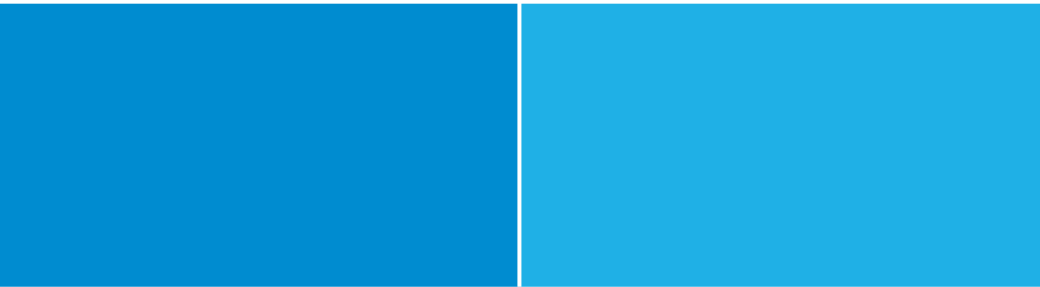




**QUARTERLY STATEMENT  
JANUARY – MARCH 2018**



## KEY FIGURES

		Q1/2018	Q1/2017
Sales revenue	<i>in € million</i>	3.0	3.2
Total operating performance	<i>in € million</i>	3.0	3.3
Material costs	<i>in € million</i>	-2.0	-2.1
Cost-of-materials ratio <sup>1</sup>	<i>in %</i>	67.5	66.2
Gross profit <sup>2</sup>	<i>in € million</i>	1.0	1.1
EBITDA <sup>3</sup>	<i>in € million</i>	-1.1	-0.4
Result from continuing operations	<i>in € million</i>	-1.1	-0.6
Result from continuing operations attributable to shareholders of the company	<i>in € million</i>	-0.7	-0.7
Consolidated net result	<i>in € million</i>	-1.1	-0.8
Earnings per share	<i>in €</i>	-0.07	-0.11
		<b>31.03.2018</b>	31.12.2017
Balance sheet total	<i>in € million</i>	9.1	8.7
Inventory assets	<i>in € million</i>	2.1	2.1
Shareholders' equity	<i>in € million</i>	5.3	5.7
Equity ratio	<i>in %</i>	57.7	65.3
Employees		79	57

<sup>1</sup> Material costs in relation to sales revenues

<sup>2</sup> Sales revenues minus material costs

<sup>3</sup> Result from continuing operations without interest, taxes and depreciations on tangible and intangible fixed assets

For an explanation of performance measures, please also refer to our annual report 2017.

## SLEEPZ AG QUARTERLY STATEMENT JANUARY – MARCH 2018

- » Quarterly revenue of € 3.0 million as against € 3.2 million
- » Consolidated net income of € -1.1 million as against € -0.8 million
- » Acquisition of Cubitabo GmbH completed

### BUSINESS DEVELOPMENT FOR THE FIRST QUARTER 2018

The first quarter of 2018 was restrained compared to the same period of the previous year, with a slight decline in revenue of € 0.2 million to € 3.0 million.

Operating activities at both sleepz Home GmbH and Cubitabo GmbH were put under strain by the integration of the two companies. There were several personnel changes within the companies, for instance the founder and Managing Director of Cubitabo took over the management of sleepz Home, with the former Managing Director stepping down at the turn of the year. Furthermore, Cubitabo was integrated into sleepz Home's inventory management, a process that was completed in the second quarter. Combined, quarterly revenue rose slightly to € 1.4 million. Cubitabo was incorporated into sleepz Home as a wholly owned subsidiary as at 3 January 2018.

In the first quarter, the Matratzen Union Group struggled considerably in the face of more intensive competition on the mattress market, particularly for brand name mattress. There was also an absence of high volume in own projects, the effects of which were felt in revenue development. This led to a revenue decline of approximately 20%, with earnings just slipping into negative territory.

The Group's gross profit margin softened slightly to 32.5% (previous year: 33.8%), though this is set to rise again over the course of the year thanks to a higher share of revenue from private labels. This will be helped not just by the Grafenfels and Matratzenheld projects, but also other private label products under the forliving and Wolkenwunder labels.

At € -1.1 million, EBITDA was weaker than in the previous year (€ -0.4 million), primarily as a result of the assumption of Cubitabo's cost structure. Consolidated net income was also down on the figure for Q1/2017 at € -1.1 million (€ -0.8 million). Net income attributable to the shareholders of the company improved marginally from € -730 thousand to € -670 thousand on account of the lower share in sleepz Home GmbH.

