Half year/second quarter 2019 results

August 8, 2019

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Progress on profitability in Europe and business development in China in Q2

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- **We made good progress on improving product margins at our European shops and set the basis for our further growth strategy in China**
  - Growth strategy in China includes new online channels, product extension, 2nd bonded warehouse, potential co-operations and hybrid model
- **Revenues EUR 20.1m in Q2 (EUR 40.9m in H1)**
  - China stabilized with EUR 12.7m in Q2 (EUR 25.0m H1); +3.2% vs. Q1 2019 (+9.0% vs. Q2 previous year)
  - Continued focus on increasing profitability and sustainable revenues in Europe
    - DACH EUR 4.3m in Q2 (EUR 9.0m H1); -9.3% vs. Q1 2019 (-19.8% vs. Q2 previous year)
    - Rest of Europe EUR 3.2m in Q2 (EUR 7.0m H1); -15.0% vs. Q1 2019 (-51.4% vs. Q2 previous year)
- **Adj. EBIT EUR -3.3m (-16.2% margin) and EUR -7.3m in H1 (-17.9% margin)**
  - Operating contribution improved EUR 1.3m in Q2 (6.4% margin) vs. EUR 0.9m Q1 2019 (EUR -0.1m Q2 previous yr)
  - Adj. other SG&A lowered EUR 4.6 million in Q2 vs. EUR 4.9 million in Q1 2019 (EUR 5.8m Q2 previous year)
  - Adj. EBIT improved at EUR -3.3 in Q2 (-16.2% margin) vs. EUR -4.0m and -19.5% margin in Q1 2019 (EUR -5.9m and -24.9% margin previous year)
- **Total available cash of EUR 12.1 million as of 30-June 2019**
  - Decrease of EUR 3.4million in Q2 2019 in line with adjusted EBIT
  - Currently available cash (6-Aug) EUR 9.7m given buildup of inventory for H2 2019 (incl. Singles Day China)
  - Financing options currently being evaluated to strengthen liquidity and to fund China growth strategy
- **Target remains to reach adj. EBIT break-even early 2020**
  - Profitability improvement with priority over revenue growth
  - Strong focus on net working capital / liquidity
  - Adj. EBIT break-even target mainly driven by growth strategy in China and further margin improvement at European shops

Business development in Europe and China

Matthias Peuckert

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Strong customer focus of all initiatives done in H1

Customer focus in H1

Customer acquisition

- Pregnancy app launched in all regions
- Attractive new promotions, e.g. summer deals
- New marketing strategy

Customer experience

- Personalized product recommendations
- Technical enhancements (new starting page, new navigation, pricing tool introduced)
- Change of payment provider in German shop
- New return portal

Customer retention

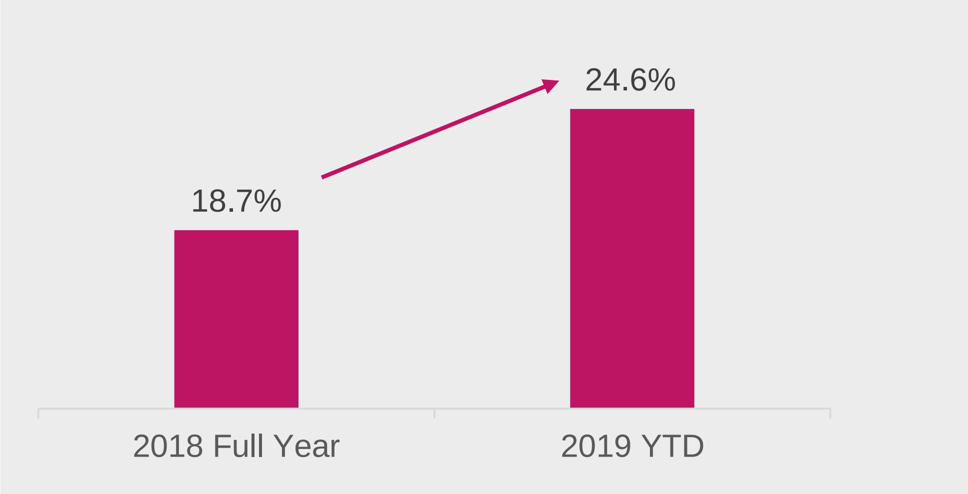
- Referral programs
- Extension of windeln.de app to all European countries

