



windeln.de SE Company Presentation

July 2020



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Investment Highlights



- 1 Attractive market segment: ecommerce for baby and family products
- 2 Strong partnerships with European suppliers and European cross-border e-commerce companies
- 3 Good infrastructure to China with in-house expertise of Chinese market
- 4 Significant progress made on restructuring with further efficiency projects ahead

windeln.de is one of the leading online retailers for baby, children and family products in Europe and China



Presence in Europe and China

400k+ Active Customers in 2019

approx. 24,000 Products

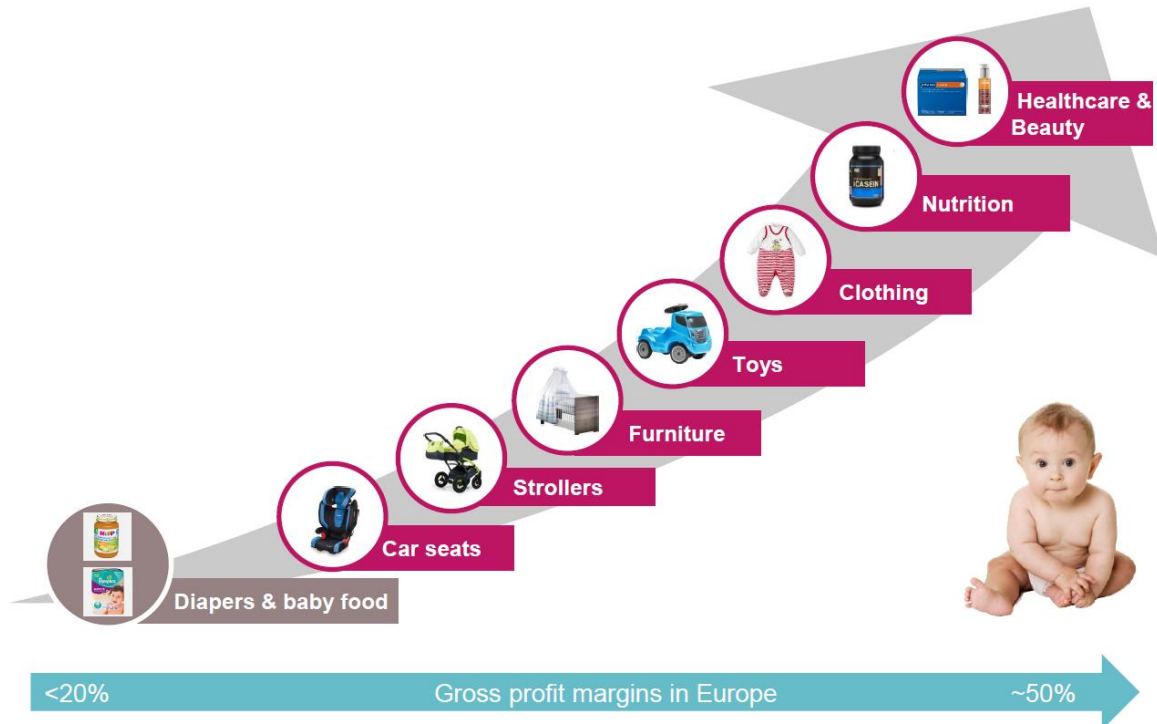
500k+ Orders in 2019

35 million+ Site Visits in 2019

EUR 82 million Revenues in 2019

Our offering to customers

- ✓ Carefully selected products with detailed product descriptions and product advice
- ✓ Shopping with easy order process and quick, free & secure delivery
- ✓ Online magazine to educate and support parents
- ✓ Trusted customer service



windeln.de has a strong expertise selling products in cross-border e-commerce (CBEC) to Chinese customers



Our China sales channels and expertise...



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



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



Web-Shop in Chinese



All important Chinese payment methods



Customer service in Vietnam



Bonded warehouse I and II



Business cooperation



Team in China



Direct Express Delivery



Present in social media



Server in China



China App



Business cooperation

...in the highly attractive Chinese CBEC market for European (esp. German) products

