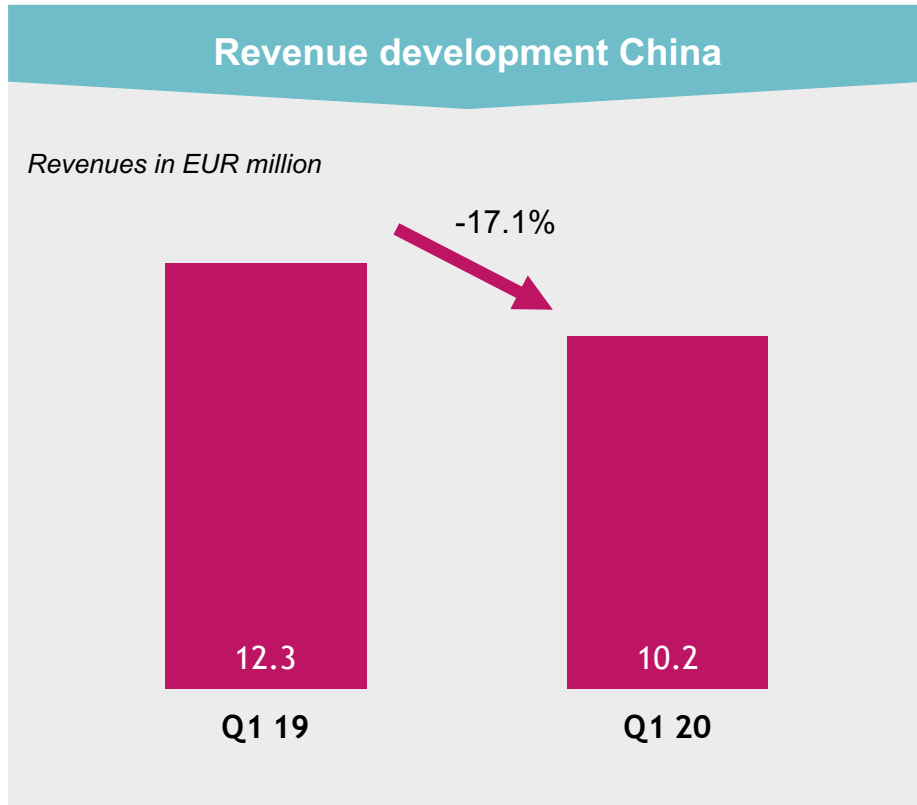
Improvements in automation

- Price automation tool enhanced
- Coupon codes within promotion tool
- Digital invoice feature CH
- Migration EDI in cloud

Better purchase conditions

- Negotiated better terms and conditions for Fast Moving Consumer Goods (FMCG)

China revenues below previous year due to less product sourcing pre capital increase for liquidity reason



- Product sourcing, especially for the bonded warehouses in China with long lead times, was lowered for liquidity reasons before completion of the capital increase
- Financing options for inventory currently being explored
- Extension of business model by importing products from China:

Sale of health products of **EUR 7.1 million** in April 2020

Other topics

Team China

- New management board member Sean Wei
- Buildup of team in Beijing/China
- New investor Youth with good expertise in market for baby & children products in Asia

Improved Customer Experience

- Personalized customer services to T-mall customers
- Improvements in Chinese app, Launch of Android app
- Payment method WeChat Pay
- Improved translations in checkout

Ongoing initiatives to drive business and financials



- Divestiture of Bebitus
- Outsourcing of IT Shop Platform
- Outsourcing of Product Information Management (PIM) System
- Office move to lower cost location in Munich
- German warehouse move



- Build-up of team in Beijing
- Extension product range and increasing sales channels
- Extension of business model (e.g. import from China)
- VAT refund
- Net working capital financing explored



