

Management Report for the Business Year 2017

Basis

A. Business Model

SLEEPZ AG as a parent company positions itself as an e-commerce group of companies focused on the Sleep and Home Environment sector under the slogan 'Union for Sleeping and Living Culture'.

The Berlin-based SLEEPZ AG was founded in 1997. Since the middle of 2015, its statutory business purpose has been in the development and production of economic assets, particularly in the consumer goods sector, and the trading of such goods, including via subsidiaries and the provision of consulting services. Accordingly, its subsidiaries sell a full range of products, primarily in the Sleep sector, and develop private labels for their own sales and distribution through third parties. SLEEPZ AG provides consulting services to its subsidiaries, which pay a levy on holding level to SLEEPZ AG for this purpose.

The SLEEPZ Group is one of the largest independent online retailers in its segment in Germany. Its goal is to further develop and expand this position. For this purpose, SLEEPZ AG will continue to seek further majority stakes in companies in the sector, provided that correspondingly attractive opportunities arise. In addition, SLEEPZ is continuously working to further centralise key functions and positions in order to make better use of existing competencies within the Group, as well as to increase synergy effects and to be able to ensure sustainable growth.

Employees

Our employees form the basis for the success of SLEEPZ AG and our Group. The recruitment of qualified and dedicated employees required for further growth in 2017 turned out to be challenging for all work areas and locations of the Group. In order to prevent greater migration tendencies and to tie employees to the company in the long term, the Executive Board and the management of the subsidiaries place particular emphasis on trusting and transparent communication with employees. In addition, employees are encouraged in their development and trained in internal or external events if necessary. There is also a stock option program which provides for granting option rights to executives and employees of the parent company and affiliated companies.

As at 31 December 2017, SLEEPZ AG employed two employees (excluding the Executive Board; two full-time equivalents); on an annual average, three employees (FTE) were employed.

Organisational structure of the Group

The strategic management of the SLEEPZ AG and the Group lies with the Executive Board of SLEEPZ AG. It is advised and supervised by the Supervisory Board of SLEEPZ AG in

accordance with the principles of the dualistic management system of German stock corporations. Furthermore, it also communicates with the management of the operating subsidiaries on a continuous basis.

SLEEPZ AG holds 60% of the shares of each subsidiary located in Wolfhagen, near Kassel: Matratzen Union GmbH, Markenschlaf GmbH, Ecom Union GmbH, Wolfhagen. The focus of these companies is the online distribution of mattresses and box spring beds. In addition, SLEEPZ AG holds 60.0% of shares in Denkvertrieb GmbH, also based in Wolfhagen, which provides IT services and online marketing for the other subsidiaries.

SLEEPZ AG also holds 100.0% of the shares in GrafenfelsManufaktur GmbH, Berlin. The business model of the subsidiary was to distribute a premium mattress collection which had been developed under the brand of the same name primarily through specialist retailers. Unfortunately, this sales concept did not prove successful. It was adjusted in the past financial year to the extent that sales are now handled by the other companies in the SLEEPZ Group and that GrafenfelsManufaktur GmbH focuses solely on the licensing of its products.

As at the balance sheet date, SLEEPZ AG held 66.8% of shares in sleepz Home GmbH, based in Ludwigsfelde near Berlin. The company trades in the Sleep field with a full range of mattresses, beds, slatted frames, bedding and accessories.

As part of a financing round, the shareholders of sleepz Home GmbH concluded a contract on 18 December 2017 for the contribution of 100% of the shares in Cubitabo GmbH, Berlin, with effect from 1 January 2018 (0:00 a.m.). As a result, the shares held by SLEEPZ AG in the company initially fell to 40.62%; the further control of the company and therefore full consolidation in consolidated statements was ensured by means of a voting agreement. The shares in sleepzHome not yet owned by SLEEPZ AG shall be almost completely contributed to SLEEPZ AG by way of a non-cash capital increase shortly; after implementation of the non-cash capital increase SLEEPZ AG will be expected to hold 92.03% of the shares in sleepzHome GmbH.

By contrast, the subsidiary ReFer GmbH, which was previously held by SLEEPZ AG, and minority interests that do not fit into the focus of the Group, were fully sold in 2017.

B. Management system

The Executive Board of SLEEPZ AG manages the company primarily through the annual result; the equity ratio is the performance indicator for the financial situation.

The key figures are determined according to GermanCommercial Code (HGB).

Economic Report

A. General economic and industry-related situation

In its development as a holding company, SLEEPZ AG is dependent on the development of its operating subsidiaries, their markets and the positioning of the SLEEPZ Group in the context of competition.

General economic situation

The general economic situation in 2017 was very positive for the retail sector in Germany. An all-time high in the number of employees, a significant rise in gross wages and salaries as well as an 3.9% year-on-year increase in the nominal disposable income of private households created good conditions for high consumer spending. Benefiting from what remains a modest willingness to invest equities and a low motivation to save in the face of low interest rates, private household consumption rose by 2%.¹

The retail sector benefited from this. According to estimates from the German Retail Association (HDE), the sector generated annual sales of €512.8 billion in 2017.² This corresponds to a growth of 4.1% compared to the previous year and is thus significantly above the German Retail Association expectations of an upturn of 2% at the beginning of the year.³ On the basis of overall economic conditions remaining stable and growth of 2%, the German Retail Association expects total retail sales of €523.1 billion for 2018.

Industry conditions – E-Commerce for (bedroom) furniture retail

(Bedroom) furniture retail in Germany

The sales figures for 2017 in German furniture retail are within a range of €20.4 billion (-0.1% compared to 2016)⁴ to €33.6 billion (+0.5%).⁵ This was due to the consideration of different product groups (e.g. kitchens) and/or downstream services (e.g. furniture assembly) as well as different survey methods.

The 2017 sales data for bedroom furniture retail differed accordingly in the range between €2.85 billion (+0.3%) and €9.5 billion (+1.6%). Sales expectations for 2018 are between €3 billion and around €9.7 billion.⁶ Forecasts for 2021 are between approximately €7.5 billion⁷ and just over €10 billion.⁸

Sales figures for the product groups particularly relevant to the SLEEPZ Group can only be found at Statista.⁹ According to that, mattress sales in 2017 amounted to around €2.2 billion. The revenue forecast for 2021 is slightly above €2.3 billion, with annual growth of 1.9%. By

¹German Federal Ministry of Economy and Energy: Annual Economic Report 2018, dated January 2018

² German Retail Association: Presentation at the annual press conference on 31 January 2018; Retail sales excluding motor vehicles, petrol stations, fuel, pharmacies; without sales tax

³ German Retail Association: Press release dated 31 February 2017

⁴ KPMG 2018: Set for the future - Study on the Future of the Furniture Market in Germany; sales excluding kitchen appliances, accessories and assembly

⁵ Trading Association for Furniture and Kitchens (BVDM): Press release dated 10 January 2018; sales including kitchens;

⁶ Information on the lower line in each case is in accordance with: KPMG 2018: Set for the future ...; Information on the upper line in accordance with: Statista 2017: Consumer Market Outlook bedroom furniture

⁷Business consulting firm Titze GmbH 2016, The new world of sleep in Germany – The secret/incredible home growth market; Assumption: trading volume 2015 €5 billion, CAGR 7%

⁸Statista 2017: Consumer Market Outlook Bedroom Furniture

⁹ Statista 2017: Consumer Market Outlook Mattresses resp. Beds

contrast, the sales peak for the Beds product group in 2018 is forecast to be just over €3 billion. However, with annual growth of - 2%, sales expectations move down to just below €2.9 billion in 2021.

SLEEPZ continues to assume that the volume of sales in the bedroom furniture sector will amount to around €7 billion in 2018, with moderate growth potential of €7.5 - 8.5 billion by 2021.

E-Commerce Development

The development of e-commerce in the area of bedroom furniture is particularly crucial for SLEEPZ.

Total online sales in 2017 were between €48.7 billion (+4.1% compared to 2016)¹⁰ and around €58.5 billion (+10.9% compared to 2016)¹¹. It should be emphasised that for the Living and Furnishing sector, there was significantly higher year-on-year sales growth at 11.6% and 17.9% respectively.

Online retail sales for 2018 are expected to range between €53.4 billion¹² and €63.9 billion¹³ with a 9-10% growth rate.

For online sales in the year 2025 in the Living and Furnishing area, a range between €5.2 billion¹⁴ and almost €7 billion¹⁵ is forecast.

Finally, an online trading volume in 2020 in the order of €1.3 billion in the bedroom furniture sector can be derived from the information provided by the business consulting firm Titze.¹⁶

For 2018, SLEEPZ continues to expect an online market volume in the field of bedroom furniture and bedding goods in the amount of €0.8-1 billion.

Significant factors for the development of e-commerce in the field of (bedroom) furniture

Different factors are significant for the further development of e-commerce in the field of (bedroom) furniture. These include the general willingness of customers to purchase products online, increasing customer demands on products and retail, and the ability of retailers to meet those needs.

Before purchasing a product in the brick and mortar retail sector, 51% of all customers currently conduct an information search on the Internet. However, in the area of Living and Furnishing, this proportion is only 42.8%. Conversely, the proportion of customers acquainted with an in-store retailer before buying online is generally only 19.5%. However, in the area of Living and Furnishing, this proportion of customers is higher, at 24.6%.¹⁷

¹⁰ German Retail Association: Presentation at the annual press conference dated 31 January 2018

¹¹ Federal Association of E-Commerce and Mail Order Germany: Presentation at the annual press talk

¹² German Retail Association: Presentation at the annual press conference dated 31 January 2018

¹³ Federal Association of E-Commerce and Mail Order Germany: Presentation at the annual press conference

¹⁴ Statista 2017: Sales in the online trade of furniture in Germany in the years 2011 to 2020

¹⁵ GfK Geo Marketing GmbH Whitepaper: ECOMMERCE: Growth without limits? Online shares of product lines

¹⁶ Management consultants Tietze GmbH 2016, The new world of sleep in Germany – The secret/incredible home growth market; P. 115

¹⁷ German Retail Association Online Monitor: Online shop windows are gaining importance

In this respect, it is essential for e-commerce – both with regard to trading via its own online shops and via marketplaces – to attract the attention of (potential) customers and to retain them in both the short and long term. This is even more true the more brick and mortar retail chains expand their online activities or pure online concepts gain in importance.

According to a representative survey, 33% of those surveyed already prefer online shopping to brick and mortar shops (21%); 46% of respondents have no preference.

There is particular potential for retail in the mobile sector. In 2017, 46% of respondents regularly used smartphones (2014: 20%) for the purchase of goods; in the age groups of 14 to 29-year-olds and 30 to 49-year-olds, this proportion is significantly higher at 76% and 55% respectively. In addition, social media is becoming increasingly important, especially in the younger age group.¹⁸ Even though this age group may be less important for the (bedroom) furniture sector than, for example, clothing, it is essential for online retailing to be well positioned to survive in the market in the future.

