



windeln.de SE

January/February 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 and excellent 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

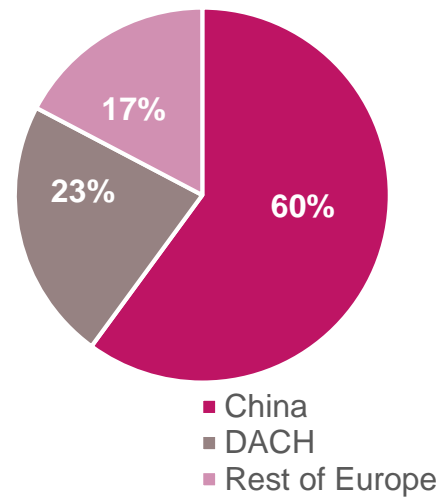
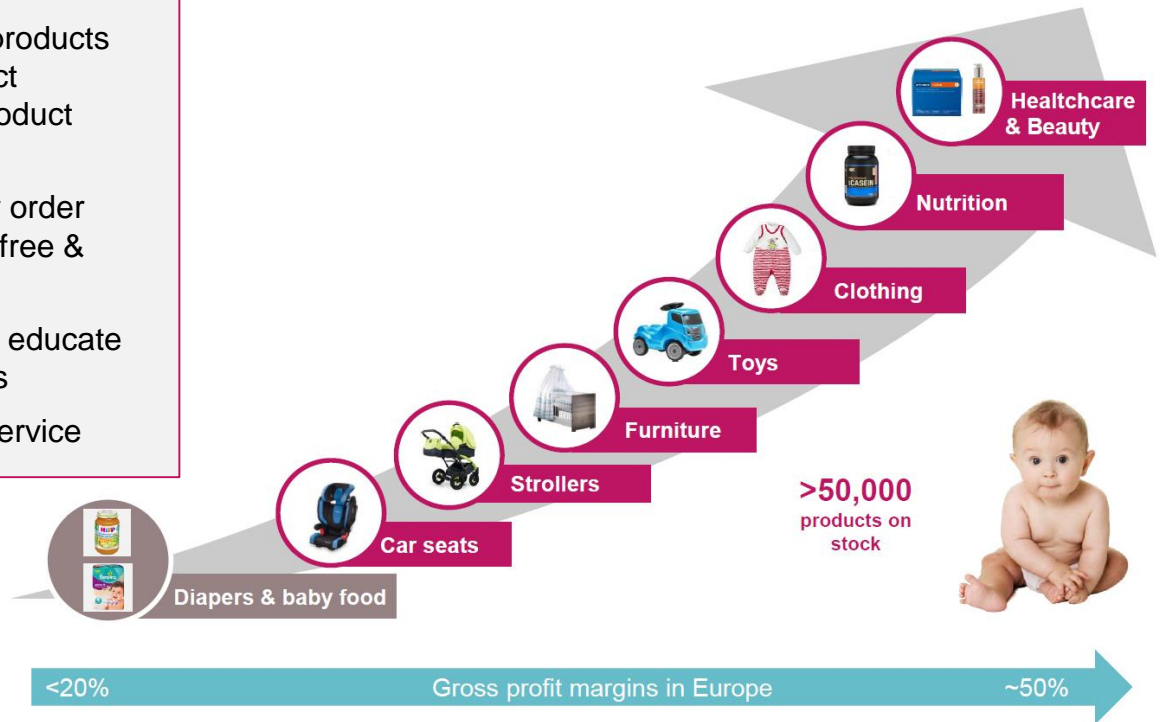


Presence in 6 European countries and China	400k+ Active Customers	approx. 45,000 Products
500k+ Orders in 2019	35 million+ Site Visits in 2019	EUR 82 million Revenues in 2019

Our offering to customers

Revenue split by region (9M 2019)

- ✓ 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 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