Financial Highlights and Outlook

Dr. Nikolaus Weinberger



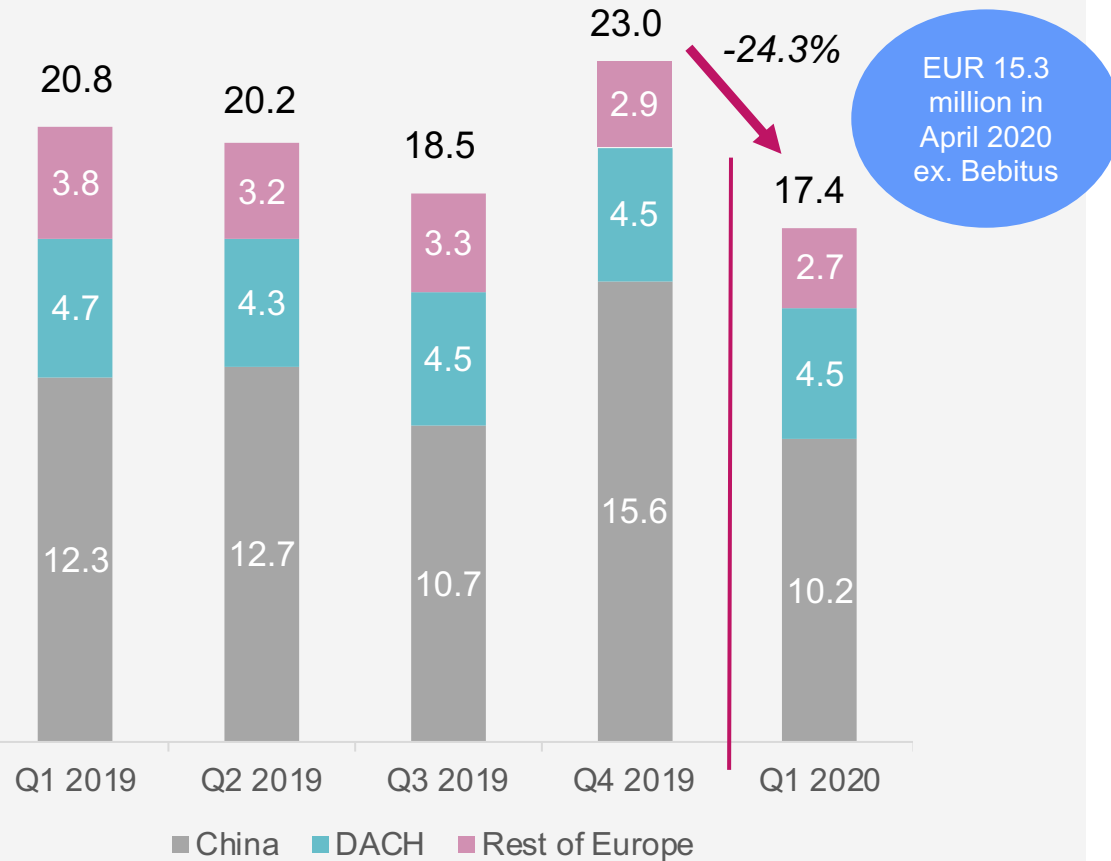
Q1 2020 revenues reflects focus on profitability and liquidity



Revenues by quarter year-over-year (incl. Bebitus)

in EUR million

- Some revenue accounted for in April 2020 due to order backlog
- Optimization NWC China



Revenues year over year (excl. Bebitus)