Competition situation and market position of the company

In an annually updated study, the EHT Retail Institute, in collaboration with Statista and iBusiness, analyses sales figures of the 1,000 largest German B2C online shops for physical goods, which continue to cover the greater part of e-commerce in total.¹⁹

Accordingly, the 281 companies assigned to the Furniture and Housewares segment generated e-commerce sales of € 1.8 billion.²⁰

Of these, 71 are active as generalists in almost all segments. Their respective sales in the area relevant to SLEEPZ cannot be derived from the study.

97 of the companies belong to the Furniture and Household Goods segment as their *main* segment.

Of these, the two strongest in terms of sales (sales in 2016: €232.6 million and €169.9 million respectively) are well-established brick and mortar chain stores. Their sales also result from trading in products from other sub-segments. Moreover, they have no clear focus on the bedroom furniture sector. Their continued online growth, like all other retail chains, is determined by the need to prevent the effect of cannibalisation.

Only 45 of the listed companies are *exclusively* allocated to the main segment of Furniture and Household Goods, and only a small amount of these are focused on bedroom furniture. Most of the hence remaining companies in the same subset as SLEEPZ differ significantly in their business models from those of the SLEEPZ Group.

So, for example, the best-selling of these companies (2016 sales: €43.6 million) sells only one mattress and three by-products under one label. Like all one-fits-all mattress concepts²¹, the company is exposed to the high price competition that currently prevails in the mattress segment. The potential of the concept is limited in this respect. This is also

¹⁸Federal Association for Information Technology, Telecommunications and New Media (bitkom): Trends in E-Commerce - This is how the Germans shop

¹⁹EHI Retail Institute and Statista GmbH 2016: E-commerce market Germany 2017

²⁰excluding household appliances in 2016; including household appliances: € 1.4 billion.

²¹The aim of the one-fits-all mattress concept is to satisfy the customer's needs purely by online sales of just one mattress.

reflected in the fact that companies are increasingly turning to bringing other products under the same label to the market and cooperating with brick and mortar partners.

By contrast, the leading company in the ranking, with a range of products similar to that of SLEEPZ, generated e-commerce sales of €19.5 million in 2016. However, as part of a German trading group that focuses on e-commerce in the area of bedroom furniture in an independent online shop, the company does not distribute any products on marketplaces and is thus limited in its options.

On the contrary, the SLEEPZ subsidiaries offer not only a broad range of products from the most renowned manufacturers, but also develop and sell private labels. In addition, sales take place through online shops, marketplaces, shopping clubs and deal platforms. The SLEEPZ companies thereby achieve a wide coverage and can optimally place the products distributed by them. An excellent fulfilment and good customer ratings also help to ensure that the products sold are well positioned in the marketplaces.

Excellent product expertise and high logistical competence also enable the SLEEPZ Group to offer the development of its own brands and fulfilment to third parties as well as to operate in the project business. This gives the SLEEPZ companies the opportunity to react quickly to market disruptions or changes and to gain access to new target groups.

With this focus, no direct competitors have emerged so far.

Based on the current development of the market, market prospects and competition, the SLEEPZ Group considers itself well positioned to grow in the future and to expand its position in the market.

B. Business Performance

The business performance of SLEEPZ AG in 2017 was marked by the tight liquidity in the Group and the capital measures carried out during the financial year.

The starting point for the generally unsatisfactory course of business was the loss of more than half of the share capital within the meaning of section 92 (1) of the German Stock Corporation Act (AktG) for the financial statements of SLEEPZ AG in accordance with the German Commercial Code (HGB) as of 31 December 2016, which the Executive Board had approved on 19 January 2017 and approved by ad-hoc notification on the same day. The reason for this was the write-down requirement on the still-existing VC minority portfolio. On 21 March 2017, the Extraordinary General Meeting – which had to be convened in view of the loss of more than half of the share capital – decided to reduce capital by merging shares in a ratio of 3:1. As a result, the company was able to raise fresh capital. It made use of three capital increases in 2017 and received around €3 million in liquid funds.

In addition, in the first half of 2017, the shares in six companies in the VC portfolio still held by SLEEPZ AG were sold to a private investor on 29 June 2017. The purchase price was a replacement of existing loans totalling €3.5 million and a cash payment of €1.5 million. Therefore, liquidity was somewhat improved and liabilities were also significantly reduced.

Despite this inflow of funds, the Group's liquidity in the 2017 financial year was tight. Against this backdrop, marketing expenditure of the subsidiaries required for healthy growth had to

be significantly reduced in the first half of the year and could not be increased again to the required extent in the second half of the year. In addition, the availability of important products has, at times, suffered under the tight liquidity.

Developments in the market environment also had a negative impact on business performance of the subsidiaries, with particular emphasis on (online) distribution of the mattresses product group, which continues to account for around two-thirds of total Group sales.

Furthermore, problems with contaminated raw material deliveries to mattress manufacturers – which became public in early October 2017 – led to production downtime, product recalls and consumer uncertainty, which also had a knock-on effect on sales at the subsidiaries. This also had an impact on the planned sales and income from the distribution of the private labels developed by the subsidiaries.

As well as the overall increase in raw material costs over the course of the entire financial year, purchase prices increased significantly in 2017 as a result of this. These price increases could not be passed on in full to the customers.

Finally, the development and distribution of private labels – both via the subsidiaries and third parties – and the project business could not be pursued to the desired extent. As well as the market developments already described above, this was due to the short staffing which prevented the necessary centralisation of this business in a key function at SLEEPZ AG level.

C. Net assets, financial position and results of operations

Results of operations

The company concluded the 2017 financial year with net income of €-2,212 thousand. It thus improved significantly compared to the previous year's result of €-8,179 thousand.

At €357 thousand, sales generated by SLEEPZ AG were just 54% lower than the in the previous year (€771 thousand). The change primarily results from the assignment of claims from an existing fund management mandate with effect from the second quarter of 2017, which at the same time reduces other operating expenses by about the same amount.

Other operating earnings totalled €883 thousand (PY: €692 thousand) and resulted mainly from the disposal of the VC portfolio.

In 2017, SLEEPZ AG employed an annual average of 3 employees (PY: 1), which increased personnel expenses from €96 thousand to €228 thousand as at 31 December 2017.

In addition to personnel costs, there were still costs for managing the remaining portfolio in 2017. The agreement concluded in this regard with a term until 31 December 2017 was terminated prematurely on 30 September 2017. This led to a cost reduction of €150 thousand in the fourth quarter. The additional contract for the provision of services – which indirectly includes the remuneration for the Executive Board – remained in place beyond 31 December 2017.

Overall, other operating expenses were significantly reduced due to the sale of the VC portfolio and the associated assignment or termination of agreements. However, at the same time, the costs of third-party work and the cost of the stock exchange listing as well as IR and PR costs – which are also reported under this item – increased in light of the Extraordinary General Meeting held in 2017 and the capital measures.

Write-downs of long-term financial assets and investments classified as current assets decreased from €6,624 thousand to €1,449 thousand.

Return on equity, measured by net income for the financial year and in relation to average shareholders' equity, was -29.8%.

Financial position

In the past financial year, cash flow from operating activities of €-1.6 million (PY: €-1.4 million) was achieved. It results from the net loss of €2.2million (PY: net loss of €8.2 million) and net of other non-cash items primarily related to the sale of the remaining VC portfolio.

Cash flow from investing activities at €2.8 million was significantly above the previous year's level (€1.0 million) and was impacted by the proceeds from the sale of the VC portfolio proceeds, which were offset by payments to subsidiaries.

Cash flow from financing activities is characterised by the three capital increases carried out in 2017 and the repayment of loans in connection with the sale of the VC portfolio, and amounted to €-1.1 million as at 31 December 2017 (PY: €103 thousand).

Overall, cash funds amounted to €132 thousand at the end of the reporting period (PY: €26 thousand).

Net assets

The assets side of the balance sheet is divided into fixed assets amounting to €5.8 million (PY: €7.0 million), primarily composed of shares in affiliated companies and current assets. The latter decreased greatly compared to the previous year and amounted to €2.3 million (PY: €4.2million). The cause for this is the complete sale of the VC portfolio.

Total assets of €11.3 million at the end of the 2016 reporting period declined to roughly €8.1 million. Therefore current assets as a share of total assets moved down to 28.2% as at 31 December 2017 (PY: €37.7%).

On the liabilities side, equity increased in absolute terms from €6.9 million to €7.9 million or from 61.7% to 96.8%. This was due in particular to the capital measures implemented in 2017.

At the same time, liabilities declined from €4.2 million to €150 thousand, mainly due to the repayment of loans, particularly in connection with the sale of the VC portfolio.

Overall statement on the economic situation

SLEEPZ AG is not satisfied with the course of business in 2017 in the individual financial statements. It was planned to acquire additional companies in 2017, thus generating more revenue through the levy on holding level for services rendered. At the same time, some cost items have increased, including costs for an Extraordinary General Meeting and three capital increases. In addition, individual impairments had to be made to the shares of GrafenfelsManufaktur GmbH and sleepz Home GmbH in the amount of € 1.45 million. On the other hand, the financial situation eased, liabilities were reduced by € 4.06 million compared with the previous year to only € 0.26 million, while cash and cash equivalents increased slightly.

Opportunities and Risk Report

A. Risk Management Process

The Executive Board of SLEEPZ AG has set up a risk management system in accordance with Section 19 (2) AktG, the aim of which is to adhere to the principles of good corporate governance and to the fulfilment of statutory provisions. In its design, the risk management system is based both on the risk situation and the lean organisational structure of the company and the Group. Its goal is to detect potential events that may endanger the financial, operating and strategic targets of the Group at an early stage and actively manage them and thus to avert any possible effects of such events on the parent company SLEEPZ AG.

The Executive Board of SLEEPZ AG personally monitors and supports the development of the subsidiaries, and is involved in decision-making relating to business transactions of strategic importance that are not attributable to day-to-day business. The Executive Board is in close and regular contact with the respective management. This contact involves the identification, discussion and assessment of any risks in the respective subsidiaries, particularly also those arising from operating activities. In addition, the subsidiaries regularly report order intake, sales, any liquidity needs and relevant market events such as the entry of new competitors, price developments, product developments, etc.

The findings from the respective discussions and reports are summarised in a risk catalogue at Group level. The risks are initially classified in terms of their eventual probability of occurrence and monetary impact, in order to arrive at an assessment as to which risks the Group is exposed to.