Chinese Team



Business cooperation



Direct Express Delivery



Present in social media



Server in China



China App

Langtao

Marketing and customer service cooperation



Business cooperation

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

EUR 576 billion

Chinese e-commerce volume 2018

USD 121.6 billion

Chinese CBEC volume 2018

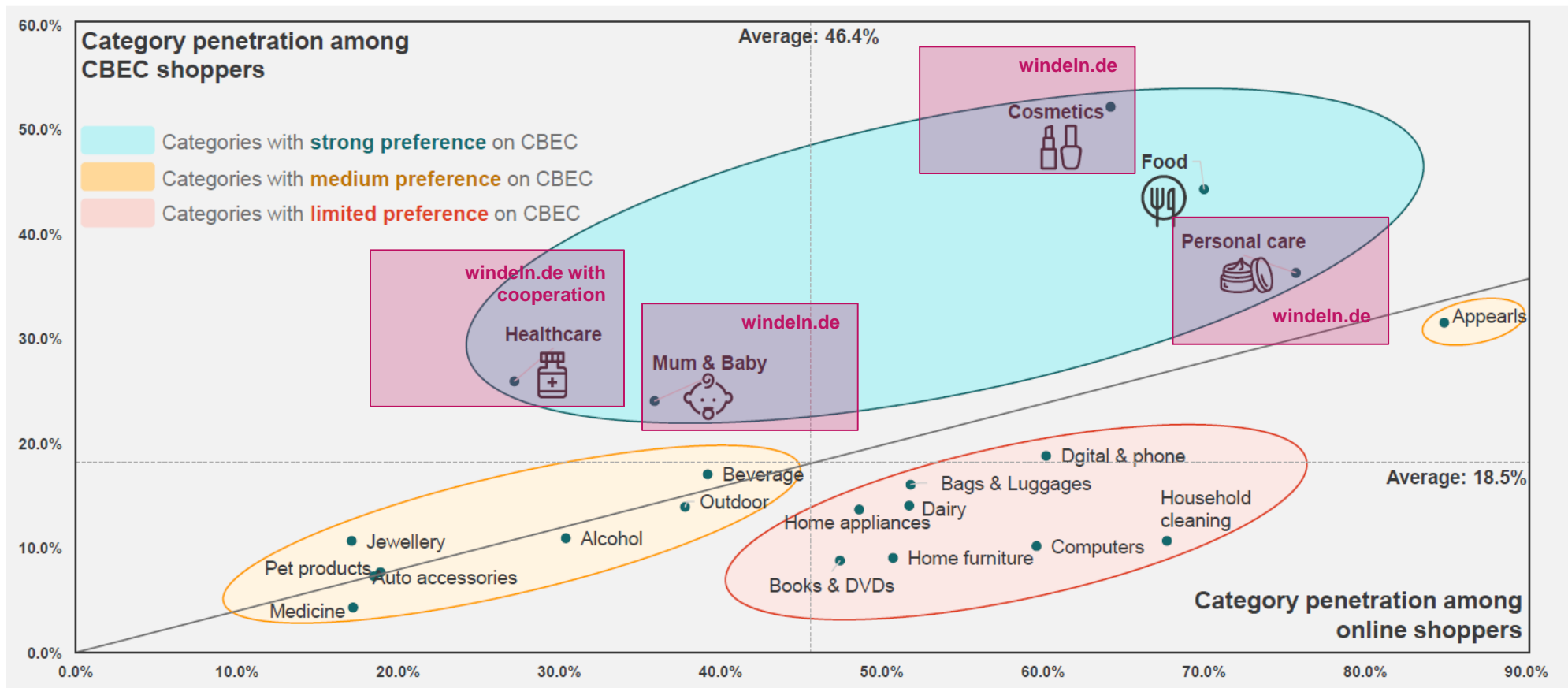
15.2 million

Births in China in 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

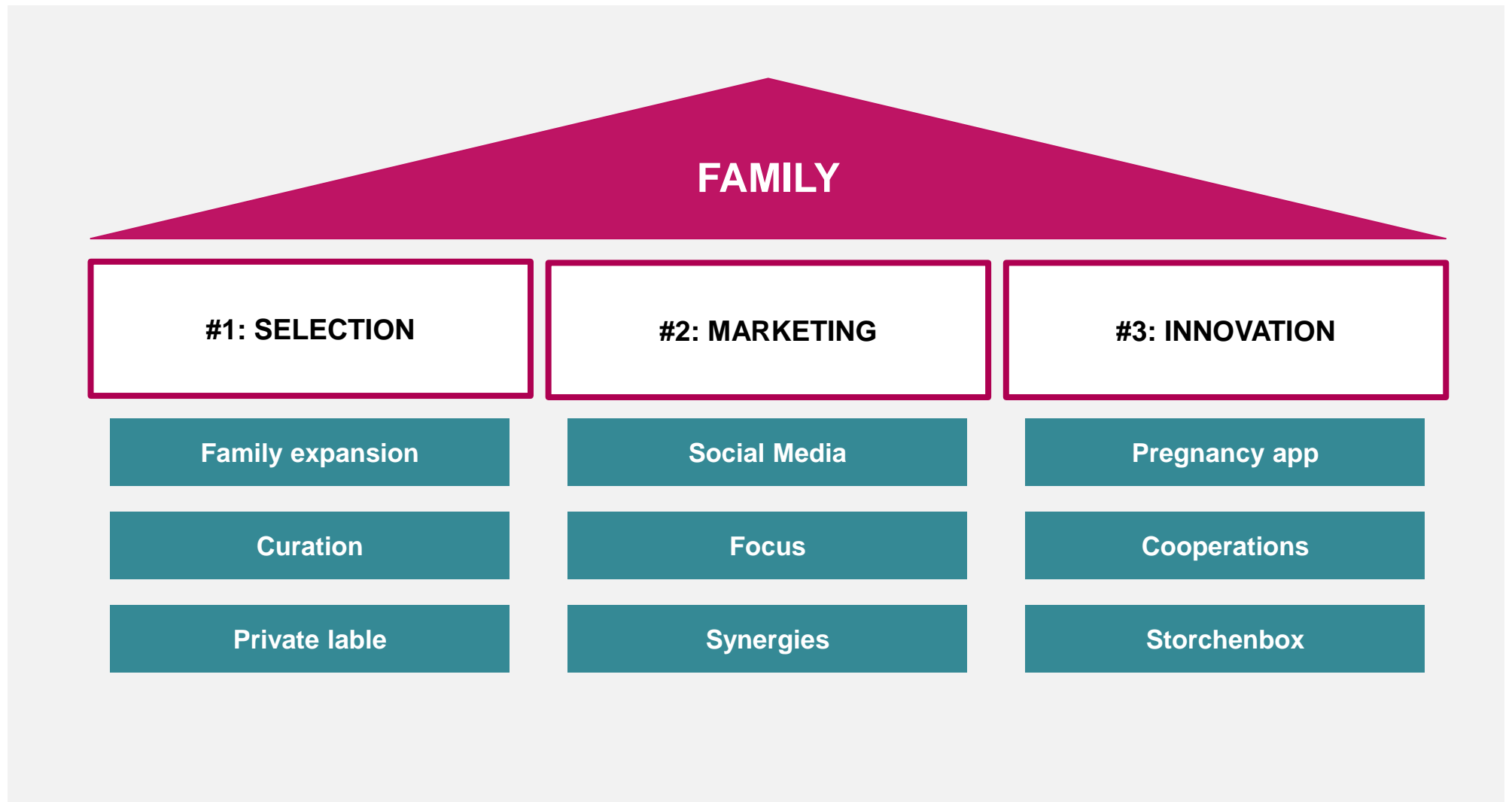
Cooperations with Bodyguard and Holland at Home to extend product offering and sales channels to China



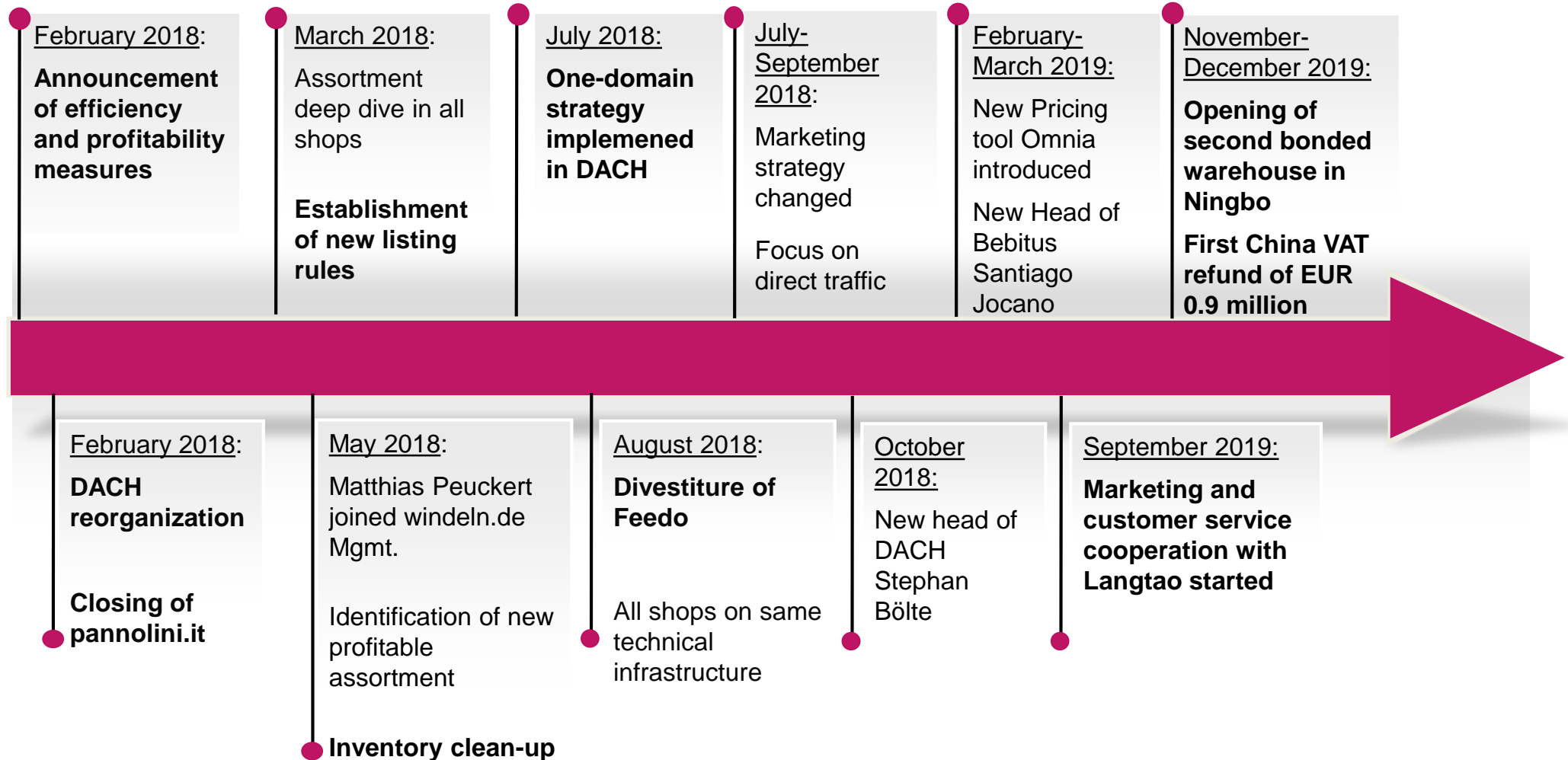
Both companies also participate in capital increase