EUR 576 billion

Chinese e-commerce volume

USD 121.6 billion

Chinese CBEC volume

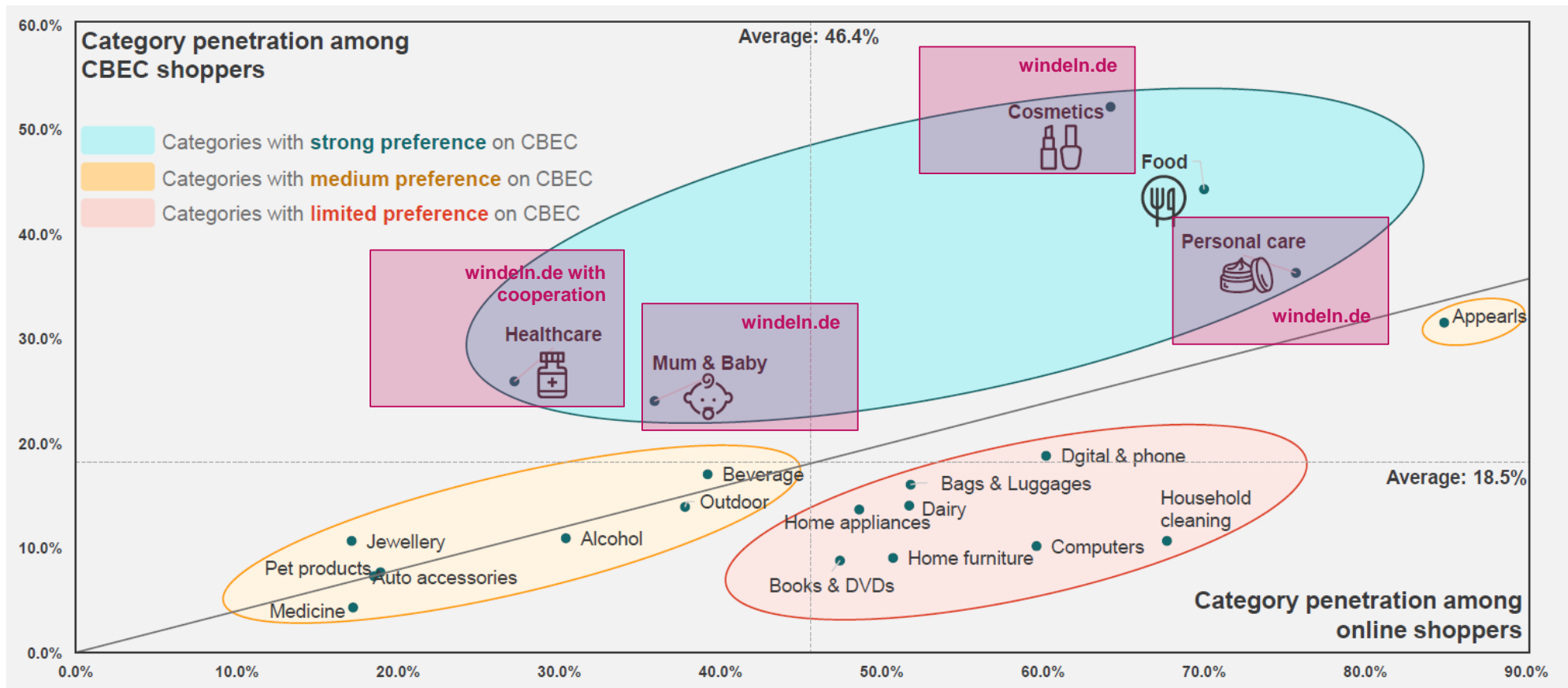
15.2 million

Births in China (2018)

windeln.de focuses on the categories with the highest penetration of CBEC to China



Online penetration by product category (CBEC compared to domestic e-commerce)



