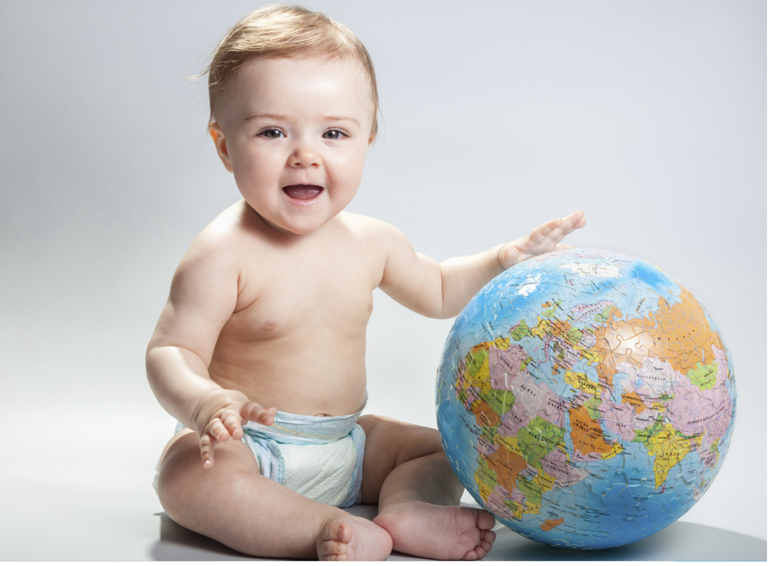
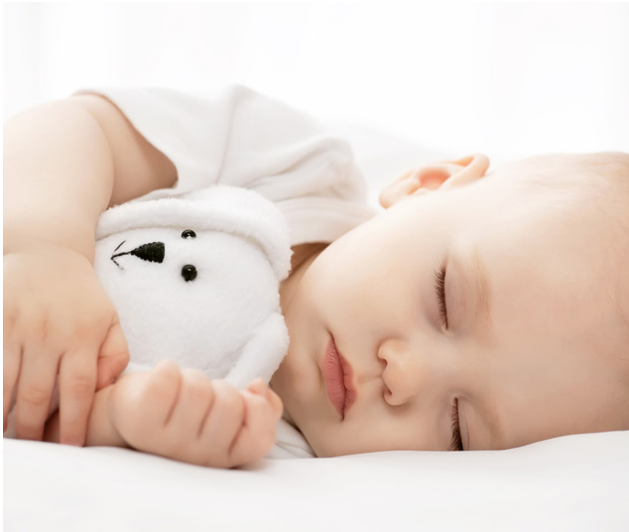
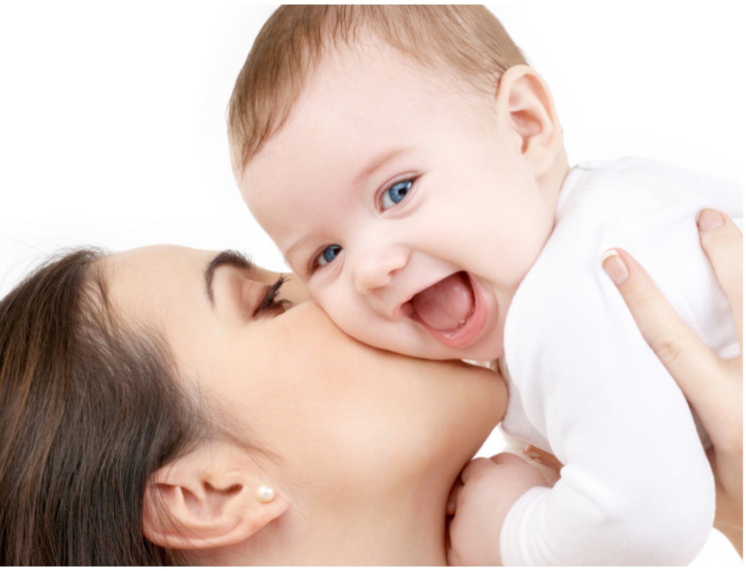


windeln.de

Everything for my baby





Three months report 2015

January – March 2015

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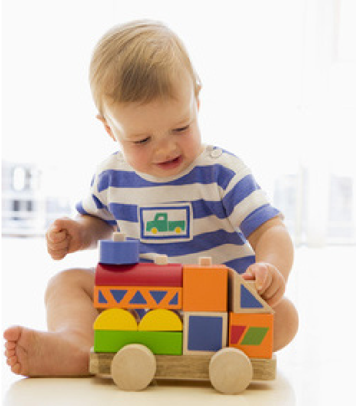

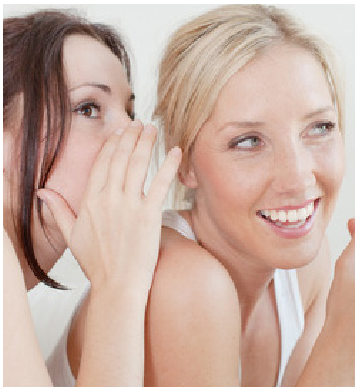

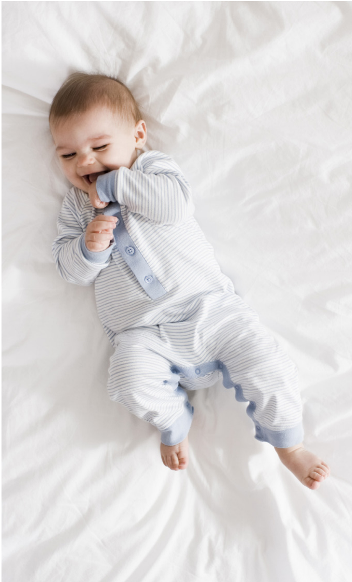

1. windeln.de group at a glance

	31.03.2015	31.03.2014	Change
Performance Indicators			
Site Visits	14,298,837	7,323,268	95.3%
Mobile Visit Share (in % of Site Visits)	65.5%	47.9%	17.6pp
Mobile Orders (in % of Number of Orders)	46.7%	32.7%	14.0pp
Active Customers	555,984	334,340	66.3%
Number of Orders	453,793	272,808	66.3%
Average Orders per Active Customer (in number of orders)	2.8	2.7	3.4%
Orders from Repeat Customers	1,282,397	736,962	73.9%
Share of Repeat Customer Orders (in % of Number of Orders)	83.6%	82.6%	1.0pp
Gross Order Intake (in EUR)	41,969,972 EUR	23,240,594 EUR	80.6%
Average Order Value (in EUR)	92.5 EUR	85.2 EUR	8.7%
Returns (in % of Net Merchandise Value)	6.0%	5.1%	0.9pp
Marketing Cost Ratio (in % of revenues)	5.0%	4.8%	0.2pp
Fulfillment Cost Ratio (in % of revenues)	10.5%	12.4%	-1.9pp
Adjusted Other SG&A Expenses (in % of revenues)	13.6%	17.0%	-3.4 pp

	Q1 2015	Q1 2014	Change
Earnings Position			
Revenues (in kEUR)	35,649	19,083	86.7%
Gross Profit (in kEUR)	9,129	4,447	105.3%
Gross Profit (as % of revenues)	25.6%	23.3%	2.3pp
Operating Contribution Margin	3,581	1,157	209.4%
Operating Contribution Margin (as % of revenues)	10.0%	6.1%	3.9pp
Adjusted EBIT (in kEUR)	-1,276	-2,091	39.0%
Adjusted EBIT (as % of revenues)	-3.6%	- 11%	-7.4pp
Net Asset and Financial Position			
Cash flow from operating activities (in kEUR)	1,202	-2,237	153.7%
Cash flow from investing activities (in kEUR)	-585	-210	178.6%
Cash and cash equivalents at the end of the period	33,065	7,003	372.2%
Other			
Basic earnings per share (in EUR)	-0.03	-0.27	-88.9%
Diluted earnings per share (in EUR)	-0.03	-0.26	-92.3%

PP = Percentage point

2. Group Management Report as of March 31, 2015

2.1 Basic information on the group

2.1.1 Organisational structure of the group

In April 2015, windeln.de GmbH, the parent company of the windeln.de Group, changed its legal form from a German limited liability company (GmbH) to a German stock corporation (AG) with the name windeln.de AG ("windeln.de"). The change in legal form and name was registered with the commercial register at the local court of Munich on April 16, 2015.

2.1.2 Business model

Since its foundation in 2010, windeln.de has become one of the leading and fastest growing online retailers for baby, toddler and children products in Germany, Austria and Switzerland. Windeln.de provides a convenient e-commerce offering serving the needs of young families. Windeln.de offers approximately 100,000 products from over 1,000 brands, which young parents can comfortably order online. The offer ranges from diapers and baby food to child furniture, toys, clothing, strollers and car seats, making windeln.de a one-stop shop for parents.

Windeln.de offers two distinct business models.

Through the websites "windeln.de", "windeln.ch", "kindertraum.ch" and "toys.ch", windeln.de operates online shops for a broad offering of immediately available products held on stock in order to permit fast delivery.
Through the website "windelbar.de" windeln.de operates a "flash sale" shopping club that offers a fast-changing assortment of products at significant discounts to regular retail prices to consumers who have previously registered at "windelbar.de". Delivery of these products takes 2-3 weeks after ordering.

The Company also developed through it's "windeln.de" website a unique online business of selling baby products to customers China. The development of the Chinese customer base started when customers located in China increasingly placed orders through "windeln.de". windeln.de successfully offers a convenient shopping experience also for Chinese customers, i.a. by way of entering into a partnership with Alipay in 2013 and launching a version of the website "windeln.de" that provides for a translation of material parts into the Chinese in 2014.