The following indications are used to determine the probability of occurrence:

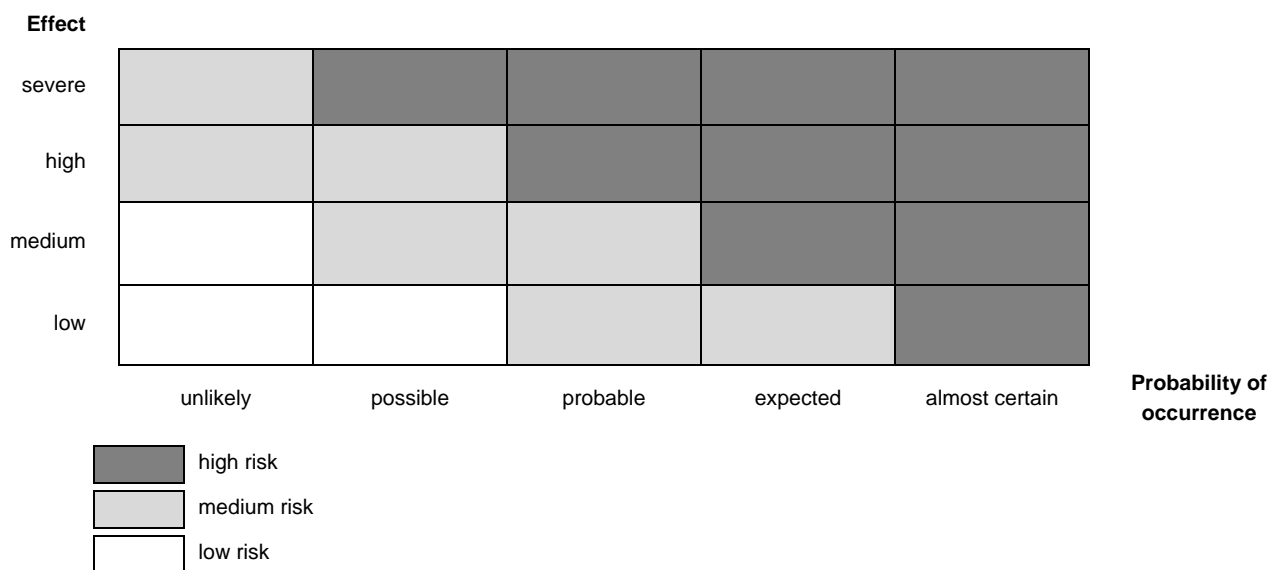
Risk does not exist	< 5%
Risk exists, occurrence is unlikely	5% – 20%
Risk exists, occurrence is possible	21% – 50%
Risk exists, occurrence is probable	51% – 75%
Risk exists, occurrence is expected	76% – 90%

Risk exists, occurrence is almost certain > 90%

The following indications are used to determine the possible monetary impact:

- low: no noticeable effects on the annual result or company value
- medium: negative effects on the annual result or company value
- high: significant effects that materially affect the annual result or company value
- severe: existence-threatening effects, which can endanger the existence of the company

The assessed risk results from monetary impact and probability of occurrence. The assessment of the risks corresponds to the forecast period of one year.



Based on this classification the measures for further risk management and monitoring derive. The goal is to reduce the respective probability of occurrence or monetary impact.

The risk management system is being continuously developed and checked for its functionality. The risk catalogue and the valuation scheme were adjusted in 2017 due to the sale of the remaining venture capital portfolio.

B. Opportunities and Risks

General Economic, Market and Competition Situation

Economy

Good economic conditions – particularly a low level of interest rates – favour the economic success of the SLEEPZ Group. In a recessionary environment, consumer behaviour could change accordingly to do without or delay the purchase of non-essential products. This is especially true for higher value and durable consumer goods, whose purchase is not spontaneous, but is subject to purchase planning beforehand. Thus, the business with those B2B customers, whose own purchasing behaviour depends on the consumer behaviour of

the end customer, would also be adversely affected. The result would impact the sales and earnings situation.

From a current standpoint, it is assumed that no significant changes in the macroeconomic environment are to be expected, and that even in the case of a recession, the demand for bedroom furniture and accessories – in particular for mattresses and bedding products – will generally persist. In addition, the subsidiaries distribute a wide range of products in both B2C and B2B and can thus compensate for cyclical fluctuations on a normal scale. We assess the risk as medium.

Market

The growth potential of the bedroom furniture market is per se manageable. Essential to the success of the SLEEPZ Group is that the acceptance of the Internet for the purchase of bedroom furniture and accessories will continue to develop. If there were no further shift away from brick-and-mortar retailing to e-commerce, or if online retailing in bedroom furniture and accessories were to shrink, the business model of SLEEPZ AG and its subsidiaries would be directly impacted.

From the present perspective, current growth rates and other indicators suggest that the acceptance of the Internet as a distribution channel for bedroom furniture and accessories is continuing to increase. This opens up opportunities to further expand existing market shares. We classify the risk as low.

Competition

In light of above-average growth forecasts for online trade in the 'Living and Furnishing' area, retail chains and brick-and-mortar traders are further expanding their online activities. Furthermore, (new) purely online companies are trying to profit from the growth dynamics of the market, partly by accepting extremely high marketing costs. A competitor who, like the SLEEPZ Group, is clearly focused on bedroom furniture and accessories, offering a wide range of products, has still not yet emerged as having significant market dominance. However, competition continues to increase overall. The already existing price war in the 'Mattress' product group may be further aggravated by this, and there may be a risk of a decline in margins for other product groups as well, which would both have an impact on business performance and the liquidity and earnings situation.

In the light of a large product range and a high level of logistics expertise in the subsidiaries, as well as their orientation both to the B2C and the B2B area, SLEEPZ AG is of the opinion that it is able to expand its own position as a whole. The further pooling of competences within the Group also offers the opportunity to exploit synergies and to realise significant economies of scale in terms of process and logistics in the medium term. The high level of product competence also enables the SLEEPZ Group to expand the development of higher-margin private labels. In addition, the strategic partnership with Alessanderx S.p.A. opens up new opportunities to counteract any further decline in mattress margins. We rate the risk as medium.

Opportunities and Risks from Operating Activities

IT/Technology

The continuous adaptation of the IT systems to the requirements of increasingly complex e-commerce and ensuring continuous and reliable functionality is crucial for the business operations of SLEEPZ AG and its subsidiaries. If the Group companies are unable to take advantage of the latest technologies and trends, such as mobile shopping, and/or integrate them into their IT systems, this could be reflected in the course of business over the medium term. If system failures, a force majeure event or cyberattacks lead to partial or complete failures and/or data manipulation or loss, this could have significant adverse effects on business performance, liquidity, assets and earnings in the short term and negatively affect the image of the subsidiaries and their online shops.

Ensuring the resulting needs requires strong own staff or good external service providers. Software developers continue to be in high demand, which still makes finding people difficult and risks losing good employees. At the same time, dependency on external service providers also represents a not-insignificant danger. In addition, SLEEPZ AG and its subsidiaries are currently working in partially different IT environments. On the one hand, this increases the effort involved in implementing new technologies. In addition, potential synergies cannot be leveraged. However, at the same time, the potential amount of damage is reduced in the event of the risks occurring.

Overall, the SLEEPZ Group has taken appropriate measures to avoid these risks as much as possible. We classify the risk as high.

Staff

SLEEPZ AG and its subsidiaries depend on a number of important and not easily replaceable employees. Recruiting qualified and committed employees at all locations is also difficult. This applies not only to IT or online marketing staff, but basically to all work areas. Should employees leave the company or additional employees are needed, this can have a negative or inhibiting effect on the course of business, at least in the short term. It may also be necessary to set incentives that would lead to an increase in personnel costs and thus have an impact on the liquidity and earnings situation.

The Executive Board and management of the subsidiaries strive to maintain an open and trusting relationship with all employees and pursue an open-door policy. There is a stock option program which provides for granting option rights to executives and employees of both the parent company and affiliated companies and aims to retain employees in the long term. The Group also counteracts the risk by working on the standardisation of processes and the centralisation of key functions. The aim is both to increase efficiency and to produce a better and more targeted knowledge transfer, which also makes it possible to respond better to any short-term staff shortages. We classify the risk as high.

Vendor Relationships

The subsidiaries depend on stable and reliable relationships with their suppliers. If these do not deliver in the desired quality or not within agreed deadlines, this would have a direct impact on the business performance of the subsidiaries. If delivery disruptions take longer or customers withdraw from the purchase in this context, this could also have an impact on the liquidity and earnings situation. Due to the transparency of the Internet, disruptions in supplier relationships also pose a risk to the image of the online shops operated by the subsidiaries.

The Group counteracts this risk by maintaining a wide range of products from various suppliers in two warehouses in order to ensure delivery. In addition, manufacturers are

increasingly turning to online commerce as a distribution channel for their products. This offers additional opportunities for the SLEEPZ Group. With regard to the manufacture of private label mattresses, the SLEEPZ Group's strategic partnership with Alessanderx S.p.A. opened up new opportunities. We consider the risk as low.

Range

Deficiencies in assortment and warehousing policies could lead to overstocking in the warehouses, which are difficult or impossible to sell. Mattresses, splatted frames and beds have a very long lifecycle, which means the product range can be well coordinated for many years. The situation is different with regard to the products whose marketability is also geared to fashionable trends, especially bedding. In the case of excess inventories, this could lead to their having to be sold off at the price of appropriate value adjustments. This would have an impact on the assets and earnings situation.

However, against the background of many years of experience in purchasing, the predictability of customer demand and a regular adjustment of inventories, the risk from the Group's point of view is manageable. We classify the risk as medium.

Warranties/Product Liability

In case of any defects in the products distributed by the SLEEPZ subsidiaries or in the case of damage resulting from a faulty product, customers may be entitled to warranty claims or claims arising from product liability. The manufacturers usually carry the risk from such claims. However, traders may be held liable if, as a 'virtual manufacturer', they do not manufacture a product themselves, but place it on the market by affixing their own name, brand name or trademark, or import products from third countries, or the name of an importer of products from third countries cannot be identified or found. The occurrence of a liability could have a negative impact on the liquidity, assets and earnings position as well as on the image of the subsidiaries and their online shops.

The subsidiaries of SLEEPZ AG counteract this risk with particularly high quality standards in the testing of products purchased from third countries and private labels. We classify the risk as low.

Image

End consumer buying decisions are often emotional and directly related to the image of a product, brand and/or business. The increasing importance of the Internet as a source of information for purchasing decisions and opinion leaders in the form of other consumers, associations, consumer organisations or social media influencers harbours the risk of causing image damage for companies through allegedly legitimate or targeted damage to their reputation. Likewise, negative customer reviews quickly lead to reluctance to buy. This can negatively affect the liquidity, assets and earnings situation. Conversely, this also opens up the opportunity to differentiate oneself from the competition in a positive way.

The subsidiaries use a variety of marketing measures to continuously improve the image of their online shops and private labels and are supported by SLEEPZ AG. We consider the risk as medium.

Law and Compliance

The companies of the SLEEPZ Group are subject to a large number of legal framework conditions that must be observed by management and employees. If this does not happen or does not happen completely, an event of damage could occur for which the companies could be called upon (legal risk). In particular, warnings about alleged violations of data protection law, competition law, copyright or trademark infringement have been an integral part of online commerce for many years and could require the use of legal advice and possibly the formation of provisions in the event of a legal dispute. In addition, failure to comply with the legal framework may result in judicial, regulatory or disciplinary penalties (compliance risk). In particular, the harmonisation efforts of the European legal area have strongly increased the level of any sanctions. In the potential event of their occurrence, both risks could have an impact on the Group's liquidity, assets and earnings position.