Customer lifecycle

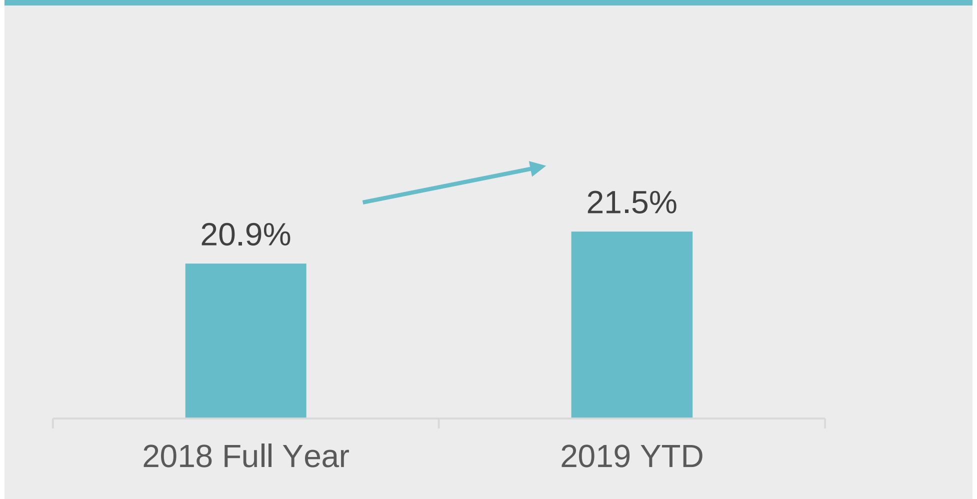
- Prolong lifecycle with further category extensions
- Offering family products

Focus on margin improvements in Europe shows results

DACH Margin from Product Sales in %



Rest of Europe (Bebitus) Margin from Product Sales in %



Actions taken

We consequently follow our profitability strategy by:

- Strict rules for new product listings
- Adoption of pricing rules
- Continuous review of product portfolio
- Further clean-up of inventory, esp. FMCG area
- Extension of product assortment

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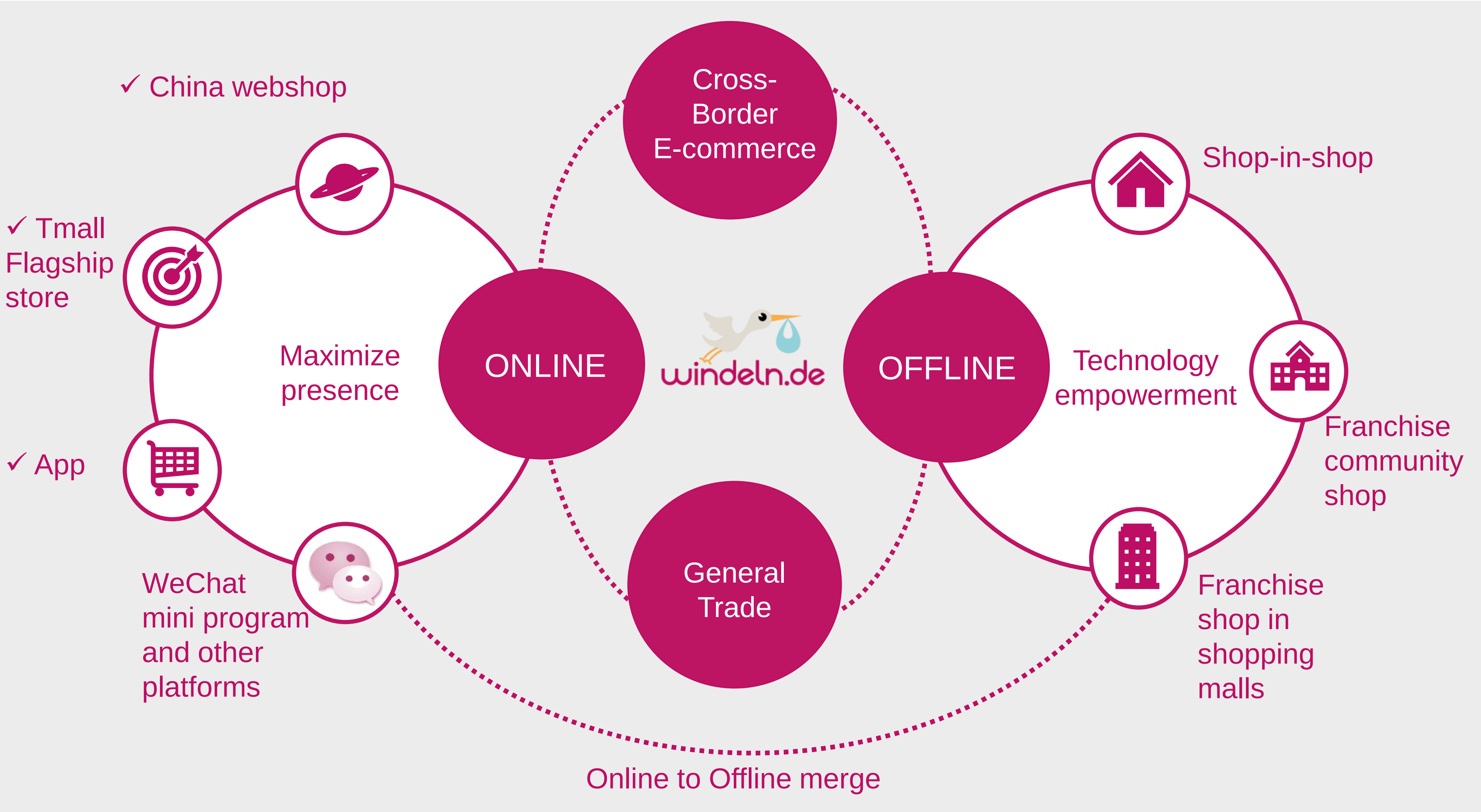
China growth strategy to expand online business and build hybrid business