in EUR million



Financials improved in Q1 year over year

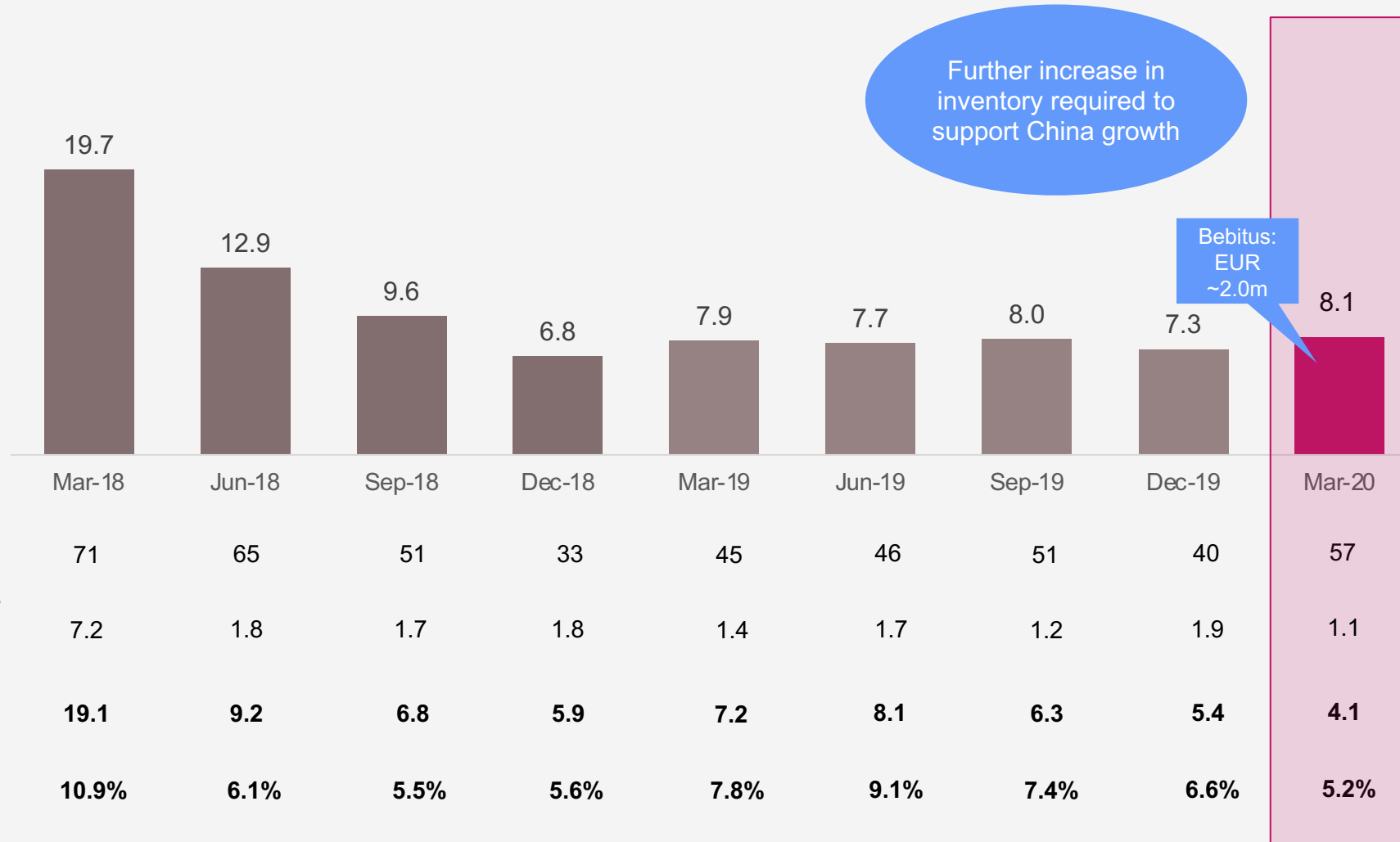
EUR million % of revenues	Full year		By quarter		Yoy Development
	FY 2018	FY 2019	Q1 2019	Q1 2020	
Revenues	104.8	82.3	17.2	14.9	Profitability and liquidity focus
Gross profit¹	24.8%	24.9%	26.3%	26.1%	Driven by sales mix; Europe improved
Fulfilment costs²	(16.3)%	(13.4)%	(16.6)%	(11.0)%	Driven by sales mix; lower warehouse rent in Germany
Marketing costs³	(4.8)%	(4.4)%	(4.3)%	(4.3)%	Lowered in absolute terms
Operating contr.	3.9	5.8	0.9	1.6	Improved; China VAT refund
Operating contr.	3.8%	7.0%	5.4%	10.8%	
Other SG&A⁴	(22.5)	(19.6)	(4.0)	(4.0)	Team-build in China started in March; Q2 will be higher
Other SG&A⁴	(21.6)%	(23.8)%	(22.9)%	(27.0)%	
Adj. EBIT⁵	(18.5)	(13.8)	(3.0)	(2.4)	Improved
Adj. EBIT⁵	(17.8)%	(16.8)%	(17.6)%	(16.3)%	
Total cash avail.	11.1	8.4	15.5	11.9	Capital increase; NWC build-up required

Note: 1,2,3,4,5 see appendix for definitions. Quarterly Financials excluding bebitus

Inventory levels higher due to stocking of Bonded Warehouses; further increase required