2.1.3 Strategy

windeln.de's growth strategy is geared towards becoming the leading pure-play online retailer servicing the needs of young families in Europe and for Chinese customers. The aim is to achieve this objective by pursuing the following strategies:

- Grow share of total addressable market in DACH region and China by growing the customer base in these regions as well as increasing the order volume per customer.

- Expand regional footprint into other European countries through a combination of targeted acquisitions of locally established businesses with a compelling market position and organic growth into such markets.

- Expand product offering by adding new merchandise and to further increase relevance and attractiveness of our offering to customers that will allow to cross-sell into higher-margin non-consumable products. To achieve this, windeln.de will focus on supplementing product offering in our DACH region of baby, toddler and children products with products for young mothers, whereas the customer value proposition in China will shift from German quality consumable products for babies and toddlers to offering German quality products as such.

2.2 Economic Report

2.2.1. General related economic conditions

As pure online retailer of products for baby, toddler and children products windeln.de is influenced by the general economic development as well as consumer demand, but in particular by the development of the e-commerce- and mail order business.

Economic prospects improved over the last quarter, as the combination of a weak euro, caused by low interest rate policies of the European Central Bank and decreasing energy costs favour the German economy. The Institute for the World Economy (IfW) in Kiel expects an increase in gross domestic product of 1.8% in the years 2015 and 2016.[1]

The positive outlook is also underpinned by a repeated increase of the ifo Business Climate Index for Germany, which reached it's highest level in March 2015 since June 2014.[2]

Retailers profit from the increasing consumer demand and were therefore able to increase their revenues by 3.5% in real terms over the same period of the previous year. E-commerce and mail order business were hereby the main growth drivers with a growth rate of 11.5% in real terms. The Federal Association of German E-Commerce and Mail Order Business (bevh) confirmed these statistics in its ongoing study on consumers. In comparison with the corresponding quarter in the previous year revenues in e-commerce have grown to EUR 10.2 billion which represents growth of 10%.[3]

2.2.2 Industry related economics conditions

German and European market characteristics

The total addressable market for baby, toddler and children products in Germany is estimated to be EUR 4.2 billion[4] in 2014 for babies in the age group of 0 to 3 years and according to the company's own estimates EUR 8.4 billion in 2014 for babies and children in the age group of 0 to 6 years. Customer demand in this market exhibits limited cyclicality, supported by relatively stable birth rates and highly predictable customer needs and shopping patterns. From 2009 to 2013, the crude birth rate[5] in Germany increased by 4.9% from 8.1 to 8.5.[6]
The European market for baby, toddler and children products is fragmented with no distinct market leader in most European countries. According to the company's own estimates, the European market in each case 6.7 times larger than the total addressable market in Germany.[7]

1 IfW 2015
2 Ifo Institut 2015
3 Statistisches Bundesamt 2015, bevh 2015 (http://geldanlagen-nachrichten.de/2015/05/interaktiver-handel-startet-mit-deutlichem-plus-ins-neue-jahr/)
4 Euromonitor International Ltd., Analysis of Baby and Toddler Products Retail in Germany, Februar 2015 (commissioned by the company) („Euromonitor")
5 The crude birth rate relates to the number of births during the year to the average population in that year. The value is expressed per 1,000 inhabitants
6 Eurostat Data European Commission, January 2015, Crude birth rate: http://ec.europa.eu/eurostat/tgm/download.do?tab=table&plugin=1&language=en&pcode=tps001
7 Company estimates extrapolated from data provided by Eurostat

German and European e-commerce market

The growth of the e-commerce market for baby consumables and other baby and toddler products is of key importance to the company.
Consumers have increased their online retailing spend on baby consumables and other baby and toddler products from EUR 265.8 million in 2011 to EUR 392.8 million in 2014. Hence, the company believes that the online market share of the overall total market for baby, toddler and children products in Germany is likely to increase over the mid-term. Euromonitor expects the online market share to expand at 12.1% per annum from 2014 to 2017 which would correspond to 12.7% of the expected overall market in 2017 compared to 9.3% in 2014, thereby supporting growth of the overall market in which windeln.de operates to EUR 4.4 billion by 2017.[8]

The company believes that the online channel is highly suitable for offering baby consumables given the similar characteristics to product categories such as consumer electronics, consumer appliances or fashion (including apparel and footwear) that already show significant online penetration rates. Baby, toddler and children products are typically branded, non-perishable and are purchased with high frequency. This offers a significant opportunity for the online penetration to increase over time. Moreover, demand for baby, toddler and children products is highly predictable while exhibiting low customization requirements. In addition, the ability to shop at anytime from anywhere together with a home delivery service provides a significant convenience factor compared to the traditional offline retail shopping experience.

The German online market for baby, toddler and children products remains significantly underpenetrated compared to other product categories such as consumer electronics, consumer appliances, fashion (apparel and footwear) or beauty and personal care.

Across all product categories, German online retail penetration is expected to increase from 6.1% in 2013 to 11.2% in 2018, but will still lag behind the UK and to a lesser extent Norway.[9] Other major European markets such as France, Spain and Italy lag further behind and are expected to grow with roughly the same momentum. We believe that the penetration as well as the online infrastructure and usage will continue to catch up throughout Europe.

Chinese cross-border e-commerce market

windeln.de operates in the EUR 18.4 billion Chinese cross-border e-commerce market, in which Chinese consumer's access and purchase directly from foreign online retailers.[10] Concurrent to the continuous increase of people's disposable income, demand by consumers for foreign high-quality products is also increasing. The product categories primarily purchased online from overseas are cosmetics and personal care items (56.8%) as well as maternal and child products (55.3%)[11] . The Chinese cross-border e-commerce market is expected to grow from currently CNY128.4 billion (approximately EUR 18.4 billion) to over CNY372.2 billion (approximately EUR 53.5 billion) in 2017.

In 2014, the cross-border online shopping market for maternal and children products reached a total of CNY53.2 billion (EUR 7.6 billion), accounting for 41.5% of the total cross-border online shopping market in China.[12]

Cross-border online baby product shopping in China is underpinned by several structural growth drivers. With more

8 See Fn 4, Euromonitor
9 eMarketer Inc., Retail Sales Worldwide Will Top $22 Trillion This Year, http://www.emarketer.com/Article/Retail-Sales-Worldwide-Will-Top-22-Trillion-This-Year/ 1011765#sthash.ijARW0lp.dpuf
10 IResearch Consulting Group, 2015 China cross-border online shopper behaviour report, January 2015, statistical model and online survey conducted on iClick, (erstellt im Auftrag des Konzerns) ("IResearch")
11 See Fn 10, IResearch
12 See Fn 10, IResearch

than 16.9 million births in 2014 and a forecast increase to 17.9 million births in 2015[13] the Chinese baby market is set to increase in size substantially. This trend is also supported by a relaxation of the Chinese one-child policy by the government that became effective in November 2013. Furthermore the middle class in China is rising, with a forecasted CAGR of 7.9% GDP per capita from 2014 to 2019.[14] For these reasons, the company believes that the Chinese baby market will continue growing substantially in the coming years.

2.2.3 Business development

In the first quarter of 2015 the group was able to successfully realize its growth objectives.
The customer base grew further in the first Quarter of 2015. The group had 556k active customers who made at least one purchase from windeln.de in the last twelve months (in the first quarter of 2014: 334k).

The group continued to widen its selection of products, i.e. by introducing the category "Children's Furniture & Living" in February 2015. windeln.de offers products of notable brands in this category, i.e. Haba, babybay and Pinolino.

The growth of the group was consistent over all segments. In the first quarter of 2015 the segment windeln.de achieved revenue growth of 83.6%, the segment windelbar.de grew by 114.7% and the segment windeln.ch by 96.9%, compared to the respective quarter in 2014.

2.2.4 Earnings position

Consolidated statement of profit and loss

In kEUR	Q1 2015	As % of Revenue	Q1 2014	As % of Revenue	Change in pp
Revenues	35,649	100.0%	19,083	100.0%	0.0%
Cost of sales	-26,520	-74.4%	-14,636	-76.7%	-2.3%
Gross profit	**9,129**	**25.6%**	**4,447**	**23.3%**	**2.3%**
Selling and distribution costs	-8,979	-25.2%	-5,483	-28.7%	3.5pp
Administrative expenses	-5,451	-15.3%	-1,949	-10.2%	-5.1pp
Other operating income	386	1.1%	69	0.4%	0.7pp
Other operating expenses	-263	-0.7%	-7	0.0%	-0.7pp
Earnings before interest and taxes (EBIT)	-5,178	-14.5%	-2,923	-15.3%	0.8pp
Financial result	**-9**	**0.0%**	**2,291**	**12.0%**	**-12.0pp**
Earnings before taxes (EBT)	**-5,187**	**-14.6%**	**-632**	**-3.3%**	**-11.3pp**
Profit or loss for the period	**-5,382**	**-15.1%**	**-670**	**-14.8%**	**-0.3pp**

In kEUR	Q1 2015	Q1 2014	Change
Other consolidated financial data			
EBIT-Margin (as % of revenues)	25.6%	23.3%	2.3pp
Adjusted EBIT	-1,276	-2,091	-39.0%
Adjusted EBIT (as % of revenues)	-3.6%	-11.0%	7.4pp

EBIT is adjusted for the group's controlling purpose.
Total EBIT in the amount of EUR -5,178k includes amongst others expenses for share-based payments.