Use of good supplier relationships in Europe and well-known brand name “windeln.de“ in China

Broaden customer base in tier 2 & 3 cities in China and benefit from lower customer acquisition costs

Further improvements in H1 in China; important growth measures ahead for H2 and beyond

H1 2019

INCREASED LOCAL KNOW-HOW

- Additional Management Board member
- Extension of team in Shanghai (+5 employees)

SECURED INVESTOR SUPPORT

Two investors (in Supervisory Board) supporting projects and strategy

WORKED ON CATEGORY EXTENSION

New categories beauty and nutrition launched

H2 2019 and beyond

- New online distribution channels
- Bonded warehouse II
- Offline/ hybrid strategy
- Cooperations with local Chinese companies

H1 and Q2 2019 financials

Dr. Nikolaus Weinberger

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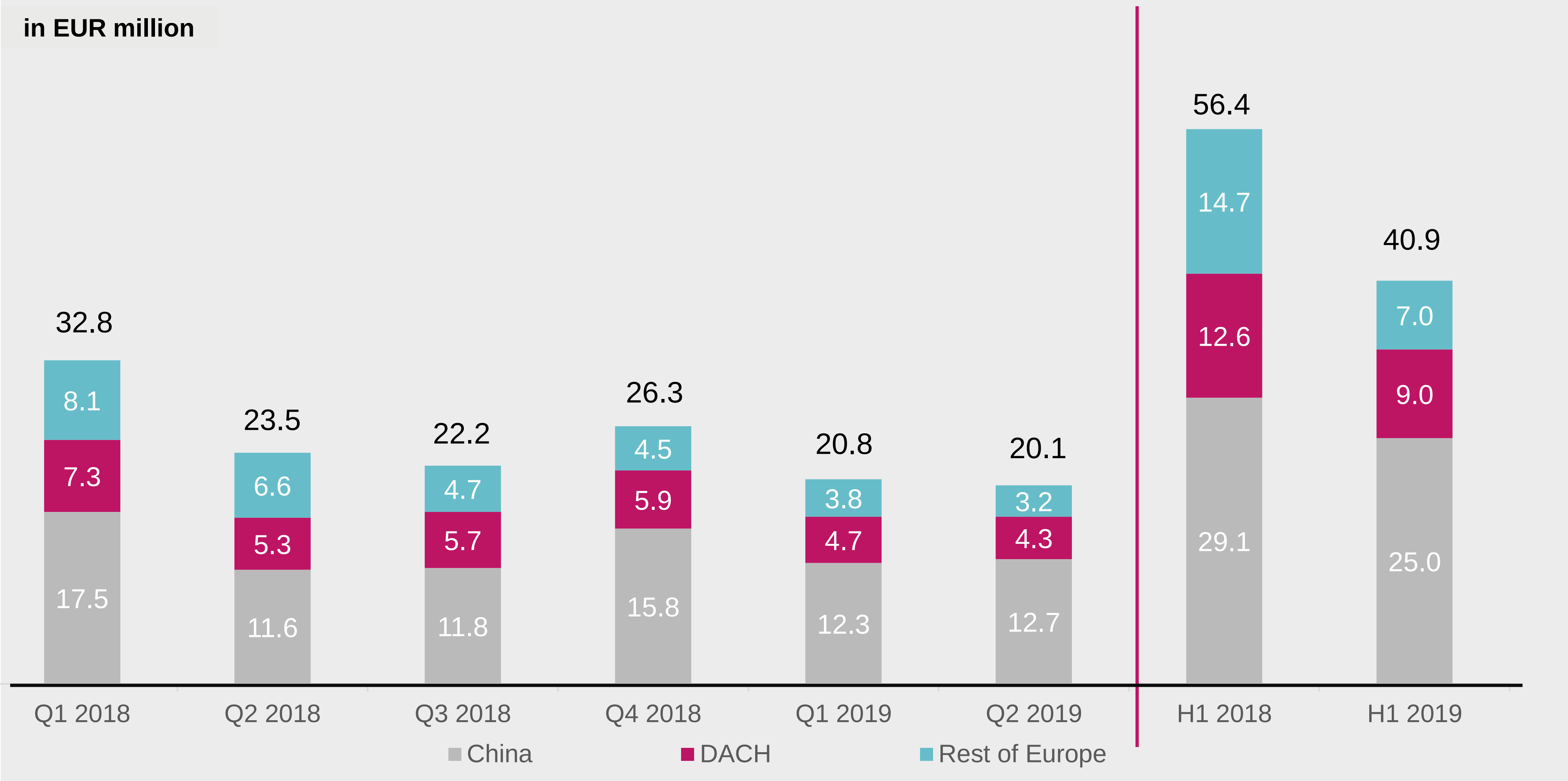
China Q2 improved yoy and qoq; in Europe lower revenue base due to ongoing focus on profitability

