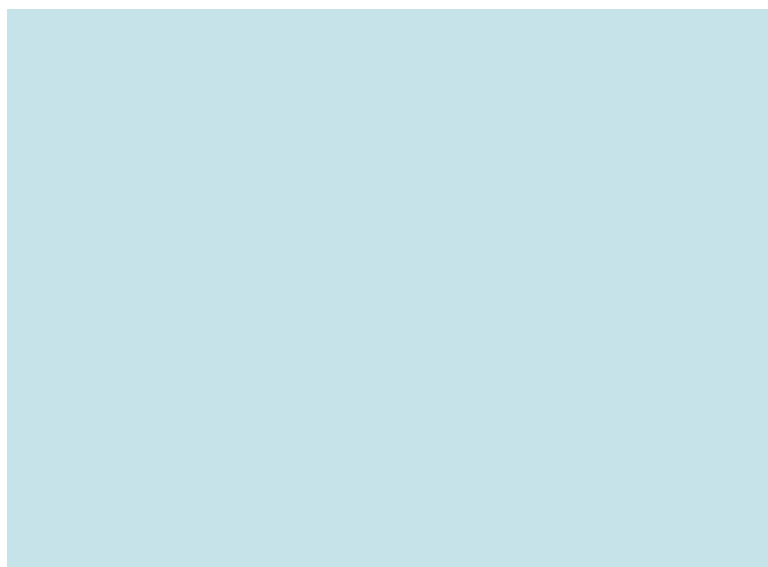
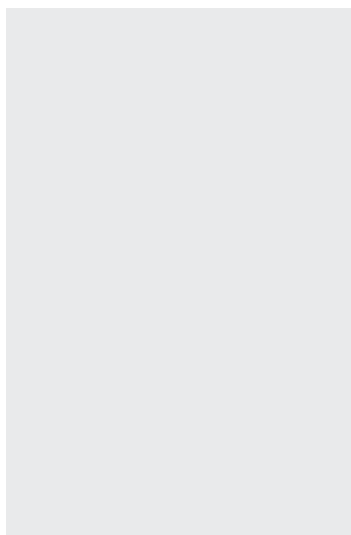


# QUARTERLY STATEMENT Q1 2016



## WINDELN.DE GROUP AT A GLANCE

Performance Indicators	Q1 2016	Q1 2015 R*	Change
Site Visits	27,477,596	14,298,837	92.2%
Mobile Visit Share (in % of Site Visits)	65.2%	65.5%	-0.3 pp
Mobile Orders (in % of Number of Orders)	47.4%	46.7%	0.7 pp
Active Customers	1,023,405	555,984	84.1%
Number of Orders	708,311	453,793	56.1%
Average Orders per Active Customer (in number of orders)	2.5	2.8	-9.3%
Share of Repeat Customer Orders (in % of Number of Orders)	80.1%	83.6%	-3.5 pp
Gross Order Intake (in EUR )	63,777,654	41,969,972	52.0%
Average Order Value (in EUR )	90.0	92.5	-2.7%
Marketing Cost Ratio (in % of revenues)	6.7%	5.0%	1.7 pp
Adjusted Fulfilment Cost Ratio (in % of revenues)	18.6%	10.5%	8.1 pp
Adjusted Other SG&A Expenses (in % of revenues)	18.1%	13.6%	4.5 pp
<b>Earnings Position</b>			
Revenues (in kEUR )	52,132	35,649	46.2%
Gross Profit (in kEUR )	14,926	9,129	63.5%
Gross Profit (as % of revenues)	28.6%	25.6%	3.0 pp
Operating Contribution (in kEUR)	1,756	3,581	-51.0%
Operating Contribution (as % of revenues)	3.4%	10.0%	-6.6 pp
Adjusted EBIT (in kEUR )	-7,694	-1,276	> 100%
Adjusted EBIT (as % of revenues)	-14.8%	-3.6%	-18.4 pp
<b>Net Asset and Financial Position</b>			
Cash flow from operating activities (in kEUR )	-9,033	1,202	< -100%
Cash flow from investing activities (in kEUR )	-896	-585	53.2%
Cash and cash equivalents at the end of the period (in kEUR)	78,730	33,065	> 100%
<b>Other</b>			
Basic earnings per share (in EUR)	-0.37	-0.31	19.4%
Diluted earnings per share (in EUR)	-0.37	-0.30	23.3%

\* In the comparative period Q1 2015 share based payments have been restated. For further information please refer to the Nine Months Report 2015.