13 China Population Association read on China Internet Information Center, January 2015, http://www.china.org.cn/china/2015-02/10/content_34781027.htm
14 International Monetary Fund, October 2014, http://www.imf.org/external/pubs/ft/weo/2014/02/weodata/weorept.aspx?pr.x=24&pr.y=7&sy=2010&ey=2019&scsm= 1&ssd=1&sort=country&ds=.&br=1&c=924&s=NGDPDPC&grp=0&a=

In kEUR	Q1 2015	Q1 2014	Change
Expenses for share-based payments	**2,871**	**832**	**187.1%**
Cost of sales	-	-	
Distribution costs	173	80	
Administrative costs	2,698	752	

The corresponding expenses are not included in adjusted EBIT.

Furthermore EBIT is adjusted by acquisition and integration costs (Q1 2015: EUR 105k; Q1 2014: -) and costs in connection with the upcoming IPO (Q1 2015: EUR 926k, Q1 2014: -). These expenses are included in the administrative costs.

In kEUR	Q1 2015	Q1 2014	Change
EBIT	**-5,178**	**-2,923**	**77.1%**
in % of revenues	-14.5%	-15.3%	0.8pp
Expenses for share-based payments	2,871	832	
Transaction costs	105	-	
IPO-related expenses	926	-	
Adjusted EBIT	**-1,276**	**-2,091**	**-39,0%**
in % of revenues	-3.6%	-11.0%	7.4pp

The group generated revenues of EUR 35,649k in the first quarter of 2015, which equals an increase of 86.8% compared to the first quarter of 2014 (EUR 19,083k). The group was able to significantly increase revenues in all regions, online shops as well as across all product categories.

The positive developments in gross profit compared to the prior-year-period can primarily be ascribed to the development of higher-margin products as well as improved conditions with suppliers. Overall, gross profit in % of revenues was able to increase from 23.3% to 25.6% in the first quarter of 2015.

Selling and distribution expenses have grown altogether compared to the prior year quarter, yet decreased as a percentage of gross profit to net revenues from 123% in prior year period to only 98%. This is mostly attributable to on average decreasing transport cost due to improved conditions.

Administrative expenses in relation to gross profit as a percentage to revenues increased in the first three months from 44% to 60%.
On the one hand, personnel cost in the administrative area increased due to growing number of employees. In particular, the finance, legal and strategy & expansion departments hired additional employees in order to achieve major projects such as the planned IPO as well as further acquisitions in order to grow internationally. Additionally, stock options were issued to further members of the management board, that were partially already vested in the past. Because of the increasing company value in the first quarter of 2015, additional expenses were recognized for cash-settled shared-based compensation.
On the other hand, the increasing cost in the administrative area can be based on already invoiced expenses in preparation of the IPO – mostly related to costs for legal, consulting and auditing services. In the first quarter of 2015 EUR 926k were recognized as administrative expenses.

Other operating income and expenses increased by EUR 317k or EUR 256k compared to the prior-year-period – primarily due to higher currency gains (summed up to EUR 268k in Q1 2015) and currency losses (EUR 262k in the first quarter of 2015). The group increased its business in different currencies from the functional currency. On the debit-part, an increasing volume of receivables in Swiss Francs was recorded. Additionally, the purchasing volume of foreign suppliers outside the Euro area has grown - especially for windelbar.de.

Adjusted EBIT increased to EUR -1,276k. That equals an adjusted EBIT-margin of -3.6 % for the first quarter of 2015, thus increasing by 7.4pp compared to the prior-year-period with an EBIT-margin of -11.0%.

The financial result decreased from EUR 2,291k income in the first quarter of 2014 to EUR 9k expense for the first quarter of 2015. For the first quarter of 2014, the valuation of a derivative instrument (conditional purchase price reimbursement in connection with the acquisition of windeln.ch AG) at fair value resulted in an income of EUR 2,316k. In the first quarter 2015, expenses of EUR 2k were recorded on the same issue.

The increase in tax expenses from EUR 38k to EUR 195k is mostly attributable to the liquidation of deferred tax assets of the windeln.de AG, as the company does not recognize deferred tax assets due to a lacking profit history.

The profit or loss for the period deteriorated from EUR -670k in the first quarter of 2014 to EUR -5,382k in the first quarter 2015. This is mostly attributable to the disproportionally growing administrative expenses in 2015 as well as high financial income in 2014.

Performance Indicators

	31.03.2015	31.03.2014	Change
Site Visits (in thousand)	14,299	7,323	95.3%
Mobile Visit Share (in % of Site Visits)	65.5%	47.9%	17.6pp
Mobile Orders (in % of Number of Orders)	46.7%	32.7%	14.0pp
Active Customers	556	334	66.3%
Number of Orders	454	273	66.3%
Average Orders per Active Customer (in number of orders)	2.8	2.7	3.4%
Orders from Repeat Customers (in thousand)	1,282	737	73.9%
Share of Repeat Customer Orders (in % of Number of Orders)	83.6%	82.6%	1.0pp
Gross Order Intake (in kEUR)	41,970 EUR	23,241 EUR	80.6%
Average Order Value (in EUR)	92,5 EUR	85,2 EUR	8.7%
Returns (in % of Net Merchandise Value)	6.0%	5.1%	0.9pp
Marketing Cost Ratio (in % of revenues)	5.0%	4.8%	0.2pp
Fulfilment Cost Ratio (in % of revenues)	10.5%	12.4%	-1.9pp
Adjusted Other SG&A Expenses (in % of revenues)	13.6%	17.0%	-3.6pp

The increase in revenues is primarily attributable to a growing number of orders as well as a larger base of active customers who made at least one order from windeln.de in the last 12 months. The number of active customers increased from 334k as of March 31, 2014 to 556k as of March 31, 2015. The number of orders significantly grew compared to the prior-year period so that orders increased by 66% to 454k (273k in Q1 2014). Both the growing number of customers as well as the increasing orders were pushed by clearly higher traffic on the website. The number of site visits grew by 95% from 7,323k as of March 31, 2014 to 14,299k as of March 31, 2015.

Earnings position of the segments

In KEUR	Q1 2015	Q1 2014	Change
Revenues	**35,649**	**19,083**	**86.8%**
windeln.de	30,698	16,721	83.6%
windelbar.de	3,549	1,653	114.7%
windeln.ch	1,402	709	96.9%
EBIT	**-5,178**	**-2,923**	**77.1%**
windeln.de EBIT contribution	1,417	93	1423.7%
windelbar.de EBIT contribution	-786	-412	90.8%
windeln.ch EBIT contribution	-570	-547	4.2%
Adjusted EBIT (1)	**-1,276**	**-2,091**	**-39.0%**
windeln.de adjusted EBIT contribution	1,703	135	1161.5%
windelbar.de adjusted EBIT contribution	-773	-374	106.7%
windeln.ch adjusted EBIT contribution	-534	-512	4.3%

The growth of the Group has been stable across all segments. In the first quarter of 2015, the segment windeln.de achieved a growth in revenues of 83.6%, the segment windelbar.de grew 114.7% in revenues and the segment windeln.ch showed a growth in revenues of 96.9% - compared to prior-year-period.

For assessing the operational achievements of the segments, the company also considers EBIT as well as EBIT margin before expenses with respect to share-based payments, transaction costs as well as IPO-related expenses. The calculated KPIs are considered as adjusted EBIT and adjusted EBIT-margin.

All three segments contributed to the positive development of the adjusted EBIT – though windeln.de and windeln.ch had the biggest contribution. In the first quarter of 2015, windeln.de was able to achieve an adjusted EBIT margin of 5.5% compared to 0.8% in prior-year-period. windeln.ch was able to improve adjusted EBIT margin from -72.2% to -38.1%.

Earnings position of the geographic regions

In KEUR	Q1 2015	Q1 2014	Change
Revenues	**35,649**	**19,083**	**86.8%**
DACH	15,443	8,052	91.8%
China	19,578	10,636	84.1%
Other/rest of Europe	628	395	59.0%

The growth of the Group has been stable across all geographic regions. In the first quarter of 2015, the Dach region achieved a growth in revenues of 91.8%, the China region grew 84.1% in revenues and the region “other/rest of Europe” showed a growth in revenues of 59.0% - compared to prior-year-period.

2.2.5 Financial position

In kEUR	Q1 2015	Q1 2014
Cash flow from operating activities	**1,202**	**-2,237**
Cash flow from investing activities	**-585**	**-210**
Cash flow from financing activities	**-1,382**	**9,183**
Cash and cash equivalents at the beginning of the period	33,830	267
Net increase/decrease in cash and cash equivalents	-765	6,736
Cash and cash equivalents at the end of the period	**33,065**	**7,003**

windeln.de generated a positive cash flow from operating activities of EUR 1,202k in the first quarter of 2015. The positive development compared to prior-year-period is primarily attributable – among other things – to an increase of current liabilities.

Cash flow from investing activities increased to EUR -585k in the first quarter of 2015 (prior-year-period: EUR -210k). The cash outflow results from increasing investments into the web-shop. This is in line with the increase of intangible assets.

Cash flow from financing activities was negative with EUR -1,382k in the first quarter of 2015. This is mainly due to repayments of overdraft facilities. In the first quarter of 2014, cash flow from financing activities was positive due to a financing round (EUR 9,183k).