The Group counteracts these risks by means of a variety of preventive measures, both at Group level and at the level of the respective companies. For example, measures to implement the requirements of the European General Data Protection Regulation were initiated across the Group. SLEEPZ AG also supports the subsidiaries in identifying any new statutory provisions and their implementation. We classify the risks as medium.

Financial Risks

The Group is exposed to financial risks in the course of its business activities, which must be explained in accordance with Section 315 (2) HGB.

The financial risks include market price risk (currency and interest risk), non-payment risk (default risk and credit risk) and liquidity risk. The Group's risk management aims to minimise these risks and the potential impact on the financial position of the Group. The Group has so far refrained from using derivative financial instruments.

Market Risk

Market risks arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices. They include interest rate risks and currency risks.

a) Currency Risks

The Group is primarily active on an operational level within Germany or the eurozone. This also applies to the supply side. This may become more expensive as a result of currency fluctuations in the case of goods purchases outside the eurozone. Given the extent of such transactions, we consider the risk to be low.

b) Interest Rate Risk

The loans granted to Group companies are generally fixed-rate. By contrast, variable interest rates and credits are assessed on short-term current money investments. Insofar they may be subject to interest rate fluctuations. Given their scope, we assess the risk as low.

Non-payment Risk

The non-payment risk describes the risk that a counterparty will fail to meet its obligations under a financial instrument or a customer contract, resulting in a financial loss. There are risks from bad debts and credit risk within the Group:

a) Default Risk

Default risk consists of the risk that customers do not meet their contractual obligations and thus receivables partially or completely default. The extent of this risk in the SLEEPZ Group corresponds to the total of trade receivables and other receivables. The subsidiaries of SLEEPZ AG counter this risk with a targeted selection of payment terms that they make available to their customers in the case of direct sales. As a result there is only a very low default risk, since the customer generally pays before the goods are received. We assess the risk as low.

b) Credit Risk

The companies of the SLEEPZ Group do not grant credits or loans to third parties outside the Group. However, they themselves have credit lines that partly depend on credit ratings issued by banks and credit insurers. If the assessment of the credit rating changes, it may lead to limits being removed and/or a decrease in credit lines. The respective loan would be (partially) due for payment immediately. We assess the risk as medium.

Liquidity Risk

Liquidity risk describes the risk that the Group will be unable to service its financial liabilities when they are due. Liquidity management takes place decentrally in SLEEPZ AG and its subsidiaries. The results of the management activities of the individual companies are incorporated into rolling liquidity planning at Group level.

The subsidiary sleepz Home GmbH and its wholly-owned subsidiary Cubitabo GmbH (which was taken over with effect from 1 January 2018) are dependent on additional liquidity contributions by SLEEPZ AG or its other shareholders, as they cannot cover their financial needs alone until break-even. SLEEPZ AG is also dependent on a further supply of liquidity in the medium term. Against this background, the Executive Board plans to carry out a larger, prospect-related capital increase in the second half of 2018. Work on a securities sales prospectus is expected to resume in the second quarter. We rate the risk as high.

Further Financial Risks:

The 'financial risks' cluster also includes risks from the carrying value of the subsidiaries. This is subjected to an annual impairment test and taken into account in the balance sheet if necessary. They represent the predominant part of the assets side of the balance sheet of SLEEPZ AG. Changes in value thus automatically have high accounting effects. We assess the risk as high.

C. Overall Statement on Risk and Opportunity Situation

Compared to the previous year, there have been significant changes in risks and opportunities insofar as the venture capital portfolio held by SLEEPZ AG as at 31 December 2016 was sold in the past financial year, and thus the related risks have been completely eliminated. At the same time, this eliminates the opportunity to bring liquidity into the Group through the sale of the portfolio.

Extensive provisions have been recognised for the discernible individual risks in the consolidated financial statements and in the individual statements as of 31 December 2017. The risks that could arise for the Group – and therefore also for SLEEPZ AG – from macroeconomic developments market and competition on the one hand and from operating activities on the other hand, are limited and controllable; not least in view of the opportunities that open up for the Group with regard to the individual points. However, the precondition is that the Group continues to receive the necessary liquidity for further growth. If this succeeds, the individual or cumulative occurrence of the risks described presently and in the foreseeable future pose no threat to the continued existence of the Group.

Significant Features of the Internal Control System and the Risk Management Process with Regard to the Group Accounting Process

The aim of the internal control and risk management system with regard to the Group accounting process is to ensure the comprehensive, correct and up-to-date communication of information that is required to prepare the annual financial statements and the management report of SLEEPZ AG and the SLEEPZ Group. To ensure this, there is a well-defined organisational structure and measures to minimise the risk of material misstatement in accounting and in external reporting.

Group accounting is organised centrally. All services pertaining to Group accounting and controlling of the subsidiaries are performed at the company's headquarters by bmp Ventures AG. It also prepares the individual statements according to German Commercial Code (HGB) as well as the consolidated financial statements for the SLEEPZ Group on the basis of the booked individual financial statements of the subsidiaries included in the consolidated financial statements.

The subsidiaries keep their accounts according to HGB autonomously.

If necessary, any business issues that have to be correctly recorded, prepared and assessed in the balance sheet are discussed between the management of the respective subsidiary and/or the Executive Board of SLEEPZ and/or the service provider bmp Ventures AG before they are included in the accounting.

The data required to prepare the consolidated financial statements is transmitted to the parent company by the subsidiaries within a specified reporting format. The data is subjected to manual checks based on samples and plausibility checks to ensure the accuracy and completeness of the consolidated financial statements.

Due to its small size and complexity, the Group does not have an internal auditing department.

Among other things, the Supervisory Board deals with key issues of accounting, risk management, the audit mandate and the audit priorities.

Extensive provisions have been recognised for all discernible individual risks in the consolidated financial statements as of 31 December 2017.

Forecast Report

SLEEPZ AG and its subsidiaries focus on online trading in the market segment Bedroom Furniture and Bedding Products.

Economic conditions in the main market of Germany should continue to develop positively in 2018, with expected economic growth of around 2%. At the same time, Internet trade in our Furniture segment is growing at an above average rate with our expected 10-20% p.a. for the next three years. The Sleep sub-segment also participates in this development.

Nevertheless, we expect a further increase in competition in the Online Trading of Sleep Products market segment. This competition can lead to pressure on margins in the individual product areas, so we are forecasting a maximally consistent, if a slight negative development of the gross profit margin for the coming years. The subsidiaries are trying to counter this trend with a stronger focus on private labels.

For the SLEEPZ Group, we are aiming for moderate growth in the low double-digit percentage range for the current year. We are therefore trying to keep the gross profit margin at least at the previous year's level. On the earnings side, we expect a slight improvement in earnings, but will still generate a loss in 2018.

The charges for its services to the affiliated companies are passed on to the affiliated companies. However, this is currently not sufficient to cover the services provided, the administrative and stock exchange costs, so that we expect at the level of SLEEPZ AG in 2018 to remain in the loss zone.

Since the acquisition of further companies is also planned for 2018, a slight increase in the service fee can be expected, but on the other hand, increased costs are also to be expected, so that the annual result should be in line with the previous year's result. The equity ratio is expected to fall slightly in 2017 as equity grows, as debt capital is expected to increase more strongly.

If the financial conditions of SLEEPZ AG permit, the company plans at least one further company acquisition in the financial year.

Legal Disclosures

A. Declaration on corporate governance

The declaration on corporate governance is published on our homepage at www.sleepz.com> investor-relations> corporate governance.

B. Remuneration Report

Remuneration System for the Executive Board

The Executive Board of SLEEPZ AG did not receive any remuneration in the 2017 financial year.

There is a contract about the provision of services with bmp Ventures AG. As the Executive Board of SLEEPZ AG is also the Executive Board of the service provider, its activities for the company and the Group are considered to be compensated.

Furthermore, the company has maintained D&O insurance for the Executive Board, which provides for the legally prescribed deductible.

On the basis of the resolution of the Annual General Meeting on 17 June 2015, the Executive Board, with the approval of the Supervisory Board, adopted the condition of the Stock Option Program 2015/I on 22 December 2015. This also provides for the possibility of a total of up to 517,529 stock options being granted to members of the Executive Board. An allocation to the Executive Board from the Stock Option Program was also made on 22 December 2015.

Remuneration System for the Supervisory Board

In accordance with the resolution passed by the Annual General Meeting on 6 July 2016, the members of the Supervisory Board receive the following annual basic remuneration for their work:

1. € 30,000.00 for the Chairman of the Supervisory Board,
2. € 20,000.00 for the Deputy Chairman of the Supervisory Board, and
3. € 15,000.00 for the ordinary member of the Supervisory Board

In the event of a change of (deputy) chairmanship during a financial year or the assumption or loss of the Supervisory Board mandate, the basic remuneration is granted pro rata temporis.

In addition to the remuneration, the Company reimburses the members of the Supervisory Board for any expenses incurred as a result of exercising the office and for any value added tax attributable to the remuneration or reimbursement of expenses.

This compensation scheme will apply from 1 January 2017.

In addition, SLEEPZ AG has also taken out an appropriate directors and officers liability insurance (D&O insurance) for the benefit of the members of the Supervisory Board, which does not provide for a deductible.

Further details on Supervisory Board remuneration can be found in the notes to the annual financial statements under "Supervisory Board".

C. Disclosures under Sections 289a (1)Handelsgesetzbuch (HGB – German Commercial Code)

Subscribed Capital

As of the balance sheet date, the fully paid up subscribed capital amounts to € 8,970,391.00. It is divided into 8,970,391.00 no-par-value bearer shares.

Restrictions on Voting Rights or the Transfer of Shares

There are no statutory restrictions on voting rights or the transfer of shares.

According to the knowledge of the company's Executive Board, share transfer restrictions arose from a collaborative agreement between the company and Alessanderx S.p.A. ('Alessanderx'), Prato/Italy, which was concluded on 15 June 2017 and had effect from 30 June 2017. Under this agreement, Alessanderx subscribed 690,000 new shares from a capital increase from authorised capital.

A five-year term was entered into the commercial register of the company on 30 June 2017 for the collaborative agreement. It is automatically extended by one year if it does not expire six months after the end of the contractual year or is not terminated at the end of the subsequent contract period. This agreement will terminate automatically without notice being required if Alessanderx resells all or some of its 690,000 shares before the end of the five years. In this respect, the transferability of shares is restricted.

Statutory provisions and provisions of the Articles of Association concerning the appointment and dismissal of the members of the Executive Board and the amendment of the Articles of Association.

The appointment and dismissal of the members of the Executive Board of SLEEPZ AG are based on sections 84 and 85 AktG in conjunction with section 7 of the Articles of Association.