## MATERIAL TRANSACTIONS IN Q1 2016

In connection with the acquisitions of the Feedo Group and Bebitus, equity-settled share-based payment awards were granted to members of the local management boards. From an economic perspective, the equity-settled share-based payment awards are part of the purchase price. In Q1 2016, personnel expenses of kEUR 1,916 were recognized within administrative expenses. Thereof, kEUR 594 relate to the Feedo Group, and kEUR 1,322 relate to Bebitus. The corresponding portion within share premium increased from kEUR 2,578 on December 31, 2015 to kEUR 4,446 on March 31, 2016. The non-financial asset relating to the prepayment incurred on the acquisition date was reduced by kEUR 48 in Q1 2016. As of March 31, 2016, the non-current portion amounts to kEUR 240, and the current portion amounts to kEUR 192.

The fair value of short-term employee benefits to local management, incurred in the acquisition of Bebitus, increased by kEUR 39 in Q1 2016 and is recognized as personnel expenses within administrative expenses. The liability thus amounts to kEUR 2,310 as of March 31, 2016 is recognized within other current non-financial liabilities.

As of March 31, 2016, fair values of the contingent considerations from the acquisitions of the Feedo Group and Bebitus amount to kEUR 6,813 (December 31, 2015: kEUR 6,856). The change relating to the Feedo Group of kEUR 50 was recognized within financial expenses, the change relating to Bebitus of kEUR 93 was recognized within financial income. For the acquisition of the Feedo Group, kEUR 2,362 is recognized within other current financial liabilities, and kEUR 1,027 is recognized within other non-current financial liabilities, as of March 31, 2016. For the acquisition of Bebitus, kEUR 2,236 is recognized within other current financial liabilities, and kEUR 1,188 is recognized within other non-current financial liabilities, as of March 31, 2016.

In January 2016, a review process of the issued seller guarantees was started, in the course of which windeln.de AG and two of the sellers of the Feedo Group agreed on a compensation payment in March 2016. As a result, windeln.de AG recognized other operating income in the amount of kEUR 1,050. In May 2016, windeln.de AG agreed with the other sellers of the Feedo Group on a compensation payment of kEUR 2,128 as well as on further changes to the contingent considerations (Earn Out).

In the end of 2015, stock options have been exercised. The registration of the corresponding capital increase for the issuance of new shares in the Commercial Register was completed in Q1 2016. As a result, issued capital increased by kEUR 537; and the share premium increased by kEUR 26 compared to December 31, 2015.

In Q1 2016, management decided to change the third-party warehouse supplier for Bebitus Retail S.L. in Spain. As a result of the warehouse move, expenses in the amount of kEUR 238 have been accrued.

In January 2016, management decided to scale down warehouse capacities in Switzerland so as to realize efficiency advantages from one central warehouse.

In January 2016, the secured borrowing base credit framework agreement with Commerzbank AG for kEUR 5,000 was extended by another year and therefore terminates on March 15, 2017.

In February 2016, the secured credit line agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank for kEUR 4,000 was extended by another year and therefore terminates on March 31, 2017.

By means of a Shareholders' Agreement effective January 11, 2016, windeln.de AG founded a new subsidiary Cunina GmbH. The subsidiary was founded in order to launch the Group's private label business. The company is a fully owned subsidiary of

windeln.de AG and is fully consolidated in the windeln.de Group financial statements. The entry in the Commercial Register took place on April 6, 2016.

## COMMENTS ON NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

As of March 31, 2016, the assets of the windeln.de Group decreased by kEUR 9,469 to kEUR 149,990 compared to December 31, 2015. The decline is substantially attributable to the decline in cash and cash equivalents as presented in the consolidated statement of cash flows.