The equity ratio has increased from 61% as of December 31, 2014 to 69% as of March 31, 2015. The development has two opposite effects: On the one hand, liabilities from issued stock options – caused by modifications of the program during the first quarter of 2015 – are being recognized in the share premium as of March 31, 2015 (EUR

9,220k). On the other hand, the negative financial result from the first quarter of 2015 in the amount of EUR -5,128k was recognized in the company's equity.

In the first quarter of 2015 the group entered into two credit facility agreements in order to assure the financing scope beyond equity financing.

On March 18, 2015, windeln.de AG entered into a secured borrowing base credit framework agreement with Commerzbank in the amount of EUR 5m. The Borrowing Base Credit Agreement is secured, in particular, by inventory and assignment of receivables (Globalzession). It also provides customary covenants, for example, that the Company must ensure a certain liquidity ratio. The Borrowing Base Credit Agreement terminates on March 18, 2016.

On March 20, 2015, windeln.de AG entered into a secured revolving credit facility agreement with Deutsche Bank in the amount of EUR 5m. The Revolving Credit Facility was entered into for an indefinite term and is secured by inventory and assignment of receivables (Globalzession).
As of March 31, 2015 none of these credits was drawn.

2.2.6 Net asset position

The group's net assets are summarized in the following condensed statement of financial position:

In kEUR	31.03.15	As % of total	31.12.14	As % of total		Change
Non-current assets	4,915	8.8%	4,523	7.9%	392	8.7%
Current assets	50,951	91.2%	52,521	92.1%	-1,570	-3.0%
Total assets	**55,866**	**100.0%**	**57,044**	**100.0%**	**-1178**	**-2.1%**

In kEUR	31.03.15	As % of total	31.12.14	As % of total		Change
Equity	38,707	69.3%	34,621	60.7%	4,086	11.8%
Non-current liabilities	517	0.9%	6,813	11.9%	-6,296	-92.4%
Current liabilities	16,642	29.8%	15,610	27.4%	1,032	6.6%
Total equity and liabilities	**55,866**	**100.0%**	**57,044**	**100.0%**	**-1178**	**-2.1%**

As of March 31, 2015, non-current assets increased to EUR 4,915k in total (December 31, 2014: EUR 4,523k). The increase is primarily attributable to additionally capitalized development costs for the online shops, which exceed the amortization in the same period.

Current assets aggregated to EUR 50,951k on March 31, 2015 in comparison to EUR 52,521k on December 31, 2014 and have therefore slightly decreased by 3%.
As of March 31, 2015 equity amounted to EUR 38,707k and exceeded the level of December 31, 2014 (EUR 34,621k) - please see explanations in financial position.

On March 31, 2015 non-current liabilities had decreased by EUR 6,296k in comparison to December 31, 2014. This mainly resulted from the modification of the previous share-based payment arrangements which caused the change to equity-settled. As of December 31, 2014, the obligations were recognized as cash-settled share based payments under non-current liabilities (EUR 6,349k). In the first quarter of 2015 these obligations were reclassified into share premium. As of March 31, 2015, equity settled share-based payments in the amount of EUR 9,220k are recognized in share premium.
Current liabilities increased from EUR 15,610k to EUR 16,642k in the first quarter of 2015, which is attributable to increasing liabilities in connection with higher legal and consulting costs related to the preparation of the IPO. An

opposing effect is that as of March 31, 2015 the group has not drawn any overdraft facility (December 31, 2014: EUR 1,505k).

Total equity and liabilities amounted to EUR 55,866k as of March 31, 2015 and were therefore slightly lower than on December 31, 2014 (EUR 57,044k).

Overall statement

Overall the first quarter of 2015 has been positive for the windeln.de group as revenues grew strongly and the adjusted EBIT margin improved significantly.

2.2.7 Employees

The number of employees grew from 359 as of December 31, 2014, to 398 as of March 31, 2015. This increase is mainly related to additional personal hired as well in the administrative area as also in IT.

2.3 Subsequent Events

2.3.1 Changes in the company and group structure

windeln.de GmbH, the parent company of the windeln.de Group changed its legal form from a German limited liability company (GmbH) to a German stock corporation (AG). The change in legal form and name was registered with the commercial register at the local court of Munich on April 16, 2015.

2.3.2 IPO

Since 6 May 2015 windeln.de shares have been traded on the regulated market (Prime Standard) of the Frankfurt stock exchange.

The offering related to the sale of 11,404,899 ordinary bearer shares of the Company with no-par value (Stückaktien), each such share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2015, consisting of 5,400,000 newly issued ordinary bearer shares with no-par value (Stückaktien) from the IPO capital increase, 4,517,304 ordinary bearer shares with no-par value (Stückaktien) from the holdings of the Selling Shareholders and 1,487,595 ordinary bearer shares with no-par value (Stückaktien) in connection with a potential over-allotment.
The period during which investors could submit purchase orders for the Offer Shares in the price range from EUR 16.50 to EUR 20.50 began on 23 April 2015 and ended on 6 May 2015. The extraordinarily high demand from investors significantly exceeded the number of shares offered for purchase. The Company set the offer price at EUR 18.50 on 5 May 2014.

windeln.de generated cash flow of EUR 96,6 million in the course of the IPO, after deducting the base fee withheld by banks and not considering the proceeds from the preferential allocation programm for employees (see below). The Greenshoe option granted by the underwriters, which can be utilized until 5 June 2015, has not been exercised.
In connection with the IPO, windeln.de set up a preferential allocation program for the benefit of all employees of

the Group to allow them to participate even more in the development of it's business. Employees had the opportunity to acquire shares free of charge, at a discount price and shares at full price with a guaranteed allocation. The preferential allocation program was very well received, 270 employees participated.

2.3.3 Acquisition of Feedo Sp. z o.o.

On 17 April 2015, the Company entered into an acquisition agreement regarding the acquisition of Feedo Sp. z o.o. with its online shops "www.feedo.cz", "www.feedo.sk", "www.feedo.pl". Feedo Sp. z o.o. is a fast growing pure-play online retailer focusing on baby and toddler products. Based in Poland, it targets customers located in Poland, the Czech Republic and Slovakia. In its financial year ended December 31, 2014, Feedo Sp. z o.o. had generated consolidated revenues of approximately EUR 6 million almost all of which were generated from Czech customers. The aggregate purchase price amounts to approximately EUR 11 million plus an additional purchase price which is subject to the business with customers in the Czech Republic, Slovakia and Poland reaching certain revenue targets for the years until 2017. The closing of the acquisition is dependent on conditions, that to date are not yet all fulfilled.

2.3.4 Formation of a further Group company

As of April 24, 2015 windeln.de AG has established pannolini.it S.r.l. as a 100 % subsidiary. The as a service company, the company will render intercompany services in connection with the access to the Italian market.

2.3.5 Liquidation of Urban-Brand Schweiz GmbH

In April 2015 it was decided to dissolve Urban-Brand Schweiz GmbH with registered office in Männedorf, Switzerland. The company does not carry out any business activities anymore as all activities are carried out through windeln.ch AG with registered office in Uster, Switzerland. There are no material impacts on the net asset, financial and income position of the group due to the liquidation.

2.3.6 Credit Line

On April 9, 2015, windeln.de AG entered into a secured credit framework agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank in the amount of EUR 4m. The Credit Framework Agreement is secured by inventory and assignment of receivables (Globalzession) and provides for customary covenants, for example that the Company must ensure a certain monthly liquidity ratio. The agreement terminates on March 31, 2016.

2.4 Risks

2.4.1 Strategic risks

Negative developments in general economic conditions could adversely impact consumer spending for some of the group's product categories. The future success of windeln.de further depends on the continued growth of e-commerce in general and the flash sales model in particular.

The group is subject to intense competition that presents a constant threat to the success of our business. Failure to provide the customers with an attractive online shopping experience could limit growth and prevent the group from achieving or maintaining profitability.

The plan to expand it's business internationally will expose us to a variety of different local legal, regulatory, tax and cultural standards which we might fail to comply with. The company aims to counter this risk by the necessary legal consultation.

In order to expand the offering across Europe and into new product categories, windeln.de expects to pursue acquisitions of other companies, businesses or assets, any of which could result in significant additional expenses, fail to achieve anticipated benefits, or fail to be properly integrated.

The group is heavily dependent on the sales of baby food products to customers in the People's Republic of China. If the business environment should change, this could have a negative effect on the results of operations and net assets of the group.

Future success will depend on the ability of windeln.de to cross-sell new and higher-margin products to its customers.

2.4.2 Operative risks

The group is dependent on a limited number of suppliers of baby nutrition and diapers and there is a risk that the suppliers could discontinue selling to windeln.de on financially viable terms, fail to supply it with high-quality and compliant merchandise, or fail to comply with applicable laws or regulations. By maintaining close cooperation with suppliers and through on-going quality control of the goods the group aims to minimize this risk.

Any failure to operate, maintain, integrate and scale network and mobile infrastructure and other technology could have a material adverse effect on the group's business, financial condition and results of operations. A failure to adopt and apply technological advances in a timely manner could limit growth and prevent from achieving or maintaining profitability.

windeln.de depends on key management and may be unable to attract suitably qualified personnel. Also there is the risk that executive managers leave the company and a suitable replacement can't be found in time. The group counters this risk by offering long-term remuneration models.

2.5 Opportunities

The online share in the market for baby, toddler and children products in Germany is relatively low compared to other product categories (i.e. consumers electronics; shoes, etc.), which offers potential for growth. Studies expect a yearly growth of the online market share of 12.1% in the years 2014 to 2017.[15]

The group has great potential to expand into other markets outside of Germany. In Europe the e-commerce market shows high growth rates as it does in Germany. In most European countries though the online share in the market for baby, toddler and children products is still significantly lower than in Germany and therefore offers additional growth potential.