Revenues 2018 & 2019 (quarter over quarter)



Improvement of profitability and cash flow over time

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in EUR million

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	H1 2018	H1 2019
Operating contribution	1.3	-0.1	0.4	2.3	0.9	1.3	1.3	2.2
- Adj. Other SG&A	-6.5	-5.8	-5.3	-4.8	-4.9	-4.6	-12.3	-9.5
= Adj. EBIT	-5.2	-5.9	-4.9	-2.5	-4.1	-3.3	-11.1	-7.3
Change in cash*	-14.8	-1.8	-4.2	-1.6	-5.1	-3.4	-16.6	-8.6

*) Q1 and H1 2019 excluding net proceeds from capital increase of approx. EUR 9.5m (approx. EUR 4.5m in Q2 and H1 2018)...:

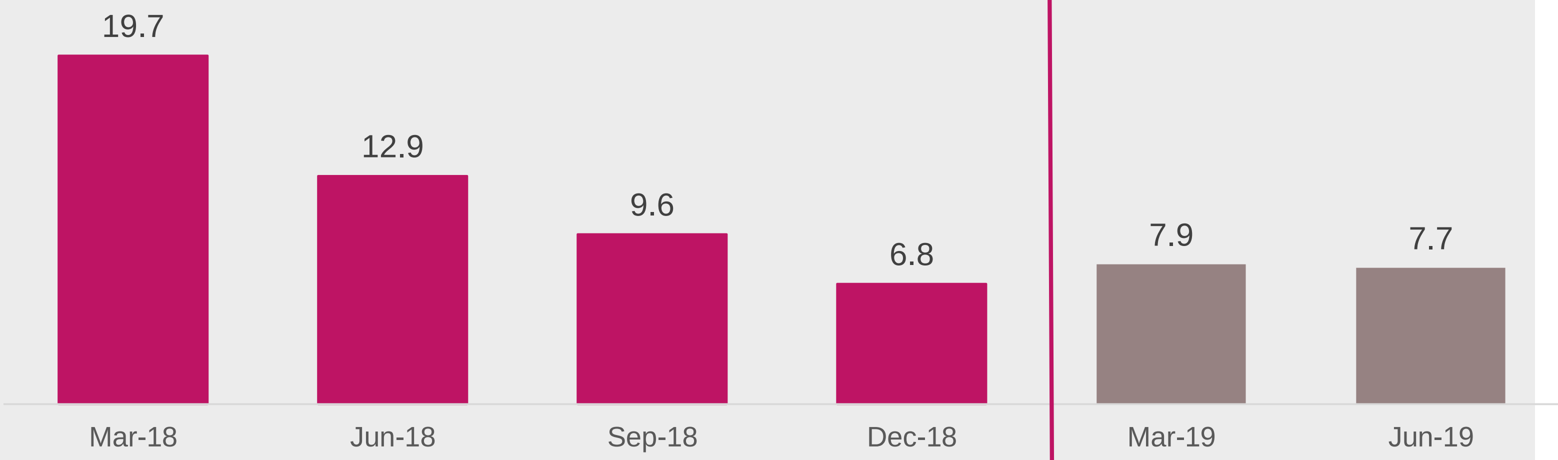
Our Q2/H1 2019 financials are improved in terms of operating contribution, EBIT and cash flow