In contrast, other current financial assets increased by kEUR 351 to kEUR 3,076. The increase results from a compensation claim in the amount of kEUR 1,050 against two of the sellers of the Feedo Group and is recognized in profit or loss in the first quarter 2016. This is contrasted by a decline in accrued advertising subsidies in the amount of kEUR 776.

In April 2016, windeln.de AG changed its ERP system. As of March 31, 2016, expenses for the ERP system of kEUR 1,075 were capitalized within intangible assets.

The liabilities of the windeln.de Group decreased by kEUR 2,569 to kEUR 42,012. This is substantially attributable to a decline in trade payables by kEUR 3,681. Because of the introduction of a new ERP system, the Group made early payments in March 2016 for payables due in April.

In addition, non-current financial liabilities in connection with contingent considerations in the amount of kEUR 1,163 have been reallocated to current financial liabilities in the first quarter 2016.

In the first quarter of 2016, the Group generated revenues of kEUR 52,132, representing an increase of 46% compared to the first quarter 2015 (kEUR 35,649).

Revenues increased in every region and in all three segments. In particular, the segment International Shops shows a strong growth due to the acquisitions carried out in 2015. As a result, the three shops of the Feedo Group (kEUR 4,369) and Bebitus (kEUR 5,109) took an important part in the revenue growth of the Group.

Compared to the first quarter of 2015, the margin (gross profit as percentage of sales) improved by 3 %. The positive development of the margin is in particular attributable to the increased sales of products with higher margin, improved purchasing conditions with suppliers as well as the introduction of direct delivery to China in the third quarter of 2015.

Compared to the first quarter 2015, selling and distribution expenses increased absolutely and also in comparison to gross profit. This can particularly be explained by the introduction of direct delivery to China. In addition, selling and distribution expenses as percentage of gross margin of subsidiaries acquired in the second half of 2015 are slightly higher compared to those of the German shops.

Compared to the first quarter 2015, administrative expenses decreased on an absolute basis as well relatively compared to gross profit. This can mainly be explained with disproportionately higher expenses for share based compensation in the first quarter of 2015 in connection with the modification of the share based payment program.

The increase of other operating income is attributable to a compensation claim in the amount of kEUR 1,050 against two sellers of the Feedo Group recognized in the first quarter of 2016.

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## ADJUSTED OUTLOOK

windeln.de Group expects not to reach the revenues and earnings forecasts for the financial year 2016. After record revenues in March, revenues with customers in China are below expectations in the beginning of the second quarter. Based on an updated forecast, the Management Board decided to adjust its outlook for the financial year 2016 on May 18, 2016.

windeln.de Group now expects an increase in revenues of approximately 30 % year over year and an adjusted EBIT margin between -10 % to -12 % in 2016. The gross margin is still expected to be at least 28 %.

On April 8, 2016, the Chinese government changed import and customs regulations for the delivery of goods to China. windeln.de's shipments to China are not affected except for a moderate increase in customs. The new regulations particularly aim at reducing uncontrolled shipments of goods to China by unauthorized traders by starting to tax them. As a result, the Management Board sees additional upside potential for its Chinese business in the medium-term. Among other initiatives windeln.de plans to exploit this by opening a "Tmall" shop in the second half of the year. Currently however, uncertainty and reluctance to purchase exist among Chinese customers as details of the revised regulation and its practical impact have not yet been clarified.

In addition to the initiatives for the Chinese business, the Management Board has initiated further measures to support the Group's growth and to further improve profitability:

- The change of the ERP system is the basis to improving operational performance and allows scalability. At this point, the implementation has largely been completed. As expected, the conversion temporarily has affected results in April and May.
- The integration of foreign subsidiaries is progressing as planned – especially in IT, marketing and purchasing. This will lead to significant synergies within the next 12 to 24 months at continued strong growth.