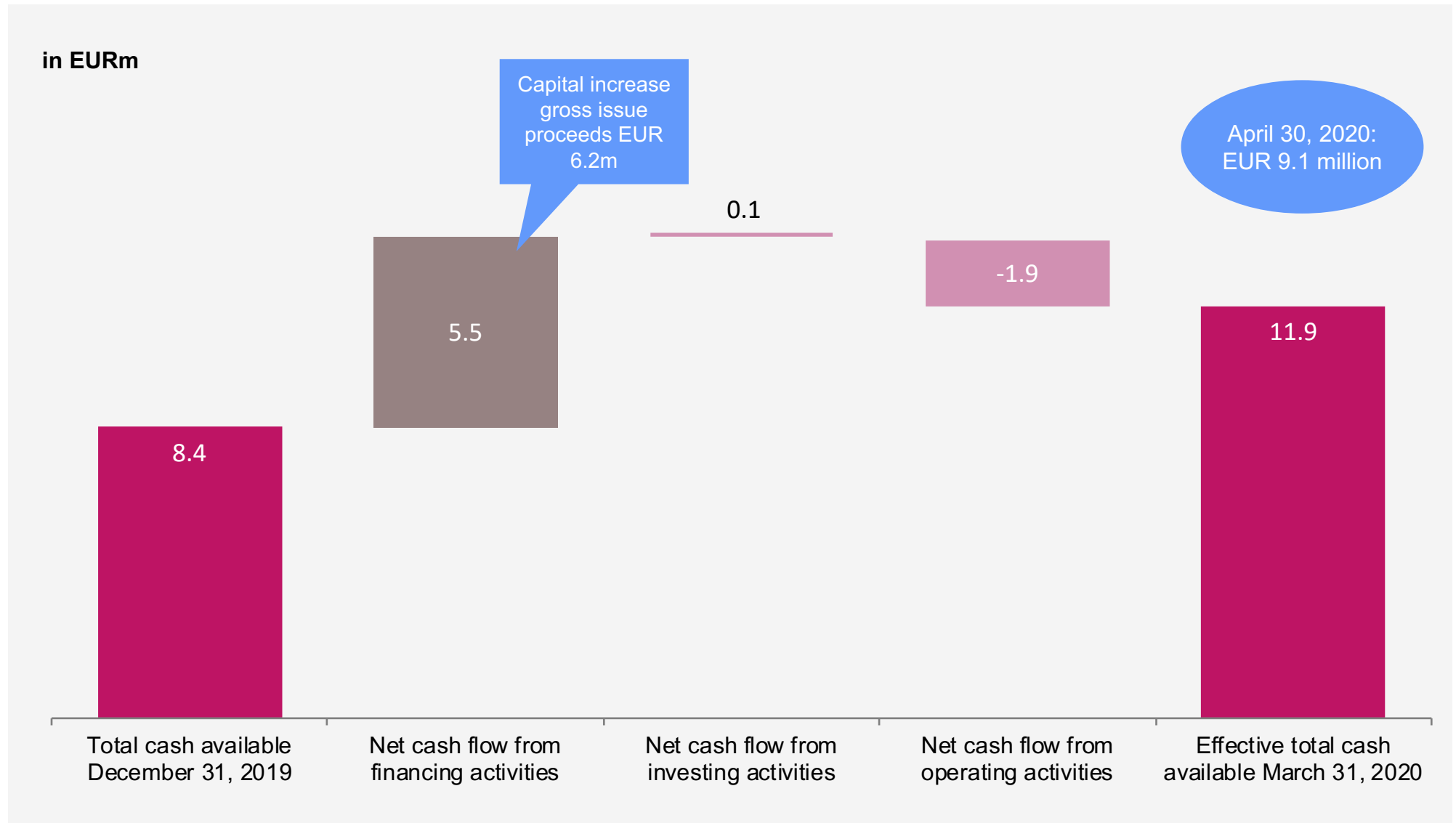
Inventory (EUR million)



Note: Net Working Capital (NWC) defined as inventories, prepayments, trade receivables, accrued advertising subsidies, vendors with credit balance, net VAT assets/liabilities minus trade payables and deferred revenues.