The European markets are fragmented with no distinct market leader in most European countries, which provides the opportunity for consolidation. windeln.de AG was able to successfully integrate windeln.ch AG (formerly Kindertraum AG) after acquisition – one of the fastest growing online retailers for baby and children products in Switzerland in the first Quarter of 2014. The group plans to make further acquisitions in the future to leverage the advan-

15 See Fn 4: Euromonitor

tages of inorganic growth apart from organic growth.

In the view of windeln.de, further economies scale can be achieved for processes regarding infrastructure of logistics and technology going forward.

To most effectively address the needs of young families, the group aims to further widen its product assortment by adding new categories. With over 100.000 products from over 1000 brands windeln.de already offers its customers a wide and appealing selection of products for young families. By significantly increasing the share of products with higher margins in the past 3 years, windeln.de has shown that it is able to advance into product areas with higher margins.
The successful growth of the group relies on the expertise and motivation of its employees. windeln.de is dependent on the reinforcement of it's team and therefore makes the recruiting of new as well as the motivation of existing employees to a priority.

2.6 Outlook

The positive development in online retail will continue in the future. A market volume of EUR 43.6bn is forecasted for the total online retail in Germany in 2015 (EUR 39.0bn in 2014).[16] The total market for baby, toddler and kids products is expected to have a volume of EUR 4.3 bn. The online share set at 10.3 %, which relates to a volume of EUR 439.6 m in the market that is relevant for windeln.de.[17] Looking at countries outside of Germany, the market potential in e-commerce retail is even greater, as the online share is expected to be lower than in Germany.

The group aims to continue to organically grow its market share in the DACH region, expecting moderately lower growth rates than in the past in this region and other European countries for 2015, but aims to achieve growth rates in the medium term above expected growth rates for the baby consumables online market in Germany (26.7% CAGR over the period 2014 to 2017).[18] In our DACH region and other European countries, we aim to achieve this growth by increasing our customer base, the number of orders and the value of orders per customer.

Furthermore, the group intend to continue to selectively expand the scope of the business in terms of geography and product categories. To pursue the European expansion strategy and by using the proceeds of the Offering, the group intend to gradually raise the level of investment outside our DACH region, through targeted acquisitions of locally established businesses with a compelling market position and, or alternatively, through organic growth into such markets. The current focus countries for a potential future market expansion are Italy and Poland.

In China, the company intends to grow organically and aims to achieve approximately the same annual growth (in absolute EUR terms) in the medium term that was achieved in the fiscal year ended December 31, 2014. In all of these markets, the group continues to add new merchandise and expand our product offering to further increase relevance and attractiveness to customers and to increase the cross-selling efforts into higher-margin non-consumable products.

16 Handelsverband Deutschland: Entwicklung der E-Commerce-Umsätze in den vergangenen Jahren, November 2014.
17 See Fn 4: Euromonitor
18 See Fn 4: Euromonitor

In the medium term, we intend to further enhance profitability in particular by:

- focusing on reducing cost of sales as a percentage of revenues to a high 60s percent range through leveraging our strong partnerships with brands to negotiate more favourable purchasing terms, continuing to improve our pricing algorithm and continuing to cross-sell from consumable baby, toddler and children products into higher-margin non-consumable products for babies, toddlers, children and young mothers by further broadening our product offering;

- maintaining fulfilment costs low as a percentage of revenues at approximately previous year's levels through continuous efficiency improvements;

- keeping marketing costs as a percentage of revenues stable compared to 2014 levels, by focusing on increasing our share of wallet for our existing and returning customers and leveraging our strong brand name when acquiring new customers;

- implementing higher degrees of process optimization, scale effects and acquisition synergies with the aim to obtain Adjusted Other SG&A Expenses.

Strong revenue growth, as well as significant improvement of the adjusted EBIT margin in the first quarter of 2015 form a good basis for further business improvement over the year of 2015.

3. Consolidated interim financial statements

3.1 Consolidated statement of profit and loss and other comprehensive income from January 1 to March 31, 2015

in kEUR	Q1 2015	Q1 2014
Revenues	35,649	19,083
Cost of sales	-26,520	-14,636
Gross profit	**9.129**	**4.447**
Selling and distribution expenses	-8,979	-5,483
Administrative expenses	-5,451	-1,949
Other operating income	386	69
Other operating expenses	-263	-7
Earnings before interest and taxes (EBIT)	**-5,178**	**-2,923**
Financial income	2	2,316
Financial expenses	-11	-25
Financial result	**-9**	**2.291**
Earnings before taxes (EBT)	**-5,187**	**-632**
Income taxes	-195	-38
Profit or loss for the period	**-5,382**	**-670**
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Deferred taxes relating to items that will not be reclassified	-	-
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	254	10
Other comprehensive income, net of tax	**254**	**10**
TOTAL COMPREHENSIVE INCOME, net of tax	**-5,128**	**-660**
Basic earnings per share (in EUR)	-0,27	-0,03
Diluted earnings per share (in EUR)	-0,26	-0,03

3.2 Consolidated statement of financial position as of March 31, 2015

Assets

in kEUR	March 31, 2015	December 31, 2014
NON-CURRENT ASSETS		
Intangible assets	4,403	4,043
Fixed assets	512	480
Other financial assets	0	0
Total non-current assets	**4,915**	**4,523**
CURRENT ASSETS		
Inventories	10,821	10,754
Prepayments	241	285
Trade receivables	1,752	1,725
Other financial assets	3,442	3,939
Other non-financial assets	1,630	1,988
Cash and cash equivalents	33,065	33,830
Total current assets	**50,951**	**52,521**
TOTAL ASSETS	**55,866**	**57,044**

Equity and liabilities

in kEUR	31,03,15	31,12,14
EQUITY		
Issued capital	163	163
Share premium	78,124	68,911
Accumulated loss	-39,870	-34,488
Cumulated other comprehensive income	290	35
Total equity	**38,707**	**34,621**
NON-CURRENT LIABILITIES		
Defined benefit obligations and other accrued employee benefits	70	6,406
Financial liabilities	88	85
Deferred tax liabilities	359	322
Total non-current liabilities	**517**	**6,813**
CURRENT LIABILITIES		
Other Provisions	1,440	1,246
Financial liabilities	175	1,532
Trade payables	9,191	8,830
Deferred revenue	2,340	1,985
Income tax payables	6	5
Other financial liabilities	2,983	1,629
Other non-financial liabilities	507	383
Total current liabilities	**16,642**	**15,610**
TOTAL EQUITY AND LIABILITIES	**55,866**	**57,044**

3.3 Consolidated statement of changes in equity as of March 31, 2015

in kEUR	Issued capital	Share premium	Accumulated loss	Actuarial gains/losses from remeasurement of defined benefit pension plans	Exchange differences on translation of foreign operations	Other compre hensive income	Total Equity
As at 1 January 2015	**163**	**68,911**	**-34,488**	**10**	**25**	**35**	**34,621**
Total comprehensive income for the period	-	-	-5,382	-	254	254	-5,128
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-7	-	-	-	-	-7
Share-based payments	-	9,220	-	-	-	-	9,220
As at 31 March 2015	**163**	**78,124**	**-39,870**	**10**	**279**	**290**	**38,707**
As at 1 January 2014	**124**	**27,587**	**-24,661**	**-1**	**-8**	**-9**	**3.041**
Total comprehensive income for the period	-	-	-670	-	10	10	-660
Issue of share capital	14	11,136	-	-	-	-	11,150
Transaction costs	-	-21	-	-	-	-	-21
Share-based payments	-	-	-	-	-	-	-
As at 31 December 2014	**138**	**38,702**	**-25,331**	**-1**	**2**	**1**	**13,510**

3.4 Consolidated statement of cash flows from Januar 1 to March 31, 2015

in kEUR	Q1 2015	Q1 2014
Profit or loss for the period	-5,382	-670
Amortisation /write-up of intangible assets	163	135
Depreciation /write-up of fixed assets	48	44
Increase /decrease in other current provisions	194	26
Non-cash expenses /income from employee benefits	2,884	832
Other non-cash expenses /income items	48	5
Increase /decrease in inventories	-67	-1,774
Increase /decrease in prepayments	44	-14
Increase /decrease in trade receivables	-27	-531
Increase /decrease in other assets	908	-2,034
Increase /decrease in trade payables	356	1,125
Increase /decrease in deferred revenue	355	115
Increase /decrease in other liabilities	1,478	441
Interest expenses / income	5	25
Income tax expenses /income	195	38
Net cash flows from / used in operating activities	**1,202**	**-2,237**
Purchase of intangible assets	-494	-172
Purchase of fixed assets	-92	-38
Interest received	1	0
Net cash flows from / used in investing activities	**-585**	**-210**
Proceeds from issue of shares	-	11,150
Transaction cost on issue of shares	-10	-32
Repayment of finance-lease liabilities	-7	-4
Proceeds from financial liabilities	146	-
Repayment of financial liabilities	-1,505	-1,906
Interest paid	-6	-25
Net cash flows from / used in financing activities	**-1,382**	**9,183**
Cash and cash equivalents at the beginning of the period	33,830	267
Net increase/decrease in cash and cash equivalents	-765	6,736
Cash and cash equivalents at the end of the period	**33,065**	**7,003**

3.5 Condensed Notes to the Interim Consolidated Financial Statements as of March, 31 2015

3.5.1 General information

windeln.de GmbH is the parent company of the windeln.de Group and has been converted into windeln.de AG as from April 16, 2015.