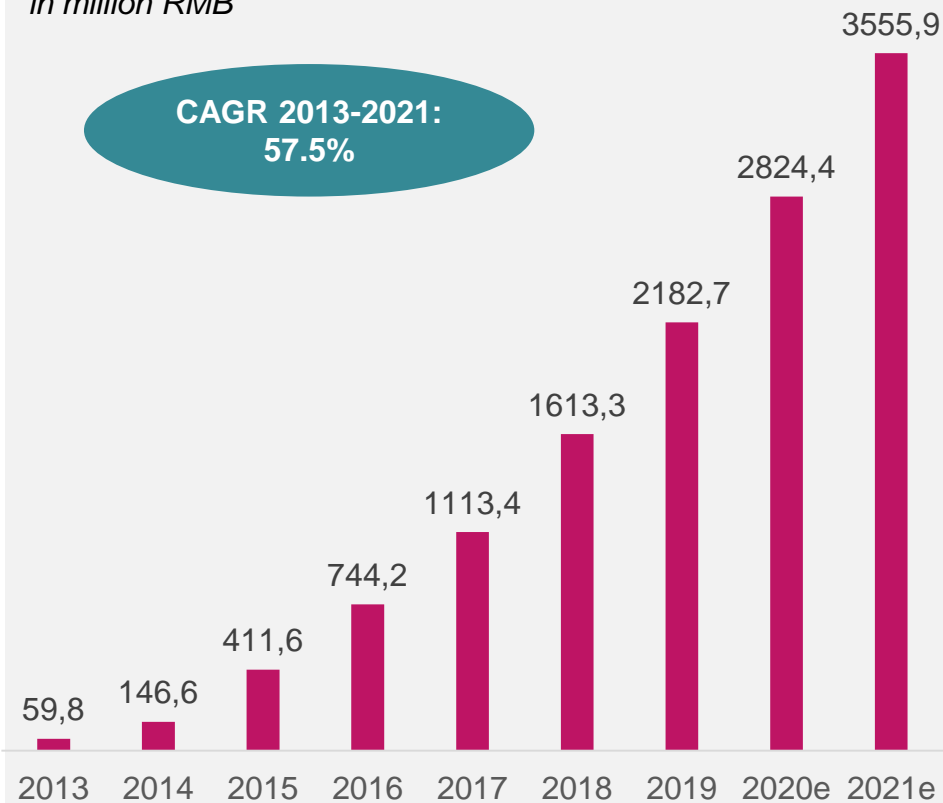
Source: KantarConsulting

CBEC significant market with high growth rates



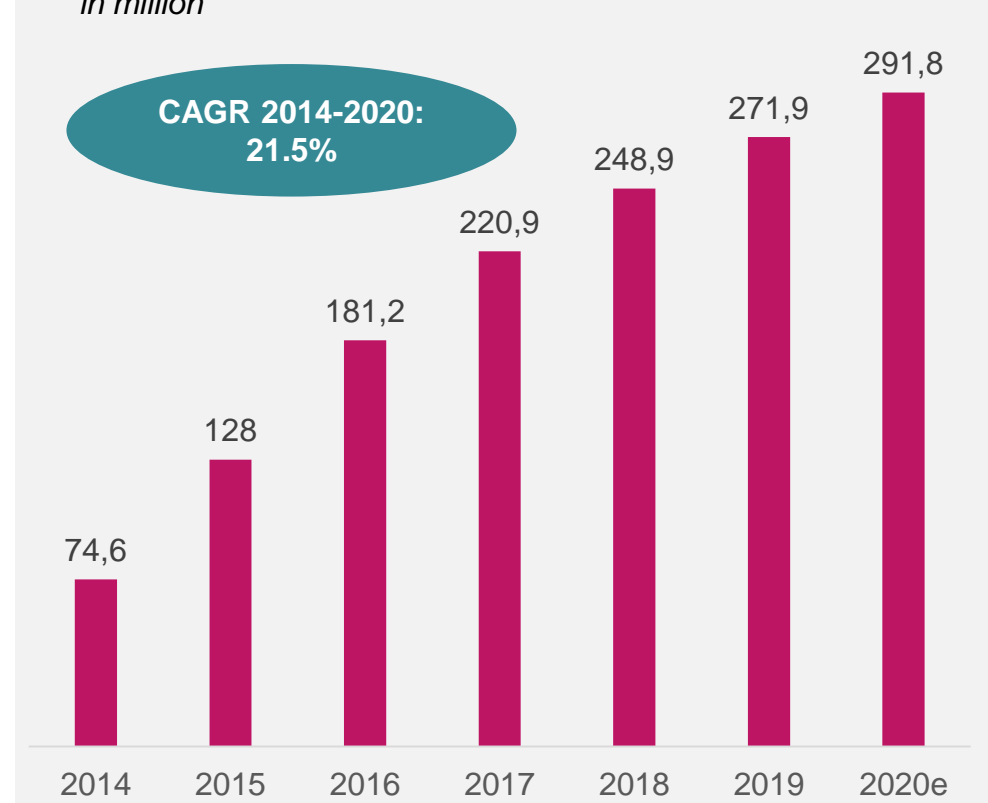
CBEC transaction value (1 RMB = 0,13 Euro)

in million RMB



CBEC consumers in China

in million

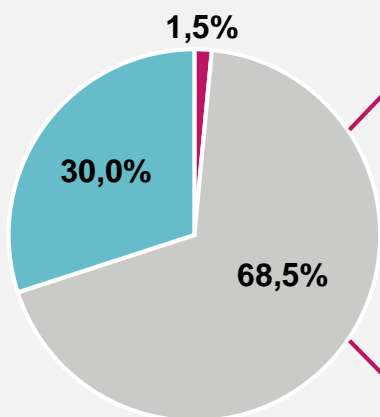


Source: Consulate General of the Kingdom of the Netherlands in Shanghai; 2019; cross-border e-commerce guidebook