Numbers including Bebitus Group

Liquidity position strengthened through capital increase



Outlook 2020: profitable revenue growth



Revenue

- Significant double digit revenue growth

Adj. EBIT

- Significant improvement

VAT refund

- Further VAT refund inflows of at least EUR 2.1 million

NWC

- Net working capital funding

Adj. EBIT
Break-even
Q1 2021

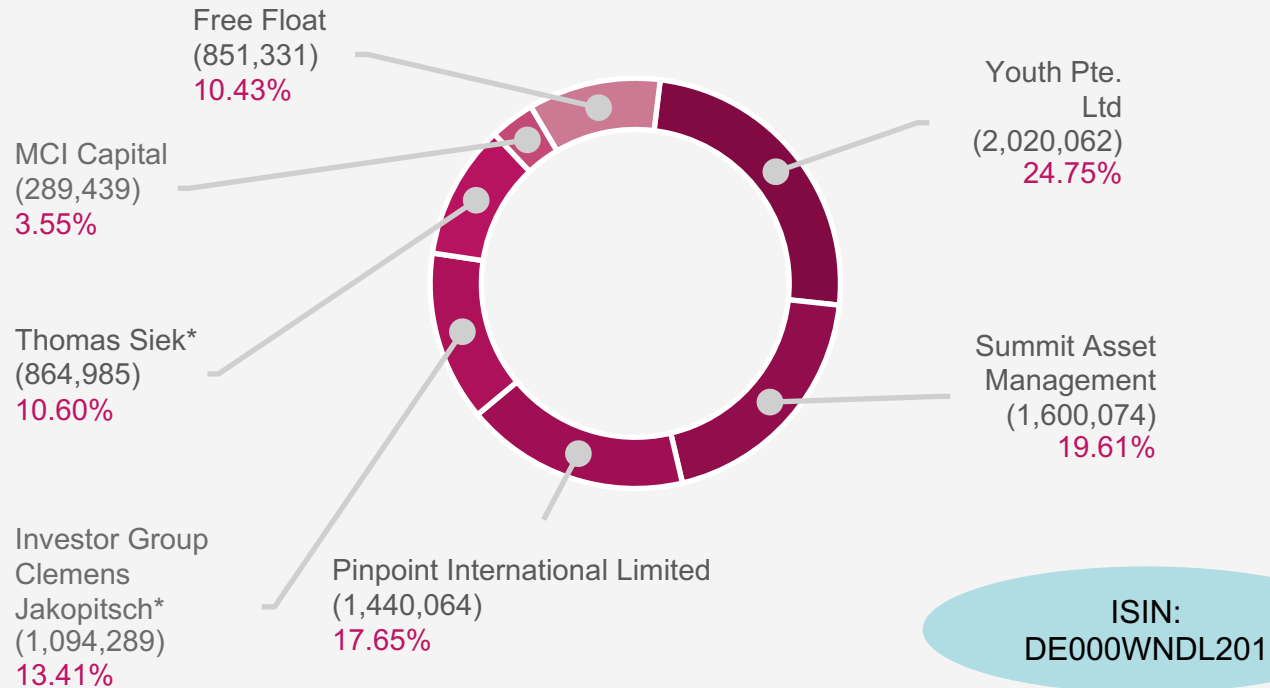
New shares from capital increase admitted to trading at Frankfurt stock exchange



5,171,144 new issued shares

Approval of prospectus May 14, 2020 merge with old shares May 19, 2020

New number of shares 8,160,245



As of May 2020

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: 8,160,245

Free Float (<3%): 10.19%

* Based on percentage ownership from last notification of voting rights.

Financial calendar 2020



Event	Date	
Annual General Meeting, Munich	June 24, 2020	Held virtually; Agenda and agenda supplement published
DVFA Equity Forum	June 30 – July 2, 2020	Held virtually
Half year/second quarter financial results	August 5, 2020	
Nine months/third quarter financial results	November 12, 2020	
Eigenkapitalforum, Frankfurt	November, 2020	



Questions



Appendix



Key performance indicators quarter over quarter from continuing operations (ex. Bebitus)