The condensed and unaudited interim consolidated financial statements as of March 31, 2015 were released for publication by resolution of the management board on May 21, 2015.

3.5.2 Accounting principles

The condensed interim consolidated financial statements as of March 31, 2015 were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union (EU). These interim consolidated financial statements conform with IAS 34 “Interim Financial Reporting”.

The condensed interim consolidated financial statements do not include all information and disclosures required for consolidated financial statements as of year-end and must therefore be read in conjunction with the consolidated financial statements for the year ending December 31, 2014.

The same accounting and measurement principles were applied as in the consolidated financial statements for the financial year ending December 31, 2014. Exceptions are related to new respectively revised accounting standards applicable as of financial year 2015. For this we refer to section 4.2 “New IASB Accounting Principles”. IFRS standards respectively revised standards applicable for the first time in this reporting period have no effects on the net asset, financial and income position of the windeln.de Group.

3.5.3 Scope of consolidation

The Group’s scope of full consolidation as of March 31, 2015 has been unchanged compared to December 31, 2014. The same consolidation methods applied in the consolidated financial statements for the year ending December 31, 2014 were applied.

3.5.4 Notes to the consolidated statement of financial position and to the consolidated statement of profit and loss

Equity

The issued capital of the parent company amount to EUR 162,557 (December 31, 2014: EUR 162,557). It has been paid in full. In total, the company has issued 162,557 shares with a nominal value of EUR 1.
As of March 31, 2015 the share premium amount to EUR 78,124 (December 31, 2014: EUR 68,911). The increase of the share premium mainly resulted from the modification of the previous virtual stock option program, compare section 4.2. The share premium is composed as follows:

In kEUR	March 31, 2015	December 31, 2014
Premium from financing rounds	69,906	67,906
Transaction costs of the financing rounds	-436	-429
Share-based payments	10,654	1,434
Total	**78,124**	**69,911**

The accumulated loss is the result of losses carried forward from the previous reporting period as well as from the result of the current reporting period.
In detail, the development of equity is presented in the consolidated statement of changes in equity.

Earnings per share

Undiluted earnings per share are calculated as a quotient from consolidated earnings for the period to be allocated to the shareholders of the parent company and the weighted average of issued shares during the reporting period. In line with IAS 33.26, the weighted average of issued shares during the reporting period is adjusted by 19,831,954 newly issued shares in April 2015, as the increase of the shares happened without a corresponding change in resources. The consolidated net result for the first three months of 2015 was kEUR -5,382 (Q1 2014: kEUR -670). The average number of shares in the first three months of 2015 was, under consideration of the capital increase in April 2015, 19,994,511 (Q1 2014, under consideration of the capital increase in April 2015: 19,961,990). This results in undiluted earnings per share of EUR -0.27 (Q1 2014: EUR -0.03).

Diluted earnings per share are calculated by dividing the consolidated earnings for the period to be allocated to the shareholders of the parent company by the weighted average quantity of issued shares in circulation during the reporting period and the newly issued shares in April 2015 plus the shares equivalents leading to the dilution. This results in notional earnings of EUR 0.26 per share (Q1 2014: EUR 0.03).

Share-based payments

In the first quarter 2015 the existing share-based payment agreements with nine current and former employees of the Group were modified due to the potential future IPO. The modified agreements are now treated as equity settled share-based payment arrangements according to IFRS 2. The incremental fair value of all modified options amounts to EUR 15,064 (EUR 0.02 per option) as of the modification date. The fair value of the modified options is determined by Monte Carlo Simulation. Market input parameters are estimated in the same way before and after modification.
In addition to the share-based payment agreements which already existed as of December 31, 2014, further eight share-based payment arrangements were conducted with employees of the Group in the first quarter 2015. These are treated in line with the existing modified agreements as equity settled share-based payment arrangements.
In the first quarter 2015 the expenses recorded for share-based payments amount to kEUR 2,871 (fist quarter 2014: TEUR 832).
As of December 31, 2014 the carrying value of the liability from cash settled share-based payments amounts to kEUR 6,349 (March 31, 2015: -). The obligation has been recorded as non-current liability.
As of March 31, 2015 an amount of kEUR 9,220 has been recorded for equity settled share-based payments in share premium (December 31, 2014: -).

The stock options developed as follows:

Outstanding at the beginning of the reporting period (January 1, 2015)	825,268
Expired during the reporting period	0
Exercised during the reporting period	0
Granted during the reporting period	55,188
Outstanding at the end of the reporting period (March 31, 2015)	880,456

* This presentation considers the number of the options after modification.

The following input parameters were used in the Monte Carlo Simulation:

	31.03.2015
Expected volatility (%)	37.46% - 40.80%
Risk free interest rate (%)	0,00%
Expected dividend yield (%)	0,00%
Anticipated maturity of the options (years)	0,25 – 4
Average market rate of the share (in EUR)	13,25

Financial liabilities

Loan Agreement with Commerzbank

On March 18, 2015, the windeln.de AG entered into a secured borrowing base credit framework agreement with Commerzbank in the amount of EUR 5m. The Borrowing Base Credit Agreement is secured, in particular, by inventory and assignment of receivables (Globalzession). It also provides customary covenants, for example, that the Company must ensure a certain liquidity ratio. The Borrowing Base Credit Agreement terminates on March 18, 2016.

Loan Agreement with Deutsche Bank

On March 20, 2015, windeln.de AG entered into a secured revolving credit facility agreement with Deutsche Bank in the amount of EUR 5m. The Revolving Credit Facility was entered into for an indefinite term and is secured by inventory and assignment of receivables (Globalzession).
As of March 31, 2015 none of these credits was drawn.

Disclosures on fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1: Quoted unadjusted market prices in active markets for identical assets or liabilities;
- Level 2: directly or indirectly observable input factors, which are not categorised in level 1;
- Level 3: Unobservable input factors.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
If a financial instrument is to be classified as Level 3, the management board decides which valuation process will be used. In order to help in the decision-making process, the in-house valuation department present various alternatives to the management board. After having selected a valuation process, this will be used continuously with regards to this financial instrument. The fair value will be measured at least quarterly.
The following table shows the assets and liabilities measured at fair value as of March, 31, 2015:

kEUR	Level 1	Level 2	Level 3
Assets measured at fair value			
Contingent consideration	-	-	2,209
Liabilities for which fair values are disclosed			
Obligation under finance lease	-	117	-

The following table shows the assets and liabilities measured at fair value as of December 31, 2014:

kEUR	Level 1	Level 2	Level 3
Assets measured at fair value			
Contingent consideration	-	-	2,211
Liabilities for which fair values are disclosed			
Obligation under finance lease	-	112	-

There were no reclassifications between the different levels during the reporting period. If circumstances arise which require a change in classification, the affected financial instruments will be reclassified quarterly.

Contingent consideration

As part of the purchase agreement which was closed with the previous owners of windeln.ch AG, a conditional consideration component was agreed upon. According to this, a return of up to 2,784 shares to the Group by the former owners may become necessary under certain conditions. The fair value of the contingent consideration is measured on a quarterly basis. The valuation approach used for this estimation is described in detail in the notes to the consolidated financial statements as of December 31, 2014 in section 7 “Group information and business combinations” and was applied consistently during the reporting period. This financial instrument is classified as Level 3, since future estimated revenues and EBITDA values are used in the calculation of the fair value. As of March 31, 2015 cumulated revenues of kEUR 11,473 (December 31, 2014: kEUR 11,600) and a cumulated EBITDA under kEUR -1,575 (December 31, 2014: kEUR -1.575) is expected for the relevant business sector and the relevant time span.
As of March 31, 2015, the fair value of the contingent consideration amounted to kEUR 2,209 compared to kEUR 2,211 as of December 31, 2014.

Changes to the fair value are recognized in financial income or financial expenses in profit or loss. In Q1 2015, due to changes in the fair value of the financial instrument, financial expenses are recorded in the amount of kEUR 2 (Q1

2014: financial income in the amount of kEUR 2,316).
With regards to future revenues and EBITDA for the business sector, statistical models were used for these calculations. The actual development of the revenues and EBITDA may deviate from the assumptions made. A deviation would lead to a lower (return of 0 shares) or higher (return of maximum 2,784 shares) reimbursement.

Obligations under finance lease

Leased assets, which can be considered as acquired assets with long-term financing, were classified in line with IAS 17 as finance lease arrangements.

The corresponding assets are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding finance lease liability is recognized in the statement of financial position as financial liability and classified as Level 2.