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><u>Product sourcing</u></p> <ul style="list-style-type: none"> • Pharmaceutical and medical products (OTC) • EUR 17.9bn market in China <p>→ Revenues in low double-digit million Euro range expected in 2020</p>
<p>Holland at Home</p>  <p>HOLLAND AT HOME Your online Dutch supermarket</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><u>Use of more than 25 sales channels to China</u></p> <p>(e.g. Hipac, Pinduoduo International, Little Red Book & Dingxiangmama)</p> <p><u>Access to high-quality nutritional supplements</u></p> <p>through “House of Nutrition“ (affiliate of Holland at Home, www.houseofnutrition.de)</p> <p>→ Revenues in low double-digit million Euro range expected in 2020</p>

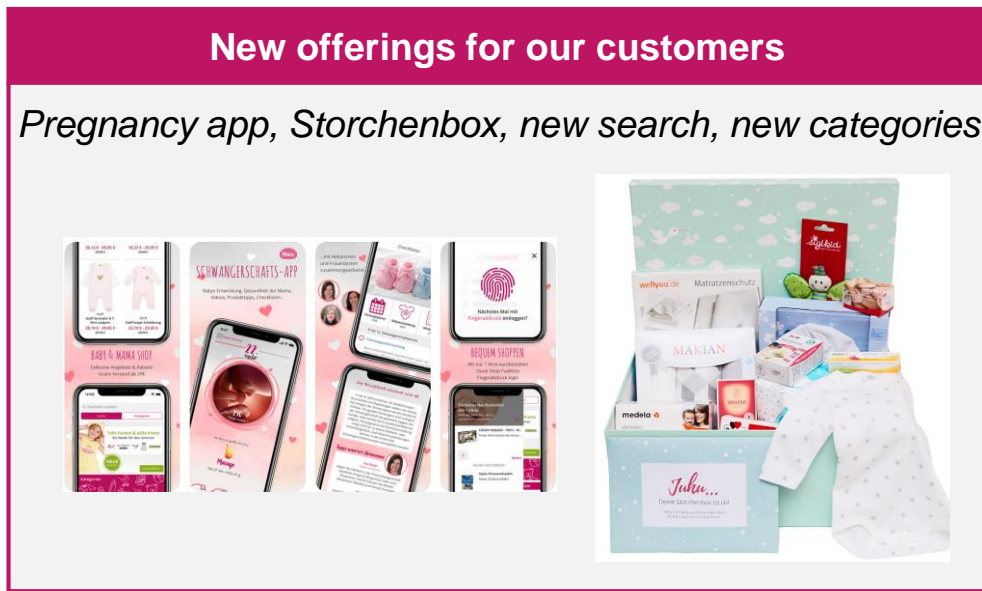
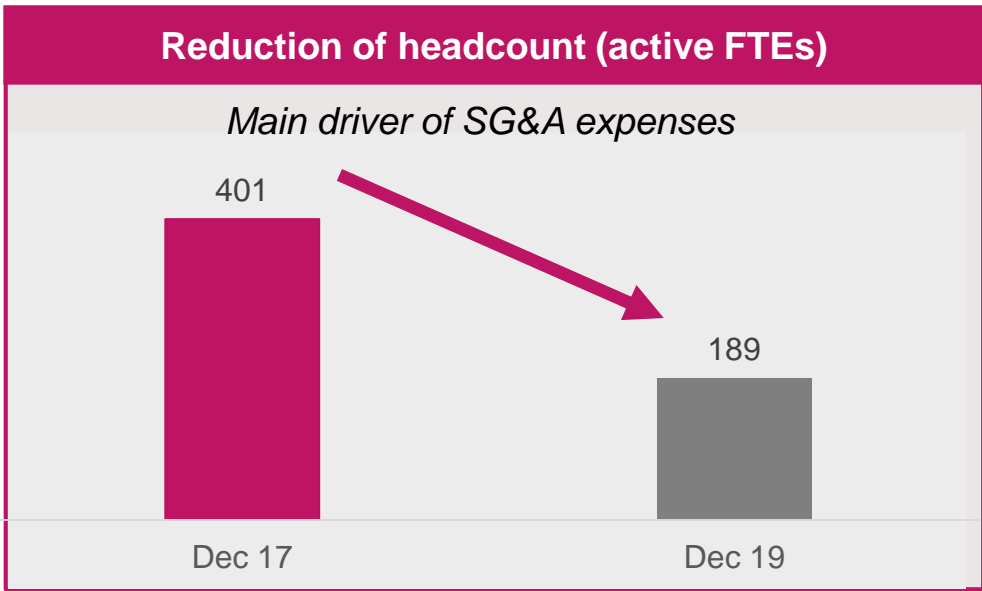
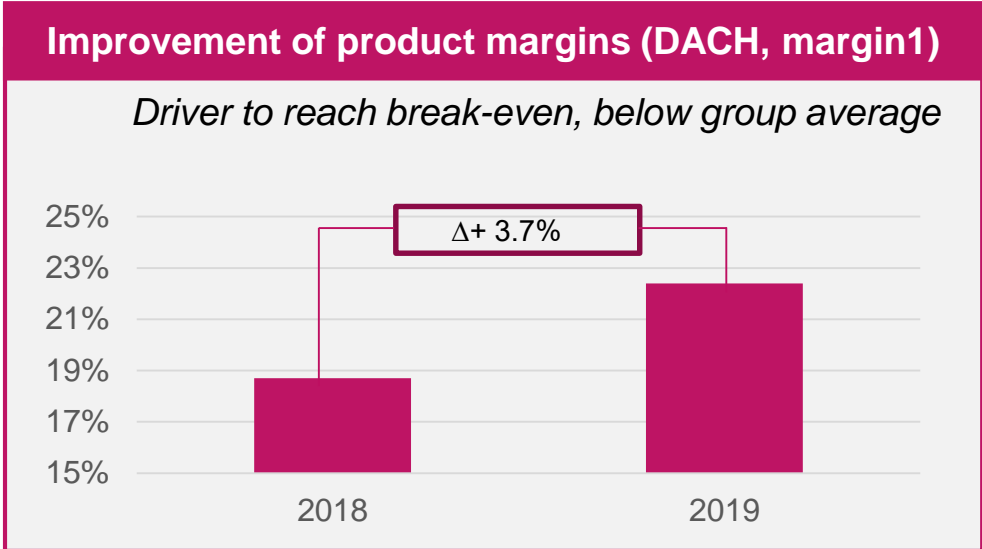
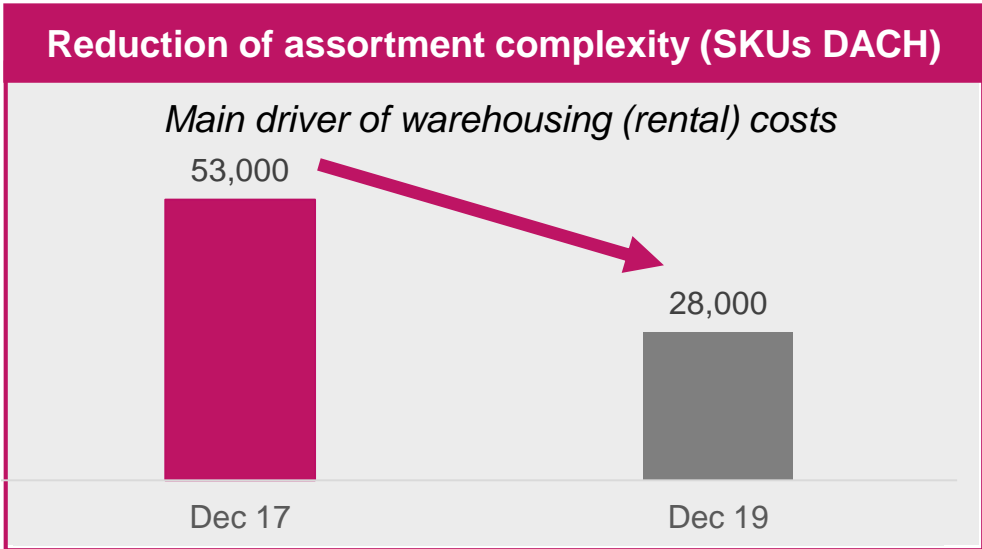
Strategy for DACH and Rest of Europe focused on developing into the leading online retailer for family products