EUR million % of revenues	Q2 2018	Q2 2019	H1 2018	H1 2019	Development
Revenues	*23.5*	*20.1*	*56.4*	*40.9*	Focus on margins
Gross profit[1]	24.0%	24.9%	24.4%	25.0%	Improved year over year
Fulfilment costs[2]	(19.7)%	(13.5)%	(17.5)%	(14.9)%	Improved year over year
Marketing costs[3]	(4.6)%	(5.0)%	(4.6)%	(4.9)%	At / below 5%
Operating contr.	*(0.1)*	*1.3*	*1.3*	*2.2*	Improved year over year
Operating contr.	(0.2)%	6.4%	2.3%	5.3%	
Other SG&A[4]	*(5.8)*	*(4.6)*	*(12.3)*	*(9.5)*	Significantly lowered year over year
Other SG&A[4]	(24.6)%	(22.6)%	(22.1)%	(23.1)%	
Adj. EBIT[5]	*(5.9)*	*(3.3)*	*(11.1)*	*(7.3)*	Improved year over year
Incl. Feedo	*(6.9)*	-	*(12.8)*	-	
Adj. EBIT[5]	(24.9)%	(16.2)%	(19.8)%	(17.9)%	
Total Liquidity	*16.9*	*12.1*	*16.9*	*12.1*	Strengthened through capital increase

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

Inventory levels approximately same level as 30-March; build up in Q3 expected

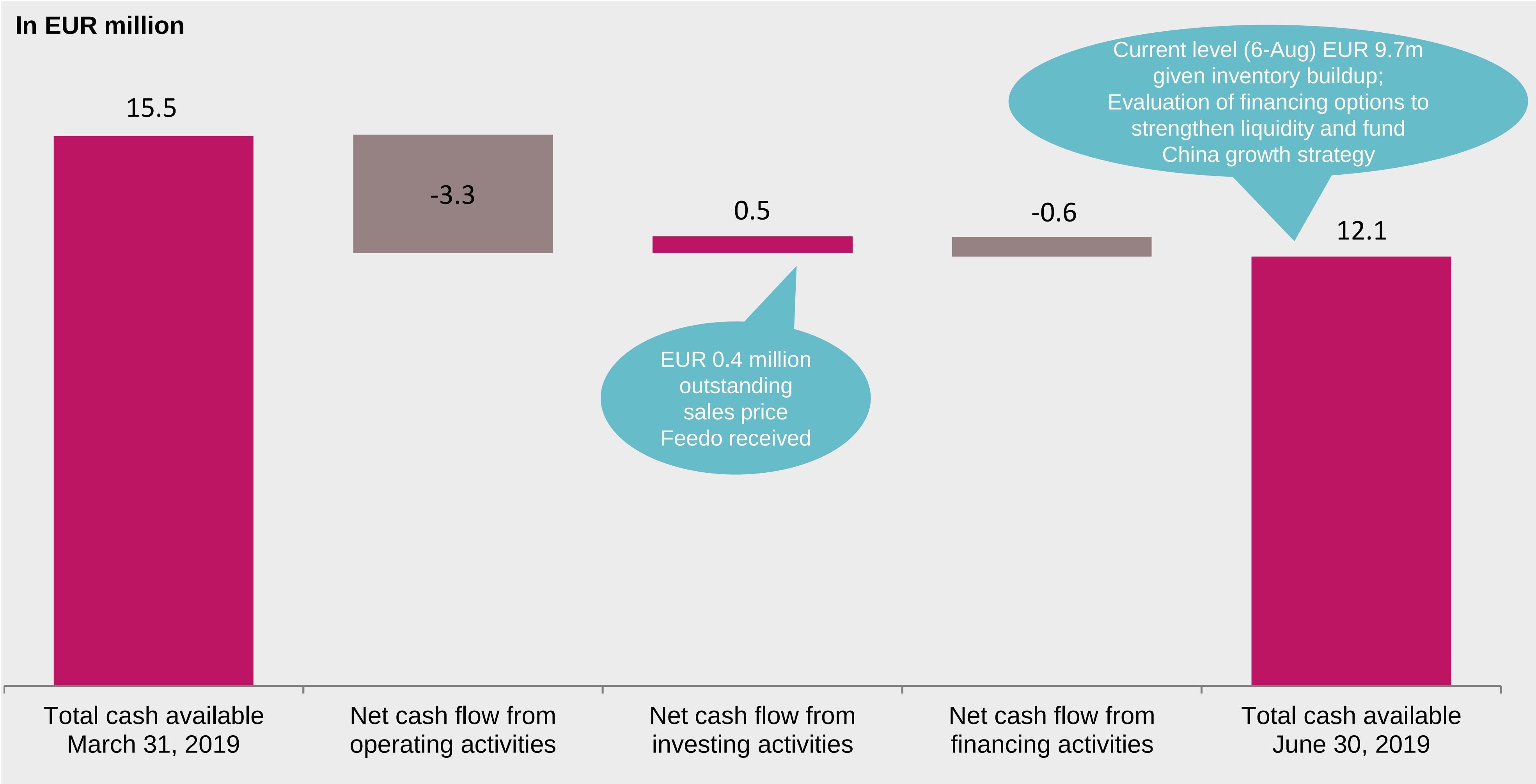
Inventory (EUR million)