Additional disclosures on financial instruments

The following table shows carrying amounts and fair values of all financial instruments recorded in the consolidated financial statements and how the assets and liabilities or parts of the totals of each category are classified into the valuation categories according to IAS 39 respectively the valuation according to IAS 17:

kEUR	Category acc. to IAS 39	Carrying amount March 31, 2015	Measurement according to IAS 39: At cost	Measurement according to IAS 39: Fair value (through equity)	Measurement according to IAS 39: Fair value (through p&l)	Measurement acc. to IAS 17	Fair value March 31, 2015
Financial assets							
Other non-current financial assets	afs	0	0	-	-	-	**0**
Trade receivables	LaR	1,752	1,752	-	-	-	**1,752**
Other current financial assets	LaR / afs / hft	3,442	1,233	-	2,209	-	**3,442**
Cash and cash equivalents	LaR	33,065	33,065	-	-	-	**33,065**
Financial liabilities							
Non-current finance-lease liabilities	n.a.	88	-	-	-	88	**88**
Trade payables	FLAC	9,191	9,191	-	-	-	**9,191**
Current financial liabilities	FLAC	146	146	-	-	-	**146**
Current finance-lease liabilities	n.a.	29	-	-	-	29	**29**
Other current financial liabilities	FLAC	2,983	2,983	-	-	-	**2,983**
Totals per category acc. to IAS 39							
Available for sale (afs)	afs	4	4	-	-	-	**4**
Financial asset held for trading (hft)	hft	2,209	-	-	2,209	-	**2,209**
Loans and receivables (LaR)	LaR	36,046	34,046	-	-	-	**34,046**
Financial liabilities measured at amortised cost (FLAC)	FLAC	12,320	12,320	-	-	-	**12,320**

kEUR	Category acc. to IAS 39	Carrying amount Dec 31, 2014	Measurement according to IAS 39			Measurement acc. to IAS 17	Fair Value Dec 31, 2014
			At cost	Fair value (through equity)	Fair value (through p&l)		
Financial assets							
Other non-current financial assets	afs	0	0	-	-	-	0
Trade receivables	LaR	1,725	1,725	-	-	-	1,725
Other current financial assets	LaR / afs / hft	3,939	1,728	-	2,211	-	3,939
Cash and cash equivalents	LaR	33,830	33,830	-	-	-	33,830
Financial liabilities							
Non-current finance-lease liabilities	n.a.	85	-	-	-	85	85
Trade payables	FLAC	8,830	8,830	-	-	-	8,830
Current financial liabilities	FLAC	1,532	1,532	-	-	-	1,532
Current finance-lease liabilities	n.a.	26	-	-	-	26	26
Other current financial liabilities	FLAC	1,629	1,629	-	-	-	1,629
Totals per category acc. to IAS 39							
Available for sale (afs)	afs	4	4	-	-	-	4
Financial asset held for trading (hft)	hft	2,211	-	-	2,211	-	2,211
Loans and receivables (LaR)	LaR	37,279	37,279	-	-	-	37,279
Financial liabilities measured at amortised cost (FLAC)	FLAC	11,991	11,991	-	-	-	11,991

Due to the short maturity of the cash and cash equivalents, trade receivables and trade payables as well as other current financial assets and other current financial liabilities, it is assumed for these items, that the fair values correspond with the carrying amounts.

In other non-current financial assets, the investment in Urban-Brand Management Ltd. is included with a value of EUR 1 (December 31, 2014: EUR 1). In other non-current financial assets, members' shares in a cooperative in the amount of kEUR 4 are included (December 2014: kEUR 4). Both financial assets are classified as "available for sale". As in regards to the valuation, an active market or traded price cannot be omitted nor can the fair value be reliably measured, both assets are measured "at cost".

The fair values of the current financial liabilities correspond with their carrying amounts, since the contractually agreed interest rates do not deviate significantly from the market-standard interest rates.
Classifications remained unchanged during the reporting period.

5. Segment reporting

For management purposes the windeln.de Group is organized into business units based on its different online-shops and, in line with the rules of IFRS 8, has three reportable business segments, as follows:

- The business segment "windeln.de" operates the online-shop windeln.de.
- The business segment "windelbar" operates the online-shop windelbar.de, which offers its services as part of a free subscription to an online shopping club.
- The business segment "windeln.ch" operates the online-shops windeln.ch, kindertraum.ch and toys.ch.

The management board monitors revenues and adjusted operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Financial result, income taxes, rental expenses related to office buildings and depreciation and amortization are managed on a Group basis and are not allocated to operating segments. The performance measure "EBIT contribution" per business segment consists of gross profit less allocated selling, distribution and administrative expenses as well as the proportional other operating income and expenses. The business departments Human Resources, IT, Finance as well as the management team render services to the group (shared services). These expenses are not managed on individual business segments and are disclosed in the position "Corporate".

There are no intersegment transactions in the internal reporting structure. There is no information available on segment assets or liabilities.

The Group's operating business is not subject to any material seasonal deviations.

The segments developed as follows in the first quarter:

In kEUR			Q1 2015		
	windeln.de	windelbar	windeln.ch	Other/Elim.	Total
Revenues	**30,698**	**3,549**	**1,402**	**0**	**35,649**
EBIT contribution	**1,417**	**-786**	**-570**	**-184**	**-123**
Adjustment VSOP	*286*	*13*	*36*		*335*
adjusted EBIT contribution	**1,703**	**-773**	**-534**	**-184**	**212**
in%	*5,5%*	*-21.8%*	*-38.1%*		*0.6%*
Corporate					-5,055
Earnings before interest and taxes (EBIT)					**-5,178**
Financial result					-9
Income taxes					-195
Profit or loss for the period					**-5,382**

In kEUR			Q1 2014		
	windeln.de	windelbar	windeln.ch	Other/Elim.	Total
Revenues	**16,721**	**1,653**	**709**	**0**	**19,083**
EBIT contribution	**93**	**-412**	**-547**	**-255**	**-1,121**
Adjustment VSOP	*42*	*38*	*35*		*115*
adjusted EBIT contribution	**135**	**-374**	**-512**	**-255**	**-1,006**
in%	*0.81%*	*-22.6%*	*-72.2%*		*-5.3%*
Corporate					-1,802
Earnings before interest and taxes (EBIT)					**-2,923**
Financial result					2,291
Income taxes					-38
Profit or loss for the period					**-670**

6. Related Party Disclosures

There were no material changes with regards to transactions with related parties compared to the consolidated financial statements as of December 31, 2014.

A contingent consideration of kEUR 2,209 (December 31, 2014: kEUR 2,211) was granted to a member of the management team in connection with the acquisition of windeln.ch AG. In addition, in connection with this transaction, a prepayment for share-based payments was granted to a member of the management team. A current non-financial asset has been recorded in the amount of kEUR 538 as of March 31, 2015 (December 31, 2014: kEUR 717).

7. Subsequent events

Capital increases, conversion and authorized capital

With resolution as of March 25, 2015 a part of the capital reserve in the amount of EUR 19,831,954 was converted into share capital through the issuance of new shares with a nominal value of EUR1. The capital increase only became effective upon registration with the commercial register on April 16, 2015.

After the effectiveness of the capital increase, the share capital of the company in the amount of EUR 19,994,511 has become the share capital of the newly formed windeln.de AG. The share capital is divided into 19,994,511 ordinary bearer shares (shares with no-par value).

In addition, an authorized capital in the amount of EUR 9,997,255 has been created (Authorized Capital 2015). With resolution as of May 4, 2015 the share capital was increased by EUR 5,400,000 utilizing the Authorized Capital 2015. The capital increase became effective upon registration with the commercial register on May 5, 2015. After partial utilization, the Authorized Capital amount to EUR 4,597,255.

With resolution as of May 4, 2015 the Authorized Capital 2015 was increased to EUR 12,697,255. The registration with the commercial register took place on May 19, 2015.

Management board

The current management directors of windeln.de GmbH, Alexander Brand and Konstantin Urban, have been appointed as members of the management board of windeln.de AG. In addition, Dr. Nikolaus Weinberger has been appointed as a member of the management board.

Supervisory board

The following persons were appointed as members of the first supervisory board: of windeln.de AG: Dr. Christoph Braun, Fausto Boni, Nenad Marovac, David Reis, Francesco Rigamonti and Willi Schwerdtle. Willi Schwerdtle is the chairman oft he supervisory board.

As of April 21, 2015 there has been a change in the supervisory board. Fausto Boni has left the supervisory board and Dr. Edgar Carlos Lange has been appointed as member of the supervisory board.

Loan Agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank

On April 9, 2015, windeln.de AG entered into a secured credit framework agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank in the amount of EUR 4m. The Credit Framework Agreement is secured by inventory and assignment of receivables (Globalzession) and provides for customary covenants, for example that the Company must ensure a certain monthly liquidity ratio. The agreement terminates on March 31, 2016.

Initial Public Offering - IPO

Windeln.de shares have been traded on the regulated market (Prime Standard) of the Frankfurt stock exchange since May 6, 2015.
The listing was preceded by an offer for the sale of 11,404,899 no-par value ordinary bearer shares (shares with no-par value) with an imputed share in share capital of EUR 1 each. The offer comprised 5,400,000 new, no-par value ordinary bearer shares (shares with no-par value) from the IPO capital increase and 1,487,595 no par value bearer shares (shares with no-par value) in connection with a potential over-allotment.

Investors had the option to purchase shares from April 23, 2015 to May 5, 2015 in an offering range of EUR 16.50 to EUR 20.50. The extraordinary demand from investors significantly exceeded the number of shares offered for purchase. The company set the issue price share at EUR 18.50 on May 5, 2015.

In the course of the IPO, windeln.de generated a cash inflow of EUR 97.2m, after deducting the base fee withheld by banks. The Greenshoe option granted by the underwriters can be utilized until June 7, 2015.

Formation of a further Group company

As of April 24, 2015 windeln.de AG has established pannolini.it S.r.l. as a 100 % subsidiary. The as a service company, the company will render intercompany services in connection with the access to the Italian market.

Liquidation of Urban-Brand Schweiz GmbH

In April 2015 it was decided to dissolve Urban-Brand Schweiz GmbH with registered office in Männedorf, Switzerland. The company does not carry out any business activities anymore as all activities are carried out through windeln.ch AG with registered office in Uster, Switzerland. There are no material impacts on the net asset, financial and income position of the group due to the liquidation.