We therefore put a strong focus on our attractive Chinese business, which accounts for 70% of revenues



Revenues Q1 2020
EUR 14.9m



- DACH
- China
- Rest of Europe (ex. Bebitus)

Structure (Set-up)

- New member Management Board Sean Wei
- Built-up local team
- Launch sales platform KOF and TOF
- Second bonded warehouse

Growth



- New product categories
- New business model (import and sale to business customers)
- New sales channels

Significant revenue growth...

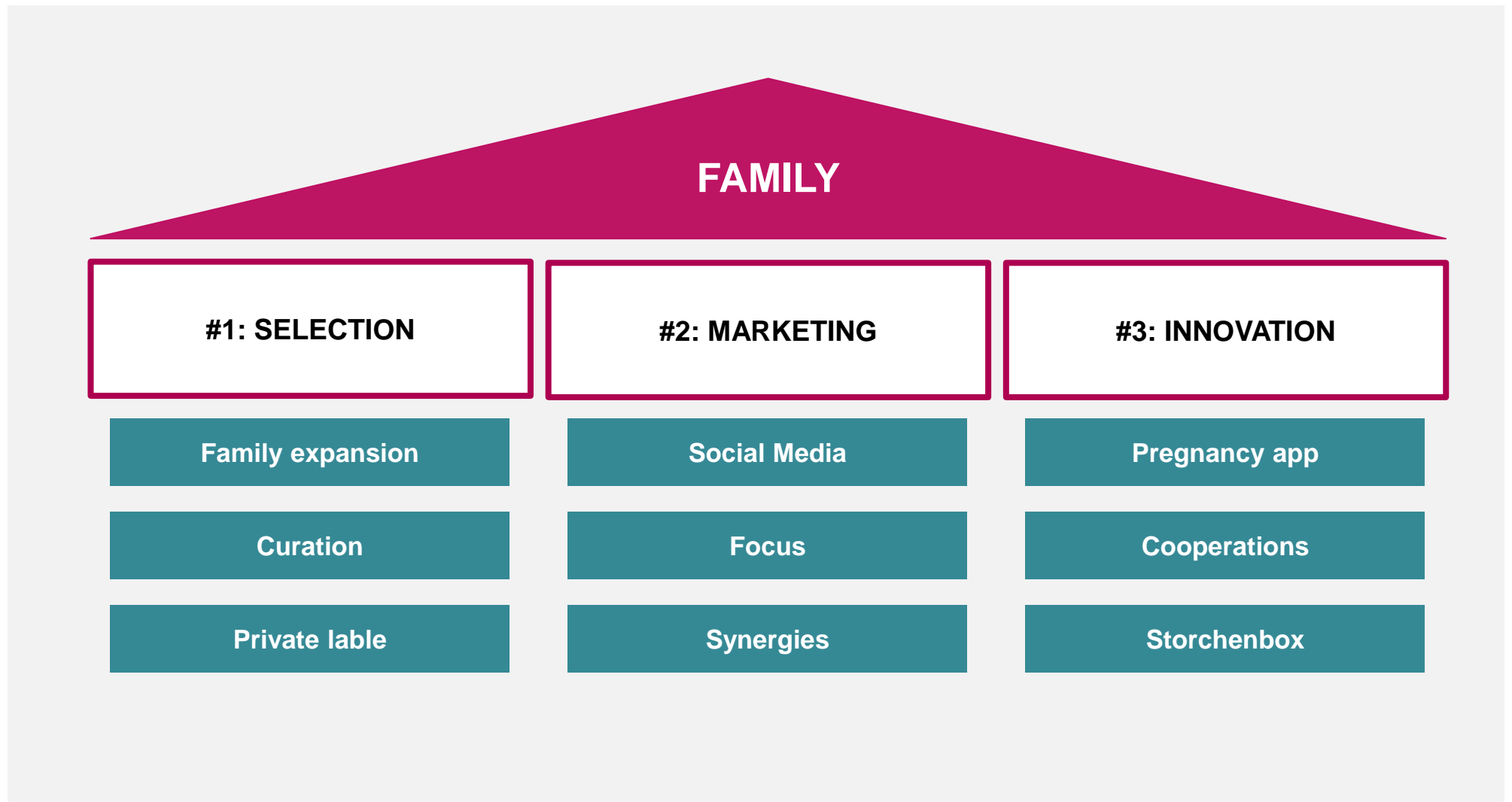
...which needs capital

Cooperations with Bodyguard and Holland at Home to extend product offering and sales channels to China