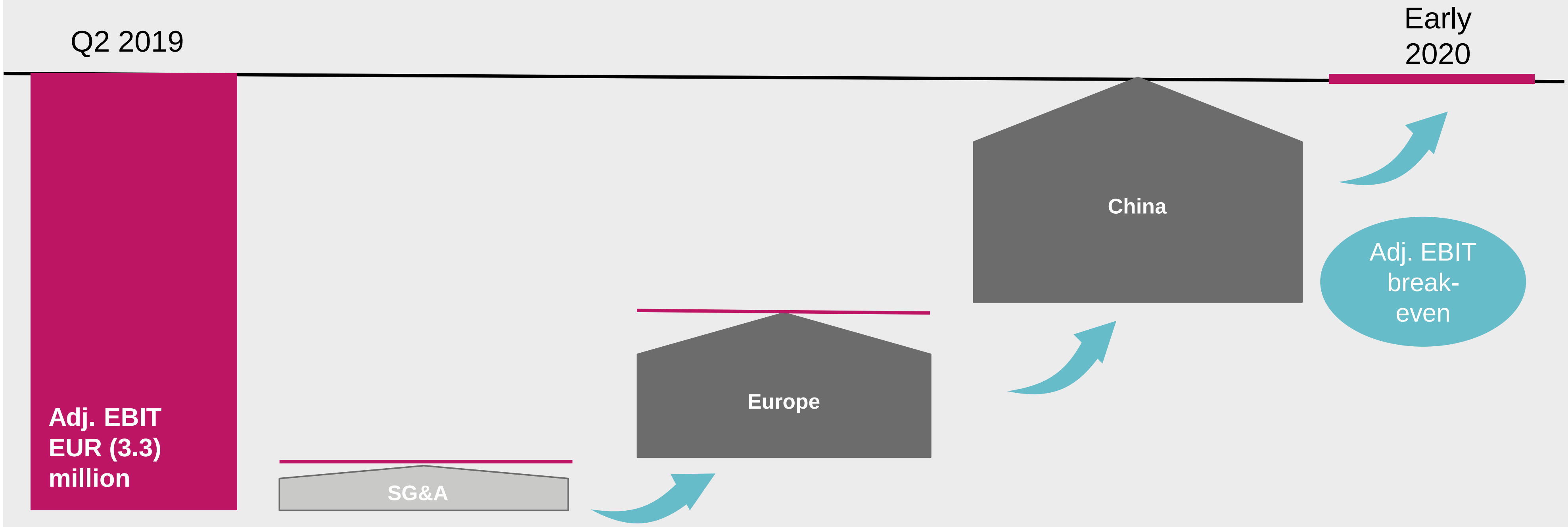
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Days inventory (DIO)	71	65	51	33	45	46
Accrued advertising revenues + vendors with credit balance (EUR million)	7.2	1.8	1.7	1.8	1.4	1.7
Net Working Capital (EUR million)	**19.1**	**9.2**	**6.8**	**5.9**	**7.2**	**8.1**
as % of LTM revenues	**10.9%**	**6.1%**	**5.5%**	**5.6%**	**7.8%**	**9.1%**

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.
Continuing operations presented (excl. Feedo Group).