The Executive Board is appointed by the Supervisory Board of the Company for a term of up to five years in accordance with Section 84 AktG. Only in exceptional cases can a member of the Executive Board be appointed by court order in accordance with section 85 AktG.

The Executive Board of SLEEPZ AG consists of one or more members. If there is an important reason, the Supervisory Board may revoke this appointment - as well as the general appointment to the Executive Board.

In accordance with section 179 (1) AktG, every change to the Articles of Association generally requires a resolution of the Annual General Meeting. Only in those cases where amendments to the Articles of Association only affect their wording can the Annual General Meeting delegate the power to make changes to the Supervisory Board. A general authorization can be found in section 17 of the Articles of Association.

In accordance with Section 179 (2) AktG, the resolution on a change in the Articles of Association requires a majority of at least three quarters of the share capital represented at

the time of the resolution. Otherwise, resolutions pursuant to section 133 AktG will be adopted at the Annual General Meeting in accordance with Art. section 22 of the Articles of Association of SLEEPZ AG by a simple majority of the votes cast, unless a larger majority of votes is required by mandatory statutory provisions.

Powers of the Executive Board to issue or buy back shares

Authorised Capital

Pursuant to Section 5 (2) of the Articles of Association, the Executive Board was authorised by the resolution of the Annual General Meeting of 27 June 2014 – and with approval of the Supervisory Board – to increase the subscribed capital of the company on one or several occasions up to a total of € 10,350,587.00 by issuing new no-par value bearer shares against cash and/or non-cash contributions (Authorised Capital 2014/I) until 26 June 2019, thereby disapplying shareholder's pre-emption rights

- a) for the acquisition of companies, parts of companies or investments in companies in exchange for shares in the company,
- b) if a capital increase against cash contributions does not exceed 10% of the share capital of the company and the issue price of the shares is not substantially less than the market price,
- c) for emission to strategic partners,
- d) to eliminate fractional amounts.

This authorisation was partly utilised three times in the 2017 financial year:

- subscribed capital was increased to €690,000.00 and 690,000 new no-par value bearer shares were issued to Heliad Equity Partners GmbH & Co. KGaA with effect from 12 May 2017;
- taking advantage of the remaining Authorised Capital 2014 / I amounting to €9,660,587.00, subscribed capital was increased to €690,000.00 and 690,000 new no-par value bearer shares were issued to Alessanderx S.p.A with effect from 30 June 2017;
- taking advantage of the remaining Authorised Capital 2014 / I amounting to €8,970,587.00, subscribed capital was increased to €690,000.00 and 690,000 new no-par value bearer shares were issued Heliad Equity Partners GmbH & Co. KGaA with effect from 21 December 2017.

The remaining authorised capital, which allows for a further increase of the share capital by up to €8,280,587 until 26 June 2019, was not used until the end of the reporting period.

Contingent capital

The company's Annual General Meeting of 27 June 2014 authorised the Executive Board, with the approval of the Supervisory Board, to issue on one or several occasions up to 26 June 2019 warrant and/or convertible bonds with a total nominal amount of up to € 30 million with or without a limited maturity date and to grant bearers of warrant bonds options and bearers of convertible bonds conversion rights to up to 10,350,587 non-par value bearer shares (shares) of the company in line with the warrant and convertible bond conditions

(bond conditions). For this purpose, the Annual General Meeting of 27 June 2014 created contingent capital for granting shares to holders of warrant or convertible bonds issued by the company according to the authorisation from the Annual General Meeting of 27 June 2014. The contingent capital amounted to 50% of the share capital, i.e. up to €10,350,587.00 (Contingent Capital 2014/I). The Annual General Meeting's resolution and the corresponding revision of the Articles of Association were entered into the commercial register on 2 July 2014. The authorisation from the Annual General Meeting of 27 June 2014 has not yet been utilised.

The Contingent Capital 2014/I was reduced in light of the new Contingent Capital 2015/I, which is earmarked for granting shares to holders of share options.

The resolution of the Annual General Meeting of 27 June 2014 was amended at the Annual General Meeting of 17 June 2015 to authorise the Executive Board, with the approval of the Supervisory Board, to issue on one or several occasions up to 26 June 2019 warrant and/or convertible bonds with a total nominal amount of up to €30 million with or without a limited maturity date and to grant bearers of warrant bonds options and bearers of convertible bonds conversion rights to up to 8,280,470 non-par value bearer shares (shares) of the company in line with the warrant and convertible bond conditions (bond conditions).

€2,070,117.00 of the Contingent Capital 2014/I was rescinded, so it was reduced by €2,070,117.00 from €10,350,587.00 to €8,280,470.00.

In accordance with section 192 (2) no. 3 of the Stock Corporation Act, the share capital of the company is contingently increased by up to €2,070,117.00 through the issue of 2,070,117 non-par value bearer shares (shares) with a pro rata share in the share capital of €1.00 per share (Contingent Capital 2015/I). The contingent capital increase serves to grant pre-emption rights to members of the company's Executive Board, members of the managements of affiliated companies, employees of the company and employees of affiliated companies.

On 22 December 2015, the Executive Board and the Supervisory Board resolved on such a share option scheme and on the same date issued a total of 615,000 options as follows:

200,000 options to members of the Executive Board
370,000 options to members of the management of subsidiaries
25,000 options to employees of the Company
20,000 options to employees of subsidiaries

The exercise price was set at €1.00/share.

Authorisation to Buy Back Shares

By resolution of the Annual General Meeting of 17 June 2015 (agenda item 5), the Executive Board was authorised, with the approval of the Supervisory Board, to acquire treasury shares up to a pro rata share in the share capital of €2,070,117.00 until 16 June 2020. This

corresponded to 10% of the share capital of €20,701,174.00 existing at the time of the resolution, for each permissible purpose.

At the discretion of the Executive Board, the acquisition can take place via the stock exchange or by means of a public offer addressed to all shareholders.

The acquired shares together with other treasury shares held by the company or attributable to it may at no time account for more than 10% of the share capital in accordance with Section 71d Aktiengesetz (AktG – German Stock Corporation Act). Details of the authorisation can be found in the invitation to the Annual General Meeting of 17 June 2015, which is available on the SLEEPZ AG website (see agenda item 5 and the related report of the Executive Board).

The company held no treasury shares at the end of the 2017 financial year.

In respect of Sections 289a (1) no. 3 of the HGB, please refer to the notes. Further disclosures in line with Sections 289a (1) of the HGB are not required.

SLEPPZ AG

Berlin

Balance Sheet as of 31 December 2017

ASSETS

	EUR	EUR	EUR	31.12.2016 TEUR
A. Fixed assets				
<u>I. Intangible assets</u>				
Concessions, industrial property rights and similar rights		94.003,15		1
<u>II. Tangible assets</u>				
property, plant and equipment		1.078,80		14
<u>III. Financial assets</u>				
1. Shares in affiliated companies		<u>5.735.664,25</u>	5.830.746,20	7.002
B. Current assets				
<u>I. Accounts receivable and other assets</u>				
1. Trade accounts receivable	3.825,00			0
2. Receivables from investee companies	2.044.100,64			66
3. Receivables from companies in which participations are held	0,00			5
4. Other assets	<u>111.556,25</u>	2.159.481,89		71
<u>II. Securities</u>				
1. Shares in affiliated companies	0,00			2.394
2. Other securities	0,00	0,00		1.683
<u>III. Cash on banks and cash on hand</u>		<u>131.573,47</u>	2.291.055,36	26
C. Prepaid expenses			10.318,93	3
			<u>8.132.120,49</u>	<u>11.265</u>

LIABILITIES

	EUR	EUR	31.12.2016 TEUR
A. Shareholders` equity			
<u>I. Subscribed capital</u>	8.970.391,00		20.701
<u>II. Capital reserves</u>	1.069.500,00		2.659
<u>III. Accumulated net loss</u>	<u>-2.165.961,46</u>	7.873.929,54	-16.415
B. Provisions			
Other provisions		107.896,88	84
C. Liabilities			
1. Liabilities to banks	0,00		1.194
2. Trade accounts payable	136.345,65		35
3. Other liabilities	<u>13.948,42</u>	150.294,07	3.007
thereof from taxes: 8,440.24 EUR (previous year: 7 TEUR)			
		<u>8.132.120,49</u>	<u>11.265</u>

Profit & Loss Statement
For the Period 1 January - 31 December 2017

	<u>EUR</u>	<u>01.01.-31.12.16</u> <u>TEUR</u>
1. Sales revenue		
a) Income from consulting and commissions	356.845,13	771
2. Other operating income	882.864,54	692
3. Staff costs		
a) Wages and salaries	-189.774,87	-80
b) Social security contributions and costs for pensions and support	<u>-38.636,33</u>	-16
4. Depreciations		
a) Depreciation on intangible and tangible fixed assets	-3.191,22	-4
5. Other operating expenses	-1.737.665,30	-2.730
6. Income from investments	0,00	1
7. Interest and similiar income		
- thereof from affiliated companies: 81,728.98 EUR (previous year: 36 TEUR)	125.367,39	132
8. Depreciations on investments and marketable securities	-1.448.810,55	-6.624
9. Interest and similiar expenses	<u>-158.523,88</u>	<u>-321</u>
10. Result after tax	-2.211.525,09	-8.179
11. Other taxes	<u>-50,00</u>	<u>0</u>
12. Net year loss (previous year: profit)	-2.211.575,09	-8.179
13. Loss carried forward from previous year	-16.414.507,97	-8.235
14. Withdrawals from the capital reserve	2.659.338,60	0
15. Income from the capital reduction	13.800.783,00	0
16. Accumulated net loss	<u><u>-2.165.961,46</u></u>	<u><u>-16.414</u></u>

Cash Flow Statement for the Period from 1 January to 31 December 2017

	2017		2016
	EUR	EUR	TEUR
Profit for the year (previous year: loss)		-2.211.575,09	-8.180
+ Depreciations on financial assets and marketable securities		1.448.810,55	6.624
- Appreciations on financial assets and marketable securities		0,00	0
+ Depreciations on tangible and intangible assets		3.191,22	4
- Profit from disposal of financial assets and securities		-866.345,48	177
		<u>-1.625.918,80</u>	<u>-1.375</u>
-/+ Decrease/(-) increase in trade accounts receivables and other assets	-122.920,98		-4
+/- Decrease/(-) increase in in short-term provisions	24.286,59		-7
+/- Decrease/(-) increase in in trade accounts payable and other liabilities	107.558,47	8.924,08	4
Cash Flow from Operations		<u>-1.616.994,72</u>	<u>-1.382</u>
- Investments in other intangible and tangible assets		-94.703,15	-15
+/- Shares in affiliated companies		-256.000,00	-2.505
- Loans to investee companies		-1.883.597,49	0
- Investments in holdings and securities		0,00	-375
+ Cash-in from disposal of financial assets		5.000.000,00	3.944
+ Disposals of intangible and tangible assets at net book value		11.196,78	0
Cash-Flow from Investments		<u>2.776.896,14</u>	<u>1.049</u>
- Capital increase		3.139.500,00	0
- Taking up of loans		-3.000.000,00	0
- Change of liabilities towards banks		-1.193.838,62	103
Cash Flow from Financing		<u>-1.054.338,62</u>	<u>103</u>
Overall, the liquid funds has developed as followed:			
Cash Flow from Operations		-1.616.994,72	-1.382
Cash-Flow from Investments		2.776.896,14	1.049
Cash Flow from Financing		-1.054.338,62	103
Change in liquid funds		<u>105.562,80</u>	<u>-230</u>
+ Liquid funds at the beginning of business year		26.010,67	256
= Liquid funds at the end of business year		<u>131.573,47</u>	<u>26</u>