Bank balances and cash in hand were unchanged as against 31 December 2017 at € 0.5 million. The equity ratio was 57.7% as at 31 March 2018 after 65.3% as at 31 December 2017.

In April, SLEEPZ AG received shareholder loans of € 2.15 million, primarily in connection with securing the projected financing of sleepz Home and Cubitabo. The intended non-cash contribution by sleepz Home was implemented as part of a capital increase at SLEEPZ AG at the start of May. SLEEPZ AG has held 92.03% of the shares in sleepz Home GmbH since that time. The non-cash contribution increased SLEEPZ AG's share capital to € 12.4 million.

## OUTLOOK

In view of the current competitive situation, we anticipate that revenue performance will remain restrained and slightly negative in the second quarter. The integration of Cubitabo was largely completed in May, and the focus is now on the technical improvement of the individual web shops. The in-house brand Grafenfels has been available in sufficient quantities for the first time since May, which means that marketing can now be ramped up accordingly. We now expect sales activities for Matratzenheld to begin in June/July 2018.

In line with our established buy and build strategy, we are currently examining further acquisitions in the home and living sector. If such deliberations arrive at a successful outcome, there could be further acquisitions in the Group in the months ahead. The goal of all this is to grow the revenue volume in the long term and to leverage further synergies within the Group. A prospectus for the admission of shares, including those contributed to SLEEPZ AG by sleepz Home, is scheduled for autumn/winter 2018.

Our Annual General Meeting will be taking place on 19 June 2018. At this Annual General Meeting, the management will propose increasing the size of the Supervisory Board from three to four members. If this resolution passes and is entered in the company's commercial register, provided that the Annual General Meeting approves the nomination by the Supervisory Board, it is intended that Dr Marc Mogalle will join the Supervisory Board as its fourth member.

Berlin, May 2018

Oliver Borrmann  
Executive Board

This document is a quarterly statement in accordance with section 53 of the Exchange Rules for the Frankfurt Stock Exchange.

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM  
01.01.2018 TO 31.03.2018**

	1.1.-31.03. 2018 €	1.1.-31.03. 2017 T€
<b>SALES REVENUE</b>	3,002,137.06	3,210
<b>OTHER OPERATING INCOME</b>		
Other operating income	3,465.04	14
Income from consulting and commissions	4,500.00	99
<b>COST OF MATERIALS</b>		
Cost of sales and services purchased	-2,026,275.63	-2,124
<b>STAFF COSTS</b>		
Wages and salaries	-549,239.43	-474
Social security contributions and costs for pensions and support	-113,894.88	-84
<b>DEPRECIATIONS</b>		
Depreciation on tangible and intangible fixed assets	-48,531.13	-65
<b>OTHER OPERATING EXPENSES</b>	-1,394,104.67	-1,034
<b>OPERATING INCOME</b>	<b>-1,121,943.64</b>	<b>-458</b>
Interest and similiar income	66.30	4
Interest and similiar expenses	-13,321.01	-99
Income taxes	8,960.70	-43
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>-1,126,237.65</b>	<b>-597</b>
Result from discontinued operations	0.00	-189
<b>CONSOLIDATED NET RESULT</b>	<b>-1,126,237.65</b>	<b>-786</b>
Share of result of non-controlling interests	456,056.09	56
Result attributable to shareholders of the company	-670,181.56	-730
Earnings per share from continuing operations	-0.07	-0.08
Earnings per share from discontinued operation	0.00	-0.03
Earnings per share	-0.07	-0.11
<b>CONSOLIDATED NET RESULT</b>	<b>-1,126,237.65</b>	<b>-786</b>
Other comprehensive income	0.00	0
<b>COMPREHENSIVE INCOME</b>	<b>-1,126,237.65</b>	<b>-786</b>

## ABOUT SLEEPZ AG

SLEEPZ AG is an e-commerce group focussing on the segment of sleep products. Its subsidiary companies sleepz Home GmbH, Matratzen Union GmbH, Ecom Union GmbH and Markenschlaf GmbH sell products such as bedroom furniture, beds, slatted frames, mattresses, bedding and accessories through 13 own online shops as well as online market places and shopping clubs.

Under the „buddy“ brand ([www.buddysleep.de](http://www.buddysleep.de)) sleepz Home GmbH mainly markets its one fits all-mattress of the same name.

Grafenfels Manufaktur GmbH ([www.grafenfels.de](http://www.grafenfels.de)) has developed an own mattress collection under the „Grafenfels“ brand.

Furthermore, the group runs showrooms in Berlin, Dusseldorf, Berlin, Hamburg, Munich and Zurich.

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