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

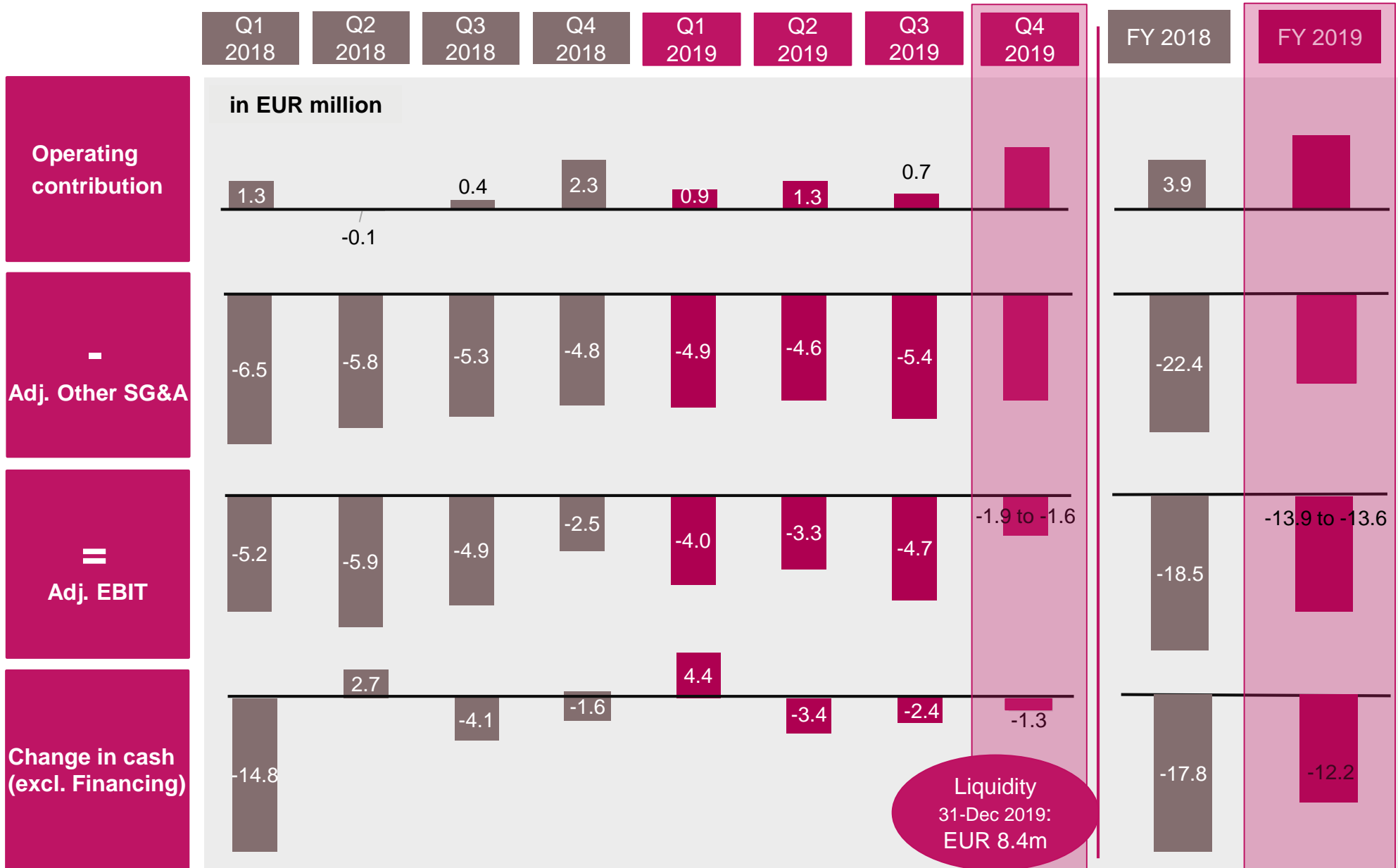


...with significant progress



* Based on management reporting

Improvements in profitability, operating contribution, costs and cash flow over time



Key risks and mitigation measures



Potential Risks	Description	Mitigation measures
Liquidity given negative cash flow	<ul style="list-style-type: none"> windeln.de not profitable yet; cash burn (excl. financing) in 2019 EUR 12.2m 	<ul style="list-style-type: none"> Continuous operational improvements Improved net working capital Capital increase + China VAT refund
Dependency on China	<ul style="list-style-type: none"> Approx. 60% of Group revenues from China business 	<ul style="list-style-type: none"> Sustainable customer demand (15m births each year, purchasing power, German quality products) Strong expertise for China
Dependency on suppliers	<ul style="list-style-type: none"> Approx. 70% of total sourcing volume from top three suppliers 	<ul style="list-style-type: none"> Mutual benefits for supplier and WDL Long-term relationships; selective distribution partnerships Regular communication