## REGIONAL AND SEGMENT RESULTS OF OPERATIONS

## REVENUES BY REGION

in kEUR	Q1 2016	Q1 2015 R*	Change
<b>Revenues</b>	<b>52,132</b>	<b>35,649</b>	<b>46.2%</b>
Germany, Austria, Switzerland (GSA)	19,225	15,443	24.5%
in % of total revenues	36.9%	43.3%	-6.4 pp
China	21,778	19,578	11.2%
in % of total revenues	41.8%	54.9%	-13.1 pp
Other/rest of Europe	11,129	628	> 100%
in % of total revenues	21.3%	1.8%	19.5 pp

## SEGMENT INFORMATION

in kEUR	Q1 2016	Q1 2015 R*	Change
<b>Revenues</b>	<b>52,132</b>	<b>35,649</b>	<b>46.2%</b>
German Shop	34,795	30,698	13.3%
International Shop	12,244	1,402	> 100%
Shopping Clubs	5,093	3,549	43.5%
<b>EBIT</b>	<b>-9,744</b>	<b>-6,283</b>	<b>55.1%</b>
German Shop contribution	-297	1,158	< -100%
International Shops Contribution	-5,214	-736	> 100%
Shopping Clubs Contribution	-1,230	-966	27.3%
Reconciling item to Group EBIT	-3,003	-5,739	-47.7%
<b>Adjusted EBIT</b>	<b>-7,694</b>	<b>-1,276</b>	<b>&gt; 100%</b>
German Shop contribution	-231	1,703	< -100%
in % of revenues	-0.7%	5.5%	-6.2 pp
International Shops contribution	-2,903	-534	> 100%
in % of revenues	-23.7%	-38.1%	14.4 pp
Shopping Clubs contribution	-1,226	-773	58.6%
in % of revenues	-24.1%	-21.8%	2.3 pp
Reconciling item to adjusted Group EBIT	-3,334	-1,672	99.4%

## ADJUSTED EBIT

in kEUR	Q1 2016	Q1 2015 R*
<b>Earnings before interest and taxes (EBIT)</b>	<b>-9,744</b>	<b>-6,283</b>
adjusted for costs in connection with the IPO	-	926
adjusted for costs of acquisition, integration and expansion	-585	105
adjusted for share-based compensation	2,322	3,976
thereof cost of sales	2	-
thereof selling and distribution expenses	-21	367
thereof administrative expenses	2,341	3,609
adjusted for costs of reorganization	248	-
adjusted for costs of restructuring under corporate law	65	-
<b>Adjusted EBIT</b>	<b>-7,694</b>	<b>-1,276</b>

\* In the comparative period Q1 2015 share based payments have been restated. For further information please refer to the Nine Months Report 2015.

## CONSOLIDATED INCOME STATEMENT AND OTHER COMPREHENSIVE INCOME

in kEUR	Q1 2016	Q1 2015 R*
Revenues	52,132	35,649
Cost of sales	-37,206	-26,520
<b>Gross profit</b>	<b>14,926</b>	<b>9,129</b>
Selling and distribution expenses	-19,772	-9,173
Administrative expenses	-5,986	-6,362
Other operating income	1,171	386
Other operating expenses	-83	-263
<b>Earnings before interest and taxes (EBIT)</b>	<b>-9,744</b>	<b>-6,283</b>
Financial income	110	2
Financial expenses	-61	-11
<b>Financial result</b>	<b>49</b>	<b>-9</b>
<b>Earnings before taxes (EBT)</b>	<b>-9,695</b>	<b>-6,292</b>
Income taxes	0	-195
<b>PROFIT OR LOSS FOR THE PERIOD</b>	<b>-9,695</b>	<b>-6,487</b>
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	28	254
<b>OTHER COMPREHENSIVE INCOME/LOSS, NET OF TAX</b>	<b>28</b>	<b>254</b>
<b>TOTAL COMPREHENSIVE INCOME, net of tax</b>	<b>-9,667</b>	<b>-6,233</b>
Basic earnings per share (in EUR)	-0.37	-0.31
Diluted earnings per share (in EUR)	-0.37	-0.30