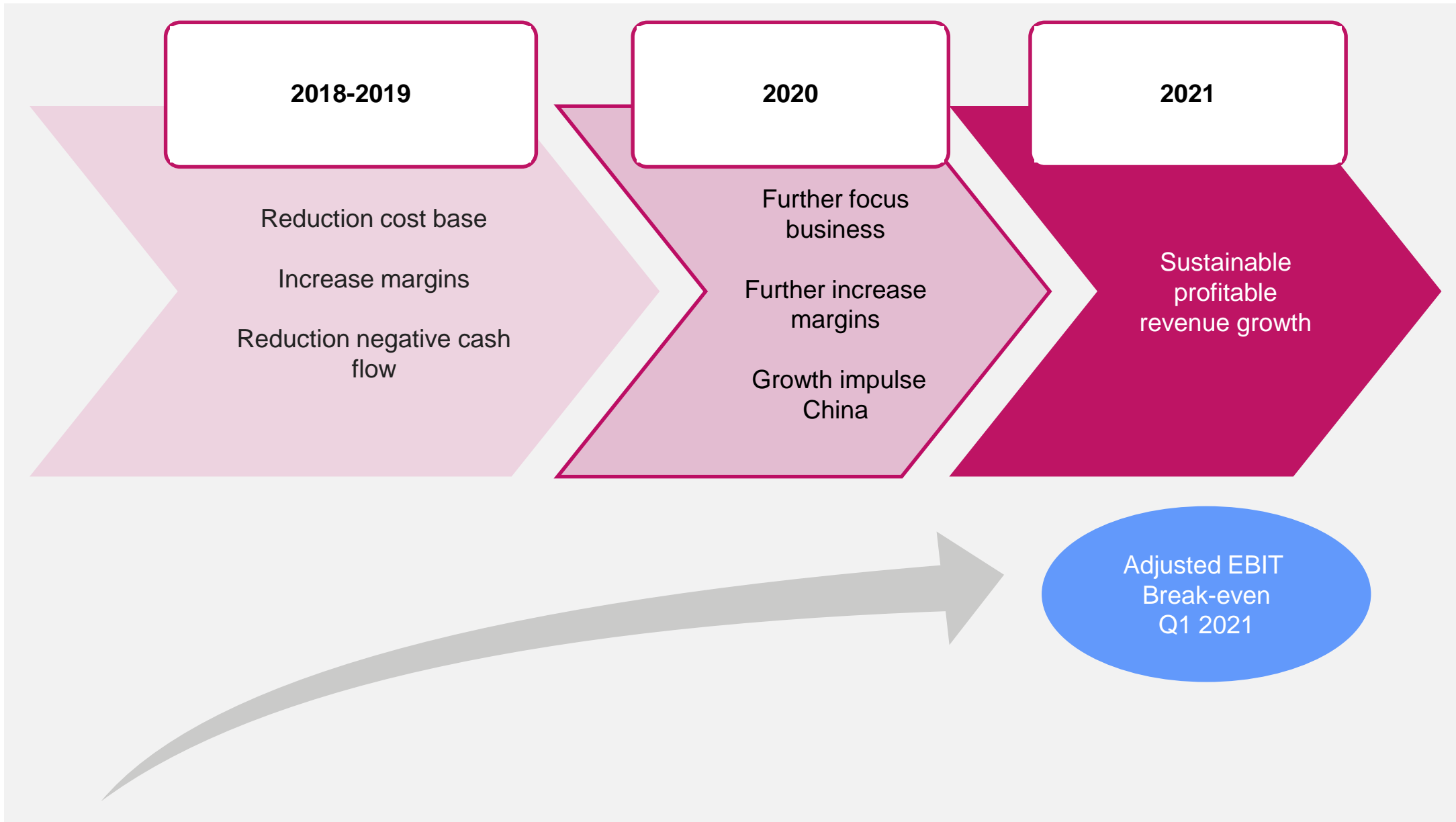


Partner	windeln.de benefits	
<p>Bodyguard</p>  <p>bodyguardpharm®</p> <p>German online pharmacy (www.bodyguardapotheke.com)</p> <p>with strong cross-border e-commerce business to China (https://www.ba.de/)</p>	<p>Product sourcing</p>	<ul style="list-style-type: none"> • Pharmaceutical and medical products (OTC) • EUR 17.9bn market in China
<p>Holland at Home</p>  <p>HOLLAND AT HOME <small>Your online Dutch supermarket</small></p> <p>Dutch online supermarket (www.holland-at-home.com/en/)</p> <p>with strong cross-border e-commerce business to China (https://cn.holland-at-home.com)</p>	<p>Use of more than 25 sales channels to China</p> <p>Access to high-quality nutritional supplements</p>	