Net cash out of EUR 3.3 million in Q2



We target to reach adjusted EBIT break-even early 2020 mainly through growth in China and further profitability improvements in Europe



Already lowered cost base:

Organizational improvements (but also team set up in China)

Increase revenues and profitability:

- New search function
- Category extension
- Warehouse move

Increase revenues and profit contribution:

- Category extension
- New distribution channels
- 2nd bonded warehouse
- Offline/hybrid strategy
- Cooperations with local Chinese companies
- New regions
- Potential VAT refund

China growth strategy

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

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

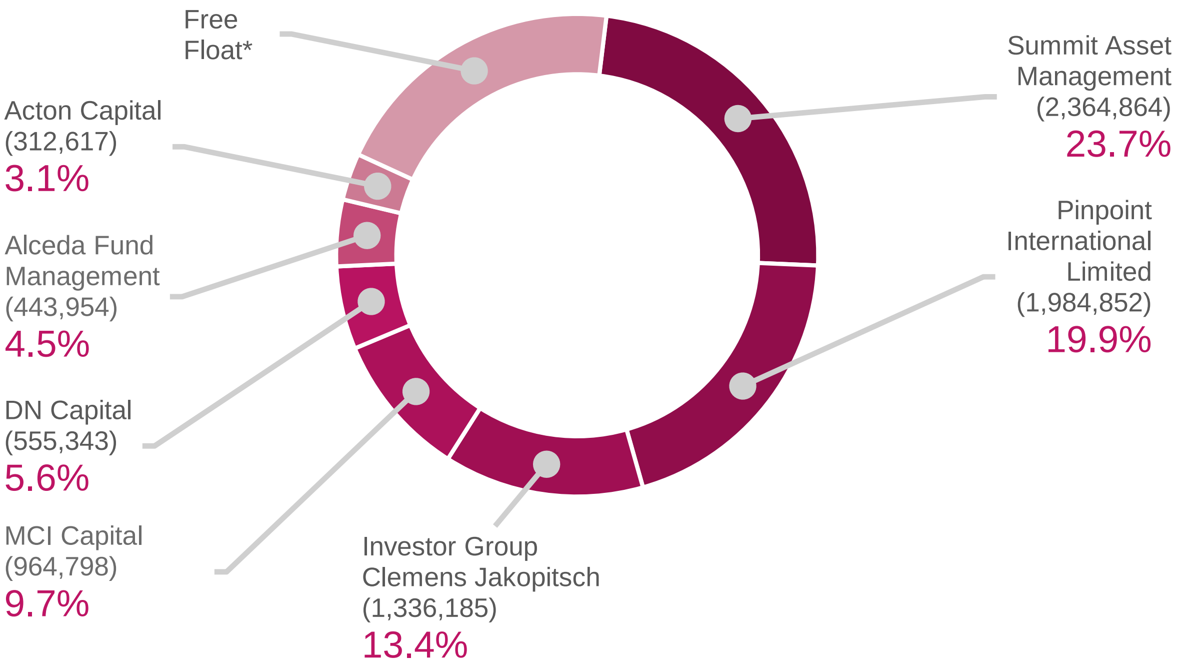
Adj. EBIT break-even early 2020

Questions

Appendix

Shareholder structure and supervisory board

Shareholder structure1)



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 August, 2019	9,963,670
Share capital	EUR 9,963,670

Supervisory Board members

Willi Schwerdtle (Chairman)	Xiao Jing Yu (Russell Reynolds Associates)
Weijian Miao (Deputy Chairman) (Summit Asset Management)	Tomasz Czechowicz (MCI Capital)
Dr. Edgar Carlos Lange (Lekkerland)	Clemens Jakopitsch (Behördenengineering Jakopitsch)

1) As of August, 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: 9,963,670
** The free float includes all shares that are not held by shareholders below three percent*

Key performance indicators quarter over quarter

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Excl. pannolini and Feedo	Q1 '18	Q2 '18	Q3 '18	Q4'18	Q1' 19	Q2 ' 19
Site Visits (in thousand) [1]	12,255	9,127	9,907	10,073	10.485	10,075
Mobile Visit Share (in % of Site Visits) [2]	72.3%	71.8%	70.3%	75,3%	78.8%	73.6%
Mobile Orders (in % of Number of Orders) [3]	53.3%	55.2%	55.1%	58,7%	61.3%	60.4%
Active Customers (in thousand) [4]	742	681	615	544	493	455
Number of Orders (in thousand) [5]	330	283	244	258	201	179
Average Orders per Active Customer (in number of Orders) [6]	2.0	2.2	2.1	2,1	2.0	2.2
Orders from Repeat Customers (in thousand) [7]	302	233	192	195	145	131
Share of Repeat Customer Orders (in % of Number of Orders) [7]	87.1%	74.9%	79.8%	82.6%	74.2%	73.0%
Gross Order Intake (in kEUR) [8]	29,774	25,514	21,916	23,655	17.821	16.376
Average Order Value (in EUR) [9]	90.17	90.01	89.96	91.84	88.81	91.69
Returns (in % of Gross Revenues from orders) [10]	3.4%	3.6%	4.3%	3.1%	3.4%	2.6%