Statement of Changes in Equity as at 31 December 2017

	Subscribed Capital	Capital reserves	Loss/profit carried forward from previous year	Total
	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>	<u>EUR</u>
Shareholders` equity as of 1 January 2017	20.701.174,00	2.659.338,60	-16.414.507,97	6.946.004,63
Capital reduction	-13.800.783,00		13.800.783,00	
Withdrawals from the capital reserve		-2.659.338,60	2.659.338,60	
Capital increase	2.070.000,00	1.069.500,00		3.139.500,00
Net year result			-2.211.575,09	-2.211.575,09
Shareholders` equity as of 31 December 2017	8.970.391,00	1.069.500,00	-2.165.961,46	7.873.929,54
Shareholders` equity as of 1 January 2016	20.701.174,00	2.659.338,60	-8.234.772,54	15.125.740,06
Net year result			-8.179.735,43	-8.179.735,43
Shareholders` equity as of 31 December 2016	20.701.174,00	2.659.338,60	-16.414.507,97	6.946.004,63

Statement of Fixed Assets for Business Year 2017

	Historical costs					Accumulated depreciations					Book values		
	01.01.2017	Additions	Disposals	Transfers	31.12.2017	01.01.2017	Additions	Disposals	Appreciation	Transfer	31.12.2017	31.12.2017	31.12.2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets													
1. Concessions, licences and similar goodwill	19.515,47	94.003,15	0,00	0,00	113.518,62	18.660,71	854,76	0,00	0,00	0,00	19.515,47	94.003,15	854,76
	19.515,47	94.003,15	0,00	0,00	113.518,62	18.660,71	854,76	0,00	0,00	0,00	19.515,47	94.003,15	854,76
II. Tangible assets													
1. Other plant, factory and office equipment	14.905,75	700,00	14.293,75	0,00	1.312,00	993,71	2.336,46	3.096,97	0,00	0,00	233,20	1.078,80	13.912,04
	14.905,75	700,00	14.293,75	0,00	1.312,00	993,71	2.336,46	3.096,97	0,00	0,00	233,20	1.078,80	13.912,04
III. Financial assets													
1. Shares in affiliated companies	8.000.724,80	182.000,00	0,00	0,00	8.182.724,80	998.250,00	1.448.810,55	0,00	0,00	0,00	2.447.060,55	5.735.664,25	7.002.474,80
	8.000.724,80	182.000,00	0,00	0,00	8.182.724,80	998.250,00	1.448.810,55	0,00	0,00	0,00	2.447.060,55	5.735.664,25	7.002.474,80
Total fixed assets	<u>8.035.146,02</u>	<u>276.703,15</u>	<u>14.293,75</u>	<u>0,00</u>	<u>8.297.555,42</u>	<u>1.017.904,42</u>	<u>1.452.001,77</u>	<u>3.096,97</u>	<u>0,00</u>	<u>0,00</u>	<u>2.466.809,22</u>	<u>5.830.746,20</u>	<u>7.017.241,60</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2017

1. ACCOUNTING POLICIES

The annual financial statements were prepared in accordance with the provisions of the *Handelsgesetzbuch* (HGB – German Commercial Code) and the *Aktiengesetz* (AktG – German Stock Corporation Act). The income statement has been prepared in accordance with the total cost format. SLEEPZ AG prepares the annual financial statements under going concern assumption. The financing of SLEEPZ AG is secured on the basis of the existing planning.

As a listed company, SLEEPZ AG, formerly bmp Holding AG, is considered a large corporation under section 267(3) sentence 2 HGB.

SLEEPZ AG has its headquarters at Schlüterstrasse 38, D-10629 Berlin, Germany. SLEEPZ AG is entered in the Commercial Register of the District Court of Berlin-Charlottenburg, Federal Republic of Germany, under the number HR-B 64 077.

The balance sheet has been prepared in the form prescribed for large corporations in accordance with section 266 HGB. The income statement has been prepared in accordance with the total cost format in line with section 275(2) HGB.

Intangible assets

Intangible assets are recognised at cost less cumulative amortisation. Amortisation is recognised on a straight-line basis.

Tangible assets

Tangible assets are recognised at cost less cumulative depreciation. Depreciation is recognised on a straight-line basis.

Low-value assets

Low-value fixed assets with a cost of up to € 150 are operating expenses in the year of acquisition in accordance with section 6a (2a) sentence 4 of the *Einkommensteuergesetz* (EStG – German Income Tax Act). Low-value assets with a cost between € 150 and € 1,000 are written down on a straight-line basis over a period of five years in accordance with section 6 (2 a) EStG.

Financial assets

Equity investments in subscribed capital are recognised at cost. Capital contribution obligations exceeding this are reported under other financial obligations.

Write-downs are recognised to carry assets at their lower fair value as at the reporting date.

Receivables and other assets

Receivables and other assets are reported at nominal amount. Actual risks are accounted for with specific valuation allowances.

Securities classified as current assets

Securities classified as current assets are recognised at cost. Where necessary, they are written down to the lower fair value in accordance with section 253(3) HGB.

Prepaid expenses and deferred income

Expenses paid before the reporting date are reported as prepaid expenses if they relate to expenses for a certain time after this date. Income is reported as deferred income if it represents income for a certain time after the reporting date.

Other provisions

Provisions are recognised for uncertain obligations at the settlement amount deemed necessary in line with prudent business judgement.

Liabilities

Liabilities are reported at settlement amount.

Foreign currency translation

Foreign currency transactions are translated at the current rate on the day of the transaction. Foreign currency assets and liabilities are translated at the mean spot rate at the reporting date.

Sales revenue

Revenue is generated primarily through the provision of management services to subsidiaries.

2. INCOME STATEMENT AND BALANCE SHEET DISCLOSURES

Financial assets

Long-term investments developed as shown in the statement of changes in non-current assets.

Receivables and other assets

All receivables and other assets are due within one year.

Subscribed capital

The Company's subscribed capital of EUR 20,701,174.00 at December 31, 2016, divided into 20,701,174 bearer shares with a pro rata amount of the share capital of EUR 1.00 each, was reduced by € 1.00 to € 20.701.173,00 after approval by a resolution of the Annual General Meeting on March 21, 2017. The reduction is made by withdrawing a share.

The reduced subscribed capital of EUR 20,701,173.00 was reduced in a simplified form to cover other losses in accordance with the provisions of §§ 229 et seq. in conjunction with §§ 222 et seq. AktG in the ratio 3:1 by € 13,800,782 to € 6,900,391.

Furthermore, the subscribed capital was increased in three capital increases of € 690,000 each to a total of € 8,970,391.00.

As of the balance sheet date, the fully paid up subscribed capital thus amounts to € 8,970,391.00 €. It is divided into 8,970,391 no-par value bearer shares.

Authorised capital

In the Annual General Meeting on 27 June 2014 the removal of the existing authorised capital and the establishment of new authorised capital were resolved upon.

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the company on one or several occasions up to a total of € 10,350,587.00 by issuing new bearer shares against cash and/or non-cash contributions until 26 June 2019 (Authorised Capital 2014/I).

The pre-emption rights of shareholders can be disapplied:

- a) for the acquisition of companies, parts of companies or investments in companies in exchange for shares in the company,
- b) if a capital increase against cash contributions does not exceed 10% of the share capital of the company and the issue price of the shares is not substantially less than the market price,
- c) for emission to strategic partners,
- d) to eliminate fractional amounts.

Contingent capital

The company's Annual General Meeting of 27 June 2014 authorised the Executive Board, with the approval of the Supervisory Board, to issue on one or several occasions up to 26 June 2019 warrant and/or convertible bonds with a total nominal amount of up to €30 million with or without a limited maturity date and to grant bearers of warrant bonds options and bearers of convertible bonds conversion rights to up to 10,350,587 non-par value bearer shares (shares) of the company in line with the warrant and convertible bond conditions (bond conditions). For this purpose, the Annual General Meeting of 27 June 2014 created contingent capital for granting shares to holders of warrant or convertible bonds issued by the company according to the authorisation from the Annual General Meeting of 27 June 2014. The contingent capital amounted to 50% of the share capital, i.e. up to €10,350,587.00 (Contingent Capital 2014/I). The Annual General Meeting's resolution and the corresponding revision of the Articles of Association were entered into the commercial register on 2 July 2014. The authorisation from the Annual General Meeting of 27 June 2014 has not yet been utilised.

The Contingent Capital 2014/I was reduced in light of the new Contingent Capital 2015/I, which is earmarked for granting shares to holders of share options.

The resolution of the Annual General Meeting of 27 June 2014 was amended at the Annual General Meeting of 17 June 2015 to authorise the Executive Board, with the approval of the Supervisory Board, to issue on one or several occasions up to 26 June 2019 warrant and/or convertible bonds with a total nominal amount of up to €30 million with or without a limited maturity date and to grant bearers of warrant bonds options and bearers of convertible bonds conversion rights to up to 8,280,470 non-par value bearer shares (shares) of the company in line with the warrant and convertible bond conditions (bond conditions).

€2,070,117.00 of the Contingent Capital 2014/I was rescinded, so it was reduced by €2,070,117.00 from €10,350,587.00 to €8,280,470.00.

In accordance with section 192 (2) no. 3 of the Stock Corporation Act, the share capital of the company is contingently increased by up to €2,070,117.00 through the issue of 2,070,117 non-par value bearer shares (shares) with a pro rata share in the share capital of €1.00 per share (Contingent Capital 2015/I). The contingent capital increase serves to grant pre-emption rights to members of the company's Executive Board, members of the managements of affiliated companies, employees of the company and employees of affiliated companies.

On 22 December 2015, the Executive Board and the Supervisory Board resolved on such a share option scheme and on the same date issued a total of 615,000 options as follows:

- 200,000 options to members of the Executive Board
- 370,000 options to members of the management of subsidiaries
- 25,000 options to employees of the Company
- 20,000 options to employees of subsidiaries

The exercise price was set at €1.00/share.

The resolution of the Annual General Meeting on March 21, 2017 reduced the capital to €6,900,391.00. In the case of a capital reduction through the pooling of shares or the withdrawal of shares, the right of a warrant holder is to purchase a reduced number of shares according to the consolidation ratio upon the exercise of the option right. The option price and the strike price remain unchanged. There is no addition of fractional shares.