<p>(e.g. Hipac, Pinduoduo International, Little Red Book & Dingxiangmama)</p> <p>through “House of Nutrition” (affiliate of Holland at Home, www.houseofnutrition.de)</p>

Strategy for DACH focused on developing into the leading online retailer for family products



Since 2018 several efficiency and profitability measures were executed...

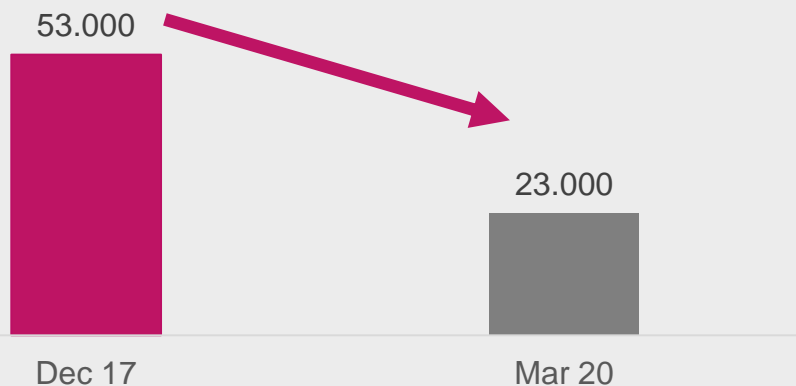


...with significant progress



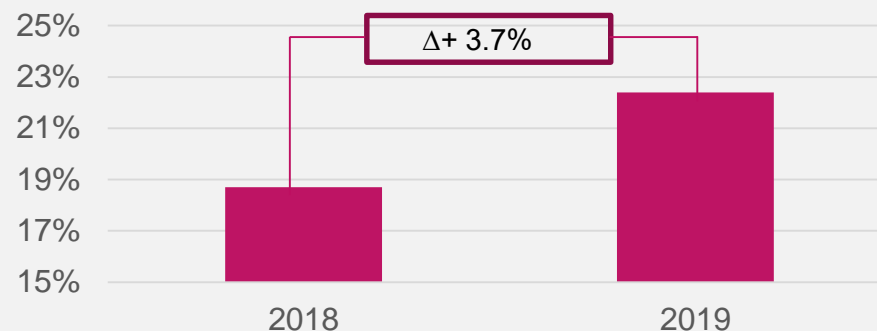
Reduction of assortment complexity (SKUs DACH)

Main driver of warehousing (rental) costs



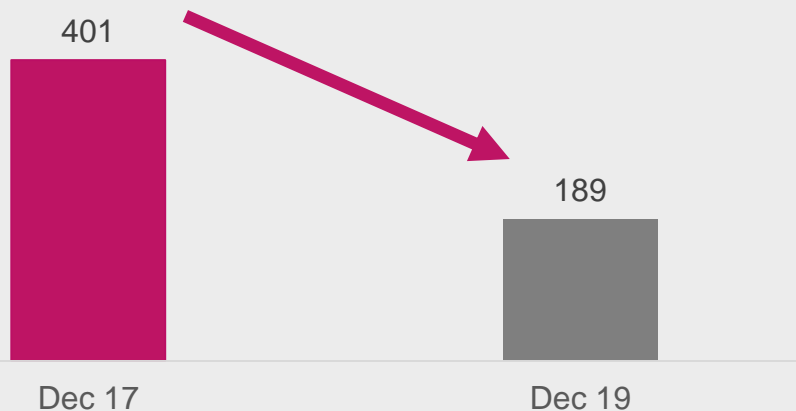
Improvement of product margins (DACH, margin1)

Driver to reach break-even, below group average



Reduction of headcount (active FTEs)