\* In the comparative period Q1 2015 share based payments have been restated. For further information please refer to the Nine Months Report 2015.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>Assets</b>	<b>March 31,</b>	<b>December 31,</b>
<b>in kEUR</b>	<b>2016</b>	<b>2015</b>
<b>NON-CURRENT ASSETS</b>		
Intangible assets	32,748	32,428
Fixed assets	1,682	1,334
Other financial assets	151	33
Other non-financial assets	495	289
Deferred tax assets	2	2
<b>Total non-current assets</b>	<b>35,078</b>	<b>34,086</b>
<b>CURRENT ASSETS</b>		
Inventories	28,158	27,099
Prepayments	653	1,670
Trade receivables	1,361	2,469
Income tax receivables	5	5
Other financial assets	3,076	2,725
Other non-financial assets	2,929	2,727
Cash and cash equivalents	78,730	88,678
<b>Total current assets</b>	<b>114,912</b>	<b>125,373</b>
<b>TOTAL ASSETS</b>	<b>149,990</b>	<b>159,459</b>
<b>Equity and liabilities</b>		
<b>in kEUR</b>	<b>March 31,</b>	<b>December 31,</b>
	<b>2016</b>	<b>2015</b>
<b>EQUITY</b>		
Issued capital	26,283	25,746
Share premium	156,276	154,046
Accumulated loss	-74,587	-64,892
Cumulated other comprehensive income	6	-22
<b>Total equity</b>	<b>107,978</b>	<b>114,878</b>
<b>NON-CURRENT LIABILITIES</b>		
Defined benefit obligations and other accrued employee benefits	224	201
Other Provisions	152	221
Financial liabilities	147	73
Other financial liabilities	2,337	3,542
Deferred tax liabilities	6,167	6,171
<b>Total non-current liabilities</b>	<b>9,027</b>	<b>10,208</b>
<b>CURRENT LIABILITIES</b>		
Other provisions	2,322	2,221
Financial liabilities	42	41
Trade payables	14,456	18,137
Deferred revenue	4,797	4,352
Income tax payables	10	9
Other financial liabilities	7,926	6,028
Other non-financial liabilities	3,432	3,585
<b>Total current liabilities</b>	<b>32,985</b>	<b>34,373</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>149,990</b>	<b>159,459</b>