Income statement (continuing operations)

kEUR	FY 2018	H1 2018	H1 2019	Q2 2018	Q2 2019
Revenues	**104,818**	**56,371**	**40,909**	**23,548**	**20,146**
Cost of sales	-79,151	-42,912	-30,683	-17,959	-15,136
Gross profit	**25,667**	**13,459**	**10,226**	**5,589**	**5,010**
% margin	*24.5%*	*23.9%*	*25.0%*	*23.7%*	*24.9%*
Selling and distribution expenses	-44,751	-21,637	-14,240	-9,307	-6,530
Administrative expenses	-8,626	-4,291	-4,069	-1,707	-2,286
Other operating income	954	479	313	317	101
Other operating expenses	-806	-456	-58	-351	-4
EBIT	**-27,562**	**-12,446**	**-7,828**	**-5,459**	**-3,709**
% margin	*-26.3%*	*-22.1%*	*-19.1%*	*-23.2%*	*-18.4%*
Financial result	-3	-20	-42	1	-19
EBT	**-27,565**	**-12,466**	**-7,870**	**-5,458**	**-3,728**
% margin	*-26.3%*	*-22.1%*	*-19.2%*	*-23.2%*	*-18.5%*
Income taxes	446	-14	-3	-11	-1
Profit or loss from continuing operations	**-27,119**	**-12,480**	**-7,873**	**-5,469**	**-3,729**
% margin	*-25.9%*	*-22.1%*	*-19.2%*	*-23.2%*	*-15.8%*
Profit or loss from discontinued operations	**-10,573**	**-9,862**	**49**	**-985**	**8**
Profit or loss for the period	**-37,692**	**-22,342**	**-7,824**	**-6,454**	**-3,721**
EBIT	**-27,562**	**-12,446**	**-7,828**	**-5,459**	**-3,709**
Share-based compensation	-321	-387	536	-472	448
Reorganization	1,584	1,058	-14	2	-
Intangible assets	6,991	-	-	-	-
Closure pannolini.it	778	714	-	74	-
Adjusted EBIT	**-18,530**	**-11,061**	**-7,306**	**-5,855**	**-3,261**
% margin	*-17.8%*	*-19.8%*	*-17.9%*	*-24.9%*	*-16.2%*

Balance sheet and cash flow statement

Consolidated statement of financial position

kEUR	December 31, 2018	March 31, 2019	June 30, 2019
Total non-current assets	**5,345**	**5,951**	**5,116**
Inventories	6,820	7,851	7,701
Prepayments	-	53	94
Trade receivables	1,417	1,089	1,628
Miscellaneous other current assets[1]	5,254	5,470	5,380
Cash and cash equivalents	11,136	15,540	12,079
Total current assets	**24,627**	**29,967**	**26,882**
Total assets	**29,972**	**35,918**	**31,998**
Issued capital	31,136	9,964	9,964
Share premium	170,391	173,452	173,565
Accumulated loss	-181,119	-157,200	-160,921
Cumulated other comprehensive income	186	199	201
Total equity	**20,594**	**26,415**	**22,809**
Total non-current liabilities	**38**	**404**	**180**
Other provisions	235	195	136
Financial liabilities	39	658	658
Trade payables	4,573	4,158	3,820
Deferred revenue	1,581	1,491	1,650
Miscellaneous current liabilities[2]	2,912	2,597	2,745
Total current liabilities	**9,340**	**9,099**	**9,099**
Total equity & liabilities	**29,972**	**35,918**	**31,998**

Consolidated statement of cash flows

kEUR	FY 2018	H1 2018	H1 2019	Q2 2018	Q2 2019
Net cash flows from/used in operating activities	**-18,729**	**-13,784**	**-8,615**	**2,430**	**-3,331**
Net cash flows from/used in investing activities	1,846	1,387	433	884	460
Net cash flows from/used in financing activities	1,543	1,590	9,119	19	-551
Cash and cash equivalents at the beginning of the period	26,465	26,465	11,136	12,324	15,504
Net increase/ decrease in cash and cash equivalents	**-15,340**	**-10,807**	**937**	**3,333**	**-3,422**
Cash and cash equivalents at the end of the period	**11,136**	**15,656**	**12,079**	**15,656**	**12,079**

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.

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).

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 2017.

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 2017, expenses for the integration of subsidiaries were adjusted.