Capital reserves/revenue reserves

Premiums from the capital increases were transferred to capital reserves in accordance with section 272(2) no. 1 HGB.

Other provisions

Other provisions were recognised for outstanding holiday claims (T€5), costs for accounting, financial statements and audits (T€74) and outstanding invoices (T€4).

	01.01.2017	Newly issued	Exercisable	Exercised	Cancelled	31.12.2017
Members of the Executive Board	200,000	0	0	0	0	200,000
Members of the Management of subsidiaries	370,000	0	0	0	150,000	220,000
Employees of the Company	25,000	0	0	0	0	25,000
Employees of subsidiaries	20,000	0	0	0	20,000	0
Total	615,000	0	0	0	170,000	445,000

Capital reserves / retained earnings

The premiums from the capital increases were added to the capital reserve pursuant to section 272 (2) no. 1 HGB.

The capital reserve developed as follows:

In T€	2017	2016
Stock at the beginning of the year	2.659	2.659
Withdrawals	2.659	--
Additions	1.070	--
Stock at the beginning of the year	1.070	2.659

Other provisions

Other provisions were recognized for outstanding vacation entitlements (€ 12 thousand), accounting, auditing and auditing costs (€ 83 thousand) and outstanding invoices (€ 13 thousand).

Liabilities

Total liabilities as at 31 December 2017 are broken down by remaining term as follows:

	Remaining term		
	Less than 1 year T€	1 to 5 years T€	Total T€
Trade accounts payable	136	0	136
Liabilities to banks	0	0	0
Other liabilities	13	0	13
Total	149	0	149

Total liabilities as at 31 December 2016 are broken down by remaining term as follows:

	Remaining term		
	Less than 1 year T€	1 to 5 years T€	Total T€
Trade accounts payable	35	0	35
Liabilities to banks	1,194	0	1,194
Other liabilities	3,007	0	3,007
Total	4,236	0	4,236

Other operating income

Other operating income includes income from the sale of the subsidiary ReFer GmbH, which was held as fixed assets (T€ 869).

Extraordinary write-downs

In the financial year, financial assets were written down to lower fair value in the amount of T€ 1,449 in accordance with section 253(3) sentence 5 HGB.

OTHER DISCLOSURES

Contingent liabilities

It is customary when selling shares in holding companies that financial investors must also extend guarantees and assurances to the purchasers. As is standard practice in the industry, SLEEPZ AG has assumed extensive industry-standard guarantees and warranties on the sale of units as part of its venture capital activities in the years to 2017.

Shareholdings

A list of companies in which the company has a shareholding either directly or indirectly within the meaning of section 285 no. 11 HGB can be found under "Shareholdings".

The fee calculated by the auditor of the annual financial statements for the 2017 financial year is as follows:

Auditors' fees

The fee calculated by the auditor of the annual financial statements for the 2017 financial year is as follows:

<u>In T€</u>	<u>2017</u>
Fee for financial statements and audits	72
Tax advisory fees	10
Other services	16
<hr/> Total	<hr/> 98

Information on the executive bodies of the company

Executive Board

The Executive Board of SLEEPZ AG in the 2017 financial year was Mr. Oliver Borrmann, businessman.

Remuneration of the Executive Board

As a result of the restructuring carried out in the middle of 2011, the Executive Board has received no remuneration anymore, Mr. Borrmann was remunerated by bmp Ventures AG with which a service agreement is in place.

Other offices held by the Executive Board

As of 31 December 2017, Mr. Borrmann was also a managing director of Cavy Capital GmbH and an Executive Board member of bmp Ventures AG.

Supervisory Board

The members of the Supervisory Board of the company are:

Sven Rittau, Munich Chairman of the Supervisory Board	Businessman
Michael Stammli, Lutzenberg (CH) Vice Chairman of the Supervisory Board	Businessman
Dott. Michele Puller, Bergkamen Since 18 August 2017	Businessman
Bernd Brunke, Berlin Until 18 August 2017	Businessman

Total payments to the members of the Supervisory Board of SLEEPZ AG in the 2017 financial year amounted to T€ 65.

In total, each Supervisory Board member was entitled to the following remuneration:

<u>In T€</u>	
Sven Rittau	25
Michael Stammli	20
Dottore Michele Puller	6
Bernd Brunke	14
<hr/> Total	<hr/> 65

Mr. Stammler is on the Supervisory Board of the following companies:

eCAPITAL entrepreneurial Partners AG	year-round
WM Treuhand und Steuerberatungsgesellschaft AG	year-round
Tanus Trust Group AG (Chairman)	year-round

Dott. Puller is on the Supervisory Board of the following companies:

Adler Modemärkte AG	year-round
S&E Kapital GmbH (Chairman of the Advisory Board)	year-round
B.V. Borussia 09 e.V. Dortmund (Vice Chairman of the Economic Counsel)	year-round
Borussia Dortmund Geschäftsführungs-GmbH	Year-round

Mr. Rittau had no further mandates on supervisory boards or other comparable controlling bodies.

Shareholdings of the Executive Board and the Supervisory Board as at 31 December 2017

The members of the Executive Board held 1,055,985 shares, the members of the Supervisory Board held 223,332.

Employees

In the financial year, SLEEPZ AG had an average of three salaried employee in addition to the Executive Board. As at the end of the year, the company had two employees in addition to the Executive Board.

German Corporate Governance Code

The Executive Board has issued the declaration required by section 161 AktG with the individual adjustments for SLEEPZ AG and made it available to shareholders on the Internet at www.sleepz.com.

Notifications and publications in accordance with section 21 and section 26(1) WpHG

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

bmp holding AG

17.05.2017 / 11:00

dissemination of a voting rights announcement transmitted by eBar - a service of m3 Group AG. the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
Schloßstraße 32
10625 Berlin
Germany

2. Reason for notification

Acquisition/disposal of shares with voting rights
Acquisition/disposal of instruments
 Change of breakdown of voting rights
Other reason:

3. Details of person subject to the notification obligation

Name: Carin Sepper-Salletsch
City and country of registered office:

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached

12 May 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	14.254 %	0 %	14.254 %	7,590,321
previous notification	16.45 %	0 %	16.45 %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
nm000a2n1772	1,135,067	0	14.254 %	0 %
Total	1,135,067		14.254 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights absolute	voting rights in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights absolute	voting rights in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	total of both (if at least held 3% or more)

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

Name of general meeting:
Holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG (the German Securities Trading Act) with the objective of Europe-wide distribution

bmp holding AG

17.05.2017 / 11:00

dissemination of a voting rights announcement transmitted by eSAR - a service of eSAR Group AG. the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
Schlösserstraße 14
10619 Berlin
Germany

2. Reason for notification

Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

Name: Oliver Alexander Normann City and country of registered office:

4. Name of shareholder(s)

holding directly 34 or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached

13 May 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	14.33 %	0 %	14.33 %	7,590,391
previous notification	15.13 %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
nm000a2k1772	1,055,215	31,326	13.91 %	0.42 %
Total	1,087,234		14.33 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights absolute	voting rights in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights	
				absolute	in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
 Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 34 or more)	% of voting rights through instruments (if at least held 54 or more)	total of both (if at least held 34 or more)

1 von 2

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

Date of general meeting: _____
Holding position after general meeting: _____ % (equals voting rights)

10. Other explanatory remarks:

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

bmp holding AG

17.05.2017 / 11:00

dissemination of a voting rights announcement transmitted by eGov - a service of eGO Group AG. the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
Schlösserstraße 34
10629 Berlin
Germany

2. Reason for notification

acquisition/disposal of shares with voting rights
acquisition/disposal of instruments
 Change of breakdown of voting rights
Other reason:

3. Details of person subject to the notification obligation

name: Michael Seemler City and country of registered office:

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached

13 May 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	2.24 %	0 %	2.24 %	750351
previous notification	2.24 %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
ms00a2n3772	22332		2.24 %	
Total	22332		2.24 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	warrants or conversion period	voting rights absolute	voting rights in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	warrants or conversion period	Cash or physical settlement	voting rights absolute	voting rights in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 3% or more)	total of both (if at least held 3% or more)

1 von 2

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

Date of general meeting: _____
holding position after general meeting: _____ % (equals voting rights)

10. Other explanatory remarks:

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

bmp holding AG

17.05.2017 / 11:00

dissemination of a voting rights Announcement transmitted by eSAR - a service of m&G Group AG. the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
 Schillerstrasse 29
 10629 Berlin
 Germany

2. Reason for notification

Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

Name: Bernd Vörsch
 City and country of registered office:

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.
 Helial equity partners GmbH & Co. m&G

5. Date on which threshold was crossed or reached

13 May 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	3.09 %	0.00 %	3.09 %	750000
previous notification	n/a %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
0000000000	225000	0	3.00 %	0.00 %
Total	225000	0	3.00 %	0.00 %

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights absolute	voting rights in %
Total			0	0

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights absolute	voting rights in %
Total				0	0

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
 Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	total of both (if at least held 3% or more)
Bernd Vörsch	3	0	3
bmp holding GmbH	0	0	0

1 von 2

Issuer	% of voting rights	% of voting rights through instruments	total of both
Lion Capital AG	0	0	0
rimbab AG	0	0	0
Helial Management GmbH	0	0	0
Helial equity partners GmbH & Co. m&G	3.09 %	0	3.09 %

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

Date of general meeting:
 holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

bmp holding AG

07.07.2017 / 12:00

dissemination of a voting rights announcement transmitted by eGor - a service of eGor Group AG. the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
Schlösserstraße 26
10429 Berlin
Germany

2. Reason for notification

Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

name: Roland Berger Holding GmbH City and country of registered office:
Munich
Germany

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached:

30 Jun 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % [7.a. + 7.b.]	total number of voting rights of issuer
resulting situation	4.811 %	0 %	4.811 %	220291
previous notification	4.829 %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
0000000000	392333	0	4.811 %	0 %
Total	392333	0	4.811 %	0 %

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights	
			absolute	in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights	
				absolute	in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
 Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 3% or more)	total of both (if at least held 3% or more)

07.07.17

bmp Holding AG: Release according to Article 26, Section 1 of the ... <http://www.dgap.de/dgap/News/pr/bmp-holding-release-accordi>

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

case of general meeting:
holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

bmp holding AG

12.07.2017 / 14:00

dissemination of a voting rights announcement transmitted by eGAR - a service of eG Group AG. the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
Schillerstraße 10
10629 Berlin
Germany

2. Reason for notification

Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

Name: Alessandro S.p.A. City and country of registered office: Prato Italy

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached:

30 Jun 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	2.33 %	0 %	2.33 %	220251
previous notification	n/a %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

class	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
common shares	490000		2.33 %	
Total	490000		2.33 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights	
			absolute	in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	cash or physical settlement	voting rights	
				absolute	in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (I.).
Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 3% or more)	total of both (if at least held 3% or more)