Main driver of SG&A expenses



New offerings for our customers

Pregnancy app, Storchenbox, new search, new categories



* Based on management reporting

Ongoing initiatives to drive business and financials



- Introduction Sourcing Tool
- Outsourcing of IT Shop Platform and PIM
- Outsourcing IT Shop development Romania
- Office move to lower cost location in Munich
- German warehouse move
- Exploration Divestiture of Bebitus



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

April 2020:
Sale hygiene
articles
EUR 7.1m

Financials improved in Q1 year over year

EUR million % of revenues	Full year	
	FY 2018	FY 2019
Revenues	104.8	82.3
Gross profit¹	24.8%	24.9%
Fulfilment costs²	(16.3)%	(13.4)%
Marketing costs³	(4.8)%	(4.4)%
Operating contr.	3.9	5.8
Operating contr.	3.8%	7.0%
Other SG&A⁴	(22.5)	(19.6)
Other SG&A⁴	(21.6)%	(23.8)%
Adj. EBIT⁵	(18.5)	(13.8)
Adj. EBIT⁵	(17.8)%	(16.8)%
Total cash avail.	11.1	8.4

By quarter	
Q1 2019	Q1 2020
17.2	14.9
26.3%	26.1%
(16.6)%	(11.0)%
(4.3)%	(4.3)%
0.9	1.6
5.4%	10.8%
(4.0)	(4.0)
(22.9)%	(27.0)%
(3.0)	(2.4)
(17.6)%	(16.3)%
15.5	11.9

Yoy Development

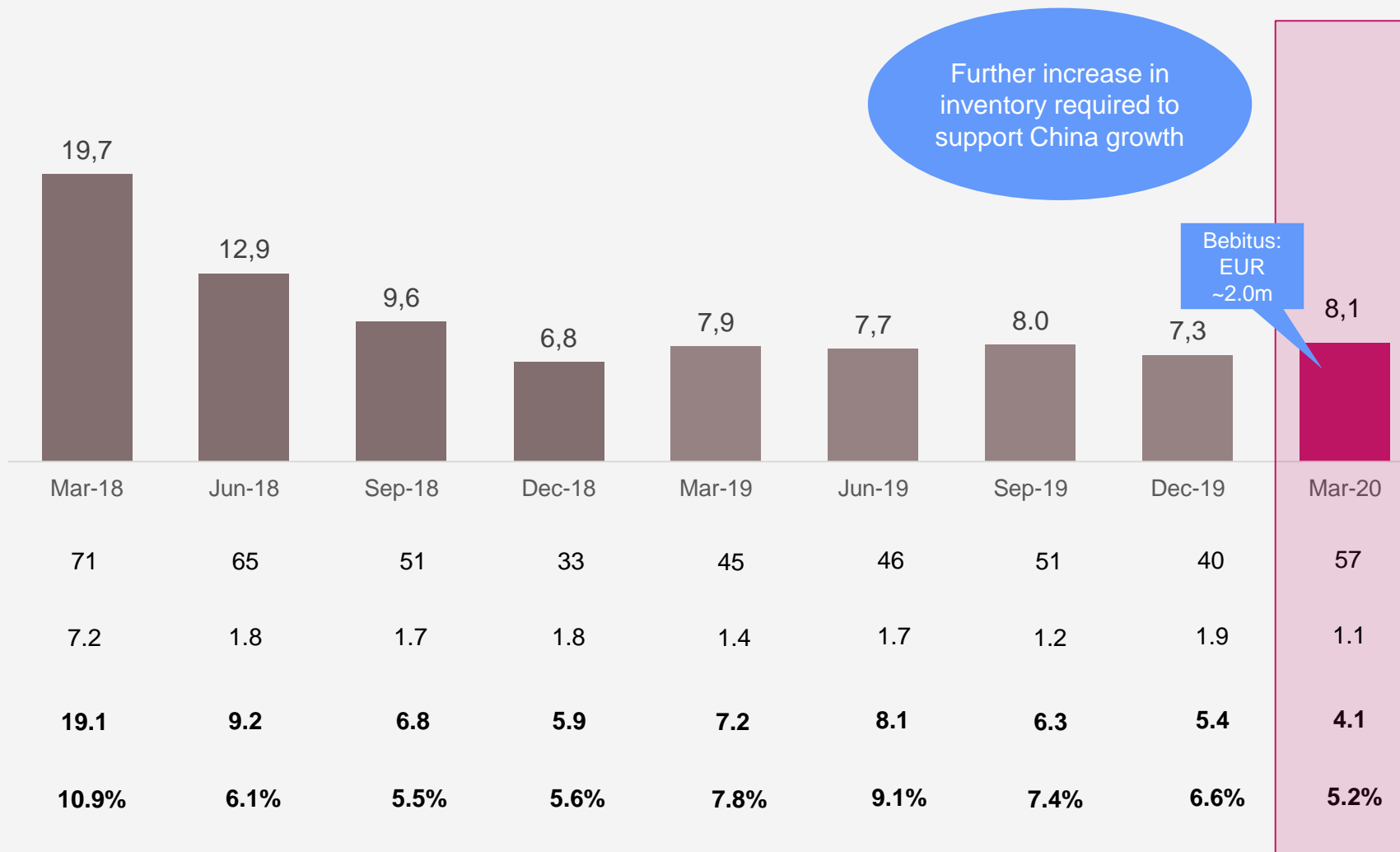
- Profitability and liquidity focus
- Driven by sales mix; Europe improved
- Driven by sales mix; lower warehouse rent in Germany
- Lowered in absolute terms
- Improved; China VAT refund
- Team-build in China started in March; Q2 will be higher
- Improved
- Capital increase; NWC build-up required