Business and financial outlook for 2020/21



Business targets

- Execute efficiency projects
 - IT shop outsourcing
 - Central warehouse move
 - Sourcing tool
- Build up new product categories
 - Pharma & medical products
 - Bodyguard cooperation
- Build up new sales channels
 - We Chat mini program
 - Holland at Home cooperation

Financial targets

- Significant double-digit revenue growth
- Significant improvement of adj. EBIT
- Further VAT inflows of at least EUR 2.1 million
- Further net working capital improvements
- Capital increase

Break-even on basis of adj. EBIT expected for Q1 2021

Capital increase to fund the further progress of the company



Subscription price	EUR 1.20 per share (31% discount to closing price 10-Jan-2020)	
Offering structure	Public offering <ul style="list-style-type: none"> • 2,501,093 shares offered (up to EUR 3.0 million) • Participation through exercise of subscription rights + additional subscription rights (“Mehrbezug”) 	Private placement <ul style="list-style-type: none"> • 2,670,051 shares (up to EUR 3.2 million) + remaining shares from public offering; • Participation via buying order
Subscription / Offer period	23 rd Jan – 5 th Feb 2020	Buying order
Subscription ratio	1 : 1.73 (1.73 new shares for 1 old one)	
Volume	<ul style="list-style-type: none"> • Up to 5,171,144 new shares • Total proceeds: up to EUR 6.2 million • Trading admission of shares in Open Market (Freiverkehr) expected in Q2 2019; afterwards application for admission to trading in the Regulated Market 	
Issuing bank	Quirin Privatbank AG	
Use of proceeds	<ul style="list-style-type: none"> • Strengthen windeln.de’s liquidity position to cover negative cash-flows • Finance the build-up of net working capital necessary for growth in China • Finance projects: e.g. IT Outsourcing and central warehouse move in Germany 2020 	

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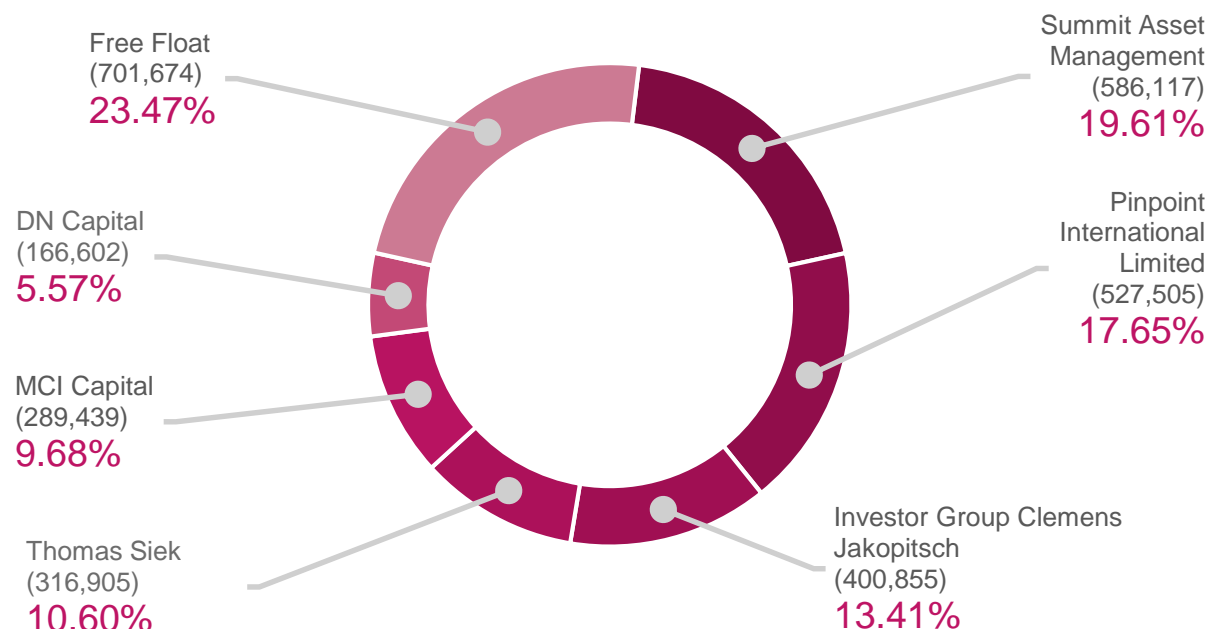
Appendix



Shareholder structure and supervisory board



Shareholder structure*



*As of January 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: 2,989,101

Basic share data

WKN	WNDL20
ISIN	DE000WNDL201
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 2020	2,989,101
Share capital	EUR 2,989,101