## CONSOLIDATED STATEMENT OF CASH FLOWS

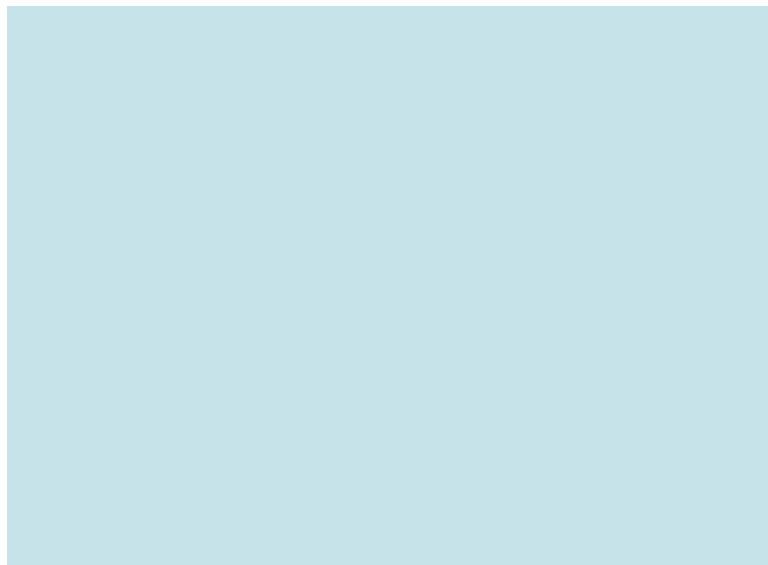
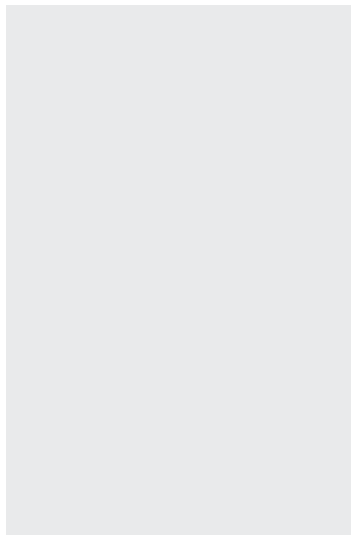
in kEUR	Q1 2016	Q1 2015 R*
Profit or loss for the period	-9,695	-6,487
Amortisation (+) / write-up (-) of intangible assets	201	163
Depreciation (+) / write-up (-) of fixed assets	136	48
Increase (+)/decrease (-) in other provisions	32	194
Non-cash expenses (+) from employee benefits	2,229	3,989
Other non-cash expenses (+) / income (-) items	-208	48
Increase (-) / decrease (+) in inventories	-1,061	-67
Increase (-) / decrease (+) in prepayments	1,018	44
Increase (-) / decrease (+) in trade receivables	1,302	-27
Increase (-) / decrease (+) in other assets	-772	908
Increase (-) / decrease (+) in restricted cash	-107	-
Increase (+) / decrease (-) in trade payables	-3,644	356
Increase (+) / decrease (-) in deferred revenue	445	355
Increase (+) / decrease (-) in other liabilities	1,106	1,478
Interest expenses (+) / income (-)	-10	5
Income tax expenses (+) / income (-)	-6	195
Income tax paid (-) / received (+)	1	-
<b>Net cash flows from / used in operating activities</b>	<b>-9,033</b>	<b>1,202</b>
Purchase (-) of intangible assets	-503	-494
Purchase (-) of fixed assets	-408	-92
Interest received (+)	15	1
<b>Net cash flows from / used in investing activities</b>	<b>-896</b>	<b>-585</b>
Transaction cost (-) on issue of shares	-	-10
Repayment (-) of finance-lease liabilities	-11	-7
Proceeds (+) from financial liabilities	-	146
Repayment (-) of financial liabilities	-3	-1,505
Interest paid (-)	-5	-6
<b>Net cash flows from / used in financing activities</b>	<b>-19</b>	<b>-1,382</b>
Cash and cash equivalents at the beginning of the period	88,678	33,830
Net increase / decrease in cash and cash equivalents	-9,948	-765
Change in cash and cash equivalents due to foreign exchange rates	0	0
<b>Cash and cash equivalents at the end of the period</b>	<b>78,730</b>	<b>33,065</b>

\* In the comparative period Q1 2015 share based payments have been restated. For further information please refer to the Nine Months Report 2015.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in kEUR	Issued Capital	Share premium	Accumu- lated loss	Actuarial gains/losses from remeas- urement of defined benefit pension plans	Exchange differences on transla- tion of foreign operations	Other com- prehensive income	Total Equity
<b>As at January 1, 2016</b>	<b>25,746</b>	<b>154,046</b>	<b>-64,892</b>	<b>-28</b>	<b>6</b>	<b>-22</b>	<b>114,878</b>
Total comprehensive income for the period	-	-	-9,695	-	28	28	-9,667
Issue of share capital	537	27	-	-	-	-	564
Transaction costs	-	-	-	-	-	-	-
Share-based payments	-	2,203	-	-	-	-	2,203
<b>As at March 31, 2016</b>	<b>26,283</b>	<b>156,276</b>	<b>-74,587</b>	<b>-28</b>	<b>34</b>	<b>6</b>	<b>107,978</b>
<b>As at January 1, 2015</b>	<b>163</b>	<b>68,911</b>	<b>-34,488</b>	<b>10</b>	<b>25</b>	<b>35</b>	<b>34,621</b>
Total comprehensive income for the period	-	-	-6,487	-	255	255	-6,232
Issue of share capital	-	-	-	-	-	-	-
Transaction costs	-	-7	-	-	-	-	-7
Share-based payments	-	10,325	-	-	-	-	10,325
<b>As at March 31, 2015 R*</b>	<b>163</b>	<b>79,229</b>	<b>-40,975</b>	<b>10</b>	<b>280</b>	<b>290</b>	<b>38,707</b>

\* In the comparative period Q1 2015 share based payments have been restated. For further information please refer to the Nine Months Report 2015.



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