12.07.17,

ing AG: Release according to Article 26, Section 1 of the ... <http://www.dgap.de/dgap/News/pr/bmp-holding-release-according>

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

Name of general meeting: _____
holding position after general meeting: _____ % (equals voting rights)

10. Other explanatory remarks:

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG (the German Securities Trading Act) with the objective of Europe-wide distribution

bmp holding AG

09.09.2017 / 16:00
 dissemination of a voting rights announcement transmitted by eSAR - a service of eSAR Group AG.
 the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
 Schlüterstraße 33
 10629 Berlin
 Germany

2. Reason for notification

acquisition/disposal of shares with voting rights
 acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

name: City and country of registered office:
 DE investment partners rovarryevco funduszy inwestycyjnych S.A. (formerly: zmb rovarryevco funduszy inwestycyjnych S.A.) Warsaw Poland

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached:

03 Sep 2013

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	2.73 %	0.00 %	2.73 %	19819250
previous notification	4.97 %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
DE0003304000		514401	4	2.73 %
Total	514401		2.73 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights	
			absolute	in %
		Total		

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights	
				absolute	in %
		Total			

8. Information in relation to the person subject to the notification obligation

person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
 full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 3% or more)	total of both (if at least held 3% or more)

09.09.1

ing AG: Release according to Article 26, Section 1 of the ... <http://www.dgap.de/dgap/News/pwr/bmp-holding-release-accord>

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

date of general meeting:
 holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:

bmp Holding AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

bmp holding AG

09.08.2017 / 16:00

dissemination of a voting rights announcement transmitted by eGAR - a service of eGK Group AG. The issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

bmp holding AG
Schützenstraße 30
10625 Berlin
Germany

2. Reason for notification

Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

name:	City and country of registered office:
Dr. Harald Runderz zwojezyjny Górczy (formerly Dr. Harald Runderz zwojezyjny Górczy)	WARSAW Poland

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached:

03 Sep 2013

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	2.73 %	0.00 %	2.73 %	16616250
previous situation	4.27 %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
00001304200	514401		2.73 %	
Total	514401		2.73 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights	
			absolute	in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights	
				absolute	in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).
Full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 3% or more)	total of both (if at least held 3% or more)

09.08.17.

ding AG: Release according to Article 26, Section 1 of the ... <http://www.dgap.de/dgap/News/pr/bmp-holding-release-according>

9. In case of proxy voting according to Sec. 22 para. 3 WpHG

name of general meeting:	
holding position after general meeting:	% (equals voting rights)

10. Other explanatory remarks:

SLEEPZ AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

Sleepz AG

04.09.2017 / 15:30

circulation of a voting rights announcement transmitted by eSAR - a service of eS&S Group AG. the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

Sleepz AG
Schlösserstraße 36
10629 Berlin
Germany

2. Reason for notification

<input checked="" type="checkbox"/>	Acquisition/disposal of shares with voting rights
<input type="checkbox"/>	Acquisition/disposal of instruments
<input type="checkbox"/>	Change of breakdown of voting rights
<input type="checkbox"/>	Other reason:

3. Details of person subject to the notification obligation

name:	City and country of registered office:
Axonion S.A.	Grevenmacher Luxembourg

4. Names of shareholder(s)

holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached:

31 Aug 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	3.02 %	0.00 %	3.02 %	2260361
previous notification	n/a %	n/a %	n/a %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
us000a2k1772	250000		3.02 %	
Total	250000		3.02 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights absolute	voting rights in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights absolute	voting rights in %
Total					

8. Information in relation to the person subject to the notification obligation

person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (1.).

full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 3% or more)	total of both (if at least held 3% or more)

9. In case of proxy voting according to Sec. 22 para. 2 WpHG

date of general meeting:	
holding position after general meeting:	% (equals voting rights)

10. Other explanatory remarks:

SLEEPZ AG: Release according to Article 26, Section 1 of the WpHG [the German Securities Trading Act] with the objective of Europe-wide distribution

Issuer AG

28.12.2017 / 11:00
 dissemination of a voting rights announcement transmitted by eGaz - a service of eG Group AG.
 the issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

SLEEPZ AG
 Schiltsenerstraße 38
 10629 Berlin
 Germany

2. Reason for notification

Acquisition/disposal of shares with voting rights
 Acquisition/disposal of instruments
 Change of breakdown of voting rights
 Other reason:

3. Details of person subject to the notification obligation

Name: Action S.A. City and country of registered office: Grevenmacher Luxembourg

4. Names of shareholder(s) holding directly 3% or more voting rights, if different from 3.

5. Date on which threshold was crossed or reached:
 21 dec 2017

6. Total positions

	% of voting rights attached to shares (total of 7.a.)	% of voting rights through instruments (total of 7.b.1 + 7.b.2)	total of both in % (7.a. + 7.b.)	total number of voting rights of issuer
resulting situation	2.90 %	0.00 %	2.90 %	2270391
previous notification	3.02 %	0.00 %	3.02 %	/

7. Notified details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)	direct (Sec. 21 WpHG)	indirect (Sec. 22 WpHG)
no000a23772	260000		2.90 %	
Total	260000		2.90 %	

b.1. Instruments according to Sec. 25 para. 1 No. 1 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	voting rights	
			absolute	in %
Total				

b.2. Instruments according to Sec. 25 para. 1 No. 2 WpHG

type of instrument	expiration or maturity date	exercise or conversion period	Cash or physical settlement	voting rights	
				absolute	in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not controlled and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (i.).
 full chain of controlled undertakings starting with the ultimate controlling natural person or legal entity:

name	% of voting rights (if at least held 3% or more)	% of voting rights through instruments (if at least held 5% or more)	total of both (if at least held 5% or more)

28.12.2017

IG: Release according to Article 26, Section 1 of the WpHG ... <http://www.dgap.de/dgap/News/pwr/sleepz-release-according-arti>

9. In case of proxy voting according to Sec. 23 para. 3 WpHG

date of general meeting:
 holding position after general meeting: % (equals voting rights)

10. Other explanatory remarks:

SLBbFC AG: Release according to Article 26, Section 1 of the WpHG (the German Securities Trading Act) with the objective of Europe-wide distribution

EXEPT AG

28.12.2017 / 11:00

Classification of a Voting Rights Assessment Conducted by EXEPT - a service of EGI Group AG. The issuer is solely responsible for the content of this announcement.

Notification of Major Holdings

1. Details of issuer

EXEPT AG
Bahnhofstraße 28
10219 Berlin
Germany

2. Reason for notification

<input checked="" type="checkbox"/>	Acquisition/Disposal of shares with voting rights
<input type="checkbox"/>	Acquisition/Disposal of instruments
<input type="checkbox"/>	Change of breakdown of voting rights
<input type="checkbox"/>	Other reason:

3. Details of person subject to the notification obligation

Name:	City and country of registered office:
Dr Bernd Fricke,	
Date of birth: 20 Jun 1962	

4. Name of shareholder(s)

Holding directly or via more voting rights, if different from 2.
Ballot Equity Partners GmbH & Co. KGaA

5. Date on which threshold was crossed or reached

21 Dec 2017

6. Total positions

	% of voting rights attached to shares (Total of 7.a.)	% of voting rights through instruments (Total of 7.b.1 + 7.b.2)	Total of both in % (7.a. + 7.b.)	Total number of voting rights of issuer
Resolving shares	10.28 %	0 %	10.28 %	287080
Preference participation	0.08 %	0 %	0.08 %	7

7. Detailed details of the resulting situation

a. Voting rights attached to shares (Sec. 21, 22 WpHG)

ISIN	absolute		in %	
	Class (Sec. 21 WpHG)	Inclused (Sec. 21 WpHG)	Class (Sec. 21 WpHG)	Inclused (Sec. 21 WpHG)
DE000A2E3771		280000	%	10.28 %
DE000A2E3772		280000	%	10.28 %
Total	1280000		10.28 %	

b.1. Instruments according to Sec. 22 para. 1 No. 1 WpHG

Type of instrument	Explanation or maturity date	Exercisable or convertible period	Voting rights absolute	Voting rights in %
Total				

b.2. Instruments according to Sec. 22 para. 1 No. 2 WpHG

Type of instrument	Explanation or maturity date	Exercisable or convertible period	Cash or physical settlement	Voting rights absolute	Voting rights in %
Total					

8. Information in relation to the person subject to the notification obligation

Person subject to the notification obligation is not associated and does itself not control any other undertaking(s) holding directly or indirectly an interest in the (underlying) issuer (L.).
<input checked="" type="checkbox"/> Full chain of associated undertakings starting with the ultimate controlling natural person or legal entity:

Name	% of voting rights (if at least held 1% or more)	% of voting rights through instruments (if at least held 1% or more)	Total of both (if at least held 1% or more)

28.12.2017

AG Release according to Article 26, Section 1 of the WpHG ... <http://www.dgap.de/dgap/News/pw/lexps-release-according-act>

Dr Bernd Fricke	%	%	%
EF Holding GmbH	%	%	%
Line Capital AG	%	%	%
Fricke AG	%	%	%
Ballot Management GmbH	%	%	%
Ballot Equity Partners GmbH & Co. KGaA	10.28 %	%	10.28 %

9. In case of proxy voting according to Sec. 22 para. 2 WpHG

Date of general meeting:	
Holding position at the general meeting:	% (equals voting rights)

10. Other explanatory remarks

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Supplementary report

There were no value-based events after the reporting date in accordance with section 285 (33) HGB. After the balance sheet date, 100% of the shares in Cubitabo GmbH were contributed to the subsidiary sleepz Home GmbH as part of a mixed non-cash capital and cash capital increase.

In April 2018, SLEEPZ AG issued a letter of comfort in favor of its subsidiary sleepz Home AG. This declaration is limited to an amount of € 1.75 million and has a term until 31.12.2020. In line with this declaration, SLEEPZ AG also received a shareholder loan of the same amount in April.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report of the company includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Shareholdings

Enterprises in which the Company has either direct or indirect holdings according to section 285 (11) HGB:

Subsidiaries

<u>Company</u>	<u>Share</u>	<u>Equity as of 31 December 2017</u> in T€	<u>Annual result 2017</u> in T€
Grafenfels GmbH, Berlin	100.00%	-39	-543
sleepz Home GmbH, Ludwigsfelde	66.80%	-1,911	-2,285
Matratzen Union GmbH, Wolfhagen	60.00%	492	-26
Markenschlaf GmbH, Wolfhagen	60.00%	80	13
Ecom Union GmbH, Wolfhagen	60.00%	275	-2
Denkvertrieb GmbH, Wolfhagen	60.00%	-12	-28

Berlin, 25 April 2018

Oliver Borrmann
Executive Board

The accounts of SLEEPZ AG drawn up in the German language were audited by the auditing firm RSM GmbH and endorsed with an unqualified audit certificate in April 2018.

This English translation of our Annual Report was prepared to the best of our knowledge and belief, but it has not been certificated. The German version of the Annual Report is the authoritative version.

The Executive Board