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

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

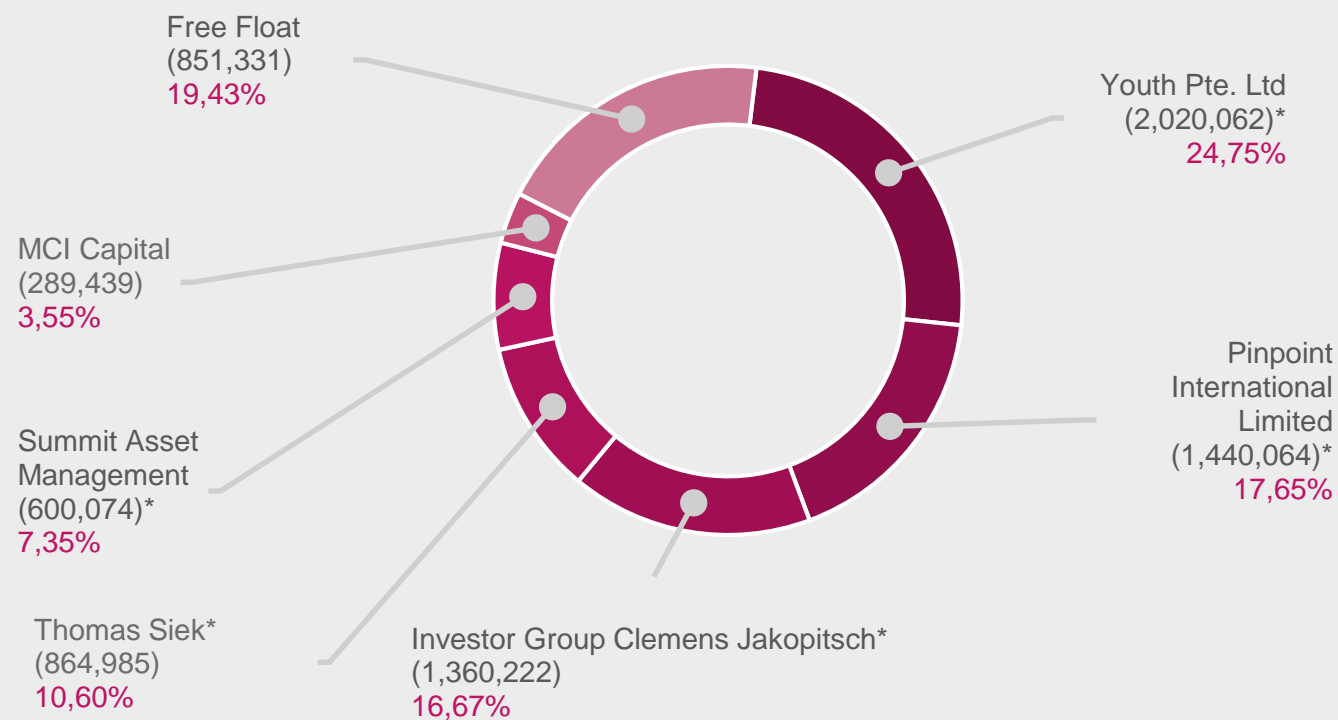
Adj. EBIT
Break-even
Q1 2021



Appendix



Shareholder Structure



As of June 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%): 19,43%

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

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 14



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.
- 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.