Excl. pannolini, Feedo and Bebitus	Q1 '18	Q2 '18	Q3 '18	Q4'18	Q1' 19	Q2 ' 19	Q3' 19	Q4'19	Q1'20
Site Visits (in thousand) ¹	10,462	9,411	7,681	9,869	6,787	6,157	6,672	6,130	4,299
Mobile Visit Share (in % of Site Visits) ²	80.4%	82.7%	74.7%	83.5%	80.1%	80.8%	74.2%	86.3%	84.1%
Mobile Orders (in % of Number of Orders) ³	54.5%	56.6%	55.2%	60.9%	61.2%	59.9%	61.7%	59.0%	59.5%
Active Customers (in thousand) ⁴	355	334	329	305	355	334	329	305	299
Number of Orders (in thousand) ⁵	241	203	176	209	150	138	146	138	124
Average Orders per Active Customer (in number of Orders) ⁶	2.0	2.2	2.1	2.1	2.1	2.2	2.0	2.1	1.8
Orders from Repeat Customers (in thousand) ⁷	302	233	192	195	110	102	105	101	85
Share of Repeat Customer Orders (in % of Number of Orders) ⁷	87.05%	74.91%	79.76%	82.56%	74.82%	73.84%	72.59%	72.08%	70.96%
Gross Order Intake (in kEUR) ⁸	21,403	18,049	15,696	18,703	13,399	12,899	12,561	13,346	11,597
Average Order Value (in EUR) ⁹	88.92	88.73	89.01	89.55	89.59	93.78	86.10	96.79	93.38
Returns (in % of Gross Revenues from orders) ¹⁰	3.6%	3.9%	4.3%	3.2%	3.4%	2.5%	2.9%	2.2%	4.6%

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 rebates/discounts, 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.

Footnotes to page 12



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

- 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.
- 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 other SG&A expenses exclude expenses from share-based compensation, reorganization measures, acquisitions, the warehouse move, impairments of purchased intangible assets (if applicable in the reporting period) and income and expenses incurred in the shop pannolini.it until the shop's closure.
- 5 Adjusted for expenses and income in connection with share-based compensation, reorganization measures, acquisitions, the warehouse move, impairments of purchased intangible assets (if applicable in the reporting period) and income and expenses of the closed shop pannolini.it.

Q1 2020 income statement from continuing operations (ex. Bebitus)



kEUR	Q1 2019R	Q1 2020
Revenues	17,245	14,929
Cost of sales	-12,712	-11,037
Gross profit	4,533	3,892
<i>% margin</i>	26.3%	26.1%
Selling and distribution expenses	-6,188	-4,911
Administrative expenses	-1,602	-1,519
Other operating income	211	365
Other operating expenses	-53	-57
EBIT	-3,099	-2,230
<i>% margin</i>	-18.0%	-14.9%
Financial result	-21	-15
EBT	-3,120	-2,245
<i>% margin</i>	-18.1%	-15.0%
Income taxes	-3	2
Profit or loss from continuing operations	-3,123	-2,247
<i>% margin</i>	-18.1%	-15.1%
Profit or loss after taxes from discontinued operations	-980	-934
Profit or loss for the period	-4,103	-3,181
EBIT	-3,099	-2,230
Share-based compensation	86	7
Reorganization	-14	-
Effects of deconsolidation	-	-207
Adjusted EBIT	-3,027	2,430
<i>% margin</i>	-17.6%	16.3%

Q1 2020 Balance sheet and cash flow statement from continuing operations



Consolidated statement of financial position		
kEUR	March 31, 2019	March 31, 2020
Total non-current assets	3,641	2,024
Inventories	7,339	6,132
Prepayments	1	13
Trade receivables	838	861
Miscellaneous other current assets ¹	4,613	4,004
Cash and cash equivalents	8,377	11,742
Total current assets	21,168	22,752
Total assets	24,809	28,880
Issued capital	2,989	8,160
Share premium	172,904	173,581
Accumulated loss	-160,734	-163,915
Cumulated other comprehensive income	200	-9
Total equity	15,359	17,817
Total non-current liabilities	101	230
Other provisions	288	320
Financial liabilities	519	462
Trade payables	3,639	5,188
Deferred revenue	2,287	2,056
Miscellaneous current liabilities ²	2,616	2,405
Total current liabilities	9,349	10,431
Total equity & liabilities	24,809	28,880

Consolidated statement of cash flows		
kEUR	Q1 2019R	Q1 2020
Net cash flows from/used in operating activities	-5,284	-1,946
Net cash flows from/used in investing activities	-27	-63
Net cash flows from/used in financing activities	9,670	5,536
Cash and cash equivalents at the beginning of the period	11,136	8,377
Net increase/decrease in cash and cash equivalents	4,359	3,527
Cash and cash equivalents at the end of the period	15,504	11,905

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.