Acquisition agreement regarding the acquisition of Feedo Sp. z o.o

On April 17, 2015, windeln.de AG entered into an acquisition agreement regarding the acquisition of Feedo Sp. z o.o with its online retail shops “www.feedo.cz”, “www.feedo.sk” and “www.feedo.pl”. Feedo Sp. z o.o. is a fast growing pure-play online retailer focusing on baby and toddler products. Based in Poland, it targets customers located in Poland, the Czech Republic and Slovakia. In its financial year ended December 31, 2014, Feedo Sp. z o.o. had generated consolidated revenues of approximately EUR 6m almost all of which were generated from Czech customers.
Windeln.de AG agreed to pay an aggregate purchase price of approximately EUR 11m to be paid to the shareholders of Feedo Sp. z o.o., thereof approximately EUR 8m in cash and the remainder by issuing new shares out of the authorized capital 2015, and an additional purchase price which is subject to the business with customers in the Czech Republic, Slovakia and Poland reaching certain revenue targets for each year until 2017. If such revenues increase

each year until 2017 by a certain annual growth rate (equaling a total compound annual growth rate from 2014 to 2017 of approximately 100 %), the maximum additional purchase price would be payable. In that case, the total purchase price would imply a multiple of 2017 revenues of no more than approximately 0.6x.

The acquisition is subject to the closing condition that the Company receives a third-party opinion confirming the financial adequacy of the transaction, and customary closing conditions. As of the date of the interim consolidated financial statements, not all of the closing conditions were met.

Munich, May 21, 2015

Alexander Brand Konstantin Urban Dr. Nikolaus Weinberger

4. Service

4.1 Glossar

Site visits

We define Site Visits as the number of series of page requests from the same device and source in the measurement period and include visits to our online magazine. A visit is considered ended when no requests have been recorded in more than 30 minutes. The number of site visits depends on a number of factors including the availability of the products we offer, the level and effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics.

Mobile Visit Share

We define Mobile Visit Share (in % of Site Visits) as the number of visits via mobile devices (smartphones and tablets) to our mobile optimized websites divided by the total number of Site Visits in the measurement period. We have excluded visits to our online magazine and visits from China. We exclude visits from China because the most common online translation services on which most of our customers who order for delivery to China rely to translate our website content are not able to do so from their mobile devices, and therefore very few of such customers order from their mobile devices. Measured by Google Analytics.

Mobile Orders

We define Mobile Orders (in % of Number of Orders) as the number of orders via mobile devices to our mobile optimized websites divided by the total Number of Orders in the measurement period. We have excluded orders from China. Measured by Google Analytics.

Active Customers

We define Active Customers as the number of customers placing at least one order in the 12 months preceding the end of the measurement period, irrespective of returns.

Number of Orders

We define Number of Orders as the number of customer orders placed in the measurement period irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled. Every order which has been placed, but for which the products in the order have not been shipped (e.g., the products are not available or the customer cancels the order), is considered “cancelled”.

Average Orders per Active Customer

We define Average Orders per Active Customer as Number of Orders divided by the number of Active Customers in the measurement period.

Orders from Repeat Customers

We define Orders from Repeat Customers as the number of orders from customers who have placed at least one previous order, irrespective of returns.

Share of Repeat Customer Orders

We define Share of Repeat Customer Orders as the number of orders from Repeat Customers divided by the Number of Orders during the measurement period.

Gross Order Intake

We define Gross Order Intake as the aggregate Euro amount of customer orders placed in the measurement period minus cancellations. The Euro amount includes value added tax and excludes marketing rebates.

Average Order Value

We define Average Order Value as Gross Order Intake divided by the Number of Orders in the measurement period.
Returns (in % of Net Merchandise Value)
We define Returns (in % of Net Merchandise Value) as the Net Merchandise Value of items returned divided by Net Merchandise Value in the measurement period.

Marketing Cost Ratio

We define Marketing Cost Ratio as marketing costs divided by revenues for the measurement period. Marketing costs consist mainly of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for our marketing tools and allocated overhead costs, but not costs related to our loyalty program. Allocated overhead costs include rent and depreciation, but not costs of shared services.

Fulfillment Cost Ratio

We define Fulfillment Cost Ratio as fulfillment costs divided by revenues for the measurement period. Fulfillment costs consist of logistics and rental expenses.

Adjusted Other SG&A Expenses (in % of revenues)

We define Adjusted Other SG&A Expenses (in % of revenues) as Adjusted Other SG&A Expenses divided by revenues. We define Adjusted Other SG&A Expenses as selling and distribution expenses plus administrative expenses and other operating expense less other operating income, but excluding marketing and fulfillment costs, cash settled share-based compensation expenses resulting from virtual stock option programs (VSOP), transaction costs and IPO related expenses.

4.2 Finance calender

Publication of the first quarter results 2015:	28. May 2015
Publication of the second quarter results 2015:	27. August 2015
Annual analyst conference 2015	10. September 2015
Publication of the third quarter results 2015:	26. November 2015

4.3 Legal notice

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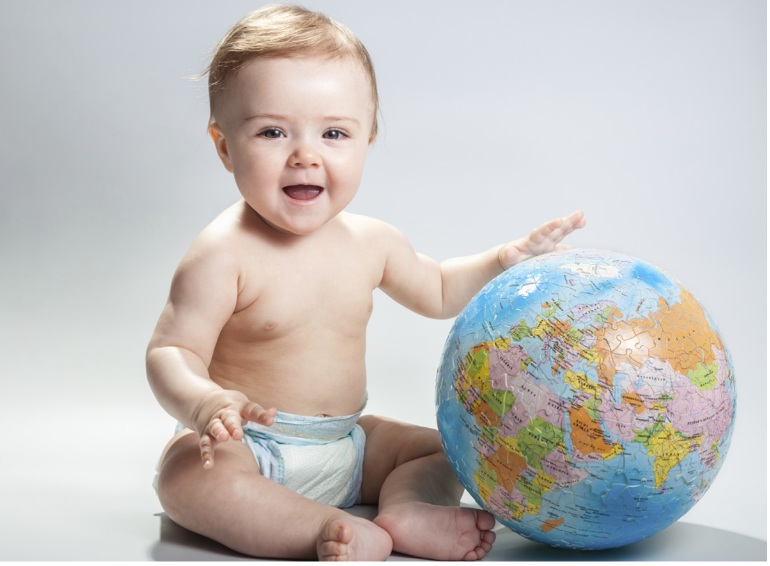
Statement relating to the future

This interim report contains statements that relate to the future and are based on assumptions and estimates made by the management of windeln.de AG. Even if the management is of the opinion that these assumptions and estimates are appropriate, the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry. windeln.de AG makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this interim report.

It is neither the intention of windeln.de AG nor does windeln.de AG accept a special obligation to update statements related to the future in order to align them with events or developments that take place after this report is published. The interim report is available in English. If there are variances, the German version has priority over the English translation. It's is available for download in both languages at https://corporate.windeln.de/



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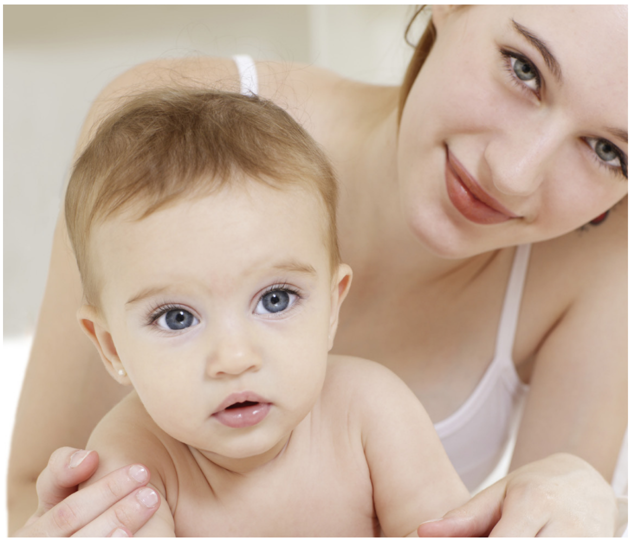
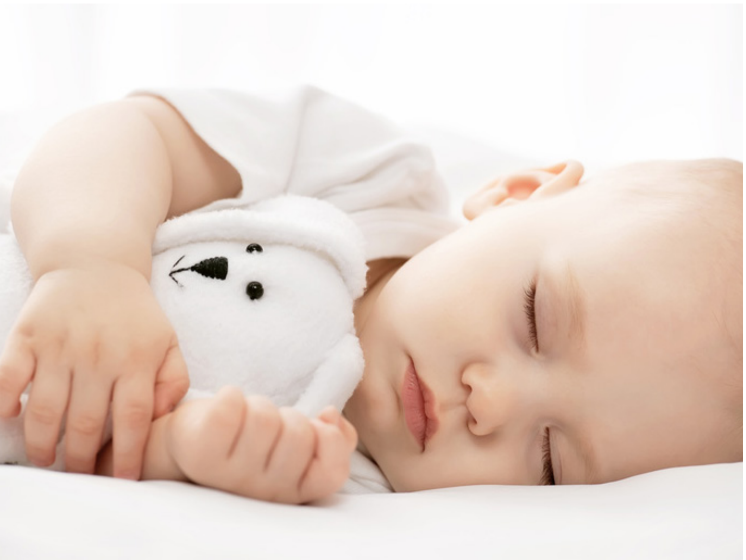
Everything for my baby





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