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)

Key performance indicators quarter over quarter



Excl. pannolini and Feedo	Q1 '18	Q2 '18	Q3 '18	Q4'18	Q1' 19	Q2 ' 19	Q3' 19
Site Visits (in thousand) ¹	12,255	9,127	9,907	10,073	10.485	10,075	9,710
Mobile Visit Share (in % of Site Visits) ²	72.3%	71.8%	70.3%	75,3%	78.8%	73.6%	76.9%
Mobile Orders (in % of Number of Orders) ³	53.3%	55.2%	55.1%	58,7%	61.3%	60.4%	62.7%
Active Customers (in thousand) ⁴	742	681	615	544	493	455	438
Number of Orders (in thousand) ⁵	330	283	244	258	201	179	187
Average Orders per Active Customer (in number of Orders) ⁶	2.0	2.2	2.1	2,1	2.0	2.2	1.9
Orders from Repeat Customers (in thousand) ⁷	302	233	192	195	145	131	133
Share of Repeat Customer Orders (in % of Number of Orders) ⁷	87.1%	74.9%	79.8%	82.6%	74.2%	73.0%	72.0%
Gross Order Intake (in kEUR) ⁸	29,774	25,514	21,916	23,655	17.821	16.376	16,210
Average Order Value (in EUR) ⁹	90.17	90.01	89.96	91.84	88.81	91.69	86.72
Returns (in % of Gross Revenues from orders) ¹⁰	3.4%	3.6%	4.3%	3.1%	3.4%	2.6%	2.9%

Income statement (continuing operations)



kEUR	9M 2018	9M 2019	Q3 2018	Q3 2019
Revenues	78,549	59,365	22,178	18,456
Cost of sales	-60,167	-45,141	-17,255	-14,458
Gross profit	18,382	14,224	4,923	3,998
<i>% margin</i>	23.4%	24.0%	22.2%	21.7%
Selling and distribution expenses	-29,573	-20,475	-7,936	-6,235
Administrative expenses	-6,609	-6,289	-2,318	-2,220
Other operating income	773	573	294	260
Other operating expenses	-639	-107	-183	-49
EBIT	-17,666	-12,074	-5,220	-4,246
<i>% margin</i>	-22.5%	-20.3%	-23.5%	-23.0%
Financial result	-15	-59	5	-17
EBT	-17,681	-12,133	-5,215	-4,263
<i>% margin</i>	-22.5%	-20.4%	-23.5%	-23.1%
Income taxes	-16	-7	-2	-4
Profit or loss from continuing operations	-17,697	-12,140	-5,217	-4,267
<i>% margin</i>	-22.5%	-20.4%	-23.5%	-23.1%
Profit or loss from discontinued operations	-10,575	49	-713	-
Profit or loss for the period	-28,272	-12,091	-5,930	-4,267
EBIT	-17,666	-12,074	-5,220	-4,246
Share-based compensation	-323	27	64	-509
Acquisition, integration and expansion costs	-	48	-	48
Reorganization	1,227	-14	169	-
Closure pannolini.it	771	-	57	-
Adjusted EBIT	-15,991	-12,013	-4,930	-4,707
<i>% margin</i>	-20.5%	-20.2%	-22.2%	-25.5%

* 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

Balance sheet and cash flow statement



Consolidated statement of financial position		
kEUR	September 30, 2019	December 31, 2018
Total non-current assets	4,578	5,345
Inventories	8,014	6,820
Prepayments	71	-
Trade receivables	1,629	1,417
Miscellaneous other current assets ¹	4,600	5,254
Cash and cash equivalents	9,683	11,136
Total current assets	23,997	24,627
Total assets	28,575	29,972
Issued capital	9,964	31,136
Share premium	173,006	170,391
Accumulated loss	-165,188	-181,119
Cumulated other comprehensive income	214	186
Total equity	17,996	20,594
Total non-current liabilities	86	38
Other provisions	139	235
Financial liabilities	621	39
Trade payables	4,064	4,573
Deferred revenue	2,233	1,581
Miscellaneous current liabilities ²	3,436	2,912
Total current liabilities	10,493	9,340
Total equity & liabilities	28,575	29,972

Consolidated statement of cash flows				
kEUR	9M 2018	9M 2019	Q3 2018	Q3 2019
Net cash flows from/used in operating activities	-17,261	-10,680	-3,477	-2,065
Net cash flows from/used in investing activities	1,371	357	-16	-76
Net cash flows from/used in financing activities	1,552	8,866	-38	-253
Cash and cash equivalents at the beginning of the period	26,465	11,136	15,656	12,079
Net increase/decrease in cash and cash equivalents	-14,338	-1,457	-3,531	-2,394
Cash and cash equivalents at the end of the period	12,135	9,683	12,135	9,683

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.